

Biofuels Compliance and Enforcement Strategy

Requiring fuel seller compliance with Part 5A of the *Liquid Fuel Supply Act 1984*

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1. Introduction to the Liquid Fuel Supply Act 1984

1.1. Background to the sustainable biobased petrol and diesel requirements

Part 5A (Sustainable biofuel in petrol or diesel) of the *Liquid Fuel Supply Act 1984* (the Act), requires fuel sellers to comply with the Queensland Governments' Biofuels Mandate. This includes reporting obligations for all Queensland fuel sellers and, for specific fuel sellers, the requirement to sell a legislated percentage of sustainable biofuels in each calendar quarter.

1.2. The objectives of Part 5A of the Act

The objectives of Part 5A of the Act are to:

- Provide assurance to existing ethanol and biodiesel producers and stimulate investment in a biofuels industry in Queensland.
- Contribute to regional growth and jobs creation.
- Reduce greenhouse gas emissions from motor vehicles.
- Take advantage of the emerging second generation technologies for biofuels from a range of feedstock.

For further information, please visit the Department of Natural Resources, Mines and Energy (DNRME) website (www.dnrme.qld.gov.au) or see the explanatory notes to the *Liquid Fuel Supply (Ethanol and Other Biofuels Mandate) Amendment Bill 2015* available [here](#).

The key offence provisions under the Act addressed by this strategy are provided in **Attachment 1**.

2. About the Compliance and Enforcement Strategy

2.1. Purpose of the strategy

The purpose of this strategy is to assist fuel sellers to meet their legislative obligations under the Act. Affected persons and businesses are encouraged to familiarise themselves with this strategy. This strategy has also been published to assist officers at DNRME to require compliance with the Act and its subordinate legislation.

This strategy outlines:

- DNRME's general approach to compliance and enforcement.
- Criteria to be considered in determining risk and impact of a breach.
- The range of compliance, monitoring and enforcement tools available.
- The roles and responsibilities of DNRME in undertaking compliance and enforcement activities.

It is important to note that these are guidelines and not directions. They are designed to assist in compliance and enforcement actions to achieve consistency, efficiency, effectiveness and transparency in the administration of the Act by DNRME.

Please also note that this strategy does not apply to those provisions of the Act relating to a liquid fuel shortage or emergency.

2.2. Working with other agencies

DNRME has primary responsibility for administration of the Act and as such, this document refers to compliance and enforcement actions that will be undertaken by DNRME.

However, DNRME will also partner with the Department of Environment and Science (DES) to achieve the objectives of Part 5A of the Act and regulation.

For example, DES is responsible for prescribing by regulation the sustainability criteria of sustainable biofuels and will advise DNRME of potential non-compliance matters in that regard so that DNRME can investigate.

Further detail on the roles and responsibilities of DNRME and DES is outlined below under 'Agency roles'.

2.3. Compliance versus enforcement

DNRME's primary objective is ensuring fuel seller compliance with the Act.

'Compliance' means following the law and obtaining the right approvals or permissions. It also means conducting activities in accordance with any conditions or regulatory requirements. In requiring compliance DNRME may use a range of compliance tools, including providing education and assistance, monitoring compliance, issuing warnings and notices, and conducting inspections.

However, DNRME also addresses non-compliance through the use of enforcement tools.

'Enforcement' means the use of legislated authority and statutory methods to compel compliance with the law. The Act includes tools to sanction non-compliant fuel sellers and deter them from being non-compliant in the future.

3. The principles and approach of this strategy

This strategy is guided by the following principles:

- *Transparency* – DNRME seeks to be transparent in its decision-making processes and the compliance and enforcement approach.
- *Timeliness* – DNRME seeks to investigate and resolve instances of potential non-compliance to avoid costly delays and minimise business uncertainty.
- *Impartiality* – DNRME makes decisions taking all necessary matters into consideration and does so free from influence.
- *Proportionality* – DNRME seeks to undertake compliance and enforcement activities that are proportionate to the wilfulness of the breach (for example, whether it is inadvertent or intentional) and the risk or seriousness of the breach.

