REFRIGERANT
RECLAIM AUSTRALIA

ANNUAL REPORT 2023—2024

CONTENTS

MESSAGE FROM THE CHAIR

It is my pleasure to present the Refrigerant Reclaim Australia (RRA) Annual Report for the 2023–24 financial year.

This year marked a significant period of transition for RRA, with a change in leadership and the beginning of a new chapter for the organisation.

After years of service, John McCormack stepped down as Chair. John has been a longstanding member of the RRA Board, and his dedication, leadership and commitment over many years have made a lasting contribution to the organisation. Alongside John, Kevin O'Shea stepped down from the role of Secretary and Treasurer, having played a pivotal role in overseeing RRA's financial governance.

I was pleased to be appointed as Chair during this period of change and look forward to working with the Board and industry to support RRA's continued role into the future. The Board also welcomed Paul Campbell as Secretary and Treasurer, bringing more than 34 years of leadership experience with the Beijer Ref Group.

During the year, RRA appointed Stacey Kershaw-Brant as Communication Manager. Stacey's background across government communications, public relations and corporate innovation supports RRA's efforts to strengthen understanding of its role and engagement across the sector.

The year also provided an opportunity to reflect on the impact of Australia's refrigerant stewardship efforts, with more than 10,000,000 kilograms of refrigerant safely disposed of through the scheme. This has helped prevent more than 10 million tonnes of ozone depletion and avoid the emission of more than 18.5 million tonnes of carbon dioxide equivalent, reinforcing the long-term environmental value of the scheme.

We also acknowledge the loss of Patrick McInerney during the year, whose contribution to the refrigeration and air conditioning sector and his international impact is remembered with deep respect. A dedicated tribute within this report reflects on his legacy and the impact of his work across the industry.

On behalf of the Board, I thank our members, contractors, staff and stakeholders for their continued support and engagement throughout the year.

I would also like to recognise the exceptional contribution of the RRA team. Despite operating with a significantly smaller workforce than many comparable stewardship schemes, RRA consistently delivers outcomes that exceed expectations and outperform what its size would suggest. The organisation's success is a testament to the capability, dedication, and efficiency of its staff, who continue to achieve an exceptional level of impact with limited resources.

As Australia progresses through the HFC phase down and the industry manages both legacy and current generation refrigerants across the installed base, the role of practical, credible and well-governed stewardship remains important as ever.

I look forward to the year ahead and to RRA's continued work in supporting responsible refrigerant management across Australia.

Greg Brooker
Chair

INDUSTRY ACKNOWLEDGEMENT

The year marked the passing of Patrick McInerney, whose contribution to Australia's refrigerant stewardship landscape and the international ozone community will be remembered with deep respect.

Australia's strong record in the environmental management of refrigerants has been shaped in part by the close collaboration between government and industry, a relationship Patrick fostered and encouraged through his work in the Australian Government's Department of Climate Change, Energy, the Environment and Water. Calm, thoughtful and widely respected, he helped build one of the country's strongest examples of constructive collaboration between government and industry to achieve better environmental outcomes.

Patrick represented Australia on many international forums and working groups and was a constant presence at meetings under the Montreal Protocol. His leadership included serving as Chair of the Executive Committee to the Multilateral Fund in 2011, Co-Chair of the Open-ended Working Group of the Parties to the Montreal Protocol from 2013 to 2014, and President of the Sixty-second meeting of the Implementation Committee in 2019. He has also been credited with helping shape the 2016 Kigali Amendment, a significant climate mitigation milestone under the Protocol. Most recently, Patrick participated in the Thirty-Fifth Meeting of the Parties in Nairobi in October 2023, where he helped steer negotiations towards a record replenishment of the Multilateral Fund for 2024 to 2026. In 2016, he received the Federal Public Service Medal for outstanding public service in protecting the ozone layer and the climate system.

Patrick McInerney's impact will be remembered with admiration across the industry and the broader ozone community. He will be deeply missed.

OVERVIEW

The 2023–24 financial year marked a period of transition for RRA, shaped by governance change, continued stewardship delivery and a heightened focus on compliance and policy across the refrigerant landscape.

During the year, strengthened regulatory settings, including increased penalties for non-compliance, reinforced the importance of correct handling, recovery and destruction practices across the sector. At the same time, RRA expanded its communication and education efforts, contributing to industry-wide initiatives such as the future gas roadshows, which supported greater awareness of evolving refrigerant technologies, regulatory requirements and practical recovery considerations.

RRA continued to operate in a changing market environment as the industry manages both legacy and current-generation refrigerants across a large installed equipment bank. In this context, recovery, safe handling and accessible stewardship pathways remain central to reducing emissions and supporting responsible refrigerant management across Australia

TEAM TRIBUTES

JOHN MCCORMACK

RRA extends its sincere thanks to John McCormack for his longstanding leadership as Chair and his continued commitment as a Director of RRA.

