



Carbon Tax to be Abolished

The Australian Government has announced details of its plans to repeal the carbon tax, including the equivalent carbon tax on synthetic greenhouse gases, from 1 July 2014.

Bills to repeal the carbon tax were tabled in Parliament on 12 November 2013. The bills were finalised after consultation with stakeholders.

Key points of the repeal bills for synthetic greenhouse gases are:

- The equivalent carbon tax will be repealed from 1 July 2014 and will not apply to imports of synthetic greenhouse gases made after this date. Synthetic greenhouse gas importers must pay the equivalent carbon tax on imports arriving in Australia up to 30 June 2014.
- To reduce the risk of refrigerant shortages before 1 July 2014, refrigerant imported from 1 April – 30 June 2014 will be exempt from the carbon tax if it is stored in a Customs warehouse and not released until after 1 July 2014.
- Applications for export refunds will be accepted up to 31 December 2015 for synthetic greenhouse gases imported before 1 July 2014 and exported before 1 July 2015.
- The Australian Competition & Consumer Commission (ACCC) will have new powers to monitor prices and take action against businesses that attempt to exploit other businesses and consumers by charging unreasonably high prices or making false or misleading claims about the effect of the carbon tax repeal on prices. This is to ensure that consumers benefit from expected price reductions following the removal of the carbon tax.

Please note that at the time of writing, the Parliament had not passed legislation to end the Carbon Tax on 1 July 2014.

A skilled workforce – the key to a sustainable RAC sector

A skilled refrigeration and air conditioning (RAC) workforce is essential when it comes to the handling and trade of fluorocarbon refrigerants.

The value of a skilled workforce cannot be underestimated. It encourages a consistent level of service and quality that reflects positively on the industry as a whole. Knowledgeable and skilled RAC practitioners will safeguard the sustainability of the RAC sector, when it comes to working with fluorocarbon gas and improving environmental practices.

The ARC 'qualified persons' licences require that all applicants be trained and qualified, and therefore competent, in the service areas that each licence is linked to. The training and qualifications which underpin the numerous licences are based on nationally endorsed competency standards.

Holding a licence means technicians can stand-out, by virtue of their licence card, which proves they are not only following the law, but are also qualified to do the job.

Informed and skilled technicians are essential in managing this diverse and exciting, but relatively silent sector. So, this summer promote your professionalism, qualifications and legal right to do the work loud and clear. It's as easy as showing your ARC licence card.



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RAC Industry associations come together for ARC Members' forum

The 4th Annual ARC Members' Forum was held in Sydney on the 17th October. The Forum brings together key refrigeration and air conditioning (RAC) industry associations as one, and gives industry leaders the opportunity to speak, on behalf of their members, about issues directly and indirectly related to the ARC licence scheme.

Senior representatives from the Department of the Environment and the ARC were there to listen to industry and better understand key industry issues as experienced by members.

A comprehensive list of action items was compiled based on contributions from all attendees in the RAC and Auto segments, with the following topics highlighted:

- The Department and ARC to explore options for introduction of on-the-spot fines for breaches of the Act/Regulations
- The ARC to look at ways to increase consumer awareness of licence entitlements
- ARC to improve industry awareness by providing information on R32 refrigerant to licensed technicians and authorised businesses
- The Department to consider communication of numbers and prosecutions of investigations into breaches of the Act/Regulations
- The Department and ARC to explore options to require insurance companies to initiate refrigerant recovery for damaged vehicles at end-of-life



R32 refrigerant

Over the last 12 months, Japanese split system air conditioning manufacturers have increasingly been developing air conditioners that will operate on R32 refrigerant with a view to releasing these for sale to the Australian market.

In Jan 2013, there were approximately 5 models already registered for sale in Australia. Now, the MEPS website lists 56 models available for sale using R32 refrigerant. (Source www.energyrating.gov.au) It is anticipated that more manufacturers are looking to adopt R32 refrigerant in wall mounted split-system air conditioners where suitable.

Aware of the unique characteristics of R32 refrigerant (Classified A2L flammable refrigerant, low GWP), compared to the commonly used R410a (GWP, not flammable) Japanese manufacturers chose to sell the systems in the Australian market, due in part to our relatively highly skilled and licensed workforce.

Manufacturers, such as Fujitsu, are also ensuring their technicians and suppliers hold a relevant ARC licence and have an understanding of the AIRAH Flammable Refrigerants Safety Guide, before they handle systems containing R32 refrigerant.

Up to 1000 non-licensed inspections per year

ARC Field Officers located in each mainland state conduct over 6000 audits per year.

Ensuring businesses and technicians are doing the right thing by the regulations is vital to the environment and the sector as a whole.

