

Our Ref: 2011/0912~2
Your Ref:

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Committee,

SENATE COMMUNITY AFFAIRS COMMITTEE - INQUIRY INTO THE LOW AROMATIC FUEL BILL 2012

I refer to the recent inquiry relating to the *Low Aromatic Fuel Bill 2012*, which has been recently introduced into the Australian Parliament. On 1 July 2011, the legislation governing my statutory office as the Children's Commissioner, the *Care and Protection of Children Act (NT)* (the Act), was amended to broaden the range of children that fall under my complaints or 'own initiative' investigation function. It now includes children who have had interaction with the NT child protection system, children involved in the Youth Justice System, those who are seeking a child-related service such as a social service, **a child under a Volatile Substance Treatment Order** and a child who has a mental illness, is mentally disturbed or has a disability. Under the Act, if a child is one of these categories they are defined as a 'vulnerable child' for the purposes of my functions. As a child who is abusing volatile substances including fuels can be subject to treatment orders, I have a very specific interest in this issue.

NT Context

There has been some recent media attention around the issue of introducing Opal fuel throughout the entire Northern Territory in an effort to help minimise the accessibility of aromatic hydrocarbon solvents which are inhaled by individuals causing significant physiological harm. This is based on anecdotal evidence which suggests that certain areas in the Top End where 'petrol sniffing' is now becoming a major social issue where traditionally it did not exist to such an extent. The instances of 'petrol sniffing' in different



regions in the NT tend to be episodic in nature and require rapid policy response such as enforced supply control.

As you would be well aware, the harm caused by inhalation of petrol can include hearing loss, limb spasms, central nervous system or brain damage, or bone marrow damage. Sniffing high concentrations of inhalants may result in death from heart failure or suffocation (inhalants displace oxygen in the lungs).¹ This has devastating social and economic consequences and the effects can carry on with the individual affected for the rest of their lives. Marginalised youths, particularly, remote Indigenous children in the NT are vulnerable to the abuse of substances such as 'petrol sniffing'.

Opal fuel is a regular unleaded petrol (RULP) substitute with low aromatic properties to prevent people obtaining a 'high' off the fumes. Opal fuel tends to be used in areas in the Northern Territory where Volatile Substance Management Plans have been put in place to prevent and limit the harm of volatile substance abuse. These Management plans are community based and require extensive community consultation before being rolled out. The process of creating a management plan is enacted in the *Volatile Substance Abuse Prevention Act* (the VSAPA) of which there is no substantial equivalent in other jurisdictions of Australia. At present it seems that the inclusion of supply of Opal fuel within a management plan in the prescribed area, to which the plan relates, requires the distributors to voluntarily supply the fuel. This can create some tension when the community process for developing a plan is undertaken.

The use of Opal fuel has tended to be more prevalent in parts of Central Australia rather than the Northern parts of the NT. In the cost benefit analysis for the introduction in Opal Fuels into larger regions of Australia, commissioned by the Australian Government in 2010², the results of stakeholder consultation indicated that where Opal fuel was sold, sniffing activities had decreased; however, volatile substance abuse remained a concern. It was also noted that areas where these restrictions applied and where alcohol restrictions applied there were anecdotal reports that suggested a rise in cannabis use.

The VSAPA, provides a multi-tiered harm minimisation approach to tackling substance abuse with the aforementioned plans to minimise supply and increase community awareness about the dangers of substance abuse to help drive down demand. It also provides for people including children to undergo treatment for substance abuse at a number of facilities in the NT. Sadly, children who undertake these treatment programs usually require multiple treatment admissions. This is a result of various factors which can include the readily available supply of RULP once being integrated back into their community. A more stringent regime of supply control may minimise the initial and repeat abuse of this substance and strengthen the overall harm minimisation approach to this issue.

¹National Institute on Drug Abuse (NIDA), <http://www.drugabuse.gov/drugs-abuse/inhalants> accessed on 20 April 2012.

² South Australian Centre for Economic Studies - Adelaide & Flinders Universities (2010). *Cost Benefit Analysis of Legislation to Mandate the Supply of Opal Fuel in Regions of Australia*. January 2010: Adelaide.



