

ANNUAL REPORT OF ACTIVITIES

# 2020-21



Australian Government  
National Offshore Petroleum  
Titles Administrator





Australian Government  
National Offshore Petroleum  
Titles Administrator

# NATIONAL OFFSHORE PETROLEUM TITLES ADMINISTRATOR

## 2020–21 Annual Report of Activities

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ISSN: 2205-8230 (print version) | ISSN 2205-8249 (online)

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](mailto:corporate@nopta.gov.au) Web: [www.NOPTA.gov.au](http://www.NOPTA.gov.au)

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Despite our locational dispersion – and at times, externally imposed isolation – **we remain individually driven and yet collectively engaged** in delivering ongoing economic and social benefits to the nation.

# INTRODUCTION TO NOPTA

## TITLES ADMINISTRATOR

# WELCOME



As I write this year's introduction from my home in regional Victoria during the state's sixth COVID-19 lock-down, I am struck by the resilience of a regime that continues to thrive in what seems to be, persistent challenges. The phrase 'where there's a will there's a way' comes

to mind, and it is certainly the case that when I reflect on our achievements for 2020-21, this mantra holds true. Given the sheer size of the offshore petroleum industry in Australia it is impossible to fully appreciate the work and dedication of the thousands of people located across the country who, in some important way, contribute to the industry's continued progression. And therein lies my point. Despite our locational dispersion – and at times, externally imposed isolation – we remain individually driven and yet collectively engaged in delivering ongoing economic and social benefits to the nation. NOPTA's annual report is our way of bringing this story together. We aim to show through data, analysis and case studies, some notable activities and trends throughout the year and to highlight how NOPTA seeks to support and contribute to the ongoing evolution of the regime in-line with our strategic objectives.

As noted in last year's report, 2020 marked the eight-year anniversary of NOPTA and was the cause of our second operational review under section 695B of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. Deloitte was engaged by the Department of Industry, Science, Energy and Resources (the department) to conduct the review and the final report was tabled in the Commonwealth Parliament on 22 July 2021<sup>1</sup>. Amongst the many benefits to conducting a review such as this, including those that will likely result through the implementation of any accepted recommendations, the process represented an opportunity for NOPTA to reflect and better appreciate its unique and vital role in promoting a strong and prosperous offshore regime. For a small organisation of around 60 people, I am impressed by the steady growth of our internal capabilities, including the systems, processes and people we now have in place to confidently perform our functions and manage operational risk. It comes then as no surprise that NOPTA has adapted to the requirements of a remote working environment (or new 'COVID normal') seamlessly and without fuss. We now have an excellent

ICT network and infrastructure that supports remote working, across time zones, and a high performing team that I can absolutely trust to deliver in such times.

This brings me to the 2021 NOPTA stakeholder survey. Firstly, I would like to thank everyone who participated in this year's process. Your feedback is vital for NOPTA in understanding how and what ways we can better support you in your day-to-day dealings with us. The survey results were very positive and, in many ways, echo my sentiment above that industry and likewise the Joint Authority, have high confidence in the technical expertise and professionalism of NOPTA staff. Of course, there are some important areas of focus for NOPTA which we will work hard to address – some of which are highlighted in this report.

As indicated in your feedback to the 2021 stakeholder survey, regulatory and policy certainty is a key area of concern for industry, and it is something that NOPTA takes seriously. Over the past year NOPTA has been working closely with the department, the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) and other agencies regarding important legislative and administrative enhancements to better position NOPTA for the next phase of industry maturation. In accordance with the Offshore Petroleum and Greenhouse Gas Storage Amendment (Titles Administration and Other Measures) Bill 2021<sup>2</sup> currently before Parliament, NOPTA's administrative responsibilities are expected to be expanded, particularly with respect to financial and technical considerations. We will continue to work closely with our key stakeholders in the forthcoming implementation of these reforms and will maintain a strong commitment to a 'no surprises' approach to how we administer the new legislative provisions.

In concluding, I would like to return my opening remarks. We each play an important role in ensuring the ongoing success of our industry. Above all, effective and open communication and collaboration is key, especially as we move to more remote ways of operating. As the regime evolves it is vital that we move together and with common objectives in mind, and from an understanding that constructive feedback and self-reflection are essential factors in advancing ourselves to a new level of performance.

<sup>1</sup> The Australian Government will respond later in 2021.

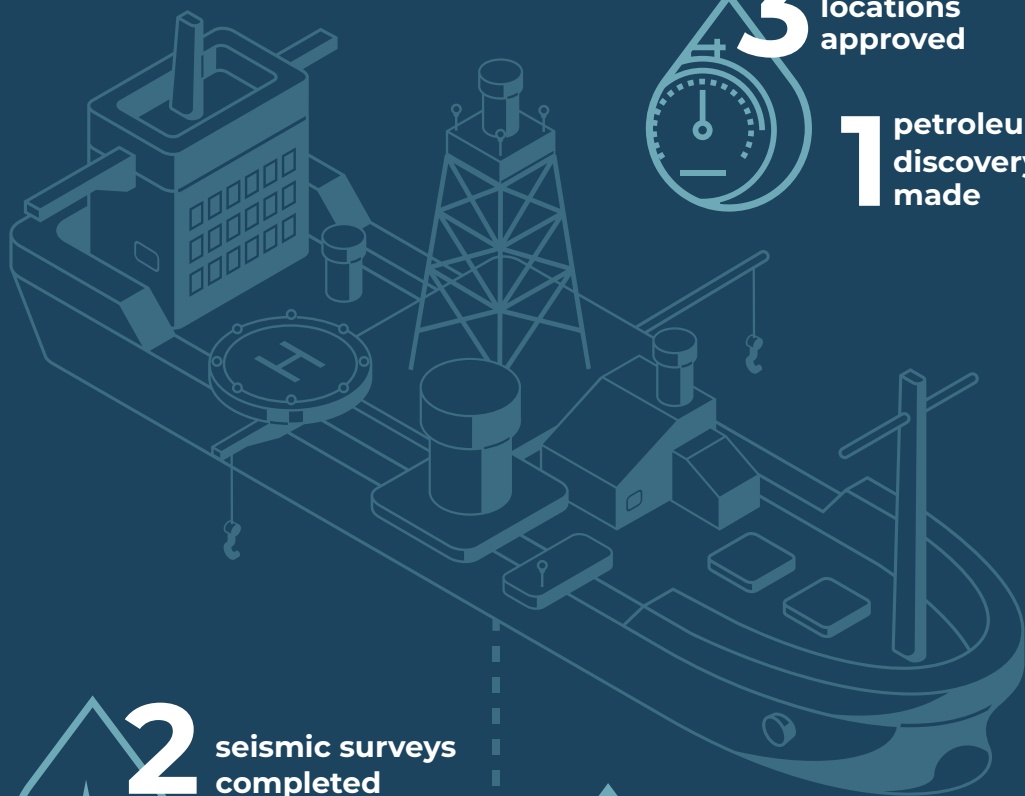
<sup>2</sup> On 24 August 2021, the Offshore Petroleum and Greenhouse Gas Storage Amendment (Titles Administration and Other Measures) Bill 2021 passed Commonwealth Parliament.



# PERFORMANCE SNAPSHOT



Maintained high levels of production



**2** seismic surveys completed



**3** petroleum locations approved

**1** petroleum discovery made



**2** exploration wells drilled

**21** development wells drilled



**23**

days on average, taken to complete Titles Administrator assessments



Met target timeframes for assessing applications

**93%**

of the time



**325**

applications received



**33**

meetings average per month



**294**

decisions made

**767**

regulated data submissions received



**143**

open-file data releases authorised

**394**

Stakeholder meetings



# ABOUT US

## ESTABLISHED

**1 January 2012.** NOPTA, or the Titles Administrator, is appointed under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act) 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

### At NOPTA we are:

- innovative, enthusiastic and endeavour to improve the way we work
- flexible, responsive and embrace change

### NOPTA people:

- act with honesty and integrity
- are inclusive and respect the views of others

### NOPTA is seen as:

- impartial, consistent and transparent
- approachable, helpful and trustworthy

## PURPOSE

NOPTA's purpose is to advise on and administer the OPGGS Act in support of the effective regulation and management of our offshore petroleum resources, consistent with good oil field practice and optimum recovery.

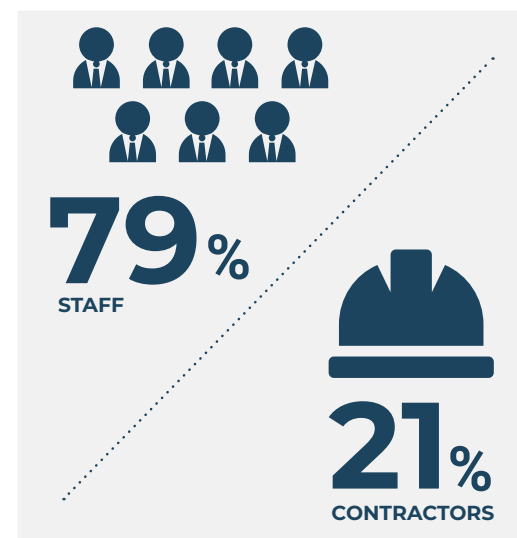
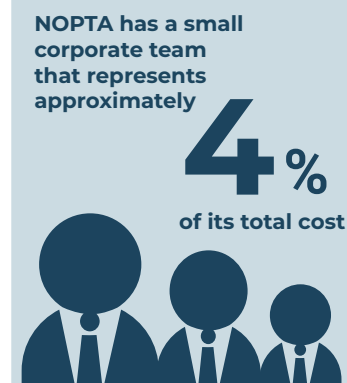
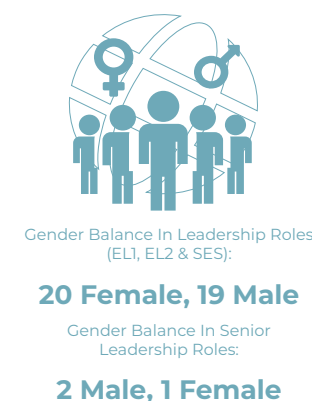
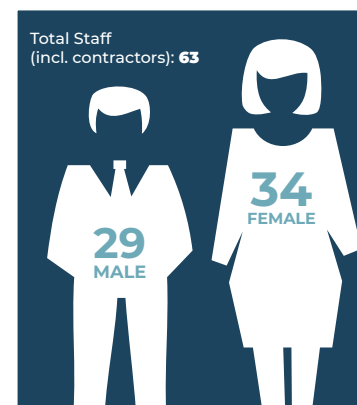
## ROLE

- Providing information, assessments, analysis, reports, advice and recommendations to the relevant decision makers under the OPGGS Act.
- Facilitating life of title administration, including compliance monitoring.
- Engaging with titleholders on their performance in meeting regulatory obligations and expectations.
- Ensuring petroleum resource management is undertaken in accordance with the principles of good oilfield practice.
- Implementing effective field performance monitoring strategies in order to secure optimum long term petroleum recovery.
- Manage the submission and release of data.
- Decision maker for the approval and registration of transfers and dealings, including consideration of the financial and technical capacity of prospective titleholders.
- Decisions for granting of short-term titles.
- Maintain the public registers of offshore petroleum and GHG titles.
- Cooperate with the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) on matters relating to the administration and enforcement of the OPGGS Act and regulations.
- Collecting levies and fees in accordance with government policy and NOPTA's approved Cost Recovery Implementation Statement (CRIS). Maintaining a special account consistent with the requirements of the *Public Governance, Performance and Accountability Act 2013*.

## KPIs<sup>3</sup>

- 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.

# HR OVERVIEW



As at 30 June 2021, NOPTA had 50 staff (48.3 full time equivalent) and 13 contractors (12.4 full time equivalent) across our Perth and Melbourne offices, as well as remote workers in Adelaide, Brisbane, regional Victoria and London.

Remuneration and employment conditions for NOPTA's non-Senior Executive Service employees are determined under the Department of Industry, Innovation and Science Enterprise Agreement 2019-2022 (EA). On 3 December 2020, the general pay increase of two per cent was deferred until 3 June 2021 due to the APS Wage Pause. In accordance with departmental policy, NOPTA also uses Individual Flexibility Arrangements to secure specific expertise or specialist skills critical to business needs.

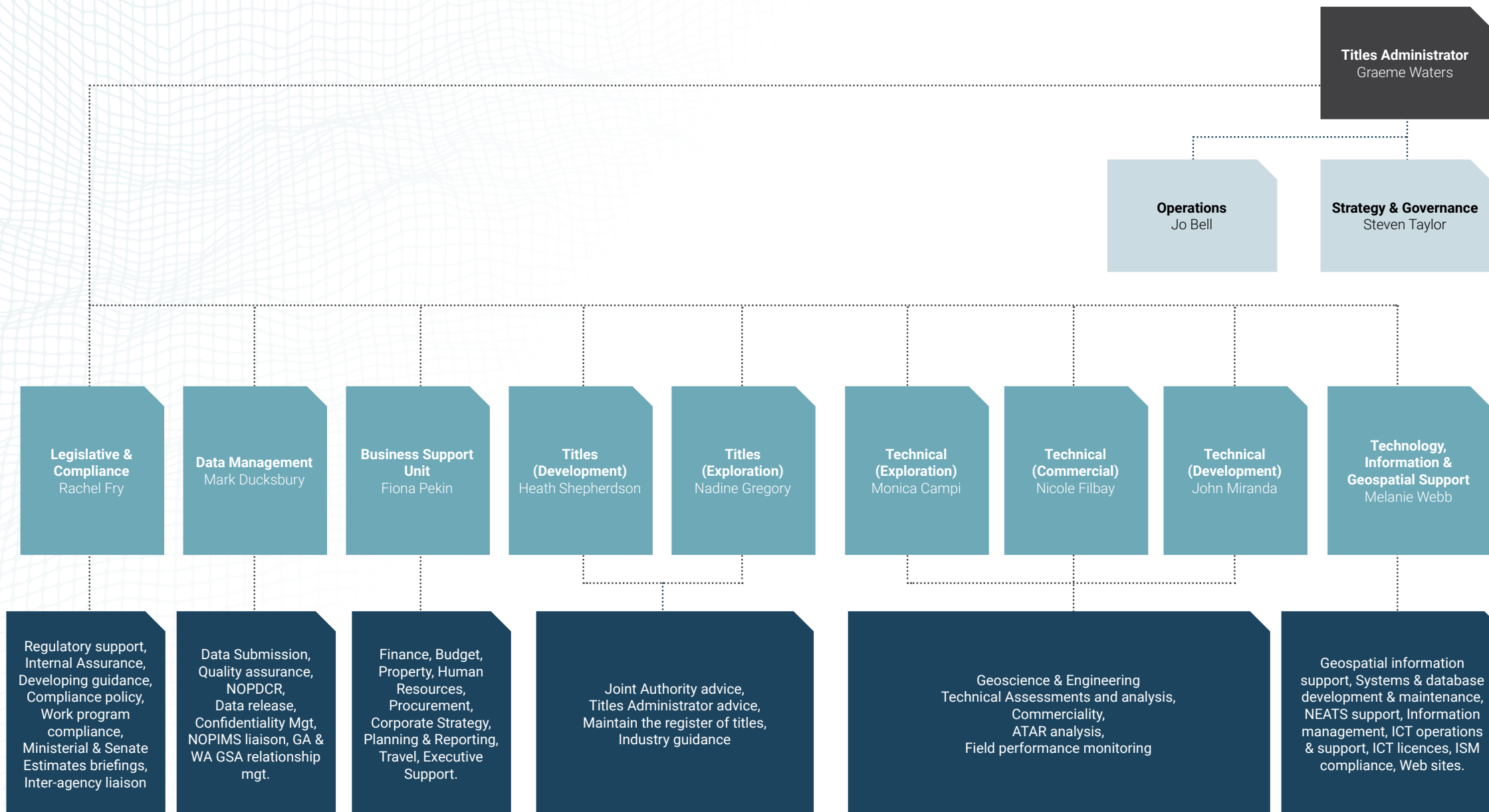
During the reporting period, NOPTA's Senior Leadership Group led an internal capability planning exercise to ensure optimal staffing is in place to meet anticipated administrative and strategic challenges in 2021-2022 and beyond.

<sup>3</sup> As set by the Australian Government's Regulator Performance Framework. Note, as of 1 July 2021 the Australian Government has adopted a new principles-based approach to reporting regulator performance which NOPTA will report against in 2021-22.



# NOPTA

## ORGANISATIONAL CHART







## 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. NOPTA promotes a culture that is inclusive and respectful of the view of others and recognises that diverse experiences and backgrounds enhance our capability to achieve our administrative and strategic goals. Highlights from the past year include:

- 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.
- A 30 per cent increase in staff professional training from 2019-20.
- An update to NOPTA's 2020-23 Learning and Development Plan to include new virtual training opportunities.
- All staff attended a virtual training session focused on developing skills and knowledge to help respond to change with a positive and pragmatic mindset.
- Held a virtual NOPTA all staff event to plan and discuss priorities for 2021 and beyond.
- Leaders participated in the department's "CONNECT, the Neuroscience of Quality Conversations" program.
- Participated in the department's online Aboriginal and Torres Strait Islander cultural competency program: Arrilla Digital.

