

2019-20

ANNUAL REPORT of Activities



Australian Government
National Offshore Petroleum
Titles Administrator



2019–20 Annual Report of Activities

NATIONAL OFFSHORE PETROLEUM TITLES ADMINISTRATOR

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For more information about this report please contact:

Business Manager - National Offshore Petroleum
Titles Administrator, Department of Industry, Science,
Energy and Resources GPO Box 7871, Perth WA 6850

Phone: (08) 6424 5300
Email: corporate@nopta.gov.au
Web: www.nopta.gov.au



In memory of Yvette Johns (1977-2020).
Colleague and dear friend.

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I

**Introduction
to NOPTA**





TITLES ADMINISTRATOR WELCOME



As a regulator and administrator, we strive to maintain consistency and a clear, transparent approach to how we operate and engage with industry.

Since March this year, we have all lived in a world of heightened uncertainty and been forced to adapt the ways we typically operate and interact with each other. Indeed, we have altered our entire understanding of the workplace. Yet, despite these changes, our values and commitment to achieving the best possible outcomes for our stakeholders has remained steadfast. It is also apparent that industry's commitment to the same high standards remains as strong as ever.

It is usually the case that during times of economic down-turn and uncertainty our workload increases, and the current climate is no exception. I appreciate that this is also experienced, in varying ways, across the whole sector and is likely to continue whilst the COVID-19 pandemic persists. I remain buoyed, however, by the ongoing sense of optimism in industry's commitment to exploration and development activities, as well as a clear willingness to engage and impart valuable information to help better inform our approach to resource management and internal systems improvement.

In October 2019, NOPTA was issued with an updated statement of expectations by the then responsible Commonwealth Minister, Senator the Hon Matthew Canavan. The updated statement clarifies NOPTA's role in relation to late life assets, decommissioning and continuing to improve data quality, integration and access under the *Offshore Petroleum and Greenhouse Storage Act 2006* (OPGGSA). In December 2019, NOPTA responded with an updated statement of intent.

In January 2020, NOPTA published its new three-year strategic plan. The plan incorporates the updated statement of expectations and focusses on priorities aimed at supporting the effective regulation of Australia's offshore oil and gas resources through improved analysis of data and information; greater collaboration with industry; and better internal compliance activities to continually improve NOPTA's performance. I am pleased to report that despite these trying times, significant progress has been made in all our priorities. And, I am confident our stakeholders will soon see the benefits.

Internally, we maintain a strong commitment to improving our capability and ensuring a competent capacity through ongoing virtual and in-house training, and the regular engagement and collaboration with stakeholders (including our international counterparts) on matters relevant to administrative and regulatory improvements. As an outcome of our recent comprehensive examination of internal administrative arrangements, and to continually test our adherence to procedural compliance, we have introduced a new assurance review process. This is linking very well in support of our broader functions, including the testing of risk and controls under relevant plans.

In consultation with industry, we have recently commenced a range of practical initiatives designed to improve the National Electronic Approvals Tracking System (NEATS), including the redevelopment of the NEATS external website, and enhancements to the NEATS industry portal to facilitate online submissions and usability. The ongoing investment in NEATS, and our ICT systems more broadly, is critical to the achievement of efficient regulatory outcomes and reduction of risk for NOPTA and industry.

We continued to collaborate closely with National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) on decommissioning matters, and with Geoscience Australia to further

*As a regulator and administrator, we strive to maintain consistency and a **clear, transparent approach** to how we operate and engage with industry.*

develop the National Offshore Petroleum Information Management System (NOPIMS). In addition, we continue to devote resources to the development, construction, and deployment of databases to better benchmark data submissions and field production performance.

2020 also marks the eight-year anniversary of NOPTA and is the cause of our second operational review of activities under the OPGGSA. NOPTA welcomes the opportunity for the independent review and looks forward to working with the appointed consultant and the Department of Industry, Science, Energy and Resources to implement any recommendations put forth. The review is expected to be complete by the end of 2020.

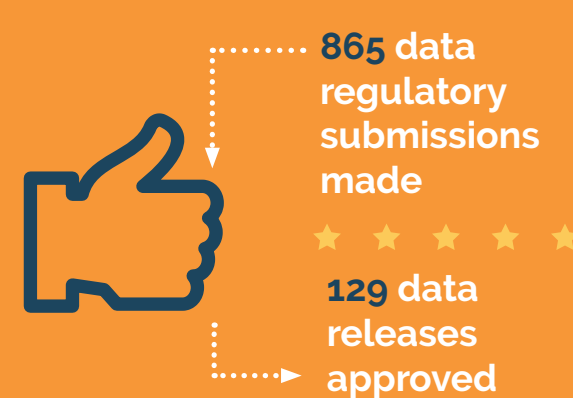
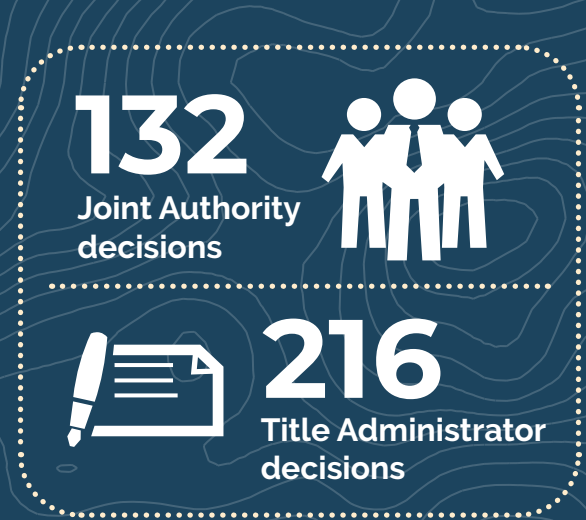
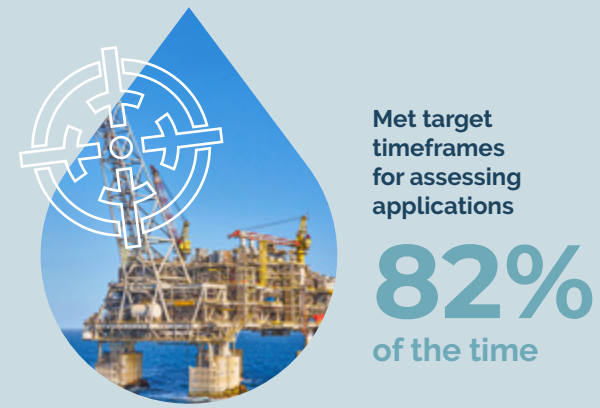
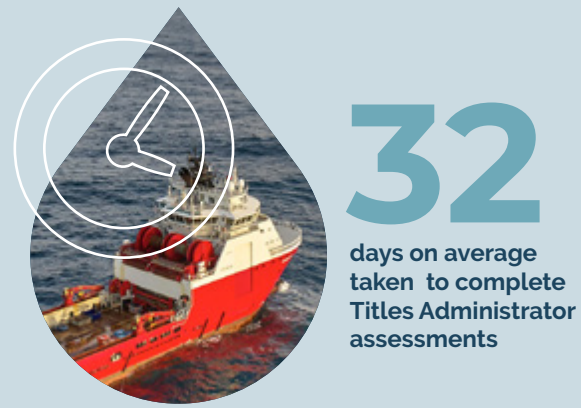
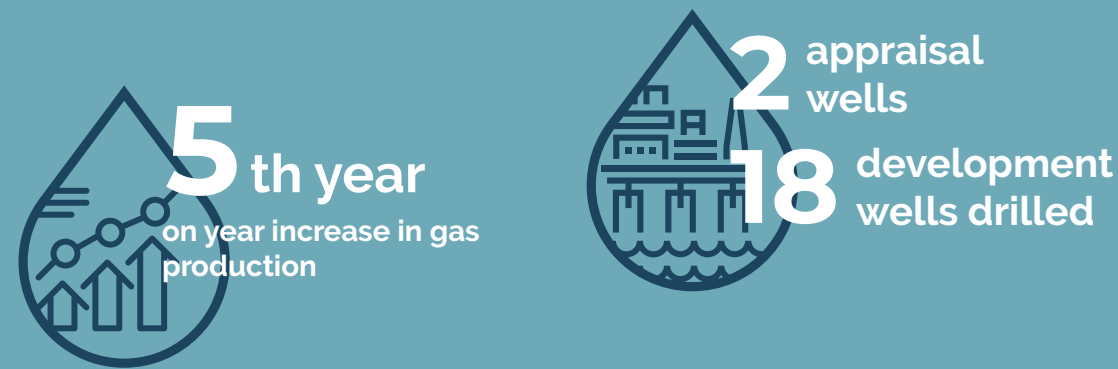
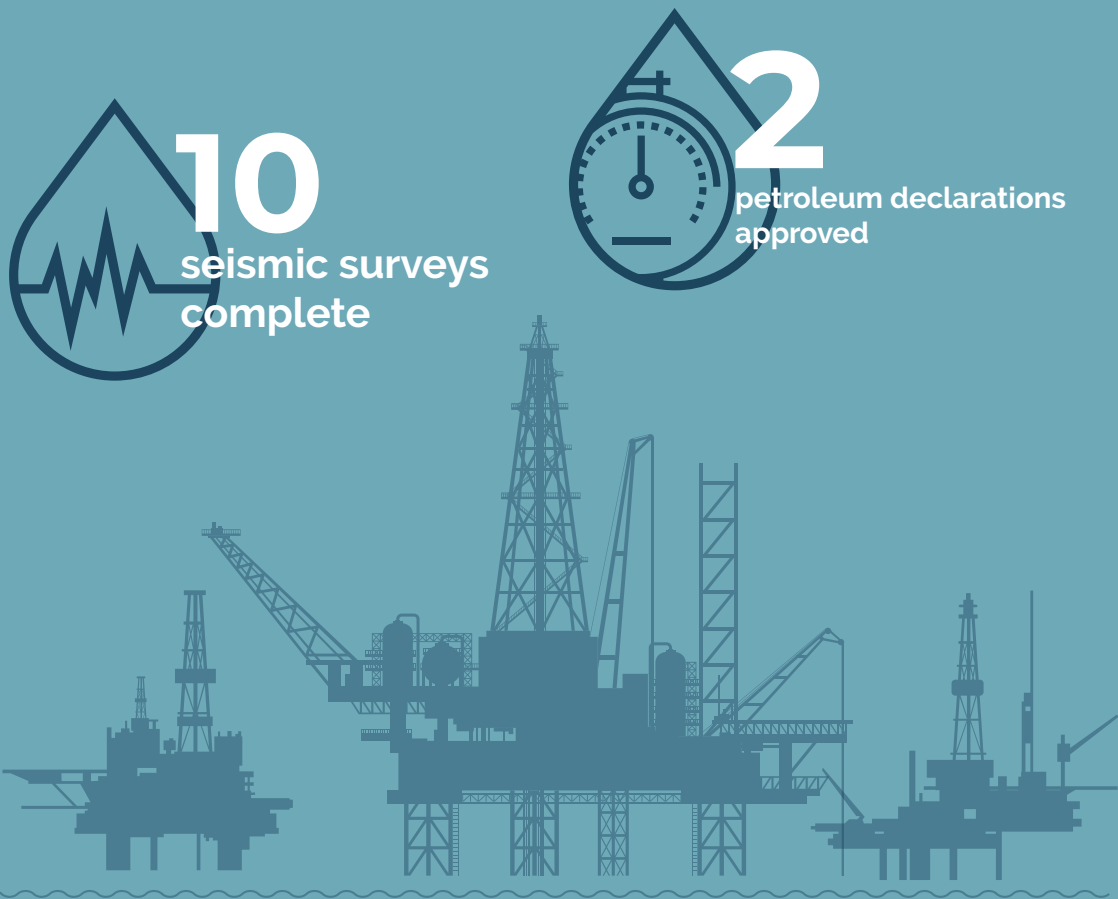
These are just snippets of some of our key achievements and activities over the past 12 months and year to come. You will find more detail in the body of this report. These processes and outcomes are the result of the ongoing commitment of our staff and the relationship we share with our stakeholders. It remains my greatest privilege to lead these wonderful people.

As you would have seen in the inside cover, in early July we were all shocked and overwhelmingly saddened by the sudden passing of our dear friend and colleague, Yvette Johns. Yvette joined the department in 2009 and transferred to NOPTA's Melbourne office in 2012, not long after our establishment. Yvette enriched and contributed so much to our team, with her bright smile and unassuming manner, we miss our dear friend greatly.



2019-20

PERFORMANCE **「SNAPSHOT」**



ABOUT US

ESTABLISHED	1 January 2012.
	NOPTA, or the Titles Administrator, is appointed under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (OPGGSA) and is part of the Department of Industry, Science, Energy and Resources (the department).
VISION	Contributing to national prosperity through administering the development of Australia's offshore oil and gas industry.
CULTURE	<p>At NOPTA we are:</p> <ul style="list-style-type: none">innovative, enthusiastic and endeavour to improve the way we workflexible, responsive and embrace change <p>NOPTA people:</p> <ul style="list-style-type: none">act with honesty and integrityare inclusive and respect the views of others <p>NOPTA is seen as:</p> <ul style="list-style-type: none">impartial, consistent and transparentapproachable, helpful and trustworthy
PURPOSE	NOPTA's purpose is to advise on and administer the OPGGSA in support of the effective regulation and management of our offshore petroleum resources, consistent with good oil field practice and optimum recovery.
ROLE	<ul style="list-style-type: none">Providing information, assessments, analysis, reports, advice and recommendations to the Joint Authorities and the 'responsible Commonwealth Minister'Granting short-term titles (petroleum access authority and petroleum special prospecting authority) and decisions on the registration of transfers and dealingsFacilitating life of title administration, including compliance monitoringManaging the collection, management and release of dataKeeping the registers of petroleum and greenhouse gas storage titlesEnsuring petroleum resource management is undertaken in accordance with the principles of good oil field practiceImplementing effective field development review and performance monitoring strategies in order to secure optimum petroleum recovery for the benefit of the Australian community.
KPIs ¹	<ul style="list-style-type: none">KPI 1: NOPTA does not unnecessarily impede the efficient operation of titleholdersKPI 2: Communication with titleholders is clear, targeted and effectiveKPI 3: Actions undertaken by NOPTA are proportionate to the regulatory risk being managedKPI 4: Compliance and monitoring approaches are streamlined and coordinatedKPI 5: NOPTA is open and transparent in its dealings with titleholdersKPI 6: NOPTA actively contributes to the continuous improvement of regulatory frameworks.