Commercialisation of Opal Fuel

Opal fuel reached commercial manufacture in 2005, when the Australian Government rolled out its Petrol Sniffing Strategy. Outlets that provide Opal fuel receive subsidies to be able to retail the fuel at the equivalent cost as RULP. Regions, particularly in Central Australia, have used the fuel as a RULP substitute.

Apart from the low aromatic properties, BP (the producer of Opal Fuel) tests (conducted by independent bodies) suggest that Opal fuel has substantially better air quality readings, within regulatory standard variations for RULP fuel economy, less deposits on vehicle engine inlet valves when tested against RULP and no significant change in the condition of outboard motor inlet valves.³ Some manufacturers have also stipulated that using Opal Fuel on outboard motors will not void the warranty on those motors.⁴ Associations such as the National Australia Fishing Annual (NAFA) based on the laboratory testing, manufacturer's assurances and product testing seem to be in favour of the use of Opal Fuel on outboard motors.⁵ However, the cost benefit analysis indicated that there was still some community concern about the effect of Opal on car engines and other small engines.⁶

In the cost benefit analysis⁷, BP indicated that it is not for a mandated roll-out of Opal fuel as the cost of production would increase as their current facility would not be able to produce enough Opal fuel and would need to construct an additional facility to meet the increased demand. This is a potential commercial impediment to a larger roll-out of this fuel to distributors. However, my understanding of the current commercial arrangements is that the exclusive right to supply Opal fuel given to BP has now expired and that other fuel suppliers are able to produce this fuel. This certainly will contribute to Opal fuel becoming more commercially acceptable.

My Position

That the Australian Government be given the legislative capacity to allow it to enforce the prohibition of RULP in identified 'at-risk' areas and provide controls for Premium Unleaded Petrol (PULP) sales.

³ BP Fact Sheet – Opal Fuel –quality and performance tested, http://www.opalfuel.com.au/assets/content/pdf/207139_OPAL_FactSheet_A4.pdf accessed on 20 April 2012.

⁴ <http://www.opalfuel.com.au/page.cfm/opal-fuel-in-boats/oem-statements-outboard-manufacturers> accessed on 17 July 2012.

⁵ <http://www.nafa.com.au/review/show/738.html> accessed on 17 July 2012.

⁶ South Australian Centre for Economic Studies - Adelaide & Flinders Universities (2010). *Cost Benefit Analysis of Legislation to Mandate the Supply of Opal Fuel in Regions of Australia*. January 2010: Adelaide.

⁷ Ibid



This position is consistent with the conclusions of the cost benefit analysis⁸ and numerous community sector NGO's such as Central Australian Youth Link-Up Service (CAYLAS), where they point out that where Opal fuel has been rolled out in Central parts of Australia it has seen up to a 70% reduction in the prevalence of 'petrol sniffing'⁹.

Simply introducing a supply control measure and introducing Opal Fuel would not have been the only contributing factor to this reduction; other measures would need to have been undertaken such as the development of broader management plans.

In the cost benefit analysis, stakeholders were positive about implementation of VSAPA management plans which tailor approaches to specific areas and do not just focus on supply control. Other strategies suggested were to have a community commitment to stop sniffing, commencement of youth diversionary programs, education programs, treatment services and police monitoring of sniffers.¹⁰ Being able to introduce control measures for PULP would also need to be addressed in the management plans or government supply control measures.

The restriction of RULP and supply of Opal fuel is only one component of harm reduction relating to the abuse of substances such as RULP or PULP. This supply control should complement the VSAPA management plans in the NT and other strategies to limit the impact of this form of substance abuse.

Yours sincerely

Dr Howard Bath
Children's Commissioner
17 July 2012

⁸ Ibid

⁹ Peter d'Abbs and Gillian Shaw (2008), *Executive summary of the Evaluation of the Impact of Opal Fuel*, Commonwealth Department of Health and Ageing. October 2008: Canberra.

¹⁰ South Australian Centre for Economic Studies - Adelaide & Flinders Universities (2010). *Cost Benefit Analysis of Legislation to Mandate the Supply of Opal Fuel in Regions of Australia*. January 2010: Adelaide.