## SAFETY AND WELLBEING

As we continued operating in the context of COVID-19, we strengthened our focus on support and communication with staff. During the period of the lengthy lockdown in 2020 we increased the circulation of our internal newsletter to keep staff informed and utilised the Digital Transformation Agency's [Notify.gov.au](https://www.notify.gov.au) emergency messaging system to advise

staff of critical information relating to lockdowns in Melbourne and Perth. To ensure information was current and reflective of prevailing government and departmental requirements, we regularly reviewed and updated our COVID-19 protocols and consulted with staff where issues impacted on their health and safety.

In late 2020, staff were asked to reflect on their experience during the COVID-19 disruptions and consider what impacts (if any) there had been to productivity, stakeholder engagement and their overall wellbeing. The key findings were that staff felt adequately prepared for remote working and indicated their general productivity was unchanged (or even increased) over this period due to existing ICT infrastructure and systems in place, as well as access to well established departmental flexible working provisions.

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

## EMPLOYEE ENGAGEMENT

In response to the COVID-19 pandemic, flexible work practices have been strengthened and are now embedded as part of normal business. By the end of the reporting period, all staff and contractors participated in a flexible working arrangement, many working remotely several days a week. Other arrangements include part-time hours, condensed hours, flexible start/finish times and flex-time. This approach has improved staff productivity and motivation and helped to retain high performing staff.

NOPTA's Staff Consultative Committee met monthly and team representatives provided feedback on specific work-related issues and promoted health, wellness and social activities and events.



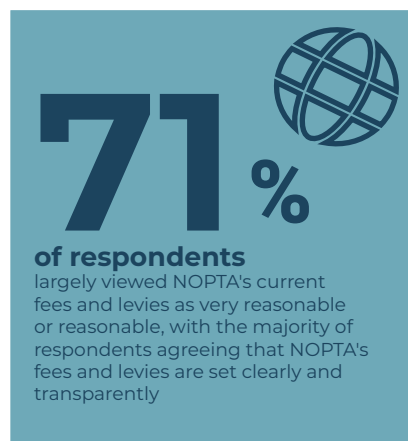
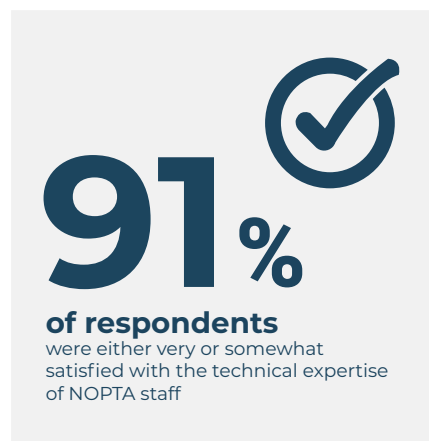


# NOPTA

## 2021 STAKEHOLDER SURVEY

As part of NOPTA's ongoing performance reporting obligations, NOPTA undertakes regular stakeholder surveys to assess client satisfaction with its performance in key areas. In April 2021 NOPTA engaged KPMG to undertake its 2021 Stakeholder Survey. This was NOPTA's fifth comprehensive survey of stakeholder views and compared to previous years, 2021 saw the largest number of respondents. Stakeholder feedback has provided us with important insights relating to our performance in the areas of accessibility of information, regulatory effort, resource management, communication, cost recovery and risk.

The outcomes of the survey represent an excellent result for NOPTA. Some of these key highlights were:



We also appreciate stakeholder feedback regarding those areas where performance could be improved. These include matters relevant to stakeholder engagement, timeliness of decisions, regulatory effort, and transparency.

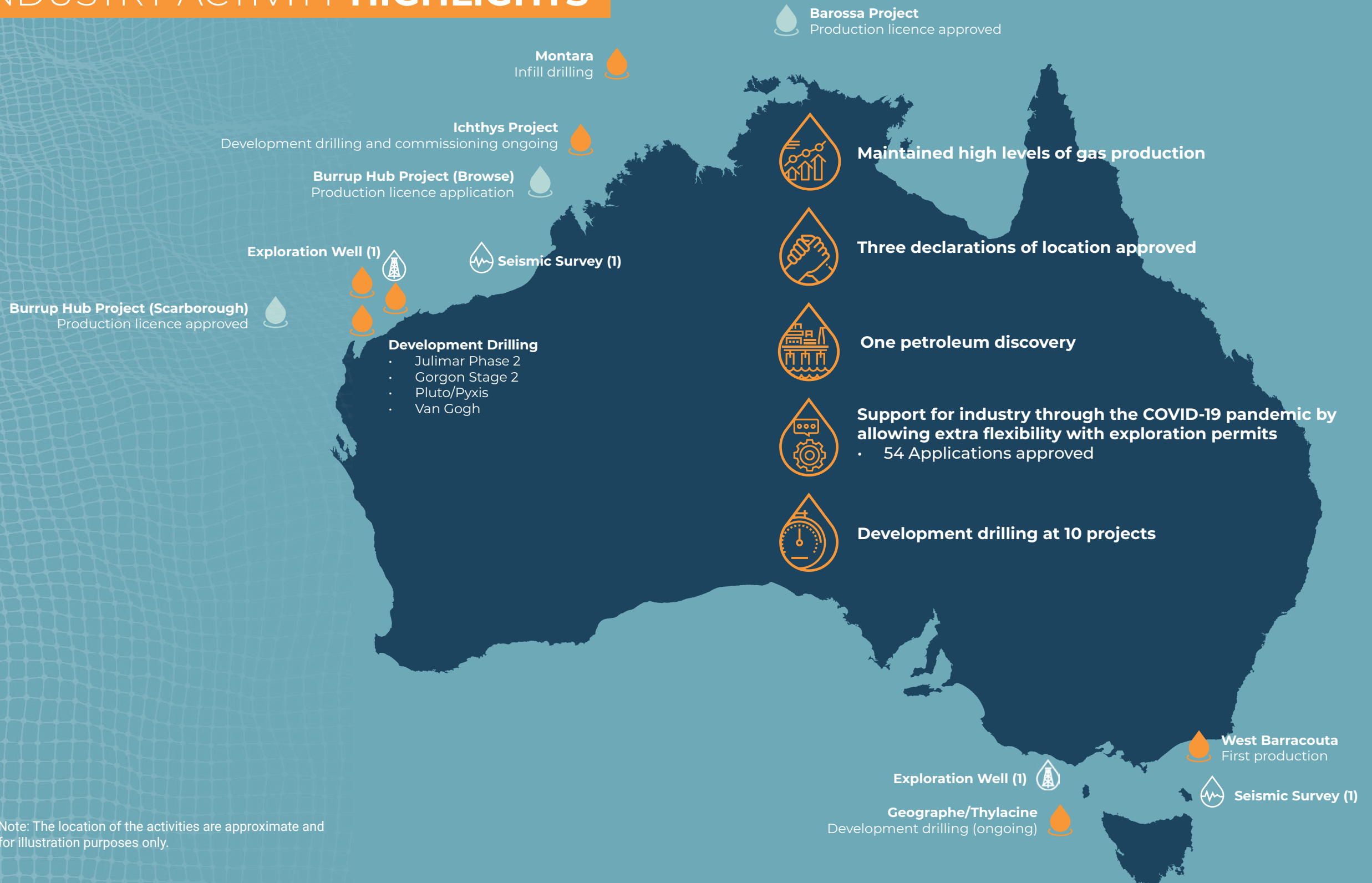
As indicated in our [2020-2023 strategic plan](#) and further discussed in the body of this report, NOPTA is actively pursuing a range of priorities to optimise our performance and enhance the processes through which we collaborate and engage with our stakeholders. Key initiatives relate to important upgrades to the NEATS industry portal to facilitate online submissions, as well as ongoing work to streamline our internal assessment processes to improve efficiencies and better track and report on application processing performance. NOPTA will continue to review opportunities to improve its communications and engagement with stakeholders and will refine its communication strategy accordingly.

# 2

## ACTIVITY AND INSIGHTS



# INDUSTRY ACTIVITY HIGHLIGHTS





# TITLES ADMINISTRATION

## NUMBER OF TITLES

As of 30 June 2021, there were 370 offshore petroleum titles and three greenhouse gas (GHG) titles (Table 1).

Table 1: Total number of offshore petroleum and GHG titles (as at 30 June 2021)

Offshore Area	Exploration Permits	Retention Leases	Production Licences	Infrastructure Licences	Pipeline Licences	Access Authority	GHG Permits	Total
QLD	1	0	0	0	0	0	-	1
NSW	1	0	0	0	0	0	-	1
VIC	12	6	29	0	40	0	-	87
TAS	2	3	3	0	3	1	-	12
SA	6	0	0	0	0	0	-	6
WA	69	60	57	3	29	1	-	219
NT	4	6	1	0	5	0	-	16
AC	17	6	4	0	0	0	-	27
BU	0	0	0	0	1	0	-	1
Cwth	0	0	0	0	0	0	3	3
<b>Total</b>	<b>112</b>	<b>81</b>	<b>94</b>	<b>3</b>	<b>78</b>	<b>2</b>	<b>3</b>	<b>373</b>

Under the OPGGS Act, in each offshore area there is a Joint Authority comprising the responsible Commonwealth Minister<sup>4</sup> and the relevant state or Northern Territory (NT) 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.

Figure 1 shows the decision maker for offshore petroleum applications and application related requests under the OPGGS Act is either the relevant Offshore Petroleum Joint Authority or the Titles Administrator.

<sup>4</sup>Currently the Hon Keith Pitt, Minister for Resources and Water

Joint Authority Title Application Decisions	NOPTA Title Application Decisions
Grant and Renewal (exploration permits, retention leases and production licences)	Extension of time to lodge a renewal application
Declaration of a location (including variation or revocation)	Extension to an application period (location)
Grant of a pipeline and infrastructure licences (including variation & consent to cease a pipeline)	Change of company name (all titles)
Variation, suspension, extension or exemption of title	Credits (work program)
Field Development Plan (including variation), rate of recovery, equipment and procedures	Dealings and Transfers (all titles)
Surrender and cancellation (including good standing)	Access Authorities (short term title)
Scientific Investigation Consent	Special Prospecting Authorities (short term title)

Figure 1: Decision makers for offshore petroleum applications

For Joint Authority decisions, NOPTA submits its technical advice to the Joint Authority, or its delegates, through the relevant Commonwealth and State/NT departments. Where the Joint Authority comprises only the responsible Commonwealth Minister, NOPTA will submit its advice to the Joint Authority or its delegate via the relevant Commonwealth department. Following a decision, NOPTA is responsible for implementing the decision and communicating the decision to the applicant (Figure 2).

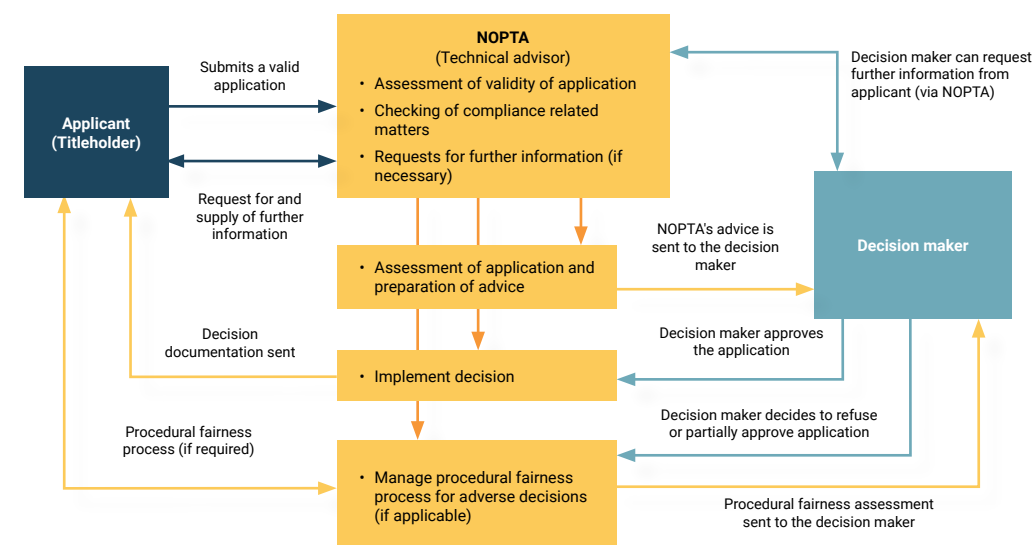


Figure 2: Sample application process under the OPGGS Act





Figure 3 shows the decision maker for offshore GHG title related applications made under the OPGGS Act is either the responsible Commonwealth Minister, the Titles Administrator, the relevant Offshore Petroleum Joint Authority, or the relevant Cross-boundary Authority.

In the case of some applications such as a Special Authority and Search Authority, the Responsible Commonwealth Minister has delegated the decisions to the Titles Administrator.

Further information on the relevant Cross boundary Authority can be found in the *Offshore Greenhouse Gas Guideline for Consolidated bid and Cross-boundary Greenhouse Gas Assessment Permits*<sup>5</sup>.

Responsible Commonwealth Minister Decisions	Title Administrator Decisions
Grant and Renewal (assessment permit, holding lease and injection licence) & key operations	Transfers (all titles)
Declaration of an identified storage formation (including variation or revocation)	Dealings (all titles)
Grant of a pipeline and infrastructure licences (including variation & consent to cease a pipeline)	Change of company name (all titles)
Variation, suspension, extension or exemption of title	Credits (work program)
Site Closing Certificate	Search Authority (short term title) - <i>delegated</i>
Surrender and cancellation (including good standing)	Search Authority (short term title) - <i>delegated</i>
Scientific Investigation Consent	Special Prospecting Authorities (short term title)
Offshore Petroleum Joint Authority Decisions	Cross-boundary Authority Decisions
Grant of a pipeline and infrastructure licences	Grant of a cross-boundary GHG assessment permits

Figure 3: Decision Makers for Offshore GHG Title Applications

<sup>5</sup>See: [https://www.NOPTA.gov.au/\\_documents/guidelines/GHG-Offshore-GHG-Guideline-for-Unified-GHG-Assesment-Permits-122020.pdf](https://www.NOPTA.gov.au/_documents/guidelines/GHG-Offshore-GHG-Guideline-for-Unified-GHG-Assesment-Permits-122020.pdf)



## TITLES APPLICATIONS

In 2020-21, NOPTA received 325 offshore petroleum and GHG titles related applications (Figure 4 and Table 2) compared to 375 in 2019-20 (Figure 5). As per previous financial years, transfers and dealings made up the majority of the submitted applications. See Figures 6 and 7 for a breakdown of transfers and dealings against the title type for 2020-21.

