



**AUSTRALIAN  
AUTOMOBILE  
ASSOCIATION**

**Members:**



# Australian Automobile Association

## Fuel Information Standards Position Paper

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WORLD WIDE AFFILIATION THROUGH THE AIT AND FIA



# AAA Fuel Information Standards Position

**W**ith an increasing number of diverse fuels becoming available on the Australian market it is important that measures are in place to reduce the chances of motorists purchasing fuels that may be incompatible with their vehicle. Confusing or insufficient fuel labelling is a potential consumer trap which may lead to motorists making errors at the fuel pump. The diversity and inconsistency of fuel labels across the various retailers also contributes to motorist confusion. As motorists can not physically see the fuel when filling up, the compatibility of a fuel with a vehicle is often only distinguishable at a molecular level. Therefore, the labelling of fuel is particularly important to motorists as it is the only method through which the identity of the product they are purchasing can be determined.

It is acknowledged that fuel retailers differentiate their products from those of their competitors through the branding and design of labels at the fuel pump. However, this must not confuse motorists to the point that they make incorrect fuel purchases for their vehicle. It is reasonable for motorists to expect some level of uniformity and clarity in the labelling of similar fuels to ensure that their purchasing decisions are informed and fuels purchased are not incompatible with their vehicle. The attached table displays the wide variety of fuel labelling which currently confronts motorists.

## **(Appendix 1)**

### **Consequences for motorists**

The most serious consequence of a fuel purchasing mistake is engine damage caused by incompatible fuel. Using fuel of lower than recommended octane can cause pre-ignition and long term engine damage. Ethanol can cause problems in fuel systems in vehicles that have not been designed to operate on ethanol. The current roll-out of E85 fuel in Australia may increase the risk of fuel system damage in the event of fuel purchasing mistakes. Newer vehicles which require high octane fuel may face operability issues if regular unleaded petrol is mistakenly purchased through labelling confusion. The use of incorrect fuels with high sulphur content may also lead to reduced environmental benefits as sulphur can damage emission control and after-treatment systems.

The attraction of cheaper fuels can lead motorists to make incompatible fuel choices without knowing the type of fuel they are purchasing or the impact the fuel will have on their vehicle. It is important that fuel labelling clearly indicates the difference between the types of fuel to ensure that motorists don't make their purchasing decision based on a false price comparison.

Confusion over fuel labelling can lead motorists to accidentally purchase more expensive fuel than they intended to purchase. This can be a particularly easy mistake to make when inconsistent labelling across the different retailers has led to different colours being used for different fuels. For example at Woolworths/Caltex and Coles/Shell service stations regular unleaded is labelled with a yellow colour and E10 petrol is coloured green. At BP service stations it is regular unleaded that is coloured green while premium 95 octane unleaded is coloured yellow. This could easily lead to a consumer, who is used to purchasing fuel from Caltex or Shell, mistaking the BP premium 95 for regular unleaded or vice versa.

### **Solution**

To safeguard motorists from making purchasing mistakes standardised labelling characteristics should be adopted. This should take the form of requiring certain colours, words or numbers to be clearly displayed for each type of fuel. For instance it could be a requirement for a 98 octane unleaded fuel to be predominately red in colour and all ethanol blends to be predominately green in colour. A system requiring standardised labelling would ideally be matched with a system of labels fitted to each vehicle which motorists could use to confirm which fuels are compatible with their vehicle.

If standardised labelling characteristics could not be achieved through voluntary industry cooperation, they could be implemented through regulation.

The AAA advocates for consumer law reforms via amendments to the Oil Code. This code, *Trade Practices (Industry Codes - Oil Industry Code) Regulation 2006*, is part of the Competition and Consumer Act 2010 (formerly the Federal Trade Practices Act 1974) and is designed to assist consumers in the retail petrol market.

The code's current wording and the subsequent review of the Oil Code in 2009 demonstrated that the code (whilst operating effectively) was too narrowly focused on the sales relationship between fuel wholesalers and retailers.

The AAA believes that the parliament should take the opportunity to progress opportunities for tangible reform in the retail market for fuel via amendments to the Oil Code, including both fuel price boards and fuel labelling standards.

### **Conclusion**

Confusing and inconsistent fuel labelling can lead motorists to make purchasing mistakes that may be incompatible with their vehicle. This can be the cause of significant damage to the vehicle. The introduction of standardised labelling characteristics would go some way to providing more clarity to motorists and prevent errors being made at the fuel pump.

### **For further information contact:**












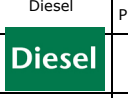













































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| Brand               | Unleaded ULP  | Premium Unleaded PULP 95  | Premium Unleaded PULP 98  | E10   | E85  | E10 PULP 98   | Diesel  | Premium Diesel  | Bio-Diesel  | LPG / Autogas   |
|---------------------|---|---|---|---|--|---|---|---|---|---|
| Coles Express/Shell |    |    |    |    |  |   |    |   |   |    |
| Caltex/Woolworths   |    |    |    |    |  |   |    | Vortex Premium Diesel   | New Generation Diesel, B20  | Vitalgas, Autogas   |
| Mobil               |    |    |    |    |  |   |    |   |   | Gas   |
|                     | Unleaded 91   | Premium Unleaded 95   | Premium Unleaded 98   | Unleaded E10  |  |   | Diesel  |   |   | Auto LPG  |
| BP                  |    |    |    |    |  |   |    |  |   |    |
| Freedom Fuels       |   |   |   |    |  |  |    |   |    | LPG   |
| Liberty             |    |    |   |    |  |  | Diesel  |   |   | LPG   |
| Gull                | Unleaded  | Premium Unleaded  |   |   |  |   | Diesel  |   | Bio-D   | LPG   |
| Neumann Petroleum   |    |    |   |    |  |  |    |   |    |    |
| United              |    |   |    |    |  |  |    |   |   |    |
| 7 Eleven            |  |  |  |  |  |   | Diesel  |   |   | Autogas   |
| Metro Petroleum     |  |  |  |  |  |   |  |   |  |  |