



PETROLEUM AND OTHER FUELS REPORTING RULES FACT SHEETS

The Australian Government is introducing a mandatory reporting requirement for petroleum and other fuels from 1 January 2018. This will improve the accuracy of Australia's transport fuel statistics in publications such as the Australian Petroleum Statistics, and forms part of the Government's plan to return to compliance with the International Energy Agency oil stockholding obligation.

The high level framework for mandatory reporting is by the *Petroleum and Other Fuels Reporting Bill 2017* (the Bill), which the Minister for the Environment and Energy tabled in Parliament on 30 March 2017 and is yet to be passed by Parliament. The specific reporting obligations, that is the detail on who must report what and when, is provided in subordinate legislation, namely the *Petroleum and Other Fuels Reporting Rules 2017* (the Rules).

The Department of the Environment and Energy has prepared an exposure draft of the Rules for consultation. The draft Rules, along with a draft Explanatory Statement, are available at the mandatory reporting website at <http://www.environment.gov.au/energy/energy-security-office/international-engagement/mandatory-reporting-petroleum-data>.

The draft Rules are a complex and technical legal instrument, so to help stakeholders understand how the draft Rules would apply to their business, the Department has prepared Fact Sheets for the key industry sectors subject to a reporting obligation.

The Fact Sheets are organised as follows:

1. Oil and gas producers
2. Biofuel producers and wholesalers
3. Petroleum refiners
4. Petroleum recyclers and re-refiners
5. Wholesalers (except petroleum coke and petroleum-based grease, lubricant, lubricating oil base stock, paraffin wax and solvent (GLOWS))
6. Wholesalers of GLOWS
7. Wholesalers of petroleum coke

It is important to note that the Fact Sheets provide a high level summary of the reporting obligations. They are not intended to be comprehensive, especially for businesses engaged across a range of covered activities, and the reporting requirements may change as the Rules are finalised. Stakeholders are encouraged to review the draft Rules, draft Explanatory Statement and seek professional legal advice to understand how mandatory reporting could apply to their business. A guide to reading the Rules is available at the mandatory reporting website.

Consultation on the draft Rules closes on 14 July 2017. Comments on the draft Rules or Fact Sheets should be sent to mrps@environment.gov.au.

Stakeholders who have questions on the application of the Rules to their business or to specific situations are welcome to send these questions to mrps@environment.gov.au before the end of the consultation period. Where possible, the Department will seek to publish an interim answers on its website before the end of the consultation period on 14 July.



FACT SHEET 1

OIL AND GAS PRODUCERS

This Fact Sheet explains the proposed reporting obligations for oil and gas producers in the draft *Petroleum and Other Fuels Reporting Rules 2017* (draft Rules) which has been released for consultation.

Stakeholders are encouraged to email any comments and questions on the draft Rules to the Department of the Environment and Energy at mrps@environment.gov.au by 14 July 2017.

Who reports?

The draft Rules would require producers of crude oil, condensate, liquefied petroleum gas (LPG) and natural gas liquid (NGL) to report. The reporting obligation would apply to the entity that first owns a product when it is extracted or processed.

Methane and ethane would not be reportable under the draft Rules.

Reporting Threshold

A threshold of 3,000 tonnes (3kt) of production in the previous financial year would apply to individual fields and plants. As a result, oil and gas exploration companies are unlikely to trigger the reporting obligation except in exceptional circumstances.

What information must be reported?

Producers would need to report per field (or processing plant for NGL) on the amounts of crude oil, condensate, LPG and NGL they:

- Held in storage at the beginning and end of a month;
- Produced (extracted from the field or processed in a plant) each month;
- Consumed at site, flared or otherwise lost or destroyed each month;
- Transported to that field or plant each month; and
- Sold or exported (referred to as 'transported from' in the draft Rules) each month.

This information would allow a balance to be produced for each field or NGL plant.

When reporting stock levels, producers may combine all the stocks they own (both onsite and offsite at places like terminals and storage depots) into a single stock figure. This would remove the need to submit a separate stock holding report under section 17 of the draft Rules.

Reporting Requirements

Reports will be due 15 days after the end of a calendar month. For example, the first report for January 2018 will be due by 15 February 2018.

The Department will develop a reporting template in consultation with producers in the coming months.



