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Petroleum Stakeholder Group

Access information from meetings of the Petroleum Stakeholder Group.

Petroleum Stakeholder Group key messages 30 July 2024



Key topics discussed at the Petroleum Stakeholder Group meeting 30 July 2024.

Petroleum Stakeholder Group key messages 27 July 2023



Key messages from the Petroleum Stakeholder Group meeting held 27 July 2023.

Petroleum Stakeholder Group key messages 3 November 2022



Summary of key topics discussed at the Petroleum Stakeholder Group meeting 3 November 2022.

QC 38360

Petroleum Stakeholder Group key messages 30 July 2024

Key topics discussed at the Petroleum Stakeholder Group meeting 30 July 2024.

Last updated 17 September 2024

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Group governance

Integrity declaration

Members were advised of the introduction of an integrity declaration for all consultation groups. A copy of the declaration will be provided to members by email and need to be completed and returned prior to the first meeting in 2025.

Integrity declarations are to be signed annually by primary members of the group, as well as proxy members at meetings. They are not required to be completed by Commonwealth members, who are covered by other Australian Public Service guidelines.

Annual review

An annual review is required for all consultation groups to ensure relevant representation of industry organisations and associations. The 2024 review has been conducted with group membership remaining the same. For the 2025 review, consideration may be given to add other large petroleum excise payers.

Charter

The Petroleum Stakeholder Group (PSG) charter has been updated to include the integrity declaration and a draft was provided with the meeting papers. There were no comments received by members and the charter was endorsed.

Action item	PSG Charter
Responsibility	Rowena Troth, Secretariat
Description	Enquire if endorsed PSG charter can be published to PSG webpage.

2023–24 reflections and 2024–25 compliance focus areas

The official excise duty collection figures will not be released until October 2024 however, collections for 2022–23 were approximately \$20 billion. Final collections for 2023–24 is expected to be higher as the 2022–23 period was impacted by the temporary reduction in the fuel excise rate during that year. The top 10 excise payers contributed 96% of that amount.

Compliance assurance relies on early engagement with major excise payers in terms of sharing information and discussing changes in business processes and systems. The current fuel excise tax gap is considered very low at 1.7% or \$297 million (2021–22). The Australian Taxation Office (ATO) tax gap team advised that such a low percentage can be subject to data and statistical variations however, the trend over time demonstrates a high level of compliance.

Diesel collections continue to increase, with petrol volumes quite flat. Excise centre are aware of an increase in the use of methanol in commercial shipping, as well as the use of gas, ammonia and hydrogen alternatives. The ATO noted a return of aviation fuel clearances to pre-COVID-19 levels.

The ATO's compliance assurance in fuel excise is informed by the Excise Client Manager (ECM) program, with one-on-one engagement with the largest fuel excise payers. This program will continue into 2024–25, with the ATO gaining insights through interactions around changes in products, distribution, logistics and other issues relating to the fuel excise industry.

The last 2 years have seen significant changes in the ATO's administration of excise, commencing with the introduction of online lodgment and payment of excise duty in September 2021, and the implementation of the deregulation measures. All major fuel excise clients are now using online services, with work carried out to resolve some transitional issues.

The ATO and the fuel industry continue to contribute to the government's mandatory reporting of petroleum data to the Department of Climate Change, Energy, the Environment and Water.

The overall trend in the fuel excise tax gap results was queried and the ATO noted that it remains consistent over time and can provide details out of session.

The 2 main drivers for the decline in petrol collections was discussed:

- The increase in the number of diesel vehicles in terms of 'light passenger vehicle fleets'.
- A trend over 20 years where light commercials have moved from a previous 50:50 split across diesel and petrol vehicles to the current 90:10 diesel to petrol vehicles.

While fuel economy has had some impact, the composition of vehicle fleets was more significant in declines in petrol usage.

Action item	Fuel excise tax gap results
Responsibility	Michael Hughes, Director, Excise Experience
Description	Michael Hughes to provide PSG members with a comparison of fuel excise tax gap results over time.