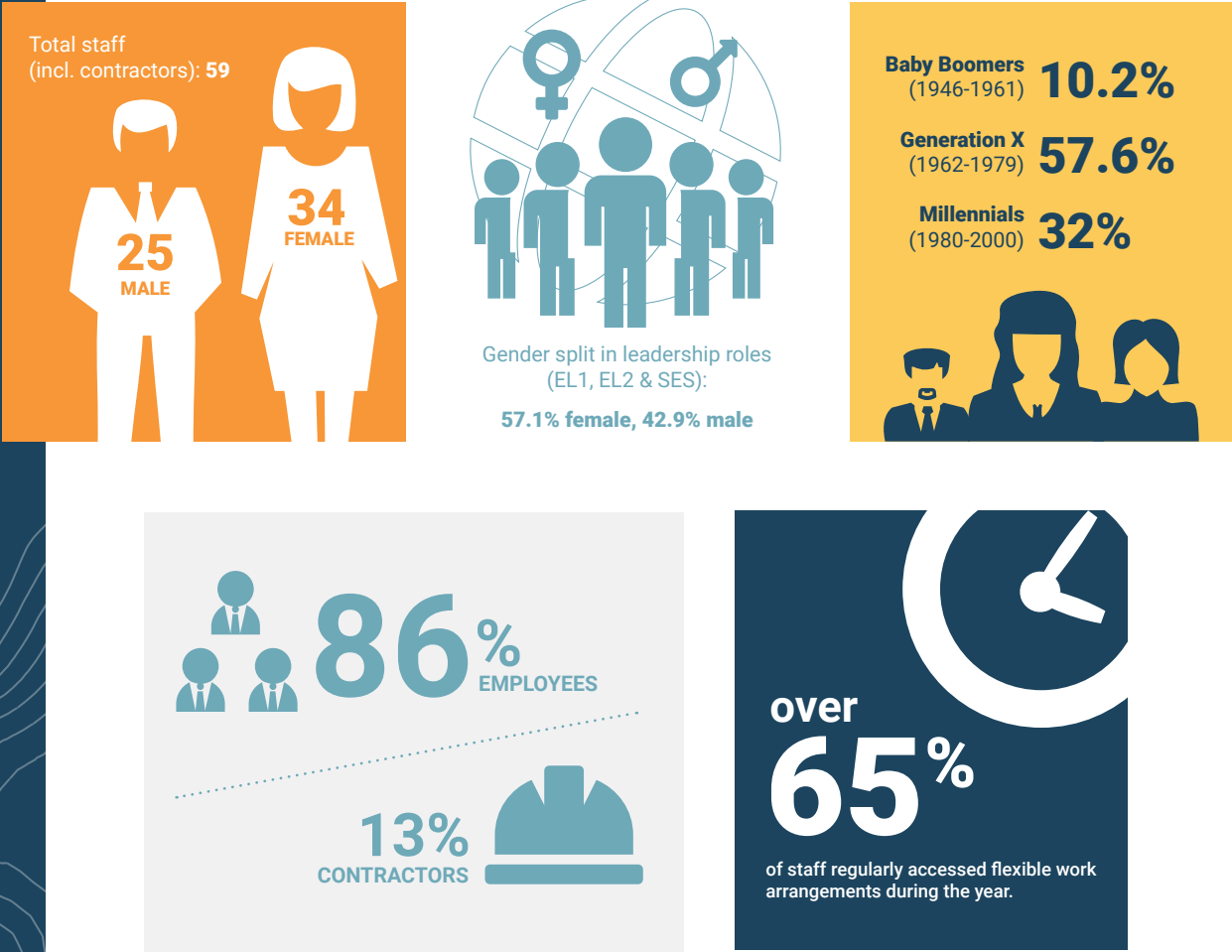
¹As set by the Australian Government's Regulator Performance Framework

HR OVERVIEW

As at 30 June 2020, NOPTA had 49.8 full time equivalent staff and 7.8 full time equivalent contractors spread across our Perth and Melbourne offices and remote workers in Brisbane and Adelaide. Our staffing numbers have remained steady since 2016 and our staff turnover is below five percent.

Consistent with APS employment principles, NOPTA employs and promotes people based on merit. Employment opportunities and promotions are advertised in the Public Service Gazette and are subject to a competitive selection process based on work-related qualities. The Department of Industry, Innovation and Science Enterprise Agreement 2019-22 (EA) came into effect on 3 December 2019, setting out terms conditions of employment including remuneration for all non-SES staff. The EA has been affected by the APS Wage Pause which defers any general pay increases within a 12-month period by six months. All NOPTA staff have access to flexible working arrangements based on the department's flexible working policies and guidance which contributes to an engaged, collaborative and high performing workforce.

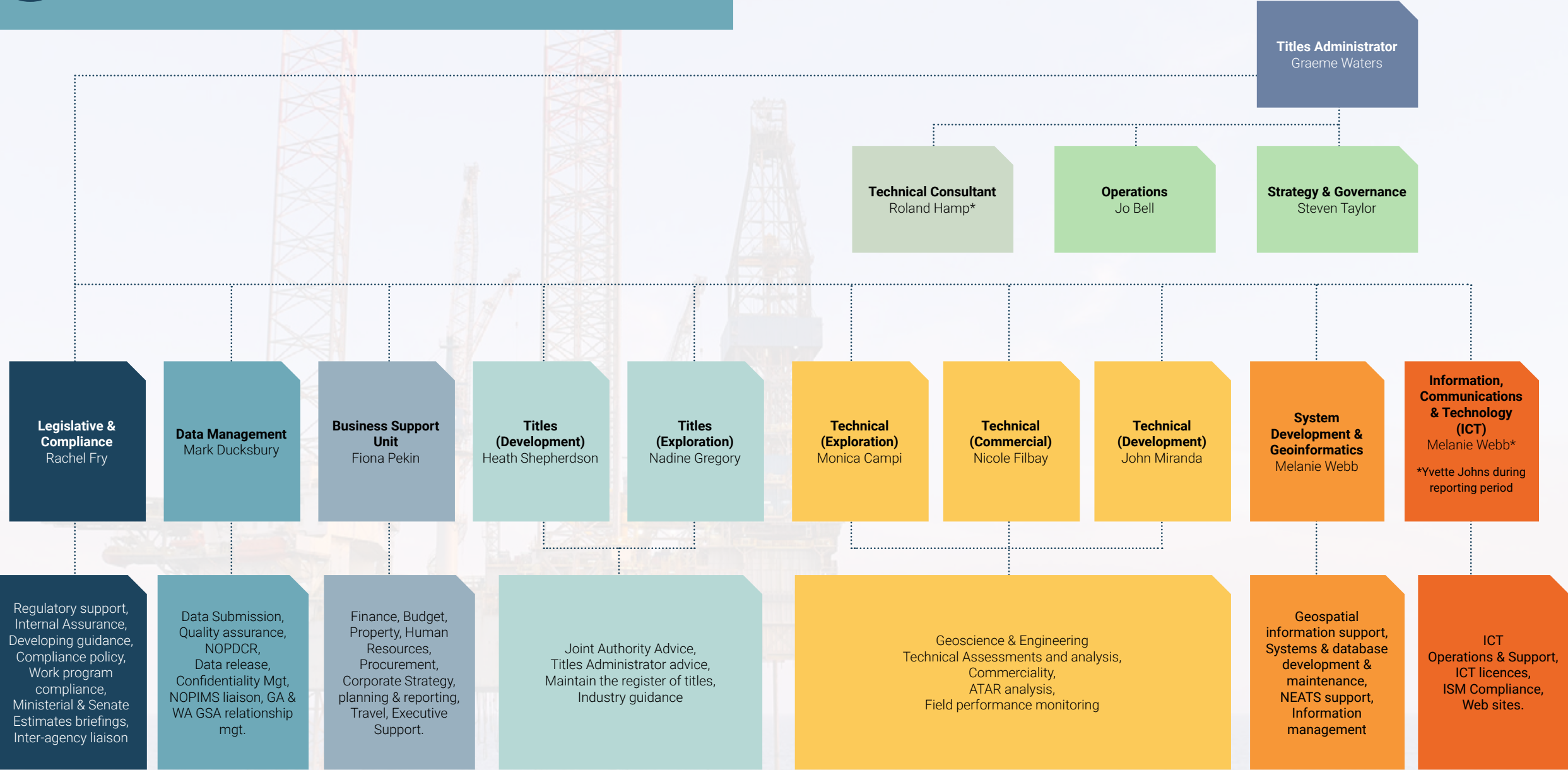
NOPTA recognises that diverse experiences and backgrounds enhance our capability to achieve our administrative and strategic goals. NOPTA promotes a culture that is inclusive and respectful of the view of others.



²From March 2020 to 30 June 2020 and beyond, all staff worked from home due to COVID-19.



NOPTA ORGANISATIONAL CHART



**Roland Hamp's contract ended with NOPTA on 15 April 2020. This was a short-term technical position within NOPTA.*

Developing our capabilities

A key underpinning of NOPTA's people strategy is the investment we make in the growth, learning and development of our people. Highlights from the past year includes:

- The development of NOPTA's Human Resources 2020-23 Strategy which includes a strong emphasis on leadership and advancing capability.
- The development and implementation of NOPTA's Learning and Development Plan 2020-23 which was adapted to include more virtual activities to maintain staff training continuity during the COVID-19 pandemic.
- An ongoing focus on risk management, with all staff attending a dedicated training workshop to increase knowledge and better understand implications for NOPTA's administrative frameworks.
- The regular facilitation of internal 'lunch and learn' sessions to better inform staff of specific operational matters and promote open and collegiate relationships between teams.

Safety and wellbeing

NOPTA is committed to protecting the health and safety of our people and visitors. In line with Commonwealth and state government directives regarding COVID-19 precautions, all staff and contractors worked from home from March 2020 to the end of the reporting period. The transition to working from home was successful due to NOPTA's existing ICT arrangements and established flexible working arrangements.

NOPTA continued to progress activities relating to its Health, Safety, Wellness and Environment (HSWE) Plan with around 30 activities successfully organised by staff.

Employee engagement

During the reporting year NOPTA's cultural values were updated to further clarify NOPTA's commitment to supporting a culture of inclusion, respect, honesty and integrity.

NOPTA's Staff Consultative Committee met monthly and team representatives provided feedback on specific work-related issues. The Committee was active in organising the lunch and learn and HSWE events and has been an important driver of workplace social initiatives more broadly.



Image provided by Cooper Energy: Ocean Monarch



Activity & insights

Image provided by Chevron: Wheatstone loading arms

Industry Activity HIGHLIGHTS

2019-20





TITLES ADMINISTRATION

Number of titles

As of 30 June 2020, there were 372 offshore petroleum titles and four greenhouse gas titles (Table 1).

Table 1: Total Number of Offshore Petroleum Titles (as at 30 June 2020)

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	10	6	29	0	40	4	89
TAS	2	4	3	0	3	0	12
SA	6	0	0	0	0	0	6
WA	73	65	56	3	29	0	226
NT	4	7	0	0	4	0	15
AC*	15	6	4	0	0	0	25
BU**	0	0	0	0	1	0	1
Total	112	88	92	3	77	4	376

* Territory of Ashmore and Cartier Islands
** *Bayu-Undan Pipeline International Offshore Area commenced on 30 August 2019 under the Timor Sea Maritime Boundaries Treaty Consequential Amendments Act 2019
*** Greenhouse gas assessment permits

Under the OPGGSA, 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

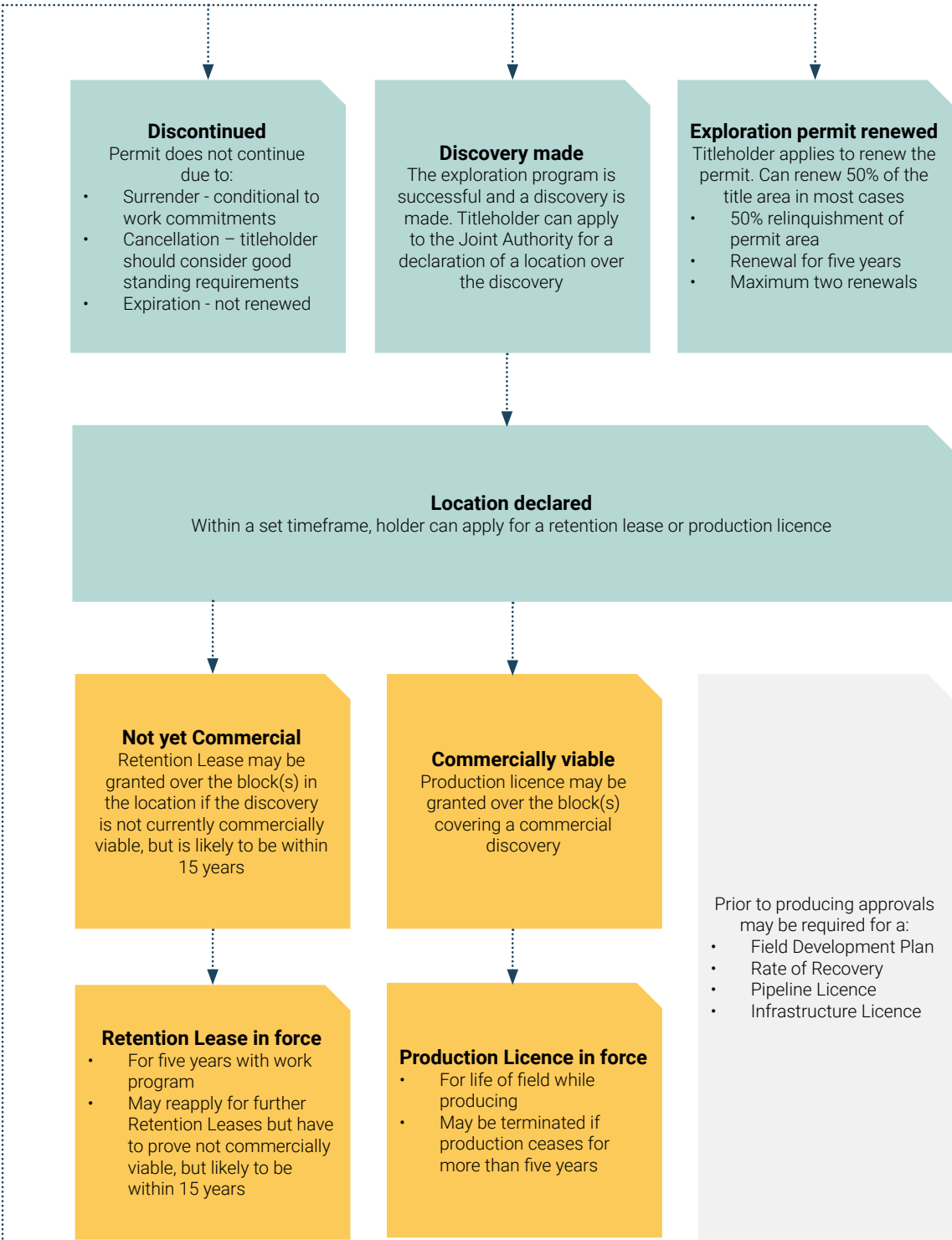
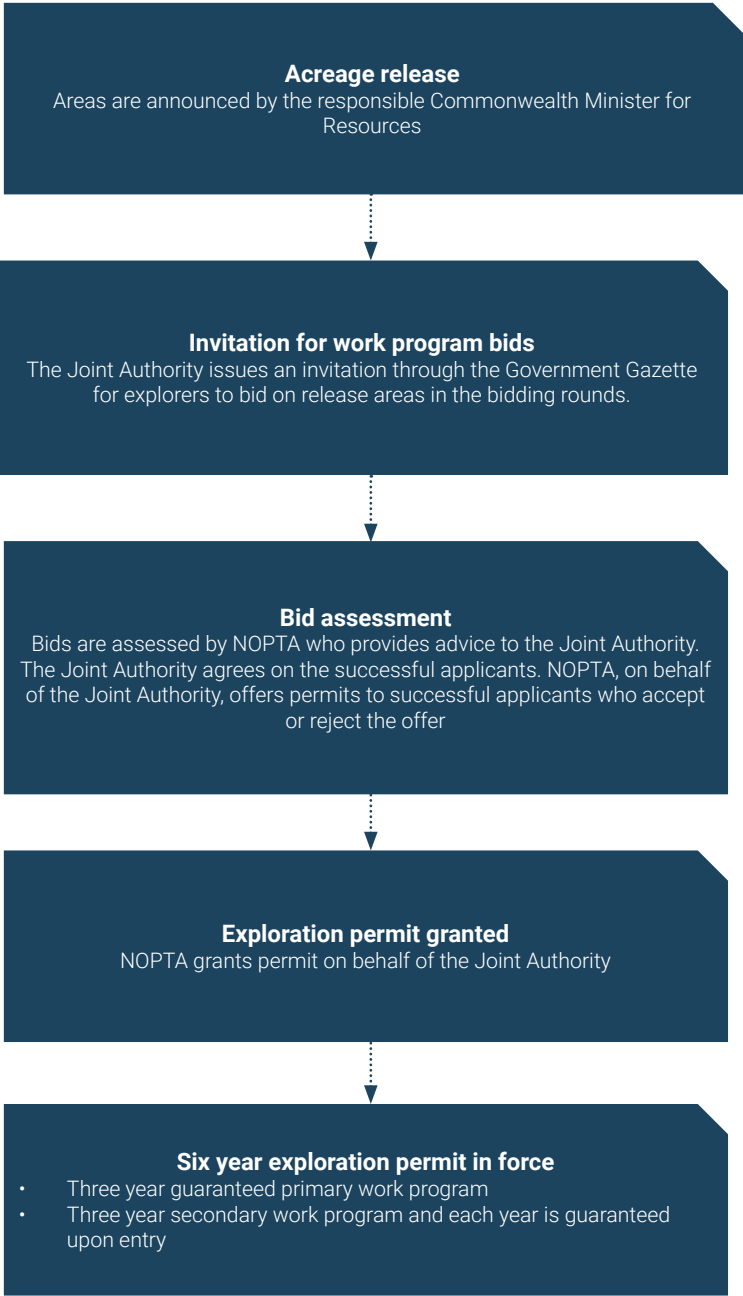




