



Australian Government

Department of Sustainability, Environment,
Water, Population and Communities

APPLYING AN EQUIVALENT CARBON PRICE TO SYNTHETIC GREENHOUSE GASES

Under the Australian Government's Clean Energy Future Plan an equivalent carbon price will apply to synthetic greenhouse gases.

The price per tonne of synthetic greenhouse gas will be based on the carbon price and the global warming potential for each gas relative to carbon dioxide.

Applying an equivalent carbon price to synthetic greenhouse gases will create a financial incentive to reduce emissions by placing a price tag on every tonne of synthetic greenhouse gases.

It will encourage Australian consumers to consider purchasing products containing alternative gases and to take measures to reduce leakage of gas from equipment. It also provides an incentive for industry to use alternative gases and to improve recycling rates for these gases.

What are synthetic greenhouse gases?

Synthetic greenhouse gases are industrial chemicals used mainly as refrigerant gases in air conditioning and refrigeration equipment. They are also used for foam blowing, as propellants in specialty aerosol products and in the pharmaceutical, fire protection and electricity supply industries.

These gases generally have high global warming potentials, in the range of 140 to 23,900 times that of carbon dioxide. They can also persist in the atmosphere for many years, in one case 3000 years or more.

Who is affected by these changes?

Importers of synthetic greenhouse gases, including importers of equipment containing these gases, will be required to pay the equivalent carbon price. These gases are not manufactured in Australia but any domestic manufacturer would also be required to pay the equivalent carbon price.

How much will it cost consumers?

The impact on consumers is expected to be low as the amount of these gases in consumer products is generally small, with the synthetic greenhouse gas content being a small part of the overall cost of the product.





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For example, the price of a domestic refrigerator would increase by around \$4 and the price of a new car would increase by around \$18 because of the synthetic greenhouse gas contained in the air conditioner (if the full amount of the equivalent carbon price is passed on to consumers).

The government's household assistance package takes these impacts into account and ensures that two in three households will get tax cuts or increased payments that cover their expected average price impact of both this measure and the other elements of the carbon price.

Where alternatives are available, consumers will be able to reduce their costs by choosing products that contain these alternatives. For example, certain brands of domestic refrigerators do not contain these gases.

When does the equivalent carbon price commence?

The equivalent carbon price is part of the government's Clean Energy Future Plan and will commence on 1 July 2012.

What products are affected by the new arrangements?

Products which are likely to be affected by the proposed changes include:

- air conditioners (domestic, commercial and vehicle)
- refrigerators and freezers (domestic and commercial)
- specialty aerosol products
- fire protection equipment

- high voltage electrical switchgear used by the electricity industry
- specialty solvents.

Will the equivalent carbon price apply to all products containing synthetic greenhouse gases?

The equivalent carbon price will apply to all products containing these gases subject to exemptions which may be provided where:

- the minister determines it would be impractical to apply the equivalent carbon price to a product containing synthetic greenhouse gas, or
- the product is for medical, veterinary, or health or safety purposes.

The government will carefully consider the impact on consumers of applying the equivalent carbon price to certain items, particularly those critical for health or safety.

More information

For more information about the carbon price package visit the Clean Energy Future website: www.cleanenergyfuture.gov.au/clean-energy-future/our-plan/

For more information about the government's administration of synthetic greenhouse gases visit: www.environment.gov.au/atmosphere/ozone/sgg

or call the Department of Sustainability, Environment, Water, Population and Communities on 1800 803 772.