This strategy has been formed on the principles of Ayres and Braithwaite (1992)¹. This approach places an emphasis on encouraging fuel seller compliance with the law through the provision of education and information, and correcting the behaviour of inadvertently non-compliant fuel sellers by providing counselling and feedback. Enforcement action to address non-compliance and deter future non-compliance may be undertaken where necessary.

¹ Ayres, I & Braithwaite, J 1992, *Responsive Regulation: Transcending the deregulation debate*, Oxford University Press, New York.

In making decisions about which compliance or enforcement tool (or combination of tools) to use, DNRME will seek to take action that is:

- effective in preventing, or rectifying the impact of the breach
- assessed on the level and impact of the breach and the culpability of the fuel seller
- reasonable and proportionate in light of all of the relevant circumstances.

4. Criteria to be considered in determining appropriate action

In making decisions about what is the most appropriate enforcement tool to use, DNRME will take into account factors such as:

- the seriousness or impact of the breach (that has been committed)
- culpability of the alleged offender
- any previous compliance and/or enforcement actions taken against the fuel seller (including the fuel seller's reasons for non-compliance and any actions taken by the fuel seller to remedy non-compliance).

4.1. Impact

This compliance and enforcement strategy acknowledges that different offences have different impacts and consequences. For example, the offence of failing to sell the minimum amount of biofuel may in certain circumstances have a direct and significant impact on the objectives of the Act. Where an offence relates to high volume sales, this may directly impact on current and future biofuels producers, as well as seriously impacting on the ability of other fuel sellers in the supply chain to meet their obligations under the Act.

Some offences are considered an administrative offence. Examples of administrative offences include:

- Failure to keep a record of fuel sales for two years (section 35F).
- Failure to register as a fuel seller (section 35M)
- Failure to notify fuel seller registration information (section 35N)

Administrative offences may still be a serious offence. For example, the act of failing to submit a quarterly report, or providing false or misleading information undermines the department's ability to effectively administer the legislation on those who are or are not captured by the Act, and can lead to a culture of non-compliance if not dealt with.

The department has developed criteria and examples for five impact or consequence levels (from low impact to severe impact) that may inform a decision on the appropriate enforcement response (refer to **Attachment 2**). If an alleged offence satisfies criteria across a range of the impact levels, generally it will be assigned the highest applicable level.

4.2. Culpability

Culpability refers to the blame and responsibility of the alleged offender for the alleged offence. Three levels of culpability have been developed which, along with the levels of impact, will assist the department in classifying the seriousness of an alleged offence and therefore determine the appropriate enforcement response (refer to **Attachment 3**). If an alleged offender has satisfied criteria across a range of the levels, the most serious category will be assigned.

Figure 1 below broadly describes the types of compliance and enforcement tools the department may use, depending on the impact and culpability levels.

A breach that has a low impact and occurs with low culpability may be addressed through education and assistance to ensure future breaches do not occur. A breach that has a higher impact, or where there is higher culpability, may require stronger action such as warnings and prosecution.

It is expected that few, if any, fuel sellers will deliberately or wilfully breach the legislation in a way that has a severe impact. This is reflected in the 'expected number of clients' pyramid in Figure 1. Most breaches can be expected to be of low culpability and low impact.

The department can expect to expend a higher 'level of effort per breach' on instances of a more serious nature, such as those requiring prosecution. However, overall the majority of the department's effort will be spent on providing education and assistance to the majority of fuel sellers, who are not in the serious culpability / severe impact category.

