



ANNUAL REPORT OF ACTIVITIES
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Australian Government
National Offshore Petroleum
Titles Administrator



Australian Government
National Offshore Petroleum
Titles Administrator

NATIONAL OFFSHORE PETROLEUM TITLES ADMINISTRATOR

2021-22 ANNUAL REPORT OF ACTIVITIES

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1 INTRODUCTION TO NOPTA

TITLES ADMINISTRATOR WELCOME

This year is NOPTA's 10th year of operations and the 2021-22 NOPTA Annual Report of Activities reflects NOPTA's evolution from its inception into a dynamic, widely distributed administrator and contemporary regulator.

NOPTA, as a branch within the Department of Industry, Science and Resources (the department), is focussed on the role it plays in enabling and supporting the development of the offshore resources sector. This role is becoming increasingly important as energy markets evolve and through the contribution that the offshore sector makes to domestic and global energy security.

As you can see from the content of this report, NOPTA's functions and strategic objectives are now far broader than from 2012. Yet, our activities and internal governance arrangements have not expanded for any other reason but in service to our stakeholders. A clear case in

point is NOPTA's role in data management. The establishment of the National Offshore Petroleum Information Management System (NOPIMS), in collaboration with Geoscience Australia and the WA Department of Mines, Industry Regulation and Safety (DMIRS), is something that I remain immensely proud of. NOPIMS has grown to be a vital tool for industry and government by providing web-based access to publicly released well and survey data held by the National Offshore Petroleum Data and Core Repository (NOPDCR). In consultation with key stakeholders, NOPTA has now commenced a significant project to further modernise NOPIMS and integrate it with NOPTA's cloud-based systems. In due course, this work will facilitate the online submission of data, which will represent a major efficiency improvement for both industry and government.

NOPTA's development of its benchmarking capabilities in relation to data submission quality and resource management also represents a clear and positive change in our capability and value-add over the past decade. NOPTA's benchmarking initiatives have been enabled, in part, through our continued investment in internal system improvements, as well as our strong commitment to engaging and collaborating with our key stakeholders. As you will see in this report, NOPTA now has a comprehensive benchmarking program in place across many of our key regulatory and administrative tasks. The information gleaned through these processes is enabling a more strategic approach to dialogue with industry as well as helping us identify opportunities for improvement across a range of operational areas. Of particular note is the outcomes from a recent study which shows that NOPTA continues to punch well above its weight when it comes to size and cost efficiency when compared to other like international offshore petroleum regulators.

As a cost recovered entity, NOPTA's focus has always been on transparency, accountability and to deliver value for government and industry. As a branch within the department, NOPTA is in the unique position to help influence the policies and regulatory settings that impact the whole offshore sector. This past year has been no exception, with the introduction of a range of new and significant

legislative reforms under the *Offshore Petroleum and Greenhouse Gas Storage Amendment (Titles Administration and Other Measures) Act 2021*, as well as the *Offshore Electricity Infrastructure Act 2021*. To say that NOPTA worked tirelessly throughout these processes to achieve the absolute best outcomes for our stakeholders is, I believe, an understatement. What I can say with great pride and confidence is that after months of preparation, consultation and feedback, NOPTA – together with other areas in the department – has put in place the processes, guidance and expertise necessary to ensure we're ready to administer the legislation to the highest standards.

Our commitment to continuous improvement has been guided by the establishment of a quality assurance (QA) program that continually reviews our internal compliance with policies, procedures, and guidance. It is through those measures that we ensure that our approach, assessments, and advice are consistent and accurate. Combined with our risk management framework our QA program ensures we are focussing our resources correctly and appropriately.

The past 10 years have been an exciting and challenging period for NOPTA as it has established its role as an administrator and regulator of offshore resource industry activities. Our success has been a direct result of the professionalism and commitment of our staff through the inevitable ups and downs. We look forward to the challenges that lie ahead in coming years and continuing to play our role in enabling the offshore resource sectors contribution to Australia's economy.



