

2022 /23



THE TRUST FOR THE DESTRUCTION OF SYNTHETIC REFRIGERANTS
ANNUAL REPORT



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1. A WORD FROM OUR CHAIR

It has been a very busy year for the Trust as we continue to work with government on the development of a regulated product stewardship scheme for F-gases.

As part of this we have continued to strengthen our trust governance, first with the appointment of Linda Mulvihill (General Manager of Energy and Climate at Fonterra) as trustee, and later adding refrigeration industry stalwarts Dave Nicholls (Patton Refrigeration) and Matthew Darby (EcoChill).

And for the first time in its thirty year history, the Trust now has permanent employees. Janine Brinsdon joined the Trust as Chief Executive in April 2022, and a team is being built up over time to enable the Trust to meet the new objectives it has set for itself.

Cool-Safe became the new brand for our existing voluntary product stewardship scheme late in 2022, a change deemed appropriate as we move to become a regulated Product Stewardship Organisation. And a bounty was introduced in October 2022, rewarding businesses for all end-of-life gas deposited at our collection centres.

The Trust has also committed to a major investment. A new company, Chemical Destruction Services Limited, was established and funded by the trust, and CDS has contracted Canadian company Progenesis to build NZs first plasma arc destruction plant in Kwarau, so that we can destroy F-gases onshore. (They currently get shipped to Australia for destruction). While CDS is wholly owned by the Trust, it will ultimately operate independently, as the plant has capability to destroy other harmful substances other than the Fluorinated gases that will continue to be collected by Cool-Safe.

I thank my fellow trustees for the work they have put in this year. The transition the Trust has been going through demands high levels of commitment. And thanks also to Janine Brinsdon and her team, who ultimately do all the heavy lifting for the Trust.

Ngà mihi,
Richard Lauder
Independent Chair



2. ABOUT US

Cool-Safe is Aotearoa New Zealand's Ministry for the Environment voluntary Product Stewardship Scheme for refrigerants, accredited by the Ministry since 2010.

We're governed by The Trust for the Destruction of Synthetic Refrigerants, which was formed in 1993 to manage refrigerant gas collection and destruction in New Zealand.

Since 1993, Cool-Safe has prevented 1,377,000 tonnes of CO₂eq greenhouse gas emissions from impacting our atmosphere. In addition, since we've started our Bounty and Bulk Refrigerant Buy-Back programmes, the volume of refrigerant gases we've collected has increased significantly.

Cool-Safe is building on the great work already carried out by our industry to inspire and enable us all to increase that even further and reduce the environmental impact of synthetic refrigerant discharges by 90%, by 2035.

As an environmental trust, we have committed to reinvest any proceeds from Cool-Safe's refrigerant recovery programme back into supporting the refrigerant industry here in Aotearoa New Zealand.

We're also committed to supporting the industry transition to refrigerant regulations in 2024.



3. COLLECTION AND DESTRUCTION OF REFRIGERANT

Refrigerant collected for destruction by Cool-Safe increased by 16% this financial year and exceeded our annual target of 34,000 kgs per year.

For the year up to 31 March 2022, 33,168 kg of refrigerant was recovered, with 38,481kg collected for recovery in the 2023 financial year.



COLLECTION AND DESTRUCTION OF REFRIGERANT

For the year ended 31 March 2023

Recovery projects and regularly reviews its financial performance and financial position. At 31 March 2023 Recovery had accumulated funds of \$25,254,000, on a historical cost basis, after providing for costs of destruction of refrigerants collected, but not yet destroyed at balance date.

	31/03/2023 kg	31/03/2022 kg
Refrigerant held at 1 April	25,725	45,960
Collected (and decanted in period)	38,481	33,168
Exported/Destroyed	(20,125)	(53,403)
Refrigerant held at 31 March	44,081	25,725

Refrigerant destroyed comprised the following:

OFCs	62	3,605
HCFCs	5,639	4,849
HFCs	14,424	44,949
Total	20,125	53,403

Destruction of refrigerant in the 12-month period has achieved a positive outcome for the environment by saving up to 360 tonnes of ozone and reducing the build-up of greenhouse gases by up to 43,000 tonnes of CO2 equivalent.

4. REFRIGERANT RECOVERY PROGRAMME EXPANSION: LAUNCH OF OUR BOUNTY AND BULK BUY-BACK INITIATIVES

In October 2022 we launched two refrigerant buy-back programmes; the Bounty Buy-Back Programme and the Bulk Refrigerant Buy-Back Programme.

