

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Climate Change and Energy

Fuel Quality Standards Act 2000

Fuel Quality Standards (Biodiesel) Determination 2025

Legislative Authority

The *Fuel Quality Standards Act 2000* (Cth) (the Act) provides the legislative framework for regulating the quality of fuel supplied in Australia. The Act seeks 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 ensure that, where appropriate, information about fuel is provided when the fuel is supplied.

Section 21 of the Act provides that the Minister may, by legislative instrument, determine a fuel standard in respect of a specified kind of fuel.

The *Fuel Quality Standards (Biodiesel) Determination 2025* (the Determination) is made for the purposes of the relevant provisions in section 21 of the Act.

Purpose

The Determination sets out the parameters, specifications and testing methods for biodiesel. The purpose of the Determination is to replace the *Fuel Quality Standards (Biodiesel) Determination 2019* (the 2019 Biodiesel Determination) and provide certainty for the quality of biodiesel supplied in Australia.

Background

In October 2015, the Australian Government established the Ministerial Forum on Vehicle Emissions to coordinate a whole-of-government approach to reducing motor vehicle emissions. Part of this work was a measure to improve fuel quality standards to assist in achieving better environmental, human health and engine operability outcomes. This resulted in the making of the 2019 Biodiesel Determination.

In 2024, the 2019 Biodiesel Determination was reviewed as part of a broader package of work to introduce a paraffinic diesel fuel quality standard for Australia. It was determined the 2019 Biodiesel Determination would be remade to align definitions with this package of legislative instruments.

The Determination is being introduced concurrently with the *Fuel Quality Standards (Paraffinic Diesel) Determination 2025*, the *Fuel Quality Standards (Paraffinic Diesel) Information Standard 2025* and the *Fuel Quality Standards (Conventional Diesel) Determination 2025*.

Impact and Effect

The Determination regulates biodiesel parameters in the same manner as the 2019 Biodiesel Determination. There are no changes to the parameters and testing methods for biodiesel in this Determination from the 2019 Biodiesel Determination.

This Determination is being remade to align with definitions in the *Fuel Quality Standards (Paraffinic Diesel) Determination 2025* and the *Fuel Quality Standards (Conventional Diesel) Determination 2025*, which are being introduced concurrently.

Consultation

Consultation with the Office of Impact Analysis

The Office of Impact Analysis (OIA) was consulted in October 2023 on the development of a paraffinic diesel standard under the Act. OIA advised that the introduction of a paraffinic diesel standard is unlikely to have a more than minor regulatory impact, and therefore the preparation of an Impact Analysis was not required (OIA23-05845).

The department conducted further consultation with the OIA in January 2025 on the Determination. The OIA advised this Determination as part of the package of legislative instruments that brings the paraffinic diesel standard into effect is technical in nature and unlikely to have a more than minor regulatory impact, and therefore the preparation of an Impact Analysis was not required (OIA23-05845). Accordingly, an Impact Analysis was not prepared.

Public and industry consultation

Consultation was conducted on the introduction of the Determination as part of a package on the development of a paraffinic diesel standard in October–November 2024. Consultation was conducted with a range of stakeholders including the fuel industry, vehicle industry and consumer groups.

Consultation with the Fuel Standards Consultative Committee

Subsection 24A(1) of the Act provides that, with limited exceptions, the Minister must consult the Fuel Standards Consultative Committee (the Committee) prior to making a determination under section 21. In accordance with subsection 24A(1), on 4 February 2025, the Minister consulted with the Committee prior to making the Determination.

Details/ Operation

The Determination lists testing methods that are used to determine compliance with each parameter. These testing methods are identified in reference to codes developed by the international standards development organisations, ASTM International and the European Committee for Standardization, and describe procedures that analytical laboratories must follow. The use of such testing methods is necessary and consistent with the Australian Government's policy of harmonisation with international standards where appropriate. The

testing methods are intended to be incorporated as in force at the time the Determination commences, in line with section 14 of the *Legislation Act 2003*.

The incorporated testing methods are publicly available and may be purchased on the websites of the relevant international standards development organisations. While access to the standards is not free of charge, it is expected that the standards mentioned in the Determination would be industry best practice and would already be widely used and accessed by affected members of industry. Therefore, it can be reasonably expected that those who comply with the standards outlined in the Determination already have access to those standards to carry out their business or meet their professional obligations.

Additionally, the department will make the incorporated testing methods available to view free of charge at its offices throughout Australia on request.

The Determination is a legislative instrument for the purposes of the *Legislation Act 2003*.

Consistent with subsection 21(5) of the Act, the Minister had regard to the objects of the Act in making this instrument. The Determination commences on the day after registration.

Details of the Determination are set out in Attachment A.

Other

The Determination is compatible with the human rights and freedoms recognised or declared under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A full statement of compatibility is set out in Attachment B.

Details of the *Fuel Quality Standards (Biodiesel) Determination 2025*

Section 1 – Name

1. Section 1 provides that the name of the determination is the *Fuel Quality Standards (Biodiesel) Determination 2025* (the Determination).

Section 2 – Commencement

2. Section 2 provides that the Determination commences on the day after registration.

Section 3 – Authority

3. Section 3 provides that the Determination is made under section 21 of the *Fuel Quality Standards Act 2000* (the Act).

Section 4 – Definitions

4. Section 4 provides for the definitions of terms used in the Determination.
5. In the Determination, the definition of ‘diesel’ from the *Fuel Quality Standards (Biodiesel) Determination 2019* (the 2019 Biodiesel Determination) has been removed to align with revised definitions in the *Fuel Quality Standards (Paraffinic Diesel) Determination 2025* and the *Fuel Quality Standards (Conventional Diesel) Determination 2025* which have been introduced concurrently.

Section 5 – Schedules

6. Section 5 provides that each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Section 6 – Fuel standard for biodiesel

7. The table in section 6 details the chemical and physical parameters and the specifications that must be met for each parameter before biodiesel can be supplied for use in Australia.
8. The following parameters are specified to reduce emissions and therefore improve air quality and human health: sulfur, derived cetane number and density. Some of these parameters also affect engine and vehicle operability.
9. The following parameters are specified to ensure that engines can operate optimally, which ensures the best efficiency and lowest emissions from tailpipes: acid value, carbon residue, cold soak filterability, copper corrosion, distillation, ester content, glycerides, glycerols, kinematic viscosity, metals (Na, K, Ca and Mg), methanol, oxidation stability, phosphorus, sulfated ash, total contamination and water.
10. The following parameter is specified for safety and handling purposes: flash point.

11. The Determination does not make changes to any of the parameters from the *Fuel Quality Standards (Biodiesel) Determination 2019*.

Schedule 1 – Repeals

Fuel Quality Standards (Biodiesel) Determination 2019

Item 1 – The whole of the instrument

1. Item 1 of Schedule 1 repeals the 2019 Biodiesel Determination. The Determination replaces the 2019 Biodiesel Determination.

ATTACHMENT B

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Fuel Quality Standards (Biodiesel) Determination 2025

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

The *Fuel Quality Standards (Biodiesel) Determination 2025* sets out the parameters, specifications and testing methods for biodiesel supplied in Australia.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

The Hon. Chris Bowen MP

Minister for Climate Change and Energy