



10 August 2018

National Pollution Inventory
Department of the Environment and Energy
GPO Box 787
CANBERRA ACT 2601

Via email: NPI@environment.gov.au

Dear Sir/Madam

Re: NPI Review Discussion Paper

Thank you for the opportunity to respond to the National Environment Protection Council's (NEPC) *Review of the National Pollutant Inventory (NPI) Discussion Paper*.

The Australian Institute of Petroleum (AIP) presents this submission to the NPI Review Steering Committee on behalf of AIP's core member companies:

- BP Australia Pty Ltd
- Caltex Australia Limited
- Mobil Oil Australia Pty Ltd
- Viva Energy Australia Pty Ltd.

AIP member companies operate across all or some of the liquid fuels supply chain including crude and petroleum product imports, refinery operations, fuel storage, terminal and distribution networks, marketing and retail. Underpinning this supply chain is considerable industry investment in supply infrastructure, and a requirement for significant ongoing investment in maintaining existing capacity. Over the last decade, AIP member companies have invested over \$10 billion to maintain the reliability and efficiency of fuel supply meeting Australian quality standards.

Moreover, AIP member companies deliver the majority of bulk fuel supply to the Australian market.

- In relation to conventional petroleum fuels, AIP member companies operate all major petroleum refineries in Australia and supply around 90 percent of the transport fuel market with bulk petroleum fuels.
- In relation to gaseous fuels, AIP member companies are the major suppliers of bulk LPG to the domestic market, representing around two thirds of the market.
- In relation to biofuels, AIP member companies are the largest suppliers of ethanol and biodiesel blend fuels to the Australian market.

All AIP member have reported to the NPI for many years.

General Comments

AIP member companies are committed to ongoing environmental management and performance improvement, including through environmental reporting. Although the NPI has not been the primary driver in this regard (rather, it is driven by internal company objectives supplemented by licensing/regulatory requirements), AIP and member companies believe NPI data provides a useful

centralised source of environmental information easily accessible for a broad array of NPI users, including Governments, industry, media, academia and the community.

AIP notes that the focus of the discussion paper appears to be more heavily weighted towards the user experience. However, from a reporter's point of view, the NPI requires significant internal resourcing and greater focus is required on opportunities for reducing the burden on reporting entities.

AIP believes the NPI NEPM outcomes continue to remain relevant. However, AIP notes that the delivery of those outcomes could be improved through:

- Streamlining the reporting of data to reduce the requirements for industry to report similar data to various government agencies
- Removal of up to 14 covered ANZIC Code sectors with minimal emissions to reduce the reporting burden
- Consideration of moving waste transfer reporting to the National Waste Policy legislation
- A move from a usage-threshold to an emissions-threshold with an initial reasonable screening mechanism
- Ensuring comparability of data within and across sectors (as appropriate)
- Adoption of nationally consistent estimation methods
- Ensuring better accuracy of data.

AIP believes that the current substance list, and the methods for review, remain appropriate.

Responses to Questions

AIP has provided responses to the questions raised in the Discussion Paper at Attachment A.

Conclusion

AIP appreciates the opportunity to provide comment on the *Review of the National Pollutant Inventory* Discussion paper.

AIP welcomes the opportunity to continue to engage with the NEPC on the issues raised in this submission.

Please do not hesitate to contact me on 02 6247 3044 or pgniel@aip.com.au.

Yours sincerely

Peter Gniel
General Manager, Policy

AIP Responses to Discussion Paper Questions

No	NPI Review Question	AIP Response
1	Do the NPI NEPM outcomes remain relevant? If not, how might they be changed?	<p>AIP believes the NPI NEPM outcomes continue to remain relevant. However, AIP notes that the delivery of those outcomes could be improved through:</p> <ul style="list-style-type: none"> • Streamlining the reporting of data to reduce the requirements for industry to report similar data to various government agencies • Ensuring comparability of data within and across sectors (as appropriate) • Adoption of nationally consistent estimation methods. • Ensuring better accuracy of data.
2	Do you think the NPI or other PRTRs enhance environmental quality? If so, to what extent? Can you provide any examples?	<p>AIP member companies are committed to ongoing environmental reporting and performance improvement. The NPI has not been the primary driver in this regard, but rather internal company objectives and licensing/regulatory requirements. Although the NPI is predominantly a compliance tool from the perspective of reporting entities, the NPI has provided some (albeit limited) opportunity for companies to benchmark emissions relative to the sector.</p>
3	Does the NPI sufficiently raise awareness of and encourage public, industry, government and academic users to engage with and use its data to improve environmental outcomes through greater understanding? If not, why not?	<p>Industry experience suggests that although under-utilised, the NPI does contain some useful information that can and has been used by companies to raise awareness at their sites with regard to the environmental impact of specific substances. Under-utilisation is largely because of the variance in the data and estimation techniques.</p> <p>AIP notes that queries from the public to AIP member companies on NPI data have been extremely limited since inception, which would indicate that the public are not aware of, or not engaged with, the data.</p>