These programmes provide a financial incentive to reward those who are depositing end-of-life refrigerants at our collection sites, with an aim of increasing the amount of recovered synthetic refrigerants across New Zealand.

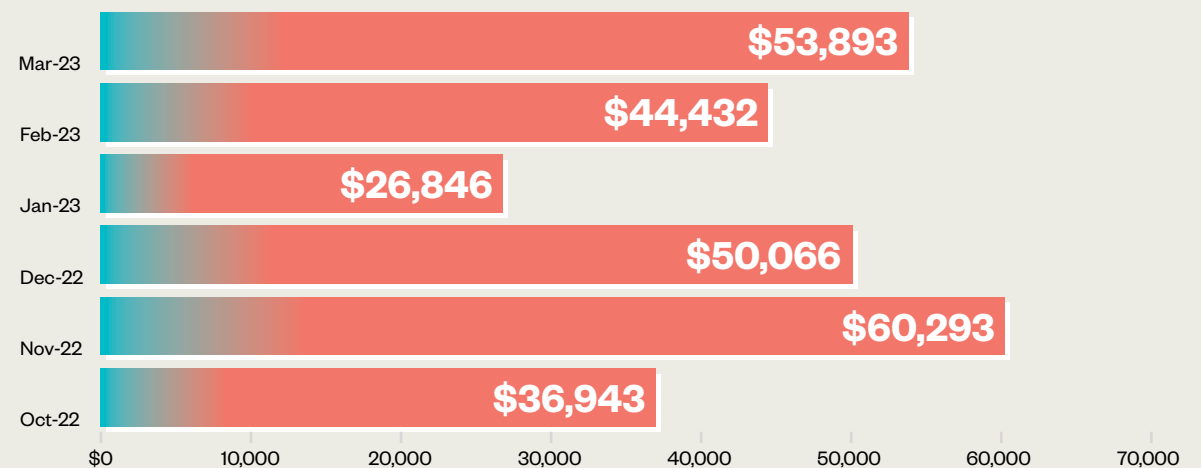
The Bulk Buy-Back programme is for single stream refrigerant only, but the Bounty Buy-Back programme rewards the recovery of mixed refrigerants, including legacy refrigerants.

The Bounty Buy-Back Programme initially paid \$15 per kg of refrigerant recovered, and we started our attractive Bulk Refrigerant rates from 500kgs.

A total of over \$270,000 bounty payment purchase orders (POs) were issued from October 2022 to the end of March 2023.



Bounty payment PO's issued - NZ dollars



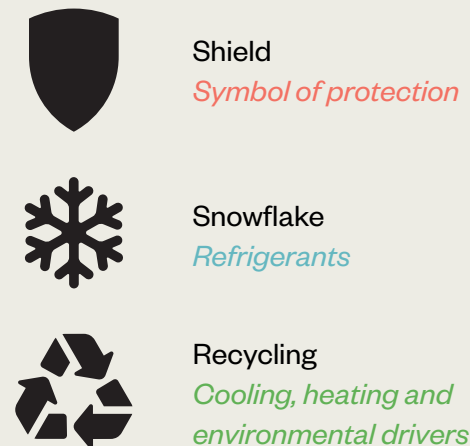
5. ENGAGEMENT: COOL-SAFE BRAND LAUNCH AND ROADSHOWS

In November 2022, we launched our Cool-Safe brand and scheme, replacing the RECOVERY programme which had been running since 1993.

The introduction of 'Cool-Safe' signalled our shift in approach that built on the great work already carried out by our industry through RECOVERY, but also supported our industry to be fit for a future that will require us all to move to 'next generation' refrigerants technologies and operate within a government regulated framework.

We worked with industry representatives to develop the new Cool-Safe look and feel, which was included across our communication channels including a new look website, our social media channels and a fortnightly e-update for our stakeholders.

The new brand was launched in the first instance across three roadshows held in Christchurch, Auckland and Wellington. Over 160 stakeholder from across the refrigerants industry, Government and local waste networks joined us for our roadshows.