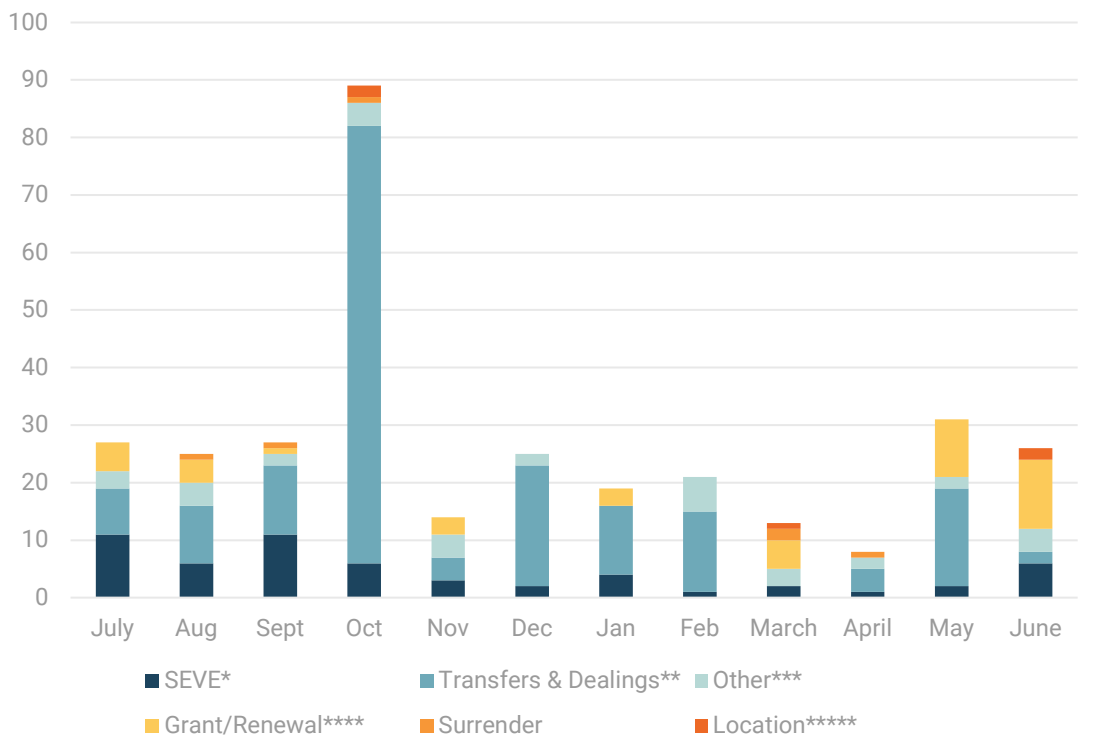


Figure 4: Applications submitted in 2020-21

\*Includes suspension, extensions, variations and exemptions

\*\* Includes change of company name

\*\*\*Other: includes credit, extension renewal, rate of recovery, field development plan, field development plan variations, rate of recovery, equipment and procedures, cancellation

\*\*\*\*Grant/Renewal includes consolidated GHG

\*\*\*\*\*Location: includes Declaration of Location, extension and revocation





Table 2: Applications submitted 2020-21

	WA	SA	NT	VIC	AC	NSW	QLD	TAS	BU*	Cwth	Total
Joint Authority	70	5	4	22	14	1	0	5	0	0	121
Titles Administrator	149	0	25	11	10	0	1	5	2	0	203
Responsible Commonwealth Minister	0	0	0	0	0	0	0	0	0	1	1
<b>Total</b>	<b>219</b>	<b>5</b>	<b>29</b>	<b>33</b>	<b>24</b>	<b>1</b>	<b>1</b>	<b>10</b>	<b>2</b>	<b>1</b>	<b>325</b>

\* Bayu-Undan Pipeline International Offshore Area commenced on 30 August 2019 under the Timor Sea Maritime Boundaries Treaty Consequential Amendments Act 2019

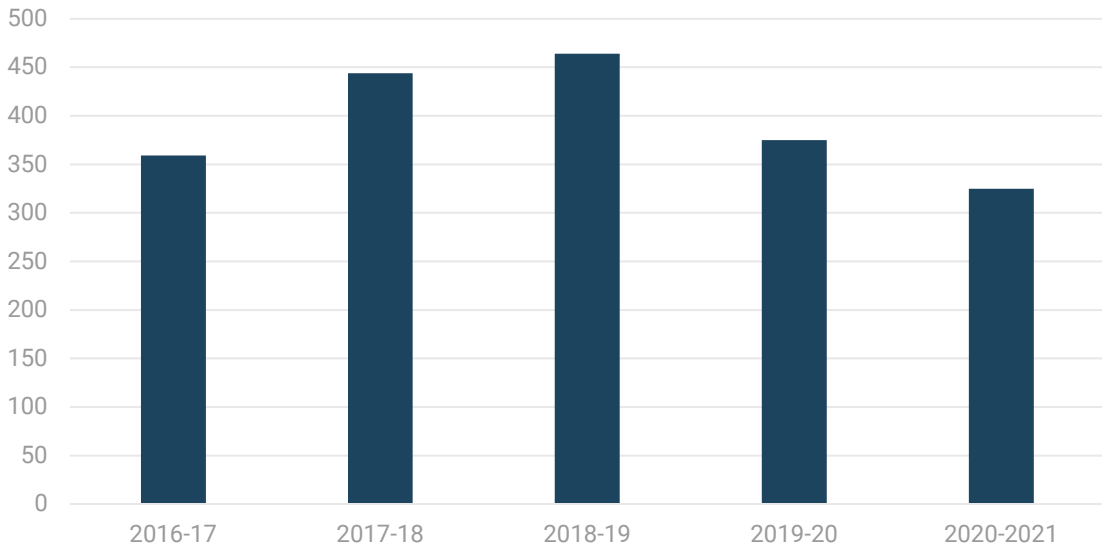


Figure 5: Applications submitted per financial year

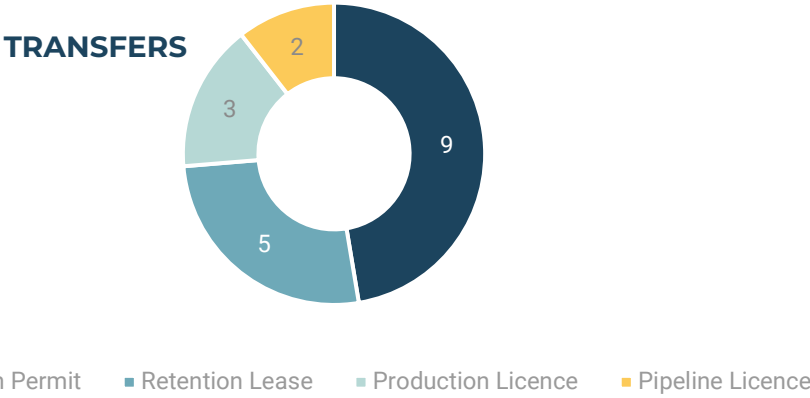


Figure 6: Transfers received in 2020-21 by title type

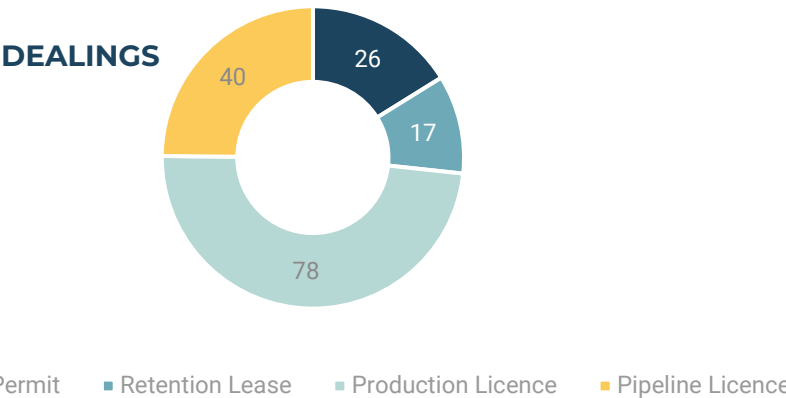


Figure 7: Dealings received in 2020-21 by title type

In 2020-21, there were 294 decisions made in relation to applications for offshore petroleum titles. NOPTA provided advice to the Joint Authorities in relation to 125 of those decisions. The remaining 169 were Titles Administrator decisions.

The *Operating Protocols for Offshore Petroleum Joint Authorities and Supporting Institutions (2015)*<sup>6</sup> 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.

<sup>6</sup>See [www.NOPTA.gov.au/\\_documents/JA-operating-protocols-july2015.pdf](http://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 2020-21, NOPTA met the indicative target timeframes for assessing both Joint Authority and Titles Administrator applications 93 per cent of the time (Figure 8). This has improved from 85 per cent in 2019-20.

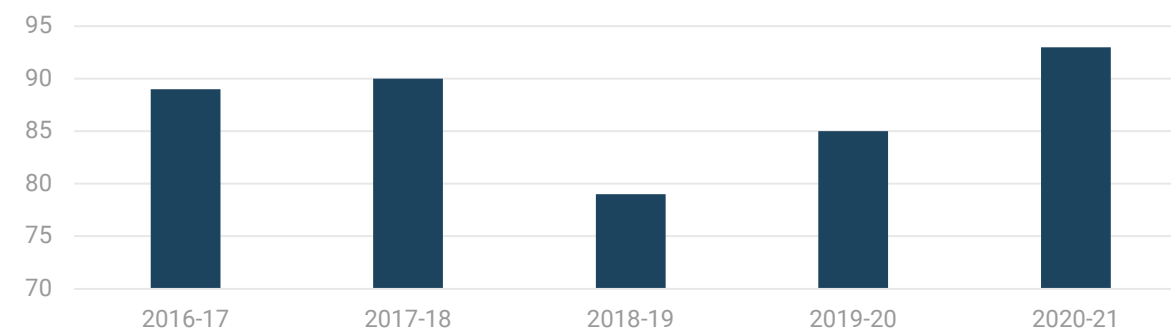


Figure 8: Percentage of applications that met the target assessment timeframes per financial year

Figure 9 shows application processing performance in 2020-21 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.

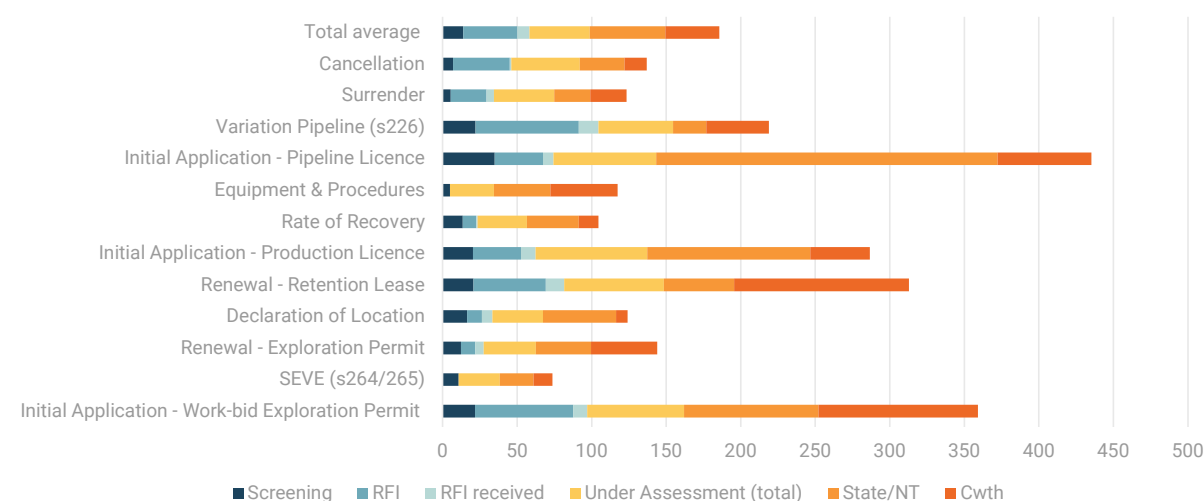


Figure 9: Completed Joint Authority Applications (2020-21) – Average days at each major stage of application processing per Joint Authority application type.



# EXPLORATION

In 2020-21, the average days that a Joint Authority related application was with the applicant for further information was 36 days (up from 31 days in 2019-20). Once all relevant information was received, NOPTA took on average 40 days (up from 39 days in 2019-20) to assess an application, and the average days for the State/NT and Commonwealth Joint Authorities to decide was 51 days and 36 days respectively (Figure 10) (up from 45 days for the State/NT and 21 days for the Commonwealth in 2019-20).

On average, 53 per cent of the time is taken for application processing (i.e., screening, RFI, RFI received and under assessment). The remaining 47 per cent of the time is associated with decision making (Figure 10).

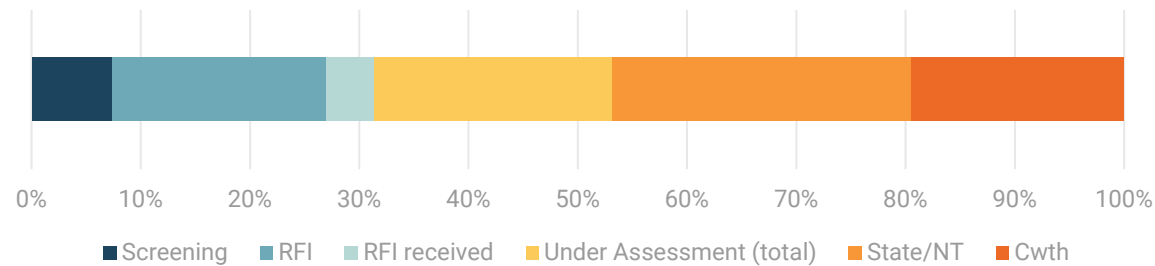


Figure 10: Completed Joint Authority Applications (2020-21) – Percentage of time spent at each major stage of application processing for Joint Authority related applications

In relation to Titles Administrator decisions, Figure 11 shows application processing performance in 2020-21 based on the major processing points for each application. NOPTA took on average 23 days (32 days in 2019-20) to assess a Titles Administrator related application and decisions were made on average within 1 day (consistent with 2019-20).

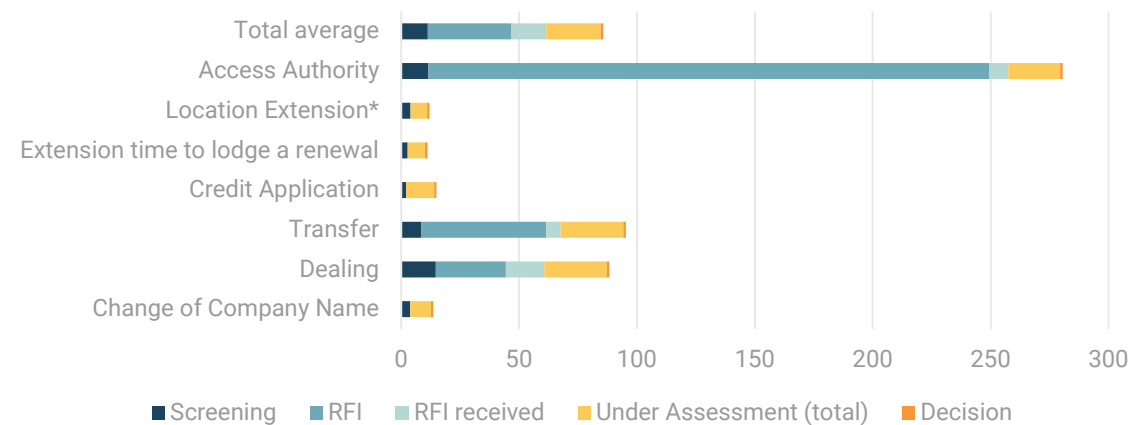


Figure 11: Completed Titles Administrator Applications (2020-21) – Average days at each major stage of application processing per Titles Administrator application type.

\*request to extend the application period.

## ACREAGE RELEASE OUTCOMES

The 2019 and 2020 acreage release rounds saw a change in the acreage release policy with the previously standard two rounds of work program bidding and one round of cash bidding per year being replaced by a single round of work program bidding. While a smaller number of areas were released in 2020 than in 2019, the number of areas available for industry remained comparatively high (Figure 12).

The 2020 Acreage Release round closed on 1 June 2021, and interest from industry was subdued compared to 2019 but was similar to the 2016-2018 rounds. 15 applications were received for 11 of the 42 areas released in 2020 and applications were under assessment during the reporting period (Figure 12).

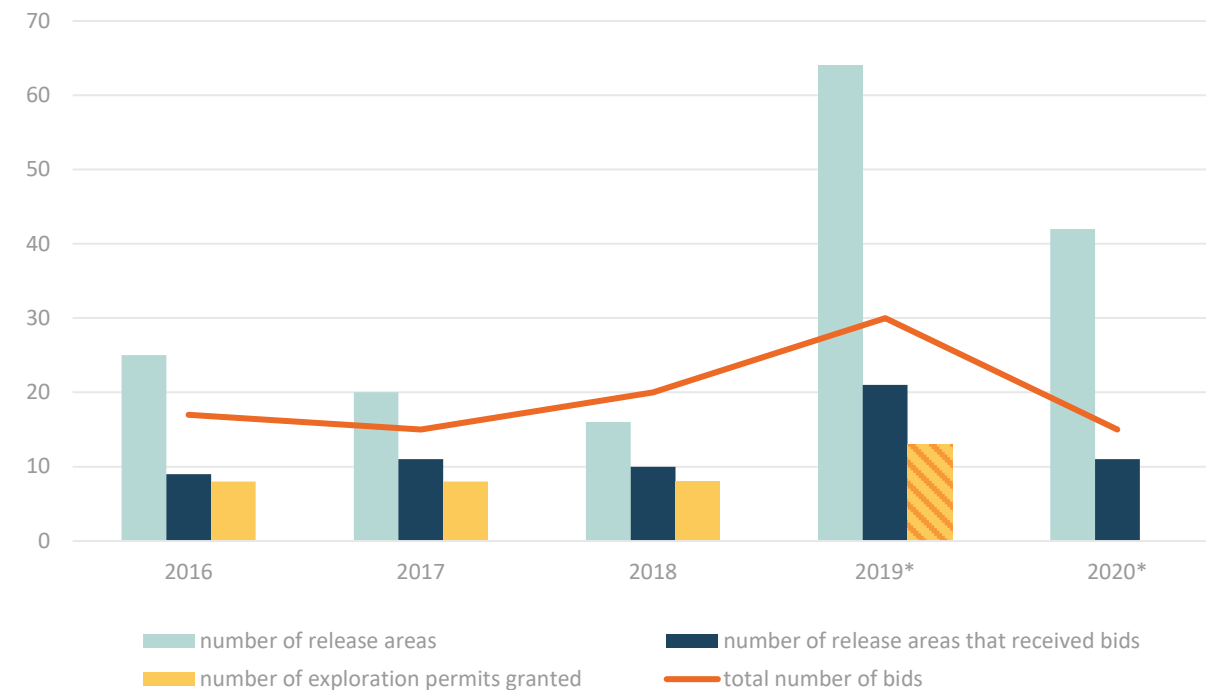


Figure 12: Acreage release outcomes – bidding trends 2016-2020, the year refers to the year the acreage was released.

\*NOTE, the striped bar for the 2019 Acreage Release round indicates that there is one area still under assessment. All 2020 Acreage Release areas are still under assessment.





