



COOLCHANGE

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Carbon tax repeal – how it affects your costs, prices and communications

Now that the carbon tax has been repealed, the equivalent carbon tax (ECT) no longer applies to synthetic greenhouse gases (SGGs) imported after 1 July 2014. The ACCC's role is to make sure that customers get the benefit of the repeal as soon as possible.

Any business which supplies a regulated good, including an SGG, is required to pass on all cost savings relating to the supply of that good directly or indirectly attributable to the carbon tax repeal. Under the new **carbon tax price reduction obligation**, if you do not pass through all carbon tax costs savings you are likely to be engaging in price exploitation, which is against the law.

The ACCC is already monitoring prices in the SGG sector to assess the general effect of the carbon tax scheme and expects businesses to be able to explain how their SGG prices are determined and to provide historical information on stock, purchase/import dates and prices.

Refrigeration contractors dealing in SGGs can expect importers and wholesalers to pass on all of their carbon tax repeal costs savings. At a minimum, this should include savings from the repeal of the ECT on imports, but can also include savings from financing, security and insurance costs. Talk to your suppliers to understand what carbon costs and savings were passed through to you.

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Contractors must also pass through all costs savings from the repeal to their customers. If you do this promptly you will have little to worry about. However, if you wait to act until you have seen what your competitors are doing, you may attract the ACCC's interest.

Contractors must also pass through all costs savings from the repeal to their customers.

When working out costs and prices, do not rely on reported industry averages which may not match the savings your business experienced from repeal. As always, be cautious in discussions with competitors – fixing prices or making pricing agreements is against the law.

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businesses can no longer buy F-gas due to non-compliance
> read more inside





Carbon tax repeal – how it affects your costs, prices and communications (continued)

If you paid the ECT on SGG stock there may not be any savings to pass through in relation to this stock. However, if some of your SGG stock includes ECT costs and some does not, you must be careful to charge appropriately. Do not misrepresent to your customers the ECT cost of SGG stock they are buying.

Anything you say to customers about prices or the effect of the repeal must have a reasonable basis and not mislead. In addition to existing laws dealing with misleading or deceptive conduct, the repeal legislation contains provisions that specifically prohibit businesses from making false or misleading representations about the carbon tax's effect on the price of goods and services.

One example of a claim that may mislead customers is:

- telling customers your prices are not going down because you did not pass through any carbon costs in prices when your prices did actually cover ECT costs

You should be prepared to explain the make-up of your prices if asked by your customers or the ACCC. Bulk SGG importers that sell to customers have specific obligations under the new carbon tax repeal legislation to explain their prices. However, these obligations only apply to SGG businesses which have already been issued a **carbon tax removal substantiation notice** by the ACCC.

For more information on the repeal, go to: www.accc.gov.au/business/carbon-tax-repeal

This article was written by the Australian Competition and Consumer Commission (ACCC).

Summer's on the way! Time for the ARCTick licence checklist

Summer is usually a busy time for businesses in the refrigeration and air conditioning (RAC) industry. Here are some good reasons to ensure your ARCTick Refrigerant Handling Licence (RHL) and Refrigerant Trading Authorisation (RTA) are in order before summer is here.

It is the law to hold a current ARCTick licence for any work on RAC systems that contain fluorocarbon refrigerant (about 89% of the market*). An expired Authorisation means no gas!

Holding an ARCTick licence tells your customers that you are professional and qualified to do the job. If you let your RTA/RHL expire you will be issued with a new number, so don't risk losing your number and re-apply before expiry. You can check the status of your RTA/RHL by visiting www.arctick.org/online_services.php and go to the 'change of details' section, or contact 1300 88 44 83.

Follow the checklist below to make sure your business is in prime position to capitalise on the busy summer ahead:

Make sure your business is following the legal requirements of its Authorisation:

- ✓ Updated refrigerant records (quarterly – bought, sold, recovered)
- ✓ Updated RAC equipment list and maintenance records
- ✓ Ensure you have a current risk management plan for handling/storage of refrigerant
- ✓ Ensure your cylinder leak test and test date records are current
- ✓ Notify the ARC of any changes to staff who hold a Refrigerant Handling Licence

Advertising

- ✓ Have you organised your local/national advertising for summer? It is a condition of your RTA to display your authorisation number on all RAC services advertising (including your vehicle, business stationery, print ads etc). If you're advertising your business for summer, make sure your authorisation number is there too.

