



**SUBMISSION ON AUSTRALIAN SUSTAINABLE
FINANCE TAXONOMY V0.1. SECOND
CONSULTATION**

Who We Are

Refrigerants Australia

Refrigerants Australia, formed in 1989, is the peak organisation representing the supply chain of refrigerants both in bulk and in equipment. Its members include bulk refrigerant importers representing over 95% of all refrigerants sold in Australia, AREMA (equipment importers and manufacturers), Australia Refrigerant Wholesalers Association, several contractor organisations representing people on the tools using refrigerants, and Refrigerant Reclaim Australia, Australia's award winning refrigerant recovery organisation.

Refrigerants Australia is committed to:

- Reducing the environmental footprint of all refrigerants
- Improvements in energy efficiency in refrigeration and air conditioning equipment
- Safety of all refrigerants
- Preparing industry for a low emissions future
- Encouraging government regulation that delivers environmental benefits.

Air Conditioning and Refrigeration Equipment Manufacturers Association

Established in 1967, AREMA (Air-Conditioning & Refrigeration Equipment Manufacturers Association of Australia) represents the interests of air-conditioning and refrigeration equipment manufacturers active in the Australian market. We work with government and industry on policy formulation and regulation to achieve the best outcomes for our members and the wider community.

AREMA's aims are to:

- Help reduce the environmental footprint of air conditioning, heat pumps and refrigeration in Australia.
- Encourage members to design and manufacture energy efficient equipment.
- Encourage our members to deliver real energy savings to consumers.
- Reduce ozone depleting substances (ODS) and greenhouse gases in a safe and controlled manner.
- Work closely with government to ensure the safe implementation of standards that will benefit end users and product designers.
- Work with other local and global associations to ensure we adopt world's best practice.
- Provide a unified voice for representation to government and industry on key issues.
- Represent the air conditioning and refrigeration industry on key standards committees and, where possible, assist members to interpret these standards.

Brief Industry Facts

It is easy to discount the significance of refrigerants in the Australian economy, however, the Australian economy, community and economy rely on the use of refrigerants. Key statistics include:

The cooling economy accounts for 2.2% of GDP or about \$44 billion annually. The introduction of heat pumps will see these technologies further expand.

The cooling sector provides essential services:

- Preservation of perishable food and medicines
- Ensuring habitable homes and businesses
- Supporting critical infrastructure and manufacturing
- It operates across every sector of the economy

The sector employs 300,000+ people and 20,000+ businesses.

There are over 60 million devices reliant on refrigerants in Australia, and these are used in every sector of the economy. We would point out that:

- the ASFI consultation document mentions refrigeration only in passing. Refrigeration is an essential component of the food production (including fisheries, livestock and horticulture). It is a sector that has been slow to transition to lower GWP alternatives. Refrigerants Australia is pursuing policy updates to reduce emission in this sector that would be relevant to the ASFI. We would be happy to meet and discuss these.
- electric vehicles (low carbon technologies for transport) will require advanced refrigeration systems to maintain battery capacity and longevity. Refrigerants Australia is also pursuing activities in this area and would be happy to discuss these with the ASFI.

ASFI Approach to Refrigerants

Refrigerants Australia and AREMA strongly object to the ASFI's approach in relation to refrigerants for several reasons.

- The generic refrigerant ban fails to recognise the variety of issues manufacturers of equipment deal with including safety, cost, efficiency, and availability.
- Non-synthetic refrigerants have issues including extreme flammability, toxicity and very high pressure. These risks can often be managed, but at a cost (including in efficiency). Much of the equipment with low GWP refrigerants are less efficient than their synthetic greenhouse gas alternatives.
- Using the European Union's F-Gas regulations as the centrepiece of ASFI's proposals fails to account for nuances in the F-Gas regulations. Member states (like France) are delaying implementation because of safety risks with proposed alternatives.
- Additionally, the F-Gas regulation permits contractors and building designers to specify that F-Gases can be used when safety requirements on site demand it. It is reasonable that Australians have similar choices in similar situations.
- Finally, as the debate on F-Gases in the WTO demonstrates, the EU conducted no risk assessments on alternate refrigerants. Quite simply, good engineering and good policy development requires this level of certainty. The ASFI should not specify particular refrigerants without ensuring it understands the nuance of refrigerant issues.
- The references ASFI to several refrigerants by brand names rather than accepted nomenclature suggests that the consultants providing input to the ASFI have been swayed by commercial interests. Refrigerants Australia and AREMA request direct consultation to ensure proposals are evenly balanced.