As part of the 6000 Audits, the ARC also conducts up to 1000 inspections per year of potential non-licensed activity, based

on complaints by industry, the general public, as well as our own enquiries. Inspections take the form of physical site visits and, if a specific breach of the regulations is suspected and reported, the Department of the Environment undertakes further investigation. Penalties may apply. See Fact Sheet 11 on www.arctick.org for penalties under the Act and the Regulations.

If you believe that an individual or business is operating illegally then you can report this to the ARC by lodging a complaint online at: www.arctick.org/breach_law

Lubricating oil and dye in hybrid vehicles using electric A/C compressors

Based on feedback from our readers, the Cool Change newsletter will now include regular technical articles of interest to licence holders. Below is an article produced by ADAIR, and kindly provided to us by ARC member association – IAME.

Lubricating oil and dye in hybrid vehicles using electric A/C compressors

Refrigerant and lubricating oil are circulated together around the windings of the A/C compressor electric drive motor.

Lubricating oil – Ensure that only the vehicle manufacturer’s recommended ‘non-conductive’ oil is used in the A/C system. Do not use PAG (polyalkaline glycol) as it is highly hygroscopic (absorbs moisture) and even 1% of PAG oil in the electric compressor will reduce the compressor insulation resistance from 10 Megaohms to 1 Megaohm. Once the insulation resistance has been reduced the likely hood is that the compressor body will become ‘live’ and will cause electrocution to any person touching the compressor body. If PAG oil was mistakenly added to the A/C system, contact the vehicle manufacturer’s representative for the corrective actions – which may involve flushing or replacing all A/C components. Some electric compressors have a voltage leakage sensor that will turn off the power supply to the compressor if a voltage is found at the compressor body. Hybrid A/C oils are non-conductive synthetic oils such as POA (Polyalphaolefin), POE (Polyolester) and Ester (Poly Ester).

The reason is that these synthetic oils are non-hygroscopic unlike the PAG oil. Consult the A/C compressor label for the correct oil type and quantity. POE is not suitable for using with HF01234yf refrigerant.

When servicing Hybrid vehicle A/C systems use a dedicated charging station or equipment to avoid cross-contamination of oil. If using a non-dedicated station, ensure that the hoses and manifold are flushed to remove all residual PAG oil – the internal components and plumbing of the automatic machine must also be flushed.

Leak Detection Fluorescent Dye – It is the general consensus of all the hybrid vehicle manufacturers that leak detection dye should not be used in A/C systems using electric compressors. Some dyes contain PAG oil and even solvents. This will cause insulation resistance issues as mentioned earlier in the ‘lubricating oil’ section.

- Do not use dye containing PAG oil or flammable solvents
- Flush any servicing equipment that has contained PAG oil before using

The SAE (society of automotive engineers) is currently working on a standard for electric compressor leak detection dyes. The standard number once released is SAE J2297H.

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Summer communications

– including FREE promotional materials for your business



It is a mantra at the ARC to always look at ways to increase the value of a licence or authorisation.

And the summer period is where we really roll our sleeves up when it comes to cost-effective advertising, mail-outs and free promotional materials for licence holders, all aimed at increasing awareness of the licence scheme and driving customers to you. Below are some of the communications actions we have, and will be, implementing in the coming weeks:

- **Mail-outs to air con/refrigerator retailers**
 - Ensuring retail staff promote the use of licensed installation and servicing.
- **Mail-outs to publishers**
 - Making sure the legal requirement of listing AU numbers on RAC advertising is maintained.
- **Mail-outs to end of life RAC businesses**
 - Highlighting the choice to contact licensed technicians to recover refrigerant from systems, as well as the Restricted Refrigerant Recovery licence.

- **Advertising in local papers**
 - Encouraging readers to use licensed technicians and authorised businesses.
- **Online marketing**
 - Capturing searches for RAC and Auto services and directing them to ‘you’ via www.lookforthetick.com.au and the RTA business directory.
 - ‘Use licensed technicians’ advertising on major traffic websites.

The results of last years’ communication activities over summer drove upwards of 50,000 people to visit www.lookforthetick.com.au and increased the use of the RTA business directory by 70%. That represents the ultimate value for a licence holder – when your business increases as a result of holding the licence.

New Free promotional materials

- **Licensed Air Conditioning Maintenance posters** with official Government logo
- **Promoting ‘Licensed Air Conditioning and Refrigeration Maintenance’ to attract customers to your business**
 - Hand-outs for RAC/Auto licence holders to give to customers
 - Government-branded, detailing legal requirement to fix leaks before re-gassing, as well as highlighting benefits of using licensed technicians
- **Plus other materials such as service stickers, posters, tags and much more.**

Visit www.arctick.org/promote_rta_rhl.php to read more. To order your free promotional materials contact ARC on enquire@arctick.org or phone 1300 88 44 83.