Christchurch Roadshow



Wellington Roadshow



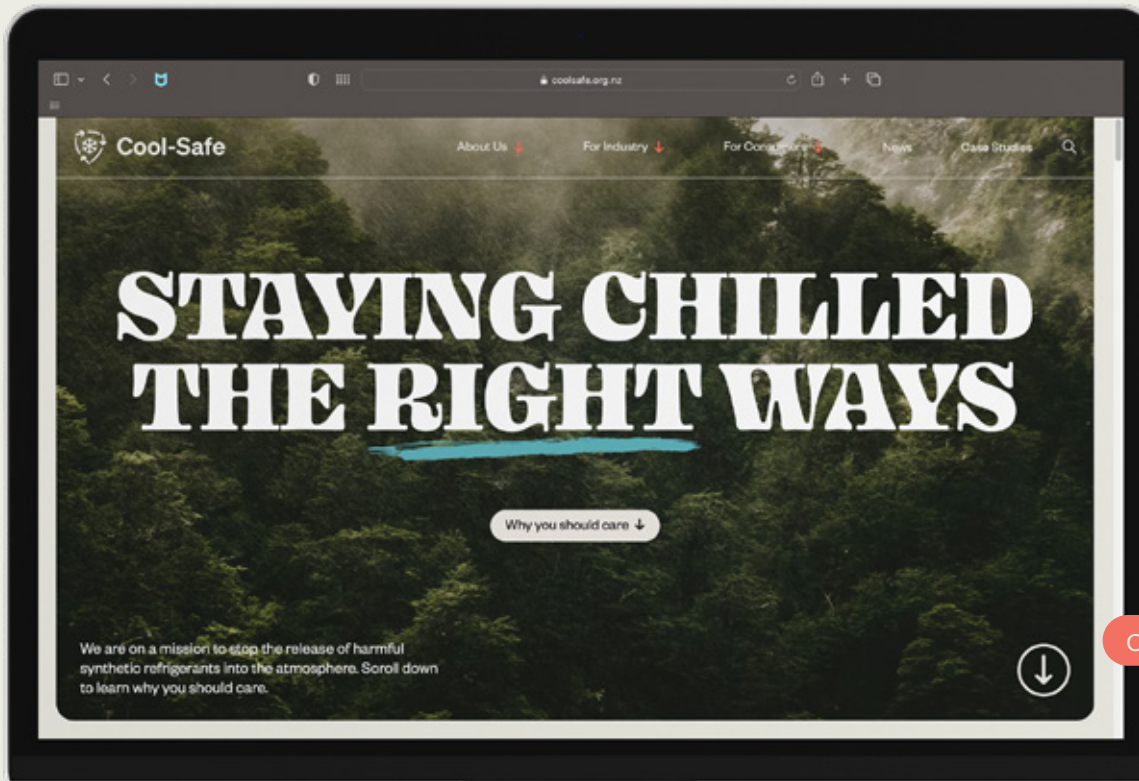
Christchurch Roadshow



Auckland Roadshow



Our new look website



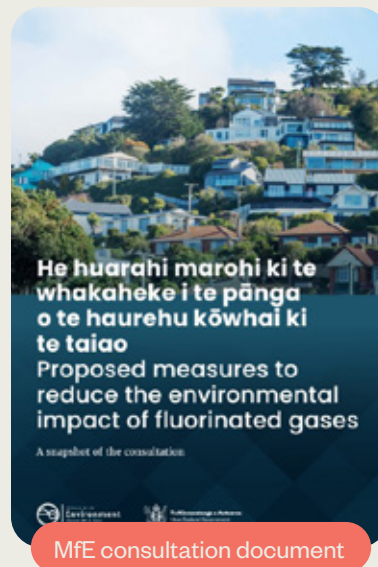
6. ADVOCACY & REPRESENTATION: SUBMISSION TO CONSULTATIONS IMPACTING OUR INDUSTRY

An important aspect of our refrigerant product stewardship role is to listen to the voice of our industry, and advocate on the environmental related issues and opportunities that impact them and their businesses.

MfE Consultation – Proposed changes to regulations for the New Zealand Emissions Trading Scheme 2022

From 17 March to 28 April 2022, the Ministry for the Environment consulted on proposed technical amendments to regulations under the Climate Change Response Act 2002 to maintain the accuracy of the NZ.

The key points in our response to this consultation were that changes didn't compromise New Zealand Inc's ability to meet our national and international climate mitigation responsibilities. If changed, robust compliance, monitoring and enforcement would be required to ensure end of life visibility and security of refrigerants were maintained.



Our response to publication of New Zealand's first Emissions Reduction Plan

In May 2022 the Government published its first New Zealand Emissions Reduction Plan, laying out targets and actions we all will take to meet those targets. They covered every part of government and every sector of the economy from transport, energy, building and construction, waste, agriculture and forestry. For the refrigerants industry, the plan focused on moving away from fluorinated gases with high global warming potentials to support the domestic transition to a low-emissions future and the global phase-down of those gases.