Deregulation new measures

Royal Assent for the *Excise and Customs Legislation Amendment (Streamlining Administration) Act 2024* was received on 28 June 2024, with amendments to respective regulations registered on 20 June 2024.

On 4 July 2024, members were advised by email of updated ato.gov.au content. 'Guidelines for the Fuel Industry' will be updated soon, and members will be advised upon completion.

Changes to legislation because of the new measures from 1 July 2024 include:

- Excise and Customs licence holders will no longer need to renew licences or pay a licence fee. Due to the late passage of the law, some excise equivalent goods (EEG) warehouse licence fees were paid for 2024, however these have since been refunded.
- Clients can apply for entity-level licences from 1 July 2024. Previously, multiple licences for each premise were required where an entity had multiple premises. Changes now mean that these can be consolidated into one licence with an attached schedule providing details of the various premises. These will not be automatically issued, and clients will be required to apply for this change.
- A new General Movement Permission (GMP) is available to allow clients to move goods from any of their premises to any other premise that is licenced to receive those goods. These are optional and can be in addition to other permissions. Previously, the law focussed on movement permissions specifying details of both premises. A consideration of granting a GMP will be that there are adequate controls in place to account for goods being moved.
- The ATO will be publishing a public register of licence holders providing the name and Australian Business Number of all clients holding an excise or EEG licence. It will be updated monthly to provide clients with a reference point for potential engagement for movement and storage of goods. A link to the register will be provided to members.
- The entitlement to claim excise refunds for excise duty paid on or after 1 July 2024 has been extended from 12 months to 4 years to align with customs duty and other indirect taxes.
- The measure has introduced a simplified method for refund claims relating to vapour returned and recovered in a Vapour Recovery Unit (VRU). Previously, VRUs had to be tested every 6 months. From 1 July, a single rate can be applied to determine entitlements. This can be claimed on a weekly basis or periodically.
- Onshore producers of crude oil and condensate are no longer required to hold an excise licence. This measure is more relevant for upstream producers. Current licence holders will be asked to surrender these licences.

- Clients will be able to claim a refund of customs duty paid on imported lubricants used in manufacturing. This measure resolves previous double taxation issues raised by PSG members. This will be administered by the Australian Border Force (ABF), customs duty who have issued an [Australian Customs Notice](#)  to provide more information.

From 1 January 2025, duty will not be required to be paid on fuel for use in ships meeting certain conditions. This is commonly referred to as the bunker fuel measure. Excise centre is currently updating web content and members will be advised when this is completed. The ABF will be issuing an Australian Customs Notice relating to this measure.

The implementation of the measures will continue over coming months because of many years of advocacy from the ATO and industry.

The ATO provided more details of the entity level licensing and GMPs. As the legislation has only recently been passed, members noted that they would now consider optional licensing changes.

Excise client managers will be contacting clients to discuss potential options because of the changes which might assist in reducing administrative burdens.


ATO technical advice

A draft version of ATO Practice Statement Law Administration PS LA 2003/1 – *Petroleum excise duty – reporting for adjustments outside the current reporting period* is included with meeting papers. Members noted that amendments over 12 months require a reason code to be included. Members did not raise any concerns with the draft document.

Industry updates – roundtable

Difficulties for clients in the timing of the indexation rate, particularly when the date of effect occurs after the first of the month and the extra administration required in pricing where it needs to be updated on the first of the month and then a few days later when indexation takes effect, was discussed. It was noted that the rate changes were tied to the publication schedule of the Consumer Price Index by the Australian Bureau of Statistics.

Members queried if work was being carried out by Treasury or the ATO regarding renewable fuels including renewable diesel. Treasury considers fuel and all taxation settings on an ongoing basis, with policy decisions being a matter for government. Ampol may consider a submission for law change if this becomes a larger issue. The ECM program was very beneficial for Ampol in terms of open and transparent engagement on issues as they arise, with quick resolution.

