



Ken Newton,
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Under the Southern Cross

An industry in panic mode

I'm sorry to have to introduce ugly politics into my story, but there is no escaping the fact that politics in this country is really messing with people's lives in a big way. If you've been following my output during the past year, you will no doubt deduce that the current Oz Prime Monster...sorry, Minister, one Julia Gillard is no friend of mine.

I am happy to report that as of a couple of weeks ago, she doesn't have too many friends in the automotive aftermarket either, so I don't feel the odd one out. The reason for this current wave of anger against our beloved leaders is quite simple. It's called 'breach of trust'. You see, before the last Australian election Julia big-noted herself by promising that she would never introduce a carbon tax. Guess what. She lied.

Not only was it a big fib, but she is now struggling to explain to the public at large how the carbon tax is going to work. I'd explain it to you now, but I have no idea how it works. All we do know is that all of our prices, from eggs to Holdens are going to go up.

Don't worry, says Julia, we will look after all the poor people and give them

some money or tax relief to compensate. Sure.

Let's look closer to home. The price of R-134a is about to sky-rocket by at least four-fold. Nobody's quite sure yet, but the rumour mill is in overdrive. Word has just started to reach the wholesalers of refrigerant, and they are all panic stricken about how they are going to explain the price rises to their customers.

Some of the better wholesalers are worried that many of their retail customers are going to turn to alternative refrigerants to save money, and you know what that means – hydrocarbons. The story gets worse.

Worried now about the possible elector backlash over rising prices of refrigerant, Julia has instructed the Australian Competition and Consumer Commission to make it a hanging offence if anybody in a workshop tries to blame the increased cost of an air conditioning service on the carbon tax. So now, all the workshop owners are worried. How in hell do they explain the rapid overnight increase in the price of an air conditioning service or repair?

One big workshop owner in Sydney probably speaks for the country when he

reported to VASA "I am truly worried that this will push a lot of the A/C specialists and general service providers against the wall and into switching to HCs as their preferred refrigerant just so they can stop their customer base from moving on. It's going to cripple the guys doing the right thing (the right thing being the use of the only approved refrigerant R134a).

"How can this be a just process?" he goes on. "We have to be accountable for everything we do; they (the government) do not. And now they are telling us we have to lie about the true reason for the price hike. Are we to be penalised for telling the truth?"

The Commission's guidelines are complex, just like most government related documents. It says: You are not generally required to justify or explain why your prices have increased – however, if you choose to claim that price increases are due to a particular cause, you should have confidence in your claim. This includes where you choose to link your price increases to a carbon price.

Reading the small print, the watchdog is not saying you can't attribute a price rise to the carbon tax, but you will need to be able to prove that other factors, like your rent, wages, power and every other business cost are equally blamed and taken into account in making your statement. Otherwise, it's the noose.

Bring on the next Federal election in 2013. As happened in my home state election just recently, with the almost total destruction of the once noble Labor Party over an issue of breach of trust, it is very likely that Federal Labor will be thrown out next year for its breach of trust. It might be too late to turn back the clock on the carbon tax, but at least revenge will be sweet. ❀

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