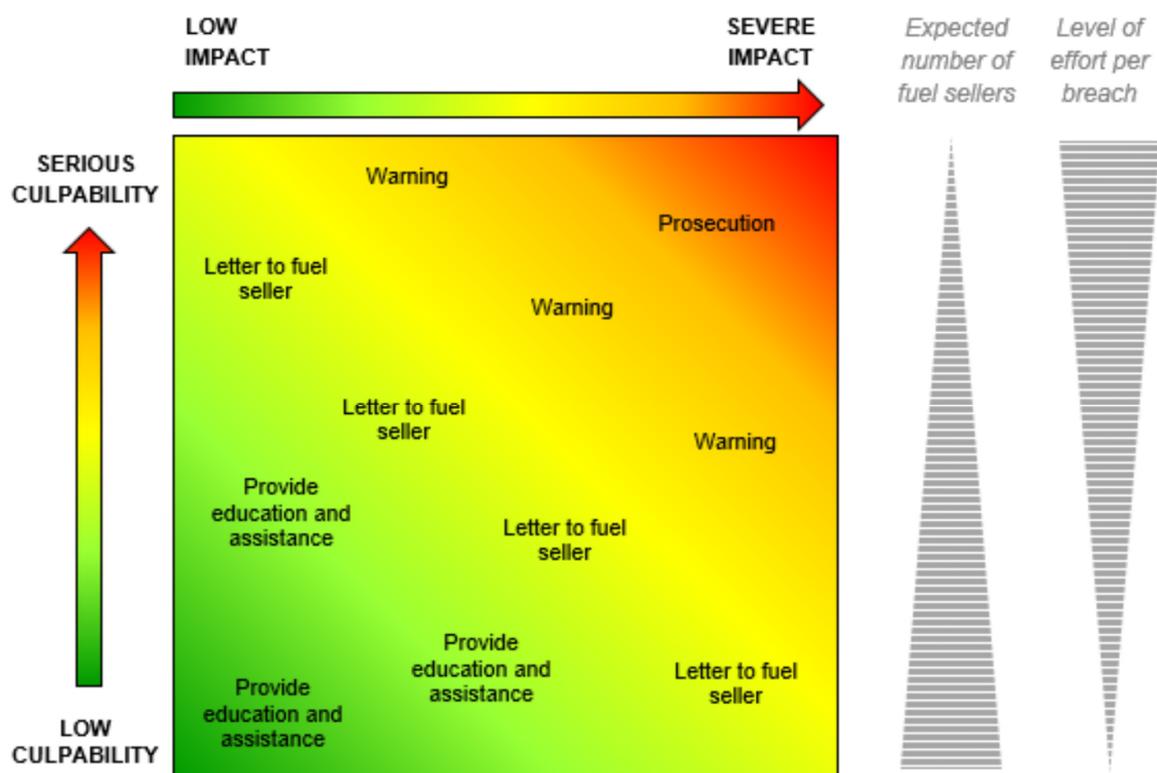


Figure 1 Compliance and enforcement tools and responses based on impact and culpability

5. Compliance and enforcement tools and responses

To achieve compliance with Part 5A of the Act, DNRME has the following compliance and enforcement tools (or a combination of such tools) available.

5.1. Education and assistance

Providing education and assistance to fuel sellers can be used to help achieve voluntary compliance or to address non-compliance.

As a tool to support voluntary compliance

A key role for DNRME will be providing education and support to fuel sellers so that they understand their legislative obligations and continue to be able to meet them. This reflects the expectation that in most instances fuel sellers will be committed to complying with the law.

This education and assistance may include emails, letters, phone calls and / or visiting certain fuel sellers to provide practical and constructive advice on how to comply with the law and where appropriate and necessary, support on how to remedy any non-compliance (see below).

As a tool to address non-compliance

In some circumstances fuel sellers will try to comply with the law but inadvertently breach their legislative obligations. When this occurs, it may be recognised that the most appropriate course of action may be to provide education and assistance to the fuel seller to help them comply with their legislative obligations in the future.

5.2. Letter to fuel seller

If the department becomes aware that a fuel seller has failed to comply with the Act, it may send correspondence to the relevant fuel seller regarding the offence. The non-compliance may relate to the sale of bio based petrol or diesel fuels, failure to meet the conditions of an exemption, failure to comply with reporting requirements or failing to provide registration details for a fuel site.

The department will:

- **Notify** - notify the fuel seller that the department is considering making adverse findings
- **Respond** - provide the fuel seller with an opportunity to respond to the allegation
- **Consider** - consider whether the fuel seller has provided a reasonable excuse with supporting evidence submitted by it before finalising the decision.

In some circumstances, it may be appropriate for the department to discuss the above information with the affected fuel seller during a site inspection or by telephone.

On consideration of any evidence submitted by the fuel seller, the department may issue an 'educational letter' with adverse or favourable findings, accompanied by advice that the issuing of the letter is deemed an appropriate enforcement action for a specific calendar quarter. If the offence continues in future quarters, the department may consider further action.