As a result of the 2019 acreage release round, 13 permits have been granted so far (Figure 12), which is the greatest number over the past five years. However, the average indicative value of work in the primary term is lower than that of the previous two years (2017 and 2018; Figure 13). The peak in 2017-2018 was partly due to proposals for significant primary term drilling and seismic acquisition in the Bonaparte Basin (resulting in the Bratwurst discovery in 2019) and around the Dorado discovery.

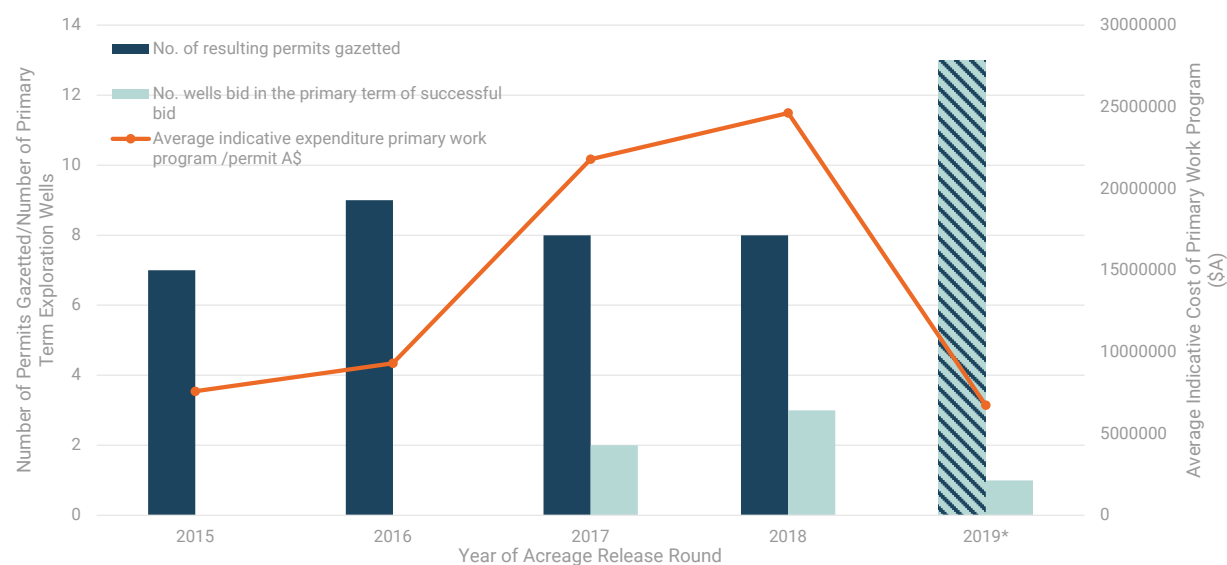
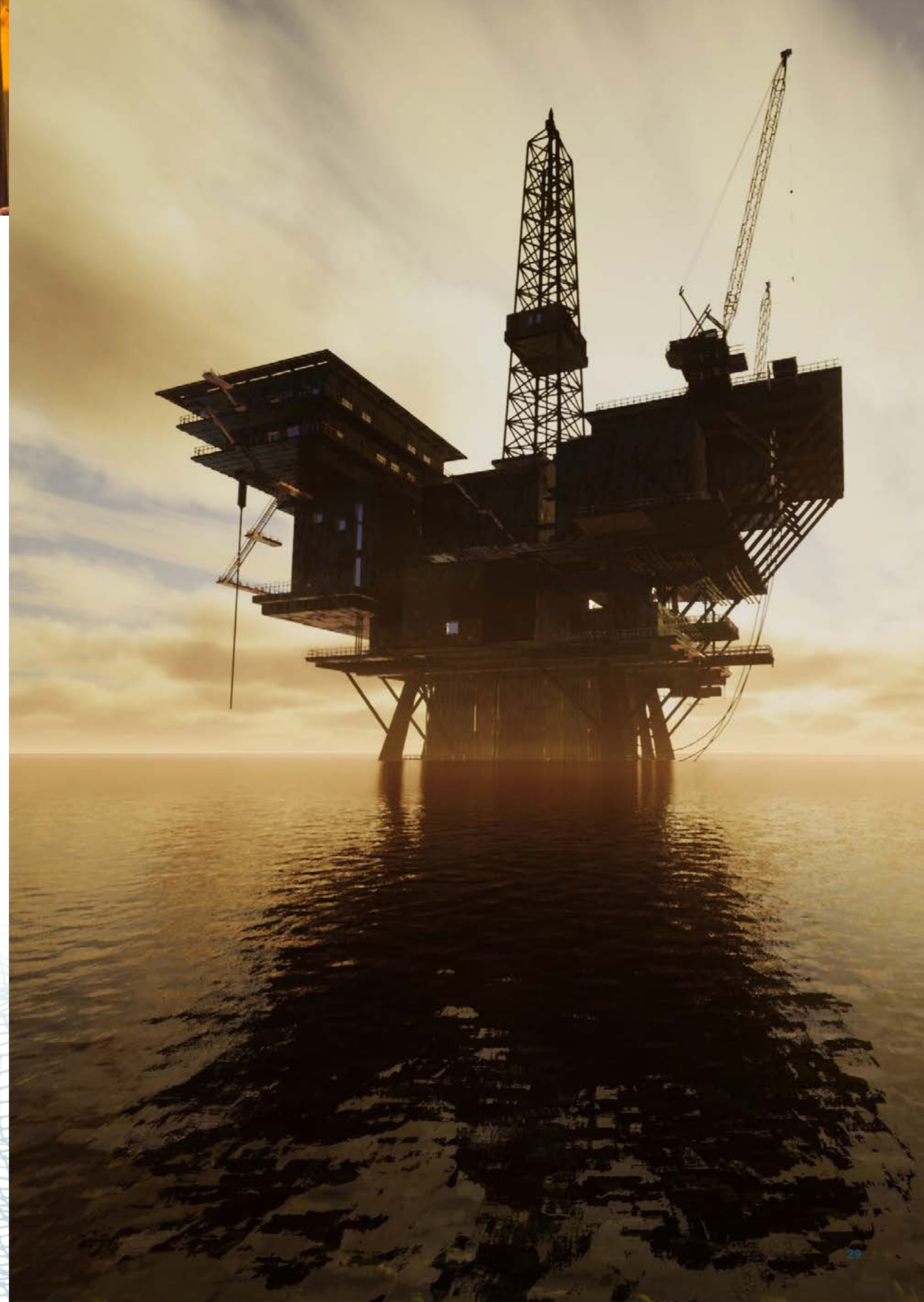


Figure 13: Acreage Release outcomes – permit grants and primary work program comparison 2015-2019, the year refers to the year the acreage was released.

\*NOTE, the striped bar for the 2019 Acreage Release round indicates that there is one area still under assessment.







## SEISMIC SURVEY ACQUISITION TRENDS

Figure 14 shows the number of seismic surveys completed from 2016-17. Even though the number of seismic surveys declined significantly in 2020-21 compared to previous years, the amount of 3D seismic data acquired has remained at a similar level to the previous two financial years (Figure 15). There was no 2D seismic acquisition this year.

Two 3D seismic surveys were completed in 2020-21. While the majority of the data for the very large CGG Gippsland Basin MC3D Seismic Survey was acquired during the later half of 2019-20, this survey was completed very early in 2020-21. This was the sole non-exclusive survey completed in 2020-21. The second seismic survey completed in 2020-21 was the exclusive Archer 3D MSS acquired in the vicinity of the Dorado discovery. Acquisition of the Keraudren Extension 3D MSS commenced this year and acquisition is ongoing, so is excluded from the graph.

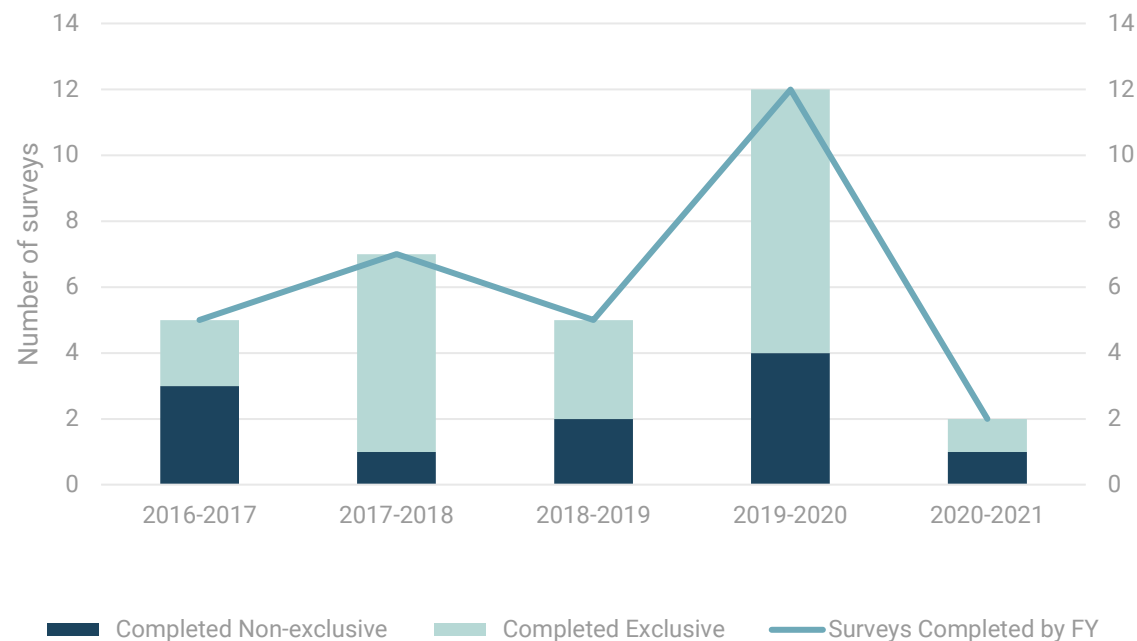


Figure 14: Number of seismic surveys completed 2016-17 to 2020-21

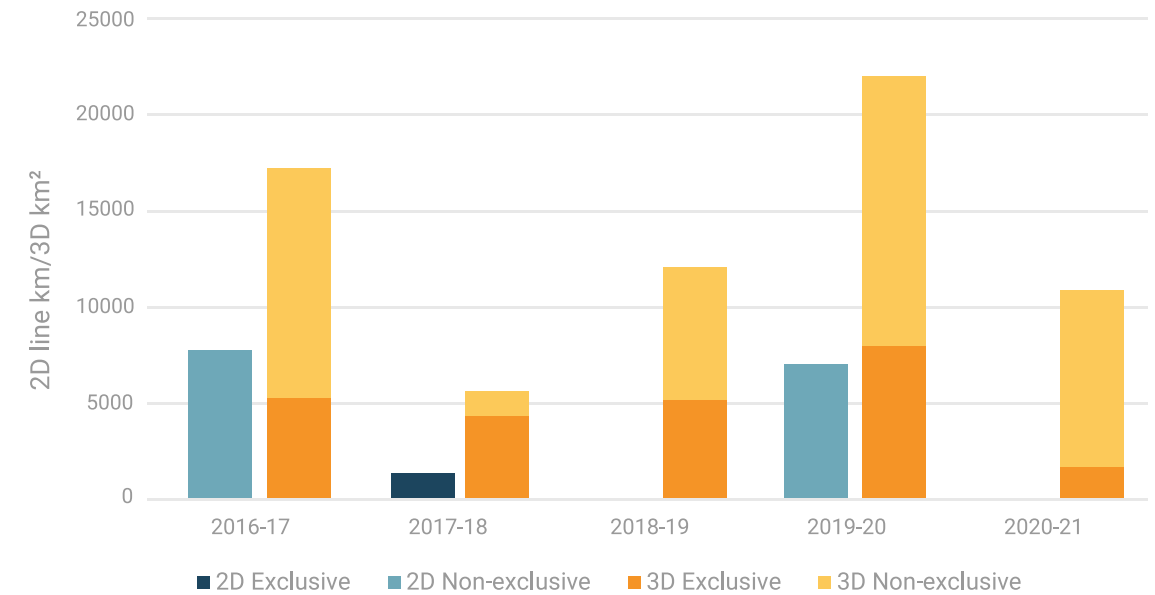


Figure 15: Amount of 2D and 3D seismic data acquired each financial year, 2016-17 to 2020-21

## EXPLORATION DRILLING ACTIVITY

There were two exploration wells drilled during 2020-21 continuing the downward trend of recent years and exacerbated by the COVID-19 pandemic. Exploration drilling for the period represented a record low in offshore activity (Figure 16). Success rates remain strong however, with one discovery publicly reported this year in the Otway Basin (Figure 17).

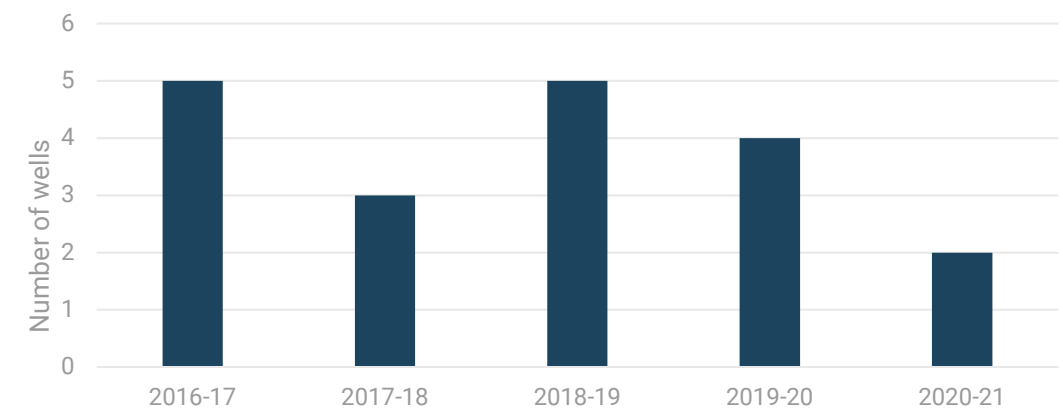


Figure 16: Exploration well activities completed 2016-17 to 2020-21





## PETROLEUM DISCOVERIES, LOCATIONS AND RETENTION LEASE GRANTS

A Declaration of 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 from approval of the declaration, with the option for a single two-year extension. There were three declarations of location approved in 2020-21 (Figure 17), including:

- **Dorado**, covering four graticular blocks within Petroleum Exploration Permit WA-437-P in the Roebuck Basin,
- **Annie**, covering one graticular block within Petroleum Exploration Permit VIC/P44 in the Otway Basin, and
- **Annie Extension**, covering one graticular block in Petroleum Exploration Permit VIC/P76, also in the Otway Basin.

