



**Neumann Petroleum Pty Ltd**

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27 February 2008

Fuel and Used Oil Policy Section  
Department of the Environment, Heritage, Water and the Arts  
GPO Box 787  
CANBERRA ACT 2601

**RE: Proposed Management of Diesel / Biodiesel Blends**

I refer to the position paper on the establishment of National Fuel Quality Standards for Biodiesel Blends and make the following comments on the Federal Government's preferred position to:-

- a) amend the Australian Diesel Standard to allow addition of up to 5 per cent biodiesel by volume, provided the blended product fully meets the fuel quality standard for diesel; and
- b) accommodate the supply of higher biodiesel blends in diesel through the specific approval process of the Fuel Quality Standards Act 2000.

**Background**

Neumann Petroleum has been a national leader in the development of renewable fuels since 2003. Our fuels, including ethanol-enriched petrol blends, B5 and B20 biodiesels for wholesale clients, all meet Australian Standards.

As the largest independent fuel provider in Australia, we operate 105 retail service stations across Southern Queensland and New South Wales and service hundreds of commercial and wholesale clients. We pride ourselves on the quality of our renewable fuels and we are committed to the environmental and economic benefits they offer motorists, industry and businesses.

We moved into the biofuels sphere to differentiate from the majors, to reduce our reliance on expensive foreign fuels and, most importantly, to offer a competitive and quality alternative for consumers. We take our role as an independent champion for the consumer very seriously and, as such, we strive to deliver quality in all aspects of the business, especially our renewable fuels. Our fuels meet all Australian standards without question.

**Learning from the Ethanol Debacle**

In 2003, Australia's ethanol industry was nearly destroyed by poor legislation, poor publicity and poor perceptions. Further, the Federal Government's confusing E10 labelling directive only served to bewilder consumers even more.

Only now, five years later, is acceptance and demand for renewable fuels growing amongst consumers. This turn-around is largely attributed to the lengthy and costly education process undertaken by fuel providers, including Neumann Petroleum, and improved legislation. The New South Wales Government's recent introduction of an ethanol mandate was a major step in the right direction.

Accordingly, Neumann Petroleum strongly opposes the B5 labelling outlined within the position paper. The Australian Diesel Standards already provides consumers with the necessary protection required. From an industry persepective, B5 labelling will significantly threaten the fledgling biodiesel industry.

## **B20 Blends and Specific Uses**

Neumann Petroleum has invested considerable time and resources ensuring our 20 per cent blends meet the Australian Diesel Standard. Our clients alone confirm that there is strong demand for a B20 blend amongst transport operators and local authorities.

In fact, we supply a number of Local Governments with a 20 per cent blend which meets their need to reduce carbon emissions. Further, trucking companies are converting to B20 as most American heavy goods vehicles are warranted for 30 per cent biodiesel blends.

Neumann Petroleum markets its B20 blends solely to heavy transport and bus fleets, through selected Truck Stop and Retail Outlets. These B20 blends are not marketed to the passenger car market, however Councils are pleased with results so far and are looking at extending B20 usage.

With this in mind, Neumann Petroleum strongly believes two completely different market segments need to be considered when looking at biodiesel blends:

### a. Passenger Vehicle Market

Neumann Petroleum agrees the passenger vehicle market should not be misled into using a biodiesel blend greater than 5 per cent. Instead, they should be encouraged to use biodiesel blends of up to 5 per cent.

### b. Heavy Goods Vehicle Market (including public transport vehicles)

The heavy goods vehicle market is currently driving demand for B20 and, therefore, should be encouraged to continue doing so – as long as the fuels are properly labelled and meet the Australian Diesel Standards.

A simple system of labelling blends above 5 per cent, and provision of test certificates by blenders will ensure B20 blends meet the Australian Diesel Standard.

## **Conclusion**

Neumann Petroleum is committed to offering an independent alternative to the Australian consumer. Biofuels are a key driver to a cleaner environment, and a step towards reducing Australia's reliance on imported fuels. These two benefits should be given a heavy weighting versus the self interests of Australian OEMs and petroleum refiners.

Yours faithfully

Charles N Wright  
Executive General Manager