

**National Offshore Petroleum
Titles Administrator**

Annual Report of Activities **2018-19**



Australian Government
National Offshore Petroleum
Titles Administrator

www.nopta.gov.au

National Offshore Petroleum Titles Administrator

2018–19 Annual Report of Activities

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Cover Image: Deployment of the Sole-4 wellhead by Cooper Energy in VIC L/32 Gippsland Basin. (Cooper Energy)

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*NOPTA is responsible for the day-to-day
administration of petroleum & greenhouse gas
titles in Commonwealth waters in Australia*



I. Introduction to NOPTA

Titles Administrator welcome

Our current corporate plan is in its concluding stages and it is pleasing to note that through the last year there have been substantial accomplishments and progress. Whilst continuing to meet our administrative and regulatory obligations to stakeholders in industry and government, we embarked upon an ambitious program to ensure we are well positioned to meet a shifting set of challenges.

Our vision is to contribute to national prosperity through the administration of a thriving offshore oil and gas industry. 2018-19 has been a year of significant achievements for Australia's offshore sector:

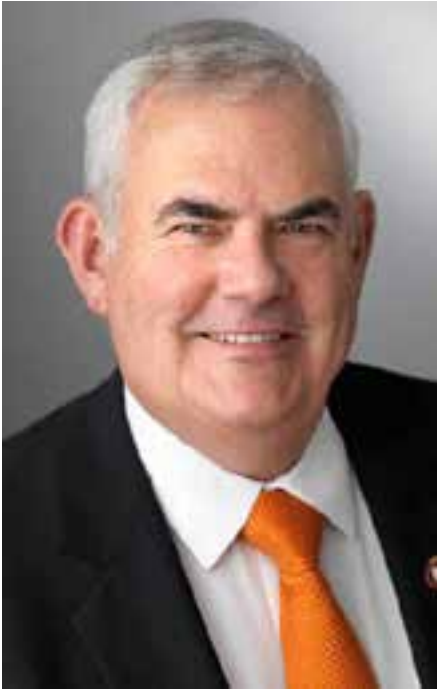
- Ichthys project first production – July 2018
- Prelude project first production – Dec 2018
- Dorado oil discovery – July 2018
- Australia becomes the world's largest producer / exporter of LNG
- Greater Enfield Area Development project commissioning, with first production in Q3 2019
- Several significant new gas development opportunities progressing, including Browse, Scarborough and Barossa.

At NOPTA, we completed the transition of our ICT systems to an Azure cloud-based environment. That platform has now opened a wide range of opportunities to enhance our engagement with titleholders and others.

Through this investment we have also improved our ability to implement flexible working arrangements and thereby increase productivity, reduce costs and made it easier for our people to maintain a healthy work-life balance.

We have finalised work on the first stage of an internal upgrade of the National Electronic Approvals Tracking System (NEATS) to improve application processing efficiencies. And, work continues with the integration of our internal databases and systems that are used to collect, aggregate, analyse and report data to improve our monitoring of Australia's offshore petroleum resources.

Through our partnership with Geoscience Australia and the Western Australian Government, we continued to develop the National Offshore Petroleum Information Management System (NOPIMS) by incorporating additional documentary information and improving search functions to aid data discovery.



We are striving to influence the regulatory reform agenda in order to make it easier and cheaper for companies to maintain compliance with their obligations.

Keeping pace with global trends and advancements has underpinned much of NOPTA's success. In 2018, we commenced a skills exchange with the United Kingdom and Norwegian petroleum regulators focussed on best practice and innovation in resource management and data management. Shortly, we will be expanding the program to include a detailed examination of procedural excellence. I anticipate that program will translate into streamlined processes from the application to the decision and implementation stages.

All of these things lead me to conclude that one of the keys to our ongoing success has been our agility. A combination of having the correct structural elements, supported by an effective ICT network, and a flexible approach to our working arrangements all points to us being a highly productive and responsive regulator. Certainly, we have a strong focus on process excellence, however we maintain a close watch on the changing and sometimes challenging environment and are ready to adapt.

Yours sincerely,

Graeme A Waters

National Offshore Petroleum
Titles Administrator

Snapshot of performance

Stakeholder satisfaction continues to be high¹:



98%

Time and effort required by industry

Reasonable amount of time and effort spent on NOPTA administered functions



93%

Technical expertise of NOPTA

High satisfaction with technical expertise of NOPTA staff



92%

Accuracy of information provided by NOPTA

High satisfaction with the accuracy of information received from NOPTA



98%

NOPTA's contribution to industry

NOPTA makes a valuable contribution to managing Australia's resources



381 Offshore petroleum titles

4 Greenhouse gas titles



464 Applications received

770 Data submissions received

166

Data items released



381 Decisions made



317 ATAR reviews completed



Conducted 221 stakeholder meetings



Commenced a skills exchange with United Kingdom and Norwegian petroleum regulators focussed on best practice in resource management and data management

¹ The 2019 NOPTA stakeholder survey was conducted by KPMG.

About us

Established

1 January 2012. NOPTA, or the Titles Administrator, is appointed under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the OPGGS Act) and is part of the Department of Industry, Innovation and Science (the department).

Our Vision

Contributing to national prosperity through administering a thriving offshore oil and gas industry.

Our Culture

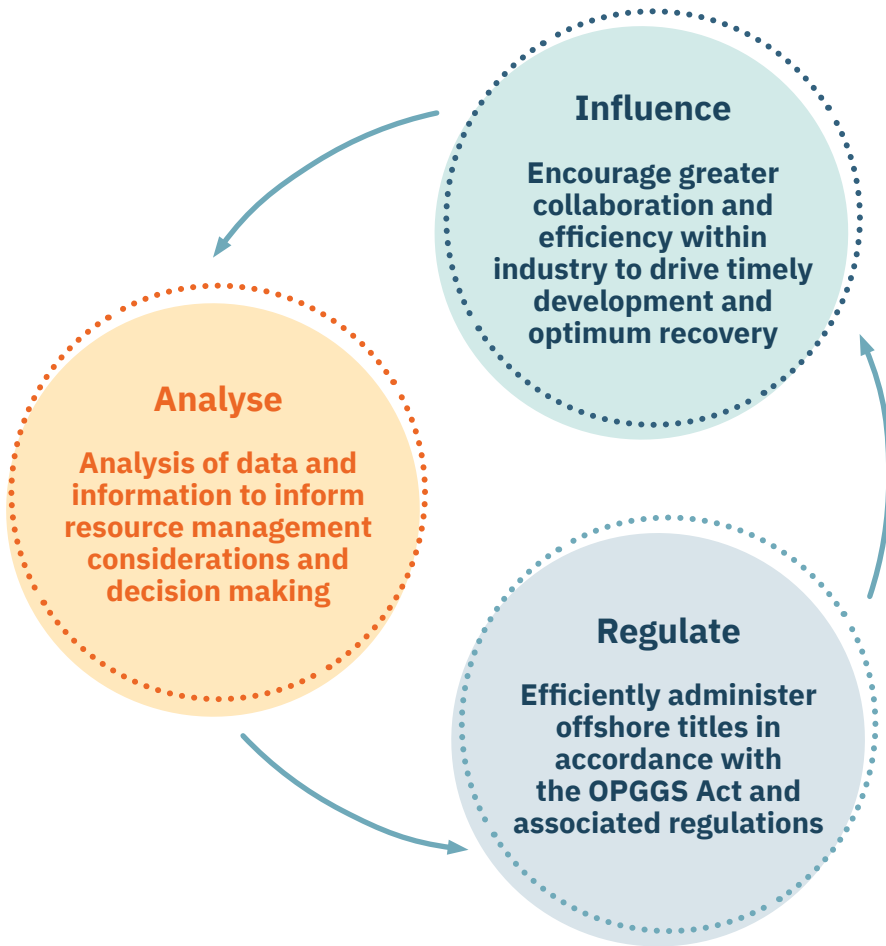
We value mutual respect, openness and inclusiveness. We are responsive, consultative, accountable and transparent.

Our Purpose

To advise on and administer the OPGGS Act for Australia's offshore petroleum and greenhouse gas titles regime, and to support the effective regulation of Australia's offshore oil and gas resources consistent with good oil field practice and optimum long-term recovery.

Our Role

- provide information, assessments, analysis, reports, advice and recommendations to the Joint Authorities and the responsible Commonwealth Minister
- grant short-term titles (petroleum access authority and petroleum special prospecting authority) and approve transfers and dealings
- facilitate life of title administration, including compliance monitoring
- manage the collection, management and release of data
- keep the registers of petroleum and greenhouse gas storage titles
- ensure petroleum resource management is undertaken in accordance with the principles of good oil field practice
- implement effective field development review and performance monitoring strategies in order to secure optimum petroleum recovery for the benefit of the Australian community



NOPTA's key performance indicators (KPIs)²

- KPI 1: NOPTA does not unnecessarily impede the efficient operation of titleholders
- KPI 2: Communication with titleholders is clear, targeted and effective
- KPI 3: Actions undertaken by NOPTA are proportionate to the regulatory risk being managed
- KPI 4: Compliance and monitoring approaches are streamlined and coordinated
- KPI 5: NOPTA is open and transparent in its dealings with titleholders
- KPI 6: NOPTA actively contributes to the continuous improvement of regulatory frameworks

² As set by the Australian Government's Regulator Performance Framework

Human resources

As of 30 June 2019, NOPTA had 57.06 full time equivalent staff (including contractors).