Promote your business with FREE ARCTick promo items

- ✓ 'Licensed Air Conditioning Maintenance' Posters
- ✓ 'Benefits of using Licensed Technicians' handouts for customers (RAC and Auto)
- ✓ ARC Certificate and Authorised sticker (RTA only)
- ✓ Degassed stickers
- ✓ Air Con Information Guides for customers (RAC and Auto)
- ✓ ARCTick Service tags and Stickers (RAC and Auto)

Contact the ARC on 1300 88 44 83 / enquire@arctick.org to order your free promo items.

**Cold Hard Facts 2 – A study of the refrigeration and air conditioning industry in Australia, Expert Group, 2013*

Your record of air conditioning service

Your air conditioning was serviced/repaired on: _____

Service person ARC licence no: _____

Next service due: _____

lookforthe tick.com.au

ARC

Ultra/Violet dye added: _____

Service person name: _____

Service person ARC licence no: _____

Business name: _____

Date of service: _____

lookforthe tick.com.au

ARC



Ozone Act review – Update

On 23 May 2014, the Hon Greg Hunt MP, Minister for the Environment, announced a review of the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* and related Acts (the Ozone Acts).

The objectives of the review are to:

- Identify opportunities to improve and streamline the operation of the Ozone Acts, including reducing regulatory compliance costs for business and the community.
- Identify opportunities to reduce emissions of ozone depleting substances and synthetic greenhouse gases in line with international efforts.

During the first stage of the review, the Department of the Environment (the Department) invited submissions on the review of the Ozone Acts. The public consultation period ended on 18 July 2014 and 29 submissions were received.

The submissions will help guide the review of the Ozone Acts and inform the Interim Report of the review.

The Department will continue to consult with stakeholders on the review in the lead-up to the final report that will be provided to the Australian Government in mid-2015.

For more information on the review of the Ozone Acts, including viewing the published submissions, visit the Department's website at: <http://www.environment.gov.au/protection/ozone/legislation/ozone-acts-review>

Dealing with RAC systems at end-of-life

The Department of the Environment (the Department) is working with the assistance of the refrigeration and air conditioning (RAC) industry to develop advice to the Australian Government on whether product stewardship could improve management of domestic RAC equipment at end-of-life. Domestic RAC equipment includes fridges and air conditioners used in homes.

Product stewardship is a way to manage the impact of different products and materials. It accepts that those involved in making, selling, using and disposing of products have a shared responsibility to ensure that those products are managed in a way that reduces their impact on the environment and on human health and safety.

The Department engaged KPMG to better understand how domestic RAC equipment is handled at end-of-life in Australia. The report written by KPMG "End-of-Life Domestic Refrigeration and Air Conditioning Equipment

in Australia" has now been finalised. The report is the first step in working with industry to better understand domestic RAC equipment as a waste. The report has been reviewed by some members of the RAC industry who also provided input to the report during its preparation. The report is available on the Department's website at www.environment.gov.au/protection/national-waste-policy/publications

The Department also formed a Working Group of RAC industry members to develop product stewardship options for further

analysis. The Working Group identified four options for analysis: no change, voluntary, co-regulatory or mandatory product stewardship.

The Department has engaged KPMG to undertake a cost benefit analysis on the four options outlined above. The cost benefit analysis is currently in development. The Department expects to release the final cost benefit analysis when it is completed. The cost benefit analysis will inform the advice the Department provides the Australian Government.



Which ARC member organisation represents you?

The membership of the ARC is representative of the refrigeration and air conditioning industry. This ensures that administration of the licence scheme is by industry, and for industry.

The ARC membership consists of the following organisations representing the various sectors of the refrigeration and air conditioning industry:

Appliance Industry Association (AIA) www.appliance.asn.au	Federation of Automotive Products Manufacturers (FAPM) www.fapm.com.au	Refrigerants Australia (RA) www.refrigerantsaustralia.org
Australian Institute of Refrigeration Air Conditioning & Heating (AIRAH) www.airah.org.au	Institute of Automotive Mechanical Engineers (IAME) www.iame.com.au	Refrigeration & Air Conditioning Contractors Association (RACCA) www.racca.asn.au
Air Conditioning & Mechanical Contractors Association (AMCA) www.amca.com.au	Institute of Refrigeration & Air Conditioning Service Engineers (IRASE – RACCA QLD)	Refrigerant Reclaim Australia (RRA) www.refrigerantreclaim.com.au
Air Conditioning & Refrigeration Equipment Manufacturers Association of Australia (AREMA) www.arena.com.au	Motor Trades Association	Victorian Automobile Chamber of Commerce (VACC) www.vacc.com.au
Air Conditioning & Refrigeration Wholesalers Association (ARWA)	National Electrical & Communications Association (NECA) www.neca.asn.au	Vehicle Air Conditioning Specialists of Australia (VASA) www.vasa.org.au

Over the following editions, Cool Change will profile individual ARC members so readers can better understand the associations that represent them.