4	What data could be collected and published through the NPI to make it more useful for you or other users?	<p>The NPI already requires significant company resourcing. Efforts should be made to simply and streamline reporting requirements, rather than seeking to add more.</p> <p>However, consideration could be given to allowing the option to provide individual site contextual information.</p>
5	Would more interpretation or analysis of the data assist users, and if so in what form?	AIP does not have comments to make in this area.
6	Does your organisation generate emissions? If so, how do you use NPI data?	As operators of Australia's four oil refineries as well as numerous fuel terminals, AIP member company operations generate emissions. All AIP member companies report NPI data, primarily as a compliance obligation. However, there is some limited use/application through benchmarking of company and site performance against others in the sector. Some companies have also used NPI data in sustainability reporting and for load-based licensing requirements. This information would, however, be gathered by companies regardless of the NPI.
7	How can NPI data be more useful to you, your organisation or your industry?	For the data to be accurately collected using consistent methodologies and therefore the ability to better compare this data across sectors.
8	Do you/would you use the data on the emission reduction techniques facilities implement? How?	AIP is not aware of member companies utilising the emission reduction techniques as they do not provide any greater insight beyond internal expertise and global networks.
9	Is the NPI a useful resource for tracking environmental progress?	AIP members do not tend to use NPI data for tracking environmental performance given their own internal systems and sophistication in this regard. However, AIP recognises that the NPI could be beneficial for other sectors or smaller businesses, along with the broader NPI user group.
10	How can the data it collects or the way the data is presented be more useful for tracking environmental progress?	AIP members do not tend to use NPI data for tracking environmental performance given their own internal systems and sophistication in this regard. However, AIP recognises that the NPI could be beneficial for other sectors or smaller businesses, along with the broader NPI user group.

11	Do you think the community expects to have emissions and transfer data for potentially harmful substances publicly available? How can the NPI better satisfy community expectations in this area?	<p>AIP and member companies support the concept that information should be available to the community as they have a “right to know”. Similar NPI data is reported by AIP member companies as part of their EPA licensing requirements which is also publicly available, and as such the NPI adds little in this regard.</p> <p>NPI data could be improved by ensuring that what the data being reported actually represents (emission sources) and how the emissions were calculated are clearly provided so like-for-like comparisons can be made.</p>
12	Does your Government agency use the NPI in program and policy development?	As previously noted, AIP member companies already provide relevant data to regulators as part of licensing and other regulatory obligations. However, AIP is aware that some agencies do utilise the NPI to inform policy development and analysis due to its broad sectoral and cross sectoral coverage. The emphasizes the importance of the data being accurate using consistent methodologies.
13	How can the NPI be more useful in identifying priorities for environmental decision making?	AIP does not have comments to make in this area.
14	On balance, to what extent do you think the NPI contributes, and what is its potential to contribute, to achievement of its desired environmental outcomes?	AIP does not have comments to make in this area.
15	Are there any substances you would like to see on the NPI substance list?	AIP believes the current list is appropriate and the process for identifying and assessing new substances is sufficiently robust. The data presented in the discussion paper would also appear to support this view.
16	Are there any current substances you would like to see removed?	AIP does not have comments to make in this area.

17	Do you think a TAP should be formed to re-examine the substance list?	AIP believes the current list is appropriate and the process for identifying and assessing new substances is sufficiently robust. The data presented in the discussion paper would also appear to support this view.
18	To what extent do you agree the NPI substance list should be further harmonised with international lists, for example through the OECD's recommended harmonisation processes?	AIP notes that the current reporting burden is already significant and efforts to add new substances would impose a substantial burden on limited company resources. A strong case would need to be made to support any such change. There is unlikely to be any benefit from harmonising with the OECD if companies had to include either compounds that were used and managed differently or not manufactured within Australia.
19	Should the NPI substance list be able to be changed more easily than having to change the NPI NEPM legislative instrument?	AIP believes the current approach has been sufficiently robust and effective, and therefore recommends no change.
20	Have you used the NPI public website, ORS or data.gov.au web pages? How would you describe your experience?	AIP does not have comments to make in this area.
21	What opportunities are there for the NPI to improve the user experience for the public, industry and government users?	AIP does not have comments to make in this area.
22	Would you use an NPI app if developed?	AIP sees little value in the development of an NPI app, particularly given low community awareness and/or use of the NPI.
23	Would the users of the NPI website benefit from a greater understanding of the distinction between the NPI and the State and Territory environmental regulatory measures?	AIP does not have comments to make in this area.

