



Annual titles administration levy— remittals and refunds

1. Purpose

The purpose of this document is to outline the National Offshore Petroleum Titles Administrator's (NOPTA's) policy in relation to remittals or refunds of the annual titles administration levy (**the levy**).

1.1 Relevant legislation

- [Offshore Petroleum and Greenhouse Gas Storage Act 2006 \(OPGGSA\)](#) section 695M
- [Offshore Petroleum and Greenhouse Gas Storage \(Regulatory Levies\) Act 2003 \(Regulatory Levies Act\)](#) section 10E
- [Offshore Petroleum and Greenhouse Gas Storage \(Regulatory Levies\) Regulations 2004 \(Regulatory Levies Regulations\)](#) regulations 59A, 59AA, and 59AB

2. Background

2.1 When is a levy imposed and when can this be remitted or refunded?

Under section 10E of the Regulatory Levies Act, a levy is imposed on a title for a 12 month period, beginning on the day the title comes into force and, for all subsequent years, on the anniversary of this date (**levy year**).

The levy becomes due and payable 30 days after the first day of the levy year – see subsection 695M (2) of the OPGGSA. The levy is imposed regardless of whether the title is expected to be in force for the entire next 12 month period.

In many instances when a title ceases to be in force before the end of the levy year, the titleholder will be eligible for a pro-rata remittal or refund of the levy under regulation 59AB of the Regulatory Levies Regulations.

2.2 When could a title cease to be in force before the end of a levy year and be eligible for a pro-rata remittal or refund?

A title may cease to be in force before the end of a levy year in a range of circumstances, including the following:

- The term of a title has been extended which results in the anniversary date and the expiry date no longer being aligned (e.g. under section 265 of the OPGGSA).
- A renewal application has been submitted and the title remains in force under the renewal provisions – see subsections 119 (5), 154 (5), and 184 (6) of the OPGGSA.
- For an exploration permit, if all blocks are moved into a derivative title – see sections 145 and 176 of the OPGGSA.
- For a retention lease or production licence, if the blocks are moved into a derivative title - see sections 145, 151, and 176 of the OPGGSA.

2.3 Do remittals or refunds apply to surrender of title (part 2.13 of the OPGGSA)?

If the titleholder has submitted a consent to surrender application (section 269 of the OPGGSA) before the end of the levy year, and the title is wholly or partly surrendered after entering the next levy year, the titleholder may be eligible for a refund.

If the whole title is surrendered, the entire amount of the new levy amount will be refunded. If part of the title is surrendered, a pro rata refund will be made, if applicable. It is NOPTA's policy to process refunds after the surrender has been gazetted.

In other instances when a title is surrendered within a levy year and no additional levy has been imposed, the titleholder is not eligible for a refund.

2.4 Do remittals or refunds apply to cancellations (part 2.12 of the OPGGSA)?

No, remittals and refunds of the levy do not apply to titles cancelled under sections 275 of the OPGGSA.



3. Implementation

3.1 Remittal policy

A **remittal** is a decision by NOPTA to waive a titleholder's obligation to pay part of the levy 'up front'. The levy payable is then calculated (on a pro rata basis) to reflect only the part year for which the title is held. This may occur where the title ceases to be in force within 30 days of entering a levy year.

NOPTA's policy is that remittals will not be made if the title **may** remain in force beyond the **current** expiry date.

3.2 Refund policy

If the title **may** remain in force beyond the current expiry date, NOPTA applies the levy for the levy year, and later **refunds** any amounts due to titleholders.

If a levy is paid and the title does not remain in force for the entire levy year, NOPTA will then provide a pro-rata refund under regulation 59AB of the Regulatory Levies Regulations.

3.3 Process for remittals and refunds

If a remittal or refund is applicable, NOPTA will calculate this and remit or refund the amount. No request or application is required.

If a titleholder is eligible for a refund at the same time as a new levy is imposed (e.g. due to a title renewal), NOPTA's practice is to apply the refund amount against the new levy so only the difference between the two amounts is required to be paid.

Titleholders should contact NOPTA (see item 3.5) if they would prefer that these amounts are treated separately.

3.4 Calculation of remittal or refund

Remittals or refunds will be determined according to the 'adjusted amount' formula specified in regulation 59AB (5) of the Regulatory Levies Regulations.

$$\left(\frac{\text{Number of days title is in force for the year}}{365} \right) \times \text{Applicable amount of levy for the title for the year}$$

The 'applicable amount' of levy for the title will reflect whether the title ceased in full or in part. If part of a title ceases to be in force, this will be the

levy amount that is attributable to the part of the title that ceases to be in force.

If there is a difference between the 'adjusted amount' that has been calculated and the levy that has been paid, NOPTA will refund this amount.

Levy refund example

A petroleum exploration permit has an expiry date of 31 May 2017. The permit is extended under section 265 for a period of six months ending on 30 November 2017. The levy is imposed for levy year beginning on the title's anniversary date of 1 June 2017.

As the permit might remain in force beyond 30 November 2017, it is NOPTA's policy that the levy is payable for the entire levy year.

If the permit does in fact cease to be in force on 30 November 2017 (e.g. due to an expiry), a pro rata refund will be processed.

The calculation is as follows:

Exploration permit levy for a 12 month period imposed on 1 June 2017 = \$10,000 per title*

$$\frac{183 \text{ days in force}}{365} \times \$10,000 = \$5013.70$$

$$\text{Refund amount} = \$10,000 - \$5013.70 = \$4986.30$$

** levy amount current as at September 2017*

3.5 Further information

Please visit NOPTA's [cost recovery and fees page](#) for further information on fees and levies and NOPTA's Cost Recovery Impact Statement.

If you have any further questions, please contact corporate@nopta.gov.au.

Please note: this document is intended as a guide only and should not be relied on as legal advice or regarded as a substitute for legal advice in individual case.

Version History

Version	Date	Comment
2.0	October 2017	Clarification of when a title may cease to be in force during a levy year. Removal of previous transitional arrangements.
1.0	March 2015	New fact sheet for levy remittals and refunds following legislative amendments.