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**Mandatory Reporting Consultation Process**

C/ Manager – Energy Security Office  
Department of Environment and Energy  
GPO Box 787  
CANBERRA ACT 2601

28 October 2016

MEMBER OF



**RE: Mandatory reporting for petroleum statistics**

Dear Sir/Madam

The Australian Automobile Association (AAA) welcomes the opportunity to comment on the Department of Environment and Energy's *Consultation Paper: Mandatory Reporting of Petroleum Statistics*. As an organisation representing motorists, the AAA takes a strong interest in Australia's fuel security. The AAA supports the introduction of mandatory reporting for petroleum statistics as part of the Government's plan to meet the International Energy Agency's (IEA) oil stockholding requirements.

As the AAA does not report on petroleum statistics, the purpose of the AAA submission is not to answer each specific question in the Consultation Paper. Rather, the submission outlines the principles we believe are important in developing a mandatory reporting program. In addition, the submission lists which statistics in the current report our member clubs value and what additional information is needed to support their policy work.

**AAA position on stockholding requirements**

The AAA is the peak organisation for Australia's motoring clubs and their eight million members. The AAA advances the interests of all road users across Australia to ensure land transport networks are safe and sustainable, and that the cost and access to transport is fair.

As an organisation representing a significant portion of the country's motoring public, we are conscious that our members, together with the broader community, would be adversely affected by fuel supply disruptions, through high fuel prices and wider social and economic consequences. This is why the AAA supports the Government's efforts to ensure Australia meets its 90-day stockholding obligation as a member of the IEA.

Compliance with the treaty would ensure Australia has a buffer that would prevent sharp fuel price increases or rationing in response to short term liquid fuel supply disruptions.

However, the AAA is strongly of the view that complying with our IEA obligations should not fall solely on motorists who already pay almost \$28 billion in taxes and charges each year. Fuel security benefits all Australians and all industry sectors. Thus, the AAA believes that any costs associated with complying with Australia's international obligations should be funded by the Government, not by an increase in costs to motorists.

### **AAA position on mandatory reporting**

The AAA supports the introduction of a mandatory reporting program for petroleum statistics to replace the current voluntary scheme. Australia's ability to mitigate against fuel security risks is adversely affected by the current system. In fact, the current lack of detailed and accurate statistics of fuel stocks by type and by geographic location represents an unacceptable risk to managing our fuel security. A mandatory reporting program will provide a more accurate picture of Australia's stockholdings and allow us to better manage future transport fuel requirements.

The introduction of mandatory reporting can also reduce the need to undertake cost prohibitive measures to meet our IEA obligations, like purchasing international oil tickets. As indicated in the Consultation Paper, there are at least fifteen petroleum companies that do not report and, as a result, between ten and twenty per cent of end of month stocks for some products are not reported. It would be unnecessary to purchase international oil tickets for a product we actually have in stock.

### **AAA guiding principles on design of mandatory reporting**

The AAA supports a mandatory reporting program of petroleum statistics that:

1. Provides an accurate, reliable and timely account of petroleum data relevant to Australia's fuel security and supports policy development and evaluation;
2. Helps Australia meet its international treaty obligations; and
3. Does not result in additional compliance costs being passed on to motorists.

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## Design options for mandatory reporting

As a general principle, the AAA supports Option D: comprehensive mandatory reporting, as it would provide the most comprehensive statistics. The AAA is particularly drawn to this option as it would provide the most accurate data compared to all other options in the Consultation Paper.

The AAA acknowledges that additional reporting requirements under Option D, like import and export data, could be seen as a burden on petroleum companies. However, given this data is already collected by customs agencies, data sharing options could be considered to lower this reporting burden. Generally, the AAA supports data sharing initiatives providing it does not adversely affect data integrity, accuracy, and timeliness.

The paramount objective of a new mandatory reporting regime should be to ensure access to accurate, reliable and timely data.

## Statistics of interest to motoring clubs

The AAA member clubs use information in the existing Australian Petroleum Statistics report to develop and support their policy positions on fuel pricing and security. There are several statistics that member clubs monitor and value. A list of these is attached.

There are also statistics that member clubs would like to see included in current and future petroleum reports. The first is state based sales of ethanol blended fuels. The current report does not provide a breakdown of sales in every state, even where small volumes are being sold. The AAA understands there are commercial considerations with reporting small volumes of sales; however access to this information would assist member clubs in formulating their policy around alternative fuels and sustainability. The reporting of ethanol blended fuel stockholdings would also assist in this regard.

The second is the sales of LPG. The current report only provides total sales for Australia. A state based breakdown of LPG sales would assist member clubs in monitoring LPG usage in their jurisdictions.

## Conclusion

The AAA believes that mandatory reporting of petroleum data is critical to managing Australia's fuel stocks at all times and a vital first step in complying with our IEA obligations. Given the fact that complying with our IEA obligations will benefit society as a whole, any compliance costs should not fall solely on motorists.

The AAA appreciates the opportunity to comment on the Consultation Paper.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Bradley', with a stylized flourish at the end.

**Michael Bradley**  
Chief Executive

Encl: Attachment A: Statistics monitored by AAA member clubs

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## ATTACHMENT A – STATISTICS MONITORED BY AAA MEMBER CLUBS

TABLE 1A – Petroleum production, Australia

TABLE 2: Refinery input and production, Australia

TABLE 3A: Sales of petroleum products, Australia

TABLE 3B: Sales of petroleum products by state marketing area, by month, Australia

Table 3BB: Sales of lubricants by state marketing area, by month, Australia

Table 3C: Sales of petroleum products by state marketing area, by financial year, Australia

TABLE 4: Imports of petroleum by product, Australia

TABLE 4A: Origin of petroleum imports, by product, by month, Australia

TABLE 4B: Origin of petroleum imports, by product, by volume, by financial year, Australia

Table 4BB: Origin of petroleum imports, by product, by value, by financial year, Australia

TABLE 5: Exports of petroleum, by product, Australia

Table 5A: Destination of petroleum exports, by product, by month, Australia

Table 5B: Destination of petroleum exports, by product, by volume, by financial year, Australia

Table 5BB: Destination of petroleum exports, by product, by value, by financial year, Australia

TABLE 6: End of month stocks of petroleum, Australia

TABLE 7: End of month stocks of petroleum, Australia, consumption cover

TABLE 8A: Comparison of automotive gasoline prices in OECD countries

FIGURE 8A: Automotive gasoline prices and taxes in OECD countries

TABLE 8B: Comparison of automotive diesel prices in OECD countries (non-commercial use)

FIGURE 8B: Automotive diesel prices and taxes in OECD countries

TABLE 8C: Comparison of automotive LPG prices in OECD countries