24	Do you think public awareness of the NPI should be increased? If so, how? Would you support greater promotional activities including new measures to promote interesting uses of NPI data?	AIP does not have comments to make in this area.
25	Is transfer data providing sufficient value to stakeholders? How can its usefulness be improved?	<p>The reporting of transfer data has added significant complexity, along with a commensurate impost on company resourcing. Beyond the arguments to support reporting of transfer data for the purposes of meeting international obligations, AIP does not believe sufficient analysis has been undertaken to justify its inclusion in the data set. The data does not appear to be particularly robust, relying heavily on estimation. Furthermore, there appears to be very few users of the data.</p> <p>AIP opposes any efforts to expand transfer reporting. Indeed, given that much of this data is already reported under National Waste Policy legislation, NPI could consider moving the requirement for transfer data there to support streamlining and a reduction in the reporting burden.</p>
26	Do you report to the NPI? How could your overall user experience be improved?	AIP members companies report to the NPI. The key improvement sought by these reporters is a standard upload tool, developed by NPI as a template spreadsheet. This would be a significant improvement as the current reporting system is considered clunky.
27	How can NPI data be made more useful for State and Territory environmental regulators? Are there any opportunities to reduce duplications of effort in data collection?	<p>Consideration be given to combining NPI reporting with licence reporting to reduce some duplication and red-tape burden. Additional consultation with industry would be required to work through the mechanics of how this would be achieved in practice.</p> <p>There is no benefit to combining with NGERS reporting, as NGERS is aggregated. Furthermore, the quantum of greenhouse emissions would overwhelm the other pollutant data.</p>
28	What additional supporting information if any would you like to see the NPI collect?	AIP does not believe any additional information is required to be collected by the NPI. Consideration could be given to the option of providing contextual information.

29	Is there a sufficient basis to form a TAP to investigate ANZSIC industry sector inclusion codes and reporting thresholds?	AIP does not have comments to make in this area.
30	What changes could be made to the substance reporting threshold regime? Why?	AIP supports a move from a usage-threshold to an emissions-threshold but requests that an initial reasonable screening mechanism be adopted to assess whether a facility is likely to emit a particular substance above or below the threshold amount. If this initial screening indicates that emissions above the emissions threshold would not be expected then further detailed estimation of the substance emissions would not be required.
31	What changes could be made to the ANZIC industry sectors required to report or be excluded from reporting? Why?	<p>AIP supports measures to reduce the red-tape burden on industry. AIP notes that the Federal Government has previously considered (in a 2014 internal department brief) reducing the considerable reporting/red-tape burden on industry through a risk-based revision of reporting sectors. The brief stated that this would allow sectors to be excluded from reporting when alternate sources of data are available or when the cost of reporting exceeds the benefit to the public and the environment. Preliminary analysis indicated that excluding 14 ANZSIC codes from the list of reporting sectors would remove 36.6% of reporting facilities whilst retaining 99.922% of the overall risk captured. Sectors identified for potential removal from NPI reporting included Petroleum Wholesaling.</p> <p>AIP encourages the Government to formally adopt this proposal and remove the 14 codes from NPI.</p>
32	Could NPI data from industry sectors containing smaller facilities be collected through industry associations?	AIP does not have comments to make in this area.
33	Do you support the current approach to allowing reporting outside the financial year reporting periods? Are there any changes to reporting periods you would recommend?	AIP supports retention of the current approach so as to provide flexibility to align with the reporting requirements under many licensing arrangements or with company non-June 30 financial years.