2021-22

SNAPSHOT OF PERFORMANCE



3 Production
Licenses granted



3 petroleum
locations
approved

1 petroleum
discovery

INDUSTRY PERFORMANCE



7 marine seismic
surveys acquired



5 exploration
wells drilled

15 development
wells drilled



19
days on average,
taken to complete
Titles Administrator
assessments



Met target
timeframes
93%
of the time
(consistent with
the 2020-21
financial year)



455
applications
received



467
application
decisions made

660 regulatory
data submission
items received



97
open file
data releases
authorised

421
Stakeholder
meetings



35
meetings on average
per month

ABOUT US

ESTABLISHED	<p>1 January 2012.</p> <p>NOPTA, or the Titles Administrator, is appointed under the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> (OPGGGS Act) and is part of the Department of Industry, Science, and Resources (the department).</p>
OUR VISION	Contributing to national prosperity through administering the development of Australia's offshore oil and gas industry.
OUR CULTURE	<p>At NOPTA we are:</p> <ul style="list-style-type: none"> innovative, enthusiastic and endeavour to improve the way we work flexible, responsive and embrace change <p>NOPTA people:</p> <ul style="list-style-type: none"> act with honesty and integrity are inclusive and respect the views of others <p>NOPTA is seen as:</p> <ul style="list-style-type: none"> impartial, consistent and transparent approachable, helpful and trustworthy
OUR 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.
OUR FUNCTIONS	<ul style="list-style-type: none"> 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 a change in control of a company, 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 greenhouse gas titles. Cooperate with 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. Maintaining a special account consistent with the requirements of the <i>Public Governance, Performance and Accountability Act 2013</i> (PGP Act).
PRINCIPLES OF REGULATOR BEST PRACTICE ¹	<ul style="list-style-type: none"> i. Continuous improvement and building trust ii. Risk based and data driven iii. Collaboration and engagement

¹ 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 is subject to.

HR OVERVIEW

**Total Staff
(incl. contractors):**
77 headcount,
71.64 FTE



Gender Balance
In Team
Leadership Roles:

6 Female, 4 Male

Gender Balance
In Senior
Leadership Roles:

