

4 February 2005



**AUSTRALIAN
AUTOMOBILE
ASSOCIATION**

Clean Fuels and Vehicles Section
Department of the Environment and Heritage
GPO Box 787
CANBERRA ACT 2601

Dear Sir/Madam,

Setting a Fuel Quality Standard for Fuel Ethanol

The Australian Automobile Association (AAA) welcomes this opportunity to provide a submission on setting a fuel quality standard for fuel ethanol.

The AAA serves as the federal secretariat of the state and territory motoring clubs, its members being the:

- National Roads and Motorists' Association Limited (NRMA);
- Royal Automobile Club of Victoria (RACV);
- Royal Automobile Club of Queensland (RACQ);
- Royal Automobile Association of South Australia (RAA SA);
- Royal Automobile Club of Western Australia (RAC WA);
- Royal Automobile Club of Tasmania (RACT);
- Automobile Association of Northern Territory (AANT); and
- Royal Automobile Club of Australia (RACA).

Through these organisations, the AAA represents the interests of over 6 million motorists and, indirectly, all Australian motorists at the national and international levels.

Our research indicates that the level of concern among motorists about ethanol blended fuel should not be underestimated. In our 2003 national study of motorists' attitudes and priorities one-third of motorists indicated they 'shop around' for quality when buying fuel. The study also indicated that ethanol is a confusing issue for many motorists and one about which many motorists feel uneasy with nearly two thirds of motorists have reservations about buying petrol containing ethanol as shown in the following graphic.



Why Happy to Buy?

Main Reason (10% level):
1. No problem with it. Harmless

Minor Mentions: • Provided it's limited.
• Benefits environment. • Helps farmers

Why Have Doubts?

Main Reason (Over 30% level):
1. Concerned about damage. Unsafe

Other Reasons (10% level):
2. Need more information
3. Wary because of publicity

Minor Mentions: • Not suitable for own car
• Concern about % • Doubt environmental benefits • Don't know what it is
• Word of mouth

Constituent Members



Help when you need it most.



WORLD WIDE AFFILIATION THROUGH THE AIT AND FIA



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While most of the motorists' main reservation is the potential to damage to their vehicle some are also wary because they feel uncertain or ill-informed. A majority of those who believe their car can accept ethanol blended fuel nonetheless have doubts about buying it.

The Commonwealth's decision to legislate on labelling and set a 10 per cent cap on the level of ethanol that can be added to petrol, along with the development of a fuel quality standard represents a logical and necessary approach to fuel ethanol. The evidence presented in the technical paper supports the need for a 10 per cent (by volume) limit of ethanol in petrol in Australia.

A robust technical standard for fuel ethanol that complements the 10 per cent limit will ensure that the use of ethanol blended fuel will not be to the detriment of motorists' vehicles. Such a standard also represents an important stepping stone in building consumer confidence in ethanol specifically and biofuels generally.

In general terms, the standard adopted in Australia should provide specifications that allow ethanol blended fuels to be used in as wide a range of vehicles as possible. Consistent with Australia's commitment to harmonization with international standards, the fuel ethanol standard should draw on those used in other major users of fuel ethanol, such as the United States (ASTM D 4806), Sweden (via the sekab standard which serves as the industry standard at the moment) and Brazil.

The AAA supports the establishment of a technical committee to select the appropriate test methods as recommended in the paper. While the autoclubs do not have direct expertise in this field the AAA would be willing to participate in any working group developed to set standards for ethanol to ensure the standards meet the policy directions outlined above.

I would like to re-iterate that the AAA and our constituent clubs support the use of alternative fuels provided there is no detrimental affect on motorists. If you have any further questions on this matter I may be contacted on (02) 6261 4408.

Kind regards

James Hurnall
DIRECTOR TECHNICAL