5.3. Warnings

A written warning to a fuel seller may be an appropriate enforcement tool in circumstances where a breach of the Act has occurred. This warning letter notifies the fuel seller that they have committed an offence under the relevant section of the Act and they will be further monitored in relation to

compliance with the act. The warning letter is an escalation from the educational letter. It is an official warning to the fuel seller that they have breached the Act.

The warning may include advice on the maximum penalty that a court may impose for such an offence. The warning may also include facts of relevance to the specific offence, and may include advice on how the fuel seller can achieve compliance in the future.

There is no legal obligation on a fuel seller to comply with advice in warning or to act on the warning. However, if a fuel seller fails to correct their behaviour, other compliance and enforcement tools may be considered.

DNRME will maintain a register of all educational and warning letters issued along with any other enforcement action.

5.4. Prosecution

DNRME has the power to prosecute a fuel seller who fails to comply with the obligations imposed on them under the Act. Prosecution is an enforcement tool that may be used against a non-compliant fuel seller. Successful prosecutions may result in a penalty being imposed and may deter future non-compliant behaviour.

Prosecuting a fuel seller is an enforcement tool that will only be used after careful consideration. If an alternative to prosecution is available and is more effective in achieving the objects of the Act, then the alternative will be considered.

The decision to prosecute will be made according to the department's prosecution policy. The decision to prosecute involves a number of considerations, including the sufficiency of evidence, and whether the public interest requires prosecution.

This enforcement tool may be appropriate under any of the following circumstances:

- there has been a major or serious breach of the Act
- the fuel seller has repeatedly or wilfully breached the Act
- the fuel seller has failed to rectify their behaviour after other compliance actions have been taken.

5.5. Cancellation of exemptions

Under section 35I (Cancelling exemption) of the Act, the Minister may issue a written notice to a fuel seller to cancel an exemption if the reasons for the exemption no longer apply or the fuel seller has contravened a condition of the exemption.

In instances where non-compliance is serious enough to warrant the cancellation of an exemption, the Minister (or their delegate) will invite the fuel seller to demonstrate in writing why the exemption should not be cancelled. Any decision to cancel an exemption will take into consideration written submissions made by the holder of the exemption.

In addition, before cancelling an exemption the Minister (or their delegate) may:

- consult with stakeholders
- arrange for the fuel seller's business to be audited.

6. Powers, investigation and other monitoring tools

6.1. Section 40 Notice

If the fuel seller fails to respond to a request for information or responds with limited information then it may be appropriate to issue a requirement under section 40 of the Act.

Section 40 states that an authorised person who suspects on reasonable grounds that any person is in a position to furnish information or produce a document concerning a matter relevant to –

- (a) the exercise of a power conferred on the Minister by the Act; or
- (b) the commission of an offence against the Act

may, by notice in writing served on that person, require that person to furnish information or produce a document to the authorised person.

The Act does not limit this requirement to the fuel seller who is suspected of breached the Act, and the department may issue a section 40 notice to any person. Failure to comply with this notice is an offence and carries a penalty.

6.2. Interview by consent

It may be appropriate to conduct an interview by consent with the fuel seller. This interview could be conducted at any stage during an investigation to allow a fuel seller to provide reasons for a suspected breach of the Act and natural justice dictates that they should be given an opportunity to respond to the allegations made.

Before a prosecution is commenced for any offence the fuel seller will be given the opportunity to attend a consent interview. This interview is voluntary and the fuel seller can decline to be interviewed. All interviews will be electronically recorded.

6.3. Inspections

Section 37 of the Act (Powers of authorised persons) provides authorised persons with a range of powers for the purpose of giving effect to and enforcing the provisions of the Act.

These powers include:

- Enter/inspect any premises or place where there is carried on a business concerned with trading in liquid fuel.
- Enter/inspect any other premises or place where the authorised person suspects on reasonable grounds that there is to be found evidence that an offence against the Act is being, has been or is about to be committed.
- Requiring the person or person in charge to provide their name, address and place of business, along with proof that the details they are providing are correct.
- Boarding any vehicle, vessel or aircraft on the premises or place and inspecting all the compartments, receptacles and equipment subject to conditions.
- Requiring the occupier or person in charge of the premises or place to produce documents and taking extracts and making copies of any such documents.