Industry leaders gear up for RAC licensing debate – ARC Members' Forum 2014

The 5th Annual ARC Members' Forum will be held on 14th October at the Novotel, Brisbane Airport.

This event is exclusive to ARC members and is an important opportunity to engage in productive discussions about issues affecting the refrigeration and air conditioning (RAC) industry, the licence scheme and the performance and role of the ARC.

Key themes for discussion include:

- What does the ideal RAC licence scheme look like?
- How can the RAC industry upskill to facilitate the uptake of new technologies in an evolving market?

As a review of the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* is underway, now is the perfect time for members to have their say about what the 'ideal' RAC industry licence scheme should include and must achieve.

If you have any issues you believe should be raised, please contact the ARC member association relevant to you – see table in previous article.

As always there will be opportunities for members to raise issues of importance to them and discuss these topics with senior representatives of the Department of the Environment and the ARC.

Discussions at last years' forum resulted in a comprehensive list of Action Items for the ARC and the Department of the Environment to work on.

Visit www.arctick.org/2013Forum to read about what has been achieved on behalf of the RAC industry.

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businesses can
no longer buy
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non-compliance

Don't run the risk of non-compliance

In the last financial year, a total of 361 Refrigerant Trading Authorisation (RTA) re-applications were refused due to ongoing non-compliance issues.

Through a collaborative approach between the business and ARC, 230 of these businesses became compliant.

131 businesses are no longer legally 'in business' when it comes to the purchase and handling of fluorocarbon refrigerant due to their non-compliance.

Non-compliance with the conditions of your RTA is considered a breach of the Ozone Protection and Synthetic Greenhouse Gas Management Regulations 1995 (the Ozone Regulations) and continued non-compliance means the Department of the Environment (the Department) may take compliance and enforcement action.

The Department can cancel or suspend your authorisation if you are found non-compliant with the Ozone Regulations, and may seek penalties through court proceedings. Furthermore, a history of non-compliance and enforcement action can also affect your future eligibility to hold an RTA or Refrigerant Handling Licence under the Ozone Regulations.

Don't run the risk. If you have been found non-compliant against conditions of your RTA at an Audit, contact the ARC to discuss how you can rectify your non-compliance.

Warning – Refrigerant in disposable cylinders being sold in Australia

The importation and use of fluorocarbon refrigerant in disposable refrigerant containers is prohibited by law in Australia, and it is a contravention of your refrigerant handling licence and trading authorisation to store refrigerant in a disposable cylinder. Disposable cylinders are not compliant to Australian Standards and can be a danger to users.

Recently one of the ARC Field Officers in Victoria came across a disposable refrigerant cylinder containing R134a while conducting an Audit.

The cylinder in question was sold by a person who travelled around to local workshops in the area. The 30 lb cylinder was sold in a sealed carton and there was no indication of the country of origin or manufacturer from the cylinder markings.

This is just one example. Disposable refrigerant containers have been found by ARC Field Officers in other states.

All refrigeration and air conditioning technicians should be aware of emails, advertisements and travelling salespeople promoting cheap refrigerant and ensure any refrigerant they buy is in compliant cylinders.

Any suspected sale or use of refrigerant in disposable cylinders can be reported to the ARC www.arctick.org/breach_law or Department of the Environment RAC@environment.gov.au

New requirements for RTA applications

To be compliant with your obligations as a holder of a Refrigerant Trading Authorisation (RTA), there are a number of requirements around maintenance of equipment, record keeping and advertising that need to be adhered to. You can read all about the conditions of holding an RTA on the ARC website www.arctick.org.

Included in this list, is evidence that a **risk management plan** relating to the handling and storage of refrigerant in your business has been put into effect. And, with the requirement to hold and maintain equipment suitable to your needs, a **refrigerant recovery cylinder** is also necessary.