The ongoing issues relating to the use of myGov and RAM online systems where employees are based offshore was discussed. Current processes to provide access to offshore employees was considered complicated and very slow. BP has recently released their [2024 Energy Outlook \(PDF 2.22 MB\)](#)  which provided a global view of petroleum, oil and emerging markets.

A functionality issue relating to ATO's Business Portal was raised. The ATO will pass on that feedback to systems staff. It was queried whether a deferred payment option remained an item for future advocacy for law change. It was noted that increasing rate rises mean that there is a burden on business to carry clients on longer term payment contracts. Treasury advised that all options for deregulation were considered as part of the new measures package, and any issues not part of that package would require future advocacy for law change. The use of electric vehicles in the USA is, and while Australia's transition is slower, the move to electric vehicles will impact future diesel collections.

Attendees

Attendees list

Organisation	Attendee
ATO	Tony Poulakis (Chair), Small Business
ATO	Anthony Barnard, Small Business
ATO	Anthony O'Connell, Small Business

ATO	Bonnie Joshi, Small Business
ATO	David Maurovic, Small Business
ATO	Jack Stewart, Small Business
ATO	Jill Tanner, Small Business
ATO	Mark Arnold, Small Business
ATO	Michael Brooks, Small Business
ATO	Michael Hughes, Small Business
ATO	Nathan Lindemann, Small Business
Ampol Australia Petroleum Pty Ltd	Megan Kirkby
Australian Border Force	Alex May
Australian Border Force	Kimberlee Clydesdale
Australian Border Force	Nikki Doan
Australian Institute of Petroleum	Alistair Davey
BP Australia Pty Ltd	Bill Barton
BP Australia Pty Ltd	Waruna Peiris
Exxon Mobil Oil Australia Pty Ltd	Darren Koh
Treasury	Caitlin Payne
Treasury	Isaac Rosser
Treasury	Liz Jaspers

Treasury	Zoe Chalmers
Viva Energy Australia Pty Ltd	Helen Curran

Apologies

Apologies list

Organisation	Member
Exxon Mobil Oil Australia Pty Ltd	Grace Abinoja

QC 103027

Petroleum Stakeholder Group key messages 27 July 2023

Key messages from the Petroleum Stakeholder Group meeting held 27 July 2023.

Last updated 30 August 2023

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Key messages from the Petroleum Stakeholder Group meeting held
27 July 2023

Welcome and introductions

Tony Poulakis opened the meeting with an Acknowledgment of Country, welcomed members and called for conflicts of interest, noting that Petroleum Stakeholder Group (PSG) discussions were not of a confidential nature, with key messages published on the ATO website. No conflicts of interest were declared.

The PSG meeting 3 November 2022 key messages have been published on ato.gov.au.

There is one action item from the November 2022 meeting that has finalised with advice provided out of session following the meeting and the following updates were provided for outstanding action items:

- Action item 03112022-3-1 – This item is completed. The Contemporary Excise Experience (CEE) project had progressed, and meetings have been held with members individually to provide information about impact of CEE changes for clients.
- Action Item 03112022-5-1 – This action item is open for ongoing discussions (PSG members) to explore potential options to reduce administrative burdens.
- Action Item 03112022-5-2 – This item is in progress (Anthony Barnard) Discussions are being arranged with BP Australia regarding understanding temporary fuel storage arrangements in use in other jurisdictions and are likely to involve Australian Border Force (ABF). Nathan Dickens noted that it would be useful for discussions to involve all operational agencies to map out how floating storage could be used without compromising or risking revenue or security.

2022-23 Reflections 2023-24 Compliance focus areas

Michael Hughes advised the current fuel excise risk rating is low, with the system operating as intended. The Excise Client Manager (ECM) program provided a high level of assurance of that risk due to regular information sharing and checking.

The updated fuel excise tax gap will be published in the ATO's Annual Report in October 2023.

