

25th June 2001

News release

Contact Clive Hamilton (02) 6249 6221 (bh) or 0413 993 223 (mob.)

Toxic imports on Cabinet agenda

A Cabinet decision this week to allow imports of petrol containing the toxic substance MTBE would see Australia become a dumping ground for the world's dirty fuels, according to the Executive Director of The Australia Institute, Dr Clive Hamilton.

The US Environmental Protection Agency announced last year that, due to growing evidence that MTBE is contaminating ground water, the fuel additive would be phased out. Several states, including California and New York, have already enacted limits or phase-outs of the substance in advance of the EPA.

Citizens in areas where water supplies are believed to have been contaminated by MTBE from leaking underground storage tanks have complained of headaches, coughing, nose and throat burning, nausea and inability to concentrate. A recent study by the University of California said that MTBE 'is now a potentially major threat to human health' and concluded that infants and children are potentially at greatest risk of developing cancer through exposure to MTBE.

Independent petrol retailers in Australia, including Woolworths, are pressing the Federal Government to permit continued imports of petrol containing MTBE. The ACCC is reported to be supporting the independent retailers, thereby putting heightened competition before the environment and over-riding the public benefit test of national competition policy.

MTBE is a fuel additive used to reduce carbon monoxide and benzene emissions. Ethanol can be used instead of MTBE and is much safer, although it may be more expensive. A Federal decision to allow continued imports will undermine the development of the burgeoning ethanol industry in Australia.

"If Cabinet does not ban MTBE then the Howard Government will have reneged on its commitment to improving national fuel standards – a crucial element of its deal with the Democrats over the GST Package", said Dr Hamilton.

"Why would an Australian Government allow imports of a toxic substance just as the USA has decided it is too dangerous? Australia may become the dumping ground for dirty fuels."

"The environment should not be sacrificed on the altar of petrol price politics."