

# AREMA rejects calls for \$100 AC levy

The Air Conditioning and Refrigeration Equipment Manufacturers Association (AREMA) has rejected calls for a \$100 levy to be placed on sales of air conditioners in a bid to reduce energy demand.

AREMA's president, Rod King, said raising the price of air conditioners was unlikely to do anything to reduce demand and that air conditioners were a convenient scapegoat for a complex problem.

Mark Diesendorf, director of the Sustainability Centre at Murdoch University, recently told the *Australian Financial Review* that a levy on air conditioners was an option for government to consider as air conditioners were a major driver of surging electricity demand.

"There's a lot that governments can do but mostly they are not doing," Diesendorf said.

In a letter to the *AFR*, Jeff Angel of the Total Environment Centre said a levy on air conditioners would be far more effective than the alternative in reducing demand - "an unfair price hike for electricity and more greenhouse emissions".

"Peak summer demand, driven largely by air conditioners, is the critical dilemma facing the Australian electricity industry," Angel said. "Air conditioners consume up to 250 per cent more network capacity than natural cooling on hot days, yet prices are averaged so that low energy users subsidise energy guzzlers by having to pay for new investment in generation and networks.

"Without a levy, it will be the responsible energy users who will be unfairly footing the economic and environmental bill. Spiralling energy demand is a complex problem, and a levy on air conditioners is part of the answer."

Rod King said this was a simplistic view of a complex issue. "Apart from the practical and equity issues surrounding

such an approach, it has to be recognised that raising the price of air conditioners across Australia, as is being proposed by the Total Environment Centre, is unlikely to do anything to reduce demand for electricity," King said.

"The fact that you paid an extra \$100 for your air conditioner is not going to make you use it less, and if such a levy were introduced across the board, would do little to dampen overall demand for air conditioners.

"Nominating a class of appliances is a superficially satisfying but essentially erroneous approach to issues of energy demand and ultimately climate change. The fact that, according to the Australian Greenhouse Office, 10 per cent of domestic electricity consumption relates to appliances remaining on standby mode indicates there are a lot of areas where we will have to get smarter.

"But plonking a levy on air conditioners is not one of them. Obviously better building design is essential if we are to have intelligent and sustainable use of things like lighting and air conditioning, as well as the other products we use daily.

"A levy on air conditioners will not address issues facing electricity suppliers and their customers, but merely provide a convenient scapegoat for a complex problem."



AREMA president Rod King said a levy was a simplistic view of the problem.

## Mitsubishi Electric joins the Pirate ship

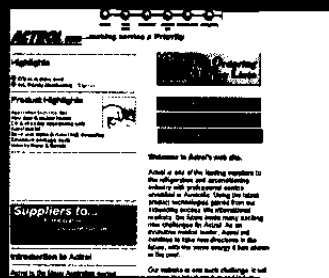
Mitsubishi Electric has announced a corporate partnership with Australia's newest National Basketball League (NBL) franchise, the Herald Hunter Pirates.

With the season starting on 1 October 2003 against Melbourne at the Newcastle Entertainment Centre, Mitsubishi Electric is confident of a great season for both parties.

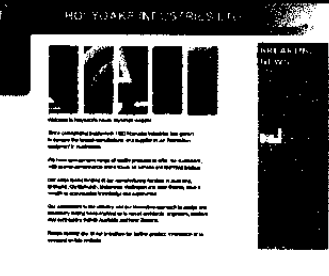
Mitsubishi Electric sees this corporate donation and partnership as an opportunity to support the wider Hunter, Lake

Macquarie and northern New South Wales region. The Herald Hunter Pirates, in addition to games in Newcastle, also have plans to play throughout the region, including Maitland, Singleton and Cessnock.

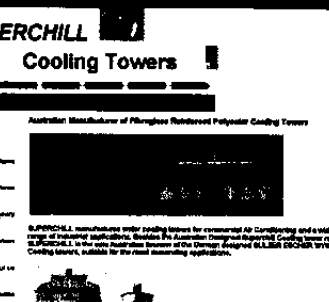
Keith Allen, general manager of Mitsubishi Electric's Living Environment Group, said the partnership would allow Mitsubishi Electric to join the Herald Hunter Pirates at the beginning of its championship journey and play a bigger role in the Hunter community.



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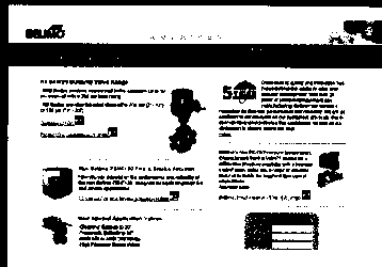
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