Over more than two decades, John has played an important role in shaping RRA and its industry-led approach to refrigerant stewardship. His leadership has been characterised by a strong belief in collective industry responsibility and in the value of bringing all parts of the supply chain together to support RRA's mission. Reflecting on his time as Chair, John spoke of the commitment of successive Directors who volunteered their time and expertise, and the unified support the industry has shown for RRA.

One defining moment came at RRA's Red Hill summit around the turn of the century. John led the Board in recognising the critical role contractors play in recovering refrigerant and the work required to return it through the system. This contributed to an approach that incorporated the entire industry through the reverse supply chain and provided a financial incentive for contractors to recover and return refrigerant, ahead of legislation prohibiting venting refrigerant to the atmosphere.

John has also maintained a strong commitment to outreach and education programs that support RRA's mission and strengthen industry participation in responsible refrigerant management.

We thank John for his vision, leadership and significant contribution as Chair. RRA is fortunate to continue benefiting from his experience, industry knowledge and commitment as a member of the Board.

KEVIN O'SHEA AM

RRA extends its sincere thanks to Kevin O'Shea AM for his longstanding service as Secretary and Treasurer and his continued commitment as a Director of RRA.

A member of the RRA Board since 1997, Kevin has brought decades of practical industry experience and a strong understanding of the contractor perspective to RRA. His contribution has been underpinned by a longstanding commitment to supporting contractors, strengthening training and attracting quality people into the HVACR trade.

Kevin's contribution to training and skills extends across the industry. He has been involved in vocational education and skills development throughout his career, including helping establish refrigerant-handling training during the CFC phase-out and supporting WorldSkills Australia. His service has also included longstanding leadership of RACCA, involvement with the Australian Refrigeration Council and ARBS, and participation in industry training committees.

In 2019, Kevin was appointed a Member of the Order of Australia for significant service to the refrigeration and air-conditioning industry, in recognition of a contribution spanning his working life.

As he transitioned from the Secretary and Treasurer role, Kevin identified education and young apprentices as a particular focus for his continuing work with RRA, reflecting his longstanding belief that the future of the industry depends on investing in skilled, capable people.

We thank Kevin for his dedicated service, advocacy and significant contribution as Secretary and Treasurer. We look forward to continuing to benefit from his experience, industry connections and passion for supporting the next generation as a member of the RRA Board.

PERFORMANCE STATISTICS

Since the product stewardship scheme's inception in 1993, RRA has supported the recovery and responsible management of refrigerant gases across Australia.

As of 30 June 2024:

10,195.71 TONNES
of refrigerant recovered (including reclamation)

9,408.73 TONNES
returned for destruction

786.98 TONNES
reclaimed for reuse

$96.48 MILLION
paid to industry in rebates

18.97 MILLION TONNES
CO2e abatement (including special destruction)

These cumulative outcomes underscore the long-term role of refrigerant recovery and destruction in preventing the release of high-global-warming-potential gases into the atmosphere.

ANNUAL PERFORMANCE

During the 2023-24 financial year:

461.31 TONNES

tonnes returned

485.04 TONNES

destroyed

235 TONNES

reclaimed, estimate only

58.7 TONNES

in stockpile, awaiting destruction

2023-24

1.06 MILLION TONNES

CO_2e abatement

Recovery activity continued to reflect the ageing of legacy equipment and changing refrigerant profiles, while operational systems supported consistent national service delivery.

RECOVERED REFRIGERANT ANNUAL TREND

SPECIES BREAKDOWN

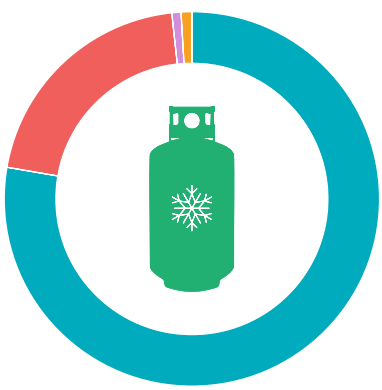
Recovered refrigerants during the 2023–24 financial year continued to reflect a mix of legacy and current generation gases across the installed equipment bank.

These figures reinforce the fact that Australia continues to manage multiple generations of refrigerants simultaneously. Legacy ozone-depleting and transitional gases persist as older equipment reaches the end of life, while HFCs continue to account for the largest share of recovered refrigerants, reflecting the more recent installed base of refrigeration and air conditioning equipment.

This species profile highlights the ongoing importance of maintaining practical recovery pathways that can respond to a mixed-refrigerant environment, rather than relying on a single point of transition.

Refrigerants managed 2023–24

HFCs	77.71%
HCFCs	20.58%
CFCs	0.79%
Other	0.92%



FINANCES

REVENUE

Revenue for the 2023–24 financial year reflected participation across bulk and pre-charged equipment streams.