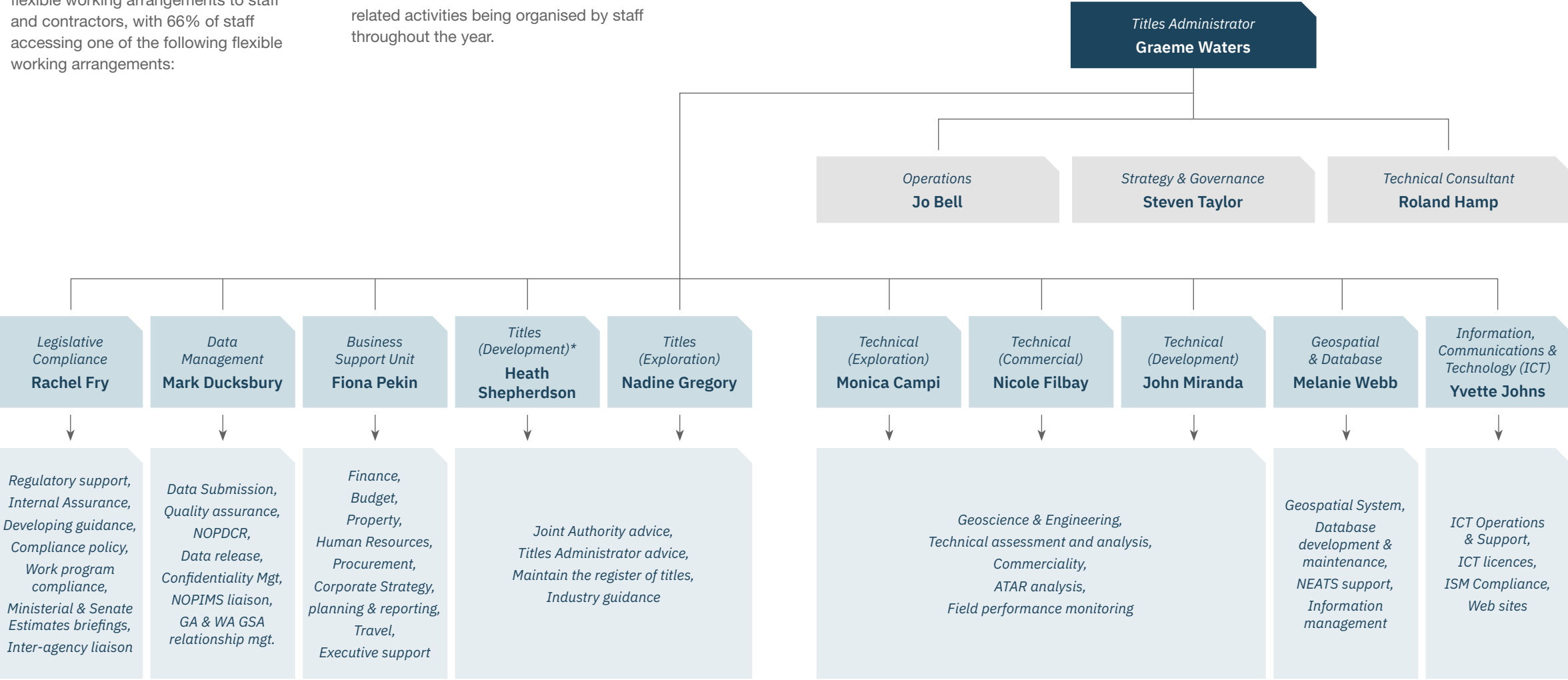
During 2018-19, all staff participated in at least one learning and development activity, including one tailored team-based learning event.

NOPTA is committed to providing flexible working arrangements to staff and contractors, with 66% of staff accessing one of the following flexible working arrangements:

- part-time hours
- working remotely
- nine-day fortnight
- flexitime
- flexible start and finish times

NOPTA has implemented a Health, Safety, Wellness and Environment Plan with 19 related activities being organised by staff throughout the year.

NOPTA organisational chart



* Meredith Dinneen was the Manager of Titles (Development) until May 2019

*Contributing to national prosperity
through administering a thriving offshore
oil and gas industry*

II. Industry activity & insights



Industry activity highlights 2018-19



“NOPTA continues to regulate and engage collaboratively with a once again growing offshore petroleum industry.”

Exploration

Acreage release outcomes

The 2018 Offshore Petroleum Exploration Acreage Release saw an increase in industry interest, after the recent decline in acreage bidding, although not yet to pre-2014 levels. There was an increase in the overall number of applications,

the number of areas receiving applications and competition for areas, with NOPTA receiving a record seven applications for Release Area W18-4 located adjacent to the recent Dorado discovery (Figure 1).

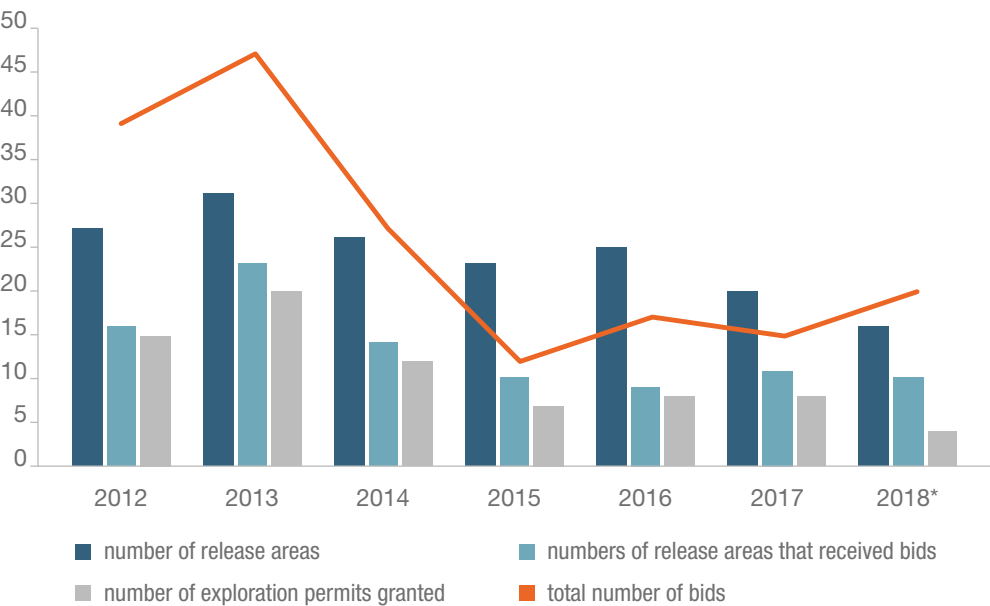


Figure 1: Acreage release outcomes

** Number of grants may change as several applications are still at offer stage or with Joint Authority for decision.*

2018 Acreage release – Cash bid release areas

The cash bid auction was held on 7 February 2019 as part of the 2018 Offshore Petroleum Exploration Acreage Release. Four of the five areas available for cash-bidding received cash bids.

Chevron Australia New Ventures Pty Ltd (Petroleum Exploration Permit WA-537-P), Lattice Energy Limited (Petroleum Exploration Permit VIC/P73), and Woodside Energy Julimar Pty Ltd and KUFPEC Australia (Julimar) Pty Ltd (jointly – Petroleum Exploration Permit WA-536-P) were awarded the new permits.

Seismic survey acquisition trends

In 2018-19, there were four new 3D seismic surveys completed, representing an increase in the amount of 3D seismic data acquired compared to 2017-18. However, survey activity has not yet returned to previous levels (Figure 2), with a notable decline in the number of surveys completed since 2012-13.

The proportion of seismic data acquired on a proprietary basis has also declined steadily since 2012-13 (Figure 3). The large volumes multiclient 3D seismic data acquired in 2014-16 was related to several large surveys in the Bight Basin and the Northern Carnarvon Basin.