- Breaking open any compartment or receptacle and examining the contents subject to conditions.
- Seizing and retaining or securing any fuel, equipment, vehicle, vessel, aircraft or a document likely to be used as evidence.
- Requesting reasonable assistance from the owner or person in charge in relation to any of the above mentioned powers.
- Being accompanied by an assistant where the authorised person considers this is necessary.

DNRME will consider all the information and evidence collected from an inspection to determine if any follow up compliance and/or enforcement actions should be undertaken.

6.4. Warrants

Under the Act, an authorised person can only enter a dwelling home or a part of a building, used exclusively for residential purposes when:

- The occupier is advised of their rights regarding consent and the consent of the occupier is obtained; or
- A search warrant that authorises the entry is obtained.

Warrants are a tool which enables an authorised person to enter premises without consent, in instances where consent could not be obtained, for the purpose of exercising certain powers (see under 'Inspections' above). To ensure that warrants are used appropriately, there are a range of protections provided in section 37(4A) and (4B) (Powers of authorised persons) of the Act.

DNRME may utilise warrants to investigate suspected breaches of the Act (that have been committed or may have been committed) and where evidence of that breach is in a place used exclusively for residential purposes.

In making decisions about whether to apply for a warrant, authorised persons will take into account:

- the grounds on which the warrant would be granted
- the seriousness or impact of the alleged breach
- whether or not the breach was inadvertent or deliberate
- whether or not there is reasonable cause to suspect there is evidence to be found of an offence that is being or has been committed against the Act
- any previous compliance actions taken against the fuel seller (including the fuel seller's reasons for non-compliance and any actions taken by the fuel seller to remedy non-compliance).

Any evidence found through use of a warrant may be used in relation to the exercise of other compliance and/or enforcement tools, including prosecutions.

7. Agency roles

In line with Administrative Arrangements Order, the Minister for Natural Resources, Mines and Energy has administrative responsibility for the Act and DNRME is the administrative unit.

DNRME will also be supported by DES in assessing equivalent standards proposed by producers against the sustainability criteria in the Liquid Fuel Supply Regulation 2016.

7.1. DNRME role

In line with the Administrative Arrangements Order, DNRME has overarching responsibility for administering the Act. This means that DNRME has responsibility for:

- providing general education and support to fuel sellers
- policy development and review (including any necessary legislative and regulatory amendments)
- the development and maintenance of the fuel seller register
- considering and granting exemptions from the legislation
- deciding what options to pursue, and taking action in relation to non-compliance
- administering the Liquid Fuel Supply Regulation 2016 (the Regulation).

7.2. Department of Environment and Sciences (DES) role

The Regulation sets sustainability criteria biofuels sold under Queensland's biofuels mandate. The sustainability criteria must be met for a biofuel to count towards a fuel seller's obligations under the Act. It is the fuel seller's obligation to ensure its biofuel is sustainable. DES has responsibility for:

- approving a standard as an equivalent standard for a sustainability standard
- assisting DNRME to provide education and support to fuel sellers to help them understand the sustainability criteria as prescribed by regulation
- through its education and support role, identifying and advising DNRME in relation to biofuels producers meeting the prescribed sustainability criteria, or an equivalent standard.

DNRME will liaise with DES in cases where DNRME has concerns regarding the source/sustainability of the biofuels being sold by a fuel seller and used to meet their liability.

8. Reviews and appeals

If a person is dissatisfied with an administrative decision made by the administering authority, they have the following options available to them:

- Request an internal review within 28 days from the date of the decision and provide enough information to enable the department to decide the application for review.
- Contact the Queensland Ombudsman once it has been internally reviewed for the Ombudsman to review the decision.
- Where a request has been made for a decision to be reviewed, the applicant may also apply to the Supreme Court for a stay of the decision to secure the effectiveness of the review.

A person whose interests are or would be adversely affected by a decision of the department may also be able to request a statement of reasons for a decision or a statutory order review under the *Judicial Review Act 1991* within 28 days of the internal review decision.

A dissatisfied person may have other legal rights or obligations and should seek their own legal advice.