The draft Rules allow reports to be submitted by third parties on behalf of producers. For example, a field manager may submit a single report on behalf of the joint venture partners in a production field.

Additional information

Data-sharing

The Department is working with the National Offshore Petroleum Titles Administrator and the West Australian Department of Mines and Petroleum to establish data-sharing arrangements to remove the need for offshore producers, and onshore producers in Western Australia, to report. An exemption is not provided in the draft Rules, but will be added once the arrangements are finalised.

Discussions with other jurisdictions on data-sharing have identified coverage, timing or confidentiality issues which prevent the removal of a reporting obligation for onshore producers in these jurisdictions.

The Department will continue to work to identify data-sharing opportunities and will provide further information on possible arrangements for oil and gas producers in the coming weeks.

Natural gas

The draft Rules do not impose an obligation to report methane or ethane production, wholesales or stock data. Reporting this data would remain voluntary – but strongly encouraged – for gas producers.

The Government is considering whether there is a need to introduce a mandatory reporting requirement for natural gas production. This would improve the accuracy of national gas statistics and support implementation of the Australian Domestic Gas Security Mechanism (ADGSM). The need for a reporting obligation on methane and ethane will be determined once the design of the ADGSM is finalised in mid-July.



FACT SHEET 2

BIOFUEL PRODUCERS & WHOLESALERS

This Fact Sheet explains the proposed reporting obligations for biofuels in the draft *Petroleum and Other Fuels Reporting Rules 2017* (draft Rules) which has been released for consultation.

Stakeholders are encouraged to email any comments and questions on the draft Rules to the Department of the Environment and Energy at mrps@environment.gov.au by 14 July 2017.

Who Reports?

The draft Rules would require producers (manufacturers) and wholesalers of biofuel to report. For production, the entity that first owns biofuel when it is created at a plant (i.e. the owner of the facility) must report. For wholesalers, the reporting obligation would apply to the entity that entered the biofuel for home consumption (i.e. the person who paid excise or customs duty).

The term wholesale has a specific meaning. This is explained in the *Wholesalers' Fact Sheet*.

Reporting Threshold

A threshold of 3,000 tonnes (3kt) of production per plant or wholesales per business in the previous financial year would apply. Accordingly, small-scale 'backyard' biodiesel operations are unlikely to trigger a reporting obligation.

What information must be reported?

Production

Biofuel producers would need to report by plant on the amounts of ethanol, biodiesel and/or renewable diesel they:

- Produce each month; and
- Hold in storage at the beginning and end of a month.

When reporting stock levels, biofuel producers may combine all the stocks they own onsite and offsite (e.g. at terminals and storage depots) into a single figure. This would remove the need to submit a separate stock holding report under section 17 of the draft Rules.

Wholesales

Biofuel wholesalers would need to report the amount of biofuel they entered for home consumption each month. Due to the way fuel excise applies, biofuels may be reported in a pure form (e.g. ethanol, biodiesel and/or renewable diesel) or as a blend (e.g. gasoline and ethanol blend—E10). Which category is appropriate will depend on whether the fuel was entered for home consumption before or after blending.

Biofuel wholesalers also need to report their stock levels at the end of the month. If a producer has already reported this stock in their production report, it does not need to be re-reported.

Biofuel not able to be used as a transport fuel (e.g. due to water content) would not need to be reported in production, wholesale or stock reports.



Reporting Requirements

Reports will be due 15 days after the end of a calendar month. For example, the first report for January 2018 will be due by 15 February 2018.

The Department plans to develop a reporting template in consultation with stakeholders in the coming months.



FACT SHEET 3

PETROLEUM REFINERS

This Fact Sheet explains the proposed reporting obligations for petroleum refiners in the draft *Petroleum and Other Fuels Reporting Rules 2017* (draft Rules) which has been released for consultation.

Stakeholders are encouraged to email any comments and questions on the draft Rules to the Department of the Environment and Energy at mrps@environment.gov.au by 14 July 2017.

Who Reports?

The draft Rules would require refiners with over 3kt of output in the previous financial year to report. The reporting obligation would apply to the entity that first owns an output from the refining process. That is, the owner of the refinery.

What information must be reported?

Refiners would be required to report monthly on their input, working and output stocks.