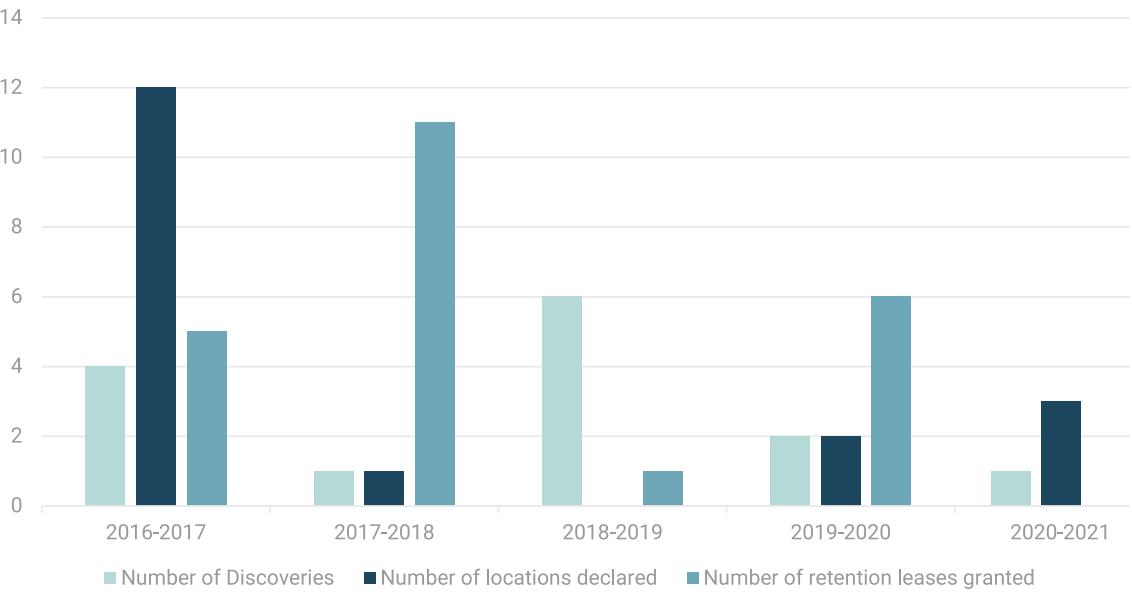


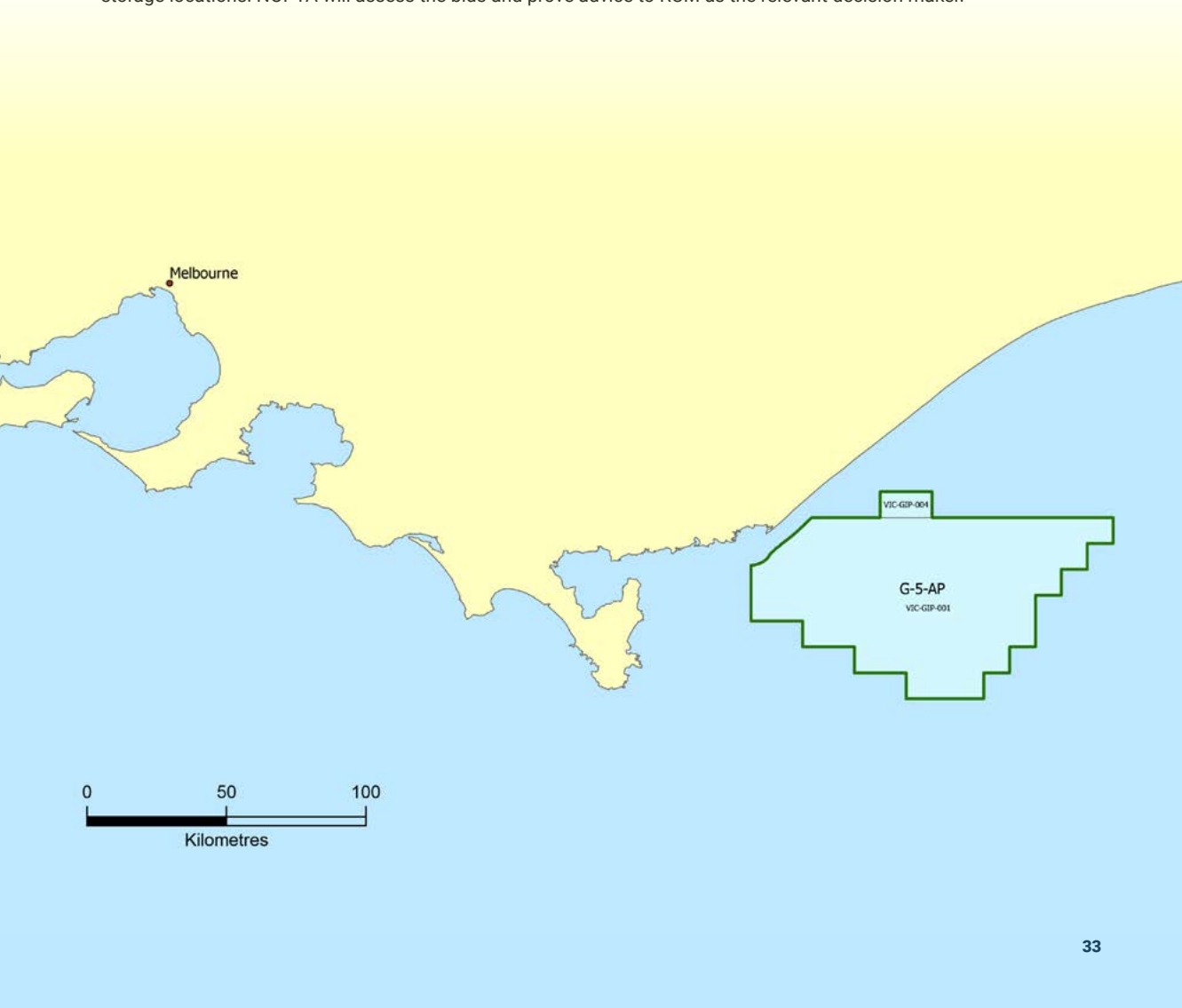
Figure 17. Discoveries\*, Declaration of Location and Retention Lease grants, 2016-17 to 2020-21.

\*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 *Offshore Petroleum and Greenhouse Gas Storage Amendment (Cross-boundary Greenhouse Gas Titles and Other Measures) Act 2020* came into force on 1 October 2020. This amendment allowed the consolidation of GHG titles in Commonwealth waters. This resulted in the grant of GHG Assessment Permit G-5-AP to the Crown in right of Victoria. This title is a consolidation of GHG Assessment Permits VIC-GIP-001 and VIC-GIP-004.

On 16 June 2021, the Australian Government announced a call for area nominations for the 2021 GHG Acreage Release, covering Commonwealth waters across Australia. Nominations closed on 14 July 2021. Following a consultation process, the responsible Commonwealth Minister (RCM) will announce the release areas and open them for bidding. The release will provide companies the opportunity to explore for offshore GHG injection and storage locations. NOPTA will assess the bids and provide advice to RCM as the relevant decision maker.





# NEW AND INFILL DEVELOPMENTS

## INDUSTRY ACTIVITY OVERVIEW







## APPRAISAL AND DEVELOPMENT DRILLING ACTIVITY

There were 21 development wells and no appraisal wells completed in 2020-21 (Figure 18)

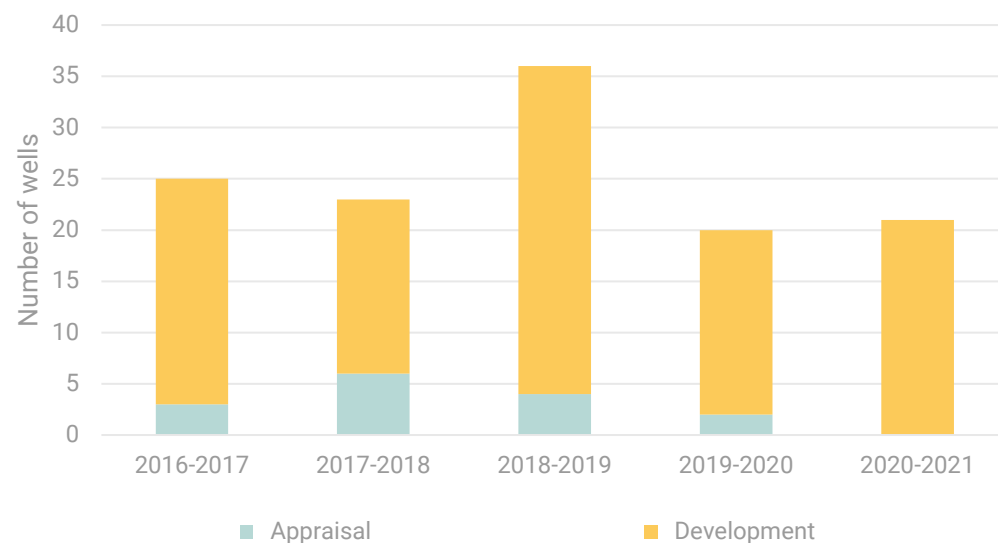


Figure 18: Appraisal and development wells completed 2016-17 to 2020-21



## DEVELOPMENTS – COMMITTED AND IN PROGRESS


Ongoing development drilling in existing projects include wells to support gas production across the Otway, Gippsland, Browse and Northern Carnarvon basins. This includes drilling and/or start-up of wells at Geopraphe, West Barracouta, Ichthys, Gorgon-Jansz (Stage 2), Julimar-Brunello, Pluto and Pyxis projects. Drilling in support of oil production also occurred at Greater Enfield, Van Gogh and Montara projects.

### GEOGRAPHE/THYLACINE

- Production Licence VIC/L23; granted 24/06/2004
- Area: Offshore Victoria, Otway Basin
- Product: Natural Gas
- Fields: Geopraphe and Thylacine
- Titleholders: Beach Energy (Operations) Ltd, OGOG (Otway) Pty Ltd, Beach Energy (Otway) Ltd

□ Ocean Onyx (Diamond Offshore) – Geopraphe project. Supplied Beach Energy.





### MONTARA

- Production Licence AC/L7; granted 20/03/2007
- Area: Territory of Ashmore and Cartier Islands, Bonaparte Basin
- Product: Oil
- Field: Montara
- Titleholders: Jadestone Energy (Eagle) Pty Ltd

□ Valaris 107 over Montara Well Head Platform for H6 drilling program. Supplied Jadestone Energy

### VAN GOGH PHASE 2

- Production Licence WA-35-L; granted 17/10/2008
- Area: Offshore Western Australia, Northern Carnarvon Basin
- Product: Oil
- Fields: Van Gogh
- Titleholder: Santos WA PVG Pty Ltd, Inpex Alpha, Ltd

□ Valaris MS-1 drilling the Van Gogh Phase 2 infill wells (with the Ningaloo Vision FPSO in the background). Supplied by Santos.





# PRODUCTION

## NEW AND EMERGING DEVELOPMENTS

The start-up of new production from offshore projects have provided an important boost to ongoing production. In the Gippsland Basin, production from West Barracouta was initiated in April 2021, representing an important milestone in maintaining and extending offshore gas supply into the southeast domestic gas market. Similarly, the Sole Gas Project has continued to optimise throughput via the Orbest gas plant.

Over the last twelve months, development activity in northern Australia has been focused in the Bonaparte, Browse and Carnarvon basins, as well as the Bedout sub-basin. A production licence was granted in July 2020 and a positive Final Investment Decision (FID) was made in March 2021 for the Barossa Project to develop gas from the Bonaparte Basin in conjunction with the existing Darwin LNG Plant. In the Browse Basin, progress continues towards development of Crux as a tie-back to the Prelude FLNG facility, with the Front-End Engineering and Design (FEED) now completed and work ongoing towards FID. Similarly, the Dorado Project has entered FEED to potentially unlock new oil resources from the nascent Bedout sub-basin. In the Carnarvon Basin, work continues to progress the development of Scarborough gas for which production licences were granted in December 2020. Also in the Northern Carnarvon Basin, the proposed development of the Spartan resource is progressing with FID taken in early 2021.

Despite the significant impacts associated with COVID-19 during 2020, including several documented delays to planned FIDs, a number of developments have continued to progress through maturation stages. This includes the application for Production Licences associated with the Browse Project. There are also positive indications for further interest in brownfield developments and the successful maturation of existing offshore contingent resources. This includes various tie-backs into existing projects across both the Otway and Northern Carnarvon basins.

Offshore production levels during 2020 were similar to the previous year across all hydrocarbon types (Figure 19). Total raw gas production was marginally below the high reached in 2019, after five consecutive year-on-year increases. This continues to be underpinned by ongoing production from the Northern Carnarvon and Browse basins. Total liquids production (crude oil, condensate and natural gas liquids) was marginally down on the five-year high reached during 2019. More than half of these volumes are made up of condensate, largely associated with LNG projects, which saw a slight decrease on the five-year high reached in 2019. Total oil production was steady compared to the slight recovery shown during 2019, but still well below 2014 levels.

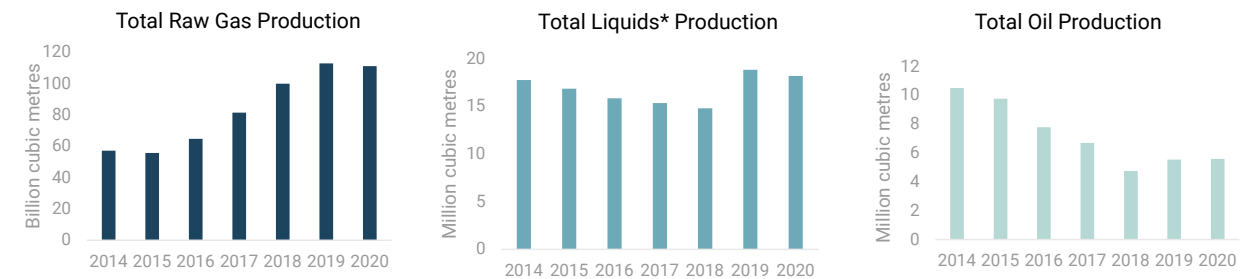


Figure 19. Production trends in offshore Australia over the last five years.

\*Liquids include condensate, natural gas liquids and crude oil. Raw gas represents gas produced offshore from the full well-stream, minus water and condensate recovered via offshore facilities.

## OFFSHORE PRODUCTION BY BASIN

The Northern Carnarvon Basin continues to dominate Australian offshore production, with 77 per cent of total raw gas production and 62 per cent of total liquids production (Figure 20). The Browse Basin has now overtaken the Gippsland Basin in terms of current production levels, with 14 per cent of total raw gas production and 22 per cent of total liquids production.

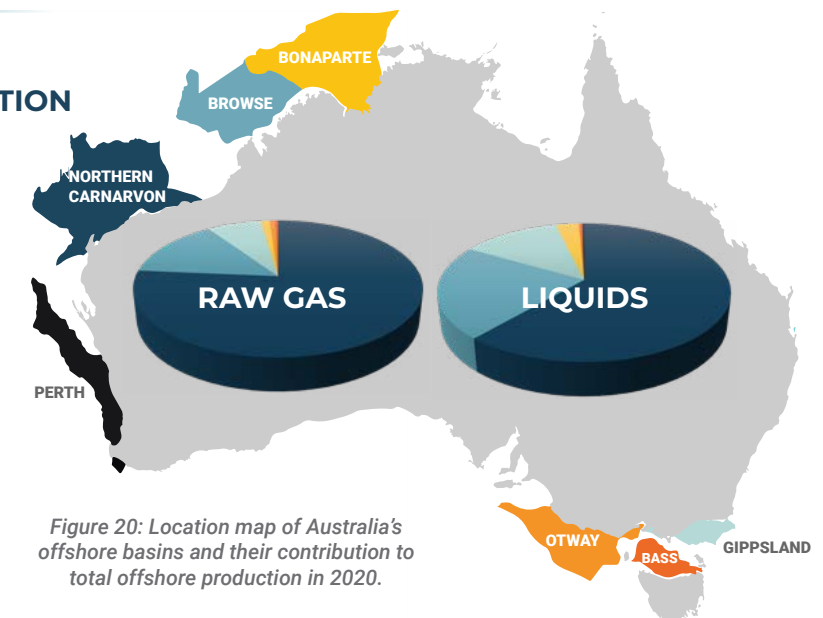


Figure 20: Location map of Australia's offshore basins and their contribution to total offshore production in 2020.





# 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 (NOPTA, Geoscience Australia (GA), and the WA Department of Mines, Industry Regulation and Safety (DMIRS)) and is subject to a separate development agreement (Figure 21).

## DATA MANAGEMENT NOPDCR ORGANISATION

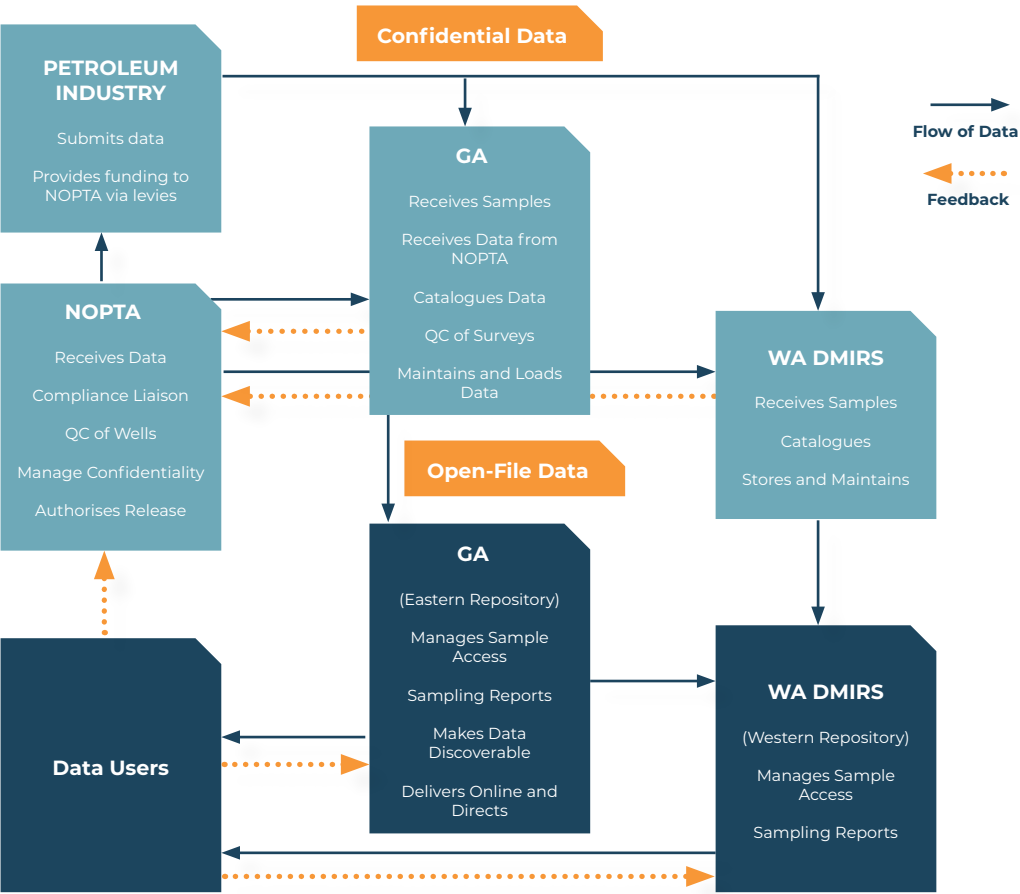


Figure 21: NOPDCR organisation

## NOPIMS

During 2020-21 an additional 6832 gigabytes (GB) of data was released for public use across 177 offshore activities. Of the data released, 3519 GB related to new survey acquisitions, 3117 GB to reprocessing projects and approximately 195 GB was borehole related. Whilst all items are discoverable through NOPIMS and the majority also delivered online, certain larger datasets (especially survey field and processing) are available from GA through online request via NOPIMS.