Attachment 1. Quick reference table of legislative obligations on fuel sellers

Section of the <i>Liquid Fuel Supply Act 1984</i>	Who it applies to	Description of legislative obligation	Penalty
Section 35B(2) (Sustainable biobased petrol requirement)	Only liable ² fuel sellers	A fuel seller must sell at least the minimum amount of sustainable biobased petrol in each calendar quarter.	Maximum penalty ³ — (a) for a first offence—200 penalty units; or (b) for a second or later offence—2000 penalty units.
Section 35C(2) (Sustainable biobased diesel requirement)	Only liable fuel sellers	A fuel seller must sell at least the minimum amount of sustainable biobased diesel in each calendar quarter.	Maximum penalty— (a) for a first offence—200 penalty units; or (b) for a second or later offence—2000 penalty Units.
Section 35E(1) (Quarterly returns)	Only liable fuel sellers	A fuel seller must give a return, in the approved form, to the chief executive within 1 month after the end of each calendar quarter, unless the fuel seller has a reasonable excuse.	Maximum penalty—100 penalty units.
Section 35F(2) (Record keeping)	Only liable fuel sellers	A fuel seller must keep a record of each sale for at least 2 years after the end of the calendar quarter in which the sale happened, unless the fuel seller has a reasonable excuse.	Maximum penalty—100 penalty units.
Section 35H (Complying with conditions of exemption)	Only liable fuel sellers – who hold an exemption with conditions	A person who is granted an exemption must comply with the conditions of the exemption.	Maximum penalty—200 penalty units.

² A fuel seller is a liable fuel seller if they are:

- A wholesaler, or
- A fuel retailer and they either:
 - Own or operate 10 or more sites, or
 - Sell more than 500,000 litres of all grades petrol at a site in a calendar quarter (or another amount as varied by Regulation).

³ For a body corporate or corporation the maximum penalty is five times the amount as per s.181B(3) *Penalties and Sentences Act 1992*

Section of the <i>Liquid Fuel Supply Act 1984</i>	Who it applies to	Description of legislative obligation	Penalty
Section 35M (Giving registration information)	All fuel sellers	A fuel seller must give the fuel seller's registration information, in the approved form, to the chief executive within 1 month after becoming a fuel seller, unless the fuel seller has a reasonable excuse.	Maximum penalty—200 penalty units.
Section 35N(1) (Notifying changes)	All fuel sellers	A fuel seller must notify the chief executive of any change to the fuel seller's registration information within 1 month after the change happens, unless the fuel seller has a reasonable excuse.	Maximum penalty—100 penalty units.
Section 35N(2) (Notifying changes)	All fuel sellers	If a person stops being a fuel seller, the person must notify the chief executive of that fact within 1 month after the person stops being a fuel seller, unless the fuel seller has a reasonable excuse.	Maximum penalty—100 penalty units.
Section 35O(3) (Obtaining complete and clear information)	All fuel sellers	The chief executive may, by written notice, require the fuel seller to give stated information to the chief executive within a stated reasonable period of not less than 14 days. The fuel seller must comply with the notice unless the fuel seller has a reasonable excuse.	Maximum penalty—100 penalty units.
Section 35P(1) (Reporting fuel sold)	All fuel sellers	A fuel seller must give a report, in the approved form, to the chief executive before 31 July each year, unless the fuel seller has a reasonable excuse.	Maximum penalty—100 penalty units.
Section 35Q(1) (False or misleading information)	All fuel sellers	A person must not give the chief executive information under this part 5A of this Act the person knows is false or misleading in a material particular.	Maximum penalty—100 penalty units.