34	Are you a reporter to the NPI? What are your experiences with the ORS? Are there any improvements to the NPI reporting process you would suggest?	AIP members companies report to the NPI. The key improvement sought by these reporters is a standard upload tool, developed by NPI as a template spreadsheet. This would be a significant improvement as the current reporting system is considered clunky.
35	Does your government program interact with the NPI? Could the NPI be changed to improve the usefulness of these interactions? How?	AIP does not have comments to make in this area.
36	How would the performance of the NPI's activities be affected if reporting under the NPI was centralised?	Centralising the NPI could be beneficial for consistency in approach and legislation application, as long as local support is still provided.
37	Is there merit in examining ways in which the NPI could be made more relevant for State and Territory and National air quality measures? How might the NPI's relevance be enhanced?	As previously noted, AIP sees significant value in ensuring accuracy and consistent agreed methodologies if Government policy was to be informed by the NPI data.
38	How accurate and reliable do you expect NPI data to be? What processes should be improved or introduced to make NPI data more reliable?	AIP and member companies take seriously their obligations to report accurately and in detail to the NPI. However, we have little confidence in the accuracy of much of the data, due to the difference in calculation methodology or differences in levels of accuracy.
39	Would data accuracy be helped or hindered through methods to more explicitly place the onus on reporters? Such methods may include having reporters publicly release yet-to-be validated data or changing the relevant reporting clauses in the NPI NEPM.	AIP supports efforts to ensure data is accurate. However, proposals to release yet-to-be validated data would simply increase the administrative burden.

40	<p>Have you found the NPI Emission Estimation Technique (EET) manuals difficult to use or producing inaccurate, unreliable or variable estimates? Are there any in particular needing urgent attention?</p>	<p>At the front of each EET is a list of ANZISC codes that the EET apply to. Depending on which EET you use, the emissions will be completely different and with different reportable substances. This is particularly noticeable when reporting ANZSIC code 3321 – Petroleum Product Wholesaling. This would nominally use <i>NPI Emission Estimation Technique (EET) for Fuel and Organic Liquid Storage</i>. Emissions factors can be accounted for by one of the following calculation techniques:</p> <ul style="list-style-type: none"> • US EPA Tanks Software • Calculation tool as provided by NPI. <p>The technique used is not displayed with the data on the NPI. Some storage facilities must also report to the State environmental regulator the emissions released during unloading, and these are not considered as part of the EET for storage. Where unloading has been required, companies may have used the EET for petroleum refining. This again gives different emission factors and substances.</p> <p>If a reporter chooses to not include loading emissions, such as when using the NPI calculation tool for storage emissions, results could be substantially lower and are of different substances.</p> <p>As the guidance to reporting is open to interpretation, there is no ability to compare like with like and when data is presented publicly, it can be misleading. NPI should be more specific on reporting requirements and particular industries should report on an NPI defined group of emission sources in a specified, agreed manner.</p>
41	<p>What measures are most effective to ensure compliance with NPI reporting legislative framework? Could enforcement of non-reporting and false reporting to the NPI be more effective? How?</p>	<p>AIP does not have comments to make in this area.</p>
42	<p>Should regulatory penalties for facilities not reporting or providing poor quality data to the NPI be standardised across Australia? Why?</p>	<p>AIP does not have comments to make in this area.</p>

43	Is the diffuse source data (or aggregated emissions data) sufficiently accurate and current to be reliable? Could it potentially be more so? Should improving the quality of such data through for example, more regularly updated studies, be given a higher priority? Why?	Diffuse needs to be kept current.
44	Do you think more or less public funds should be spent on the NPI?	AIP believes this is a decision for government based on its objectives. However, AIP strongly opposes any efforts to seek additional funding from industry.
45	What areas would more funds deliver more value for NPI users and stakeholders in your opinion?	AIP does not have comments to make in this area.
46	What areas of the NPI could be discontinued or allocated reduced funding?	AIP does not have comments to make in this area.
47	Should NPI facility reporters and/or NPI data users be asked to contribute to improvements to the NPI through a cost recovery model?	AIP strongly opposes a cost recovery model, given the significant funding already provided to government through local and state based environmental licenses. Such an approach would simply be applying further costs on industry for what is essentially a duplication of data collection. Furthermore, the NPI already imposes significant costs through internal resource allocation or use of external consultants to assist in the data gathering exercise.
48	If a user pays system were introduced, would you still access the data? Why/why not?	AIP does not support a user-pays system on the basis that it would disincentivise public access to the data and work against the right-to-know principle. AIP members are also unlikely to pay an access fee as use of the data by companies is limited.

49	Would the centralisation of data collection activities currently performed by the States and Territories result in the NPI delivering program efficiencies? Or false economies? Are there any costs or benefits not listed?	AIP member companies report for facilities in multiple jurisdictions and would ideally like to see standardisation of estimation and collection processes. This may not require a fully centralised model, just clear approaches that are consistently applied via robust rules.
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