2 Male, 1 Female

NOPTA has a small corporate
team that represents
approximately

4%
of its annual
operating expenses



70%
STAFF

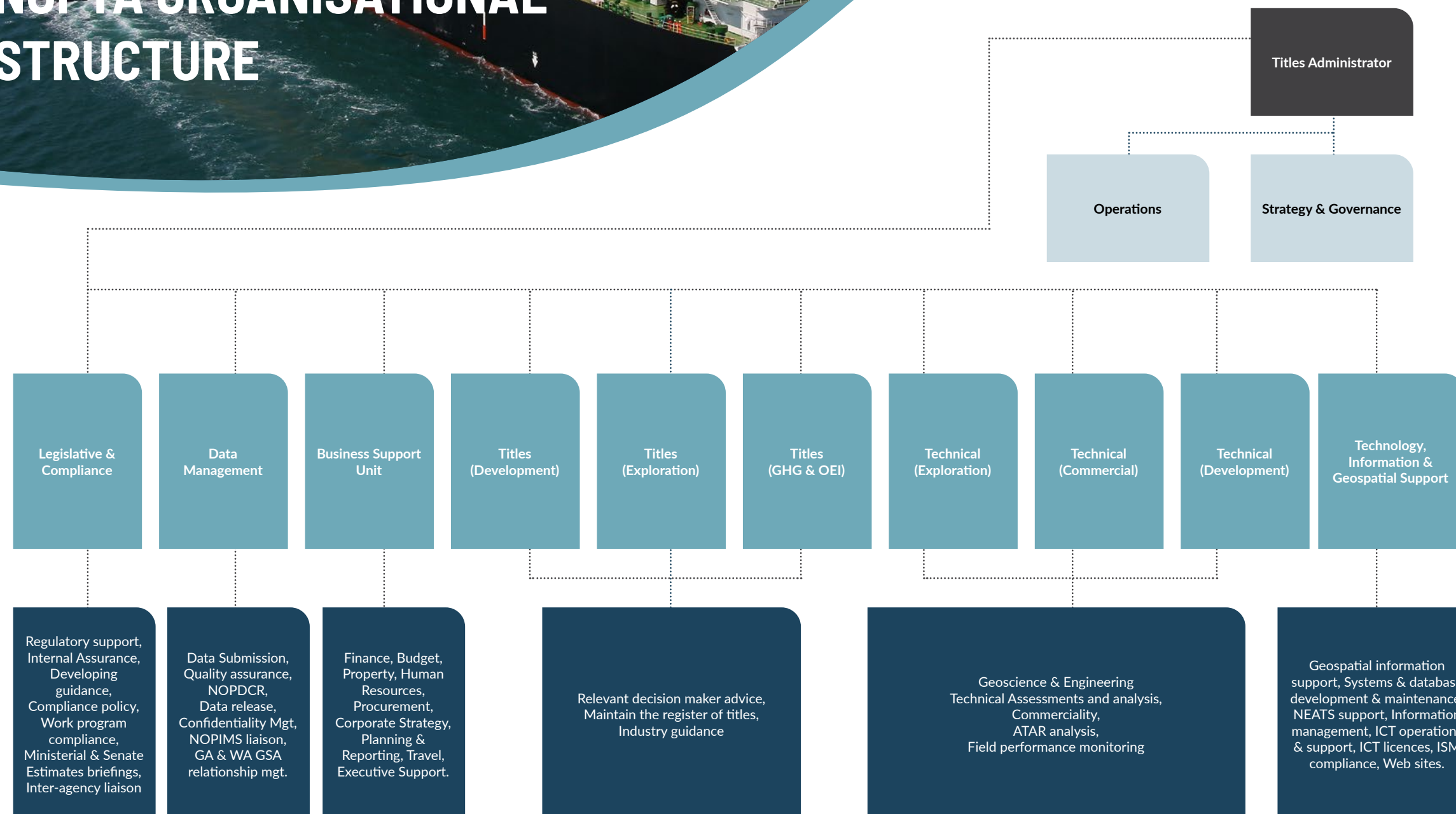
30%
CONTRACTORS

As at 30 June 2022, NOPTA had 54 staff (51.54 full time equivalent) and 23 contractors (20.1 full time equivalent) across our Perth and Melbourne offices, as well as remote workers in Adelaide, Brisbane, regional Victoria, regional New South Wales, 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). In accordance with the EA, a 1% salary increase for non-SES employees took effect on 3 December 2021. A range of non-salary benefits were available to employees, including 4 weeks annual leave per year plus Christmas closedown, 18 days paid personal leave per year, vacation care subsidy, \$200 healthy lifestyle subsidy, flexible working arrangements, 15.4% employer superannuation contribution, access to study assistance, access to staff counselling services and annual influenza immunisation.

During the reporting period, NOPTA's Senior Leadership Group conducted a workforce planning exercise. The focus was on ensuring that NOPTA had the appropriate staffing to meet the requirements of its expanded legislative functions which came into effect in March 2022, as well as to adequately support ongoing petroleum and greenhouse gas storage (GHG) acreage release processes. Team leaders implemented the workforce plan which included the engagement of 11 new contractors from the beginning of 2022.

NOPTA ORGANISATIONAL STRUCTURE



Developing our capabilities

NOPTA continues to invest in building its capabilities to ensure that we have the right skills to meet our administrative and strategic priorities. We build capacity through our 3 levels of training – Australian Public Service (APS) general training, NOPTA training, and professional technical training. 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.
- In collaboration with the University of Western Australia (WA) and the Australian Institute of Management (AIM) WA, NOPTA developed a 6 part internal virtual leadership series for NOPTA staff on a range of human resource and leadership topics, led by an external facilitator.
- Participation in the department's Writing Skills program.
- NOPTA's 'Learn as you Go' (LAG) program continued to provide development opportunities for staff. Staff shadowed various applications and field development discussions.
- Team introductory sessions were held each quarter to aid the development of new staff.
- Participated in the Australian Government's joint booth at the APPEA Conference and Exhibition.
- NAIDOC and Reconciliation Week were acknowledged, and staff attended local activities.
- NOPTA's Annual All Staff Event was held virtually between October to December. Topics included legislative reform, resilience and mental health in the workplace, key achievements, and challenges ahead.
- Our Commercial Team attended in-house financial modelling excel training and members of Legislative Compliance, Commercial and Titles teams attended training on offshore electricity infrastructure matters.

