



## Premier & Cabinet

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# M2012-08 Use of Biofuels

## Description

The NSW Government is committed to promoting biofuels as part of the long term transport fuel mix in NSW.

To provide continued community leadership in achieving the new higher biofuels mandates, **all New South Wales Government agencies, including State Owned Corporations, are now required to use E10 and biodiesel blends where possible** unless there is a clear operational requirement that precludes the use of biofuels.

## Detailed Outline

The NSW Government is committed to promoting biofuels as part of the long term transport fuel mix in NSW.

The *Biofuels Act 2007* requires that from 1 October 2011 all primary wholesalers and major retailers ensure that ethanol makes up at least 6% of the volume of petrol sold, and that biodiesel makes up at least 2% of the total volume of diesel sold.

Since 1 July 2006, all public service staff who drive Government-owned vehicles have been required to use E10 blends (or other alternative fuels) where this is practicable, available and cost effective.

To provide continued community leadership in achieving the new higher biofuels mandates, **all New South Wales Government agencies, including State Owned Corporations, are now required to use E10 and biodiesel blends where possible** unless there is a clear operational requirement that precludes the use of biofuels.

Current NSW Government fuel contracts, including 366 - Bulk Fuel and Associated Products, and 370 - Card Fuel & Associated Services, provide for the purchase of E10 at the pump and E10 and Biodiesel in bulk.

According to the Federal Chamber of Automotive Industries, almost all new and many older vehicle models can run on 10% ethanol blended petrol (E10). However there are some technical reasons why some models should not use E10. Fleet managers should check that manufacturers' warranties are not voided by the use of E10. E10 is not recommended for marine or aviation use. For further information on which vehicles cannot use E10, go to the **[Federal Chamber of Automotive Industries \(FCAI\) website](http://www.fc.ai.com.au/publications/all/all/all/3/can-my-vehicle-operate-on-ethanol-blend-petrol/)** (<http://www.fc.ai.com.au/publications/all/all/all/3/can-my-vehicle-operate-on-ethanol-blend-petrol/>).

The Government has also taken action to ensure volume fuel sellers act to meet the higher biofuels mandate. In May 2012 the Government issued Guidelines which require volume fuel sellers to take all reasonable actions to comply with the biofuels mandate. The Guidelines also note the NSW Government may pursue enforcement action where appropriate to ensure fuel sellers are doing everything reasonable to meet the mandate.

Through these steps the Government is continuing to support ethanol as a clean, viable, fuel product which will assist regional areas and create jobs.

The Government's biofuels website, **[www.biofuels.nsw.gov.au](http://www.biofuels.nsw.gov.au)** (<http://www.biofuels.nsw.gov.au/>) contains links to information on where biofuels can be purchased, and what vehicles can use biofuels.

Ministers should now issue appropriate directions to State Owned Corporations within their administration to ensure they adopt the policy contained in the Memorandum, according to the provisions outlined in Premier's Memorandum M1999-19.

**Barry O'Farrell MP**

Premier

## Act

**Biofuels Act 2007** ([http://www.legislation.nsw.gov.au/viewtop/inforce/act+23+2007+cd+0+N/?autoquery=\(\(Content%3D\(\(%22Biofuels%20Act%202007%22\)\)\)%20AND%20\(\(Type%3D%22act%22%20AND%20\(\(%22Biofuels%20Act%202007%22\)\)\)\)](http://www.legislation.nsw.gov.au/viewtop/inforce/act+23+2007+cd+0+N/?autoquery=((Content%3D((%22Biofuels%20Act%202007%22)))%20AND%20((Type%3D%22act%22%20AND%20((%22Biofuels%20Act%202007%22))))))

## Overview

Compliance	
Not Mandatory	
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Date Issued	Jul 3, 2012

Review Date	Jul 3, 2017
Replaces	<a href="#"><u><b>M2007-16 Biofuels and Other Alternative Fuels - NSW Government Commitments</b></u></a>
Replaced By	

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