Our key points response to that first plan included:

- We supported the plan but believed there was more as an industry we could do
- The Trust believed a coordinated effort, enabled by a regulated product stewardship scheme, could achieve a 90% reduction in the climate impact of refrigerant gases, versus the Government's aim of 35% by 2035.

MfE Consultation – Proposed measures to reduce the environmental impact of fluorinated gases

In November 2022 the Ministry for the Environment launched their consultation on proposed measures to reduce the environmental impact of fluorinated gases. This consultation and its proposals has significant impacts on our industry including:

- A regulated product stewardship scheme for refrigerants
- Prohibiting the import and sale of pre-charged equipment when alternatives are available

Through our roadshows, 1-2-1 engagement and a nationwide webinar with the MfE and other industry representation, we gathered feedback and made a submission to the consultation. Our key points included:

- The Trust strongly supports the implementation of a regulated product stewardship scheme.
- It is essential, given their hazardous nature, that synthetic refrigerants (F-gases) should only be handled by properly trained and qualified professionals, and this should be required through regulation.
- We agree with the proposal to require businesses decommissioning, dismantling, disposing of or recycling equipment containing refrigerants or

other synthetic greenhouse gases to register with an accredited refrigerant stewardship scheme and demonstrate appropriate competence.

- The wider HVACR industry is united in its request for regulation.
- With New Zealand becoming a signatory (Oct 2016) to The Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, there is an existing framework or direction of travel in place for the phase down of synthetic refrigerants. The Trust supports this international agreement and acknowledges the role it will play in reducing the environmental impact of HFCs.



7. IMPACT: OUR GROWING INDUSTRY AND STAKEHOLDER NETWORK

Key to us achieving our mission and objectives is ensuring the refrigerants industry and our other stakeholders have awareness and our supportive and engaged with our scheme.

Through our one-to-one relationship building and communication and engagement initiatives (including our media initiatives, roadshows, advertising, social media, sign-up prize draws and roadshows), the awareness of our scheme and stakeholder reach has increased substantially since we launched our Cool-Safe scheme in October 2022. The organisations in our database increased by over 400, and our contacts grew by over 600.

And our social media presence and following also increased during the six months from our Cool-Safe launch in October 2022, until the end of March 2023.

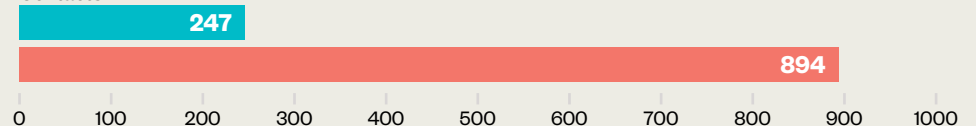


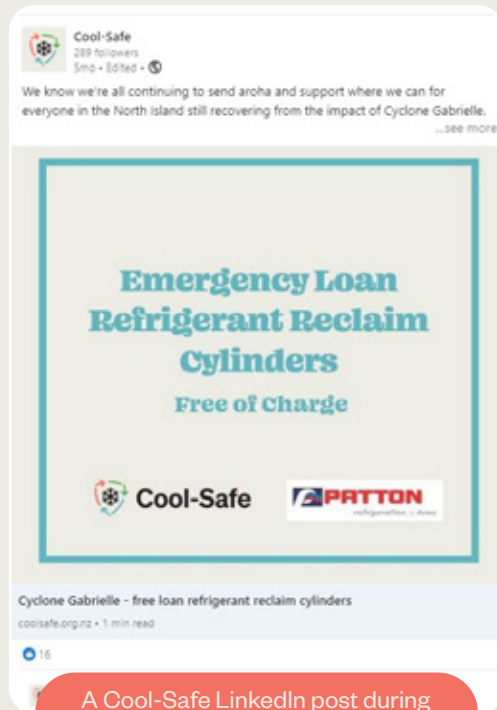
Cool-Safe database: organisations and contacts

Organisations



Contacts



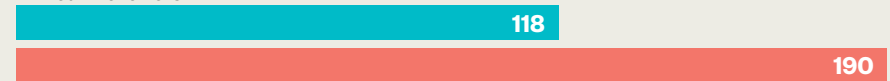


A Cool-Safe LinkedIn post during our Cyclone Gabrielle response

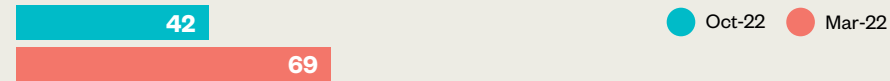


Social media following

LinkedIn followers



Facebook followers



0 20 40 60 80 100 120 140 160 180 200

8. ORGANISATIONAL DEVELOPMENT: A NEW EXECUTIVE TEAM

Over the annual reporting year 2022/23 (1 April 22 – 31 March 23), the Cool-Safe executive team grew from none to three team members. Hopefully by now many of you will have had the chance to meet the team in person.

