



Australian Competition & Consumer Commission

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Mr Daniel Sheedy
Clean Fuels and Vehicles Section
The Department of Environment and Heritage
GPO Box 787
CANBERRA ACT 2601

Dear Mr Sheedy,

The proposed Australian biodiesel fuel quality standard

Thank you for providing the Australian Competition and Consumer Commission ('Commission') with the opportunity to comment on the proposed Australian biodiesel fuel quality standard.

The Commission commented in its submission to Biodiesel Discussion Paper 6 that it commends the plan to set a standard for biodiesel in Australia where such a standard ensures that consumers receive a quality product and enables consumers to make fully informed purchasing decisions.

It is clear from the paper that Biodiesel will be used in Australia as both B100 and as a blend stock/extender and that when blending biodiesel with automotive diesel, the automotive diesel proportion will be required to meet the *Fuel Standard (Automotive Diesel) Determination 2001* and the biodiesel portion will be required to meet the *proposed Fuel Standard (Biodiesel) Determination 2003*.

The Commission also understands that biodiesel is currently permitted to be blended with diesel but only to the extent that the blend complies with the *Fuel Standard (Automotive Diesel) Determination 2001*. It considers that it would be prudent to ensure, at minimum, that blends are capped at a level at which there are no negative impacts of the nature described in Biodiesel Discussion Paper 6. Failure to cap at an appropriate level may result in allegations by consumers that the implied warranties under the *Trade Practices Act 1974* have been breached.

The Commission strongly supports the introduction of labelling but notes that the proposed Biodiesel Information Standard proposes only to label 100 per cent biodiesel and blends where biodiesel exceeds 5 per cent by volume of the fuel blend.

The Commission considers that where it is reasonable to expect that consumers would want to be made aware of the contents or implications of using a particular fuel that the fuel should



be labelled with appropriate information. If the circumstances are such that it would be reasonable to expect that consumers would want to be made aware that the fuel they are purchasing contains up to 5 per cent biodiesel, then failure to disclose this information may result in allegations that the consumer has been misled. This may be the case, for instance, where there is a risk of incompatibility with the consumer's vehicle.

Any standard which fails to mandate adequate labelling may result in allegations by consumers that they have been misled or deceived. A failure to disclose relevant information, including providing incomplete information, can constitute misleading or deceptive conduct.

If you require further clarification please contact Annette Gardner on (02) 92309120.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. Ridgway', written over a circular grey stamp.

N. Ridgway
Acting General Manager
Compliance Strategies Branch