



## **Draft Determination Refrigerant Reclaim Australia Limited: Authorisation A91256**

The Airconditioning and Refrigeration Equipment Manufacturers Association (AREMA) wishes to make the following comments in relation to issues raised in the supplementary submission from the Green Cooling Association (GCA), to be considered at the Conference called by the ACCC for April 14 2011.

In commenting on the matters raised by the GCA, AREMA notes that many, if not all, of these points have been covered in earlier submissions by that organisation.

The GCA submission opens with the GCA arguing that the ACCC does not understand its own role, and degenerates from there.

Other issues raised by the GCA show a lack of understanding of the refrigerant gas industry. Allegations about RRA's performance are misinformed, and not substantiated with data from similar schemes operating in other jurisdictions.

The GCA submission is riddled with unsubstantiated allegations, inaccuracies and spurious assumptions. At times the submission degenerates into incoherence.

The submission does not warrant a detailed refutation. Nevertheless, some short comments follow:

### **GCA's Central Arguments**

#### **1. ACCC does not recognise environmental performance as a matter of public benefit.**

The GCA alleges the ACCC does not understand its role. It is clear that many of the matters raised by the GCA fall outside of the scope of Competition and Consumer Act.

#### **2. Performance – RRA does not meet a reasonable level of environmental performance. It achieves very little.**

The GCA alleges that 'the level of refrigerant recovery provided by RRA is very low by any measure.' Unfortunately, the GCA provides no information on what those other measures may be.

The GCA also fundamentally misunderstands the refrigerant gas industry, assuming that 100% of imports are available for recovery and destruction. The GCA seems to be under the misapprehension that RRA is responsible for the enforcement of Commonwealth legislation.

**3. RRA is a monopoly that has anticompetitive impact with regard to low GWP refrigerants and with regard to the development of alternative methods and schemes for refrigerant recovery.**

In one of the more confused sections of the submission, the GCA seems to be alleging that RRA's activities, which are restricted to fluorocarbon refrigerants, are somehow detrimental to non-fluorocarbon refrigerants. It is difficult to see the reasoning behind this section.

**4. RRA is not a product stewardship scheme both by definition and by performance.**

In this section the GCA argues that RRA is not a product stewardship scheme, underpinned by a misunderstanding of RRA's role. Again, the section is comprised of a grab-bag of allegations. The quality of the GCA's assertions are summed up in its allegation that RRA 'has not published an annual report in many years.' We understand RRA has provided the ACCC with a copy of its 2009/10 Annual Report.

**5. Recycling of SGGs has the effect of extending the life and increasing the risk of SGG emissions.**

Recycling has long been recognized as a valid and useful strategy to reduce overall refrigerant emissions. For example, the report jointly produced by the IPCC and UNEP, entitled 'Safeguarding the Ozone Layer and the Global Climate System' identifies the major opportunities to reduce emissions to include end-of-life recovery for recycling or destruction.

**6. Five years is excessive given the changing regulatory situation.**

In this section GCA speculates about future legislation covering both carbon pricing and product stewardship. Presumably, any legislation in this area that applied to RRA would do so irrespective of any Authorisation.

**7. The failure to enforce the OPSGGM Act has caused a high degree of refrigerant emissions, which is illegal, and yet not addressed by RRA, the ARC or the Government.**

Here the GCA alleges that the Ozone Protection and Synthetic greenhouse Gas management Act is not enforced. The relevance of this section is unclear, again exhibiting a profound misunderstanding of the role of the Commission, the Department of Sustainability, Environment, Water, population and Communities, the Australian Refrigeration Council and RRA.

**8. The draft determination makes a number of assertions that are simply inaccurate.**

The relevance of this section is not apparent