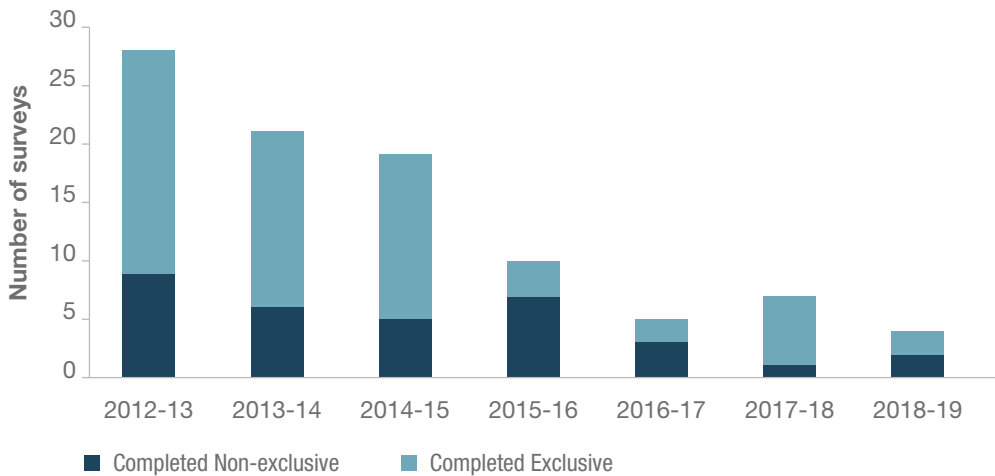


Figure 2: Seismic surveys completed 2012-13 to 2018-19

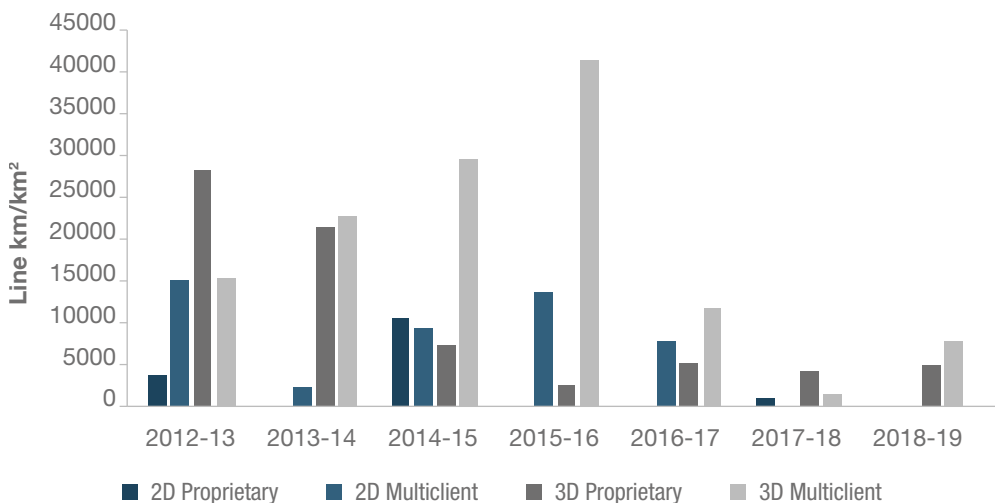


Figure 3: Amount of 2D and 3D seismic acquisition – proprietary vs multiclient

Exploration drilling activity

In 2018-19 there has been a marked upturn in exploration drilling activity (Figure 4) as industry recovers, although exploration drilling is yet to return to pre-downturn

levels. Significantly, while the number of wells drilled is still relatively low, the success rate is high, reflected in the number of discoveries in 2018-2019 (Figure 5).

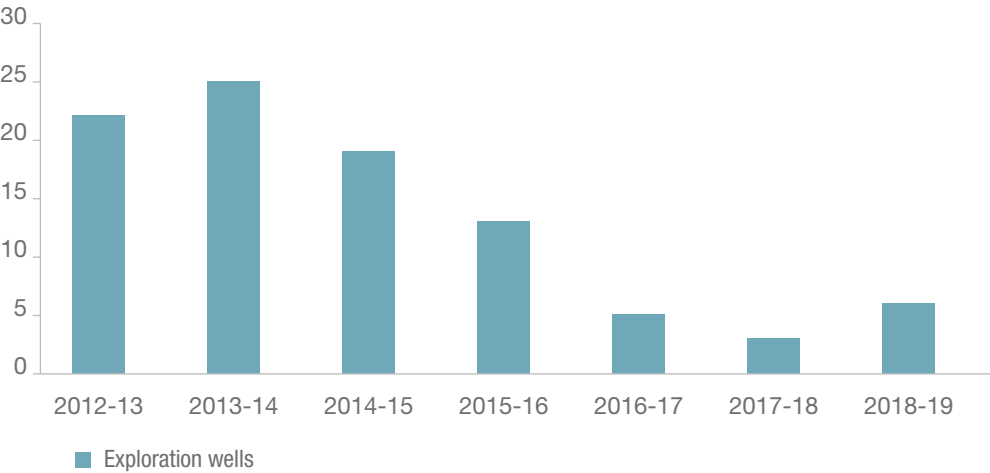


Figure 4: Exploration well activities completed 2012-13 to 2018-19

Petroleum discoveries, locations and retention lease grants

A declaration of location provides the mechanism for the transition from an exploration permit to a retention lease or production licence following the discovery of petroleum through drilling. The application period for a location is valid for two years, with the option for a two-year extension.

The peak of retention lease grants in 2015-16 was a result of locations that were declared either in 2011 or 2013-14. While no new locations were declared in 2018-19, there were six new discovery notifications and one new retention lease grant.

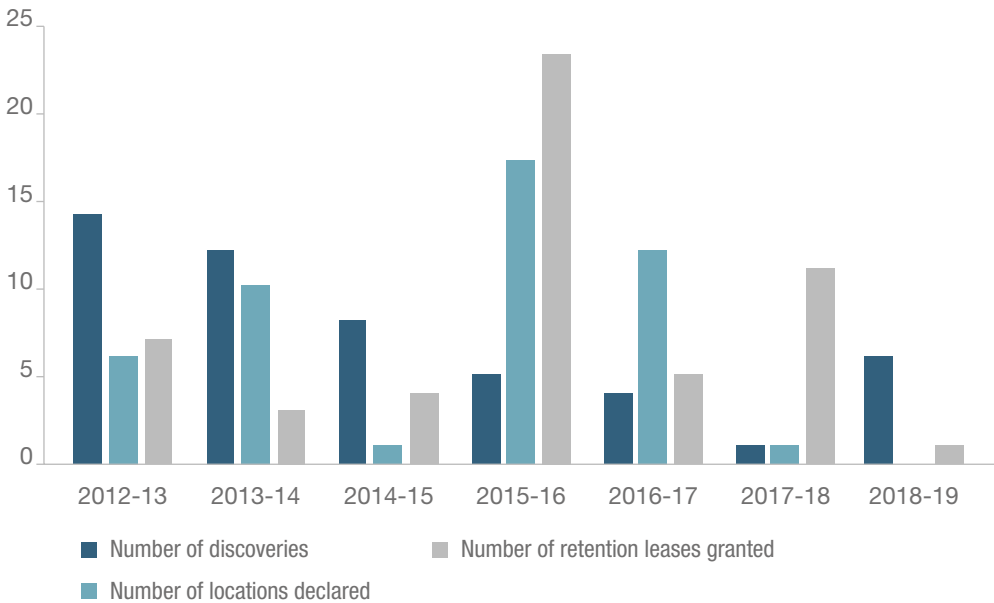


Figure 5: Discoveries*, Declaration of Location and Retention Lease grant

* Some discoveries have been a result of appraisal drilling

Industry activity overview - development

Barossa Project

- Prelude Project
- Ichthys Project
- Browse Project

Dorado

- Greater Enfield Area Project
commissioning
- Enfield
ceased production

“Australia has a number of significant petroleum resource projects progressing towards production.”

Project maturity stages:



Sole Project
execute phase

Appraisal and development drilling activity

Consistent with the trends seen for exploration wells, during 2018-19 there has been an increase in appraisal and

development drilling activity (Figure 6), as industry moves into its next phase of resource maturation.

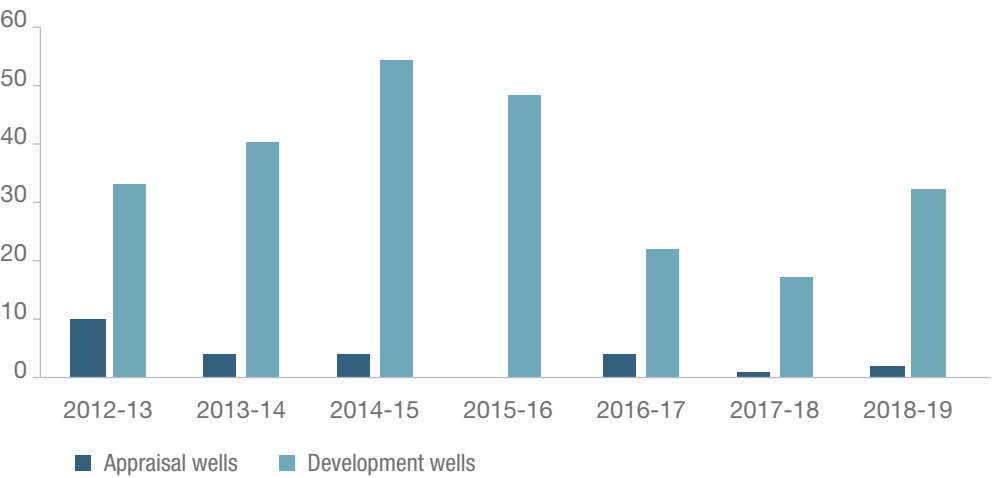


Figure 6: Appraisal and development well activities completed 2012-13 to 2018-19

New developments – committed and in progress

The start-up of a series of large-scale offshore gas projects continued in 2018-19 with first production from the Ichthys and Prelude fields. These represent the first major gas and condensate production from the offshore Browse Basin and was complemented by the full ramp-up of the Wheatstone and Brunello gas projects in the Carnarvon Basin.

The Greater Enfield Project is nearing completion and will provide an important boost to existing oil production. Similarly, in the southeast, the Sole Gas Project is set to provide an important contribution to the domestic gas market.