For input stock (e.g. crude oil, condensate, refinery feedstock – other, etc.), refiners would need to report the quantity (weight or volume as appropriate) of inputs:

- held at the refinery at the beginning and end of the month;
- delivered to the refinery during the month; and
- entered into the refining process during the month.

When reporting inputs, refiners would need to split them between domestic and imported stock.

For working stocks, refiners would need to report the quantities:

- held in the refining process at the beginning and at the end of the month.

For output stocks, refiners would also need to report the quantities:

- held at the refinery at the beginning and at the end of the month.

When reporting, refiners would need to use the relevant categories and subcategories set out in Schedule 1 to the draft Rules (provided at Attachment A). When reporting working stocks, refiners should report the expected subcategory of the end product. For example, if 1,000L of working stock will become “*premium unleaded—RON 98 or higher*” it should be reported as this subcategory.

Refiners will generally have an obligation to report wholesales as well. This is discussed in the *Wholesalers’ Fact Sheet*.

Reporting Requirements

Reports will be due 15 days after the end of a calendar month. For example, the first report for January 2018 will be due by 15 February 2018.



The Department plans to develop a reporting template in consultation with producers in the coming months.

Additional information

Recycling and Re-Refining

Petroleum recyclers and re-refiners have different reporting requirements which are discussed in the *Petroleum Recyclers' and Re-Refiners' Fact Sheet*.

GLOWS

If a refinery produces over 3kt of output in the previous financial year of petroleum-based grease, lubricant, lubricating base oil, paraffin wax or solvent (GLOWS), then any working stocks or output of these products would need to be reported monthly, as for any other product. However, any wholesales of GLOWS would only need to be reported biannually, although voluntary reporting on a more frequent basis would be welcome. See the *GLOWS Wholesalers' Fact Sheet* for further information.



FACT SHEET 4

PETROLEUM RECYCLERS & RE-REFINERS

This Fact Sheet explains the proposed reporting obligations for businesses which recycle or re-refine petroleum products (such as lubricant) in the draft *Petroleum and Other Fuels Reporting Rules 2017* (draft Rules) which has been released for consultation.

Stakeholders are encouraged to email any comments and questions on the draft Rules to the Department of the Environment and Energy at mrps@environment.gov.au by 14 July 2017.

Who Reports?

The draft Rules would require recyclers and re-refiners of GLOWS to report stock levels. Where recyclers and re-refiners wholesale their outputs for use in Australia, they will also have a wholesale reporting obligation – see the *GLOWS Wholesalers' Fact Sheet*.

Reporting Threshold

Where a petroleum recycling or re-refining plant (a 'GLOWS facility' in the draft Rules) holds 3kt or more of combined input, working and output stock on 30 June or 31 December it will have a stock reporting obligation.

What information must be reported?

GLOWS facility owners would need to report for each facility the total quantities of:

- Input stock – that is the waste product awaiting recycling or re-refining;
- Working stock - that is the product currently being recycled or re-refined; and
- Output stock – that is the recycled or re-refined products yet to be sold or exported.

Stock must be reported in the relevant category and sub-category as set out at Schedule 1 of the draft Rules (provided at Attachment A). Any input stock that does not fit within a category should be reported as "refinery feedstock – other". Working stock should be reported using the category of the expected end product (e.g. "fuel oil - inland high sulphur" or "lubricating oil base stock").

It is important to note that a recycler or refiner selling outputs into the Australian market may have an obligation to report their wholesales.

Reporting Requirements

Reports will be due every six months, 31 days after the end of every calendar and financial year. For example, the first report for January to June 2018 will be due by 31 July 2018 and the next report for July to December 2018 will be due by 31 January 2019.

The Department plans to develop a reporting template in consultation with stakeholders in the coming months.



Additional information

Data-sharing

The Department is working with the Australian Taxation Office to establish a data-sharing arrangement for information collected under the Product Stewardship for Oil (PSO) Program. The reduced reporting requirements for recyclers and re-refiners compared to petroleum refiners in the draft Rules were developed in expectation that this data would be available by 1 January 2018. In the event that data-sharing is unable to be established or cannot be used to develop monthly estimates for recycling and re-refining, the Department will review the appropriateness of the reduced reporting requirements.

Reporting wholesales of recycled and re-refined products

Where a recycler or re-refiner sells recycled or re-refined products they will generally have an obligation to report this as a wholesale. The exact nature of the reporting obligation will depend on the product and where it is sold.