Safety and wellbeing

NOPTA strives to provide and maintain safe and healthy workplaces. In 2021-22:

- NOPTA continued to operate in the context of COVID-19 and prioritised communication via virtual meetings, emails and NOPTA's emergency text-message alert system (when required).
- The Health, Safety, Wellness and Environment (HSWE) Plan was successfully implemented. The plan provides a structured model for activities organised by staff for staff and includes training, wellness, social and environmental activities.
- NOPTA conducted office-based workstation assessments facilitated by external providers.
- Staff with flexible work arrangements are offered virtual workstation assessments.
- Office workplace safety inspections were conducted in the Perth and Melbourne offices.
- Free influenza vaccinations were offered to all staff, with on-site vaccinations administered at the Perth and Melbourne offices.

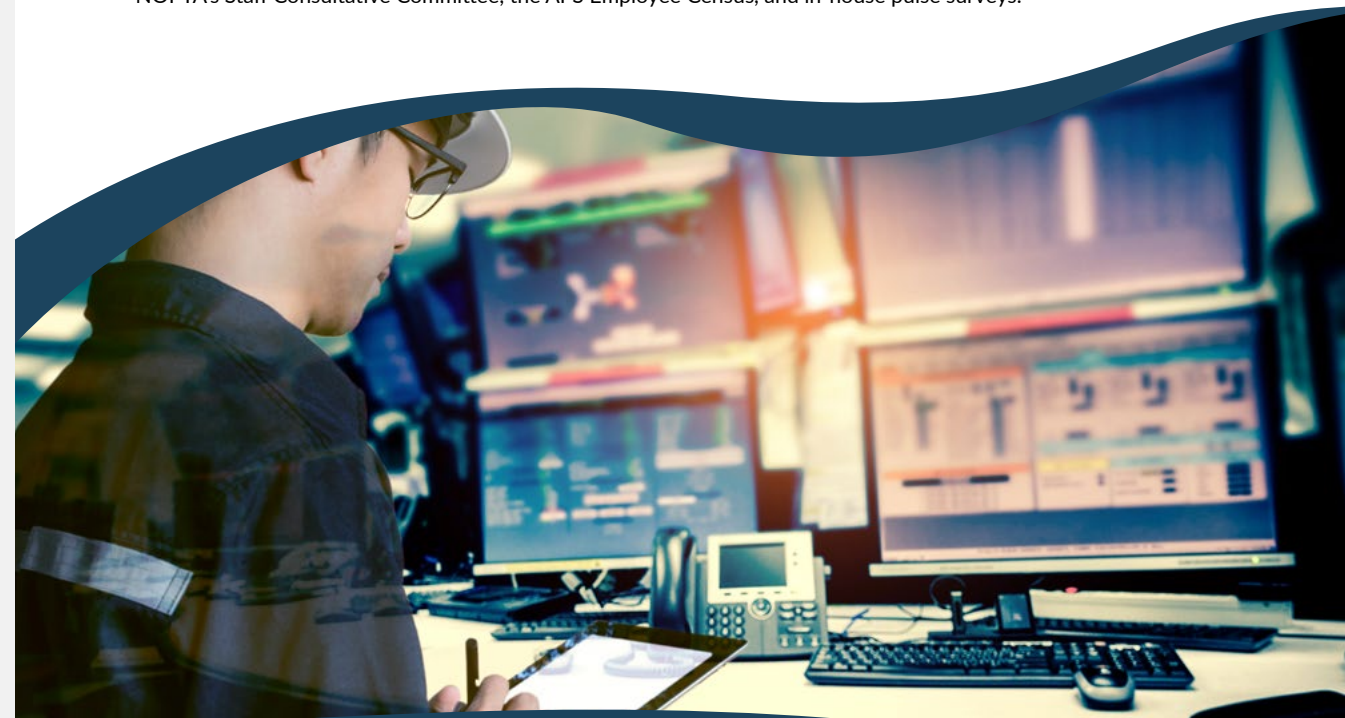
Employee engagement

NOPTA promotes a culture that is inclusive and respectful of the view of others and recognises that diverse experiences and backgrounds enhance our capacity to achieve our administrative and strategic goals. Consistent with APS employment principles, NOPTA employs and promotes people based on merit.