Ichthys



INPEX-operated Ichthys LNG offshore central processing facility

- Production Licence WA-50-L; granted 01/03/2012
- Area: Offshore Western Australia, Browse Basin
- Product: Natural gas / condensate
- Field: Ichthys
- Operator: INPEX Ichthys Pty. Ltd.
- Stage: in Operate phase, producing

Prelude



Shell Australia, Prelude

- Production Licence WA-44-L; granted 20/05/2011
- Area: Offshore Western Australia, Browse Basin
- Product: Natural gas / condensate
- Field: Prelude
- Operator: Shell Australia Pty. Ltd.
- Stage: in Operate phase, producing

Sole



Deployment of the Sole-4 wellhead by Cooper Energy in VIC L/32 Gippsland Basinooper Energy)

- Production Licence VIC/L32; granted 03/03/2017
- Area: Offshore Victoria, Gippsland Basin
- Product: Natural gas
- Field: Sole
- Operator: Cooper Energy (Sole) Pty. Ltd.
- Stage: in Execute phase

Greater Enfield Area



Ngujima-Yin FPSO (Photo: Woodside)

- Production Licence WA-59-L; granted 10/06/2016
- Area: Offshore Western Australia, Northern Carnarvon Basin
- Product: Oil
- Fields: Norton, Laverda and Cimatti
- Operator: Woodside Energy Ltd.
- Stage: in Execute phase (start-up August 2019)

Late life resources

At the other end of the resource maturation cycle, NOPTA continues to engage with titleholders on the optimum stewardship of late life resources. This includes discussions on incremental hydrocarbon resource

maturation opportunities, prior to entering field abandonment planning as well as optimising late life production. NOPTA would like to thank all titleholders who have participated in these processes.

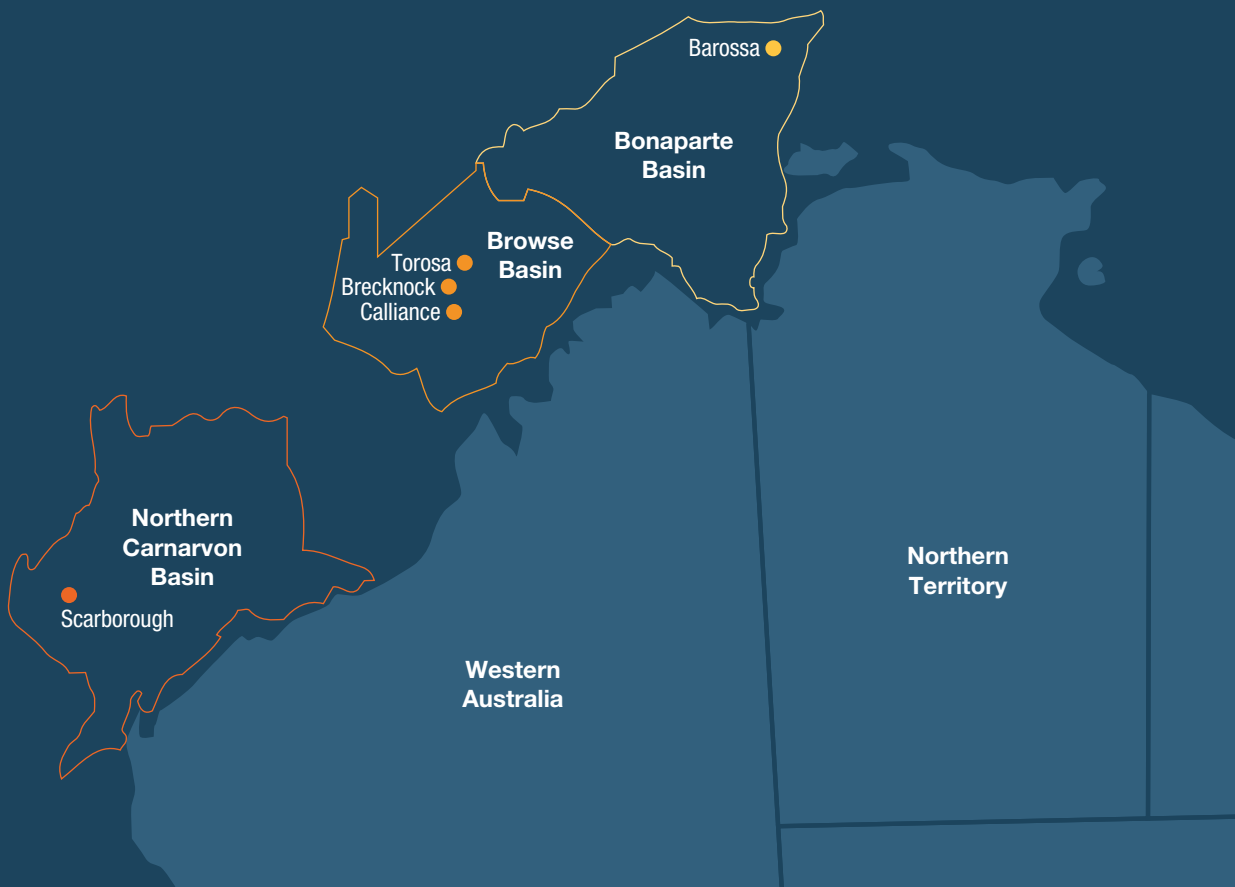
New developments – Emerging

New development opportunities continue to be matured across Australia's north coast, particularly with regard to large scale gas resource and LNG export projects.

In the Bonaparte Basin, the Barossa Joint Venture has announced entering into exclusive negotiations to supply backfill gas to the Darwin LNG Joint Venture.

In the Browse Basin, the potential to develop the Calliance, Brecknock and Torosa gas resources ('Browse' project) using infrastructure within the North West Shelf Venture Project continues to be matured.

Within the Carnarvon Basin, opportunities for the gas resources at Scarborough to be developed via existing (and / or expanded) facilities offshore and within the Burrup Peninsula are also under consideration.



Production

Production trends

Australia's offshore petroleum production is dominated by gas and continues to grow as a result of new LNG projects coming on-stream (Figure 7). The continuing trend of declining oil production was again

partly offset by increased condensate and LPG production from new offshore gas developments. Overall, total liquids production continued to decline (Figure 8).

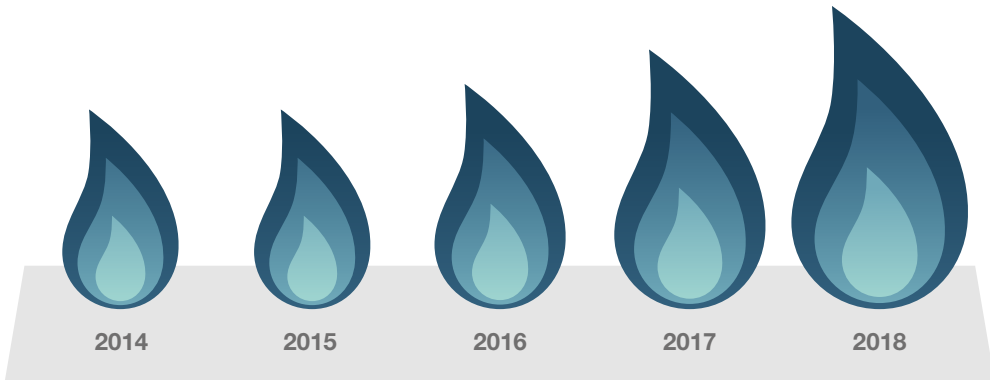


Figure 7: Offshore Australia – total raw gas production*

* production data is produced on a calendar year basis

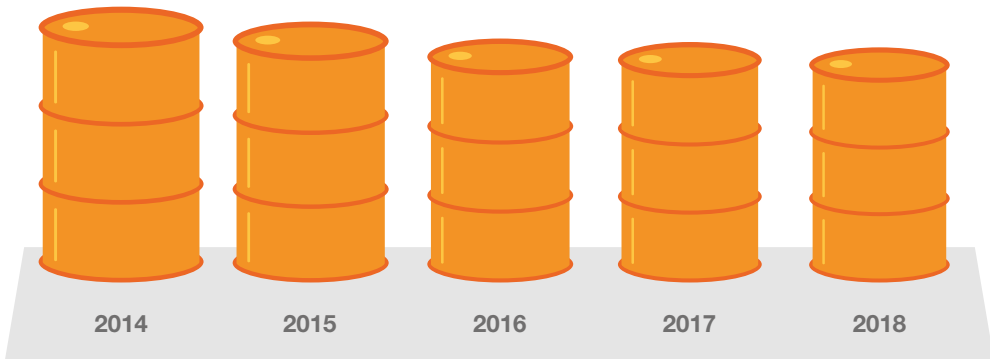


Figure 8: Offshore Australia – total liquids* production**

* Liquids includes oil, condensate and LPG

** Production data is produced on a calendar year basis

The Carnarvon Basin continues to dominate Australian offshore production (Figure 9), followed by the Gippsland Basin.

First production from the Browse Basin gas fields occurred in 2018-2019, and rates will continue to ramp up in the coming year.