Diesel collections remain strong and there are similar trends in fuel tax credit claims. Petrol clearances are stronger than previous years but have not yet returned to pre-COVID-19 levels. This has been impacted by the temporary rate reduction in fuel excise in 2022. Discussion included an observation about the impact of long-term improvements in fuel efficiency and shifts to diesel, on petroleum clearances.

The Compliance Program for 2023–24 will involve continued ECM engagement as a proactive way to understand processes used by industry. Level of Confidence work had been paused during COVID-19, however this is expected to recommence once the Contemporary Excise Experience (CEE) project has been delivered and work on the deregulation measures progressed. Aspects of the ECM program is intended to be provided to significant or 'Level 2 tier' clients to provide a contact point to manage issues as well as informal reviews of any changes in processes, systems, product, or key staff.

The program will involve lower-level targeted work, noting that there are approximately 100 clients with fuel excise obligations. Lodgment will be monitored and the ATO will work with industry in relation to streamlined excise and excise equivalent goods measures.

Overall debt remained low in the fuel excise industry and ATO noted a very high level of compliance in relation to the temporary rate reduction for fuel excise in 2022. The ATO have monitored fuel excise and fuel tax credit claims, particularly towards the end of September 2022 when the reduction ceased. The ATO worked with clients to ensure that excise duty was paid at the appropriate rates.

Nathan Dickens noted demand trends for different fuel was expected to continue in the short to medium term.

Contemporary excise experience project

Nathan Lindemann advised members that over the weekend of 25 – 27 August, excise data would be moved from legacy systems into the ATO online system. This would result in excise payers being able to

access the accounting system used by the ATO for other taxes. This enables clients to lodge and amend excise returns online for the first time. The ATO will advise clients when they can commence accessing the online system.

Current processes used in relation to licence authorisations and permissions will not be changing.

Action item	27072023-4-1
Due date	August 2023
Responsibility	Rowena Troth, PSG secretariat
Action item details	A copy of the presentation used at the meeting to be distributed to PSG members.

Deregulation new measures

Liz Jaspers advised that there has been progress with the excise deregulation package with 2 measures legislated as part of the *Treasury Laws Amendment (Refining and Improving our Tax System) Act 2023*, which received Royal Assent on 28 June 2023 and took effect 1 July 2023. This included a measure to align excise and customs reporting with other indirect taxes for small businesses with aggregated turnover under \$50 million; and allowing small-scale repackaging of beer into smaller containers.

The government announced in the 2023–24 Budget that there would be a delay in the start date for the remaining measures, which is now 1 July 2024. These measures related to licensing, a uniform business experience and other items relating to streamlining fuel excise arrangements.

Treasury continue to work with Department of Home Affairs to progress the remainder of the package and will follow standard processes and consult with stakeholders and industry on draft legislation. The timing of consultation will be dependent on government decisions and legislative processes. The standard consultation period for draft legislation is usually 2 to 4-weeks and invitations for submissions will appear on both the Department of Treasury and Department of Home Affairs websites, providing key dates and deadlines.

Treasury noted lead time for industry is important to implement changes on a practical level, including any requirement for systems changes.

Anthony Barnard provided further information about the 2 measures taking effect on 1 July 2023. The small-scale repackaging measure related to the alcohol industry and removes the requirement for an excise manufacture licence when repackaging duty-paid beer into smaller containers. The other measure aligns excise and customs reporting with other indirect taxes for small businesses with aggregated turnover under \$50 million. Where these entities previously lodged monthly, applications can be made to the ATO to report on a quarterly basis. Anthony noted that this mainly relates to approximately 1,800 alcohol clients as well as a small number of fuel clients. Applications to report on a quarterly basis, will be risk-assessed by the ATO to ensure compliance obligations such as lodgments and payments are up to date.

PSG members discussed possible options for a similar measure for larger payers, including partial deferral. Advice has been provided following the November 2022 meeting that there are 49 fuel excise entities that lodged and paid weekly. Industry indicated that they are keen to continue to advocate for longer reporting and paying periods. PSG members agreed that the current action item would remain open and further options would be discussed.

