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Department of Sustainability, Environment,  
Water, Population and Communities




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## Application of the equivalent carbon price to synthetic greenhouse gases

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## Protecting the atmosphere – Ozone and Climate Change

- Ozone Depleting Substances - Montreal Protocol
- Climate Change - UN Framework Convention on Climate Change (Kyoto Protocol)
- Clean Energy Future Plan

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## Ozone Protection and Synthetic Greenhouse Gas Legislation

- Act aims to reduce emissions by regulating:
  - manufacture
  - import and export
  - use
- Regulations aimed at end users
- From 1 July 2012, the Act includes provisions for the equivalent carbon price on SGGs


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## Why is an equivalent carbon price being applied to SGGs?

- Synthetic greenhouse gases are listed under the Kyoto Protocol, and most have a very high global warming potentials (GWP)
- From 1 July 2012 equivalent carbon price encourages:
  - increased recycling of synthetic greenhouse gases
  - improved servicing of existing equipment to reduce leakage
  - a switch to purpose-designed equipment using lower GWP gases, only where this is appropriate and meets relevant safety standards and legislative requirements
  - innovation by manufacturers to develop safe, low GWP gases and suitably designed equipment for those gases

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## Fixed Price Period

- The equivalent carbon price commenced with a three-year fixed price period
  - \$23.00 in 2012-13
  - \$24.15 in 2013-14
  - \$25.40 in 2014-15
- After 1 July 2015, the equivalent carbon price will be equal to an average auction price.

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## How much is the equivalent carbon price?

- For 2012-13, the equivalent carbon price for for 1 kg of gas is:
  - 134a: \$29.90
  - 404a: \$74.98
  - 407a: \$40.71
  - 407c: \$35.10
  - 410a: \$39.68
  - 227ea: \$66.70



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## More information on the equivalent carbon price

- The department has published a calculator for the equivalent carbon price:  
[www.environment.gov.au/equivalentcarbonprice](http://www.environment.gov.au/equivalentcarbonprice)
- To report a claim or for further information on the ACCC's role in relation to carbon price claims and a range of associated publications for businesses and consumers, visit [www.accc.gov.au/carbon](http://www.accc.gov.au/carbon)

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## Ongoing SGG legislation requirements

- Importers of HFCs and PFCs in bulk gas form are still required to have a valid import licence
  - These requirements have been broadened
- Importers of refrigeration or air conditioning equipment containing HFCs and refrigeration equipment containing hydrochlorofluorocarbons (HCFCs) are still required to have a valid licence
  - These requirements have been broadened

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## Changes to SGG legislation

- Import (or manufacture) levies amended for bulk SGGs and equipment containing SGGs
  - Levy charged at prescribed rate (\$165 per tonne) + equivalent carbon price, based on the GWP of the gas
- SF6 now covered
- Scope of pre-charged equipment expanded to include all products and equipment containing a SGG

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## Changes to SGG legislation (cont.)

- Levy payment extended from 15 to 60 days after the end of the quarter
- Levy refunds for exports of SGGs, in bulk or in equipment, under specified conditions
- Exemptions for products or equipment which:
  - Meets specific criteria/eligibility to be exempted from the levy by Regulation
  - Meets specific criteria/eligibility for private or domestic use (e.g. private motor vehicles, refrigerators and freezers)



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## Export Refunds

- A refund can be made to a licensee providing:
  - The licensee has imported the SGG or products /equipment containing SGG in the previous twelve months
  - The equivalent carbon price on the SGG has been paid
  - The licensee has exported the SGG or products /equipment containing SGG
- Documents to support the claim are required
- Licensees can apply for an export refund once per quarter
- Licensees can claim an export refund on behalf of customers


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## Exemptions

- Legislation allows exemptions from the equivalent carbon price and/or from the definition of SGG equipment
- Exemptions can be granted:
  - Where applying the equivalent carbon price is impracticable
  - For medical, veterinary, health and safety purposes
  - Where equipment is owned for private or domestic use in the country of export for 12 months or more and must be kept by the person, or by a member of the person's household, for private or domestic use in Australia

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## Destruction Program

- Incentives will be provided for destruction of waste SGGs and ozone depleting substances, recovered at end of life
- Payment will be made after verification of destruction of the gas
- Program will be developed in consultation with industry
- Program will start 1 July 2013

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## What this means for importers

- Hold an existing licence or if new import, apply for a licence and pay an upfront non-refundable application fee of between \$400 to \$15,000.
- Lodge an import activity quarterly report within 15 days of the end of each calendar quarter – even if no import.
- Pay the import levy within 60 days of the end of each calendar quarter following receipt of an invoice from the department – 30% p.a. penalty for late payments. Extension to due date.
- Only legitimate costs can be passed onto customers
- Inspectors may visit premises to inspect, examine, test or take away samples of gas for testing and/or view records relating to the gases.

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## What it means for technicians?

- Synthetic greenhouse gases are still be available and can still be used to refill equipment
- Businesses and technicians must continue to comply with all legislative and regulatory requirements, including:
  - Appropriate training, skills and licences
  - Relevant codes of practice and standards
  - Work health and safety legislation
  - Competition and consumer legislation
- Be mindful of obligations to provide accurate advice on any safety issues and their implications, particularly if an alternative gas is being contemplated

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## What it means for consumers

- Synthetic greenhouse gases are still available and can still be used to refill equipment.
- There are products that use lower global warming alternatives.
- If considering replacing a synthetic greenhouse gas in existing equipment with another refrigerant:
  - ask the technician to explain what they are doing, what the risks are and check with the equipment manufacturer and your insurer for any implications.
  - Check the technician has the appropriate training, skills and licensing and have considered the regulatory controls and standards

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## Queries

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- Website [www.environment.gov.au/equivalentcarbonprice](http://www.environment.gov.au/equivalentcarbonprice)
- Email: [ozone@environment.gov.au](mailto:ozone@environment.gov.au)
- Free call: 1800 803 772
- To subscribe for news updates, visit the departments website

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