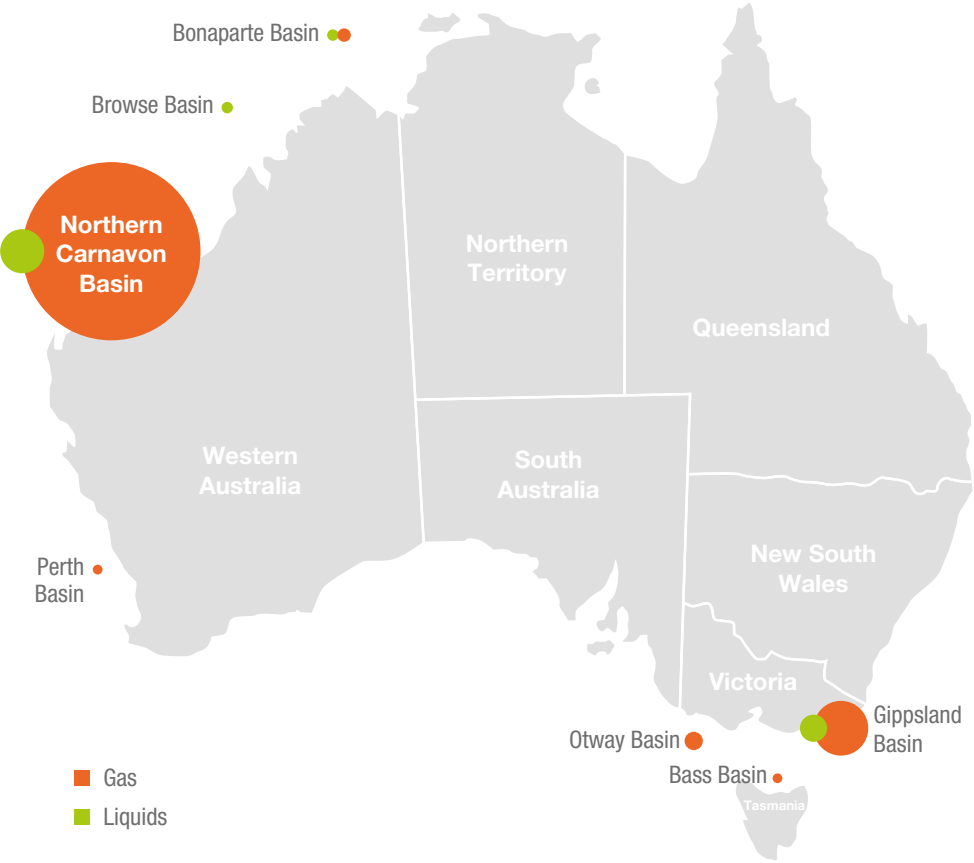


Figure 9: Annual gas and liquids production



III. Supporting Industry

Regulate

As of 30 June 2019, there were 381 offshore petroleum titles and 4 greenhouse gas titles (Table 1).

Table 1: Total Number of Offshore Petroleum Titles (as at 30 June 2019)

Offshore Area	Exploration Permits	Retention Leases	Production Licences	Infrastructure Licences	Pipeline Licences	GHG titles**	Total
QLD	1	0	0	0	0	0	1
NSW	1	0	0	0	0	0	1
VIC	8	7	28	0	40	4	87
TAS	2	4	3	0	3	0	12
SA	6	0	0	0	0	0	6
WA	82	65	56	3	28	0	234
NT	3	7	0	0	4	0	14
AC*	18	8	4	0	0	0	30
Total	121	91	91	3	75	4	385

* Territory of Ashmore and Cartier Islands

** Greenhouse gas assessment permits

Under the OPGGS Act, in each offshore area there is a Joint Authority comprising the responsible Commonwealth Minister and the relevant state or Northern Territory Resources Minister. The Joint Authority for the Eastern Greater Sunrise offshore area, the offshore area of each external territory i.e. the Territory of Ashmore and Cartier Islands and for the Tasmanian offshore area is the responsible Commonwealth Minister only.

The Joint Authorities may delegate any or all of their functions and powers to officials in the respective Commonwealth and state/Northern Territory departments with responsibility for resources and energy.

In the case of greenhouse gas titles, the decision maker is the responsible Commonwealth Minister.

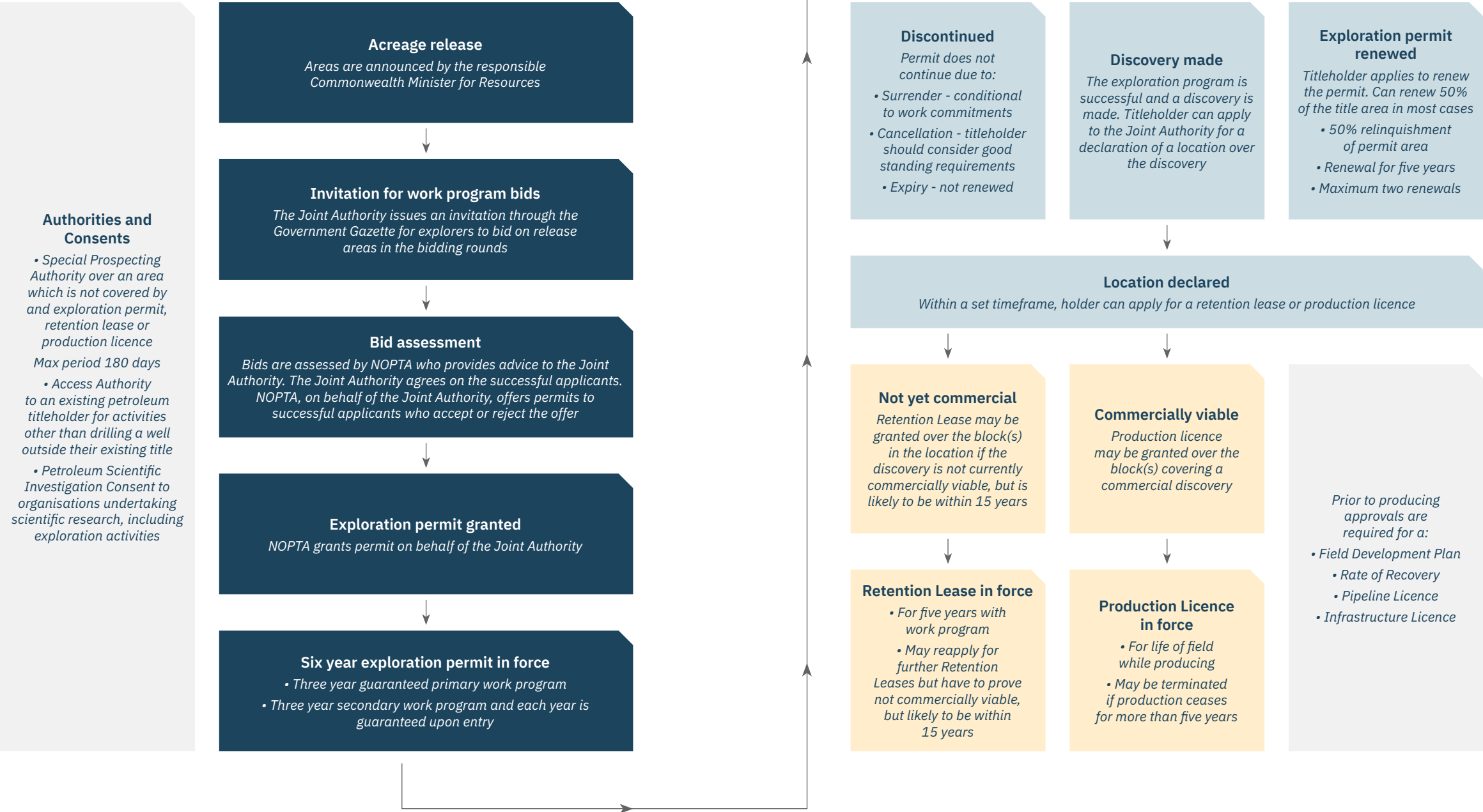
Joint Authority petroleum application related decisions include -

- Grant of an exploration permit
- Renewal of an exploration permit
- Declaration of a location
- Variation or revocation of a location
- Grant of retention lease
- Renewal of a retention lease
- Variation, suspension, extension or exemption of a condition of a title
- Grant of a production licence (including to which the Royalty Act applies)
- Renewal of a fixed term production licence
- Field development plan (including variation)
- Rate of recovery
- Approval to undertake recovery without an accepted field development plan
- Grant of a pipeline licence
- Variation of a pipeline licence
- Consent to cease to operate a pipeline licence
- Grant of an infrastructure licence (including variation)
- Scientific investigation consents
- Surrender
- Cancellation
- Good Standing Agreements

Titles Administrator application related decisions include -

- Transfers
- Dealings
- Change of company name
- Credits (work program)
- Special prospecting authorities (including variation)
- Access authorities (including variation and extension)
- Extension of the application period (location)
- Request for extension of time to lodge an application for the renewal of a title

Overview of the offshore petroleum exploration and development framework



Titles applications

NOPTA received 464 applications in 2018-19 (Figure 10), compared to 444 in 2017-18 (Figure 11). Transfers and dealings comprised the bulk of applications

submitted to NOPTA during this period. See Figures 12 and 13 for a breakdown of transfers and dealings against title type for 2018-19.