OVERVIEW OF THE OFFSHORE PETROLEUM EXPLORATION AND DEVELOPMENT FRAMEWORK

Authorities and Consents

The *Offshore Petroleum and Greenhouse Gas Storage Act 2006* allows for limited petroleum exploration operations to be undertaken under a Special Prospecting **Authority (SPA)**, **Access Authority (AA)** or **Scientific Investigation Consent (SIC)**.



Prior to producing approvals may be required for a:

- Field Development Plan
- Rate of Recovery
- Pipeline Licence
- Infrastructure Licence

Titles applications

In 2019-20, NOPTA received 375 offshore petroleum titles related applications (Figure 1 and Table 2) compared to 464 in 2018-19 (Figure 2). As per previous financial years, transfers and dealings made up the majority of the submitted applications. See Figures 3 and 4 for a breakdown of transfers and dealings against the title type for 2019-20.

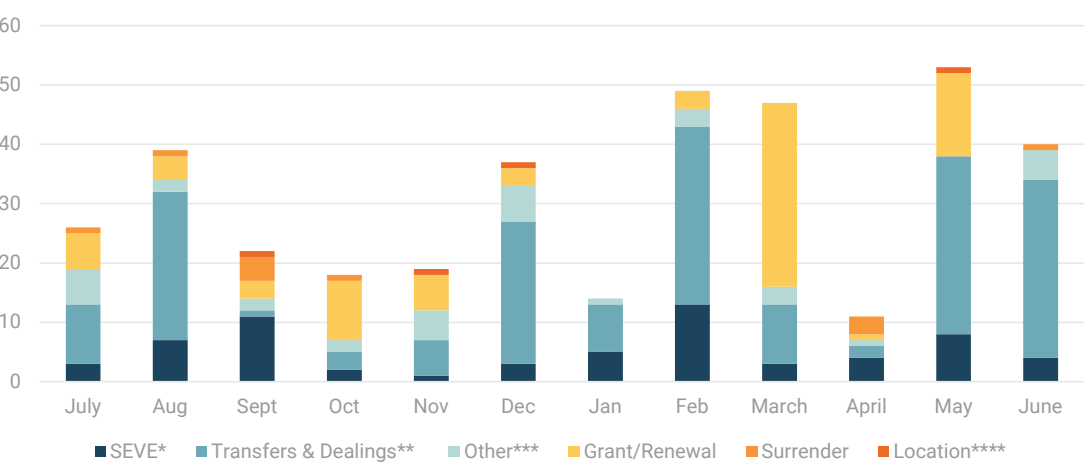


Figure 1: Applications submitted in 2019-20

*Includes suspension, extensions, variations and exemptions
** Includes change of company name
***Other: includes credit, extension renewal, rate of recovery, field development plan, cancellation
****Location: includes Declaration of Location, extension and revocation

Table 2: Applications submitted per financial year

	WA	SA	NT	VIC	AC	NSW	QLD	TAS	BU	Total
Joint Authority	92	5	6	24	23	1	1	3	1	156
Titles Administrator	128	0	22	24	12	0	0	32	1	219
Total	220	5	28	48	35	1	1	35	2	375

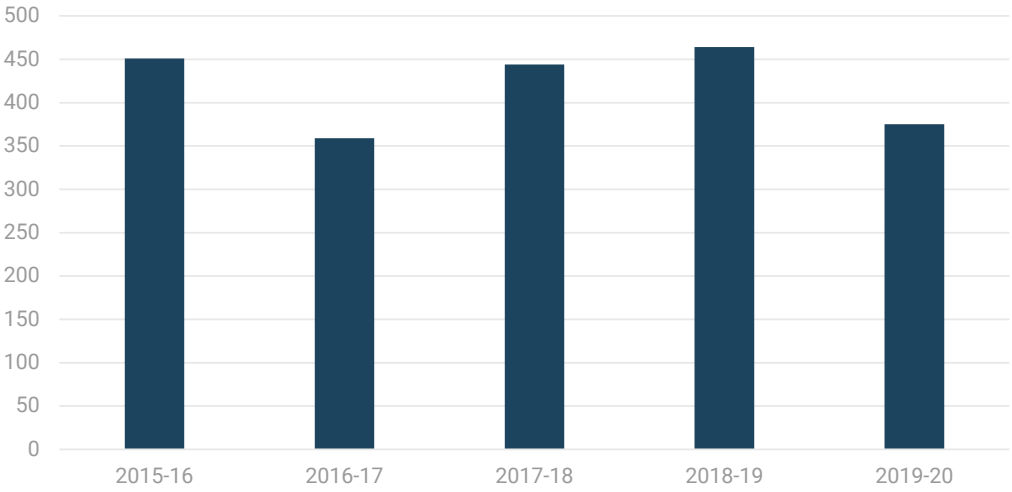


Figure 2: Applications submitted per financial year

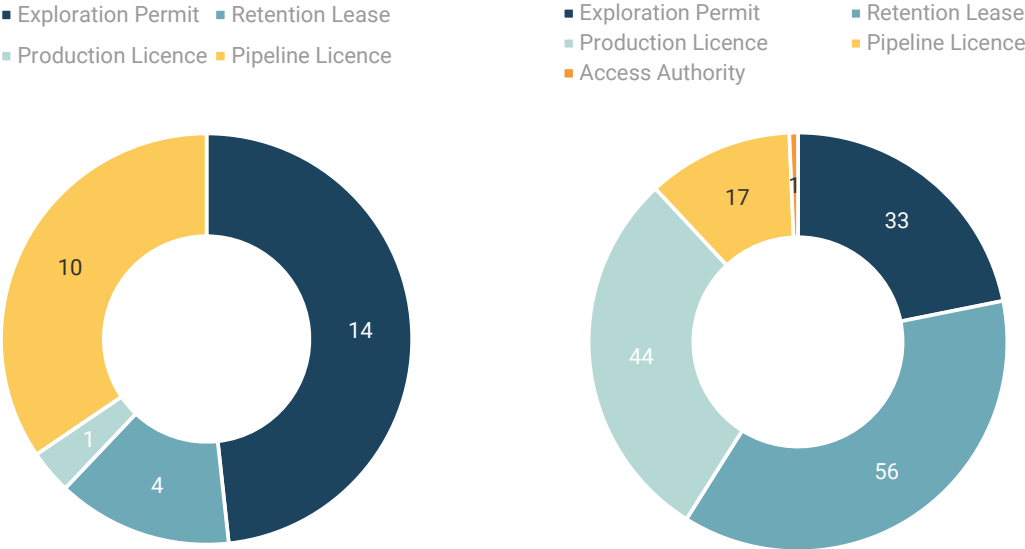


Figure 3: Transfers received in 2019-20 by title type

Figure 4: Dealings received in 2019-20 by title type

In 2019-20, there were 348 decisions made in relation to applications for offshore petroleum titles. NOPTA provided advice to the Joint Authorities in relation to 132 of those decisions. The remaining 216 were Titles Administrator decisions.

The Operating Protocols for Offshore Petroleum Joint Authorities and Supporting Institutions (2015)³ outlines the indicative timeframes for the provision of advice by NOPTA and decisions by the relevant Joint Authority. In 2019-20, NOPTA developed indicative assessment timeframes for Titles Administrator decisions (Table 3). This has enhanced NOPTA's ability to track application processing performance and implement continuous improvement measures.

³ See www.nopta.gov.au/_documents/JA-operating-protocols-july2015.pdf

Table 3: Titles Administrator related application assessment timeframes

Application Type	Indicative timeframe for assessment once all relevant information is received
Exploration Permit – credit	2 weeks
Declaration of a location – request to extend application period	2 weeks
Preliminary Field Development Plan	5 weeks
Preliminary Field Development Plan – variation	5 weeks
Pipeline Licence – alteration and repairs	2 weeks
Pipeline as-built route coordinates	3 weeks
Special Prospecting Authority (SPA)	2 weeks
Special Prospecting Authority – variation, suspension, exemption	2 weeks
Special Prospecting Authority – surrender	6 weeks
Special Prospecting Authority – cancellation	6 weeks
Access Authority (AA)	2 weeks
Access Authority – variation	2 weeks
Access Authority – variation of conditions	2 weeks
Scientific Investigation Consent (SIC)	2 weeks
Dealing	5 weeks
Transfer	5 weeks
Change of company name	2 weeks
Extension of time to lodge a renewal	2 weeks
Expiry	8 weeks

In 2018-19 NOPTA met the indicative target timeframes for assessing both Joint Authority and Titles Administrator applications 85 percent of the time (Figure 5).

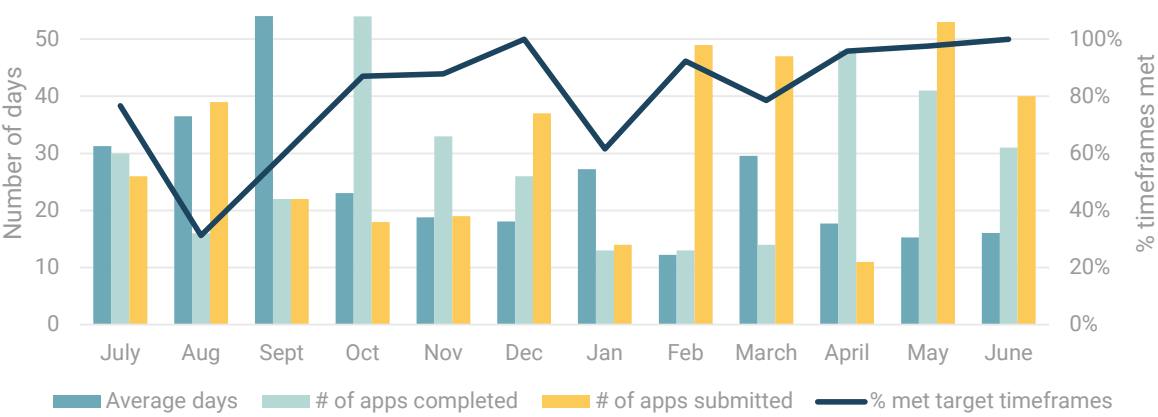


Figure 5: NOPTA Application Assessments (2019-20)

Figure 6 shows application processing performance in 2019-20 based on the major processing points for each Joint Authority related application. In the graph, screening relates to the time NOPTA spent reviewing an application to determine if further information is required. Request for further information (RFI) relates to the time the applicant spends responding to questions from NOPTA. RFI received relates to the time taken for NOPTA to review responses to the questions asked and to determine if any further information is required. Assessment relates to the total time NOPTA spends assessing an application. State/NT and Commonwealth (Cwth) relates to the amount of time taken by the decision makers to decide on an application.

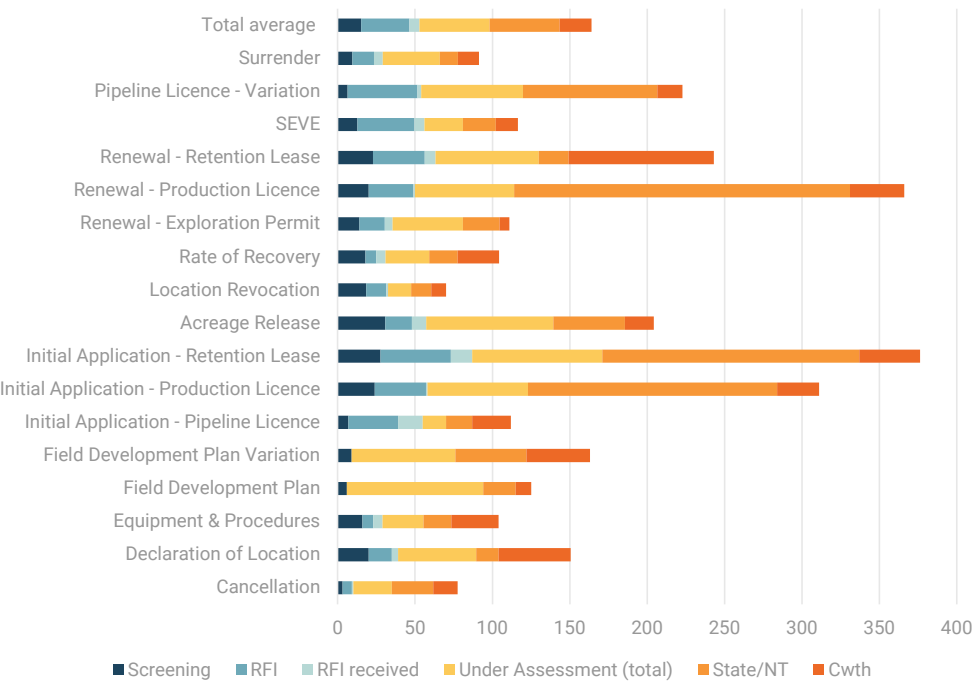


Figure 6: Completed Joint Authority Applications (2019-20) – Average days at each major stage of application processing per Joint Authority application type.

On average, 60 percent of the time is taken for application processing. The remaining 40 percent of the time is associated with decision making (figure 7).