Referring to "the note on PFAS"

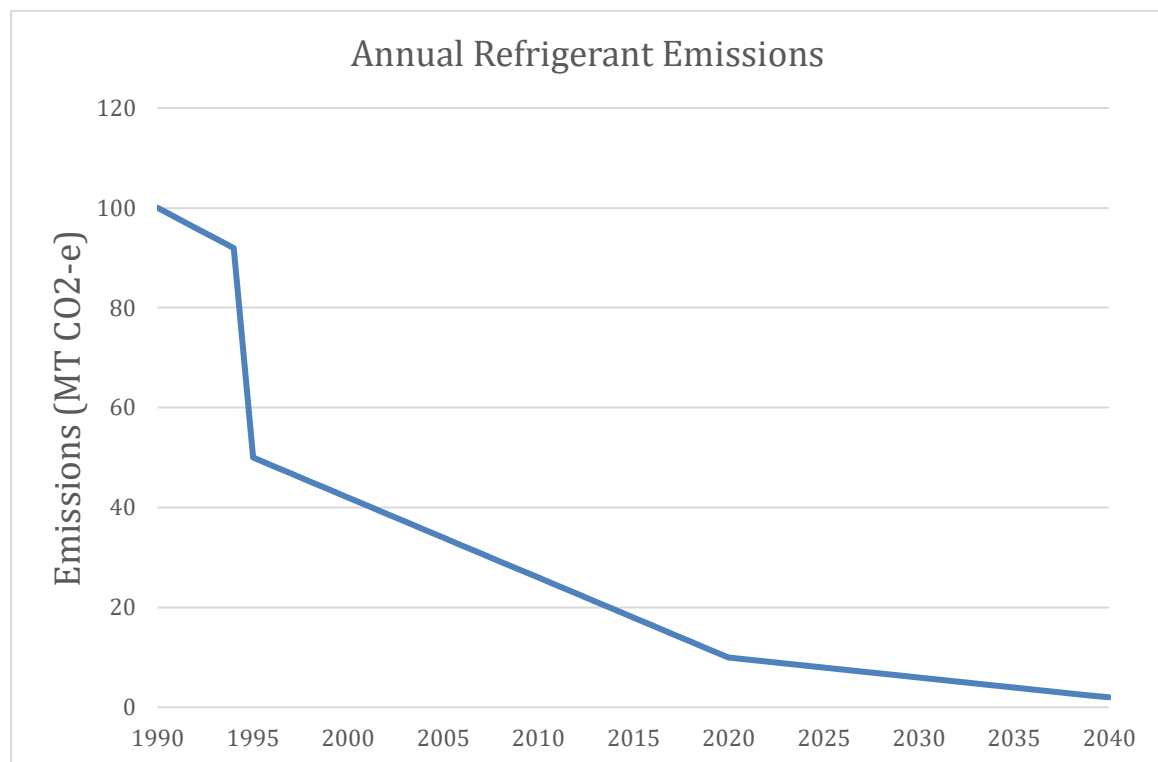
The short comment by the ASFI in the discussion paper on PFAS is inaccurate. The European Union has not made any recommendations on PFAS and the indications are they will not until 2029. Additionally, the EU has just flagged that some sectors may require the use of PFAS to continue. Assuming what the EU will do in relation to PFAS is presumptuous. Critical technical issues around PFAS remain unresolved and it would be wrong to make assumptions.

