



Environment Quality Division



Fuel Quality Standards Act 2000

CLEAN FUELS BULLETIN

December 2001

Welcome to the *Clean Fuels Bulletin* (the revived Fuel Quality Review - Update newsletter), a bi-monthly electronic bulletin from Clean Fuels and Vehicles, Environment Australia (EA). The aim of this bulletin is to keep readers informed about issues arising under the *Fuel Quality Standards Act 2000 (the Act)*. The Bulletin is being distributed primarily to relevant government, non-government and industry stakeholders.

The Act, the *Fuel Quality Standards Regulations 2001*, the Fuel Standard (Petrol) Determination 2001 and the Fuel Standard (Diesel) Determination 2001 become enforceable from 1 January 2002. The fuel standards are an essential step in implementing the Commonwealth Government's commitment to facilitate the adoption of better, cleaner emission control technology, the more effective operation of vehicle engines, and to reducing pollution and vehicle emissions.

NEW MINISTER

The Hon Dr David Kemp MP has taken over from Senator the Hon Robert Hill as the Minister for the Environment and Heritage. A morning tea at EA at the John Gorton Building was recently held to farewell Senator Hill and welcome Minister Kemp. The Hon Dr Sharman Stone MP continues as Parliamentary Secretary.

FUEL STANDARDS CONSULTATIVE COMMITTEE

The Fuel Standards Consultative Committee has been established under the Act as a statutory consultative mechanism. It comprises representatives of the Commonwealth, State and Territory governments, and of non-government industry, consumer and environmental organisations. The Minister is required by the Act to have regard to the Committee's recommendations before determining a fuel standard or granting an approval to vary a standard. The Minister must also consult the Committee about the duration of the approval; before making a decision to enter in or remove from the Register of Prohibited Fuel Additives, a fuel additive, or class of fuel additives; and in preparing guidelines for more stringent fuel quality standards.

The Committee first met in July and adopted a *Procedures and Administrative Guide*. At its meeting in October it agreed to an *Approvals Manual* and made recommendations to the Minister regarding three applications for approvals under the Act.

The next meeting of the Committee is expected to be in March 2002.

APPROVALS GRANTED UNDER THE ACT

Under the Act the Minister for the Environment and Heritage can grant an approval that varies a fuel quality standard with respect to specified supplies of fuel and for a specified time. Approvals are intended to cater to situations where a fuel quality standard is excessively burdensome or cannot be complied with in particular circumstances, and where, if a limited variation were to be issued, specified fuels could be supplied without compromising the objectives of the Act.

Light density diesel

On 8 November 2001, the former Minister, Senator the Hon Robert Hill, granted IOR Energy an approval under section 13 of the Act, which permits Shell, BP and Caltex to supply diesel fuel with a minimum density level of 790 kg/m³ produced at the IOR refineries at Eromanga and Cuddapan. The approval is effective until 1 January 2003.

The approval is subject to a condition, that if independent technical advice establishes that diesel with a density of 790 kg/m³ can adversely impact on engine operability, including fuel economy, IOR must cooperate with EA by providing information necessary for an assessment to be made of the investments that would be required at the Eromanga and Cuddapan refineries, or other commercial arrangements that may need to be entered into, to enable IOR diesel to be blended to take it up to the density level prescribed in the determination.

EA has commissioned a technical assessment to assess the operability impacts of low density diesel. EA will consult with stakeholders before acting on the results of this assessment.

Avgas

On 8 November 2001 the former Minister also granted to the Commonwealth Department of Health and Aged Care (DOHAC) (now Health and Ageing) an approval varying the Determination for a period of 12 months from 1 January 2002. The approval allows Mobil and BP to supply avgas under the 'Comgas Scheme'. Avgas is supplied to about 33 Aboriginal communities under the Comgas Scheme (the Scheme) administered under the Commonwealth's Aboriginal and Torres Strait Islander Substance Use Program in the DOHAC. The Scheme is a long-term approach to address the issue of petrol sniffing in remote communities through education, prevention, rehabilitation and treatment. The Scheme ensures that communities using aviation fuel as part of an abatement strategy can do so at no additional cost. The supply of avgas for use in motor vehicles is not permitted under the Fuel Standard (Petrol) Determination 2001 because avgas does not meet several of the fuel specifications in that standard. EA and the DOHAC are discussing how to progress a proposed assessment of avgas and other fuels which might more suitable for supply under the scheme from a vehicle operability perspective.

Cleanerburn™

On 9 October 2001, Mobil Oil Australia submitted an application for an approval to vary the Fuel Standards (Diesel) Determination 2001 to allow the supply of up to 1300ppm sulfur diesel with the fuel additive Cleanerburn™ as an alternative pathway to the standard for 500ppm sulfur diesel as required from 31 December 2002.

In order to assess Mobil's claims that Cleanerburn™ would reduce particulate emissions below that achieved with 500ppm sulfur diesel and the environmental and health effects of the alternative fuel, an assessment protocol was developed in consultation with key stakeholders. The assessment process was finalised in September 2001 and indicated that the higher sulfur Cleanerburn™ diesel would have a minimal negative impact on the environment.

The then Minister for the Environment and Heritage, Senator the Hon Robert Hill, considered the results of the assessment process and advice from the Fuel Standards Consultative Committee but did not reach a decision before the end of his term of office. This issue is now with the new Minister for the Environment and Heritage, the Hon Dr David Kemp.

