

## EXPLANATORY STATEMENT

Issued by the authority of the Minister for the Environment and Heritage

### *Fuel Quality Standards Act 2000*

#### *Fuel Quality Information Standard (Ethanol) Amendment Determination 2005 (No.1)*

The *Fuel Quality Standards Act 2000* (the Act) establishes a regulatory regime in relation to activities involving fuel and fuel additives.

The Act and the *Fuel Quality Standards Regulations 2001* provides the framework for making and enforcing national fuel quality standards and national fuel quality information (ie labelling) standards.

Section 22A of the Act provides that the Minister may, in writing, determine a fuel quality information standard for a specified supply of a specified kind of fuel.

The *Fuel Quality Information Standard (Ethanol) Amendment Determination 2005 (No.1)* (the Determination) amends the *Fuel Quality Information Standard (Ethanol) Determination 2003*. The Determination simplifies the labelling requirements for ethanol blend petrol as announced by the Prime Minister, the Hon John Howard MP on 22 September 2005.

The Minister has had regard to the main objects of the Act before making the Determination as required by section 22A(5). The objects of the Act are to:

- (a) regulate the quality of fuel supplied in Australia in order to:
  - (i) reduce the level of pollutants and emissions arising from the use of fuel that may cause environmental and health problems; and
  - (ii) facilitate the adoption of better engine technology and emission control technology; and
  - (iii) allow the more effective operation of engines; and
- (b) ensure that, where appropriate, information about fuel is provided when the fuel is supplied.

The Determination is consistent with meeting objective (b).

The Minister has consulted with the Fuel Standards Consultative Committee as required by sub-section 24A (1) (ba) of the Act and has had regard to the recommendation of the Committee arising out of those consultations as required by section 24A(4).

Details of the Determination are set out in Attachment A.

A Regulation Impact Statement is not required for these amendments. The amendments are of a minor and machinery nature and do not substantially alter existing arrangements.

This Instrument is a legislative instrument for the purposes of the *Legislative Instruments Act 2003* and commenced on the day after registration on the Federal Register of Legislative Instruments.

Authority: Section 22A of the *Fuel Quality Standards Act 2000*

***Fuel Quality Information Standard (Ethanol) Amendment Determination 2005 (No.1)***

**Section 1 – Name of Determination**

This clause provides that the name of the Determination is the *Fuel Quality Information Standard (Ethanol) Amendment Determination 2005 (No.1)*.

**Clause 2 – Commencement**

This clause provides that the Determination takes effect on the day after registration on the Federal Register of Legislative Instruments.

**Clause 3 – Amendment of *Fuel Quality Information Standard (Ethanol) Determination 2003***

This clause provides for Schedule 1 Amendments being:

**[1] Sections 4 and 5**

This amendment substitutes new simplified requirements for the labelling of ethanol blend petrol.

Section 4 amends the labelling requirements for ethanol blends dispensed at Service Stations. Suppliers have two options for complying with the standard. Pumps dispensing ethanol blend petrol must clearly display either the exact percentage of ethanol in the blend or that the fuel contains “up to” a percentage of ethanol.

Both formulations allow companies to use their own corporate livery and include additional information if desired. The maximum permitted ethanol content in petrol remains capped at 10 percent volume by volume under the provisions of the *Fuel Standard (Petrol) Determination 2001*.

Section 5 amends the labelling requirements for ethanol blends supplied for retail sale, other than from a service station. This includes situations such as where ethanol blend petrol is purchased in bulk in drums from a supply depot. Suppliers have two options for complying with the standard. Buyers must be either provided with a document stating the exact percentage of ethanol in the blend or that the fuel contains “up to” a percentage of ethanol, or these words should appear on each container of ethanol blend petrol.

**[2] Schedule 1**

This amendment omits the Schedule 1 Notice required under the *Fuel Quality Information Standard (Ethanol) Determination 2003*.