Along with the new team additions we introduced a SharePoint document management system to support our work delivery, team visibility, and the effective development of our key projects. ZOHO Client Relationship Management (CRM) is the secure online subscription based software that manages not only our scheme database, but also our communications, surveys and events.



Janine Brinsdon
Chief Executive

Janine Brinsdon joined Cool-Safe as Chief Executive in April 2022, bringing with her a wealth of leadership skills and experience in change management and stakeholder engagement, having led WasteMINZ as their Chief Executive for three years. Before that she was General Manager at Business North Harbour and served as an Executive Board Member with the British New Zealand Business Association.



Ben Fechney
Collection Services Business Development Manager

Ben joined the Cool-Safe team as Collection Services Business Development Manager in October 2022, after spending the majority of his career working for two of New Zealand's major air conditioning suppliers and managing key account relationships across the residential, commercial and corporate HVAC trades sectors throughout the country.



Janine Maher
Communications Manager

Janine Maher joined the Cool-Safe team in October 2022, and has had a varied career beginning in journalism, before moving into strategic communication roles in the health and aviation industries in Aotearoa and England.

9. OUR TRUSTEES

Our trustees are appointed to represent all refrigerant industry groups in New Zealand. We also have an independent Chair from outside industry to offer broader experience and insight.

The term of office for our Board members is three years, and they may be reappointed for a maximum of two consecutive terms.

This year we introduced the Board Pro management software and portal to support more efficient, effective and robust management of our Board meetings and required reporting.

Our Trustees for the 2022/2023 financial year are as follows:



Richard Lauder
Independent Chair



Sameer Handa, MNZM
*Refrigeration sector
suppliers*



Lionel Rowe
*Industry associations
(MTA)*



Linda Mulvihill
*Large scale holders/
customers*



Clifton Madgwick
*Refrigeration sector
suppliers*

10. FINANCIAL STATEMENTS

Please note our financial statements reflect the Trust's decision to stop charging industry an Advanced Destruction levy to fund the delivery of the product stewardship scheme effective January 2022.

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2023

	31/03/2023 \$000s	31/03/2022 \$000s
Levies received	0	377
Less levy collection fees	0	(19)
Net revenue from levies	0	358
Less refrigerant collection and destruction fees	(1,235)	(922)
Gross surplus / (deficit)	(1,235)	(564)
Less administration and financial expenses	(1,737)	(812)
Net surplus / (deficit) before other income	(2,972)	(1,376)
Interest received and gain / (loss) on investments	5,764	5,327
Value of NZUs received	2,629	5,508
Net surplus	5,421	9,459

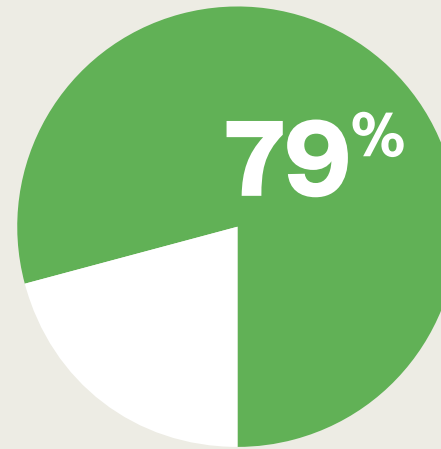


11. ANNUAL SURVEY 2023

In August 2023 we launched our first Annual Cool-Safe Survey. The intention of the survey is to understand from industry and other stakeholders how well we're doing in supporting them in our collective environmental mission, and areas we can improve on.

Some of the highlights from this year's survey include:

- Of the 57% of respondents who worked directly with refrigerants, 79% had an approved fillers qualification.
- The most used Cool-Safe services were our refrigerant recovery and destruction services (46%), our roadshows (41%) and our fortnightly e-update (39%).
- And areas you would like to see more development of were training (71%), transition to regulations (52%) and networking opportunities (40%).
- Quantitative feedback on areas for improvement included more access to cylinders to support refrigerant recovery and widening the support we provide to industry beyond refrigerant recovery and destruction.



of respondents who worked directly with refrigerants had an approved fillers qualification

“Great to see the price going up.”