From September 2014, all Refrigerant Trading Authorisation applications (including re-applications) are now required to include the following:

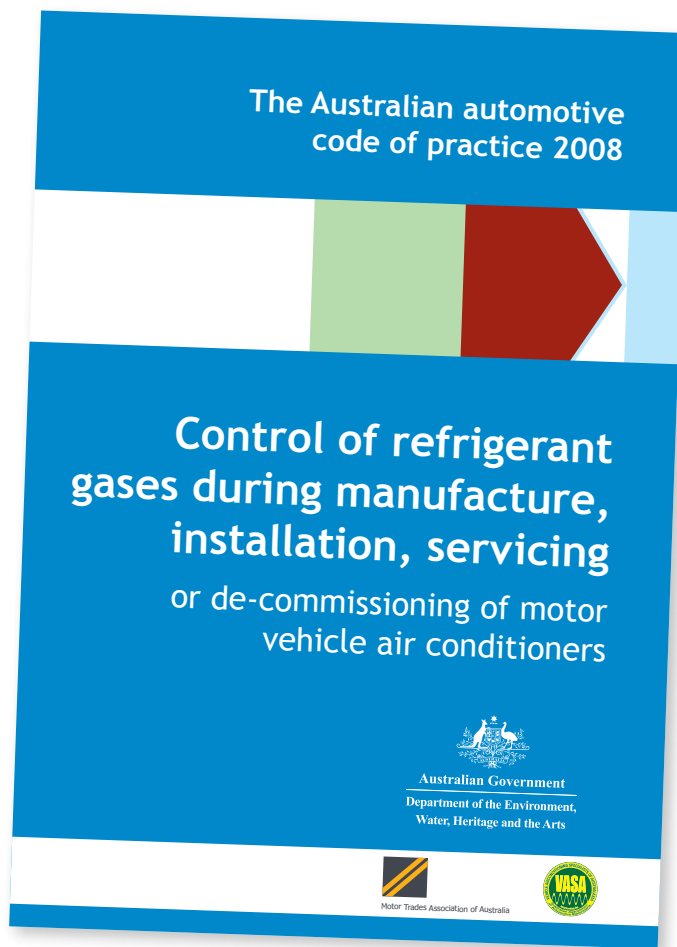
- A copy of your Risk Management Plan (RMP). Visit www.arctick.org/RMP for a copy of the guide to producing a RMP and a suggested (not exclusive) template.
- Evidence that you hold and maintain a refrigerant recovery cylinder at your nominated business premises. This could be in the form of the cylinder supplier's name and serial number.

Auto Air Con Code of Practice under review

On 27 August 2014, representatives from the automotive air conditioning and the transport refrigeration industry sectors attended an industry forum in Sydney hosted by Refrigerants Australia and VASA (Automotive Air conditioning, Electrical and Cooling Technicians of Australasia), with support from the Department of the Environment (the Department).

The forum's aim was to discuss the current technological changes and trends affecting their industries, and practical ways to minimise environmental impacts into the future. The forum also provided an opportunity to obtain industry input on *The Australian automotive code of practice 2008 – Control of refrigerant gases during manufacture, installation, servicing or de-commissioning of motor vehicle air conditioners*.

Forum participants agreed that an update of the code of practice (CoP) should be considered and that a working group should be established to guide the development of the CoP. Participants were also asked to provide feedback on whether a comparative code should be developed for the transport refrigeration and air conditioning sector. Outcomes of the forum will provide valuable input to the review of *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* currently being undertaken by the Department.



Refrigerant Reclaim Australia – 21 years of operations and 5,000 tonnes recovered and destroyed

Refrigerant Reclaim Australia (RRA) has just surpassed two outstanding milestones – 21 years of operations, and the recovery and destruction of 5,000 tonnes of refrigerant that had reached end-of-life.

Preventing the emission of 5,000 tonnes of CFC, HCFC, and HFC refrigerant is a wonderful achievement for the whole industry and has saved 10 million tonnes of stratospheric ozone from being destroyed, and stopped 10 million tonnes of carbon dioxide equivalent (CO₂) entering the atmosphere.

Every day, everywhere in Australia, technicians in the refrigeration, air conditioning, and automotive air conditioning sectors are recovering refrigerant that has

reached end-of-life. Sometimes just in grams and occasionally by the tonne, diligent dedicated professionals prevent this surplus, redundant or contaminated refrigerant from being emitted to the atmosphere.

Technicians' efforts make a real difference. Just one kilogram of CFC12 can destroy 10 tonnes of stratospheric ozone, and is the equivalent of 10 tonnes of CO₂.

While the more modern HFCs don't impact the ozone layer some have high global warming potential (GWP). During the coming decade the industry will make the transition from refrigerants that have high GWPs, equivalent to a tonne or more of CO₂, to low GWP products. This will result in many thousands of tonnes of refrigerant reaching end-of-life through redundancy. RRA is already working on expanding the capacity of the recovery program to handle the increased volume of unwanted refrigerant.

Australian Refrigeration Council
www.arctick.org ARC Hotline: 1300 88 44 83



All Greenhouse Gas emissions associated with producing this product have been offset.

This product is 100% Carbon Neutral