The Refrigeration and Airconditioning Industry in Australia: Trends and Issues

Alan Channels –AREMA Executive Board Member

Presentation to Icarma
Chicago 25 January 2009

The Airconditioning and Refrigeration Equipment Manufacturers Association (AREMA)- Australia

- Since 1967, AREMA has represented the interests of the industry in Australia
- Despite the name, AREMA represents the interests of both Australian manufacturers and overseas companies active in the Australian market

A R E M A

AREMA Membership

AA Filters Pty Ltd
Actrol Parts
Advantage Air
Bettersafe Air Filtration Pty Ltd
Clean Air Technology Australia
Daikin Australian Pty Ltd
Emerson Network Power Australia Pty Ltd
Fujitsu General (Aust) Pty Ltd
Heatcraft Australia Pty Ltd
Industrial Cleaning Service
M&P Specialised Services
Mitsubishi Electric Australia Pty Ltd
Nicotra Australian Pty Ltd
Polyaire Pty Ltd
Sanyo Airconditioning Australia Pty Ltd
Soxon Pty Ltd
Tontine Fibres Pty Ltd
Trox Australia Pty Ltd
ZIEHL - ebm Australia P/L

Accent Air
Actron Air
Australian Air Filters Pty Ltd
Camfil Farr
Cold Rae Pty Ltd
ECP (Australia) Pty Ltd
Fan Coil Industries Pty Ltd
Haier Electrical Australia Pty Ltd
Hitachi Australia Ltd
LG Electronics - Air Conditioning
McQuay Australia Pty Ltd
Mitsubishi Heavy Industries Australia Pty Ltd
Refrigerated Air Pty Ltd
Seeley International Pty Ltd
Temperzone Australia
Torin Industries Pty. Ltd.
Uni-Aire Airconditioning Pty Ltd

Cold Hard Facts- The Refrigeration and Airconditioning Industry In Australia

- We have recently undertaken the first ever economic study of the industry in Australia
- Jointly funded by the Department of Environment and Water Resources and Refrigerants Australia – with AREMA closely involved

What did we see?

An ongoing project

Intended to update every two years

Made freely available to industry, governments and interested parties

Available from Refrigerants Australia Website: www.refaust.org

What does the Australian industry look like?

Direct spending of at least $15.96 billion in 2006, slightly more than 1% of GDP

Employs at least 163,000 people Australia-wide (a total population of slightly over 20 million people)

Affects every Australian

$3.87 billion was spent buying and installing domestic and small airconditioners in 2006

Australia has about 5.63 million installed airconditioners- about 0.7 units per household and rising

Woven into our economic fabric

Feeding Australia and supplying our export markets requires nearly 10 million cubic metres of cold room storage

Non-residential buildings have an installed base of nearly 23,000 chillers, with more than 1400 sold and installed last year

A significant environmental footprint!

Consumed approximately 45,000GWh of electricity, or about 22% of Australia's total

Responsible for 7% of total greenhouse gas emissions nationally, equal to about 40Mt CO_2e

Where have we come from- and where are we headed?

Not only is the industry much bigger than most of us thought- but it is getting bigger faster than we thought

The effect of the world financial crisis is still working its way through- it will be difficult but not catastrophic

Commercial Buildings

More than 140 million m2 of office space, employing approximately 90,000 people, valued at at least $7.5 billion pa

Consume 9% of all electricity produced in Australia, and responsible for 3.75% of Australia’s national greenhouse gas emissions, growing at 4% pa

Issues

The quest for ever higher levels of energy efficiency

An intelligent response to the challenge of climate change- but given the global nature of the industry, requires a high degree of co-ordination amongst governments and international bodies to ensure the best outcome. Energy standards must be practical and achievable, and not used as trade barriers.

ICRAMA obviously has an important role to play in this area.

Emissions Trading

After ratifying the Kyoto Protocol, Australia is moving to establish an emissions trading system, called the Carbon Pollution Reduction Scheme

This will result in a price increase for HFC refrigerants of up to 1000% in some cases.

This is supposed to change behaviour, leading to reduced emissions but-

Industry is not convinced, and prefers to use existing controls that worked very successfully for ozone protection

The Need for Industry Co-Ordination and Information-sharing

This need has never been greater

Environmental issues, financial challenges, occupational health and safety- our industry is at the forefront of all these challenges

AREMA looks forward to a close relationship with ICRAMA as we move forward