Pre-competency based training qualifications and the RHL renewal process

The ARC licence scheme is underpinned by Australian Qualifications Framework (AQF) based qualifications. Certified qualifications are required to be supplied before assessment and issue of licence can be made.

For technicians who completed their qualifications before the introduction of competency-based training, and who therefore may have difficulty accessing their qualifications and proof of industry experience, the ARC advises the following options:

If the applicant has a trade qualification certificate but no proof of industrial experience:

- Documentation for 4 years of industrial experience is required. This could include information such as: level and range of experience, (through a letter from employer or state-based licence). If a sole operator, a letterhead certified by their accountant or lawyer is requested.

If the applicant has proof of industrial experience but no qualification documentation:

- The applicant should obtain recognition of prior learning (RPL) through a relevant registered training organisation or trade recognition body.

If you would like to know more about this, please contact the ARC on 1300 88 44 83.

Annual indexation of application fees

Fees for RAC licences will increase slightly on 1 January 2014, in-line with the Wage Price Index (WPI). The Ozone Protection and Synthetic Greenhouse Gas Management Regulations (1995) set out the annual indexation of fees on the basis of the WPI (2.7% for 2014). The table below sets out the current fees as well as the new fees that will apply from 1 January 2014:

RAC industry permit fees	Current fee (2013)	From 1 January 2014
Refrigerant handling licence (2 years)	\$130	\$134
Transitional refrigerant handling Licence (1 year)	\$65	\$67
Trainee refrigerant handling licence (1 year)	\$26	\$27
Refrigerant trading authorisation (2 years)	\$420	\$431
Refrigerant trading authorisation (1 year)	\$210	\$216
Restricted refrigerant trading authorisation (2 years)	\$130	\$134

Application fees were raised on 1 January 2013 following the first review of fees since the licensing schemes began. The increase in 2013 and the introduction of annual indexation from 2014 aims to ensure that the cost of implementing the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* (the Act) continues to be met by the fees charged. The rate of cost recovery through the licensing schemes will be addressed as part of an upcoming review of cost recovery under the Act. Revenue provided through licence fees, the import and manufacture levy and income received from the operation of the National Halon Bank is directed to paying the Commonwealth's costs associated with administering the Ozone legislation, as well as the costs associated with programs to phase out and reduce emissions of ozone depleting substances (ODS) and synthetic greenhouse gases (SGG).

In relation to the RAC industry, the funds enable the ARC to contribute to a range of activities to ensure that industry and retailers are informed of changes to licences, training and other issues in the sector. The ARC also undertakes compliance work and educational visits to help ensure industry is aware of its obligations and operating within the Regulations.

In addition to the services provided by the ARC, the Department of the Environment undertakes educational and awareness activities to communicate key messages on ozone licensing and related policy matters; research into uses, impacts and issues related to ODSs and SGGs and emerging new sector trends and alternative gases, progressing international agreements and policies, and assisting in the update of training packages and access to skillsets and appropriate resources for those in the industry. As well, the Department undertakes compliance and investigations to make sure industry and consumers are aware of, and continue to meet, their obligations under the Ozone legislation.

You can find out more details about the changes to licence fees on the Department of the Environment's website at <http://www.environment.gov.au> as well as the ARC's website by going to http://www.arctick.org/fee_structure.php

Licence holder found in breach of the Act for not reporting on time

On 4 October 2013, the Federal Court of Australia declared that by not submitting three quarterly reports as part of their obligations as the holder of an Ozone Depleting Substance (ODS)/Synthetic Greenhouse Gas (SGG) Equipment Licence, Rothenberger Australia Pty Ltd had breached section 46A of the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989* (the Act). The Department of the Environment was awarded costs.

As well as Refrigerant Handling Licences and Refrigerant Trading Authorisations which help control the handling and trade of fluorocarbon refrigerant in Australia, licences are also required for the manufacture, import and export of ODS/SGGs or equipment containing ODS/SGGs.

The Department commenced legal proceedings against Rothenberger Australia Pty Ltd after it failed to submit its quarterly reports by the due dates, despite receiving multiple reminder notifications and warning letters from the Department.

As a result of the proceedings, Rothenberger Australia Pty Ltd has since submitted all outstanding reports.

Reporting Non Compliance

If you have any information about the acquisition, import, export, international trading or use of gas that may not comply with the requirements of the Act or the Ozone Protection and Synthetic Greenhouse Gas Management Regulations 1995 (the Regulations) please contact the Department of the Environment via email ozone@environment.gov.au or free call 1800 803 772. Visit www.environment.gov.au for further information.

For information regarding possible breaches of the Regulations relating to Refrigerant Handling Licences and Refrigerant Trading Authorisations, please contact the Australian Refrigeration Council (ARC) via their website www.arctick.org or phone 1300 884 483.