Industry updates – Roundtable

Nathan Dickens noted that at a global and regional market level, oil and product markets and market prices continue to be volatile and are impacted by uncertainties surrounding economic recoveries and the risks of market impacts of geopolitical pressures.

At a domestic level, there continue to be major industry and policy changes with the potential to be disruptive to fuel industry in terms of industry operations, efficiency and reliability. The changes continue to impact future investment plans and longer-term business viability more broadly and reflect changes in technology, consumer preferences and demand, more diversified business models implemented by member companies as well as changes or pivots in government policy.

Particular changes include changes in fuel quality standards (particularly gasoline), changes to existing regulations in minimum stock holdings, Safeguard Mechanism, data reporting, higher road user

charging, fuel efficiency standards, electric vehicle strategy, corporate changes and acquisitions, forecasting the energy / demand mix in the future, as well as changes which may arise following the release of the Defence strategic review.

These changes create a difficult and uncertain environment for industry to make significant investments such as maintaining current hydrocarbon supply chain and infrastructure, plans for significant investment in energy transition, as well as plans to support at retail, wholesale, and refining levels. Nathan noted that it is important to maintain good information flows between industry and relevant government agencies to assist in meeting these challenges.

Industry is confident in growth and demand for diesel and are expanding to see a return to previous demand for aviation fuels. Gasoline trends are expected to continue to be flat or declining which has been the case for some time.

Members noted the continued value provided by ECMs in providing them timely support in tight timeframes and assisting industry to ensure excise obligations are being met. Potential for a single ABF contact point for industry was discussed. Viva and Ampol offered to provide industry familiarisation visits for ABF officers.

Other business

Tony Poulakis acknowledged the upcoming departure of Nathan Dickens from the Australian Institute of Petroleum (AIP). He noted the excellent support provided by Nathan to the PSG over many years and acknowledged his strong interest in the health of the fuel excise system. Support provided by AIP during the COVID-19 pandemic in relation to regular fuel clearance reporting to gain real time insights of the impact on various industries has been invaluable for government.

Rowena Troth advised PSG members that a draft Charter is being finalised for the PSG and will be distributed to members for consideration and endorsement out of session.

Meeting close

Tony Poulakis thanked members for their participation and ongoing engagement throughout the year.

Attendees

Attendees list

Organisation	Attendee
ATO	Tony Poulakis (Chair), Small Business, Excise Centre
ATO	Anthony Barnard, Small Business, Excise Centre
ATO	Anthony O'Connell, Small Business, Excise Centre
ATO	George Galloway, Small Business, Excise Centre
ATO	Kellysan Powers-Martin, Small Business, Excise Centre
ATO	Mark Arnold, Small Business, Excise Centre
ATO	Michael Hughes, Small Business, Excise Centre
ATO	Nathan Lindemann, Small Business, Excise Centre
ATO	Rowena Troth (Secretariat), Small Business, Excise Centre
ATO	William Reid, Small Business, Excise Centre
Ampol Australia Petroleum Pty Ltd	Chelsea Riewoldt
Ampol Australia Petroleum Pty Ltd	Megan Kirkby
Australian Border Force	Alex May

Australian Border Force	Kimberlee Stamatis
Australian Institute of Petroleum	Nathan Dickens
BP Australia Pty Ltd	Bill Barton
BP Australia Pty Ltd	Waruna Peiris
Exxon Mobil Oil Australia Pty Ltd	Darren Koh
Exxon Mobil Oil Australia Pty Ltd	Grace Abinoja
Treasury	Liz Jaspers
Treasury	Paul Fischer
Treasury	Stasi Polas
Treasury	Toby Silcock
Treasury	Tracy Richards
Viva Energy Australia	Helen Curran

Apologies

Apologies list

Organisation	Member
Viva Energy Australia	Troy Houston

Petroleum Stakeholder Group key messages 3 November 2022

Summary of key topics discussed at the Petroleum Stakeholder Group meeting 3 November 2022.