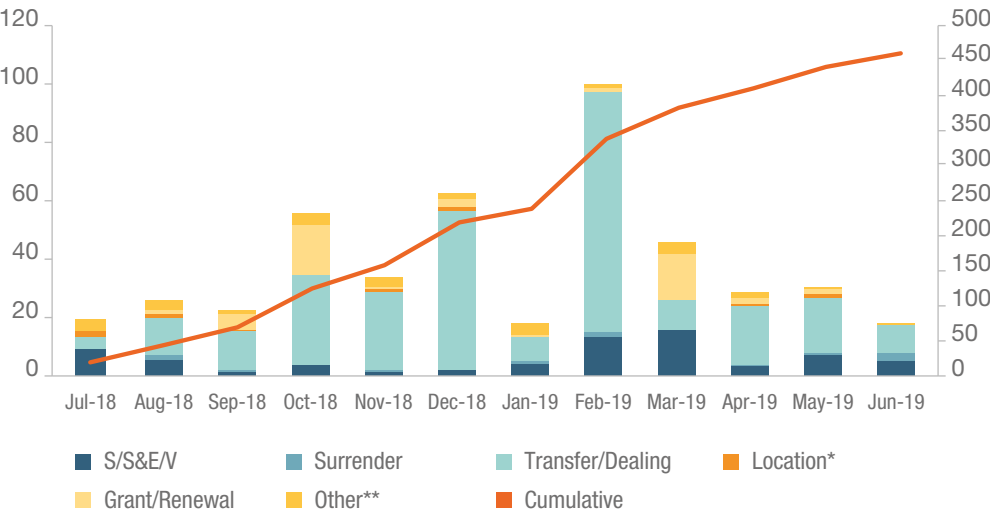


Figure 10: Applications submitted in 2018-19

* Inc: Declaration, Location Extension and Revocation

** Inc: Credit, Extension Renewal, RoR, FDP Variation, GHG AP Renewal and Permit Conditions

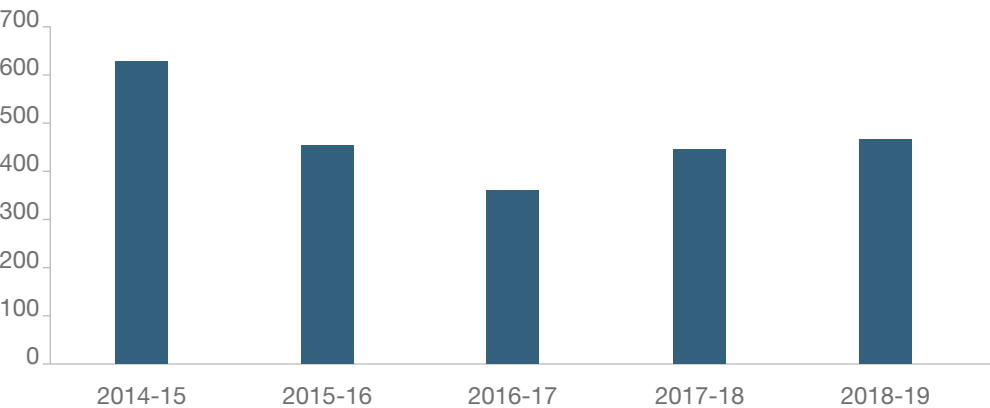


Figure 11: Applications submitted per financial year

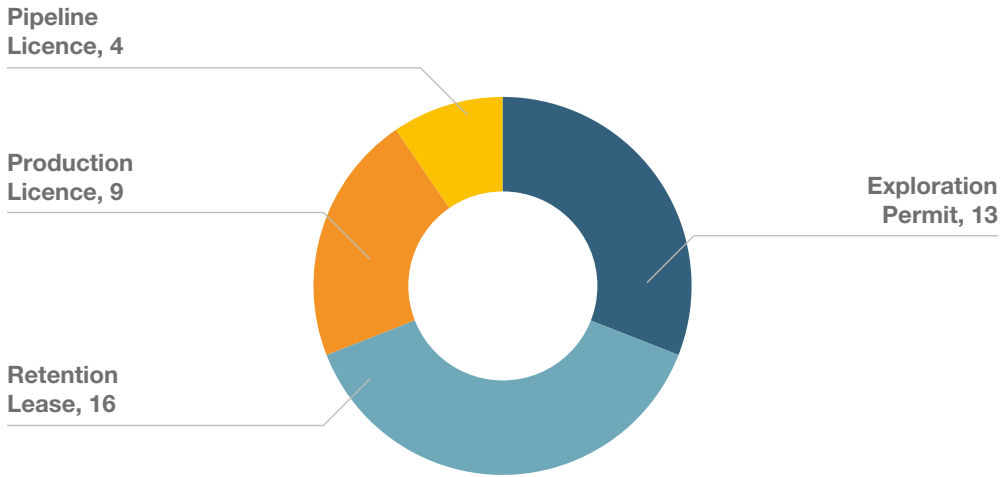


Figure 12: Transfers received in 2018-19 by title type

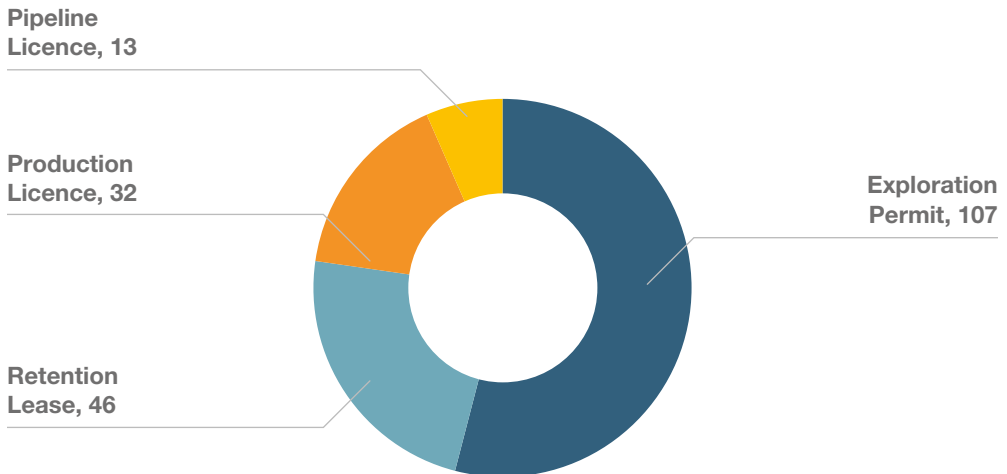


Figure 13: Dealings received in 2018-19 by title type

In 2018-19, there were 381 decisions (2017-18: 407) made in relation to applications for offshore petroleum titles. NOPTA provided advice to the Joint

Authority for decisions on 170 applications and the Titles Administrator made 211 decisions (Table 2 and Figure 14).

Table 2: Decisions of the Joint Authority and the Titles Administrator by jurisdiction

	Jurisdiction								Total
	WA	SA	NT	VIC	AC*	NSW	QLD	TAS*	
Joint Authority	110	6	8	19	19	0	2	6	170
Titles Administrator	158	0	16	12	14	1	0	10	211
Total	268	6	24	31	33	1	2	16	381

**AC = Ashmore Cartier. JA comprises only the Commonwealth Minister
Tasmania has opted out of JA arrangements and the Commonwealth Minister is the decision-maker*

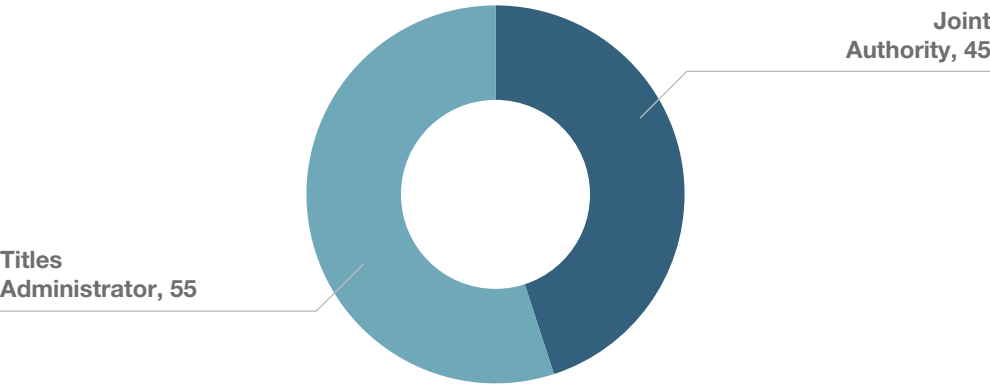


Figure 14: 2018-19 Decisions of the Joint Authority and Titles Administrator (percentage)

Data management

The Titles Administrator has responsibility for the submission and release of documentary information and petroleum mining samples (petroleum data), in accordance with Part 7 and Part 8 of the Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011 (RMA Regulations).

The National Offshore Petroleum Information Management System (NOPIMS) provides access to downloadable publicly released well and survey data held by the National Offshore Petroleum Data and Core Repository (NOPDCR).

In 2018-19 through NOPIMS



103 well activities released



63 survey data activities released



6,300 stakeholders downloaded more than 65,000 well, survey or reprocessed data items

As shown in Table 3, due to the confidentiality periods applied to submission of data to NOPTA, data submissions timeframes lag industry activity. This means that although the number of submissions in 2018-19 is down, reflecting lower activity

levels over the last two years, the number of data items released has remains relatively high (reflecting industry submissions two, three and five years ago and depending on the specified confidentiality period).

Table 3: Regulatory submissions and data releases

	2016-17	2017-18	2018-19
Total Regulatory Submissions (items)	939	803	770
Total Data Releases (activities)	303	191	166

Analyse

Resource stewardship

Resource stewardship remains a major component of NOPTA's work. Frequent engagements with titleholders provides valuable information at both local and regional scales, and through all stages of the resource maturation cycle. This broad perspective informs our advice on optimum long-term recovery across all of Australia's offshore basins.

NOPTA uses the information provided by titleholders to assess various aspects of reservoir, field and facilities performance.

During 2018-19 NOPTA has collated a range of data provided by titleholders to enable comparative assessment and benchmarking of overall industry performance in key areas. This work is expected to contribute to industry efforts to increase overall recovery, lower costs and increase production efficiency, as well as promote industry collaboration, especially with regard to infrastructure utilisation.

