Public Health Association of Australia submission on Better Fuel for Cleaner Air draft regulation impact statement

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Introduction

The Public Health Association of Australia

The Public Health Association of Australia (PHAA) is recognised as the principal non-government organisation for public health in Australia working to promote the health and well-being of all Australians. It is the pre-eminent voice for the public’s health in Australia. The PHAA works to ensure that the public’s health is improved through sustained and determined efforts of the Board, the National Office, the State and Territory Branches, the Special Interest Groups and members.

The efforts of the PHAA are enhanced by our vision for a healthy Australia and by engaging with like-minded stakeholders in order to build coalitions of interest that influence public opinion, the media, political parties and governments.

Health is a human right, a vital resource for everyday life, and key factor in sustainability. Health equity and inequity do not exist in isolation from the conditions that underpin people’s health. The health status of all people is impacted by the social, cultural, political, environmental and economic determinants of health. Specific focus on these determinants is necessary to reduce the unfair and unjust effects of conditions of living that cause poor health and disease. These determinants underpin the strategic direction of the Association.

All members of the Association are committed to better health outcomes based on these principles.

Vision for a healthy population

A healthy region, a healthy nation, healthy people: living in an equitable society underpinned by a well-functioning ecosystem and a healthy environment, improving and promoting health for all.

Mission for the Public Health Association of Australia

As the leading national peak body for public health representation and advocacy, to drive better health outcomes through increased knowledge, better access and equity, evidence informed policy and effective population-based practice in public health.

Preamble

PHAA welcomes the opportunity to provide input to the Better Fuel for Cleaner Air Regulation Impact Statement. The reduction of social and health inequities should be an over-arching goal of national policy and recognised as a key measure of our progress as a society. The Australian Government, in collaboration with the States/Territories, should outline a comprehensive national cross-government framework on promoting a healthy ecosystem and reducing social and health inequities. All public health activities and related government policy should be directed towards reducing social and health inequity nationally and, where possible, internationally.
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PHAA Response to the consultation paper

The draft regulation impact statement (RIS) proposes improvements to fuel standards under the Fuel Quality Standards Act 2000, designed to bring Australia’s fuel quality into line with international standards. The proposed options for regulation change included in the draft RIS are:

- **Option B**: revision to fuel standards to be fully in line with European standards -
  - sulfur maximum limits reduced to 10 ppm;
  - RON 91 phased out and minimum becomes 95 RON;
  - aromatic content maximum limit reduced to 35%;
  - changes to broaden the scope of the diesel standard
- **Option C**: revision to fuel standards to be partially in line with European standards -
  - sulfur maximum limits reduced to 10 ppm;
  - 91 RON is retained;
  - aromatic content maximum limit reduced to 35%;
  - changes to broaden the scope of the diesel standard
- **Option F**: revision to fuel standards to be partially in line with European standards –
  - sulfur maximum limits reduced to 10 ppm

Option B – is the only one which fully aligns with European standards and achieves appreciable health and environmental outcomes including a net decrease in greenhouse gas emissions.

**Does the draft RIS adequately capture and assess the main costs and benefits**

Implementation of cleaner fuel standards is an essential element in lowering emissions and improving health outcomes. Better fuel standards lead to the improved engine and emissions technologies required to lower emissions. Therefore PHAA strongly supports improvements in clean fuel standards.

The current analysis has the net benefits placing a higher weighting on the economic factors than health and environmental factors. The analysis suggests that the non-market benefits such as fuel consumption, vehicle operability and health cannot be quantified. Without proper consideration of these benefits, the cost-benefit analysis is incomplete.

Options C and F claim only slightly lower health benefits than Option B. This suggests that the clear majority of health benefits is to be derived from lowering the sulfur levels to 10ppm.

Option B is the only one claiming a net decrease in greenhouse gas emissions. This suggests that the net decrease comes solely from the change from 91 to minimum 95 RON.

The avoided health impacts estimates seem to be illogical. Option F has the lowest estimate, followed by Option B, with Option C producing the highest estimated health benefit. This suggests that reducing the aromatics from 45% to 35% will increase potential health benefits, while changing from 91 to 95 RON will have a negative health benefit.

With an incomplete and illogical cost-benefit analysis, the information provided in the RIS is insufficient to use as a decision making tool.

