

LABOR SENATORS DISSENTING REPORT

Labor Senators support the introduction of a national mandatory labelling regime for blended fuels. In September 2002, the Labor Opposition announced a policy on the introduction of capping ethanol-blended fuel to 10% and a labelling system. This position has not changed and Labor has consistently called for significant consumer protection in this area.

In December 2002, Dr Kemp, Minister for Environment and Heritage, called on State Governments to introduce mandatory labelling and indicated the Federal Government would take action if the States did not act.

In February 2003 Dr Kemp announced the Government would introduce a national mandatory labelling regime for blended fuels and relevant legislation would be introduced at the resumption of Parliament for 2003.

Evidence provided at the Inquiry by officers of the Department of Environment and Heritage asserts that the Department commenced preparation for the introduction of this policy in January 2003.

In April 2003 Dr Kemp announced the capping of ethanol blended fuel to 10% and re-announced the introduction of a national mandatory labelling regime.

The Fuel Quality Standards Amendment Bill 2003 was introduced to Parliament on 26 June 2003, the last sitting day of the Winter session.

Dr Kemp and the Department of Environment and Heritage have been developing the relevant material for this Bill since January 2003. The Department however, advised the Committee that it is yet to prepare draft regulations or proposed labels.

As highlighted during the public hearing, Labor Senators consider that without draft regulations and labels, the Committee has not been given sufficient information to fully understand the labelling regime this legislation will put in place.

Prior to the Inquiry's public hearing the Committee discussed the benefits to the Committee's work of being able to consider the draft regulations and proposed labels at the Inquiry. It was resolved that the Chair would request the Minister release this information. Unfortunately despite the Committee's request the Minister has refused to make draft regulations or proposed labels available to the Committee for consideration with the legislation.

It is not unprecedented that draft regulations be released at the time legislation is being considered in Parliament. Labor Senators do not consider the release of this information as unreasonable and wish to express their frustration in being required to consider legislation without being provided sufficient information to fully assess how the legislation will be implemented.

Labor also wishes to highlight that the Department of Environment and Heritage has been working on the implementation of a national mandatory labelling regime for most of 2003 and yet has not been asked to prepare draft regulations or proposed labels. Officers of the Department clearly indicated that once the legislation has been passed by Parliament, draft regulations and labels could be swiftly provided.

The principal operation of this Bill is to introduce consumer protection labelling for ethanol blended fuel. There has been legitimate public concern over the safety of ethanol in petrol and the issue of consumer awareness has been of primary importance to Labor throughout the debate.

Minister Kemp called for action to be taken in December 2002 and has repeatedly announced the Government's intention to introduce mandatory labelling for ethanol-blended fuel since February 2003. However, the Department was unable to explain why the introduction of the Bill was delayed until 26 June 2003.

Given the Department advised that it can quickly produce draft regulations and labels once instructed, and that to date it has not been instructed by the Minister to do so, Labor Senators are compelled to conclude that for some reason the Minister wishes to delay the introduction of a national mandatory labelling system.

Labor Senators are concerned that this legislation will provide consumers with information and protection, and it is for this reason the Opposition referred this legislation to the Committee. The Minister's claims that the Opposition has delayed the implementation of a national mandatory labelling system by referral of this bill to the Committee are demonstrably spurious.

Labor Senators continue to call on the Minister to immediately release the draft regulations and proposed labels in order to expedite the passage of this bill and the introduction of mandatory labelling of blended fuels.

Senator Kerry O'Brien
Senator for Tasmania

Senator Kate Lundy
Senator for the ACT