

EXPLANATORY STATEMENT

Issued by the authority of the Minister for the Environment and Water Resources

Fuel Quality Standards Act 2000

Fuel Standard (Petrol) Amendment Determination 2007 (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 standards.

Section 21 of the Act provides that the Minister may, in writing, determine that specified matters constitute a fuel standard in respect of a specified kind of fuel.

The *Fuel Standard (Petrol) Amendment Determination 2007 (No. 1)* (the Determination) amends the maximum level of oxygen that is permitted in all grades of petrol containing ethanol, and specifies a testing method for benzene in all grades of petrol.

The Minister has had regard to the main objects of the Act before making the Determination, as required by subsection 21(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 (a).

The Minister has consulted with the Fuel Standards Consultative Committee as required by paragraph 24A(1)(b) of the Act and has had regard to the recommendation of the Committee arising out of those consultations as required by sub-section 24A(4). The Australian Institute of Petroleum (AIP), along with other industry bodies, is represented on the Committee. The AIP undertook consultation with the major petroleum companies. Public consultation was not required because of the technical nature of the amendments.

Details of the Determination are set out in [Attachment A](#).

This instrument is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

The instrument commenced on the day after registration on the Federal Register of Legislative Instruments.

Authority: Section 21 of the *Fuel Quality Standards Act 2000*

Fuel Standard (Petrol) Amendment Determination 2007 (No. 1)

Clause 1 – Name of Determination

This clause provides that the name of the Determination is the *Fuel Standard (Petrol) Amendment Determination 2007 (No. 1)*.

Clause 2 – Commencement

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

Clause 3 – Amendment of *Fuel Standard (Petrol) Determination 2001*

This clause provides that Schedule 1 amends the *Fuel Standard (Petrol) Determination 2001*.

Schedule 1 – Amendments

Item 1 – Subsection 3(1), table, item 6, paragraph (b), column 4

This item amends the maximum permitted level of oxygen for all grades of petrol containing ethanol from 3.5% mass by mass to 3.9% mass by mass. Since 1 July 2003, the *Fuel Standard (Petrol) Determination 2001* has prescribed a maximum ethanol content of 10% volume by volume. Ethanol is most commonly blended by volume but it is appropriate that the measurement units for oxygen are mass by mass, i.e. mass of oxygen atoms per unit mass of fuel. Testing has shown that, in practice, the 3.5% oxygen limit will be exceeded where ethanol is blended with petrol to the full permitted 10% by volume limit. The density of the fuel also has a bearing on the oxygen content. This amendment is an alignment of the oxygen parameter with the permitted 10% ethanol level.

Item 2 – Subsection 3(1), table, item 6, paragraph (b), column 5

This item specifies the date from when the revised oxygen parameter takes effect, being 1 November 2007.

Item 3 – Subsection 4, table, after item 1

This item specifies the testing method that will be used by the Australian Government to ascertain whether fuel meets the specified limit for the benzene parameter. The *Fuel Standard (Petrol) Determination 2001* limits benzene in petrol to 1% volume by volume but, until now, has not specified what method will be used to test for compliance.