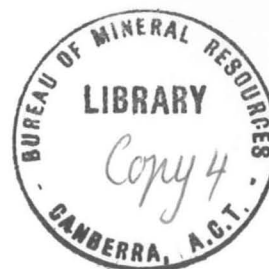


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COMMONWEALTH OF AUSTRALIA

DEPARTMENT OF NATIONAL DEVELOPMENT

BUREAU OF MINERAL RESOURCES, GEOLOGY AND GEOPHYSICS

Record 1971/111



GOVERNMENT REVENUE FROM OIL AND GAS

by

H.S. TAYLOR-ROGERS

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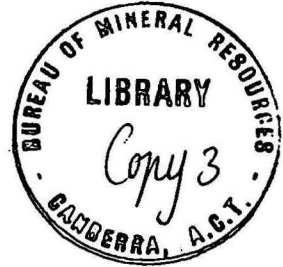
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GOVERNMENT REVENUE FROM OIL & GAS

H.S. Taylor-Rogers

Bureau of Mineral Resources



Revenue from petroleum production in Australia is collected by both the Commonwealth and State Governments; the major portion in the form of company tax, income tax, customs and excise duty etc. goes to the Commonwealth Government while royalty on production, fees and rentals for titles etc. are paid to the State Government concerned.

Company tax is payable by all organizations, both local and foreign, at the flat rate of 47.5 percent on taxable income, that is, the income profit that is derived after all allowable deductions and allowances have been made.

Excise duty is levied on most refined products, both on those which are refined within Australia and on imported products. The rates vary according to the product and are summarized as follows:-

Aviation Gasoline	14.57 cents per gallon
Motor Spirit (all grade)	17.3 cents per gallon
Aviation Turbine Fuel	12.9 cents per gallon
Diesel Fuel (Road Haulage)	17.5 cents per gallon

There is no tax on Lighting Kerosine or on Lubricating oils.

The States of Australia derive income from royalty which is paid on petroleum produced. For production from onshore fields,

royalty is payable at the rate of 10 percent of the well head value. For production from offshore fields, the royalty rate can vary from 10 percent to 12½ percent of the well head value, depending on whether the production is obtained from a primary or secondary production licence.

Royalty on production from a primary production licence is payable at 10 percent of well head value, and is divided between the Commonwealth and the State in the ratio of 40:60.

Production from a secondary production licence is subject to an overriding royalty of between 1 percent and 2½ percent; in this case the royalty paid to the Commonwealth remains the same but the additional override is paid to the State.

Fees are payable to all States when applications for petroleum titles are lodged; these are retained when an application for an onshore title is approved but only a small proportion is retained if the application for an offshore title is unsuccessful.

Rentals are payable on the area of the title head and these are set out in the following Table. In addition to the items shown in this table, numerous "ad hoc" charges are payable, such as stamp duty on the transfer of a title, search and survey fees, fees for renewals of title, etc., but as these are irregular in occurrence, they have not been included here.

PERMIT STAGE									
Nature of Fee	Western Australia	South Australia	Victoria	New South Wales	Queensland	Tasmania	Northern Territory	Papua New Guinea	Offshore
Application Fee	\$1,000	\$100	\$50	20¢ per sq. mile	Fixed by Minister	\$12.80 per sq. mile	\$200	\$200	\$1,000
Bond (Security)	\$5,000	Min. \$2,000	Min. \$2,000	Min. \$2,000	Min. \$2,000	Ministerial Discretion.	Min. \$2,000	Min. \$2,000	\$5,000
Annual Rent	None	1st 2yrs - \$70 p.s.m. balance of term - \$30 p.s.m. 1st Renewal - \$40 p.s.m. 2nd " - \$50 p.s.m. 3rd " - \$60 p.s.m.	20¢ per sq. mile	20¢ per sq. mile	Fixed by Minister	\$1 per sq. mile for first 25 sq. mls: 10¢ per sq. ml thereafter	None	None	\$5 per block per annum Min. \$1,000
LICENCE STAGE									
Application Fee	Not Applicable	Not Applicable	\$50 (applicable to rent if granted)	Not applicable	50¢ per sq. mile	Nil	Not applicable	\$40 plus \$50 applied to rent if licence granted	Not applicable
Bond (Security)	Not Applicable	Not Applicable	Min. \$2,000	Not applicable	Min. \$2,000	Nil	Not applicable	Min. \$10,000 Max. \$50,000	Not applicable
Annual Rental	Not Applicable	Not Applicable	50¢ per sq. mile Min. \$50	Not applicable	50¢ per sq. mile	2¢ per acre for 2 yr 1¢ per acre for 1 yr		10¢ per sq. mile for 1st yr. increasing to \$1 per sq. mile in 8th year	Not applicable
Royalty					10%				
LEASE STAGE									
Application Fee	\$200	\$100	\$50 (applicable if rent is granted)	\$20 per sq. mile	Survey Fee as determined by Minister	As prescribed		\$100	\$200
Bond (Security)	\$50,000	Min. \$2,000	Min. \$2,000	Min. \$2,000	Min. \$10,000	None	\$20,000	Min. \$20,000 plus Surety Max. \$50,000	\$50,000
Annual Rental	\$30,000 per block	\$64 per sq. mile	\$20 per sq. mile	\$20 per sq. mile	\$20 per sq. mile	As determined by the Minister	1st-5th yr \$30 p.s.m. 6th-10th yr \$80 p.s.m. 11th year on \$100 p.s.m.	1st-5th yr \$30 p.s.m. 6th-10th yr \$80 p.s.m. 11th year on \$1000 p.s.m.	\$3,000 per block
Royalty	10%	10%	10%	10%	10%	10%	10%	10%	10% - 12%
PIPELINE LICENCE									
Application Fee	Pipeline less than 1 mile - \$250 Pipeline more than 1 mile - \$500	\$100	Pipeline less than 1 mile - \$250 Pipeline more than 1 mile - \$500	\$250 for pipeline less than 1 mile long. \$500 for longer pipelines	At discretion of Governor in Council	No provisions.	Lessee has right to construct pipelines	Lessee has right to construct pipelines	\$200
Bond (Security)	\$20,000	Min. \$2,000	\$20,000	\$20,000	At discretion of Governor in Council	No provisions.			\$20,000
Annual Rental	\$20 per mile or as prescribed.	\$20 per mile	\$20 per mile	\$20 per mile	At discretion of Governor in Council	No provisions.			\$20 per mile

p.s.m. = per sq. mile