Total revenue

$18.04 MILLION

Revenue breakdown 2023–24

- Pre-charged equipment income $6.72 million
- Bulk refrigerant income $4.86 million
- Investments and other income $6.46 million

REBATES PAID BACK TO THE INDUSTRY

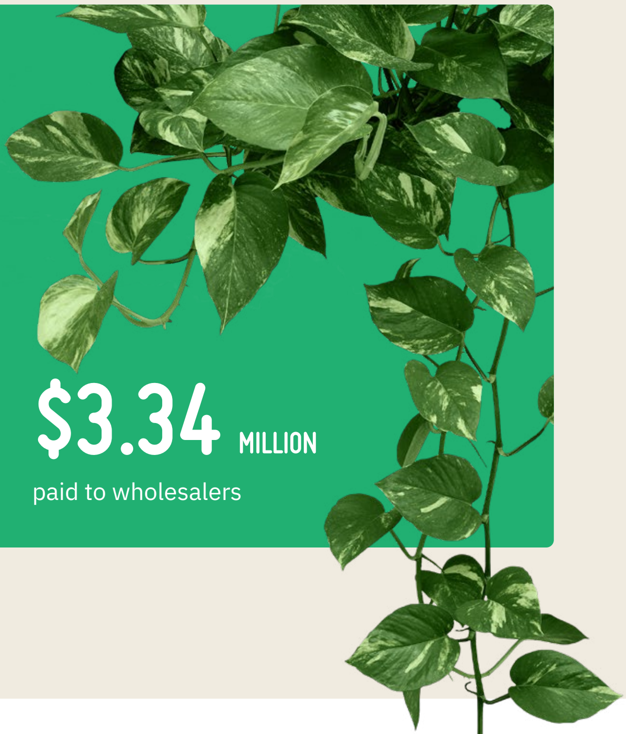
During the financial year, a total of $4.64 million was paid back to the industry.

$1.29 MILLION

paid to contractors

$3.34 MILLION

paid to wholesalers



LONG-TERM PERFORMANCE

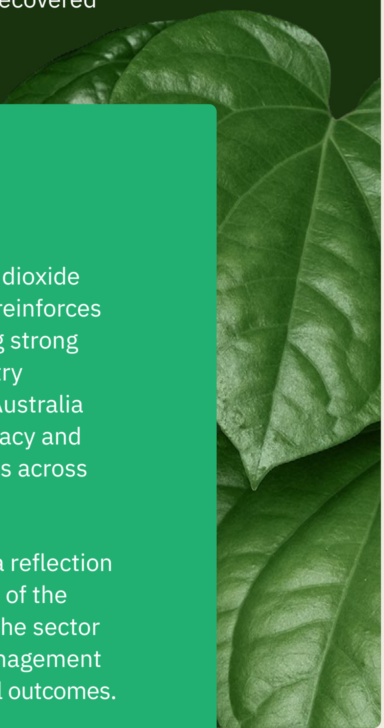
Long-term recovery trends continue to reflect the ageing of installed equipment, the gradual decline of legacy refrigerants, and the growing importance of appropriately managing current-generation refrigerant gases at end-of-life.

As the installed bank of equipment evolves, recovery pathways remain important to ensure refrigerants are captured and managed responsibly rather than released into the atmosphere. The continued presence of both legacy and newer refrigerants in recovery streams highlights that the industry is managing overlapping stages of transition rather than a simple linear shift from one class of gas to another.

MILESTONE ACHIEVED

10 MILLION+ KILOGRAMS

of refrigerant safely recovered



MILESTONE ACHIEVEMENT

This year, RRA reached a significant milestone in Australia's environmental stewardship efforts, with more than 10 million kilograms of refrigerant safely recovered and destroyed through the scheme. This achievement represents the collective effort of industry, contractors, and stakeholders working together to prevent the release of high-global-warming-potential gases into the atmosphere.

The milestone highlights the long-term impact of practical refrigerant management, helping avoid more than 18.5 million tonnes of carbon dioxide equivalent emissions. It also reinforces the importance of maintaining strong recovery pathways and industry participation, particularly as Australia continues to manage both legacy and current generation refrigerants across the installed base.

This achievement is not only a reflection of the scheme's longevity, but of the ongoing commitment across the sector to responsible refrigerant management and measurable environmental outcomes.

EVENTS

FUTUREGAS ROADSHOWS

The 2023 FutureGas roadshows reflected the pace of change across the refrigerant landscape and the need for technicians, contractors and businesses to stay informed as technologies, regulations and market conditions continue to evolve.

Held across three months, the roadshows brought together expert speakers to discuss the recovery and handling of newer refrigerants, the laws shaping different parts of the industry, and what these changes mean in practical terms for day-to-day work involving refrigerants.

Seventeen events were held across Australia, New Zealand, Vanuatu, and Papua New Guinea, with approximately 2,000 delegates from the stationary HVAC&R sector. The program helped raise broader awareness of refrigerant change across the sector and reinforced the importance of practical engagement with evolving technologies, compliance requirements, and recovery practices.

WORLD REFRIGERATION DAY

RRA joined the global community in marking World Refrigeration Day, using the occasion to highlight the essential role refrigeration plays in modern life and the importance of responsible refrigerant management.