Current Training Qualifications – frontline teams

Company own training

24%

NZQA L4

29%

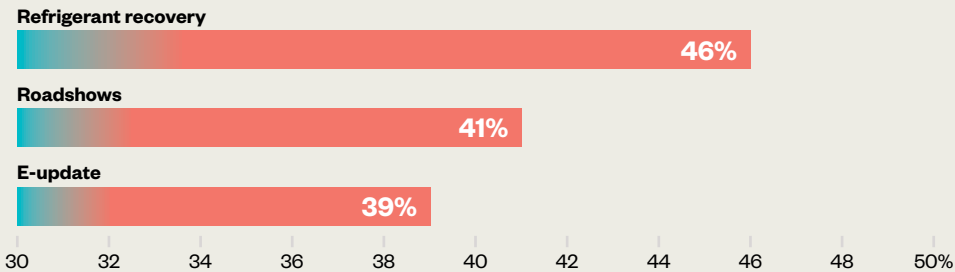
Approved Fillers

79%

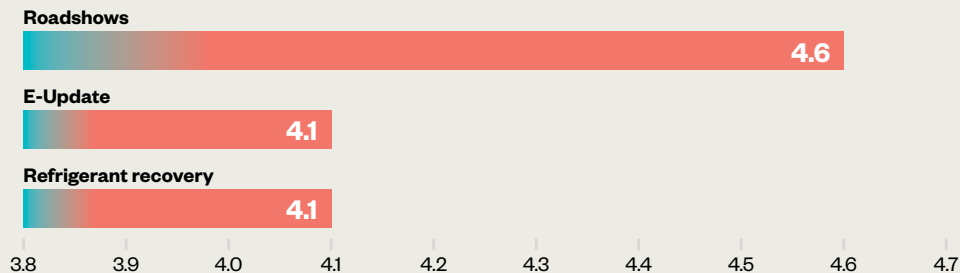
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“ Easy, nice to get \$ for Kgs.”

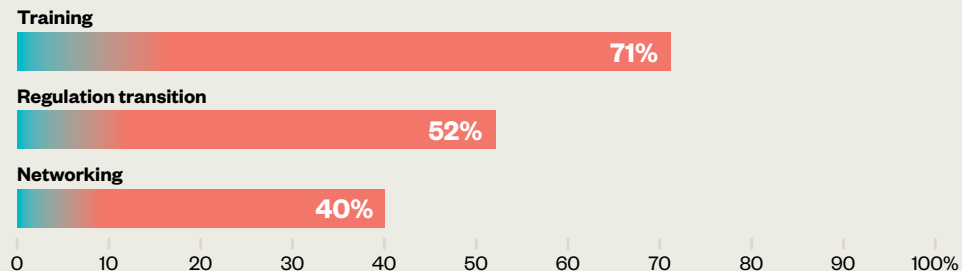
Most used Cool-Safe services



How did we do? Rated out of 5: 1 is poor, 5 is good



What else you want us to offer



“ Having a paid collection system for refrigerant has been a great move.”



APRIL 2023 AND BEYOND

From April 2023 we have continued to grow our Cool-Safe programme and initiatives and strengthen our relationships across our industry and within Government.

REFRIGERANT RECOVERY PROGRAMME DEVELOPMENT

We have continued to grow our refrigerant recovery programme as the year has progressed. In April 2023 we increased our bounty buy-back rate from \$15 to \$25 per kg of recovered refrigerant, and in July 2023 we lowered the amount of refrigerant required to access our attractive Bulk Buy-Back rates to 200kgs.

Working with partners across the country we have developed a wider range of options for both trade and end users to dispose of recovered refrigerants, and we've increased the pick-up frequency of all cylinders, along with introducing faster decanting

We have plans to expand this further with the introduction of 10 additional sites over the coming year to support the recovery of mixed refrigerant by the HVACR trade which will continue to be incentivised with bounty payments.

We're also expanding our reach into supporting public waste disposal sites, with plans for Cool-Safe collection services at 15 disposal sites across the country where end of life equipment (which may or may not contain refrigerants) can be deposited by public consumers.

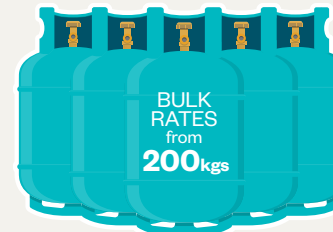
In May 2023 we announced the streamlining of our already available recovered refrigerant courier collection service for businesses not close to one of our collection sites across the country. All refrigerant returned via the free courier collection service is eligible for the \$25/kg bounty payment.