During 2020-21, NOPTA's contribution to NOPIMS development and support was \$245,000. Discussions also commenced on potential future developments; with full cloud enablement and infrastructure issues among the matters to be resolved between the NOPIMS co-development partners, in the 2021-22 financial year.

## NOPDCR

Stakeholder feedback confirms the National Repository relationship between NOPTA, GA and WA DMIRS is considered positively. The challenge is to build upon the transactional nature of the present interaction, towards achievement of strategic outcomes. These include further progress towards digital integration of petroleum data and a continuing focus on data quality and utility. The cost of managing offshore confidential data continued to decline this financial year. Improved efficiencies and streamlining of agency roles resulted in savings of around \$570,000 in NOPTA's contribution to NOPDCR funding from \$1,907,000 in 2019-20 to \$1,332,000 in 2020-21.







## DATA TRANSACTIONS

Commensurate with reduced drilling and survey activity, we have seen Daily Drilling Reports (DDR's) and Weekly Survey Reports (WSR's) decline during the last financial year. The number of DDR's received during 2020-21 was 2305 compared with 2682 in the previous year. WSR's declined to 13 in 2020-21, from 104 received in 2019-20 (Figure 22).

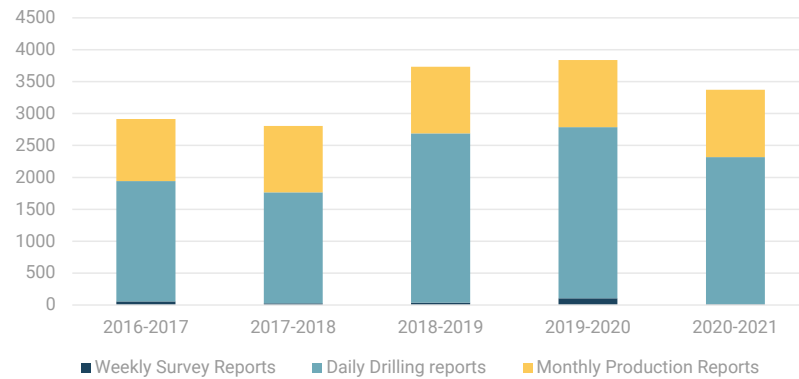


Figure 22: Data Management Activity Reports 2016-17 to 2020-21

Similarly, the total number of regulatory submissions received during 2020-21 declined to 767 (865 in 2019-20). A breakdown by report type is provided in Figure 23.

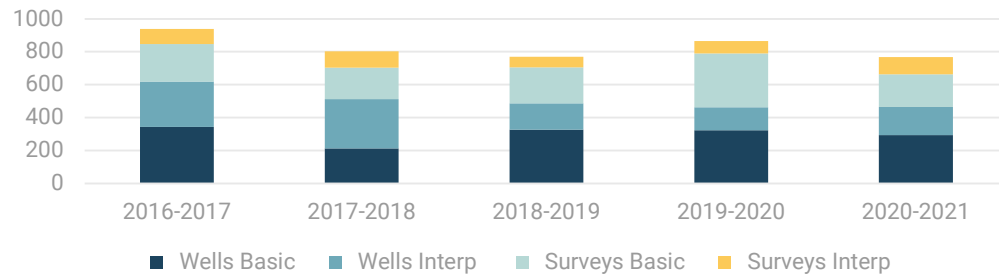


Figure 23: Data items submitted 2015-16 to 2020-21

Conversely, the number of open file data releases increased to 143 in 2020-21 from 129 in the previous financial year (Figure 24).

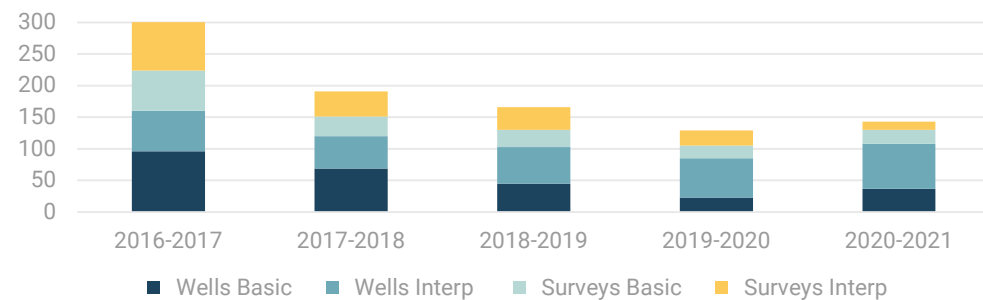


Figure 24: Data activities released



**SUPPORTING  
INDUSTRY**



# NOPTA

## 2020-23 STRATEGIC PLAN

### 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 important for maintaining a competent capacity.

**Key achievements in 2020-21 include:**

##### National Electronic Approvals Tracking System (NEATS) website

- Launched a refreshed NEATS external website on 2 February 2021, including enhancements to the maps and titles information pages. Consultation on this project has occurred with a titleholder user group, NOPSEMA and AMPLA: Energy and Resources Law Association.



##### NEATS Training

- Held virtual training sessions on the refreshed NEATS external website during February and March 2021. NOPTA also had the NEATS website on display at the 2021 APPEA Conference and Exhibition and held in person tutorials at the Australian Government exhibition booth.



##### NEATS Industry Portal upgrades

- Continued to enhance the NEATS industry portal to 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

- Made upgrades to NOPTA's internal systems which will lay the foundation for NOPTA to use the latest technology for collection, sharing and analysing of information. These upgrades have also seen technological improvements to allow for application tracking and performance reporting.

##### Production monitoring

- Continued internal systems improvements for NOPTA's production monitoring and benchmarking capabilities. These improvements allow NOPTA to implement its resource management priorities more efficiently.

##### Virtual meeting capabilities

- Rolled-out Microsoft Teams and Webex capabilities across NOPTA along with upgraded videoconferencing facilities to enable virtual meetings to occur across multiple platforms. These technological upgrades have been particularly important for NOPTA to remain accessible to key stakeholders during COVID-19 related restrictions.

#### RESOURCE MANAGEMENT

Resource management takes in the full life cycle of petroleum activity. NOPTA 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 2020-21 include:**

##### Annual Performance Review Meetings

- Held annual field performance review meetings with titleholders responsible for offshore production. As with 2019-20, the ability to effectively undertake these activities has been impacted by COVID-19 implications 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

- 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 dedicated databases.
- During the year NOPTA shared insights from this work with industry to inform, seek feedback and encourage engagement on measures to improve outcomes.
- For the first time benchmarking also expanded to include benchmarking on Annual Title Assessment Reports (ATARs), submission of applications, duration of retention leases and exploration permits, and data submissions (see "Insights from benchmarking and data analysis" below). NOPTA will continue to refine its benchmarking program of work over the next financial year.

##### Analysis

- Continued to aggregate reported volumes to analyse annual trends in both production and, resources and reserves replacement. Total offshore production for 2020 was marginally down compared to the record-high reached during 2019, but still well above 2014 levels. These continued high levels of total annual production have once again resulted in low levels of reserves replacement: only marginally above 2018 levels (Figure 25). The latest volumes also suggest a reserves/production ratio (R/P) of ~16 years (on an MMboe basis: Figure 24), representing how long reported reserves would enable current production rates to be maintained. While the ratio captures oil pricing assumptions used in economic limit tests (which form the basis for annual reserves reporting), it is limited by uncertainties in future production decline, and potential economic or technological factors that could facilitate resource maturation. The importance of ensuring that resources are matured into reserves and production (i.e., that future reserves replacement ratios are raised towards 100 per cent) continue to be a key consideration for NOPTA in our engagement with titleholders. These observations, as well as other analysis of relevant trends, are being shared by NOPTA to assist and support the department's Offshore Resources Branch (ORB) with policy considerations.



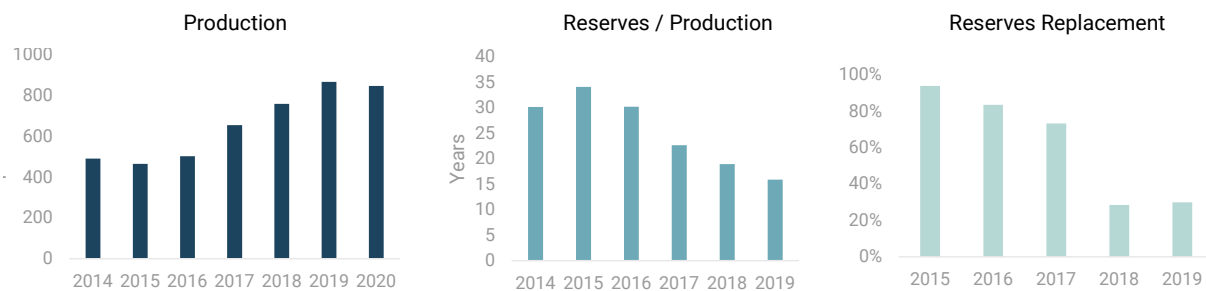


Figure 25: Annual trends in offshore production and reserves replacement.

After a drop in 2015 production has since continued to ramp up and remains at similar levels to 2019. This continues to have a direct impact on reserves replacement, which remains relatively low with only a marginal improvement in 2019 (compared with 2018).

### Commerciality Reviews

- Maintained a focus on the progression of key resources that have been previously subject to commerciality reviews, in particular the Scarborough and Browse resources.
- NOPTA expects to undertake further commerciality reviews in the future, decisions on specific titles and timing will be influenced by NOPTA's understanding of the development opportunities available for resources in particular regions, the potential for collaboration between titleholders to improve commercial outcomes, and underlying economic conditions.
- Data and insights from commerciality reviews are being used to supplement regular regulatory reporting to inform the understanding of potential future oil and gas production, particularly in South East Australia.

### Collaboration

- Sought information from titleholders to better understand the level of current collaboration across industry participants. Responses indicated that most collaboration occurs around shared and coordinated support services (e.g., helicopters and vessels), while health, safety and environment (HSE), logistics, and services, are the areas where learnings are shared the most. The limited interconnectedness of Australia's offshore infrastructure was largely reflected in responses indicating that few third-party access opportunities are realised, despite (at times) extensive discussions. There were also some positive signs of increased collaborating to improve production-related practices across mature projects to foster regional operational synergies.

### Late Life Resources

- Maintained engagement with titleholders responsible for mature late-life projects, with significant declining production, focusing on: (1) understanding the current commercial and economic conditions of the project; (2) determining potential economic cut-off limits and timing; (3) ensuring all remaining opportunities available to extend production and mature available resources are being considered; and (4) confirming decommissioning plans in place for existing infrastructure.

## CASE STUDY INSIGHTS FROM BENCHMARKING AND DATA ANALYSIS

NOPTA uses the information provided by titleholders through regular reporting under the OPGGS Act, applications, and ongoing engagement to gain a better understanding of titleholder performance and emerging trends and issues across the offshore petroleum industry. This work enables a more strategic approach to dialogue with industry and provides a broader context in the assessment of applications, advice to the Joint Authorities, and through this improves overall outcomes within the regulatory regime.

A broad range of metrics are considered by NOPTA on an ongoing basis, these include rates of production and reserves replacement (discussed under Analysis), recovery efficiency, and trend in specific categories of titles.

### Recovery Efficiency

Through regulatory processes associated with field development planning, analysis of regular reporting and ongoing engagement with the operators of petroleum projects, NOPTA seeks to maximise the level of petroleum recovery from each project.

Recovery factors (RF) are a measure (percentage) of the proportion of originally-in-place hydrocarbons that can be ultimately produced and are an important indicator of the effectiveness of the development concept selected. They reflect the complexity of the reservoirs being developed and are impacted by physical, technical, and economic constraints.

NOPTA has initially reviewed 57 major offshore gas fields and found an RF range of 15 per cent to >90 per cent (Figures 26 and 27). High RF fields are characterised as relatively simple (high net-gross, multi-Darcy permeability, vertically thick and laterally extensive reservoirs with minimal compartmentalisation) producing under depletion drive or favourable aquifer displacement. Those fields with <50 per cent RF generally exhibit higher reservoir complexity (faulted, baffled, areas of low net-gross, etc.) and usually require titleholders to seek to improve recovery. For example, this could be achieved by: increasing gas production well count; utilising multiple-zone completions (e.g., smart wells); using improved seismic processing and imaging; and/or improving minimum facility turndown rates.

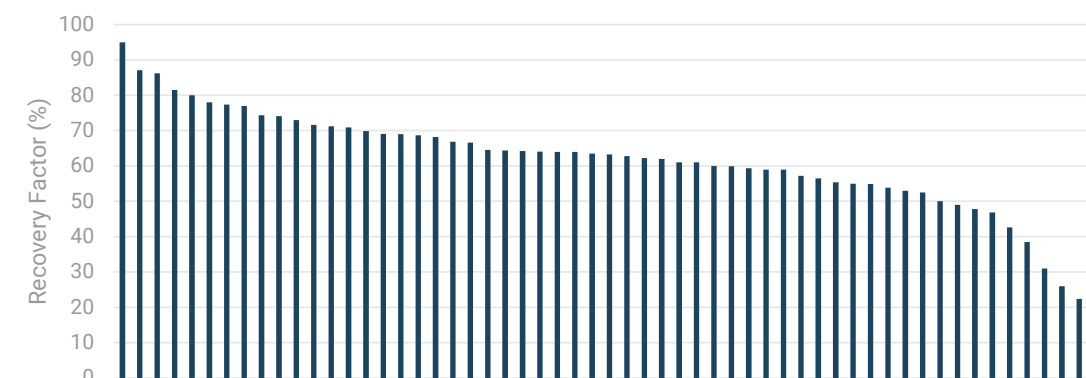


Figure 26: Offshore gas fields ranked by recovery factor (Tingate et. al., 2020)<sup>7</sup>

<sup>7</sup> Tingate, P, Monro, J, Pereira, E, Webb, M, and Hamp, R., 2020: "A New Field Benchmarking Process and Insights for Australia's Offshore Gas Developments." Paper presented at the SPE Asia Pacific Oil & Gas Conference and Exhibition, Virtual, November 2020. doi: <https://doi.org/10.2118/202226-MS>



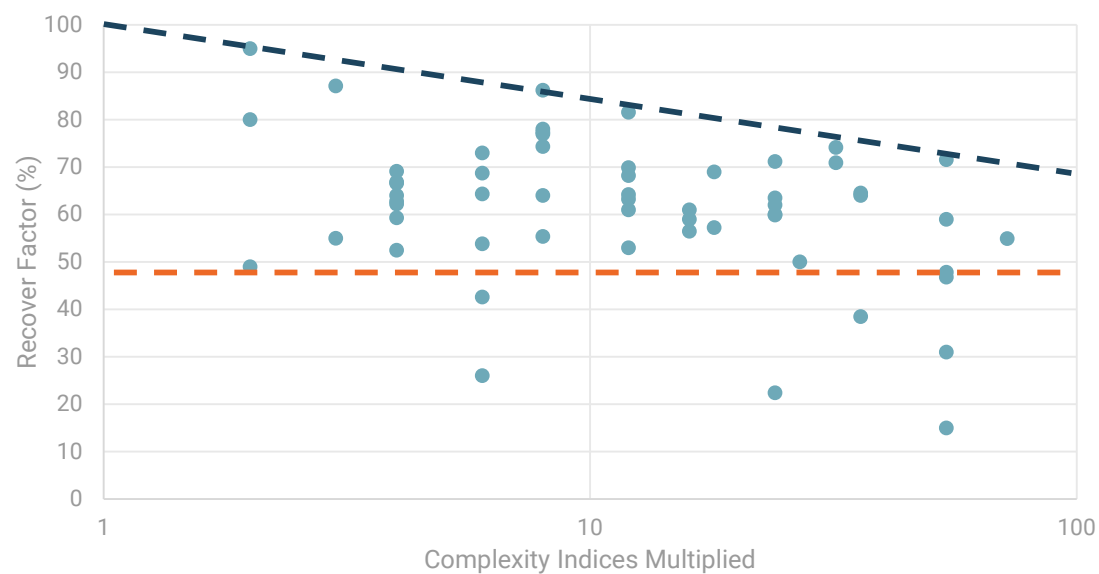


Figure 27: Distribution of selected offshore gas field recovery factors and increasing associated reservoir complexity (Tingate et. al., 2020).

This analysis allows NOPTA to better understand operator and project performance, relative to comparable developments, and facilitates discussions around opportunities for improvement to maximise overall recovery.