In general, the sale or supply within Australia of a reportable product (see Attachment A) and any associated stocks (if not stored at the GLOWS facility) must be reported monthly – see *Wholesalers' Fact Sheet*. However, the draft Rules provide a reduced reporting frequency for lubricant, grease, lubricating oil base stock, paraffin wax and solvent. For example, if a re-refiner produces lubricating oil base stock and pays the excise on this, then this is a reportable wholesale and must be reported every six months – see *GLOWS Wholesalers' Fact Sheet*.

There is no obligation to report the wholesale of recycled products that are not listed as reportable in Schedule 1 of the draft Rules (see Attachment A). For example, diesel fuel extender is not a reportable product.

There is no obligation to report the wholesale of recycled or re-refined products that are exported. For example, fuel oil developed from recycled lubricant which is exported to another country would not be reportable.



FACT SHEET 5

WHOLESALE

This Fact Sheet explains the proposed reporting obligations for wholesalers in the draft *Petroleum and Other Fuels Reporting Rules 2017* (draft Rules) which has been released for consultation.

Separate Fact Sheets are available for wholesalers of biofuels, petroleum-based grease, lubricant, lubricating base oil stock, paraffin wax and solvent (GLOWS), and petroleum coke due to specific reporting requirements for these products.

Stakeholders are encouraged to email any comments and questions on the draft Rules to the Department of the Environment and Energy at mrps@environment.gov.au by 14 July 2017.

Who Reports?

The draft Rules would require entities which wholesale products listed at Schedule 1 of the draft Rules (see Attachment A) to report.

It is important to note that wholesaling has a very specific meaning in the *Petroleum and Other Fuels Reporting Bill 2017*, which is:

- If the product is subject to excise or customs duty, entering that product for home consumption (e.g. triggering the obligation to pay excise or customs duty); or
- If the product is not subject to excise or customs duty, removing the product from an import terminal or domestic production facility (e.g. a refinery).

Therefore, it is the entity that pays excise/customs duty or takes possession when the product leaves an import terminal or refinery that is the “wholesaler”. This means direct importers who import fuel for their own use (e.g. a mining company importing diesel) are wholesalers.

Reporting Threshold

A threshold of 3,000 tonnes (3kt) of wholesales in the previous financial year would apply for the wholesale reporting obligation. The 3kt is roughly equivalent to 3.6 million litres of diesel.

It is important to note that anyone who has a wholesale reporting obligation or holds 3kt of stock at the end of the month also has a stock reporting obligation. Therefore, if a wholesaler enters the Australian market in October 2018, it may not have to report wholesales until July 2019, but it will have to report its end-of-month stocks as soon as they are 3kt or higher.

What information must be reported?

Wholesales

Wholesalers would need to report the total quantity (weight or volume as appropriate) of products they wholesale each month.

These quantities would need to be reported using the categories and subcategories set out at Attachment A and be split by state marketing area – basically where the fuel will be consumed (see the draft Explanatory Statement for a detailed explanation of this concept).



Stock Levels

Wholesalers (and anyone else holding over 3kt of stock) would also need to report their stock levels at the end of each month.

Stock levels must be reported by weight in the categories and subcategories in Attachment A.

Many types of stocks are excluded from having to be reported, to align with the International Energy Agency rules on stock counting (see clause 5 of the Bill and section 9 of the draft Rules). This includes stocks held at service stations and retail outlets; stocks in road tankers, rail tank cars and pipelines; and stocks held by households.

The draft Rules impose different stock reporting obligations depending on location and contractual rights. For most wholesalers, there would be three relevant categories.

i. **General Stock Reporting Obligation**

Wholesalers would be required to report the stock they hold in Australia, split by the state or territory it is held in at the end of the month.

ii. **Overseas Stock Reporting Obligation**

Wholesalers would be required to report on stocks they own which are stored overseas. The reporting obligation would only apply to stocks intended to be supplied to Australia and which are not subject to any legal restrictions on being shipped to Australia (e.g. an export restriction placed by the host country's Government).

iii. **Domestic Shipping Reporting Obligation**

In certain circumstances, wholesalers would be required to report stocks in transit to Australia. This includes stock the wholesaler owns and stock they will own once it is unloaded. The exact requirements are set out in the draft Rules and explained in detail in the Explanatory Statement.

