INDEPENDENT REVIEW OF THE FUEL QUALITY STANDARDS ACT 2000

Terms of Reference

Context

The Fuel Quality Standards Act 2000 provides the legislative basis for national fuel quality and fuel quality information standards in Australia. The objectives of the Act are to reduce the level of pollutants and emissions arising from the use of fuel that may cause environmental and health problems, facilitate the adoption of better engine and emission control technology, allow the more effective operation of engines, and to ensure that, where appropriate, information about fuel is provided to consumers when fuel is supplied.

Section 72 of the Act requires an independent review to be undertaken at intervals of not longer than 5 years. Additionally, the regulations, guidelines and determinations (fuel standards) under the Act will sunset, beginning from October 2016.

Scope

The independent review will examine, advise and report on:

1. the appropriateness and relevance of the objects of the Fuel Quality Standards Act including consideration of:
   a. the interrelationships between fuel quality, vehicle emission standards and other standards, government policies and initiatives, e.g. automotive design and technology, fuel and transport industries, deregulation, productivity, or economic matters
   b. the extent to which the Act has been able to meet its objectives
   c. the role, if any, of fuel quality standards in meeting the aims of the Plan for a Cleaner Environment and in the development of the National Clean Air Agreement.

2. options, including a preferred option, to meet the objectives recommended in response to point 1, that:
   a. are efficient and effective
   b. allocate roles and responsibilities to those best placed to deliver outcomes, e.g. government, industry, community
   c. identify appropriate sustainable funding models.

3. any implementation issues that will need to be addressed to ensure a smooth transition to any future model.

4. any other relevant matters including environmental, health, technical and regulatory issues.

Governance and Deliverables

The independent review will be undertaken by an independent consultant, contracted by the Department of the Environment, and provide a report to the Minister for the Environment. The consultant will be supported by a secretariat in the Department and assisted by:

- advice obtained from states, territories and industry representatives
• an advisory group of key agencies: the Department of the Environment, the Department of Industry, the Department of Infrastructure and Regional Development, the Department of Defence, the Department of the Prime Minister and Cabinet, the Treasury and the Department of Finance.

**Timeframe and Methodology**

The independent review will commence in January 2015, and provide a final report to the Minister by November 2015, which will enable any changes to legislation to be made by 30 June 2016.

The independent review will, as relevant, consider:

1. submissions from, and consultations with, business, the community and relevant Commonwealth, state and territory agencies
2. reports from studies relevant to the review, including:
   a. international and domestic experience and trends in fuel quality and standards and the associated industries, e.g. refining, automotive design, engine manufacture
   b. economic value and environmental and human health benefits in reducing emissions from fuel and the role of fuel quality and standards in producing those benefits.

The independent review will meet the requirements of the Australian Government Guide to Regulation\(^1\), specifically abiding by the ten principles as relevant and answering the seven Regulation Impact Statement questions.

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\(^1\) Released as part of the Australian Government’s deregulation agenda - www.cuttingredtape.gov.au