The day also provided an opportunity to recognise a significant milestone in Australia’s refrigerant stewardship efforts, with more than 10,000,000 kilograms of refrigerant safely disposed of through the scheme.
World Refrigeration Day reinforced the refrigeration industry's contributions to food safety, healthcare, comfort cooling, air quality, and industrial processes, while underscoring the importance of best-practice refrigerant recovery, destruction, and environmental stewardship across the sector.

ARBS 2024

This year, RRA exhibited at ARBS 2024, engaging directly with industry stakeholders, suppliers and contractors at Australia's largest HVAC&R and building services event. Held at ICC Sydney from 28–30 May, the exhibition brought together more than 9,000 visitors and over 350 exhibitors, reinforcing its role as a key platform for industry connection, innovation and knowledge sharing.

RRA's presence provided an opportunity to strengthen awareness of refrigerant stewardship, recovery practices and the environmental importance of end-of-life management, while connecting with those working across the refrigeration and air conditioning supply chain. The event also supported broader engagement with emerging technologies, regulatory developments, and the transition to lower-global-warming-potential refrigerants.

RRA also supported the on-site WorldSkills initiative, recognising the importance of building future workforce capability and promoting excellence within the trade. This was highlighted through the induction of WorldSkills trainer Carl Balke into the ARBS Hall of Fame, acknowledging his contribution to skills development and the refrigeration industry more broadly.

WORLD OZONE DAY

RRA marked World Ozone Day 2023 as an opportunity to highlight the importance of continued action to protect the ozone layer and manage refrigerants responsibly across their lifecycle.

The day reinforced the success of the Montreal Protocol in reducing ozone-depleting substances, while also recognising the ongoing role industry and stewardship arrangements play in ensuring legacy refrigerants are recovered and managed safely at the end of life. For RRA, World Ozone Day provided an important moment to acknowledge the environmental value of practical refrigerant recovery and destruction, and the contribution these activities make to Australia's broader international environmental obligations.

In a sector where environmental protection is often achieved one kilogram at a time, World Ozone Day also served as a reminder of the long-term value of collaboration between government, industry and technicians in reducing harmful emissions and supporting a cleaner future.

PARTNERSHIPS

VASA

In 2023–24, RRA's partnership with VASA continued to support the automotive sector through a period of transition, as changing refrigerants and evolving regulations placed greater emphasis on correct identification, safe handling and recovery practices. Through collaboration at industry events, including WIRE & GAS, and technical forums, the partnership strengthened awareness of lifecycle refrigerant management and supported technicians to adapt to emerging challenges, including mixed refrigerants and the growing presence of alternative gases.

RACCA

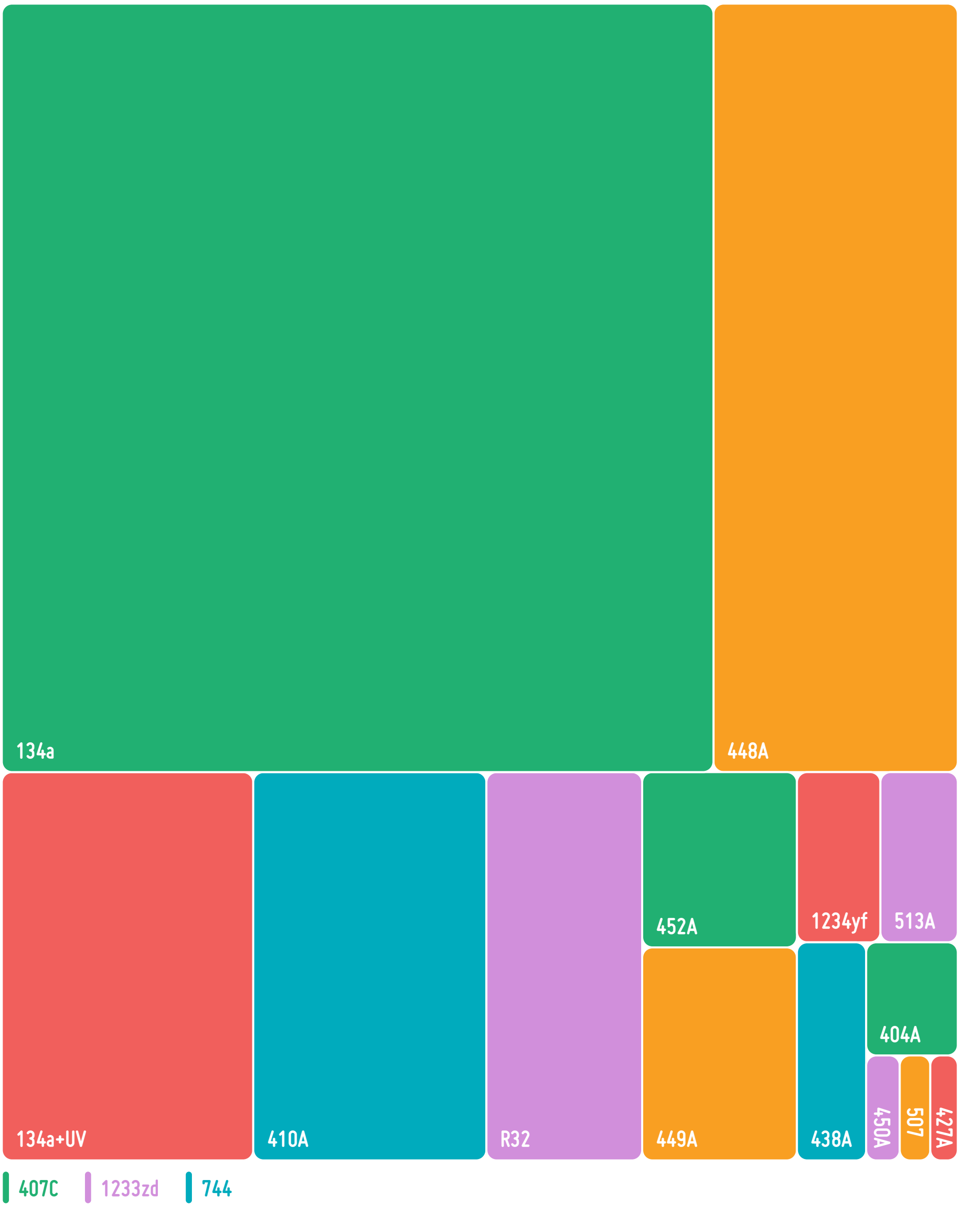
RRA's collaboration with RACCA continued to provide a strong connection to contractors across commercial and industrial sectors. Through shared industry engagement, technical content, and member communications, the partnership supported the delivery of up-to-date refrigerant stewardship information, practical guidance on recovery and compliance, and access to subject-matter expertise. With opportunities to contribute to industry publications, events, and contractor networks, this collaboration helped reinforce best-practice refrigerant management and strengthen understanding of stewardship obligations across the trade.

