

## **Setting National Fuel Quality Standards**

### **Standardising Diesel/ Biodiesel Blends**

Dear Sir,

The Truck Industry Council (TIC) representing the major truck and diesel engine manufacturers in Australia is pleased to make this submission on Standardising Diesel/ Biodiesel Blends.

The issue of biodiesel blends has been discussed at a number of forums over the past three to four years, with proposals of biodiesel blends, from B5 (5% biodiesel) to B20 (20% biodiesel). Governments desire to seek agreement to B20 seems unrealistic, as the TIC understanding is that Australia is unable to produce sufficient biodiesel to achieve a national level of B5. Recently, the TIC advised Caltex that we supported their position of supplying the market with a B2 blend.

Across the TIC membership, there are differing views on the level of biodiesel that is acceptable, ranging from B5 to B100, however all members accept that a B5 blend is acceptable, and need not be identified at the retail outlet. For blends above B5, TIC strongly recommends that the blend be labelled to ensure that consumers are aware of the biodiesel content of the fuel, and that it is compatible with the vehicle/ engine manufacturer's warranty. This information is also essential for customers to claim the correct level of fuel for tax credit.

As discussed in the report there is a degree of uncertainty as to whether or not SOME biodiesel, actually meets the standard blends.

In TIC view, this alone is sufficient reason to limit blends to B5. In addition TIC recommends that more work is required to determine more accurately how much biodiesel Australia can produce between 2007-2017- the next ten years.

With respect to specific comments required the TIC response is as follows.

<b><u>ISSUE</u></b>	<b><u>COMMENT</u></b>
Option 1	Agree
Option 2 increased	Disagree as power is reduced and fuel consumption is
Option 3	Disagree, Australia is not able to produce sufficient biodiesel to meet a B20 standard.
Option 4	Disagree
Labelling	B5 need not be labelled. Blends above B5 should be labelled "this fuel contains X% volume biodiesel, check that your vehicle/ engine manufacturer has approved this blend of biodiesel as an acceptable fuel and that it will not void the warranty".

Last year the TIC board approved an alternate fuels document which is attached for your information.

Yours Sincerely  
Terry Pennington

Kirstin  
Personal Assistant to Terry Pennington  
Truck Industry Council  
Telephone: +61 2 6248 0411  
Fax: +61 2 6248 0943