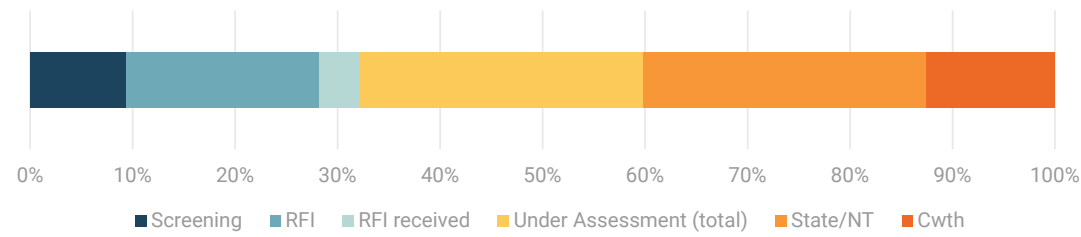


Figure 7: Completed Joint Authority Applications (2019-20) – Percentage of time spent at each major stage of application processing for Joint Authority related applications

In relation to Titles Administrator decisions, Figure 8 shows application processing performance in 2019-20 based on the major processing points for each application. NOPTA took on average 32 days to assess a Titles Administrator related application and decisions were made on average within 1 day.

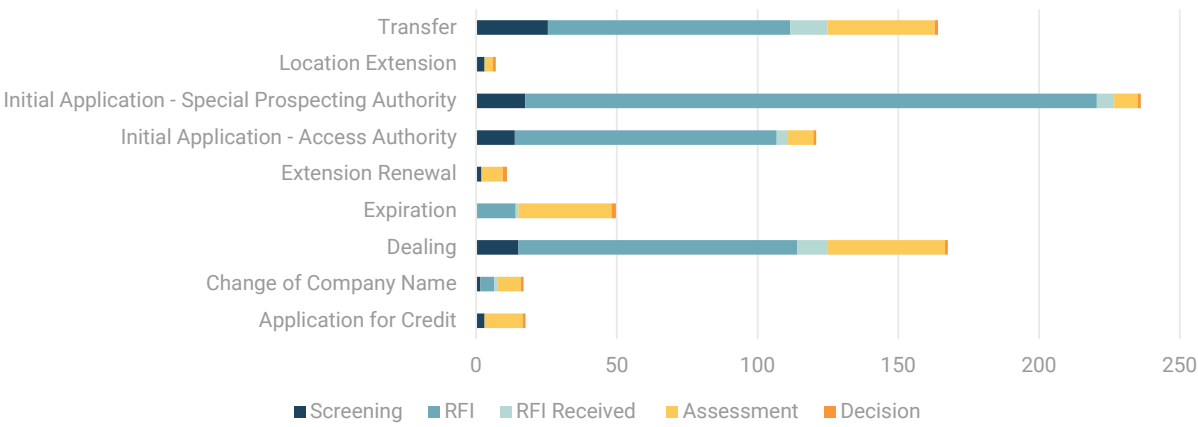


Figure 8: Completed Titles Administrator Applications (2019-20) – Average days at each major stage of application processing per Titles Administrator application type

COVID-19 Update and impacts

The COVID-19 pandemic has had widespread impacts on the economy and on the oil and gas industry. To facilitate flexibility for oil and gas explorers during the pandemic, NOPTA assisted in the development of the COVID-19 Work-bid Exploration Permits Fact Sheet⁵. Between 17 April and 30 June 2020, NOPTA has facilitated the assessment of 18 applications in accordance with this factsheet.

⁵ See: www.nopta.gov.au/_documents/fact-sheets/fact-sheet-COVID19-exploration-permits-20200416.pdf



EXPLORATION

Acreage release outcomes

2019 saw a change in the acreage release policy with the two rounds of exploration work program bidding and one round of cash bidding per year being replaced by a single round of work program bidding. The 2019 Acreage Release saw a significantly larger number of areas released, all based on nominations from industry (Figure 9). The round closed on 5 March 2020.

Interest from industry continues to increase, with 30 applications received for 21 of the 64 areas released in 2019, which is twice as many areas receiving bids than the previous year.

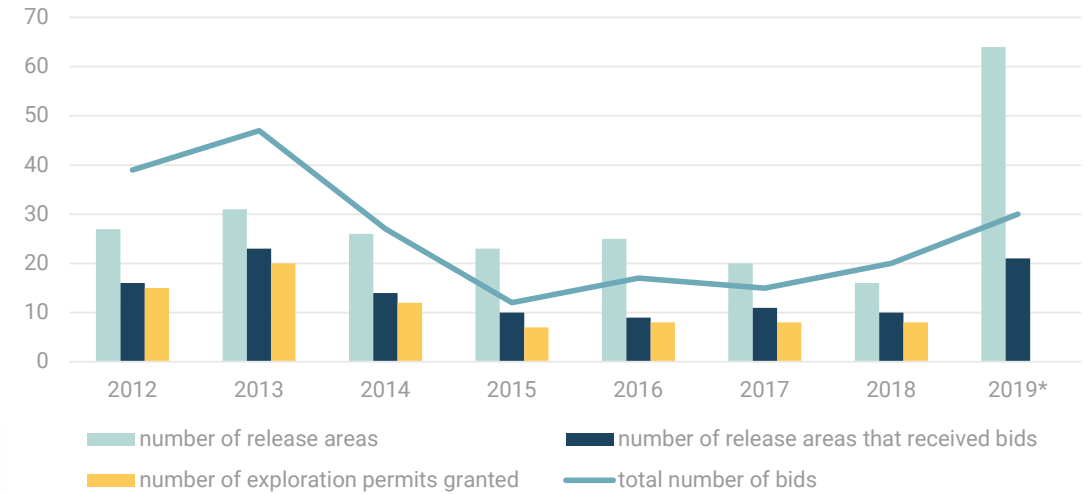


Figure 9: Acreage Release outcomes

Areas that were re-released are counted in the original year of release.
* assessments for the 2019 areas are with the Joint Authority for decision.

Seismic survey acquisition trends

There has been a substantial increase in both the number of seismic surveys and the amount of 3D seismic data acquired over the last two years, with both proprietary and multi-client surveys being completed in the 2019-20 financial year (Figures 10 and 11). Acquisition of the Gippsland Basin MC3D Seismic Survey was not complete at the end of the 2019-20 financial year, so it has been excluded from these figures.

Several large surveys were acquired in north-western Australia, including the Keraudren 3D MSS for Santos Limited over the Dorado discovery, the Factory 3D MSS for Shell Australia Pty Ltd over the region around the Bratwurst discovery, and a range of smaller 4D surveys for Woodside Energy Ltd over some of its producing fields. Two multi-client 3D seismic surveys were also acquired: the Petrelex MC3D MSS over the region around the Petrel gas field and a further phase of the Cygnus MC3D, both in the Bonaparte Basin.

Image courtesy of Shearwater GeoServices Holding AS and CGG.



Bratwurst crew, courtesy of Shell

Of note, was a substantial multi-client 2D seismic acquisition of more than 7,000 line km in the deep water Otway Basin, which will provide a substantial increase to the amount of information available for this underexplored region.

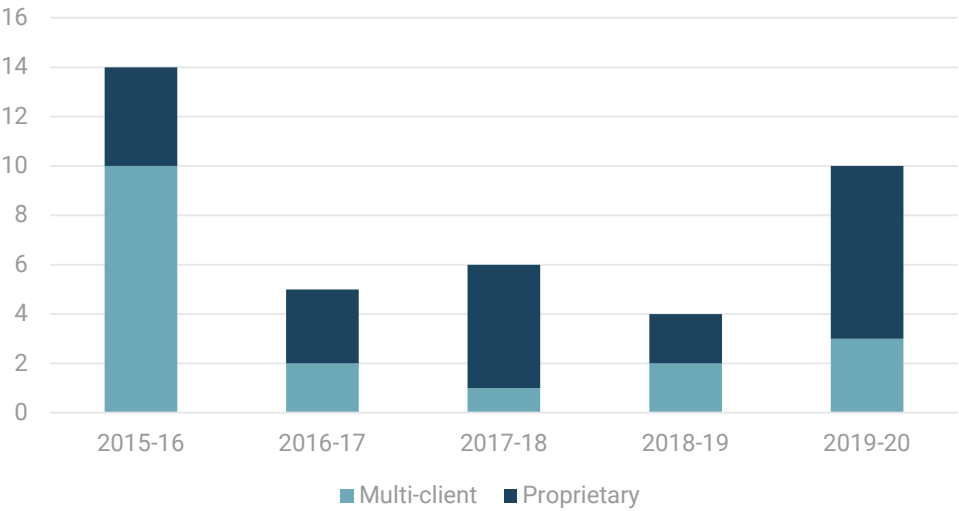


Figure 10: Number of seismic surveys completed 2015-16 to 2019-20

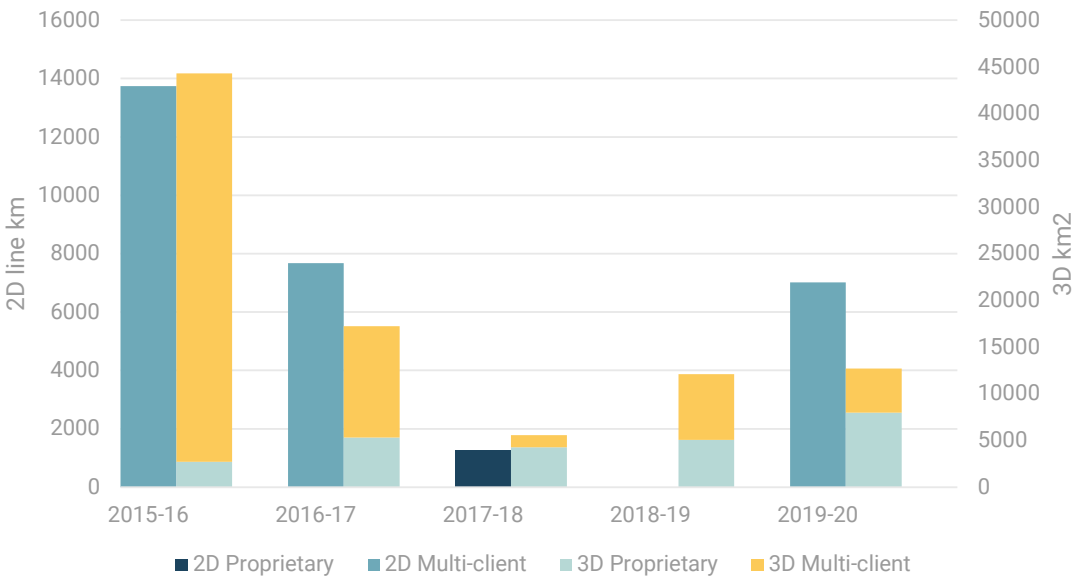


Figure 11: Amount of 2D and 3D seismic acquisition from 2015-16 to 2019-20 – proprietary vs multi-client

Exploration drilling activity

The amount of exploration drilling is still quite low, with five or fewer wells drilled each year for the past four financial years (Figure 12). Success rates remain strong, with two discoveries publicly reported from drilling in the Bonaparte and Otway basins this financial year (Figure 13).

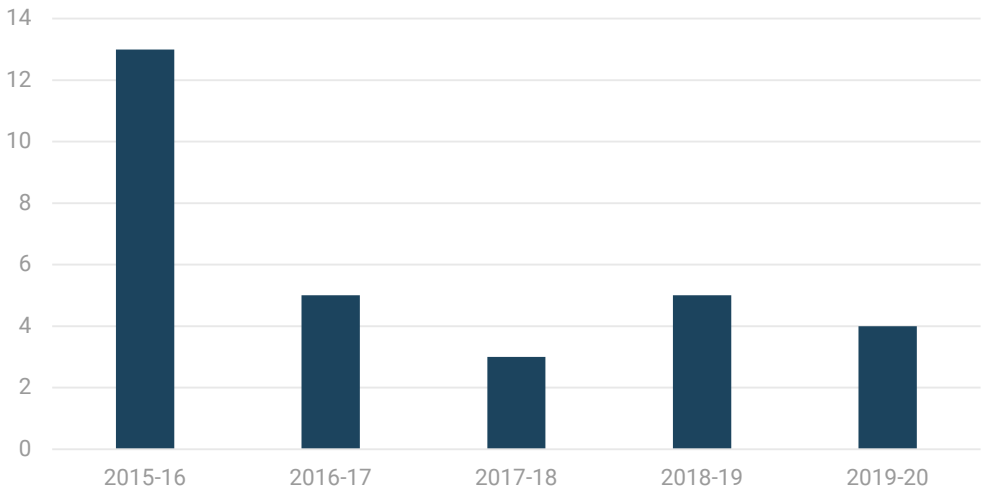


Figure 12: Exploration well activities completed 2015-16 to 2019-20

Petroleum discoveries, locations and retention lease grants

A declaration of a location provides the mechanism to apply for either a petroleum retention lease or a petroleum production licence. The application period is valid for two years, with the option for a single two year extension. Two declarations of a location were approved in the 2019-20 financial year:

- Burnside, covering seven graticular blocks within Petroleum Exploration Permit WA-281-P in the Browse Basin, and
- Ferrand, covering 12 graticular blocks within Petroleum Exploration Permit WA-404-P in the Northern Carnarvon Basin.