## Progression of retention leases

Figure 28 shows total number of retention leases granted ("New"), relinquished and converted to production licences over time. Figure 29 shows aggregated total of active retention leases grouped by renewal terms (each term being five years). 68 per cent of retention leases are in their initial grant or first renewal period (i.e., 0-10 years old), while 10 per cent were granted more than 20 years ago. Note: pre-2012 data has been compiled from available records.

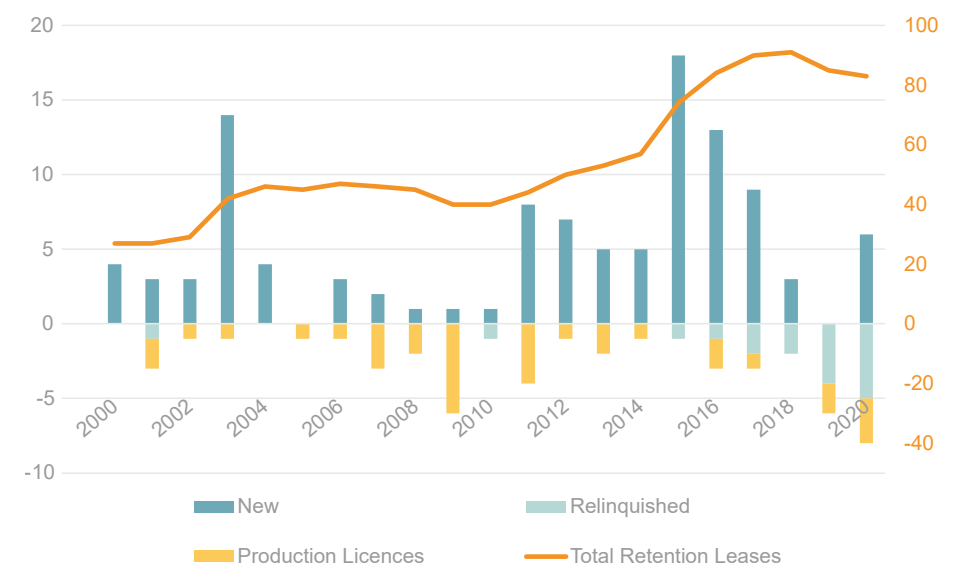


Figure 28: Total number of retention leases granted ("New"), relinquished and converted to production licences over time.

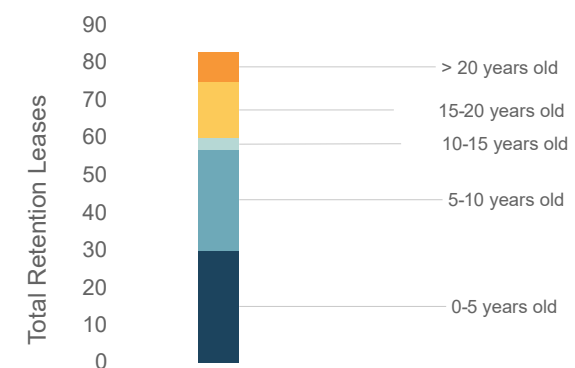


Figure 29: Aggregated total of active retention leases grouped by renewal terms





In its role as administrator, NOPTA monitors overall changes in the number of each type of petroleum title, the amount of time that titleholders spend under each type of title, and the overall progression of resources towards development.

Retention Leases are of particular interest given that they are designed to enable titleholders to maintain tenure over acreage where a petroleum discovery exists and is not yet considered to be commercially viable. The total number of retention leases has increased steadily over the past 20 years, peaking around 2017-18; with a large increase in the number of annual leases granted commencing in 2011. More recently, the number of relinquishments has increased (since 2015), with fewer leases being converted to production licences.

As the number of retention leases have increased, the overall age (time since initially granted) has also increased over time. This analysis has enabled NOPTA to engage more actively with titleholders, in relation to older retention leases and their plans for commercialisation and informs decisions in relation to future commerciality reviews and the nature of information that will be required for any future application for renewal.

### Well, samples and survey data

NOPTA has completed a benchmarking exercise relating to well, samples and survey data submitted since 2016. Data submitted under Part 7 and Part 9 of the RMA Regulations are now evaluated according to four criteria. These are the timeliness of submissions, completeness at the time of submission, usability of the data (consistency and format) and company responsiveness (level of compliance activity to resolve any arising issues).

In general, NOPTA has seen an improvement in the quality of survey data and petroleum mining samples submitted since 2016 (Figure 30). However, well data quality peaked in 2018-19 and has slightly declined in quality over the last financial year, as measured by the quality criteria applied. These results are being communicated to submitting companies progressively. NOPTA continues to actively follow up with companies on barriers to submitting the best available data; and to identify ways in which we can contribute to more positive outcomes for data users.

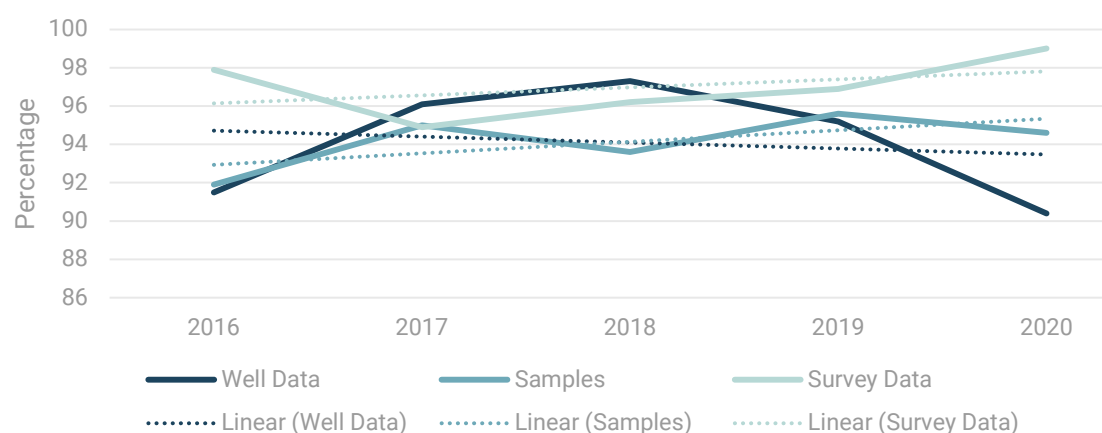


Figure 30: Submission data quality trends 2016-2020 (calendar year)

## INFLUENCE COLLABORATION & ENGAGEMENT

Collaboration and engagement with key stakeholders is important to provide awareness and guidance around regulatory obligations and to streamline legislation, guidance material and administrative processes thereby leading to efficiencies for both government and industry. Encouraging greater collaboration and efficiency within industry is also important to drive timely development and optimum recovery. NOPTA's resource management related work in this space is outlined in the section above.

Key achievements in 2020-21 include:

### GHG Storage Titles Introductory Session

- Conducted an online public information session on GHG storage titles, providing an overview of the legislation, including pathways for obtaining a GHG title. Over 40 industry and government representatives attended the session.

### Website Updates and Introductory Presentations

- Commenced a review of the NOPTA website content. The About NOPTA page, is the first of a number of pages being refreshed to better articulate the role of NOPTA and the regime.
- Published a GHG storage titles introductory presentation and a presentation on the offshore petroleum and GHG titles framework in general, to assist stakeholders in understanding the offshore titles regime and the role of NOPTA.<sup>7</sup>

### Offshore Greenhouse Gas Guideline for Consolidated Work-bid and Cross-boundary Greenhouse Gas Assessment Permits

- Published the *Offshore Greenhouse Gas Guideline for Consolidated Work-bid and Cross-boundary Greenhouse Gas Assessment Permits* guideline<sup>8</sup> to assist applicants to lodge applications to unify adjacent GHG assessment permits. It also includes the criteria followed in assessing applications for either the consolidation of work-bid GHG assessment permits or cross-boundary GHG assessment permits under Part 3.2 of the OPGGS Act.

### Supplementary Instruments Factsheet

- Published a *Petroleum Title Dealings – Supplementary Instruments Fact Sheet*<sup>9</sup> providing guidance on how to prepare a supplementary instrument for a dealing.

### COVID-19 Work-bid Exploration Permits Fact Sheet

- Implemented temporary measures for explores due to COVID-19. The *COVID-19 Work-bid Exploration Permits Fact Sheet*<sup>10</sup> relating to interim measures to provide flexibility for offshore oil and gas explorers during the COVID-19 pandemic concluded on 31 January 2021.

<sup>7</sup> See: [www.NOPTA.gov.au/\\_documents/JA-operating-protocols-july2015.pdf](http://www.NOPTA.gov.au/_documents/JA-operating-protocols-july2015.pdf)

<sup>8</sup> See: [nopta.gov.au/\\_documents/guidelines/GHG-Offshore-GHG-Guideline-for-Unified-GHG-Assessment-Permits-122020.pdf](http://nopta.gov.au/_documents/guidelines/GHG-Offshore-GHG-Guideline-for-Unified-GHG-Assessment-Permits-122020.pdf)

<sup>9</sup> See: <https://www.NOPTA.gov.au/factsheets/petroleum-title-dealings-supplementary-instructions.html>

<sup>10</sup> See: [www.NOPTA.gov.au/\\_documents/fact-sheets/fact-sheet-COVID19-exploration-permits-20200416.pdf](http://www.NOPTA.gov.au/_documents/fact-sheets/fact-sheet-COVID19-exploration-permits-20200416.pdf)





## 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<sup>11</sup>.

## International Engagement - skills exchange program

- Continued engagement with international offshore petroleum regulators including the United Kingdom's Oil and Gas Authority (OGA), with a focus on best practice management of late life petroleum titles and matters related to titles administration.

## National Data Repository Workgroup

- Conducted regular consultations and ideas exchange with international counterparts on National Data Repository (NDR) initiatives. This work has significantly contributed to our understanding of contemporary and emerging issues. NOPTA also continued to contribute to the Professional Petroleum Data Management (PPDM) Association through active membership.

## 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 seismic surveys, pipelines, decommissioning and abandonment. Meetings are held on a regular basis (quarterly or bi-monthly) and additionally as required.

## Regulatory reform process

- NOPTA continued to work with external stakeholders, including NOPSEMA and ORB on legislation, guidance material and administrative processes improvements. Key initiatives have included:
  - Offshore Petroleum and Greenhouse Gas Storage Amendment (Titles Administration and Other Measures) Bill 2021
  - The enhanced framework for decommissioning offshore oil and gas infrastructure
  - Review of the data management provisions of the Offshore Petroleum and Greenhouse Gas Storage (Resources Management and Administration) Regulations 2011
  - Cross-boundary GHG legislation
- NOPTA expects to continue working on these matters through 2021-22

<sup>11</sup> See: [www.legislation.gov.au/Details/F2020L00553](http://www.legislation.gov.au/Details/F2020L00553)

## Engagement

NOPTA seeks to maintain and promote transparent and effective engagement with our industry and government stakeholders. In 2021, NOPTA began to record and analyse its engagements with stakeholders to assist in refining our approach to collaboration more closely.

In the coming year NOPTA will be seeking to broaden its engagement with industry beyond transactional issues to enable a more pro-active approach to regulatory guidance. This will include meeting with a range of titleholders within joint ventures to ensure a full range of views and perspectives are considered.

NOPTA held 394 meetings in 2020-21, an average of 33 meetings per month. These meetings were conducted via a combination of face-to-face, video conference and tele-conference mediums. As indicated, the number of meetings held between July 2020 – December 2020 was notably lower than the second half of the year which was due to widespread COVID 19 restrictions, with the frequency of meetings returning from February 2021.

NOPTA aims to meet with a range of stakeholders to ensure our decision processes are well informed and that the needs of our key stakeholder are met. In 2020-21 NOPTA maintained a fairly even distribution between industry and government related stakeholder meetings (Figure 31).

As part of our periodic survey process, NOPTA tracks the most common forms of interaction with stakeholders. In 2021 face-to-face (or virtual), phone and email comprised 55 per cent of the noted interaction with NOPTA, which is a 17 per cent increase in this type of communication since 2019 (Figure 32).

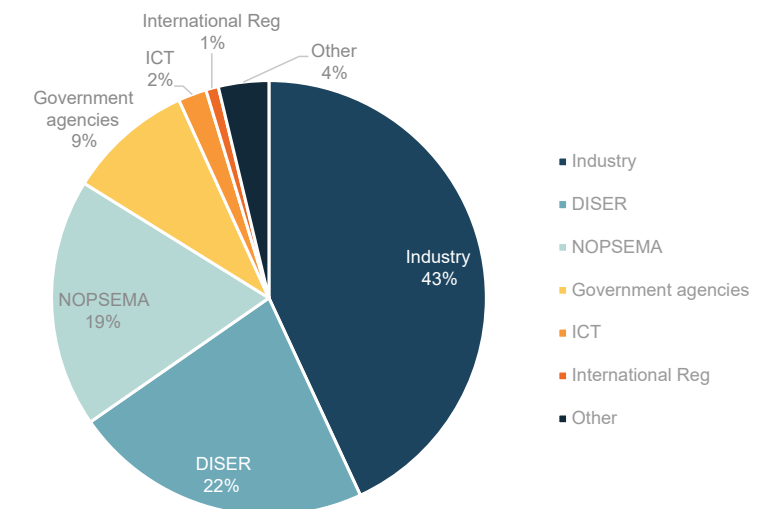


Figure 31: NOPTA meeting stakeholder breakdown 2020-21

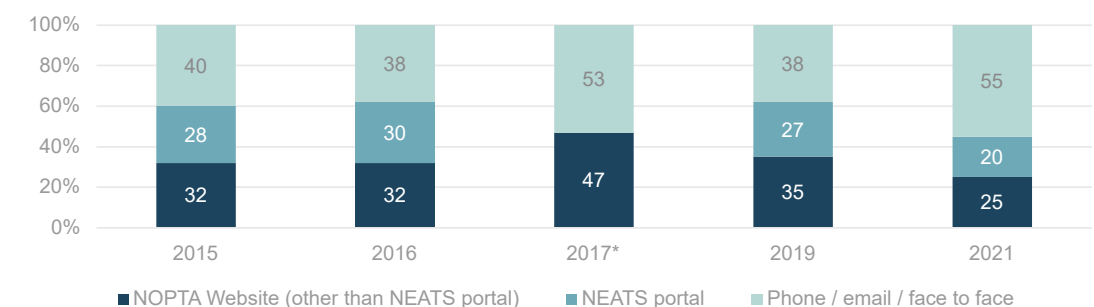


Figure 32: Most common form of interaction with NOPTA 2015-2021

\*Questions on NEATS Portal interaction where not asked in 2017





## REGULATE EXTERNAL COMPLIANCE

Compliance is central to the role of NOPTA as a regulator. NOPTA promotes early engagement with stakeholders on potential non-compliance issues to maximise the range of options available and to minimise unintended outcomes for all parties. 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 2020-21 included:**

### Ongoing review of internal procedures

- Reviewed internal compliance procedures 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<sup>12</sup>.

### Compliance Monitoring

- Examined 56 instances of possible non-compliance with the OPGGS Act and regulations with one title being cancelled during the reporting period; three titles having cancellation proceedings commenced against them; advice being sent to the Joint Authority on one occasion and 52 instances requiring no further action by NOPTA or the Joint Authority.

### Special Conditions and Expectations

- Monitored 106 special conditions<sup>13</sup> and 53 expectations placed on titles by the Joint Authority<sup>14</sup>. NOPTA identified one instance of non-compliance during the reporting period. The matter was managed in accordance with NOPTA's Compliance and Enforcement Policy and the relevant Joint Authority was informed of the

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## 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 2020-21 included:**

### Operational Review

- In accordance with section 695P(1) of the OPGGS Act, a five year review of the effectiveness of the Titles Administrator in contributing to the efficiency of decision making by a Joint Authority for a state or the Northern Territory was conducted. The final report was tabled in the Commonwealth Parliament on 22 July 2021.
- The report found NOPTA to have generally been effective and efficient across the review period in carrying out its functions under section 695B of the OPGGS Act and effective in contributing to the efficiency of the decision making by a Joint Authority for a state or Northern Territory. The Government will respond to the review later in

<sup>12</sup> See: [https://www.NOPTA.gov.au/\\_documents/nopta-compliance-enforcement-policy.pdf](https://www.NOPTA.gov.au/_documents/nopta-compliance-enforcement-policy.pdf)

<sup>13</sup> 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.

<sup>14</sup> An expectation can be placed on the approval of an application relating to a title. It could be an expectation to provide six monthly status updates to NOPTA on the progress of completing the primary term work commitment program activities. If an expectation is not complied with, the Joint Authority may consider this in future decision making.

### Application Assessment Streamlining

- Completed a broad review of internal application assessment templates to better streamline and improve the transparency of advice and recommendations provided to the Joint Authority.

### Internal assurance reviews

- Continued a program of internal assurance reviews to ensure our workflow and processes are working as effectively as possible. The internal quality assurance also helps to confirm that assessments and business activities are valid, authentic, sufficient, fair and reliable, whilst encouraging continuous improvement and oversight of our risk controls.