CSIRO

RRA continued its longstanding support for CSIRO's atmospheric research during 2023–24, contributing to the monitoring and analysis of ozone-depleting substances and synthetic greenhouse gases at the Kennaook/Cape Grim Baseline Air Pollution Station in Tasmania. Data collected at Kennaook/Cape Grim provides an important scientific record of atmospheric refrigerant concentrations and supports ongoing analysis of Australian and global emissions. This long-term monitoring helps build understanding of how refrigerant emissions are changing over time and provides valuable evidence to support environmental policy and refrigerant management. CSIRO's research helps inform government reporting, policy development and industry understanding. The partnership reflects a shared commitment to strengthening the science underpinning responsible refrigerant management and supporting effective Lifecycle Refrigerant Management.

TAFE

Throughout 2023–24, RRA's partnership with TAFE supported the development of a skilled, future-ready workforce in line with an evolving refrigerant landscape. Through industry-aligned resources and technical engagement, the collaboration helps ensure that students and apprentices are equipped with the skills required for safe handling, correct identification, and effective recovery of refrigerants, thereby strengthening long-term stewardship outcomes across the sector. This financial year, 5,198 kilograms of refrigerant gas was supplied to 51 TAFE campuses across the country to the value of $183,000.



OPPORTUNITIES AND CHALLENGES

This year marked a period of transition for Refrigerant Reclaim Australia and the broader industry, as legacy refrigerants continue to be managed while the industry shifts to lower-global-warming-potential alternatives.

The milestone of 10 million kilograms of refrigerant recovered and destroyed since RRA's inception highlights the strength of RRA's product stewardship scheme and reinforces the scale of refrigerant still contained within equipment across Australia.

Consumer awareness and decision-making play an important role in shaping end-of-life outcomes, particularly by encouraging engagement with licensed technicians trained to recover refrigerant safely and in accordance with regulatory requirements. Across the industry, there is an opportunity to further strengthen consistent decommissioning practices and support a greater understanding of recovery requirements. At the same time, pricing pressures and a changing refrigerant market continue to shape behaviours, while the coexistence of legacy and newer gases adds complexity to day-to-day operations. Ongoing education, both within the trade and more broadly, remains central to reinforcing best practice and supporting improved recovery outcomes across the sector.

There are clear opportunities to strengthen outcomes. Increased public and industry education can support a better understanding of the environmental impact of refrigerants and the importance of recovery and destruction. Strengthening compliance mechanisms and reinforcing stewardship obligations across the supply chain will help embed best practices. There is also an opportunity to support more practical recovery pathways for industry, ensuring participation is accessible and consistent. Continued engagement through industry forums, training and partnerships remains critical to driving awareness, improving capability and supporting behavioural change across the sector.

