



Australian Government

Department of the Environment and Energy

Response Template: Mandatory Reporting of Petroleum Statistics

The Consultation Paper on Mandatory Reporting of Petroleum Statistics asks 23 questions to help the Department of the Environment and Energy to design an effective mandatory reporting program, while minimising the reporting burden on petroleum companies.

To help stakeholders develop their response to the Consultation Paper, the Department developed this response template. **Use of the template is optional** and responses submitted in other formats will be accepted.

There is no need to answer all the questions in the template. However, please address any question which is relevant to you.

Please submit your response via email to mrps@environment.gov.au before close of business on 28 October 2016. Responses submitted after 28 October may not be considered when determining the final design of mandatory reporting.

The Department aims to advise all respondents to the Consultation Paper of the final design of mandatory reporting before the end of 2016.

Mandatory reporting commences on 1 January 2018.

Please send any questions to mrps@environment.gov.au. You can also call the Energy Security Office on 02 6275 9740.

Directions:

The questions in the Consultation Paper have been combined into six key questions.

Please enter your response in the white box for each key question, writing over the guidance notes provided. You can also delete the prompting questions.

Once you have finalised your comments, **please email your submission** as an attachment to the Department of the Environment and Energy at mrps@environment.gov.au.

Key Question 1: How do you use the Australian Petroleum Statistics?

Guidance Notes:

The Department of the Environment and Energy is keen to understand how and why different organisations, companies and individuals use (or do not use) the Australian Petroleum Statistics (APS) and how the statistics could be improved.

In your answer, please identify each specific use you make of APS data and statistics. If there is any information which is *essential* to your operations, please highlight this in your response and explain why it is important.

If you do not use the APS, please explain why in your response and if any changes would make the statistics more relevant for you.

If there is any data you would like to be included in the APS Report which is not currently reported or collected, please identify this in your response.

Prompting Questions:

Question 1: How do you use the APS Report? We don't use it.

Question 14: Should any additional information be collected and published under mandatory reporting? No.

Key Question 2: The Design Principles and Options

Guidance Notes:

The Department is interested in stakeholders' views as to the best approach to designing mandatory reporting.

The Consultation Paper sets out four 'design principles' for mandatory reporting, of:

- a. Capture relevant petroleum data accurately, in a timely way and with a high degree of reliability.
- b. Enable Australia to meet all its IEA reporting requirements and other international obligations.
- c. Minimise the reporting burden on industry.
- d. Minimise the disruption to existing reporters and users.

Do you agree with these principles? Is there any other consideration you think should be added? Yes, agree.

The Consultation Paper applies the design principles to develop four options for mandatory reporting, being:

- Option A: Conversion from Voluntary to Mandatory Reporting without Change
- Option B: Maximised Data-Sharing Supplemented by Mandatory Reporting
- Option C: Mandatory Reporting for Stocks Only
- Option D: Comprehensive Mandatory Reporting

Please indicate which option (or alternative) you support and why. Each option emphasises different elements of the design principles and would have positive and negative outcomes for users and reporters. If you support an alternative approach, please explain this alternative. Option B to minimize the duplication of data collection.

Prompting Questions:

Question 2: As a general principle, which option do you prefer? Option B

Question 10: Do you support mandatory reporting for non-IEA counted stock such as stock on water or should this reporting remain voluntary? No preference.

Question 14: Should any additional information be collected and published under mandatory reporting? No comment.

Question 17: Do you consider the current reporting boundaries for production, refining, stocks, sales, imports, exports and prices appropriate? No comment.

Question 18: Do you agree with maintaining a parallel voluntary collection methodology for gas statistics not covered by mandatory reporting? No comment.

Key Question 3: Who Should Report?

Guidance Notes:

The Consultation Paper proposes that reporting be the responsibility of owners of relevant petroleum products or petroleum substitutes (e.g. biofuel). Do you agree with this approach? Are there any circumstances where it will be difficult to identify the owner or more appropriate to require another entity to report? Seems appropriate.

The Consultation Paper also proposes a minimum reporting threshold to exclude small operations from mandatory reporting, such as teams importing petroleum for the Australian Grand Prix or exploration by companies undertaking small-scale test drilling. The Consultation Paper identifies two options of a volume threshold (3,000 tonnes) or a criterion test (holding an excise license). Do you agree with the need for a threshold and what do you think is the appropriate threshold test? Agree with threshold, current options seem appropriate.

The Consultation Paper also proposes that third parties be allowed to report on owners' behalf. This would mean that any party could submit a monthly report, but the owner would be responsible for errors or non-submission. Do you agree with this approach and if so, should any restrictions be placed on who can submit a report on behalf of an owner?

The Consultation Paper asks if ‘direct importers’ (companies directly importing petroleum from overseas for their own use, e.g. in mining or refining) or ‘major consumers’ (companies using very large amounts of petroleum purchased from Australian suppliers) should be required to report their stock levels (under Option A, B, C or D) and/or import volumes (under Option D for direct importers only). Do you support expanding the obligation to direct importers? What about major consumers? Should any exemptions or conditions apply?

Prompting Questions:

Question 3: Do you support applying the reporting obligation to the owner of petroleum? Yes.

Question 4: Are there any reasons why direct importers (or a subset of direct importers) should be excluded from mandatory reporting? Not that I can think of.

Question 5: Do you agree with the need for a threshold and the proposed level? Yes.

Question 9: Do you support excluding major petroleum consumers who do not import petroleum directly from the obligation to report end-of-month stock levels? No.

Key Question 4: What Data Should Be Reported?

Guidance Notes:

The Department is interested in stakeholders’ views about what products and types of activity should be covered by the mandatory reporting obligation.