Refrigerants Australia and AREMA's proposal

We fully accept and support the need, drive and desire to have refrigerants with reduced GWP overall, and within the ASFI framework. We would be willing to work collaboratively over a very short time to assist the ASFI in developing technology specific approaches.

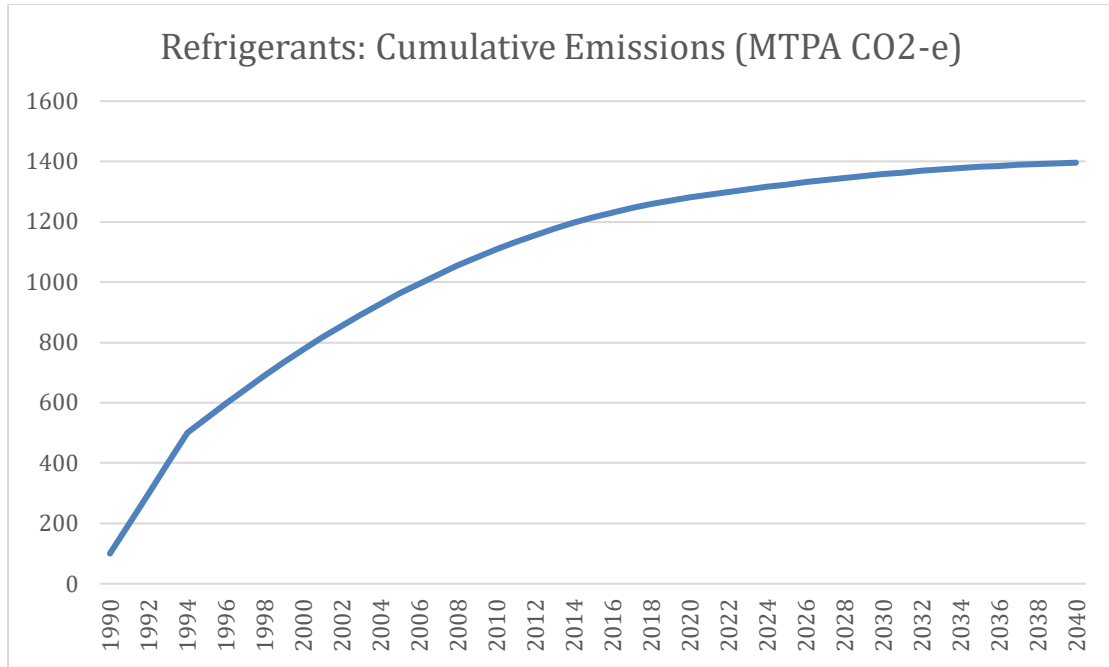
Background

The refrigerants industry has significantly reduced its emissions over the past 20 years and is legislated to further reduce emissions markedly over the next 20 years. The *Ozone Protection and Synthetic Greenhouse Gas Management Act* – consistent with but more aggressive than the Kigali Amendment to the Montreal Protocol – reduces consumption of HFCs in CO₂-e terms by over 80% from 2010 levels through 2036.¹ As a result of this and earlier steps to reduce the consumption of ozone depleting substances, emissions have already been significantly cut and are projected to continue to improve over the coming decades. In fact, BAU emissions in 2050 will be 98% reduced from a 1990 baseline and between 1 and 2 MT CO₂-e on current policy settings.



Additionally, as the figure below shows, cumulative emissions demonstrate that most refrigerant emissions has already occurred or are already in Australia's equipment bank.

¹ This includes GHG emissions from CFCs and HCFCs, which while not included in the UNFCCC accounts, are extremely potent greenhouse gases.



The significance of this analysis is that the HFC phasedown is working as intended and will place Australia in place to meet net zero obligations by 2050.

Refrigerants Australia and AREMA support the Government implementing strong GWP limits on technology types, but not blanket bans, to drive the transition more quickly. It is this policy development that Refrigerants Australia and AREMA would look to engage the ASFI on.

Further Contact

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