Last updated 9 December 2022

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Reflections of 2021–22 and compliance focus areas for 2022–23

Focus topic – Contemporary excise experience project

Focus topic – Deregulation new measures

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Welcome and introductions

Tony Poulakis welcomed members to the meeting and advised that minutes of the previous meeting, held on 1 September 2021, have been published on the ATO's website.

One action item remains outstanding (01092021-1-1) that referred to an updated process relating to storage permissions. This has been a long running issue and related to the use of temporary storage on vessels. The ATO implemented a process where Petroleum Stakeholder Group (PSG) members contact their Excise Client Managers (ECMs), who liaise with Australian Border Force (ABF) counterparts to explore on a case-by-case basis whether the temporary use of a vessel to store product can be approved. Industry is keen to implement a more permanent arrangement where temporary storage on vessels, particularly international vessels, is permitted.

Further work will be carried out to provide clients with a better understanding of the fundamental discretion / legislative provisions governing decisions by ABF in these cases. Helen Curran will contact Latha Reardon to discuss further.

Reflections of 2021–22 and compliance focus areas for 2022–23

Michael Hughes advised members that the fuel excise system is operating largely as intended. He noted that this is aided by having a concentrated industry, with the vast majority of excise paid by a small number of clients providing greater control and assurance. From an excise collections perspective, payments are returning to pre-COVID-19 levels. As noted previously, diesel remains largely unaffected due to the industries involved. Clearances of aviation fuels is increasing as travel restrictions are lifted.

The fuel excise tax gap has been updated and published on 31 October. The current gap for 2020–21 is 2.4%, or \$475 million, up from the 2019–20 estimate; however, it should be noted that at such low levels, year-to-year volatility is considered a statistical variation rather than underlying changes in compliance. The gap of 2.4% is considered within the ATO's tolerance levels and still represents one of the lowest tax gaps measured.

The temporary fuel excise rate reduction took place in March and ended 30 September. Michael expressed appreciation to industry in implementing the reduction with little notice. There were some issues with the supply/distribution chain in relation to reduction and pricing, however the ATO worked with industry to assist where possible. Clearances were monitored after the rate returned to the full amount in September. The ATO is working with several smaller fuel suppliers where a significant change in clearances prior to the return to the full rate was identified, to better understand the reason for the change.

The key component of the ATO's compliance treatment strategy is built on the ECM program, with all PSG members having a dedicated ECM.

Michael noted that the level of confidence work (that is a lighter touch version of justified trust assessments) carried out by ECMs has been limited during COVID-19. That work will now recommence with the ATO contacting contact clients in early 2023 to discuss. The Excise Centre

also contributes to the broader ATO Action Differentiated Framework to provide assurance of excise-related obligations for larger clients.

Given the work of the ECMs in assuring excise obligations are being met, there is not a significant compliance program planned for 2022–23. Nudge campaigns will be utilised to follow up outstanding lodgments, but the level of debt and late lodgments is very low in the fuel excise space.

Focus topic – Contemporary excise experience project

Nathan Lindemann provided an update on the Contemporary Excise Experience (CEE) project referring to the slide pack distributed in meeting papers. The project will ensure that there is a similar look and feel for online transactions for excise as for other taxes administered by the ATO moving from existing legacy systems.

- Phase 1 was deployed in September 2021 resulting in grants schemes being administered in the enterprise system. Meaning that Product Stewardship for Oil (PSO) program clients now can register and lodge claims online.
- Phase 2 will move accounting functions from legacy systems into the ATO's enterprise-wide system. The timing of Phase 3, which relates to licenses, permissions and authorisations is yet to be determined.
- Phase 2 relates to excise duty returns, amendments and credit claims. This will move away from fillable PDF documents currently lodged via online services or email into a true online environment. Clients will be able to view lodgment and payment histories and review past excise returns. Lodgment reminders and nudge messaging will be automated for excise duty returns and clients will be able to request, and in some cases, enter into payment arrangements online. Although tariff items will need to be manually entered for the first return lodged online, the tariff items will be pre-filled/loaded into subsequent returns. Clients will just need to input the relevant volumes and submit. Further slides provided examples of the updated forms.