NOPTA continues to collaboratively engage with titleholders regarding the production performance of existing offshore projects. The annual technical review process provides an opportunity to assess performance against expectations and discuss optimum field management options. This engagement allows titleholders to discuss operational performance and future resource maturation plans with NOPTA.

Compliance

NOPTA monitors titleholders' performance against their legislative obligations.

In 2018-19, NOPTA reviewed 317 annual titleholder assessment reports (ATARs) for completeness against the legislative regime. NOPTA uses these reports to:

- monitor titleholder compliance against their work program;
- gain insight into work that is going to be completed in the next year, including prospects leads, resources and reserves; and
- understand the results of surveys, wells and studies.

During this period, NOPTA also monitored 72 special conditions³ and Joint Authority expectations⁴.

³ A special condition is a unique condition on a title, further to the work program. It could be a condition attached to the grant or renewal of a title, the acceptance of a field development plan, or other approval. If a condition is not complied with, this may lead to compliance action in relation to the title.

⁴ The Joint Authority may also put an expectation on the approval of an application relating to a title, which it may consider in future decision making.

Influence

Commerciality reviews

NOPTA has continued to progress the North West Shelf (NWS) Commerciality Review (commenced in 2017) and commenced the South East Australia (SEA) Commerciality Review (commenced in 2018).

NOPTA completed its report on the NWS Commerciality Review and provided this to the Joint Authority in March 2018 and is being regularly updated on the progress of titleholders towards development, with the most recent update in July 2019. Two of the resources considered by the NWS Commerciality Review are being actively progressed towards development, with the Browse titleholders seeking to develop the resource through the existing NWS infrastructure and the Scarborough titleholders considering an expansion of Pluto LNG facility to support a development. Final investment decisions are expected during 2020 and NOPTA continues to engage with titleholders on progress towards development.

The SEA Commerciality Review commenced in August 2018 to consider the commercial viability of developing natural gas resources within eight retention leases in Victorian and Tasmanian offshore waters administered by the Commonwealth. The review will also consider the potential of all discovered and undiscovered natural gas resources contained within existing production licences in that area. NOPTA has received submissions from titleholders and third parties in relation to the commercial viability of resources and will be providing advice to the responsible Joint Authorities on the commercial viability of the eight retention leases in the third quarter of 2019.



IV. Continuous Improvement

NOPTA is committed to continuous improvement and has been undertaking a program of work to enhance our ability to analyse, influence and regulate.

Guidance

Key activities have included the publication of:

- the updated Offshore Petroleum Exploration Guideline: Work-bid effective July 2019⁵
- the Signatures fact sheet to provide guidance on the execution of NOPTA forms and prescribed instruments
- updated application forms to provide greater clarity on the submission requirements and the additional information NOPTA requires to undertake application assessments

- the Developing a Petroleum Resource fact sheet to assist stakeholders to understand the process of moving from the exploration or appraisal phase to development, including the various approvals required before commencing production

NOPTA also completed the first stage of a comprehensive review and update of internal processes and procedures in relation to NOPTA's requirements under the OPGGS Act and *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Collaboration and engagement

During 2018-19 NOPTA participated in several cross-agency forums or events to discuss current and emerging issues, share ideas and implement improvement strategies in line with leading practice. These included:

- a skills exchange program with the United Kingdom's Oil and Gas Authority (OGA) and the Norwegian Petroleum Directorate (NPD) focussed on best practice and innovation in resource management, data management and industry engagement
- the International Regulators Forum
- the Council of Australian Governments Energy Council, Upstream Petroleum Resources Working Group
- the Professional Petroleum Data Management, Regulatory Data Standards Committee
- collaborating with Geoscience Australia and WA Department of Mines, Industry Regulation and Safety on the operation of the NOPDCR; and on an improvement program for NOPIMS, and
- working closely with the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) on decommissioning matters associated with offshore oil and gas activities with a view to streamlining processes under the current offshore petroleum regime

⁵ See <https://www.nopta.gov.au/guidelines-and-factsheets/offshore-petroleum-guidelines.html>

The International Upstream Forum (IUF)

Australia, through NOPTA, is a member country of the IUF. The forum is a collective of offshore oil and gas regulators with a focus on exploration, data management, resource stewardship and development.

Prior to its Annual General Meeting (AGM), the Forum members engage on a working party basis to develop themes and establish the context for discussions and actions on matters of mutual interest. This process takes approximately five months in the lead up to the AGM. It requires a significant level of participation and commitment from each group covering legal, engineering, geoscience and administration disciplines.

The AGM for 2018-19 was held in Dublin, the Republic of Ireland and was attended by more than 30 delegates representing 12 jurisdictions. The key themes discussed were in resource stewardship and

maximising economic recovery, late life asset transfers, decommissioning and advances in data management.

We regulate an industry that operates with a global focus. It is crucial that Australia, where the maturation in our developments is not as advanced as in other jurisdictions, remain closely engaged with our international counterparts. The IUF provides us with an ideal setting to gain a deep understanding of the threats and opportunities to our regulatory regime. The North Sea, in particular, provides valuable insights for Australia (Figure 15).

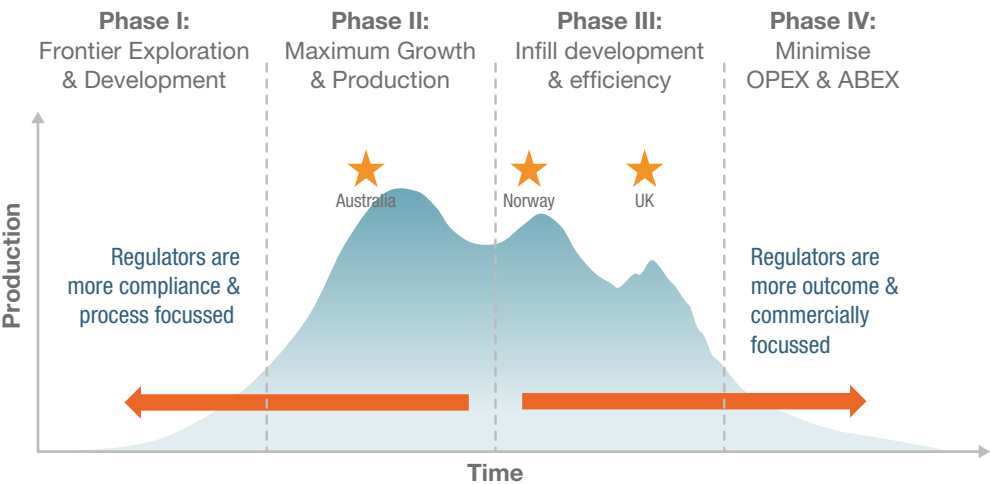


Figure 15: Industry and regulator maturation over time

Technology and enhancements

NOPIMS

During 2018-19, NOPIMS continued to play a key role in providing the industry with easily accessible, high quality offshore petroleum data. Over this period, the online NOPIMS data collection was extended to include a larger range of reports and digital data for direct download.

Moving forward, NOPTA will continue to work with Geoscience Australia and WA Department of Mines, Industry Regulation and Safety to improve NOPIMS in the following areas:

- notification of pending submissions and associated compliance information
- enhanced external user search capabilities
- graphical display of submission compliance and data by depth

As part of our ongoing commitment to continual improvement and improved regulatory outcomes, NOPTA has commenced a project to benchmark the timeliness, completeness and usability of all well and survey data and samples submitted since 1 January 2016. The results will inform future discussions with stakeholders on data submission issues.

