

MANILDRA GROUP

100% AUSTRALIAN OWNED

29th July 2019

Dear whom it may concern,

Submission re: The Fair Trading Regulation 2019 (the Regulation) and Regulatory Impact Statement (RIS)

Thank you for the opportunity to respond to the Department of Fair Trading's Regulatory Impact Statement.

Manildra Group will provide commentary in relation to information standards relating to:

- Fuel price signs at fuel stations
- The display of octane rating information at fuel stations
- The rounding of octane rating information at fuel stations

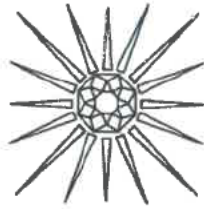
Manildra Group has no further comments in relations to other sections of the draft Regulations.

Manildra Group

Manildra Group is a family-owned Australian agribusiness, operating state-of-the-art manufacturing sites throughout rural New South Wales. Manildra Group is Australia's leading producer of ethanol – including a range of grades for food and beverages, pharmaceuticals and personal care, industrial application and transport fuels – as part of an innovative, integrated process at our Shoalhaven Starches site in Nowra, New South Wales.

Our ethanol facility is certified sustainable by the internationally renowned Roundtable of Sustainable Biomaterials. Manildra Group manufactures an extensive range of ethanol grades to meet all domestic and international regulations and quality requirements.

Manildra Group supplies sustainable locally-made ethanol to fuel companies, which blend petrol to produce E10 (94 RON) fuel and E85 (103 RON) fuel, which is sold in NSW fuel stations.



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Information Standards relating to Fuel Price Signs at Fuel Stations

The fuel price information standard requires the price of four types of prescribed fuel to be displayed on a sign (if four or more fuels are sold). It specifies three of the four types of fuel that must be on the sign including the price of E10, LPG and diesel, if these are sold, to make up the minimum of four fuel prices.

The proposed Regulation maintains the requirement of four types of fuel to be displayed but no longer specifies any particular fuel type. This is a substantial market disruptor, as the fuel price displayed should remain unchanged, specifying that E10, diesel and LPG (if sold) should be advertised. If this proposal is implemented, the fuel companies will use the price boards to advertise their proprietary brands of fuel, excluding E10 from being advertised as an available alternative fuel and with the fuel price and availability of same not readily be visible to motorists. These regulatory changes will also have a detrimental impact on the biofuels mandate and act as a backwards step in achieving the legislated six per cent biofuel mandate.¹

The removal of E10 from the price board also removes its visibility for motorists and reduces the motorists' immediate awareness of the cheapest fuel available on the market on any given day.

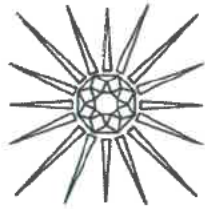
We strongly recommend that the fuel price information standards remain unchanged.

The display of octane rating information at fuel stations

The Department's proposed Regulation maintains the current requirement that the octane rating of petrol must be displayed on the fuel pump so that it can be clearly seen by a person using the fuel dispenser.

However, the proposed inclusion of *"that the octane rating of a petrol may be displayed by displaying a brand name that includes the octane rating number of the petrol"*, should not be implemented. We submit that the usage of a proprietary brand name for fuels that includes the octane is confusing, misleading and disadvantageous to motorists and does not reflect the content of fuel or vehicle compatibility. The octane rating should be displayed clearly without the intent to mislead or confuse. We submit that the Department of Fair Trading should undertake a review of brand names relating to octane ratings at fuel stations, prior to making this determination.

¹ Biofuels Act 2007



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We note the current Regulation 12 (2), of *“The octane rating is the research octane number for the petrol rounded down to the next whole number, and in the case of a blend of petrol, is for the whole blend”*. Best global practice approach is the adoption of the American Society for Testing and Materials (ASTM), when calculating the level octane for publication purposes. We submit that this standard, which dictates the rounding up of the octane level be also adopted by the Department of Fair Trading to determine what level of RON ought to be advertised. The ATSM standard is also adopted by the Australian Federal Department of Energy and Environment. It is illogical that Australia seeks to create its own method of mathematical rounding that is inconsistent with this global system. We strongly recommend that the Regulation is amended to read *“The octane rating is the research octane number for the petrol rounded according to ATSM standards, and in the case of a blend of petrol, is for the whole blend”*.

In addition, Manildra Group has been encouraged by the Department’s proactive actions in relation to the implementation, enforcement and monitoring of the change to 94 RON labelling of E10 fuel in NSW. Prior to this, E10 fuel was being labelled a range of research octane numbers from 91 to 94. This is despite the product (E10) being consistently minimum 94 RON.

Kind regards

Head of Government and Corporate Affairs
Kirsty Beavon
Manildra Group