During the year, the following internal workflow processes and associated procedures were reviewed:

- The completion of the ATAR assessment for compliance with regulatory requirements.
  - Assessment of Surrender applications.
  - Assessment of the release of basic and interpretative reprocessed seismic survey data for compliance with regulatory requirements.
  - Assessment of the effectiveness of the NOPTA internal assurance review program
- 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 between teams by identifying trends and systemic issues relating to risk management and broader governance processes.

### Internal reporting

NOPTA has the following internal reporting structures -

- Quality Assurance Committee comprised of the Titles Administrator; Strategy and Governance Manager; and the Operations Manager, meets on a quarterly basis and provides governance oversight to NOPTA's legislative and strategic reporting framework (Figure 33).
- ICT Board comprised of the Titles Administrator; Strategy and Governance Manager; Operations Manager; BSU Manager; and the TIGS manager meets on a monthly basis to discuss key ICT projects.
- Weekly operations meetings comprised of all managers and assistant managers of application assessment teams, utilise automated internal reporting dashboard, drawn from live data, to assess application processing statistics, measure performance against the Joint Authority Protocol and internal timelines, and make improvements to processes where warranted.



# NOPTA Legislative and Strategic Management Framework

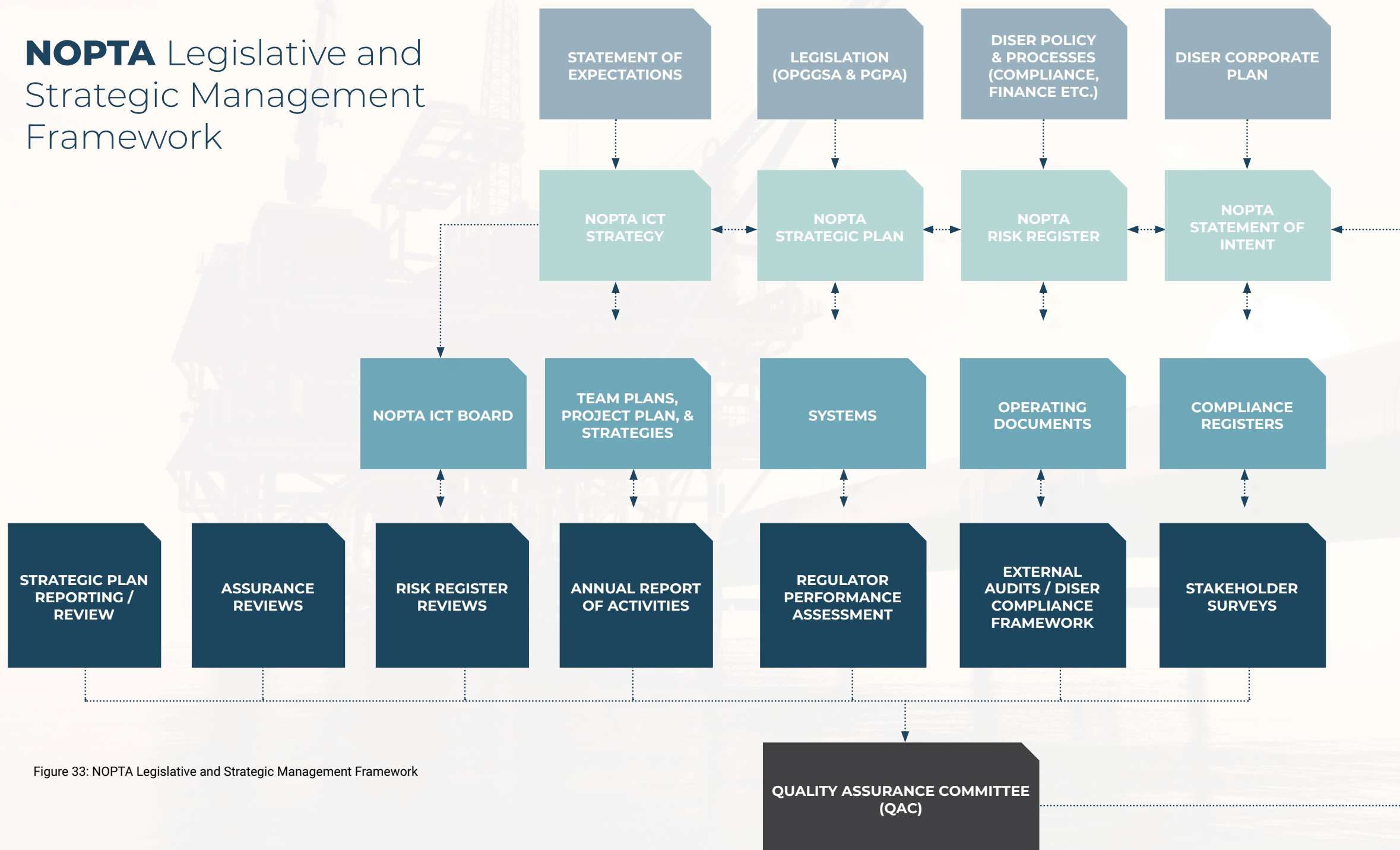


Figure 33: NOPTA Legislative and Strategic Management Framework



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 and GHG titles. The NOPTA 'Schedule of Fees' sets out the fees and levies that apply from 1 July 2016.<sup>15</sup>

## 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 per cent in 2020-21). It provides a stable revenue stream to enable NOPTA to meet its ongoing activities in accordance with NOPTA's Statement of Expectations, the OPGGS Act and associated regulations.

Table 4 indicates the total annual levy revenue collected during 2020-21, including adjustments made as a result of renewals, expiries, surrenders and cessations (\$14.9 million). It is not intended to reflect the number of titles in force at 30 June 2021 (refer to Table 1) or decisions on applications submitted (refer to Table 2).

Table 4: Annual Titles Administration Levy 2020-21

Title Type	No. of Titles	No. of Blocks	Length Km	Levy Rate	Levy Amount
Exploration Permit	118	NA	NA	\$10,000/title	\$1,180,000
Exploration Permit Renewals (Part Year)	5	NA	NA	\$10,000/title*	\$18,493
Refunds of Surrendered Exploration Permits	6	NA	NA	\$10,000/title	-\$60,000
Refunds of Expired Exploration Permits	5	NA	NA	\$10,000/title*	-\$34,959
GHG Assessment Permit	3	NA	NA	\$10,000/title	\$30,000
Infrastructure Licence	3	NA	NA	\$25,000/title	\$75,000
Pipeline Licence	78	NA	4151	\$100/km	\$415,100
Production Licence	94	325	NA	\$20,000/block	\$6,500,000
Retention Lease	84	350	NA	\$20,000/block	\$7,000,000
Retention Lease Renewals (Part Year)	3	13	NA	\$20,000/block*	\$137,205
Refunds of Ceased Retention Lease	3	23	NA	\$20,000/block*	-\$289,973
Refunds of Expired Retention Lease	2	3	NA	\$20,000/block*	-\$49,370
Annual Levy					\$14,921,497

\* Pro-rata amounts calculated on the number of days the title is in force.

# 4 FINANCIALS

<sup>15</sup> See: [https://www.NOPTA.gov.au/\\_documents/schedule-of-fees.pdf](https://www.NOPTA.gov.au/_documents/schedule-of-fees.pdf)





## 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. NOPTA received 299 applications in 2020-21 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 2020-21

Application Type	No. of Applications	Fee	Fee Amount
Work-bid Exploration Permit	15	\$7,500	\$112,500
Cash-bid Exploration Permit	0	\$7,500	\$0
Renewal Exploration Permit	4	\$7,500	\$30,000
Petroleum Retention Lease	0	\$7,500	\$0
Renewal Retention Lease	23	\$7,500	\$172,500
Production Licence	1	\$7,500	\$7,500
Renewal Production Licence	0	\$7,500	\$0
Pipeline Licence	2	\$7,500	\$15,000
Variation Pipeline Licence	7	\$7,500	\$52,500
Special Prospecting Authority	0	\$7,500	\$0
Transfer	22	\$7,500	\$165,000
Dealing	154	\$7,500	\$1,155,000
Access Authority	2	\$7,500	\$15,000
Suspension and extension; variation; exemption (per title)	48	\$7,500	\$360,000
Declaration of Location	4	\$7,500	\$30,000
Surrender	6	\$7,500	\$45,000
Acceptance of a FDP	1	\$7,500	\$7,500
Variation FDP	1	\$7,500	\$7,500
Rate of Recovery	8	\$7,500	\$60,000
Work-bid GHG Assessment Permit	1	\$7,500	\$7,500
<b>Application Fees</b>	<b>299</b>		<b>\$2,242,500</b>

## COST EFFECTIVENESS

NOPTA's current CRIS came into effect on 1 July 2016. NOPTA has not increased its fees and levies since this time and delayed an increase to its fees and levies in 2020 due to COVID-19. NOPTA has sought and implemented efficiencies in managing its costs internally, but anticipate a full CRIS review during 2021-22.

NOPTA's cost recovery arrangements were reviewed by Deloitte as part of NOPTA's 2020 Operational Review. Deloitte found that NOPTA has been efficient in delivering its functions but noted that NOPTA's operational cost have increased since 2015 due to: rising employee and supplier costs, required ICT investment, and a greater focus in resource management.

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
- ICT infrastructure enhancements

While NOPTA is structurally a branch within the department, its functions are legislated under the OPGGS Act. 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 2020-21 the department recouped \$389,865 for these operational costs, which represented approximately 2.4 per cent of NOPTA's total expenditure.







## CASE STUDY INTERNATIONAL BENCHMARKING

In March 2021, NOPTA conducted a benchmarking exercise, based on 2019-20 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:

- has the lowest full time equivalent (FTE) headcount of all regulators (Figure 34)
- administers more total acreage under active licence (428,195 km<sup>2</sup>) than all the other regulators combined (361,232 km<sup>2</sup>) (Figure 35)
- administers more active titles (372) than Canada, but less than the USA, UK and Norway (Figure 36)
- has lowest annual operating budget of all regulators (\$18.4M), which combined with the lowest FTE headcount (58) drives (on average) the **second** lowest annual operating cost per title compared with the other regulators (Figure 37).

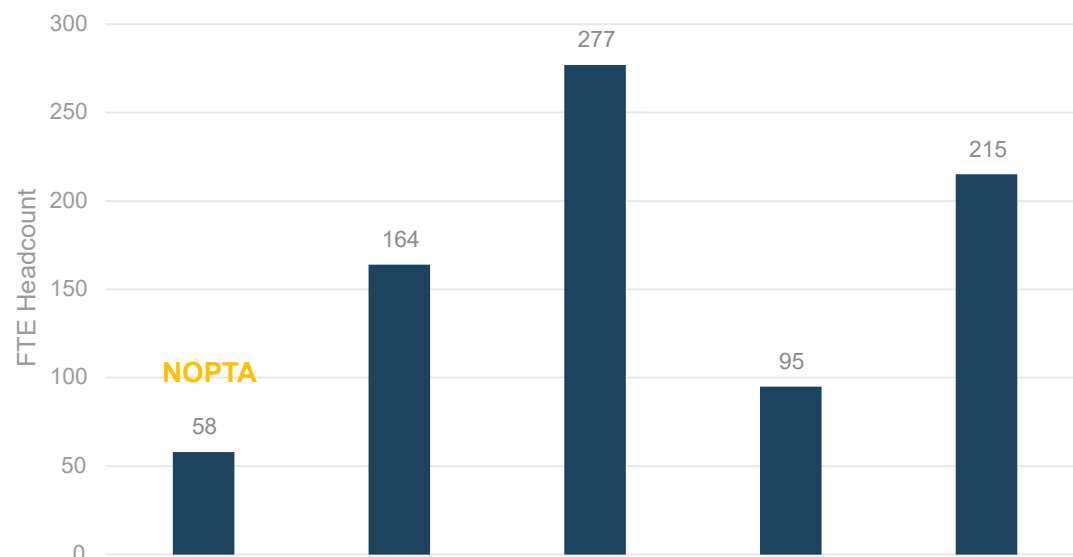


Figure 34: FTE headcount shown against other international regulators

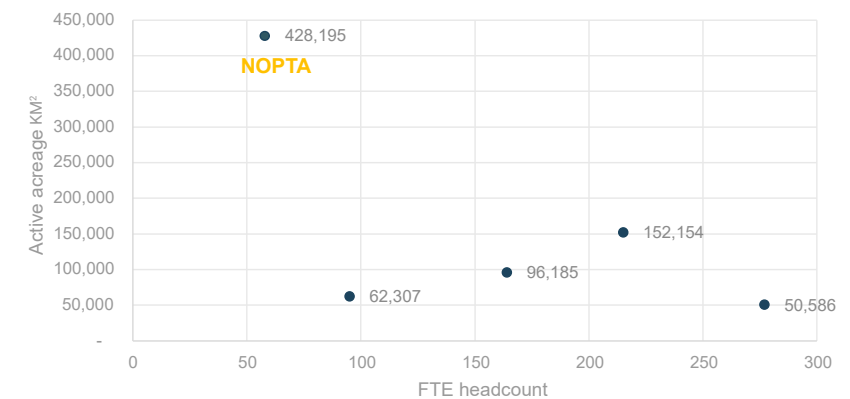


Figure 35: Headcount vs total active acreage (km<sup>2</sup>) against compared regulators

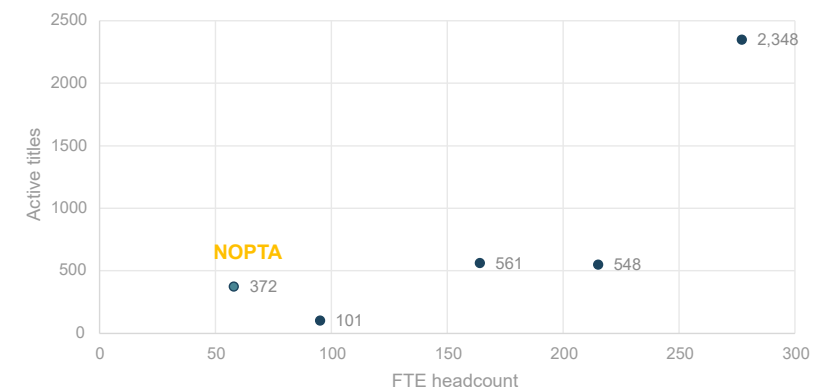


Figure 36: Headcount vs total number of active titles

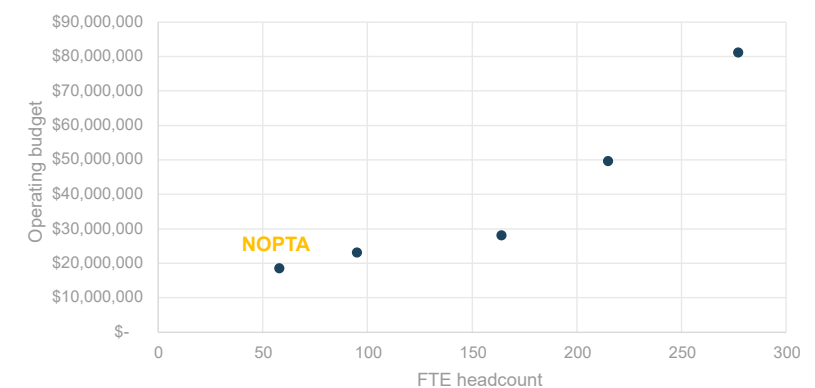


Figure 37: Headcount vs regulatory reported operating budget 2019-20 (AUD)



## NOPTA'S FINANCIAL RESULTS

NOPTA operates a Special Account under the PGPA. The balance of the Special Account was \$6,988 million at 30 June 2021. Table 6 outlines NOPTA's financial performance for 2020-21 compared to 2019-20.

Table 6: NOPTA's 2020-21 financial result compared to 2019-20

Income Statement	2020-21 \$'000	2019-20 \$'000
<b>Revenue - Cost Recovery</b>		
Levies	14,921	15,253
Application Fees	2,243	2,243
Other	14	65
<b>Total Revenue</b>	<b>17,178</b>	<b>17,561</b>
<b>Expenses</b>		
Employee Benefits*	7,016	7,435
Suppliers**	2,698	2,948
NOPDCR	1,332	1,609
ICT and Telecommunications Costs	2,261	2,516
Depreciation and Amortisation***	2,728	3,492
Overhead Recharging Allocation	390	447
<b>Total Expenses</b>	<b>16,425</b>	<b>18,447</b>
<b>Surplus / (deficit)</b>	<b>753</b>	<b>(886)</b>

\* Employee benefits includes \$0.071 million for payments relating to the establishment of the Offshore Electricity Registrar. The Australian government has provided NOPTA with \$0.075 in 2020-21 and \$1.400 million in 2021-22 to cover the cost of establishing the Offshore Electricity Registrar.

\*\* Includes NOPIMS payments totalling \$0.2 million in 2020-21 (2019-20: \$0.3 million)

\*\*\* Includes Right of Use Asset Amortisation totalling \$0.940 million in 2020-21 (2019-20: \$0.940 million)



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.



1

## PRIORITIES

### 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.



2

### 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.



3

### 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.



4

### 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.



5

### 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.



6

### 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.

## THIS MEANS





**Australian Government**  
**National Offshore Petroleum**  
**Titles Administrator**