



Mr Theo Kelly
Adjudication Branch
Australian Competition and Consumer Commission
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Re: A91515 – Refrigerant Reclaim Australia – Submission

Dear Mr Kelly

Thank you for the invitation to comment on the abovementioned application by Refrigerant Reclaim Australia Limited (RRA) to continue to operate a product stewardship scheme to recover ozone depleting (ODS) and synthetic greenhouse gas (SGG) refrigerants. I note that this application again includes allowing industry participants (which are part of the RRA Board) to discuss and agree to several elements of the scheme, as was included in their last authorisation, Determination A91256.

The Department of the Environment (the Department) has an interest in RRA's application as their product stewardship scheme covers the refrigerants regulated under the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* and supporting legislation (the OPSGGM Programme), administered by the Department.

The OPSGGM Programme regulates the import, export, manufacture and domestic handling ODS and SGGs, and requires appropriate end of life management of these refrigerants. The Department supports RRA's application as it provides a mechanism to manage these refrigerants at end of life, which would otherwise be released to the atmosphere damaging the ozone layer and contributing to global warming.

One of Australia's key policy approaches is to minimise emissions of ODS and SGG refrigerants to the atmosphere. SGG refrigerants are particularly harmful to the environment when released to the atmosphere, many deplete the earth's ozone layer and all are potent greenhouse gases, with Global Warming Potentials in the range of 120 to 10,600. Emissions of ODS and SGGs are reduced through a range of measures including: mandatory trade qualifications or equivalent for all people who handle these refrigerants; mandating standards, including for equipment, handling and storage; and requiring that waste and unwanted refrigerants be returned for disposal.

A viable product stewardship scheme is an important plank of this policy approach. Imports of ODS and SGGs are required, through a licence condition, to manage their product at end of life. RRA is Australia's only product stewardship scheme for the recovery and destruction of ODS and SGG refrigerants and therefore plays an important role in supporting Australian Government policy. While there is potential for other schemes to establish, all current licensed importers of ODS and SGG refrigerants have chosen to meet their product stewardship responsibilities under the OPSGGM Programme through membership of RRA. The scheme also assists technicians and refrigerant wholesalers meet legislated requirements to recover and

dispose of waste or unwanted refrigerant, by providing a mechanism to manage end of life refrigerants and to destroy waste refrigerants.

A recent study commissioned by the Department found that the controls introduced under the Ozone Protection and Synthetic Greenhouse legislation from 2003 have been successful in reducing emissions compared with the business as usual scenario. Those controls include mandatory product stewardship requirements which have been met through membership of RRA.

I note that the expansion of the scope of RRA's current Authorisation, through Determination A91256, allows industry participants (which are members of the RRA board) to discuss and agree to: the level of the levy applied to each kilo of refrigerant imported and sold; set the values of rebates paid to contractors and wholesalers; the processes used to reclaim recovered refrigerant to on-sell; and consider alternative destruction services either in Australia or offshore. As noted above, as all current importers choose to participate in RRA's scheme and would therefore have an opportunity to contribute to these decisions, the Department supports the continuation of this expansion to the scope of RRA's Authorisation.

If you require any further information please contact Natasa Jovanovic, Assistant Director, International Ozone and Synthetic Greenhouse Gas Team, on (02) 6274 2131 or Natasa.Jovanovic@environment.gov.au.

Yours sincerely



Patrick McInerney
Director

International Ozone and Synthetic Greenhouse Gas Team
Department of the Environment
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