2 GREAT NEW OFFERS for your Recovered Refrigerants from the Cool-Safe Team!

Our **Bounty Buy-Back** has increased to **\$25/kg**

Find a list of our collection sites across the country at www.coolsafe.org.nz/for-industry/collection-sites

Contact Ben Fechny, our Collection Services Business Development Manager with any questions: Ben@coolsafe.org.nz



Our attractive **Bulk Refrigerant Buy-Back Rates** are now available from **200kgs**

Contact our Chief Executive Janine Brinsdon to find out what your bulk recovered refrigerant is worth: Janine@cool-safe.org.nz

Cool-Safe is Aotearoa New Zealand's accredited refrigerant Product Stewardship Scheme. As an environmental trust, we reinvest any proceeds from our recovery programme back into supporting the refrigerant industry right here in New Zealand.

Find out more: www.coolsafe.org.nz

ENGAGEMENT: REGIONAL ROADSHOWS AND FUTURE:GAS SPONSORSHIP

Following our roadshows in our main centres launching the Cool-Safe scheme in October and November 2022 (Auckland, Wellington and Christchurch), we held regional roadshows in Hamilton, Hastings, Palmerston North, Nelson and Invercargill during May 2023. These roadshows were well attended and gave us not only the opportunity to spread awareness of the Cool-Safe scheme, but also gave refrigeration businesses across the regions an opportunity to connect and build local relationships.

We also attended and engaged with attendees at the IRHACE HVACR hub at Build NZ in June 2023, and were the drinks sponsor and exhibitor at the future:gas roadshows held in July 2023 in Auckland, Wellington and Dunedin.



Future:gas



ORGANISATIONAL DEVELOPMENT: NEW ROLES TO SUPPORT COOL-SAFE'S GROWTH

In April 2023 Maria Lally joined the Cool-Safe team in the newly created role of Projects Support Coordinator. Maria has a background in the financial services industry and has worked for refrigeration and air conditioning organisations as well.

Additional appointments will be made in 2023-24 to support the Trust's transition from a voluntary to regulated product stewardship organisation (PSO,) should we be accredited as the PSO for the priority product refrigerants.





ADVOCACY AND REPRESENTATION: SUBMISSIONS

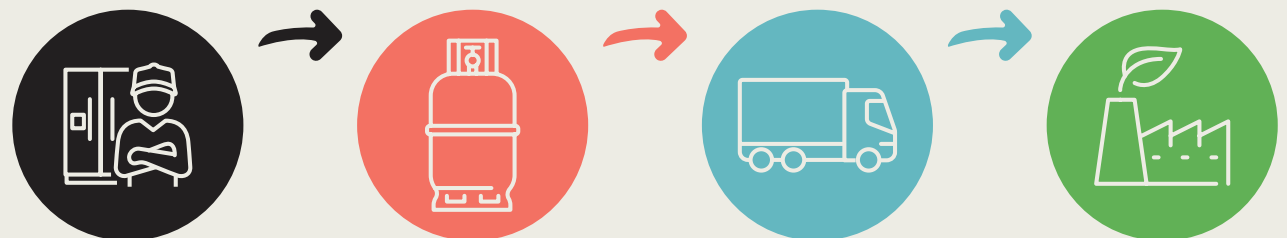
We have gathered feedback and submitted feedback to three important consultations impacting the Cool-Safe scheme and the wider refrigerants industry since April 2023:

- He Pou a Rangi Climate Change Commission 2023 Draft advice to inform the strategic direction of the Government's second emissions reduction plan (April 2023)
- Ministry for the Environment Annual updates to the New Zealand Emissions Trading Scheme limits and price control settings for units 2023 (May 2023)
- Ministry for the Environment Review of the New Zealand Emissions Trading Scheme (June 2023)

TRAINING INVESTMENT ANNOUNCED AND RESEARCH COMMISSIONED

In June 2023 we announced our commitment to continued professional development (CPD) through the commissioning of an independent review to identify where additional resource is required.

Dedicated CPD funding will be made available to support the outcomes of this review and may be used to enable initiatives such as: course content development, increased trainer capacity to support the transition to a regulated licensed workforce, and, or the creation of a programme to assess current competency and skills within the HVACR sector.



RECRUITMENT PROJECT UNDERWAY

One of the key topics we hear consistently when we talk to colleagues from across our industry is the need to look to the future and encourage more young people to get involved in our fantastic industry.

To support that, in July 2023 we announced the development of to a working group of representatives from across our refrigeration industries to help develop the story of why working in refrigeration is so great, what a career pathway can look like and what kind of skills, interests and training people need to enter the profession.