MONITORING, COMPLIANCE AND ENFORCEMENT (MCE)

The Fuel Sampling Pilot Project

The Fuel Sampling Pilot Project took place during the first two weeks of October 2001 and proved to be a valuable exercise in trialing major aspects of the random fuel sampling program which will commence early January 2002.

State and Territory trade measurement agencies participated and 45 fuel samples, both petrol and diesel, were collected nationally from all stages in the fuel supply chain. These samples have been analysed

against the environmental standards under the Act. A variety of courier and laboratory services were trialed during the project and EA will soon be advertising for tenders for courier and laboratory services for fuel testing in 2002.

Feedback from the Project is assisting EA in: projecting costs of fuel sampling; timetabling for fuel samples in 2002; developing the Sampling Procedures Manual; developing the proforma for site, courier and laboratory documentation; and selecting the most appropriate containers, labels and tamper proof seals for the fuel samples.

The Project also alerted EA to the need to address some timing issues, particularly the impact of the availability of sample results on the MCE response strategy, and to the need for a communications strategy targeted to industry on the fuel quality standards implementation. These issues are currently being addressed as a priority.

Training for State and Territory inspectorate

In November a two week training course for Commonwealth investigators was provided in Canberra as a part of the MCE Program for the implementation of the Act.

The Commonwealth Certificate IV in Government (Fraud Control Investigation) course was presented by the Australian Forensic Services, an investigative and training practice organisation accredited by the Australian National Training Authority and based in Canberra. This course fulfils the Commonwealth best practice requirement for technical standards for investigators as outlined in the Commonwealth Fraud Control Policy 1994.

Thirteen trade measurement inspectors from State and Territory fair trading departments attended the two-week full-time course in Canberra from 5-16 November 2001. Tricia Burritt and Daniel Sheedy from Clean Fuels and Vehicles also attended the course.

The course covered the following topics: ethics; court procedures; introduction to law; offence identification; evidence; exhibit handling and continuity of possession; powers of inspectors; interviewing techniques; confessional evidence; records of interview; notes and diaries; witness and investigator statements; search warrants; search techniques; brief preparation; managing investigations; and introduction to intelligence.

The course material provided valuable input into the development of the MCE Sampling Procedures Manual and the Investigation Management Plan. The practical experience of the inspectors was resourced in discussions in relation to fuel sampling and investigation procedures.

PUBLIC RELATIONS ACTIVITIES

A number of communication initiatives have been implemented this month. An advertisement regarding the legislation will appear in the *Weekend Australian* on 15/16 December 2001 and in a number of selected industry magazines including *Australian Transport News*, *Motor Racing Australia* and *Australian Service Station & Convenience Store News*.

An article about the legislation has been sent to numerous publications and the Australian Automobile Association and the State and Territory motoring organisations are interested in running stories in their various publications.

Three pamphlets are currently being drafted. One will contain general information about the legislation, the second is aimed at the petroleum industry summarising their obligations under the Act, and the third is for use by inspectors who will be appointed under the Act. This third pamphlet sets out, in general terms, their powers and obligations of the inspectorate, and will be provided as information when fuel sampling is undertaken.

A Ministerial launch of the legislation is expected to occur in early February.

NEW FUEL STANDARDS

Liquefied Petroleum Gas (LPG)

Drawing on the results of a lengthy consultation period with relevant government and industry stakeholders, EA has released a discussion paper on proposed automotive LPG standards, to provide a focus for public consultations.

EA is seeking submissions from all interested parties on the proposals in the paper. EA is particularly interested in receiving stakeholders' views on the fuel parameters and their limits, the proposed test methodology, and the costs and benefits associated with the standards. The public comment period will close on 14 December 2001. Contact Fiona Beynon for more information (tel: (02) 6274 1807 or email: fiona.beynon@ea.gov.au).

Operability standards for petrol and diesel

To complement the environmental standards commencing in January 2002, the Commonwealth Department of Industry, Tourism and Resources has been undertaking a process to develop operability standards for those petrol and diesel parameters that do not directly influence emissions, but if not controlled, could adversely impact on efficient engine operation.

A discussion paper was released in August 2001 to facilitate public consultation on the proposed standards which are currently being finalised in light of issues raised by stakeholders. The standards are expected to come into effect from 1 July 2002.

Biodiesel

A process will commence early in the new year for the development of fuel quality standards for biodiesel. EA will advertise for a suitable independent consultant to assist in the development of a technical discussion paper that will be released for public consultation mid 2002. It is expected that fuel standards for biodiesel will be introduced from 1 January 2003.

Any interest in this process, specifically additions to the list of stakeholders, can be registered by emailing a full mailing address to the project officer Sharon Rees (tel: (02) 6274 1693 or email: sharon.rees@ea.gov.au).

Compressed Natural Gas

A process will also commence early in 2002 to assess requirements for a fuel quality standard for compressed natural gas. Interest in this process, specifically additions to the list of stakeholders, can be registered by emailing your full mailing address to the project officers Hanna Jaireth or Marion Stefaniw (hanna.jaireth@ea.gov.au; marion.stefaniw@ea.gov.au).

CONTACT DETAILS

Any changes to the distribution of the *Clean Fuels Bulletin* should be emailed to fuel.quality@ea.gov.au.

Clean Fuels and Vehicles Section
Environment Australia
John Gorton Building
King Edward Terrace
PARKES ACT 2600
GPO Box 787
CANBERRA ACT 2601
fax: (02) 6274 1172
fuel.quality@ea.gov.au



Environment Quality Division