Members queried whether the ability to upload information from existing systems will be available. This is not an option in the current CEE project – volumes will need to be keyed in. Helen Curran noted a

recent system upgrade by DISER where a template is provided it could be populated automatically.

Action item	03112022-3-1
Due date	1 December 2022
Responsibility	Nathan Lindemann
Action item details	To explore further options for the fuel industry in relation to potential automated filling of online forms as part of Phase 2 of the CEE project.

Tony Poulakis advised that communications would be issued to PSG members and clients as CEE progressed.

Focus topic – Deregulation new measures

Liz Jaspers reminded members of the announcement by the previous government in the 2022–23 Budget of a package of measures in relation to excise deregulation. If the current government agrees to proceed with these measures, the Departments of Treasury and Home Affairs will follow standard processes and consult with stakeholders and industry on the draft legislation. The standard consultation period for draft legislation is approximately 4 weeks. Invitations for submissions will appear in the Departments of Treasury and Home Affairs websites and will include any key dates and deadlines.

Industry members were referred to the announcement in Budget Paper No. 2 of the 2022–23 Budget and discussed the various aspects of those measures. Anthony Barnard referred members to the consultation paper released by the Deregulation Taskforce which provided further context to the measures considered by government at the time. He acknowledged the support of this group throughout the deregulation process through submissions and ideas for reform and measuring deregulation benefits. It was noted that the implementation date of 1 July 2023 will provide a short period of time for drafting of legislation and implementation.

Members advised that further details around a roadmap or guidance will be useful once a public announcement is made. Including whether consultation on legislative changes will be staggered or in a single

request. Industry advised that notice will be required for system changes and consultation with customers. The public register proposal was discussed, with members noting that mandatory inclusion of entities will ensure that the register works effectively. Nathan Dickens offered for a working group to be established for further discussions on specific issues once a public announcement has been made. It could discuss industry specific issues such as determining commercial use for the removal of duty from bunker fuels, the average rate for Vapour Recovery Units and other fuel excise-specific issues as part of potential deregulation measures.

Industry updates – roundtable

- Nathan Dickens acknowledged the importance of the ECM program. He noted recent changes in managers following a long period of stability and queried ATO support for the function, as well as offering industry support by way of training or other capability building. Michael Hughes advised that there has been recent retirements or promotions in the ECM team and the Excise Centre are working to rebuild industry knowledge and experience within the team. He advised there are currently 4 ECMs managing 9 fuel excise clients who also have other industry roles relating to the PSO program. Tony Poulakis advised the Excise Centre are also undertaking a review of coverage across the client base to provide assurance and service across a second tier of clients, with client managers potentially providing one-to-one support for key clients and one-to-some support for others. A petroleum industry lead will likely be appointed, who will liaise with industry to ascertain if there are any specific areas of capability build required. Industry emphasised their support for this program, noting it is a strong risk management program for industry and the ATO.
- Industry noted that deferred/monthly payment of excise liabilities has not been part of the proposed deregulation measures and they are keen to consider other ways to alleviate the burden imposed by weekly settlement and payment.
- It was noted that the ATO is responsive assisting in ad hoc instances such as systems issues and industry queried if consideration could be given to arrangements being put in place for the Christmas shutdown period, either as a sector-wide or excise client-wide arrangement. Megan Kirkby noted that processes for excise returns involved a preparer, a reviewer and a second level

reviewer requiring these people to attend work during the shutdown period. Industry queried if the ATO would consider flexibility to delay the submission of the excise return with payment made on the due date, based on an estimate.

- Anthony Barnard noted that the shutdown period for 2022–23 includes 2 Mondays. Lodgment via periodic settlement permission for 26 December, Boxing Day public holiday will be on Wednesday 28 December. For 2 January 2023, New Year's Day public holiday in lieu will be Tuesday 3 January. He noted that current legislation allows for the ATO to have discretion to defer payment only in certain circumstances such as a natural disaster and would need to be extended to all payers affected by those circumstances.

