

Preferred Design for Mandatory Reporting

Introduction

The Department would like to thank all the stakeholders who participated in the recent consultation process on mandatory reporting of petroleum statistics. We greatly appreciate the contributions of everyone who engaged in the process. The Department has completed its evaluation of the feedback received and can advise that there was broad support for mandatory reporting, but a variety of views on how it could best be implemented.

This paper sets out the Department's evaluation of stakeholders' preferred design framework for mandatory reporting based on the responses received. It is intended to help potential reporters understand how mandatory reporting is likely to apply to them. It is important to note that this paper is indicative and the final approach may differ from how it is set out below.

The Reporting Obligation

The requirement to report will apply to the *owner* of a *covered product* where they undertake a *covered activity*.

Third parties will be able to report on owners' behalf.

The Reporting Process

Reports will be due no later than 15 days after the end of the relevant month. For example, the monthly report for January will be due by 15 February.

Reporters will be required to use a specific data reporting template and submit the completed template via email to a secure server. Reporting templates will be developed in consultation with reporters.

Covered Products

For the upstream sector, mandatory reporting will apply to production data and end-of-month stocks of crude oil, condensate and liquefied petroleum gases. The reporting of natural gas production data will remain voluntary. For the refining and the downstream sectors, mandatory reporting will apply to refinery feedstocks, refined petroleum products, alternative transport fuels such as biofuels and gaseous fuels such as compressed and liquefied natural gas. A detailed breakdown is provided in Table 1.

Certain products will be split into sub-categories for reporting. For example, automotive gasoline data will be collected using sub-categories such as Regular (91-93 RON), Premium (95-96 RON), Proprietary blend (98 RON+), and ethanol blended fuels (E10, E85, etc.). Biofuels will be split between ethanol and biodiesel.

The products and sub-categories covered by mandatory reporting will be subject to regular review to ensure they remain relevant in light of changes in the market.

Table 1: Initial Coverage of Mandatory Reporting

Products to be Covered by Mandatory Reporting		
Production (Upstream):		
Crude oil	Condensate	Liquefied Petroleum Gas
Biofuels ¹		
Refining:		
All inputs to process	All outputs from process	
Consumption (Downstream):		
Gasoline	Compressed Natural Gas	Petroleum Coke
Diesel	Liquefied Natural Gas	Bitumen
Kerosene	Liquefied Petroleum Gas	Solvents (petroleum based)
Fuel Oil	Oils, Lubricants and Greases	Biofuels ¹
Heating Oil	Naphtha	Paraffin waxes

Covered Activities

The existing reporting activity categories of production, refining, sales and end-of-month stock levels will be retained. Changes will be made to how some activities are reported.

Import and export data will not need to be reported as existing data-sharing arrangements will be maintained.

Production: There will be no major changes to how petroleum production is reported. A requirement to report the manufacture of alternative fuels such as ethanol will be introduced.

Refining: The reporting requirements for refining will remain largely unchanged. All inputs and outputs of the refining process will need to be reported.

Consumption (Sales): It is proposed that mandatory reporting will measure consumption at the point that excise becomes payable or the equivalent point in time for products which are not subject to excise. This would place the obligation at the top of the supply chain and means that:

- **Excise covered goods subject to excise** will be considered ‘consumed’ and reportable when they are ‘entered for home consumption’ by an entity holding an excise license.
- **Excise covered goods not subject to excise** will be reportable by the entity supplying the product for an excise exempt purpose. For example, businesses supplying jet fuel to departing international flights or ethanol for industrial uses will be required to report these sales.
- **Non-excisable goods** such as bitumen and petroleum coke will be considered consumed when removed from a refinery gate or import terminal (the equivalent of entering for home consumption).

¹ Biofuel production data will cover the ethanol or biodiesel produced. Biofuel consumption data will cover blended fuel (e.g. E10 unleaded petrol).

Where this approach does not work for a product, an alternative approach will be developed in consultation with stakeholders.

Stocks: Where an entity engages in producing, refining, importing or supplying for consumption a covered product, it will be required to report its end-of-month stock levels. Stock reports will need to include all International Energy Agency relevant stock. Further guidance on what stock is relevant for reporting will be provided in 2017.

Exemptions

Small scale operations will be exempted from mandatory reporting. Where a business produces, refines or supplies for consumption less than three kilotons (3kt) of covered products within a calendar year it will not be required to report. The threshold will be subject to review to ensure it remains set at the appropriate level.

During consultation there was strong support for the use of data collected by other agencies to reduce the reporting burden, so long as commercially sensitive or specifically identifiable information remains secure and unpublished. The Department is investigating a number of opportunities supported by stakeholders, including:

- **Offshore production data.** The Department is working with the National Offshore Petroleum Titles Administrator to determine whether a data-sharing arrangement could remove the need for offshore production data to be covered by mandatory reporting.
- **Onshore production data.** Some states and territories collect much of the onshore production data that would be collected under mandatory reporting. The Department is working with its state counterparts to determine if data-sharing is appropriate.
- **Oil, lubricant and grease consumption data.** The Department is investigating whether data collected by the Australian Tax Office (ATO) through its administration of the excise and customs duty regimes could reduce the need for reporting on consumption for oils, lubricants and greases. Alternative collection methods for end-of-month stock levels and sub-category consumption are also being investigated.

The Department will continue to investigate and consult on these and other opportunities.

Further Information

The Department will continue to provide stakeholders with updates as the design of mandatory reporting is finalised. The next update is planned for autumn 2017, when enabling legislation will be introduced.

If you would like further information or have any questions about the preferred design set out in this paper, you can contact the Department by emailing the mandatory reporting inbox at mrps@environment.gov.au.