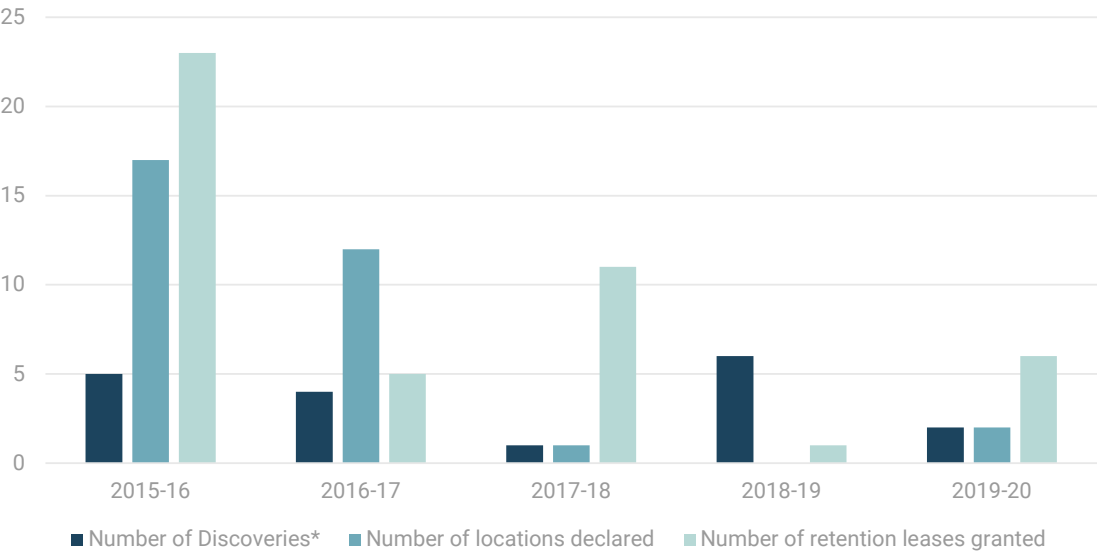


Figure 13: Discoveries*, Declaration of Location and Retention Lease grants

*the number of discoveries only reflects those that have been acknowledged through public announcements, and some discoveries have been a result of appraisal drilling


Greenhouse Gas

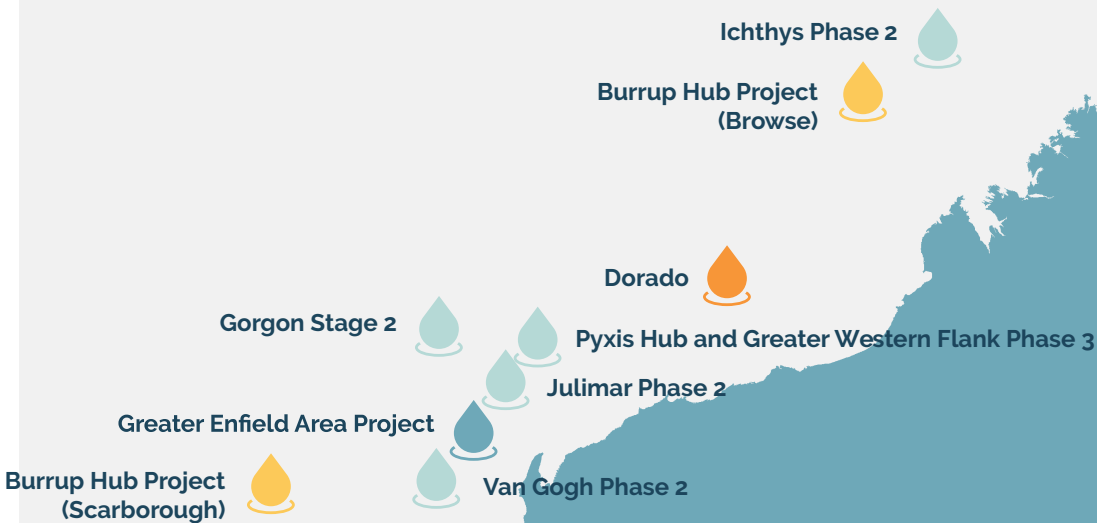
The first offshore appraisal well to evaluate a potential greenhouse gas storage formation was drilled within Greenhouse Gas Assessment Permit VIC-GIP-002 by CarbonNet (on behalf of the Crown in right of Victoria). The responsible Commonwealth Minister had approved two applications to undertake Key Greenhouse Gas Operations relating to drilling this well in 2018-19, after assessment by NOPTA.

The Noble Tom Prosser mobile drilling rig in Bass Strait. Courtesy of the CarbonNet Project.

Industry activity overview

NEW DEVELOPMENTS

 Barossa Project



*"Australia has a number of significant petroleum resource projects **progressing towards production.**"*

PROJECT MATURITY STAGES



Location of project icons is approximate.



Appraisal and development drilling activity

Significant ongoing development drilling in existing projects has continued, with two appraisal wells and 18 development wells drilled over the past 12 months (Figure 14). This includes wells to support gas production across the Browse, Northern Carnarvon and Gippsland Basins.

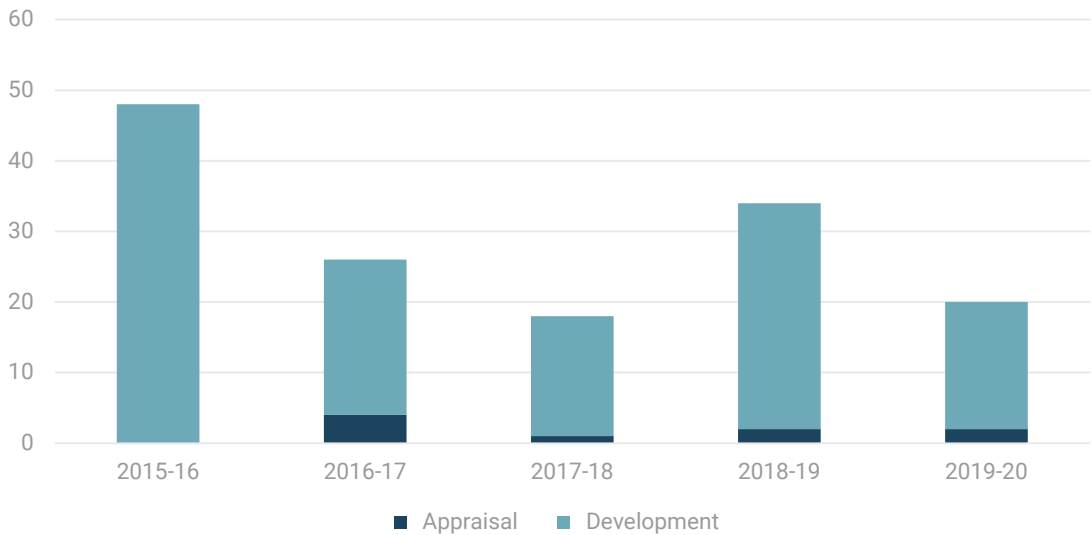


Figure 14: Appraisal and Development Wells

Developments – committed and in progress

The start-up of new projects has provided a boost to ongoing offshore production efforts. In the Gippsland Basin, production from the Sole Gas Project (Cooper Energy) commenced in March 2020, with ongoing optimisation of throughput via the Orbest gas plant. This, together with the drilling of further gas wells at West Barracouta, represent valuable ongoing contributions to supply into the southeast domestic gas market.

In the Carnarvon Basin, the start-up of Greater Enfield marked an important new chapter to existing oil production. This is in addition to recent successful infill efforts at Van Gogh, which have culminated in a further positive final investment decision (FID) for additional wells to support production. The significant gas production from the basin was further strengthened by positive FIDs for both the Pyxis Hub Project (part of the Pluto development) and Greater Western Flank-3 (Goodwyn South and Lambert Deep fields).

Despite the challenges experienced during 2020, there are positive indications for further interest in brownfield developments and the successful maturation of existing offshore contingent resources. This includes various potential tie-backs into existing projects across both the Otway and Northern Carnarvon basins.

SOLE

- 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: Operate



Cooper Energy: Ocean Monarch – Sole Project

GREATER ENFIELD AREA

- 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: Operate



Woodside: Ngujima-Yin FPSO

WEST BARRACOUTA

- Production Licence VIC/L1 and VIC/L2; granted 30/03/1967
- Area: Offshore Victoria, Gippsland Basin
- Product: Natural Gas and Oil
- Fields: Barracouta/Tarwhine/Whiptail/ Whiting/ Wirrah
- Operator: Esso Australia Resources Pty Ltd
- Stage: Execute



ExxonMobil: The Barracouta Platform in Bass Strait



Emerging Developments

Despite the significant impacts associated with COVID-19 during 2020, including several documented delays to planned FIDs in the Browse, Bonaparte and Northern Carnarvon basins, a number of developments have continued to progress through maturation stages. This includes the application for production licences associated with the Barossa Field and the Scarborough and Browse developments, as well as progress towards entry into front-end engineering design for the Dorado Project in the Bedout Sub-basin.

Late Life Resources

Several fields reached the end of economic production during the reporting period. This included the suspension of gas production from the Minerva Field in the Otway Basin after 14 years of operations and the cessation of production from the Laminaria and Corallina fields in Australia's north after 25 years.⁴ The ongoing decline in oil production from the Gippsland Basin, Australia's most mature offshore producing basin also continued.

⁴ See Independent review into the circumstances leading to the administration and liquidation of Northern Oil and Gas Australia (NOGA) - www.industry.gov.au/data-and-publications/independent-review-into-the-circumstances-leading-to-the-administration-and-liquidation-of-northern-oil-and-gas-australia-noga, published August 2020.



PRODUCTION

Total reported offshore production levels during 2019 showed an overall annual increase across all hydrocarbon types (Figure 15). Similar to 2018, total raw gas production has again increased, marking the fifth year-on-year consecutive increase. This is underpinned by ongoing production from the Northern Carnarvon Basin and increased contributions via the ramp-up of both the Ichthys and Prelude projects in the Browse Basin. This ongoing increase in gas production, particularly for projects associated with LNG exports, has also contributed to the fourth consecutive annual increase in total condensate production. The observed annual decline in total offshore oil production was offset for the first time in four years, with a slight increase compared to 2018 (however this is still below 2017 levels).

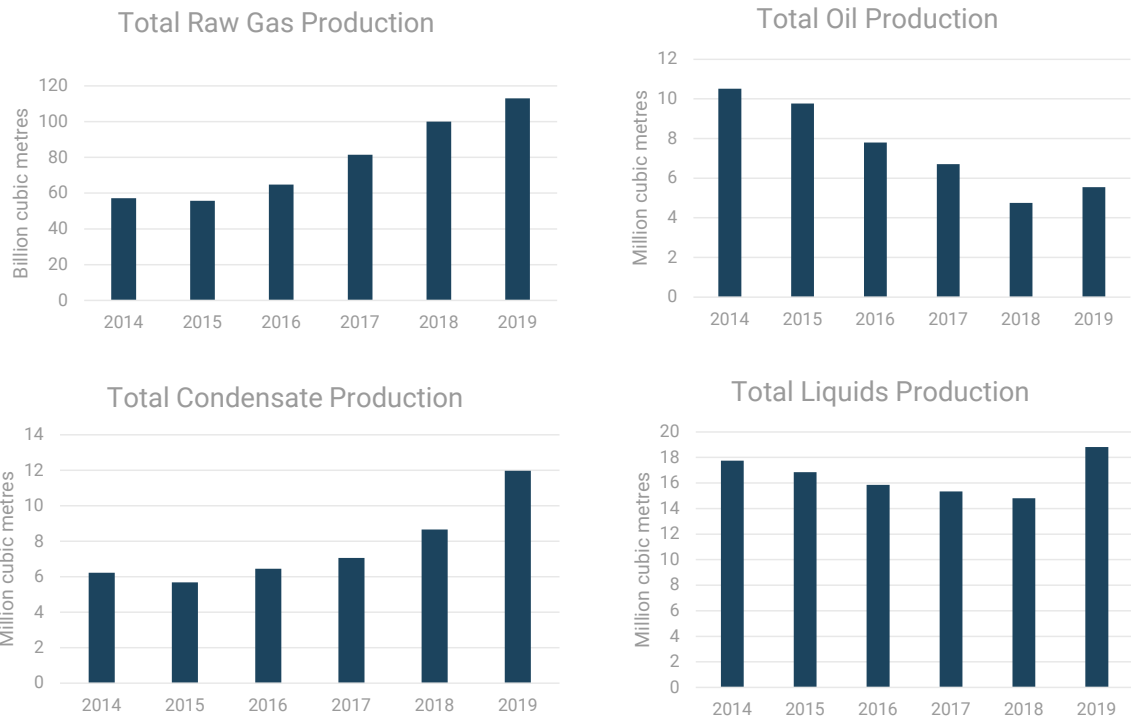


Figure 15: Production trends in offshore Australia over the last five years.

Liquids include Condensate, Natural Gas Liquids and Crude Oil

Raw gas is gas produced offshore from the full wellstream minus water content and condensate recovered from offshore facilities

As a proportion of total offshore volumes extracted, the Carnarvon Basin continues to dominate Australian offshore production (Figure 16), with over 85 percent of total gas and condensate production. This is followed by the Gippsland and Browse basins. The majority of oil production is split between the Carnarvon, Gippsland and Bonaparte basins.

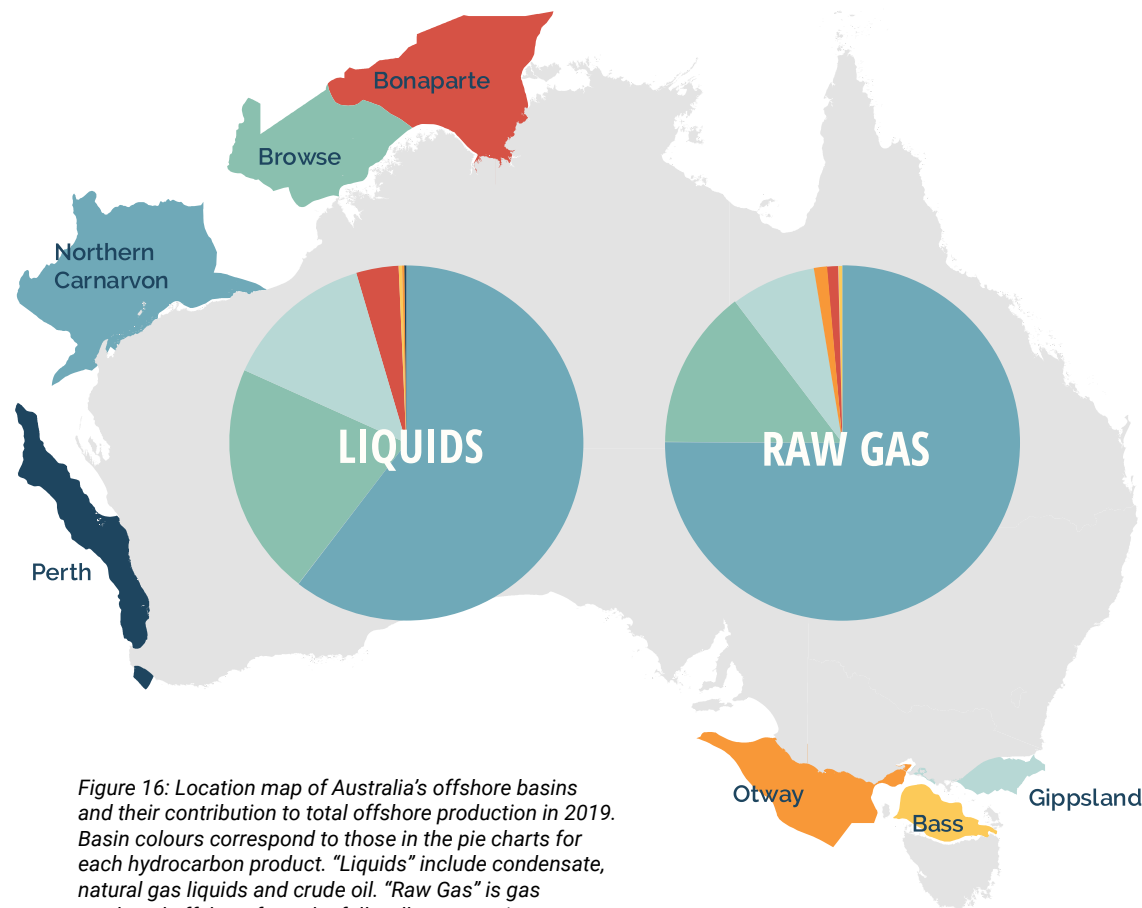


Figure 16: Location map of Australia's offshore basins and their contribution to total offshore production in 2019. Basin colours correspond to those in the pie charts for each hydrocarbon product. "Liquids" include condensate, natural gas liquids and crude oil. "Raw Gas" is gas produced offshore from the full well-stream minus water content and condensate recovered. Volumes as reported for calendar year 2019.



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). NOPIMS is a web-based data discovery and delivery system funded and administered collaboratively by the NOPDCR partners (Geoscience Australia (GA), and the WA Department of Mines, Industry Regulation and Safety (DMIRS)) and is subject to a separate development agreement.



