

Senate Standing Committee on Environment and Communications
Legislation Committee
Answers to questions on notice
Sustainability, Environment, Water, Population and Communities portfolio
Additional Budget Estimates, February 2012

Program: Division or Agency: 2.1: EQD **Question No:** 043
Topic: The Australian Refrigeration Council's compliance audit program
Proof Hansard Page and Date or Written Question: 113 (13/2/12)

Senator Ludlam asked:

Senator LUDLAM: Can you tell us, first of all, which organisation is conducting the audit? Has that tender been let yet?

Dr Wright: I can tell you about the existing arrangements. If you want me to provide information on any tender, then I would need to take that on notice. It may be possible to get back within this session, but I do not have that information to hand. I can talk to you about the way the existing audit program runs.

Senator LUDLAM: Let's start there.

Dr Wright: The Australian Refrigeration Council runs the audit program of compliance with the regulations on behalf of the industry board, which runs the program for the department. If you wish to know how the program runs, audits of about 6,000 licence holders are undertaken each year. If someone is not compliant, if there is serious non-compliance, the Australian Refrigeration Council writes to the business and seeks to rectify. If that problem is not rectified, then the matter is handed over to the department who further writes to the organisation and follows up to check compliance. If there continues to be non-compliance, then the licence—and there are two types of licences: a handling licence or a trading authorisation—can be either suspended or cancelled.

Senator LUDLAM: How often does that happen? Because we are a bit short of time, could you provide us on notice with some data? If this is in an annual report, just tell me where I can find it—the number of prosecutions and the number of licence revocations that have occurred.

Dr Wright: I can advise that it is easier for licence holders and more desirable for them to comply, so I would not expect that number to be high, but I can take it on notice.

Senator LUDLAM: Is the number zero?

Dr Wright: I do not have that information. I would need to check.

Answer:

Request for tender process

The Department of Sustainability, Environment, Water, Population and Communities (the department) has a Request for Tender (RFT) currently in the market for the 'Services of a refrigeration and air conditioning (RAC) industry board as described under the Ozone Protection and Synthetic Greenhouse Gas Management Regulations 1995' (the Regulations). The tender is listed on AusTender as ATM:1011-0565. The department is conducting the RFT process which at the time of this hearing was open to the market on AusTender.

Licence revocations

In the period June 2009 to June 2011 four Refrigerant Trading Authorisations were suspended under regulation 123 of the Regulations. There have been no prosecutions of RAC permit holders under the Regulations.

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Program: Division or Agency:	2.1: EQD	Question No:	044
Topic:	Tender for the Australian Refrigeration Council's compliance audit program		
Proof Hansard Page and Date	113		
or Written Question:	(13/2/12)		

Senator Ludlam asked:

Senator LUDLAM: ...You may need to take these questions on notice, because I am aware this is fairly specific. I am interested to know about the tender for the compliance audit. Has the tender been let? Is there an organisation or an independent consultant or another organisation that has been brought on board to do that?

Dr Wright: I will take this on notice.

Senator LUDLAM: Okay. Let's rack up a few. Maybe you could tell us how and where the findings of the current auditor are reported so that we know how to find those things. Who does the auditor report to? What steps have been taken to assess their auditing performance?

And if you could, perhaps, when did the Audit Office, if ever, take a look at overall performance?

Dr Wright: We will take that on notice. I was just asking if we had knowledge of whether some of the details you are asking for were in the annual report. I think it is easier if we do not take up time now so we will take it on notice.

Answer:

The Department of Sustainability, Environment, Water, Population and Communities (the department) is conducting the Request for Tender (RFT) process which at the time of this hearing was open to the market as advised on the AusTender website as ATM: 1011-0565. The RFT process has been conducted with the assistance of a Probity Advisor external to the department. Once the process is finalised the department will be in a position to notify the Committee of the results.

The Refrigeration and Air Conditioning (RAC) Industry Board conducts 'audits' of businesses to check they are operating within the conditions of their permit. These compliance 'audits' are undertaken to ensure that businesses storing fluorocarbon refrigerants are doing so appropriately, that approved equipment is used and that permit numbers are included in business stationery, advertisements and signage.

The compliance auditors working for the RAC Industry Board report to the National Compliance Manager and the Chief Executive Officer (CEO). The CEO reports formally on the administration of the RAC permit scheme to the Board members of the RAC Industry Board on a quarterly basis, this includes the performance of the compliance audit program.