Reporting Requirements

Reports will be due 15 days after the end of a calendar month. For example, the first report for January 2018 will be due by 15 February 2018.

The Department plans to develop a reporting template in consultation with stakeholders in the coming months.

Additional information

Stocks already reported in another report

Wholesalers who have already reported stocks in a production, processing or refining report for the same month do not need to re-report those stocks in a stock report.

Further information of wholesaling and reporting stocks

For a detailed explanation of the meaning of wholesale, please refer to paragraphs 132–163 of the draft Explanatory Statement. For a detailed explanation of wholesalers' stock reporting obligations refer to paragraphs 164-199 of the draft Explanatory Statement.



FACT SHEET 6

WHOLESALEERS OF GLOWS

This Fact Sheet provides further information on the proposed reporting obligations for wholesalers of petroleum-based greases, lubricants, lubricating oil base stocks, paraffin waxes and solvents (GLOWS) in the draft *Petroleum and Other Fuels Reporting Rules 2017* (draft Rules) which has been released for consultation.

Stakeholders are encouraged to email any comments and questions on the draft Rules to the Department of the Environment and Energy at mrps@environment.gov.au by 14 July 2017.

Who Reports?

The draft Rules would require entities which wholesale GLOWS to report. It is important to note that wholesaling has a very specific meaning, which is discussed in detail in the *Wholesalers' Fact Sheet*

In general terms, this means that for products subject to excise or customs duty (e.g. lubricant), the entity that pays this is the wholesaler. For products not subject to excise or customs duty (e.g. paraffin wax), the entity that took ownership when the product was removed from an import terminal, refinery or GLOWS facility is the wholesaler.

GLOWS can be wholesaled more than once. For example, waste lubricant may be re-refined and excise reapplied. Each entry for home consumption of a product would be reportable.

Reporting Threshold

A threshold of 3,000 tonnes (3kt) of wholesales in the previous financial year would apply for wholesale reports. The 3kt is roughly equivalent to 3.3 million litres of lubricant, depending on density.

A stock reporting obligation would apply to any entity that is required to report wholesales and any entity that holds 3kt or more of GLOWS stock on 31 December or 30 June.

What information must be reported?

Wholesales

Wholesalers would need to report the amount of GLOWS they wholesale every six months. The relevant reporting period would be January to June, and July to December.

Wholesaling reports would need to record the state marketing area (see *Wholesalers' Fact Sheet*) and report each category and subcategory as set out in Schedule 1 of the draft Rules (extracted at Attachment A – relevant GLOWS categories are items 15 to 18).

Stock Levels

Wholesalers (and anyone holding 3kt or more of GLOWS stock) would also be required to report their stock levels on 30 June and 31 December.

There are several stock reporting obligations relevant to GLOWS, including:

- The general stock, overseas stock and domestic shipping reporting obligations which are explained in the *Wholesalers' Fact Sheet*.



- GLOWS facilities (oil recycling and re-refining plants) have a specific stock reporting obligation which is explained in the *Recyclers' and Re-Refiners' Fact Sheet*.

Reporting Requirements

Reports on wholesales and stocks would be due every six months, 31 days after the end of every calendar and financial year. For example, the first report for January to June 2018 will be due by 31 July 2018 and the next report for July to December 2018 will be due by 31 January 2019.

The Department plans to develop a reporting template in consultation with stakeholders in the coming months.

Additional information

Data-sharing

The Department is working with the Australian Taxation Office to establish a data-sharing arrangement for information collected under the Product Stewardship for Oil (PSO) Program. The reduced reporting requirements for GLOWS wholesalers compared to other wholesalers in the draft Rules were developed in expectation that this data would be available by 1 January 2018. In the event that data-sharing is unable to be established or cannot be used to develop monthly estimates for wholesales, the Department will review the appropriateness of the reduced reporting requirements.

Wholesaling other products

A business may wholesale both GLOWS and other covered products such as diesel, bitumen and fuel oil. In such a situation, the business would be required to report GLOWS wholesales every six months, and wholesales of other products every month. If a business finds it easier to report its GLOWS wholesales monthly then this would be welcomed.