NOPIMS

Over the last year NOPIMS has had over eight thousand users and this continues to grow. In 2019-20, over 80,000 documents were downloaded, with the majority relating to recent acreage release areas – inferring that potential and active explorers, the scientific community and general users are using the system to find data over newer areas of interest.

With development planned for the near future, NOPIMS is planned become the end-to-end data management tool for NOPTA, with the ability to monitor activity, manage data submissions, undertake compliance and quality control, and improve data discovery and delivery for end users even further.

NOPTA contributed \$300,000 towards a total of \$955,000 NOPIMS development and maintenance costs in the 2019-20 financial year. This contribution will decline to appropriately \$250,000 in 2020-21.



NOPDCR

As outlined in the Minister's Statement of Expectations, one of the functions of NOPTA is to maintain NOPDCR in partnership with GA and the WA DMIRS; and a high-level outcome sought is to 'continue to improve data quality, integration and access'. This includes collaborative management of the NOPDCR and implementing further enhancements to NOPIMS. These are top-level imperatives for NOPTA and are supported by operational and development contracts between the parties.

The NOPDCR is built upon the premise that the real value of the data lies in its use and re-use; it is the transformation through quality control and value adding that ensures the collection remains dynamic and most useful for others.

NOPTA's financial contribution to the NOPDCR was \$1.97 million in 2015-16, which through ongoing improvement initiatives has been reduced to \$1.33 million per annum for 2020-21. We believe this represents 'value for money' in supporting better outcomes for government and industry.

Data transactions

NOPTA's transactional workload has increased over the last year. In line with Minister's Statement of Expectations, a high-level outcome sought is to 'continue to improve data quality, integration and access' therefore the type of work completed is shifting from receipt and processing of data submissions to checking for regulatory compliance and quality improvement purposes, as the below graph illustrates (Figure 17).

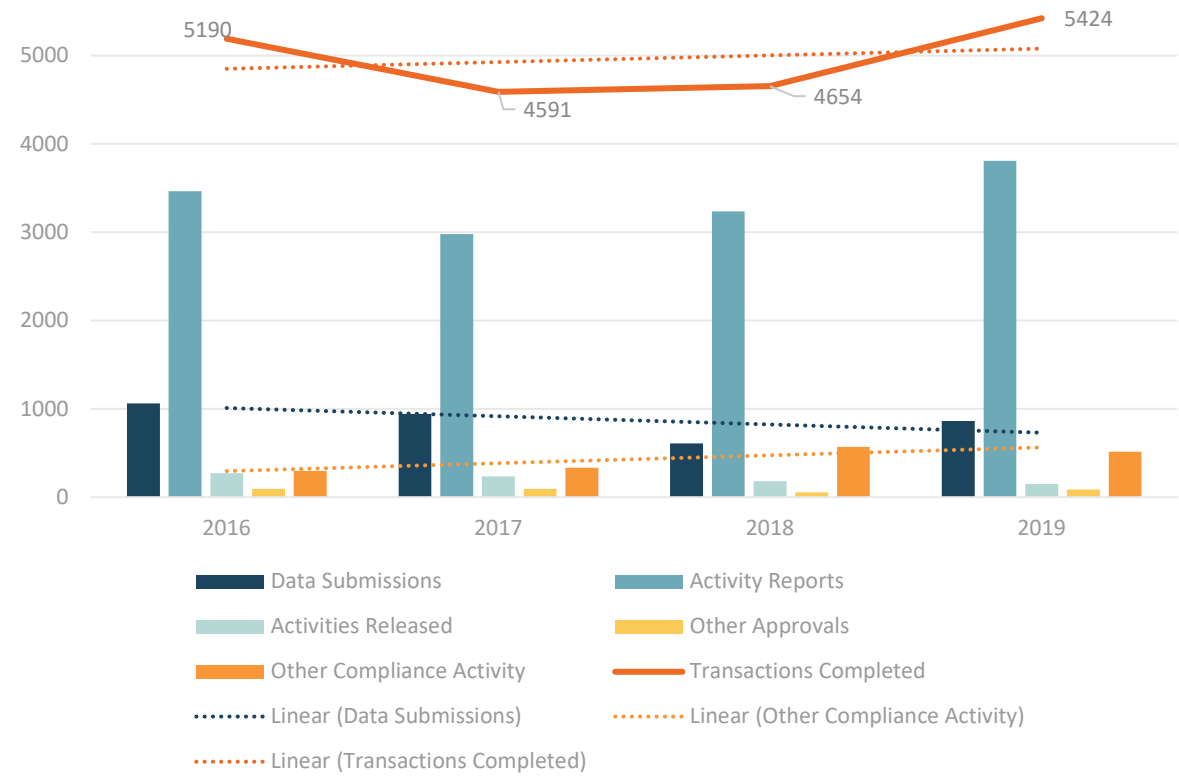


Figure 17: Data Management Transactions 2016-19

This gradual change in focus has been built upon a growing level of technical skill within NOPTA and the steady elimination of transactional backlogs inherited by NOPTA on establishment. In the last three years, NOPTA has assumed responsibility for all quality control tasks for well and sample submissions, and in the last 12 months began a major program to benchmark completeness and quality of data received from titleholders.

Despite ongoing improvements in our data quality control processes, NOPTA faces continuing challenges by the advance of technology and the development of new techniques by oil and gas explorers and producers. We are seeing new data types, more volumetric data; and a user requirement for better availability of information through multiple interfaces, including online direct access.

As Figure 18 shows, NOPTA saw a general increase in the number of regulatory items submitted in 2019-20. The increase was mainly in relation to reprocessing studies submitted by titleholders in support of work program commitments. This reinforces the increasing importance of good quality base data.

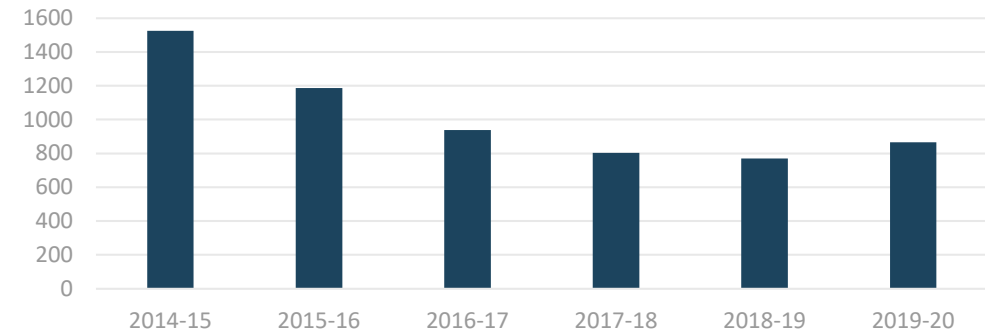


Figure 18: Data items submitted 2014-15 to 2019-20

Activities released reflects the time lag between submission and data release as required by regulation. Well data, for example, reflects the level of industry activity either two years ago (for basic data) or five years ago (for interpretative data). In the case of survey and reprocessing data, the periods are generally three years and five years, respectively (Figure 19).

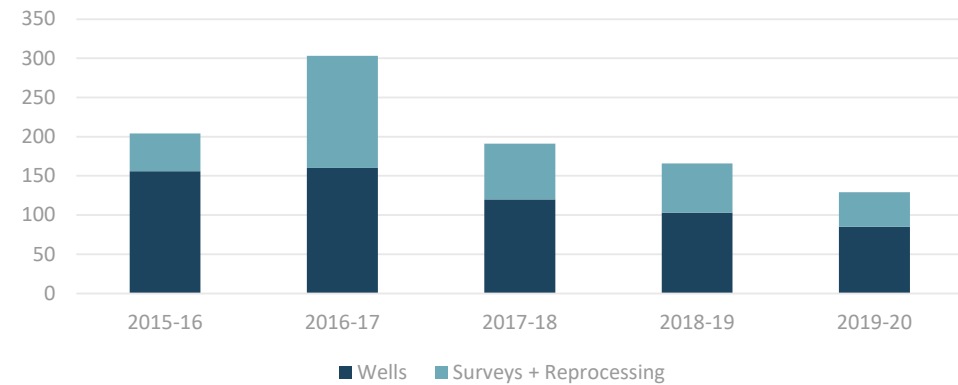


Figure 19: Data activities released

As industry activity increases, so does the number of reports on those activities. As shown in Figure 20, we are seeing increases in daily and weekly reporting for new wells and surveys.

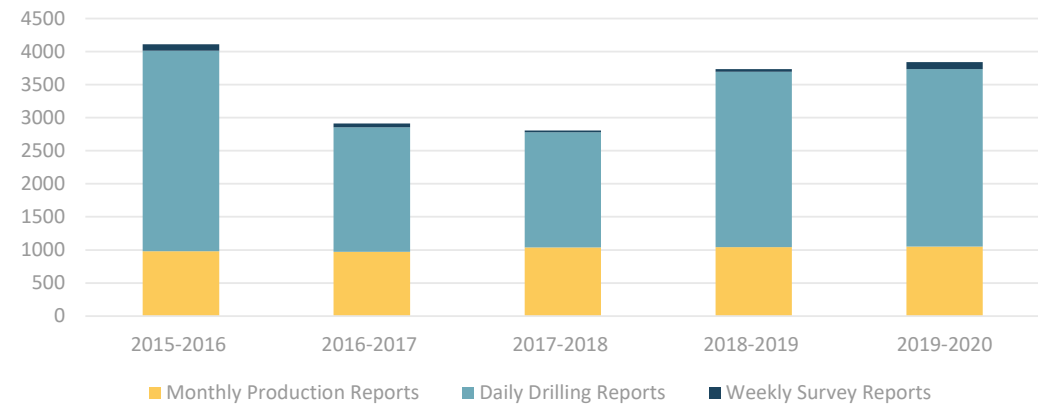


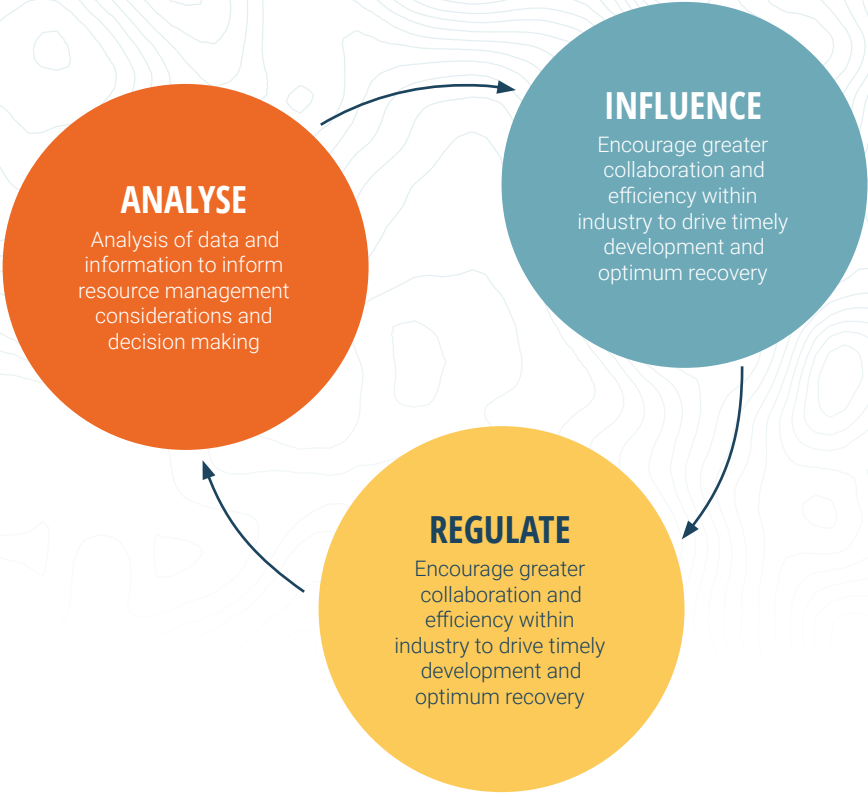
Figure 20: Activity reporting by financial year



Supporting Industry



NOPTA 2020-23 STRATEGIC PLAN



In January 2020 NOPTA released its 2020-23 Strategic Plan. The strategic plan operationalises the department's corporate plan in relation to NOPTA's functions and the Minister's statement of expectations for NOPTA. It is supported by a comprehensive internal implementation document. The strategic plan focuses on the following six priorities:

- Integrating Data and Technology
- Resource Management
- Collaboration and Engagement
- External Compliance
- Internal Capability, and
- Optimising our Performance.

NOPTA did not conduct a stakeholder survey in 2019-20. Over the past year, NOPTA has been diligent in ensuring that the valuable feedback received on our performance in the areas of timeliness, quality of communication, accessibility and responsiveness is acted upon and now informs key pillars of our 2020-23 strategic plan. NOPTA's next survey is planned for 2021.

The below provides an overview of how NOPTA is actively meeting its strategic objectives in ways which support our key stakeholders.

ANALYSE

Integrating Data & Technology

NOPTA is in the process of implementing its 2020-23 ICT Strategy. Central to this strategy is using technological innovations for the collection, sharing and analysing data; and undertaking digital transformation of submissions and integration of systems. Ensuring NOPTA has the appropriate resources, tools and technology is also important to NOPTA and is reflected in the internal capability priority of NOPTA's strategic plan.

Key achievements in 2019-20 include:

- » **National Electronic Approvals Tracking System (NEATS) website**
Commenced a project to refresh of the NEATS external website, including enhancements to the maps and titles information pages. Consultation on this project has occurred with a titleholder user group, National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and AMPLA (the Energy and Resources Lawyers Association). The upgraded website is expected to be online in the second half of 2020.
- » **NEATS Industry Portal upgrades**
Commenced a project to enhance the NEATS industry portal and facilitate online submissions with digital signature technology. The first phase of the project will include functionality upgrades and the ability to submit key applications via the NEATS industry portal.
- » **Internal systems upgrades**
Technological upgrades were made to NOPTA's internal systems which will lay the foundation for NOPTA to use the latest technology for collection, sharing and analysing information. These upgrades have also seen technological improvements in application tracking and performance reporting.
- » **Production monitoring**
Internal systems improvements for NOPTA's production monitoring and benchmarking capabilities continued throughout the year. These improvements allow NOPTA to implement its resource management priorities.
- » **SharePoint improvements**
Deployment of centralised internal operating document libraries with automated review cycles.

Resource Management

Resource management takes in the full life cycle of petroleum activity. NOPTA, as the economic regulator, undertakes a range of activities to ensure that the actions of titleholders are in line with the policy objectives of Government. This includes encouraging the efficient and timely development of resources, monitoring the performance of operators and the identification and management of emerging issues such as late life title management.