There are two key elements to this question:

1. What *types of petroleum products and substitutes* should be covered by mandatory reporting?

For example, the Consultation Paper asks if biofuels should be covered by mandatory reporting.

2. What *types of activity* (e.g. producing, refining, etc.) should it be mandatory to report on?

For example, the Consultation Paper proposes that production, refining (including recycling), sales, end of month stockholdings and possibly (Option D) importing and exporting be reportable activities. It also asks whether ‘stocks on water’ should be covered by mandatory reporting as a subset of end of month stocks.

In developing your response, it may be useful to split both activities and products into three categories:

- Those that should be covered by mandatory reporting

- Those that should be reported, but on a voluntary basis; and
- Those that should not be reported at all.

It may help your response to look at the IEA reporting requirements set out in Box 2 of the Consultation Paper and the reporting categories in Appendix B1-B4.

The issue of Category K stocks is raised in the paper (see paragraph 65). Importers are encouraged to note in their response if they commonly hold stock outside Australia that is definitely designated for import into Australia.

Prompting Questions:

Question 7: Should mandatory reporting cover oil-recycling process? No, these are captured elsewhere, such as PSO and EPA waste tracking.

Question 10: Do you support mandatory reporting for non-IEA counted stock such as stock on water or should this reporting remain voluntary? No comment

Question 11: Do you support the existing approach to measuring consumption/sales? No comment

Question 13: Do you support including imports and exports in mandatory reporting? Yes

Question 14: Should any additional information be collected and published under mandatory reporting? No

Question 15: Do you consider the current reporting boundaries for production, refining, stocks, sales, imports, exports and prices appropriate? No comment

Question 18: Do you agree with maintaining a parallel voluntary collection methodology for gas statistics not covered by mandatory reporting? No comment

Question 19: Do you support including biofuels (ethanol, biodiesel, biojet kerosene, etc.) as a product category covered by mandatory reporting? No comment

Key Question 5: How Should Data Be Reported?

Guidance Notes:

There are again two elements to this question.

1. How should businesses categorise (i.e. divide and classify) the data they report; and how should this information be published (if at all) in the Australian Petroleum Statistics Report?

The Consultation Paper asks stakeholders whether they support changing the existing reporting categories (see Attachment B1-B4), and if so, what categories should be added or removed? In answering this question, stakeholders may find it helpful to focus on the questions of:

- For users, what data do you want? (see Key Question 1)

- For potential reporters, what data can you provide? For example, are there existing reporting categories that you cannot currently report on (see Attachment B2)? If you would need to change your internal processes to categorise data in line with the requirements of the APS, please note this in your response.

Confidentiality of commercially sensitive information will be a key consideration in determining what data is published in the APS Report. For further information, see Box 1 of the Consultation Paper.

2. How should the actual mechanics of monthly reporting work?

The Consultation Paper makes a number of proposals for how monthly data should be provided to the Department, including the format, timing and submission process for reports. If any element of these proposals would cause problems for your business, please identify this in your response and what alternative you would prefer.

The Department is also interested in reporters' views on how to improve the guidance notes and administration of the reporting system. If you have any suggestions on possible improvements, please note this in your response.

Prompting Questions

Question 16: Do you consider the current reporting categories appropriate for the APS Report? No comment

Question 17: Should the timing requirements for certain information change? No comment

Question 18: Do you agree with maintaining a parallel voluntary collection methodology for gas statistics not covered by mandatory reporting? No comment

Question 20: Do you support the mandatory use of a template as outlined above? Yes

Question 21: Are there aspects of the APS Report reporting requirements or guidance notes that should be revised in the transition to a mandatory reporting regime? No comment

Question 22: Will an email submission process create any difficulties for your company? No

Question 23: Do you foresee any problems for your company with meeting the proposed reporting timeframe? No

Key Question 6: Data-Sharing

Guidance Notes:

The Department is interested in stakeholders' views on the appropriateness of data-sharing, which is a focus of discussion in the Consultation Paper.

To guide your response, it may be helpful to consider the following questions:

1. Do you support the use of data collected under other Australian Government programs to compile aspects of the Australian Petroleum Statistics?
2. Do you support the Department sharing data collected under Australian Petroleum Statistics with other agencies? If so, under what circumstances?
3. Do you support the specific proposals for data-sharing in the Consultation Paper, in particular:
 - The use of National Offshore Petroleum Titles Administrator data to determine offshore petroleum production and end of month stock levels?
 - The use of excise and customs data held by the Australian Taxation Office to measure of petroleum consumption (as an alternative to sales reporting), noting the issues with this approach raised in the paper (see Box 9)?
 - The use of clearance and recycling data held by the Australian Taxation Office as a means of measuring consumption and recycling of oils.

In general, data-sharing involves a trade-off. The reporting burden for business is reduced, but *potentially* at the cost of reduced statistical detail and/or increased sharing of commercially sensitive information (strict controls on the access and use of shared data will be established).

Prompting Questions:

Question 6: Do you support using NOPTA offshore production figures to replace the need to report offshore data? No comment

Question 7: Should mandatory reporting cover oil-recycling process? No, these are captured elsewhere such as PSO and EPA waste tracking.

Question 8: Do you support the sharing of data collected under mandatory reporting to reduce the regulatory burden associated with other reporting regimes? Yes

Question 12: Do you support replacing sales reporting with the use of excise and customs data held by the ATO? Yes

Free Text

Guidance Notes:

Please use this comment box to make any addition comments on the Consultation Paper not addressed elsewhere.

As a small oil re-refining company with a small administration team and out-sourced refining operations, this mandatory reporting process would create a significant additional administrative burden to prepare monthly reports which include data already collected in other areas such as EPA waste tracking and excise and PSO reporting to the ATO.