GOVERNANCE AND LEADERSHIP TRANSITION

The year marked a significant transition in RRA's governance, with John McCormack standing down as Chair after over a decade of service and Kevin O'Shea stepping down as Secretary and Treasurer. Although they will no longer hold these positions they will remain on the RRA board and together, their commitment and long-standing contribution will continue to help shape the organisation through growth and stewardship. The Board welcomed Greg Brooker as incoming Chair and Paul Campbell as Secretary and Treasurer, marking the beginning of a new chapter for RRA.

ORGANISATIONAL CAPABILITY

During the year, RRA appointed Stacey Kershaw-Brant as Communication Manager. Stacey brings over 15 years' experience across government communications, public relations and corporate innovation, supporting RRA's efforts to raise the profile of the refrigeration sector through education, promote best practice and collaboration across the trade, and strengthen engagement with householders about the importance of refrigerant recovery and destruction.

ENVIRONMENTAL IMPACTS

Synthetic refrigerants, particularly hydrofluorocarbons used in refrigeration and air conditioning systems, continue to accumulate in the atmosphere and constitute a growing, highly potent source of greenhouse gas emissions. In Australia, HFC emissions have increased significantly over time, rising from around 116 tonnes in 1995 to approximately 5,196 tonnes in 2022, equivalent to more than 11 million tonnes of carbon dioxide equivalent.

This growth reflects the widespread uptake of HFCs across the refrigeration and air conditioning sector, where they are used in commercial, industrial and residential systems. Bulk HFC imports remain substantial, with around 2,791 metric tonnes imported in 2023, a 4% decrease from the previous year, reinforcing the scale of refrigerant still entering and circulating within the economy - include reference.

Many emissions are linked to the large bank of refrigerant contained within existing equipment. Emissions occur progressively over the lifecycle of systems through leakage, servicing and recharge, and at end-of-life if refrigerant is not fully recovered.

Key refrigerants used in common systems, such as those found in commercial refrigeration and air conditioning, are among the largest contributors to emissions, with individual gases contributing hundreds of tonnes of CO2e annually.

Atmospheric monitoring shows that concentrations of HFCs continue to increase in both Australia and globally, with notable rises in widely used gases such as HFC-134a, HFC-125, HFC-143a, and HFC-32. These trends highlight the ongoing accumulation of synthetic greenhouse gases in the atmosphere and the long-term impact of emissions from the sector.

Without intervention, HFC emissions are expected to remain a significant driver of climate change over the coming decades. This underpins global action through the Kigali Amendment, which aims to reduce HFC use and avoid up to 0.5 degrees of global warming by the end of the century. Alongside this transition, improving the recovery, reclamation and destruction of existing refrigerants already in use represents one of the most immediate and practical opportunities to reduce emissions and limit the environmental impact of the refrigeration and air conditioning sector.

LOOKING TO THE FUTURE

This financial year reinforced that effective refrigerant stewardship depends on shared responsibility across industry, government and the community.

Ongoing engagement with industry and policy developments will remain a priority, alongside efforts to respond to an evolving compliance and regulatory environment. A renewed focus on targeted communications and education, including a review of existing RRA materials, will support greater awareness and understanding of responsible refrigerant management.

The future of refrigerant stewardship will depend on continued commitment, practical implementation and a shared understanding across industry of the role each part of the supply chain plays in achieving better environmental outcomes.

FINANCIAL REPORT

REFRIGERANT RECLAIM AUSTRALIA GROUP

Special Purpose Financial Statements

Year ended 30 June 2024

Compilation report to Refrigerant Reclaim Australia Group

We have compiled the accompanying special purpose financial statements of Refrigerant Reclaim Australia Group (the Group) which comprises the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income for the year then ended, a summary of material accounting policies and other explanatory notes of the Group during the financial year. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The responsibility of directors

Directors of Refrigerant Reclaim Australia Group are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our responsibility

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of preparation described in Note 1 to the financial statements and Accounting Professional & Ethical Standard (APES) 315 *Compilation of Financial Information*. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

Our procedures use accounting expertise to collect, classify and summarise the financial information which the directors provided, in compiling the special purpose financial statements. Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage that any person, other than the Group, may suffer arising from any negligence on our part. No person should rely on the special purpose financial statements without having an audit or review conducted.

The special purpose financial statements were prepared exclusively for the purpose set out in Note 1 and for the benefit of the directors, who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility to any other person for the contents of the special purpose financial statements and these special purpose financial statements may not be suitable for any other purpose.

KPMG

KPMG

Sydney

19 December 2024

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Refrigerant Reclaim Australia Group

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	2024	2023
Income		Restated*
Bulk importers	4,857,861	7,839,450
Charged equipment importers	6,722,721	6,882,820
Total Income	11,580,582	14,722,270
Operational Costs		
Cost of destruction	(10,338,056)	(10,887,455)
Total Operational Costs	(10,338,056)	(10,887,455)
Gross Surplus from Trading	1,242,526	3,834,815
Other Income		
Interest income	4,896,993	3,503,371
Other income	1,562,515	542,945
Total Other Income	6,459,508	4,046,316
Total Trading Overheads	(1,380,760)	(1,379,247)
Surplus for the year	**6,321,274**	**6,501,884**
Other comprehensive income		
Changes in the fair value of equity at fair value through other comprehensive income	2,798,406	1,952,282
Total comprehensive income for the year.	**9,119,680**	**8,454,166**

** See note 1(iv) for details regarding the restatement as a result of an error.*

To be read in conjuction with the compilation report.