Key achievements in 2019-20 include:

- » **Annual Performance Update Meetings**
During the year NOPTA held annual performance meetings with titleholders responsible for offshore production. The ability to effectively undertake these activities has been impacted by current COVID-19 related working arrangements but NOPTA and titleholders have continued to engage through virtual meetings. Engagement with titleholders provides valuable insights and information at both local and regional scales, through all resource maturation stages. 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.
- » **Benchmarking**
NOPTA has continued to consolidate efforts to systematically undertake comparative assessment and analysis of industry performance. Various benchmarking metrics have been developed for internal performance monitoring purposes, via a dedicated database, which will ultimately assist with industry efforts to improve production and cost efficiency. During the year NOPTA has begun sharing insights from this work with industry to inform, seek feedback and encourage engagement on measures to improve outcomes.
- » **Analysis**
There has been a downward trend in offshore reserves replacement over the past four years, with the increase in reserves being no longer sufficient to offset current production levels (Figure 21). This indicates a decline in maturation activities (i.e. to transition discovered resources into reserves and production), NOPTA is continuing to engage with titleholders to better understand the opportunities available to mature both discovered and contingent resources into reserves and ensure the continued success of the offshore petroleum industry.
- » **Commerciality Reviews**
NOPTA has not initiated any commerciality reviews during the last year, decisions on future commerciality reviews will be influenced by NOPTA's understanding of the development opportunities available for resources in particular regions and the underlying economic conditions.

The South East Australia Commerciality Review (SEACOM) was completed by NOPTA in 2020. The review was provided to the relevant Joint Authority Ministers and considered the commercial viability of developing discovered and undiscovered natural gas resources within retention leases and production licences in the Victorian and Tasmanian offshore waters administered by the Commonwealth.
- » **Collaboration**
NOPTA has sought information from titleholders on the levels of current collaboration between industry participants in order to identify potential opportunities for improvement. This is particularly relevant for maturing assets, where titleholders are able to discuss future resource maturation plans and identify potential regional operational synergies.



Figure 21: Trends in offshore production and reserves replacement. Note the significant increase in total production since 2015 and its impact on reserves.

INFLUENCE

Collaboration & Engagement

NOPTA seeks to maintain and promote effective stakeholder engagement with industry and government. Part of this work includes working with external stakeholders, including NOPSEMA and the Offshore Resources Branch (ORB) within the Commonwealth Department of Industry, Science, Energy and Resources on legislation, guidance material and administrative processes improvements.

At present, amongst other matters, NOPTA is continuing to work with ORB on the:

- Decommissioning Review (publicly announced in 2018) which has included the publication of the Decommissioning Guideline and updates to NOPTA's Application forms
- Review of the Data Management provisions (stakeholder consultation started in August 2020)

NOPTA expects to continue working on these matters through 2020-21.

NOPTA also engages regularly with titleholders to provide guidance and to discuss application and reporting submissions. With the global challenges of COVID-19, NOPTA replaced face to face meetings with video conferencing technology, engaged with companies on alternative data submission options and put in place temporary measures to allow for electronic signatures utilising electronic signature platforms.

During 2019-20, NOPTA held 214 titleholder meetings, 264 government meetings, 40 international regulator meetings, and 58 'other' stakeholder meetings (total 576). These meetings addressed a range of matters, including clarifying the legislative framework, applications (and request for information requests), operator field performance updates, as well as matters relating to compliance and data management requests.

Key achievements in 2019-20 include:

» Petroleum Title Dealings Workshop

Conducted a public workshop on petroleum title dealings. The workshop was aimed at petroleum industry representatives, legal advisors and community stakeholders and was well attended. It covered a range of matters including clarifying the legal effect of, and application requirements for, approval and registration of offshore petroleum title dealings.

» Acreage Release Presentation 2019

Presented at the launch of the 2019 Acreage Release, providing industry with information about the process and content for submitting bids.

» Developing a Petroleum Resource Factsheet

Updated the *Developing a Petroleum Resource Factsheet* to provide further clarity about when a life-of-field production licence may be terminated at the discretion of the Offshore Petroleum Joint Authorities.

» COVID-19 Work-bid Exploration Permits Fact Sheet

Assisted ORB in the development of the *COVID-19 Work-bid Exploration Permits Fact Sheet*⁶ relating to interim measures to provide flexibility for offshore oil and gas explorers during the COVID-19 pandemic.

» COVID-19 Response – Electronic Signatures

Implemented temporary measures in response to COVID-19 to enable acceptance of electronic signatures on petroleum title applications and notices to NOPTA to facilitate ongoing conduct of petroleum titles business. This is consistent with the Treasurer of Australia's *Corporations (Coronavirus Economic Response) Determination (No 1) 2020*⁷.

⁶ See: www.nopta.gov.au/documents/fact-sheets/fact-sheet-COVID19-exploration-permits-20200416.pdf

⁷ See: www.legislation.gov.au/Details/F2020L00553

» Regulator skills exchange program

Conducted ongoing engagement in a skills exchange program with international offshore petroleum regulators including the United Kingdom's Oil and Gas Authority (OGA) and New Zealand Petroleum and Minerals (NZPM), with a focus on best practice management of late life petroleum titles and matters related to decommissioning.

» National Data Repository Workgroup

Regularly contributed to the international National Data Repository Workgroup meetings, the Professional Petroleum Data Management (PPDM) Regulatory Standards Committee and other local and international focus groups concerned with data quality programs and compliance initiatives. Regular consultation and ideas exchange between NOPTA's Data Management Team and international counterparts in the OGA and Norwegian Petroleum Directorate (NPD), has significantly contributed to our understanding of contemporary and emerging issues, including regulatory convergence, data interoperability, information transfer and technological development.

» Collaboration with NOPSEMA

Regularly engaged with NOPSEMA to support compliance monitoring and enforcement of titleholder obligations in relation to offshore oil and gas activities, including matters relating to decommissioning and abandonment. Meetings are held on a quarterly basis and additionally as required.

» Regulatory reform process

Assisted ORB to finalise the amendments to the OPGGSA to streamline the regulation of greenhouse gas storage formations where the formations overlap a boundary between Commonwealth and State/NT jurisdictions (passed 12 May 2020).



Image provided courtesy of Schlumberger- WesternGeco

REGULATE

External Compliance

Compliance is central to the role of NOPTA as a regulator. All teams in NOPTA have a role in compliance and seek to work together to implement NOPTA's compliance and enforcement policy.

Key activities in 2019-20 included:

» Updated compliance & enforcement policy

NOPTA updated its Compliance and Enforcement Policy⁸ to remove outdated references to the Australian National Audit Office Better Practice Guide – Administering Regulation and the National Legislative Compliance Framework (NLCF).

Internal compliance procedures were also reviewed to ensure that compliance with petroleum title obligations is appropriately monitored and any cases of non-compliance are managed in accordance with NOPTA's Compliance and Enforcement Policy.

» Compliance Monitoring

NOPTA reviewed 43 instances of possible non-compliance with the OPGGSA and regulations with one title being cancelled during the reporting period; another title having cancellation procedures commenced; advice being sent to the Joint Authority on three occasions and thirty eight instances requiring no further action.

» Special Conditions and Expectations

NOPTA monitored 121 special conditions and 76 Joint Authority expectations. NOPTA identified two instances of non-compliance during the reporting period. Each matter was managed in accordance with NOPTA's Compliance and Enforcement Policy and the Joint Authority informed of the outcome.

» Benchmarking

Titleholder benchmarking work commenced in 2017 as a means of implementing field development review and performance monitoring compliance strategies. This work has successfully expanded to data submissions (refer to 'Case Study – Data Benchmarking'). NOPTA will continue to consider how benchmarking may be applied to other compliance related areas of our work.

⁸See: www.nopta.gov.au/_documents/nopta-compliance-enforcement-policy.pdf

Case Study - Data Benchmarking

NOPTA is now measuring and benchmarking performance on submission standards including timeliness, completeness, usability of the data, and the compliance effort required to ensure data is presented to users in the best condition possible.

NOPTA gauges performance by defined quality criteria and analyses results on an industry-wide basis to track performance and identify trends over time. This results in better informed discussions with titleholders and facilitates the initiation of programs designed to improve the range and quality of information used by titleholders to inform investment decisions.

Figure 22 compares the average industry-wide performance on well and sample data submissions received since 2016. Pleasingly, the trend towards on-time, complete and usable data is gradually increasing. Also of note is that the consistency of data quality across titleholders is improving, which is indicated by narrowing gap between the activity average and company average since 2016.

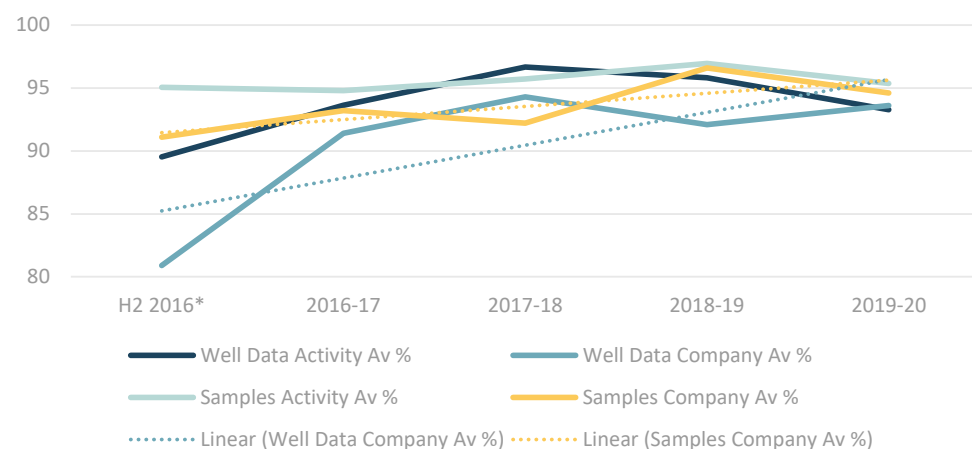


Figure 22: Data Submission Performance (company averages vs activity averages)
*pertains to January to June 2016 (no data prior to this date)

An area of identified improvement is 'on-time' data submissions (Figure 23). We have seen a definite benefit of early engagement with titleholders to ensure regulatory obligations and delivery timelines are understood which is resulting in improved compliance outcomes over the past five years.

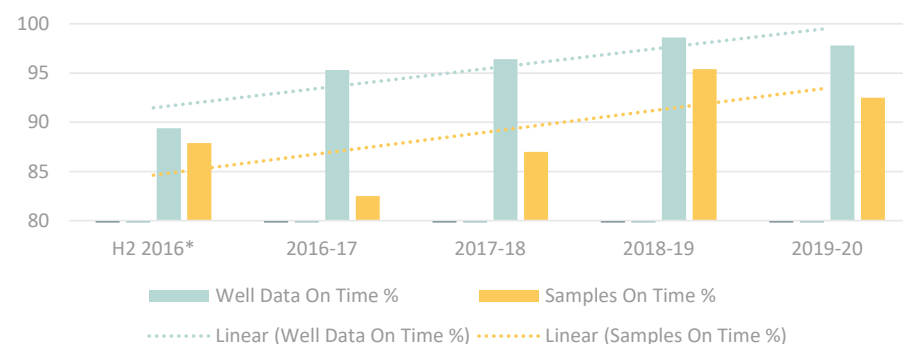


Figure 23: Data submitted on time
*pertains to January to June 2016 (no data prior to this date)

Optimising our Performance

A key priority for NOPTA is to deliver concise, timely, accurate and transparent advice, decisions, and authorisations. NOPTA uses internal reporting, reviews, and feedback tools to monitor and continue to improve NOPTA's performance.

Key activities in 2019-20 included:

» Application Assessment Streamlining

During 2019 NOPTA commenced a broad review of internal application assessment templates to better streamline and improve the transparency of advice and recommendations provided to the Joint Authority.

» NOPTA Assurance Review Framework

In 2019, NOPTA undertook an assurance project to review and update its processes and procedures and map them to the OPGGSA and associated regulations. Key outcomes of this work were the development of a central operating document library with automated review cycles, an assurance review mechanism, and a quality assurance committee.

» Internal assurance reviews

In 2019-20, NOPTA began a program of assurance reviews to ensure our internal work flow processes are working successfully and where possible, identify areas where improvements and optimisations can be made.

During the year, internal work flow processes associated with the following were reviewed:

1. Assessment of Transfer of title applications.
2. Assessment of submission of basic and interpretative seismic survey data for compliance with regulatory requirements.
3. Assessment of Retention Lease and Exploration Permit Renewal applications.
4. Assessment of ATARs for compliance with regulatory requirements.

As part of this areas for continuous improvement or reflection are also identified and workshopped within NOPTA. This initiative has provided greater capacity within NOPTA to share insights and communications between teams, by identifying trends and systemic issues and provide greater assurance on risk management, controls and governance processes.

» Internal reporting improvements

In 2019, NOPTA replaced spreadsheets (using manual data entry) with an automated internal reporting dashboard, drawn from live data, to discuss application processing statistics, measure performance against the Joint Authority Protocol and internal timelines, and make improvements to processes where warranted.

Introduced the Quality Assurance Committee (Figure 24). The committee is comprised of the Titles Administrator, Strategy and Governance Manager, and the Operations Manager and provides governance oversight to NOPTA's legislative and strategic reporting framework.

NOPTA Legislative and Strategic Management Framework

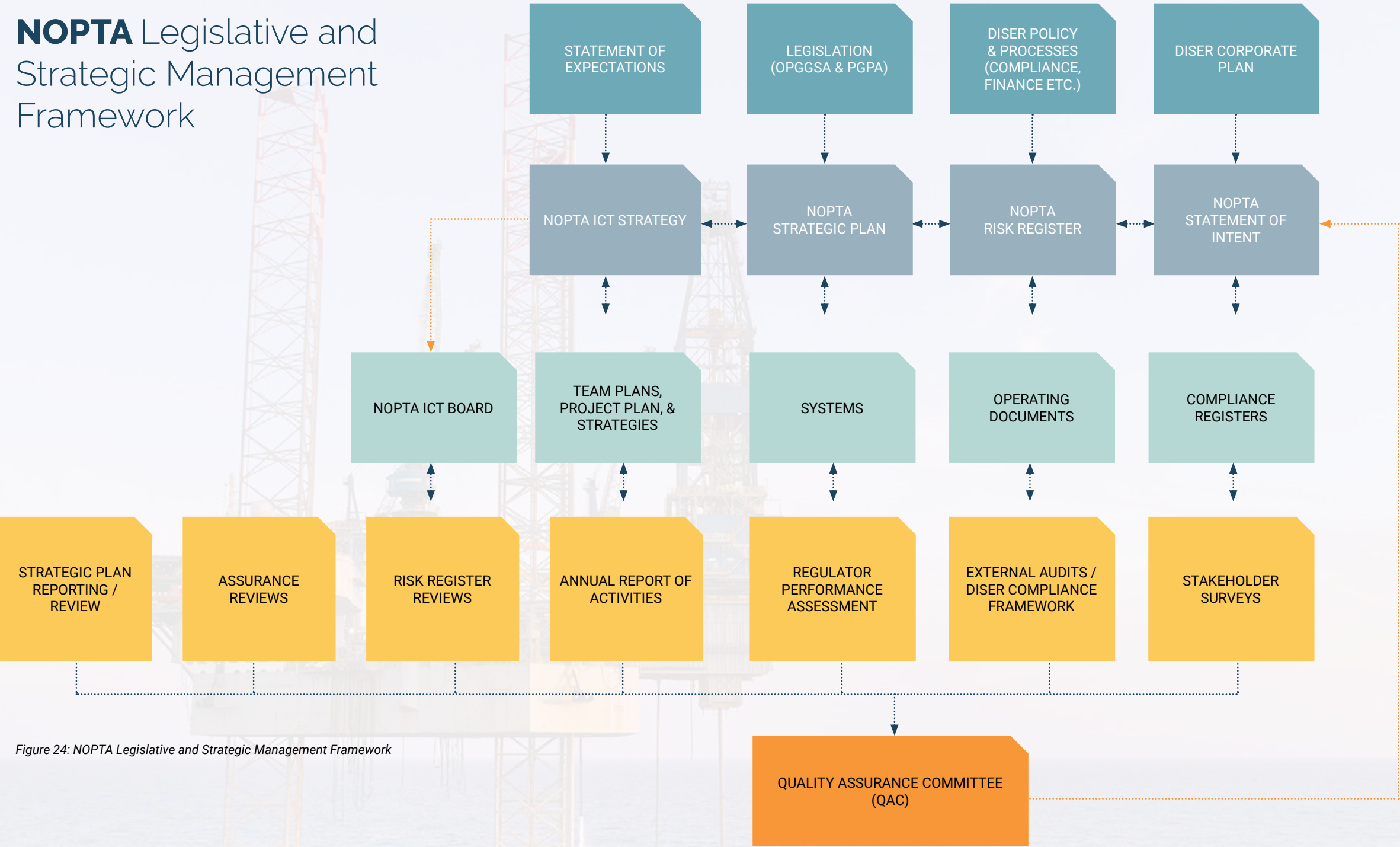


Figure 24: NOPTA Legislative and Strategic Management Framework

IV



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 *Public Governance, Performance and Accountability Act 2013* (PGPA).