Attachment 2. Criteria to be considered in determining impact of breach

Impact of breach	1. LOW	2. MINOR	3. MODERATE	4. MAJOR	5. CRITICAL/SEVERE
<p style="text-align: center;">Criteria</p> <p><i>Note: an offence may only have some of the listed characteristics and still be assessed at the relevant impact level.</i></p>	<ul style="list-style-type: none"> • Liable or non-liable fuel seller • Administrative offence • No impact, or potential impact, on the objectives of the Act • No public interest 	<ul style="list-style-type: none"> • Liable or non-liable fuel seller • Administrative offence • Minimal impact, or potential impact, on the objectives of the Act • Low public interest 	<ul style="list-style-type: none"> • Liable fuel retailer or wholesaler • Administrative offence • Biofuels sales offence • Moderate public interest • Short term or moderate impact or potential impact, on objectives of the Act • Liable fuel seller fails to comply with condition of an exemption 	<ul style="list-style-type: none"> • Liable fuel retailer or wholesaler • Administrative offence • Biofuels sales offence • Major public interest • Medium term or major impact, or potential impact, on objectives of the Act • Liable fuel seller fails to comply with a condition of exemption and the exemption is rendered void 	<ul style="list-style-type: none"> • Liable fuel retailer or wholesaler • Administrative offence • Biofuels sales offence • Significant public interest/concern • Long term or permanent impact on objectives of the Act • Liable fuel seller fails to comply with a condition of exemption and the exemption is rendered void. • The fuel seller knowingly provides false or misleading information

Impact of breach	1. LOW	2. MINOR	3. MODERATE	4. MAJOR	5. CRITICAL/SEVERE
Examples	A single site fuel seller is not a liable fuel seller and fails to provide an annual report by the due date, and submits two days late.	A medium sized liable fuel seller takes ownership of a company and provides incorrect data in a quarterly return, due to misunderstanding the reporting requirements, and provides corrected advice within the same reporting quarter.	A medium sized liable fuel seller takes ownership of a company and fails to provide a quarterly return by the due date, as a consequence of failing to follow due diligence. A medium sized liable fuel seller fails to sell the minimum amount in a calendar quarter due to delays to infrastructure projects.	A liable fuel seller with an exemption fails to comply with a condition and makes upgrades to a site without advising the department or considering opportunities to make biobased petrol available.	A medium to large sized liable fuel seller fails to sell the minimum amount, resulting in permanent impact on biofuels production capacity in a region.

Attachment 3. Criteria to be considered in determining seriousness of culpability

Culpability of alleged offender	1. LOW	2. MODERATE	3. SERIOUS
<p>Criteria</p> <p><i>Note: an offender may only have some of the listed characteristics and still be assessed at the relevant impact level.</i></p>	<ul style="list-style-type: none"> • Unavoidable or inadvertent acts. • No prior non-compliances with legislation. • Non-compliance of short-term duration. • Rectification is short and effective. • Notification of department of a non-compliance within reasonable timeframe. • Did not benefit from the non-compliance. • The impact or risk of impact was not foreseeable. • The impact or risk of impact was not prevented by high standards of operation (greater than accepted industry standards). 	<ul style="list-style-type: none"> • Careless acts. • Isolated prior non-compliances with legislation. • Non-compliance of a medium duration. • Genuine attempt at rectification of the non-compliance. • Attempt at notifying department of non-compliance within reasonable timeframe. • May have benefitted from the non-compliance. • Was aware of the risk of impact or the impact was foreseeable. • The impact or risk of impact may have been prevented by following accepted industry standards. 	<ul style="list-style-type: none"> • Intentional or wilful acts. • Past non-compliance or convictions involving the same legislative provisions. • Non-compliance of an ongoing duration. • No attempt to rectify the non-compliance. • Profits/benefits from non-compliance. • Involves fraud or serious misconduct. • Failure to notify the department. • Wilful ignorance of clear directions or warnings which may have prevented or mitigated the level of non-compliance. • The impact or risk of impact was obvious and/or preventable by implementing or following accepted industry standards.
<p>Examples</p>	<p>A small fuel seller is not a liable fuel seller and fails to provide an annual report by the due date, and submits two days late, <i>due to serious illness.</i></p>	<p>A medium sized liable fuel seller takes ownership of a company and fails to provide a quarterly return by the due date, <i>as a consequence of failing to follow due diligence.</i></p> <p>A medium sized liable fuel seller fails to sell the minimum amount <i>due to underestimating the infrastructure required to enable the sale of enough biofuel, or due to underestimating project lead times.</i></p>	<p>A medium to large sized liable fuel seller fails to sell the minimum amount <i>due to deliberate stance against the legislation</i>, resulting in permanent impact on biofuels production.</p> <p>A liable fuel seller with an exemption fails to comply with a condition and makes upgrades to a site without advising the department or considering their biofuels obligations, <i>as a wilful decision to increase profitability.</i></p>