Refrigerant Reclaim Australia Group
Consolidated statement of financial position
As at 30 June 2024

	2024	2023 Restated*
Assets		
Current assets		
Funds		
Petty cash	200	200
Cash at bank	22,682,580	18,402,389
Term deposits	15,989	15,989
Investments	-	18,190,556
Listed exchange traded fund (EFT)	22,907,005	20,108,599
	45,605,774	56,717,733
Debtors		
Trade Debtors	2,979,581	2,952,575
	2,979,581	2,952,575
Other		
Prepayments	-	7,009
GST/FBT receivables	837	2,293
Accrued interest	808,059	392,148
	808,896	401,450
Total current assets	49,394,251	60,071,758
Non-current assets		
Funds		
Investments	61,962,626	42,162,949
Right-of-use assets	43,645	101,838
Cylinders	1,043,470	1,043,470
Less accumulated depreciation	(1,043,470)	(1,043,470)
Total non-current assets	62,006,271	42,264,787
Total assets	**111,400,522**	**102,336,545**
Liabilities		
Current liabilities		
Creditors		
Trade creditors	1,486,935	1,283,829
Accrued expenses	-	54,114
Lease liabilities	48,771	62,252
	1,535,706	1,400,195
Provisions		
Provision for annual leave	31,782	49,211
Provision for long service leave	56,577	50,555
Provision for destruction costs	564,188	703,172
	652,547	802,938
Total current liabilities	2,188,253	2,203,133

** See note 1(iv) for details regarding the restatement as a result of an error.*

To be read in conjuction with the compilation report.

Refrigerant Reclaim Australia Group

Balance Sheet

As at 30 June 2024

	2024	2023 Restated*
Non current liabilities		
Creditors		
Lease liabilities	-	48,771
	-	48,771
Provisions		
Provision for long service leave	14,016	6,068
	14,016	6,068
Total non current liabilities	14,016	54,839
Total liabilities	2,202,269	2,257,972
Net assets	**109,198,253**	**100,078,573**
Equity		
Settled sum	10	10
Financial assets at FVOCI reserve	3,154,035	355,629
Retained earnings	99,722,934	93,221,060
Current year earnings	6,321,274	6,501,874
Total equity	**109,198,253**	**100,078,573**

** See note 1(iv) for details regarding the restatement as a result of an error.*

To be read in conjuction with the compilation report.

Refrigerant Reclaim Australia Group

Notes to the financial statements

For the financial year ended 30 June 2024

1 Summary of material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Group consisting of Refrigerant Reclaim Australia Limited and R.R.A Environmental Trust are not for profit entities for financial reporting purposes under Australian Accounting Standards.

(a) Basis of preparation

This is a special purpose financial report that has been prepared on the 2024 financial reports of Refrigerant Reclaim Australia Limited and R.R.A Environmental Trust, each of which were individually audited. As the consolidated Refrigerant Reclaim Australia entity presented in this report is not recognized as a consolidated entity under Australian Accounting Standards, management have determined the accounting policies outlined below are appropriate and sufficient to meet the needs of the intended user of this report.

(i) Compliance with Australian Accounting Standards - Simplified Disclosure Requirements

The financial statements of The R.R.A. Environment Trust comply with Australian Accounting Standards - Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention except for investment in equities that are measured at fair value.

(iii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in this note.

(iv) Prior year restatement

In prior periods, the Exchange Traded Funds (ETFs) were not presented in the statement of financial position at fair value but at cost. The gains and losses over the years were incorrectly recognised in the surplus for the year and other comprehensive income.

The Trust acquired the EFTs during the year ended 30 June 2022 with a cost base of $19.75 million. The investment incurred a fair value loss of $1.59 million during the year ended 30 June 2022, gains of $1.95 million during the year ended 30 June 2023 and gains of $2.79 million during the year ended 30 June 2024.

In the current year, the ETFs have been presented on the statement of financial position at Fair Value and the impact of all gains and losses over the three years corrected in the relevant period.

There was no impact on the statement of cash flows from the above restatement.