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 2016⁹.

Cost recovery levy

An Annual Titles Administration Levy is payable in accordance with the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Fees) Regulations 2004* upon the grant of a title and annually thereafter within 30 days of the anniversary of the title. Where a title is in force for less than 12 months, the levy is calculated for the remaining period of the title.

The levy makes up the majority of NOPTA's revenue (approximately 87 percent in 2019-20). It provides a stable revenue stream to enable NOPTA to meet its ongoing activities in accordance with NOPTA's Statement of Expectations, the OPGGSA and associated regulations.

There were 376 titles in force during 2019-20 that contributed to the annual levy total of \$15.3 million (Table 4).

⁹ See: https://www.nopta.gov.au/_documents/schedule-of-fees.pdf

Table 4: Annual Titles Administration Levy 2019-20

	No. of Titles	No. of Blocks	Length Km	Levy Rate	Levy Amount
Exploration Permit	119	NA	NA	\$10,000/title	\$1,190,000
Exploration Permit Renewals (Part Year)	1	NA	NA	\$10,000/title	\$10,795
Refunds of Surrendered Exploration Permits	-3	NA	NA	\$10,000/title	-\$30,000
Refunds of Ceased Exploration Permits	-2	NA	NA	\$10,000/title	-\$17,507
Refunds of Expired Exploration Permits	-3	NA	NA	\$10,000/title	-\$13,370
Greenhouse Gas Assessment Permit	4	NA	NA	\$10,000/title	\$40,000
Infrastructure Licence	3	NA	NA	\$25,000/title	\$75,000
Pipeline Licence	77	NA	3990	\$100/km	\$399,000
Production Licence	92	304	NA	\$20,000/block	\$6,080,000
Production Licence Renewals (Part Year)	1	3	NA	\$20,000/block	\$43,890
Refunds of Ceased Production Licence	-1	-3	NA	\$20,000/block	-\$28,493
Retention Lease	89	370	NA	\$20,000/block	\$7,400,000
Retention Lease Renewals (Part Year)	4	11	NA	\$20,000/block	\$362,740
Refunds of Surrendered Retention Lease	-2	-6	NA	\$20,000/block	-\$120,000
Refunds of Ceased Retention Lease	-2	-3	NA	\$20,000/block	-\$38,959
Refunds of Expired Retention Lease	-1	-6	NA	\$20,000/block	-\$100,274
Annual Levy	376				\$15,252,822

Cost recovery fees

Application fees are payable in accordance with the RMA Regulations at the time that an application is submitted for approval to enable titleholders to undertake certain regulated activities. Revenue from fees fluctuates from year to year as it is dependent on the timing and number of applications lodged.

Each application attracts a flat fee of \$7,500. Not all application types currently attract a fee. NOPTA received 299 applications in 2019-20 that attracted a fee, generating revenue of \$2.2 million, or approximately 13 per cent of NOPTA's total income (Table 5).

Table 5: Application Fees 2019-20

Application Type	No. of Applications	Fee	Fee Amount
Work-bid Exploration Permit	30	\$7,500	\$225,000
Cash-bid Exploration Permit	0	\$7,500	\$0
Renewal Exploration Permit	5	\$7,500	\$37,500
Petroleum Retention Lease	8	\$7,500	\$60,000
Renewal Retention Lease	12	\$7,500	\$90,000
Production Licence	7	\$7,500	\$52,500
Renewal Production Licence	0	\$7,500	\$0
Pipeline Licence	2	\$7,500	\$15,000
Variation Pipeline Licence	17	\$7,500	\$127,500
Special Prospecting Authority	3	\$7,500	\$22,500
Transfer	26	\$7,500	\$195,000
Dealing	110	\$7,500	\$825,000
Access Authority	10	\$7,500	\$75,000
Suspension and extension; variation; exemption (per title)	51	\$7,500	\$382,500
Declaration of Location	2	\$7,500	\$15,000
Surrender	8	\$7,500	\$60,000
Acceptance of a FDP	0	\$7,500	\$0
Variation FDP	1	\$7,500	\$7,500
Rate of Recovery	7	\$7,500	\$52,500
Application Fees	299		\$2,242,500

Cost effectiveness

NOPTA is committed to maintaining its low-cost delivery of services. Some of the cost saving measures include:

- use of fixed-term contracts as opposed to full-time staff employment where appropriate to cater for fluctuations in industry activity
- use of part-time and flexible working arrangements
- use of non-ongoing employees before determining that a role will be classified as permanent
- use of fixed-term secondments within Government
- competitive tenders
- maintaining salaries at acceptable levels and within Department of Finance guidelines.
- ICT infrastructure enhancements

While NOPTA is structurally a branch within the department, its functions are legislated under the OPGGSA. This provides a clear separation from the department and enables easy identification of the costs recovered from industry.

The department provides the governance structure, access to corporate support and systems, legal support and pays workers' compensation and other insurances, as well as charges directly attributable to NOPTA. In 2019-20 the department recouped \$447,452 for these operational costs, which represented approximately 2.4 percent of NOPTA's total expenditure.



Case Study International Benchmarking

During 2019-20 NOPTA conducted a benchmarking exercise, based on 2018-19 data, against similar offshore resource petroleum regulators located in the United Kingdom (Oil and Gas Authority (OGA)), Norway (Norwegian Petroleum Directorate (NPD)), U.S.A (Bureau of Ocean Energy Management (BOEM)) and Canada (Canada-Newfoundland & Labrador Offshore Petroleum Board (C-NLOPB)). While the scope of work undertaken by each regulator does vary, benchmarking was conducted in relation to regulator activities for offshore petroleum titles only.

The results show that NOPTA compares favourably in relation to all key metrics. In particular, the comparisons show that NOPTA:

- administers more total acreage (552,383 km²) than all the other regulators combined (348,958 km²),
- supports an annual industry production volume of 700 MMboe/year, which is above that of the UK and Canada,
- processes more annual title applications than any other regulator (Figure 25), and
- administers more active titles than the USA and Canada, which combined with a significantly lower headcount (Figure 26) drives a lower annual operating cost per title compared with the other regulators (Figure 27).

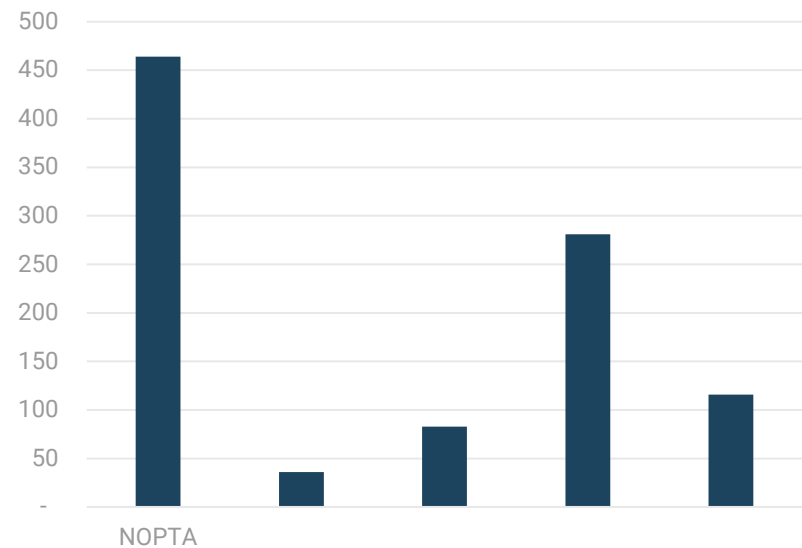


Figure 25: Number of title applications received 2018-19

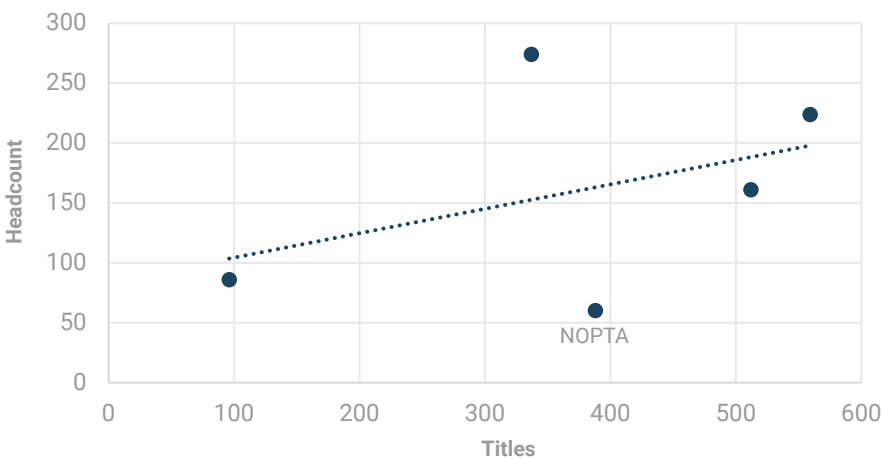


Figure 26: Headcount vs number titles administered (2018-19)

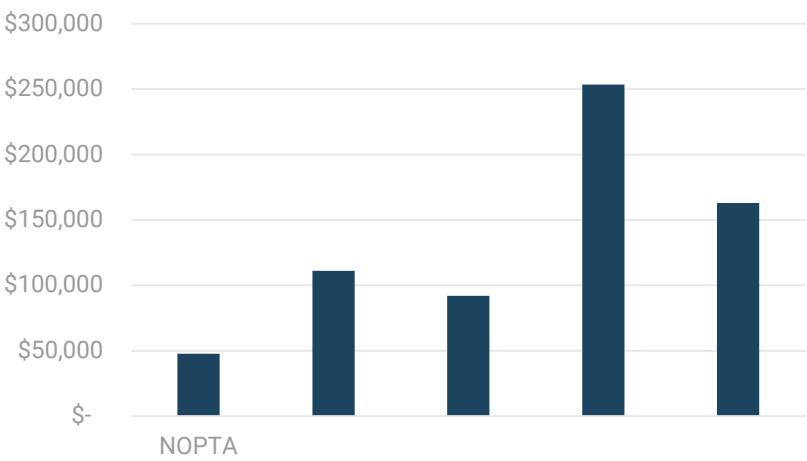


Figure 27: Regulator annual opex vs cost per title (2018-19)

NOPTA's financial result

Table 6: NOPTA's 2019-20 financial result compared to 2018-19

Income Statement	2019-20 \$'000	2018-19 \$'000
Revenue - Cost Recovery		
Levies	15,253	15,051
Application Fees	2,243	2,880
Other	65	55
Total Revenue	17,561	17,986
Expenses		
Employee Benefits	7,435	6,888
Suppliers*	2,947	4,407
NOPDCR	1,609	1,707
ICT and Telecommunications Costs	2,516	2,831
Depreciation and Amortisation**	3,492	2,049
Overhead Recharging Allocation	447	666
Total Expenses	18,447	18,548
Surplus / (deficit)	(887)	(562)

*Includes NOPIMS payments totalling \$0.3 million in 2019-20 (2018-19: \$0.2 million)

** Includes Right of Use Asset Amortisation totalling \$0.940 million in 2019-20



V Outlook



2020-23 NOPTA STRATEGIC PLAN

VISION Contributing to national prosperity through administering the development of Australia’s offshore oil and gas industry.

PURPOSE To advise on and administer the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGSA) in support of the effective regulation and management of our offshore petroleum resources consistent with good oil field practice and optimum recovery.

ROLE **ANALYSE**

Analysis of data and information to inform resource management considerations and decision making.

INFLUENCE

Encourage greater collaboration and efficiency within industry to drive timely development and optimum recovery.

REGULATE

Efficiently administer offshore titles in accordance with the OPGGSA and associated regulations.

In 2020-21, NOPTA will continue to implement its Strategic Plan and will continue to focus on its key priorities of Integrating Data and Technology; Resource Management; Collaboration & Engagement; Internal Capability; External Compliance and Optimising our Performance.

Central to the work of NOPTA moving forward will be implementing the recommendations of the 2015-19 Operational Review of NOPTA under section 695P of the OPGGSA. NOPTA looks forward to seeing the outcomes of the review help shape the future direction of NOPTA.



PRIORITIES

THIS MEANS



INTEGRATING DATA & TECHNOLOGY

Continue to improve data quality, integration and access to open file data.

Use technological innovations for the collection, sharing and analysis of data.

Undertake digital transformation of submissions and integration of systems.

Enhance and maintain secure, reliable and responsive technology systems.



RESOURCE MANAGEMENT

Encourage exploration to be undertaken in a timely manner.

Implement field performance monitoring strategies to achieve optimum recovery and good oil field practice.

Promote optimum use of infrastructure and technology to ensure resources are matured and developed at the earliest commercially viable opportunity.



COLLABORATION & ENGAGEMENT

Maintain and promote transparent and effective stakeholder engagement with industry and government.

Work with external stakeholders to streamline legislation, guidance material and administrative processes.

Enhance NOPTA’s internal cooperative approach to innovation and projects.



INTERNAL CAPABILITY

Foster and support a high performing and innovative workforce.

Ensure NOPTA has the appropriate resources, tools, technology and training to be responsive and deliver outcomes.

Proactively seek to understand emerging industry technologies and practices. Utilise knowledge for effective analysis, advice and decisions.



EXTERNAL COMPLIANCE

Regularly review NOPTA’s compliance and enforcement policy and clearly communicate it to external stakeholders.

Require applications, reports, payments and data submitted by titleholders to be timely and complete.

Ongoing monitoring of titleholder compliance with legislative obligations.

Actively engage with titleholders on compliance matters.



OPTIMISING OUR PERFORMANCE

Ensure NOPTA has the optimal organisational structure, financial sustainability and staffing that supports efficient and effective operations.

Deliver concise, timely, accurate and transparent advice, decisions and authorisations.

Use of internal reporting, reviews and feedback tools to monitor and continually improve NOPTA’s performance.



Australian Government

**National Offshore Petroleum
Titles Administrator**