Action item	02112022-5-1
Due date	15 December 2022
Responsibility	Nathan Dickens
Action item details	A meeting to be arranged with ATO to explore potential options to reduce the administrative burden of weekly lodgment and payment.

- Nathan Dickens referred to emerging fuels and noted significant development of new fuel standards, for example B20 and new blends of biodiesel. He noted that a new standard for renewable diesel will be a priority for 2023, with sustainable aviation fuel also gaining interest commercially to reduce emissions. Low carbon alternatives are a focus for future fuels, with low diesel leading to a drop in emissions almost immediately. New standards for fuel will bring new producers to the market and industry considers it important to have standards in place for these producers. This will involve work by industry and government. The Australian Institute of Petroleum proposed providing an update for the ATO and ABF in 2023 as they are currently doing for other agencies.
- Nathan raised the issue of evolving modes of supply and storage of fuel. Regulations impacting this will be coming into effect in 2023, including the mandatory stock obligation. He noted that companies will be reconsidering supply and logistics operations, with possible implications being smaller boats entering Australia to ensure there is

adequate supply to move around the country as required. It is expected that floating supplies off the coast will be an increasing feature of the fuels landscape and it is necessary to consider how to best accommodate that within the current architecture of ATO and ABF compliance. Helen Curran advised this relates to crude and intermediate products and the reduced number of domestic refineries means that stock cannot be easily moved to other refineries. She noted that industry had undertaken to keep refineries open to maintain fuel security, but this led to other issues. Nathan added that Australia is unique in the amount of sea border and entry points.

Action item	03112022-5-2
Due date	15 December 2022
Responsibility	Anthony Barnard
Action item details	Anthony Barnard to liaise with Bill Barton regarding fuel storage arrangements used in other jurisdictions.

Helen Curran noted that Australia does not have a domestic oil tanker fleet. Nathan advised that the government has recently established a Strategic Fleet Taskforce. He said there are significant changes taking place in the petroleum industry and more flexible arrangements are required as industry changes to meet needs for different fuel products. Tony Poulakis asked that AIP advise the ATO and ABF where issues relating to fuel storage are considered by the Taskforce.

Action item	03112022-5-3
Due date	15 December 2022
Responsibility	Michael Hughes
Action item details	Michael to advise PSG members the aggregate number of clients over the \$50 million threshold who will continue to lodge and pay weekly should the new measures be introduced.

Meeting close

Tony Poulakis thanked members for their continued participation and contributions throughout the year in the PSG. Meeting concluded at 3.22pm.

Attendees

Attendee's list

Organisation	Attendees
ATO	Tony Poulakis (Chair), Private Wealth
ATO	Anthony Barnard, Private Wealth
ATO	Anthony O'Connell, Private Wealth
ATO	Brian Geovanovich, Private Wealth
ATO	David Maurovic, Private Wealth
ATO	Jack Stewart, Private Wealth
ATO	Mark Arnold, Private Wealth
ATO	Michael Hughes, Private Wealth
ATO	Nathan Lindemann, Private Wealth
ATO	Rowena Troth (Secretariat), Private Wealth
ATO	Stasi Polas, Private Wealth
ATO	William Reid, Private Wealth
Ampol Petroleum Pty Ltd	Jenny Park
Ampol Petroleum Pty Ltd	Megan Kirkby

Australian Border Force	Alex May
Australian Border Force	Latha Reardon
Australian Institute of Petroleum	Nathan Dickens
BP Australia Pty Ltd	Bill Barton
Exxon Mobil	Darren Koh
Exxon Mobil	Grace Abinoja
Viva Energy	Helen Curran
Treasury	Liz Jaspers
Treasury	Timothy Woltmann
Treasury	Tracy Richards

Apologies

Apologies list

Organisation	Members
BP Australia Pty Ltd	Waruna Peiris
Viva Energy	Troy Houston

QC 71062

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