Refrigerant Reclaim Australia Group
Notes to the financial statements
For the financial year ended 30 June 2024

1 Material accounting policies (continued)

(iv) Prior year restatement (continued)

The adjustments have been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	30 June 2023	Increase/ (Decrease)	30 June 2023 (Restated)	30 June 2022	Increase/ (Decrease)	1 July 2022 (Restated)
	$	$	$	$	$	$
Statement of financial position						
Other current financial assets	38,351,663	355,629	38,707,292	33,757,777	(1,596,653)	32,161,124
Net assets	**99,653,692**	**355,629**	**100,009,321**	**93,151,330**	**(1,596,653)**	**91,554,677**
Financial assets at FVOCI reserve	(355,629)	711,258	355,629	1,596,653	(3,193,306)	(1,596,653)
Retained earnings	100,009,311	(355,629)	99,653,682	91,554,667	1,596,653	93,151,320
Total equity	**99,653,692**	**355,629**	**100,009,321**	**93,151,330**	**(1,596,653)**	**91,554,667**

	2023	Profit Increase/ (Decrease)	2023 (Restated)
	$	$	$
Statement of profit or loss and other comprehensive income (extract)			
Other expenses	1,133,084	(1,952,282)	(819,198)
Surplus for the year	**8,454,644**	**(1,952,282)**	**6,502,362**
Other comprehensive income			
Changes in the fair value of equity investments at fair value	(1,952,282)	3,904,564	1,952,282
Total comprehensive income	**6,502,362**	**1,952,282**	**8,454,644**

(v) Change in material accounting policies

The Group adopted Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and have made updates to the relevant policies and information disclosed in 'Material Accounting Policies' (2023: Significant accounting policies) in certain instances in line with the amendments.

A number of other new accounting standards are also effective from 1 July 2023, but they do not have a material effect on the Group's financial statements.

(b) Revenue recognition

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities using the methods outlined below.

Refrigerant Reclaim Australia Group
Notes to the financial statements
For the financial year ended 30 June 2024

1 Material accounting policies (continued)

(b) Revenue recognition (continued)

(i) Levy revenue

Levy revenue is recognised when imports are reported to the entity and there are no unfulfilled obligations that could affect the Group's right to levy the import. A receivable is recognised when the imports are reported as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Government revenue

Revenue from the government is recognised at fair value where there is a reasonable assurance that the income will be received and the group will comply with all attached conditions.

(iii) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(c) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of up to three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(d) Leases

a) As a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group leases property comprising its office and car parking spaces.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted to certain remeasurements of the lease liability.

Refrigerant Reclaim Australia Group
Notes to the financial statements
For the financial year ended 30 June 2024

1 Material accounting policies (continued)

(d) Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

To determine the incremental borrowing rate, the Group:
- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by The R.R.A. Environment Trust, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.'

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

b) Short term leases and leases of low value assets

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension and termination options

Any extension and termination options included in the property leases are used to maximise operational flexibility in terms of managing the assets used in the Group’s operations.

Residual value guarantees

To optimise lease costs during the contract period, the Group sometimes provides residual value guarantees in relation to equipment leases.

Refrigerant Reclaim Australia Group
Notes to the financial statements
For the financial year ended 30 June 2024

1 Material accounting policies (continued)

(e) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement within 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Expected credit losses for trade receivables are not material. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in surplus or deficit within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in surplus or deficit.

(f) Income tax

Income tax is not brought to account as the group has exempt status under Division 50 Subdivisions 5 & 10 of the Income Tax Assessment Act 1997.

(g) Investments and other financial assets

a) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b) Classification and subsequent measurement

(i) Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; FVOCI - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Refrigerant Reclaim Australia Group
Notes to the financial statements
For the financial year ended 30 June 2024

1 Material accounting policies (continued)

(g) Investments and other financial assets (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(ii) Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Refrigerant Reclaim Australia Group
Notes to the financial statements
For the financial year ended 30 June 2024

1 Material accounting policies (continued)

(g) Investments and other financial assets (continued)

(iii) Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through other comprehensive income (OCI)
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are taken through OCI. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

c) Derecognition

(i) Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Refrigerant Reclaim Australia Group
Notes to the financial statements
For the financial year ended 30 June 2024

1 Material accounting policies (continued)

(g) Investments and other financial assets (continued)

(ii) Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(h) Property, plant and equipment

Property, plant and equipment are initially recorded at cost and are depreciated over their estimated useful lives using the diminishing value method. New assets are depreciated from the date of their commissioning.

The depreciation rates used for each class of assets are as follows:

Asset class	Useful life
Cylinders	7-5 years
other property, plant and equipment	3-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Refrigerant Reclaim Australia Group
Notes to the financial statements
For the financial year ended 30 June 2024

1 Material accounting policies (continued)

(j) Employee benefits (continued)

(ii) Other long-term employee benefits
The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iii) Post-employment obligations
The Group pays contributions to publicly or privately administered defined contribution superannuation plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(k) Goods and services tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

2 Critical accounting estimates and judgements
The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

The Group is required to facilitate the destruction of all recovered gas through the recovery scheme in line with Government legislation at the end of its life. A provision has been recognised for the present value of the estimated expenditure required to facilitate this destruction. The provision is reviewed monthly with respect to the quantity of recovered gas transferred to the Group.

REFRIGERANT
RECLAIM AUSTRALIA

For more information, please
contact Refrigerant Reclaim Australia

Phone (02) 6230 5244
Email info@refrigerantreclaim.com.au