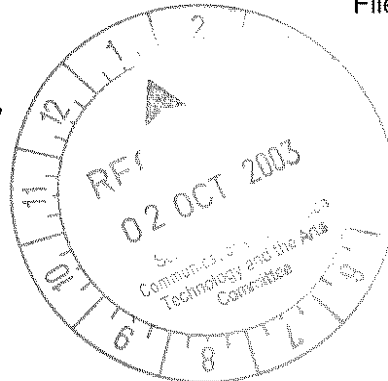




Minister for Fair Trading
Minister Assisting the Minister for Commerce

IDFT M03/4406
File No. 03/38107

Mr Michael Mc Lean
Secretary
Senate Environment, Communications,
Information Technology and
the Arts Legislation Committee
Parliament House
CANBERRA ACT 2600



Dear Mr Mc Lean,

I refer to the *Fuel Quality Standards Amendment Bill 2003*.

I note that a national fuel standard has been introduced under the *Fuel Quality Standards Act 2000*. The fuel standard introduced a cap of 10 percent for the ethanol content of blended fuels from 1 July 2003.

The recent meeting of the Ministerial Council on Consumer Affairs considered the issue of labelling of ethanol petrol blends. The Council agreed that Australian consumers need to be provided with the appropriate information to assist them in making an informed choice regarding the use of ethanol blended fuel. The Ministerial Council maintains that a lack of consumer confidence risks compromising a sustainable biofuels industry in Australia.

The Ministers called on the Federal Government to lead the implementation of a uniform national labelling regime for ethanol blended fuel by 31 October 2003, in concert with the States and Territories.

Ministers also resolved to ask the Federal Government to consider the New South Wales and Victorian labelling regulations as a possible model for Federal legislation and to consult the States and Territories on the proposed national labelling regime for ethanol blended fuel. For information, I am attaching a copy of the draft New South Wales *Fair Trading (General) Amendment (Ethanol in Petrol) Regulation 2003*.

Yours sincerely

Reba Meagher MP
Minister

29 SEP 2003

Level 37, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Phone: 02 9228 3555
Fax: 02 9228 3585
Email: rmeagher@meagherminister.nsw.gov.au

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draft



Fair Trading (General) Amendment (Ethanol in Petrol) Regulation 2003

under the

Fair Trading Act 1987

Her Excellency the Governor, with the advice of the Executive Council, has made the following Regulation under the *Fair Trading Act 1987*.



Rebecca Meagher
Minister for Fair Trading

Explanatory note

The object of this Regulation is to amend the *Fair Trading (General) Regulation 2002* to prescribe product information standards for the wholesale and retail supply of petrol containing ethanol.

This Regulation is made under the *Fair Trading Act 1987*, including sections 38 (Prescribing of product information standards) and 92 (the general regulation-making power).

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Clause 1 Fair Trading (General) Amendment (Ethanol in Petrol) Regulation 2003

**Fair Trading (General) Amendment (Ethanol in Petrol)
Regulation 2003**

under the

Fair Trading Act 1987

1 Name of Regulation

This Regulation is the *Fair Trading (General) Amendment (Ethanol) Regulation 2003*.

2 Amendment of Fair Trading (General) Regulation 2002

The *Fair Trading (General) Regulation 2002* is amended as set out in Schedule 1.

Schedule 1 Amendments

(Clause 2)

[1] Part 3, Division 5

Insert after clause 87:

Division 5 Ethanol content in petrol

87AA Definitions

In this Division:

petrol means petrol compact:

- (a) used for automotive purposes, and
- (b) intended to be used, or of a kind ordinarily used, for personal, household or domestic purposes.

87AB Product information standard for petrol containing ethanol— retail supply

- (1) The product information standard for petrol containing ethanol supplied to retail customers is the display of a notice that complies with the requirements of this clause.

- (2) The notice must contain the following wording:

PETROL WITH A MAXIMUM OF 10% ETHANOL

CAUTION

DO NOT USE in any aircraft

**CHECK SUITABILITY WITH ENGINE
MANUFACTURER** before use in motor vehicles made
before 1986, marine vessels, 2 stroke engines or motor cycles

Use of this fuel may decrease fuel economy

Note: Petrol containing up to 10% ethanol is generally
considered to be safe for the Australian car fleet

- (3) The notice must contain:

- (a) the name and relevant telephone number of the Office of Fair Trading, and
- (b) a symbol in the form of symbol A in Schedule 2.

Fair Trading (General) Amendment (Ethanol in Petrol) Regulation 2003

Schedule 1 Amendments

- (4) All words in the notice must be clearly legible, a minimum of 3 mm in height and in black letters on an amber background.
- (5) The notice must be clearly displayed on the bowser from which the petrol is dispensed.
- (6) If a bowser referred to in subclause (5) dispenses petrol in addition to petrol containing ethanol, the notice must be displayed as closely as possible to the nozzle or nozzles dispensing petrol containing ethanol.
- (7) If a bowser referred to in subclause (5) dispenses several types of petrol containing ethanol, the notice must be displayed as closely as possible to each nozzle dispensing petrol.

87AC Product information standard for petrol containing ethanol—wholesale supply

- (1) The product information standard for the wholesale supply of petrol containing ethanol is a written notice setting out the percentage by volume, rounded to the nearest whole number, of that petrol that is comprised of ethanol.
- (2) The supplier must give the notice to the purchaser at the time of supply.

87AD Wholesaler must supply notice to retailer

- (1) A person (the supplier) who supplies petrol containing ethanol to a person (the retailer) who intends to supply that petrol by retail must give the retailer the notice referred to in clause 87AB required to be displayed by the retailer.
- (2) Subclause (1) does not apply if:
 - (a) the retailer informs the supplier, at or immediately before the time of supply:
 - (i) that the retailer does not require a notice, or
 - (ii) that the retailer intends to add ethanol to the petrol after the supply or intends to mix the petrol with petrol containing ethanol that was or is to be supplied by another person, or
 - (b) the retailer requests the supplier to deliver the petrol into a tank containing petrol with ethanol that was supplied by another person.

87AE Tolerance allowance

draft

Fair Trading (General) Amendment (Ethanol in Petrol) Regulation 2003

Amendments

Schedule 1

For the purposes of this Division, any calculation of the percentage by volume of ethanol in petrol is correct if it is within plus or minus 0.6% of the relevant percentage, including where it is claimed that petrol does not claim ethanol.

[2] Schedule 2

Insert after Schedule 1:

**Schedule 2 Symbol for prescribed product
standard for petrol containing ethanol**
(Clause 87AB (3))