FACT SHEET 7

WHOLESALEERS OF PETROLEUM COKE

This Fact Sheet explains the proposed reporting obligations for wholesalers of petroleum coke in the draft *Petroleum and Other Fuels Reporting Rules 2017* (draft Rules) which has been released for consultation.

Stakeholders are encouraged to email any comments and questions on the draft Rules to the Department of the Environment and Energy at mrps@environment.gov.au by 14 July 2017.

Who Reports?

The draft Rules would require businesses which wholesale petroleum coke to report. It is important to note that wholesaling has a very specific meaning (see *Wholesalers' Fact Sheet*). Under this definition, wholesaling petroleum coke means removing it from an import terminal or refinery.

Reporting Threshold

Business would be required to report petroleum coke wholesales and stocks if they wholesaled 3,000 tonnes (3kt) or more of petroleum coke in the previous financial year.

What information must be reported?

Wholesales

Petroleum coke wholesalers would need to report the total weight of petroleum coke they wholesaled (e.g. removed from an import terminal to use in an aluminium smelter) in a financial year and the state where it was used.

Stock Levels

Petroleum coke wholesalers (and anyone else holding 3kt or more of petroleum coke) would also be required to report their petroleum coke stock levels as at 30 June.

This includes stock held at their own facilities, at import facilities and in domestic shipping (if it meets the definition in section 4 of the Rules).

A Note for Petroleum Refiners

Petroleum Refineries producing, using and storing petroleum coke should report this in their refining report. If a petroleum refinery wholesales petroleum coke (rather than using it as an input in refining) then it should include this in a wholesaling report.

Reporting Requirements

Reports on wholesales and stocks will be due annually, 4 months after the end of the financial year (by 31 October). This aligns with the reporting requirements under the National Greenhouse and Energy Reporting System (NGERS).

There will be a one-off report due in 31 October 2018 to cover the initial six months of mandatory reporting (i.e. January to June 2018).



Australian Government

Department of the Environment and Energy

The Department plans to develop a reporting template in consultation with stakeholders in the coming months.



List of Reportable Products

Categories and subcategories of covered product		
Item	Column 1 Categories	Column 2 Subcategories
1	Crude oil	
2	Condensate	
3	Liquefied petroleum gas	
4	Natural gas liquids	
5	Gasoline	(a) regular unleaded—less than RON 95; (b) premium unleaded—RON 95 to less than RON 98; (c) premium unleaded—RON 98 or higher; (d) gasoline and ethanol blend—E10; (e) gasoline and ethanol blend—E85; (f) gasoline and ethanol blend—other; (g) aviation gasoline—domestic; (h) aviation gasoline—international
6	Diesel	(a) regular diesel; (b) premium diesel; (c) diesel and biodiesel blend—B5; (d) diesel and biodiesel blend—B10; (e) diesel and biodiesel blend—B20; (f) diesel and biodiesel blend—other; (g) marine diesel—international; (h) marine diesel—domestic
7	Kerosene	(a) jet fuel—international; (b) jet fuel—domestic; (c) kerosene—other
8	Fuel oil	(a) marine—high sulphur and international; (b) marine—high sulphur and domestic; (c) inland—high sulphur; (d) marine—low sulphur and international; (e) marine—low sulphur and domestic; (f) inland—low sulphur
9	Heating oil	
10	Biofuel	(a) ethanol; (b) biodiesel—B100; (c) renewable diesel
11	Hydrogen	
12	Ammonia that is intended to be transformed into hydrogen for use as a transport fuel	
13	Petroleum coke	
14	Bitumen	
15	Lubricating oil base stock	
16	Lubricant	(a) grease (including petroleum jelly); (b) gasoline engine oils; (c) diesel engine oils; (d) automotive oils—transmission; (e) automotive oils—gear; (f) automotive oils—brake fluids;



Categories and subcategories of covered product	
Item	Column 1 Categories
	Column 2 Subcategories
	(g) automotive oils—speciality; (h) aviation oils; (i) marine oils—coastal; (j) marine oils—international; (k) railway diesel engine oils; (l) industrial gear oils; (m) industrial hydraulics; (n) industrial—metal working; (o) industrial—other; (p) process oils
17	Petroleum-based solvent
18	Paraffin wax
19	Naphtha
20	White spirit or special boiling point industrial spirit
21	Refinery feedstock—other