Next steps in 2023 is to turn that into a marketing campaign that we'll launch at recruitment and career expos across the country, as well as giving stakeholders and businesses materials they can share with their networks.

GOVERNANCE: OUR NEW TRUSTEES

Following an external recruitment campaign, we appointed two new trustees to our Board in May 2023; Dave Nicholls and Matthew Darby.

Dave Nicholls has 50 plus years' experience within the commercial refrigeration sector as a qualified refrigeration engineer. Dave is also a qualified tutor, with 10 years' experience as a national examiner, and curriculum lead.

Matthew Darby is a business owner, leader, and advocate of the HVACR Industry.

In accordance with our Trust Deed, we based our recruitment criteria on the requirement to seek wide commercial skills, sector knowledge and leadership, and the ability to act independently and professionally as a trustee in the governance of the Trust to achieve the Trust's goals.



Dave Nicholls

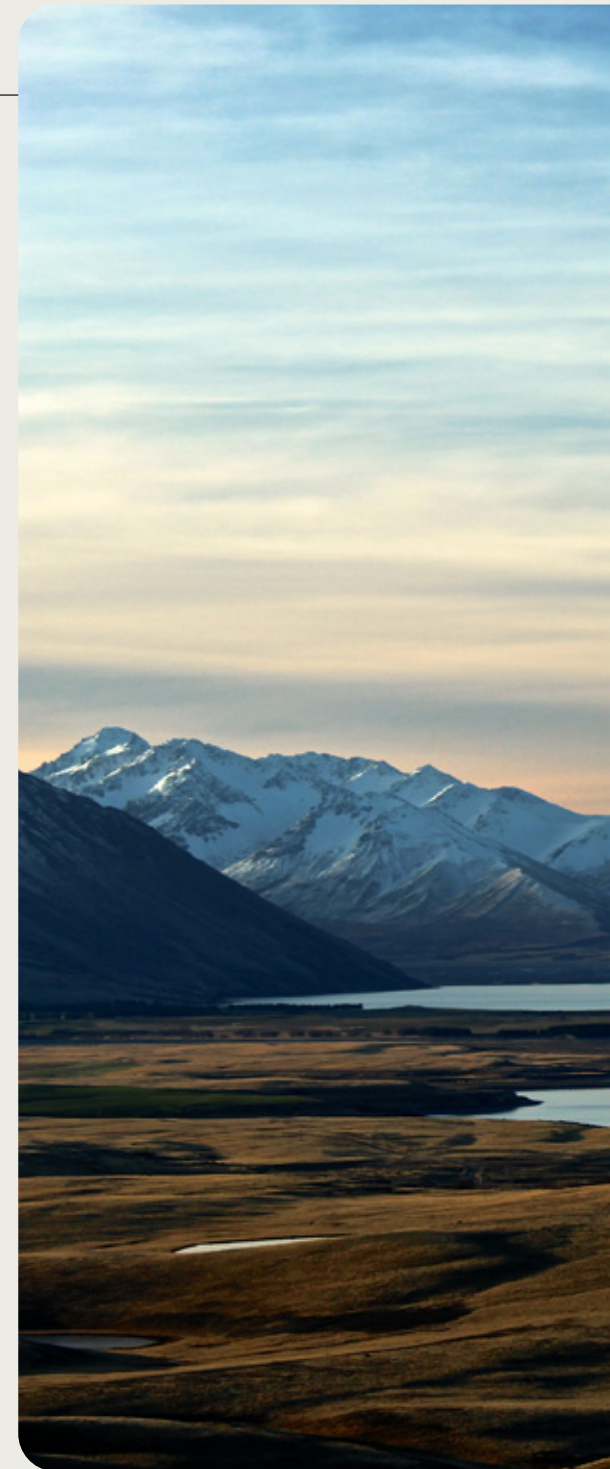


Matthew Darby

SUSTAINABLE DEVELOPMENT GOALS

The Trust is committed to being a sustainably responsible organisation and has introduced several immediate measures into its work practices to support our environmental footprint. This includes keeping travel to a minimum where possible, and carbon offsetting when it is required. Our organisation fleet, used to travel to meetings and collaborate with industry and other stakeholders, is a low carbon emission electric vehicle.

We are also considering what quality management systems we will put in place, which may include the introduction of an ISO 14001 Environmental Management System.







Cool-Safe.org.nz

Contact: Janine Brinsdon, Chief Executive, 021 337 870

www.facebook.com/coolSAFEpss
www.linkedin.com/company/coolSAFEpss