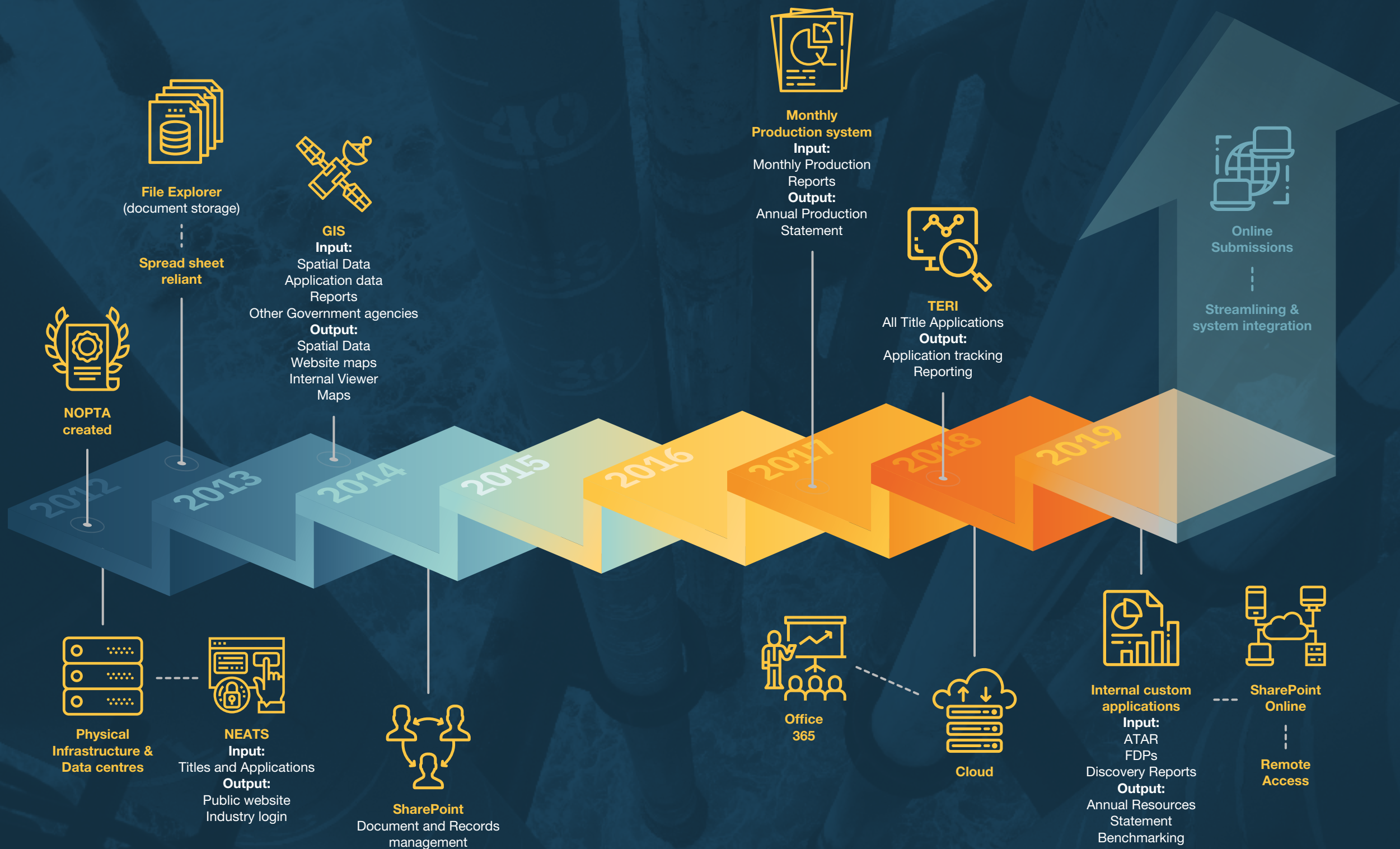
Information, communication and technology (ICT)

NOPTA's investment in technology is aimed at embracing digital solutions to improve efficiency, streamlining our processes, making it easier for stakeholders to engage, and supporting our compliance activities.

In 2019, NOPTA completed the transition of its ICT systems to an Azure cloud-based environment. This has provided NOPTA a true national reach via related cloud technologies and has positioned us well for further systems integration and a move to online submissions to streamline titleholder interactions with NOPTA.

NOPTA also continued the integration of our internal databases and systems that are used to collect, aggregate, analyse and report data to improve monitoring of Australia's offshore petroleum resources.

The NOPTA ICT journey



The background image is a blue-tinted photograph of an offshore oil rig and a supply ship. The rig is a complex structure of steel beams and platforms, with a large crane arm extending from the top left. The supply ship, named 'CALLINA', is positioned in the foreground, partially obscured by the rig's structure. The ship has a white hull and a dark superstructure. The overall scene is set against a dark blue sky and sea.

V. Financials

Cost Recovery

NOPTA operates on a full cost-recovery basis from industry levies and fees in accordance with the Australian Government Cost Recovery Policy and the requirements of the PGPA Act.

NOPTA's cost recovery charges comprise an annual levy imposed on different types of titles (permits, leases and licences) and fees charged on applications made to the

Titles Administrator relating to offshore petroleum titles. The NOPTA Schedule of Fees sets out the fees and levies that apply from 1 July 2016⁶.

Cost recovery levy

The Annual Titles Administration Levy makes up the majority of NOPTA's revenue (approximately 84 per cent in 2018-19).

There were 388 titles in force during 2018-19 that contributed to the annual levy total of \$15.1 million (Table 4).

Table 4: Annual Titles Administration Levy received in 2018-19

Title Type	No. of Titles	No. of Blocks	Length Km	Levy Rate	Levy Amount
Exploration Permit	128	NA	NA	\$10,000/title	\$1,280,000
Refunds of Surrendered Exploration Permits	-11	NA	NA	\$10,000/title	-\$110,000
Exploration Permit Renewals (Part Year)	6	NA	NA	\$10,000/title	\$28,438
Refunds of Expired Exploration Permits	NA	NA	NA	\$10,000/title	-\$22,521
Greenhouse Gas Assessment Permit	3	NA	NA	\$10,000/title	\$30,000
Greenhouse Gas Assessment Permit Renewals (Part Year)	1	NA	NA	\$10,000/title	\$15,315
Infrastructure Licence	3	NA	NA	\$25,000/title	\$75,000
Pipeline Licence	75	NA	4131	\$100/km	\$413,100
Production Licence	89	296	NA	\$20,000/block	\$5,920,000
Production Licence Renewals (Part Year)	2	6	NA	\$20,000/block	\$49,315
Retention Lease	91	368	NA	\$20,000/block	\$7,360,000
Retention Lease Renewals (Part Year)	1	1	NA	\$20,000/block	\$12,493
Annual Levy	388				\$15,051,141

⁶ See: <https://www.nopta.gov.au/cost-recovery-and-fees.html>

Cost recovery fees

NOPTA received 384 applications in 2018-19 that attracted a fee, generating

revenue of \$2.9 million or approximately 16 per cent of NOPTA's total income (Table 5).

Table 5: Application Fees received in 2018-19

Application Type	No. of Applications	Fee	Fee Amount
Work-bid Exploration Permit	23	\$7,500	\$172,500
Cash-bid Exploration Permit	8	\$7,500	\$60,000
Renewal Exploration Permit	3	\$7,500	\$22,500
Petroleum Retention Lease	5	\$7,500	\$37,500
Renewal Retention Lease	5	\$7,500	\$37,500
Production Licence	3	\$7,500	\$22,500
Renewal Production Licence	1	\$7,500	\$7,500
Pipeline Licence	1	\$7,500	\$7,500
Variation Pipeline Licence	4	\$7,500	\$30,000
Special Prospecting Authority	3	\$7,500	\$22,500
Transfer	41	\$7,500	\$307,500
Dealing	198	\$7,500	\$1,485,000
Access Authority	5	\$7,500	\$37,500
Suspension and extension; variation; exemption (per title)	62	\$7,500	\$465,000
Declaration of Location	3	\$7,500	\$22,500
Surrender	12	\$7,500	\$90,000
Acceptance of a FDP	1	\$7,500	\$7,500
Variation FDP	2	\$7,500	\$15,000
Rate of Recovery	4	\$7,500	\$30,000
Application Fees	384		\$2,880,000

Cost effectiveness

NOPTA is committed to maintaining its low-cost delivery of services.

In accordance with section 695E of the OPGGS Act, the Titles Administrator is assisted by APS employees in the department who are made available for the purpose by the Secretary.

As a Branch within the department the Titles Administrator uses the governance structure and a range of related services provided by the department to support its functions. This includes access to corporate support services, human resource management, finance policy

and systems, procurement, contract and legal services.

To make sure NOPTA remains fully cost recovered any costs incurred by the department are reimbursed. In 2018-19, the department recouped \$660,753 for costs, which represented approximately 3.6 per cent of NOPTA's total expenditure. These costs related to the workers' compensation and other insurances covered by the department as well as charges directly attributable to NOPTA.

NOPTA's financial result

NOPTA operates a Special Account under the PGPA Act. The balance of the Special Account was \$3.2 million at 30 June 2019. Table 6 outlines NOPTA's financial performance for 2018-19 compared to 2017-18.

NOPTA's total operating expenditure since our establishment in 2012 is \$100 million (Table 7).

Table 6: NOPTA's 2018-19 financial result compared to 2017-18

Income Statement	2018-19 \$'000	2017-18 \$'000
Revenue - Cost Recovery		
Levies	15,051	15,115
Application Fees	2,880	2,567
Other	55	18
Total Revenue	17,986	17,700
Expenses		
Employee Benefits	6,888	6,597
Suppliers	5,684	3,866
NOPDCR*	1,707	1,902
Systems including NEATS maintenance	2,220	1,936
Depreciation and Amortisation	2,049	1,245
Total Expenses	18,548	15,546
Surplus / (deficit)	(562)	2,154

* Excludes NOPDIP payments and in 2018-19 excludes NOPIMS

Table 7: Summary of financial performance and estimates

	2011-12 Actual \$'000	2012-13 Actual \$'000	2013-14 Actual \$'000	2014-15 Actual \$'000	2015-16 Actual \$'000	2016-17 Actual \$'000	2017-18 Actual \$'000	2018-19 Actual \$'000	2019-20 Estimate \$'000
Expenses	4,046	8,003	10,067	12,405	14,591	16,746	15,546	18,548	17,500
Revenue	2,848	9,737	11,438	10,377	10,687	17,453	17,700	17,986	17,500
Balance	(1,198)	1,734	1,371	(2,028)	(3,904)	707	2,154	(562)	0
Cumulative Balance	(1,198)	536	1,907	(121)	(4,025)	(3,318)	(1,164)	(1,726)	(1,726)



VI. Outlook

On 1 January 2020 NOPTA will release a new strategic plan.
The strategic plan will focus on the following six priorities:

1



**Integrating data
and technology**

2



**Resource
Management**

3



**Collaboration and
Engagement**

4



**External
Compliance**

5



**Internal
Capability**

6



**Optimising our
Performance**





Australian Government
National Offshore Petroleum
Titles Administrator

www.nopta.gov.au