The department and the RAC Industry Board meet yearly to discuss operation of the RAC permit scheme, including determining the priorities of the compliance audit program. The department and the RAC Industry Board also monitor performance of the RAC permit scheme on a frequent basis, including the number of permits being issued, audits undertaken, level of compliance and the collection of permit application fees.

The RAC Industry board's annual report, which includes information on its compliance auditing program, can be found at <http://www.arctick.org/pdf/annual/ARC%20Annual%20Report%202011.pdf>.

The department publishes information on the administration of the RAC Industry Board in its Annual Report which is available at http://www.environment.gov.au/about/publications/annual-report/1011/part3_outcome2/part05_operation_of_the_ozone_protection_and_synthetic_greenhouse_gas_management_act_1989.html. Tables 5 and 6 contain details of permit numbers and audits.

The Australian National Audit Office has not looked at the overall performance of the RAC Industry Board or the RAC permit scheme.

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Program: Division or Agency: 2.1: EQD **Question No:** 045
Topic: Illegal export of e-waste
Proof Hansard Page and Date 113-114
or Written Question: (13/2/12)

Senator Ludlam asked:

Senator LUDLAM: ...I will turn to the subject of e-waste. I put a couple of questions to you last time we were here about dumping of shipping containers full of Australian televisions and computers and white goods and surplus electronic trash in Ghana where it was burnt near an open-air market. This was reported on two consecutive Dateline broadcasts. Can you give us any update on the investigation?

Dr Wright: We have been in contact with the Ghanaian authorities to seek further information on that particular case, both with a view to trying to identify the particular container and its origin, but also from the point of view of information that could be put into the compliance system and profiling for future cases. We have not had information from the Ghanaian authorities that has allowed us to progress that particular case further because the e-waste that was subject to that program had been let out on bond, basically. So we need to be able to track the container to progress the issue, but we are still in contact. However I can say that, as a result of our interactions and working with Customs, we detained a container headed for Ghana in Australia in January, and that is currently subject to investigation as to whether it constitutes working equipment or contravenes the Hazardous Waste Act.

...

Senator LUDLAM: When was that container intercepted?

Dr Wright: In January. I do not have the specific date with me.

Senator LUDLAM: What has become of the 15 containers of waste that you detained or impounded as a result of questions I put to you in October?

CHAIR: That has to be your last question.

Senator LUDLAM: That is a shame. In that case, I am going to ask a different one, and I will put the other one on notice, if I can.

Answer:

The container scheduled for export to Ghana was detained on 3 January 2012.

The hazardous waste contents of the 15 containers detained in Australia during the period 2009-2011 were prevented from being exported and the owners were instructed to safely dispose of the waste at their own expense.

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Program: Division or Agency: 2.1: EQD **Question No:** 046
Topic: Statistics on compliance
Proof Hansard Page and Date or Written Question: Page 113
(13/2/12)

Senator Ludlam asked:

Senator LUDLAM: Perhaps you could provide some statistics on compliance. You have made it sound as though you have to be pretty badly behaved before anybody will wave a stick at you.

Dr Wright: Clearly there is engagement between those who run the audit program and the individual. My experience is that rectification is usually pretty quick, but I really need to get the statistics. I cannot talk any further at this stage.

Senator LUDLAM: Thank you.

Answer:

In 2010-11 there were 6,989 audits of refrigerant trading businesses undertaken. In 2010-11, 337 non-compliant audits became compliant through the follow up activities of the Refrigeration and Air Conditioning Industry Board, the majority of these non-compliant cases were returned to compliance within a month. In 2010-11, 119 non-compliant cases were referred to the Department of Sustainability, Environment, Water, Population and Communities (the department) for management. In 2010-11 one refrigerant trading authorisation was suspended by the department. The remainder dealt with by the department were brought into compliance.

The cases which were neither brought into compliance by the Refrigeration and Air Conditioning Industry Board nor referred to the department, were dealt with for further compliance action by the Refrigeration and Air Conditioning Industry Board at the time they came to renew their refrigerant trading authorisation.

The department and the Refrigeration and Air Conditioning Industry Board both provide information regarding the audit process and compliance measures on their respective websites: <http://www.environment.gov.au/atmosphere/ozone/rac/compliance.html> and <http://www.arctick.org>.