PHAA is therefore using the European standard as the guide to assessing each of the options, noting that alignment will reduce noxious emissions and therefore reduce preventable illnesses and hospitalisations, as well as benefiting the community through easing access to the latest Euro 6 standard compliant vehicles. On that basis, PHAA supports Option B.
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How and when the policy options could be implemented

Alignment of Australia’s fuel quality with international standards should occur as soon as is reasonably practical. Australia is having to catch up with the rest of the OECD countries in this area, and there should be no further delays. The costs involved in making the necessary changes to infrastructure, processing and services should not unduly delay benefits to health and the environment.

Whether the options are likely to achieve the proposed and desired health, environmental and technological outcomes

Each of the proposed options has associated health implications, with air pollution resulting in thousands of deaths,¹ therefore there is a moral imperative to minimise these deaths. Implementing the option with the most health benefits will be essential. However, this is difficult to determine from the available information. There is a lack of solid evidence about the health benefits and effects of the various proposed options, with only the associated costs well-estimated in the RIS. This means that there cannot be a holistic cost-benefit analysis completed, with an appropriate determination made regarding the best option to implement. Addressing this gap in the available information is essential. In the absence of such information, a precautionary approach must be taken, where the most stringent standards are applied, assuming they will result in the most health benefits.

Sulphur interferes with the catalytic converters making them less effective in filtering emissions and reducing noxious substances emitted from vehicles. A high sulphur content limits the importation of vehicles with newer technology, capable of producing lower emissions. Higher sulphur content therefore increases air pollution.

Higher octane fuels are used in high compression petrol engines which are more fuel efficient and produce lower greenhouse gas and noxious emissions. The increase in fuel efficiency may offset an increase in cost associated with higher octane fuels.

Option B is the only option which reduces sulphur, increases octane, and reduces aromatics. Reducing the sulphur content is an essential minimum for the new standards, to reduce respiratory irritants, and interference with fuel efficiency and exhaust extraction of harmful particulates and noxious substances.

Increasing the octane level also allows more advanced engine technologies for better fuel efficiency and reduced noxious emissions and particulates. This will have a measurable effect on savings to the health system since they are associated with heart disease, lung cancer, respiratory disease and stroke. Another consideration is that improvements in engine efficiency are important in the context of Australia meeting our obligations under the Paris Agreement 2015 to keep global average temperature increase to less than 2 degrees.² Carbon emissions from vehicle transport contribute about 17% of our greenhouse gas emissions, and therefore play an important role in our overall reductions.³

A possible consequence of increasing fuel standards and therefore increasing the price of petrol may be to increase the price differential between petrol and diesel, thereby encouraging the use of diesel vehicles. Diesel exhaust remains worse for health than petrol exhaust,⁴ which must be taken into account. Any price increase in petrol resulting from the proposed changes in fuel standards should be accompanied by an adjustment in the fuel excise to ensure the same increase in diesel prices.

Increasing the price of fuel overall has some benefits such as a tendency to drive more slowly to conserve fuel. This may be considered a public health benefit of increased fuel prices.

While cleaner fuel standards are an important interim step in improving health outcomes for the community, zero emissions vehicles and reducing car use in favour of public transport and active transport should be the ultimate goal for responding to the health and environmental impacts of fossil fuels used in transportation.

¹ PHAA submission on Better Fuel for Cleaner Air draft Regulation Impact Statement
² How and when the policy options could be implemented
³ Whether the options are likely to achieve the proposed and desired health, environmental and technological outcomes
⁴ Increasing the price of fuel overall has some benefits such as a tendency to drive more slowly to conserve fuel. This may be considered a public health benefit of increased fuel prices.
Conclusion

PHAA supports the broad directions of the regulation changes to fuel standards in Australia. However, we are keen to ensure public health impacts are paramount in line with this submission. We are particularly keen that the following points are highlighted:

- Australia is well behind the rest of the developed world in fuel standards
- There are numerous health benefits to be gained from better fuel standards
- Decreasing sulphur and increasing octane would both reduce emissions and ease access to improved technology vehicles available internationally

The PHAA appreciates the opportunity to make this submission and the opportunity to contribute to better fuel standards for Australia.

Please do not hesitate to contact us should you require additional information or have any queries in relation to this submission.

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References