Employment opportunities and promotions are advertised in the Australian Public Service Employment Gazette and are subject to a competitive selection process based on work-related qualities. NOPTA supports the department's Indigenous Procurement Policy (IPP) and has engaged 7 contractors through Supply Nation's Indigenous Business Direct over the past financial year.

NOPTA offers a range of flexible working arrangements to its staff, and has adopted a hybrid work environment, where staff may opt to work from home up to 2 days a week. Other arrangements include part-time hours, 9-day fortnight, flex-time and remote working.

NOPTA constantly monitors and improves its working environment and seeks regular feedback from staff through NOPTA's Staff Consultative Committee, the APS Employee Census, and in-house pulse surveys.



Offshore Electricity Infrastructure

The *Offshore Electricity Infrastructure Act 2021*, together with the *Offshore Electricity Infrastructure (Regulatory Levies) Act 2021* and *Offshore Electricity Infrastructure (Consequential Amendments) Act 2021*, provide the legal framework for offshore electricity infrastructure projects and activities in Commonwealth waters.

On 2 June 2022, the framework commenced enabling the construction, commissioning, operation, and decommissioning of offshore electricity infrastructure.

Assigned staff within NOPTA have been assisting the policy area within the department, under a separate funding arrangement, to develop the legal framework and the creation of an Offshore Infrastructure Registrar (the Registrar), this has included providing support to the Registrar.

A large offshore oil platform, illuminated with warm lights, stands in the ocean at sunset. The sky is a mix of blue and orange. A long metal walkway leads from the foreground towards the platform. A large crane is visible on the right side of the platform. The platform has multiple levels and complex piping. A sign on the left side of the platform reads "NORTH RANKIN B".

2

ACTIVITY AND INSIGHTS

2021-22

INDUSTRY ACTIVITY HIGHLIGHTS



Note: The location of the activities are approximate and for illustration purposes only.

TITLES ADMINISTRATION

As of 30 June 2022, there were 366 offshore petroleum titles and two GHG titles (Table 1).

Table 1: Total number of offshore petroleum and GHG titles (as at 30 June 2022)

Offshore Area	Exploration Permits	Retention Leases	Production Licences	Infrastructure Licences	Pipeline Licences	Access Authority	GHG Permits	Total
QLD	1	0	0	0	0	0	0	1
NSW	1	0	0	0	0	0	0	1
VIC	13	7	28	0	40	0	0	88
TAS	2	3	4	0	3	1	0	13
SA	2	0	0	0	0	0	0	2
WA	59	65	59	3	32	0	0	218
NT	4	6	1	0	5	1	0	17
AC	15	5	5	0	0	0	0	25
BU	0	0	0	0	1	0	0	1
Cwth	0	0	0	0	0	0	2	2
Total	97	86	97	3	81	2	2	368

Under the OPGGS Act, in each offshore area there is an offshore petroleum Joint Authority (Joint Authority) comprising the responsible Commonwealth Minister² and the relevant state or Northern Territory 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, the Bayu Undan pipeline international offshore area 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 Commonwealth and state/NT department officials.

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

²Currently the Hon Madeleine King MP, Minister for Resources and Minister for Northern Australia

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 and devolution (all titles)
Variation, suspension, extension or exemption of title	Credits (work program)
Field Development Plan (including variation), rate of recovery, equipment and procedures	Dealings, Transfers and Change in Control (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 assessment reports 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 report to the Joint Authority or its delegate via the relevant Commonwealth department.

The Commonwealth Minister or delegate will then provide the written decision to NOPTA for purposes of communicating to the relevant party (Figure 2).

Delegates may advise their Ministers on whether the advice is comprehensive and reasonable, insert local policy concerns and support or oppose NOPTA's recommendations.

The Joint Authority is not compelled to accept NOPTA's advice or recommendations and may seek additional information and/or clarification from or through NOPTA where necessary.

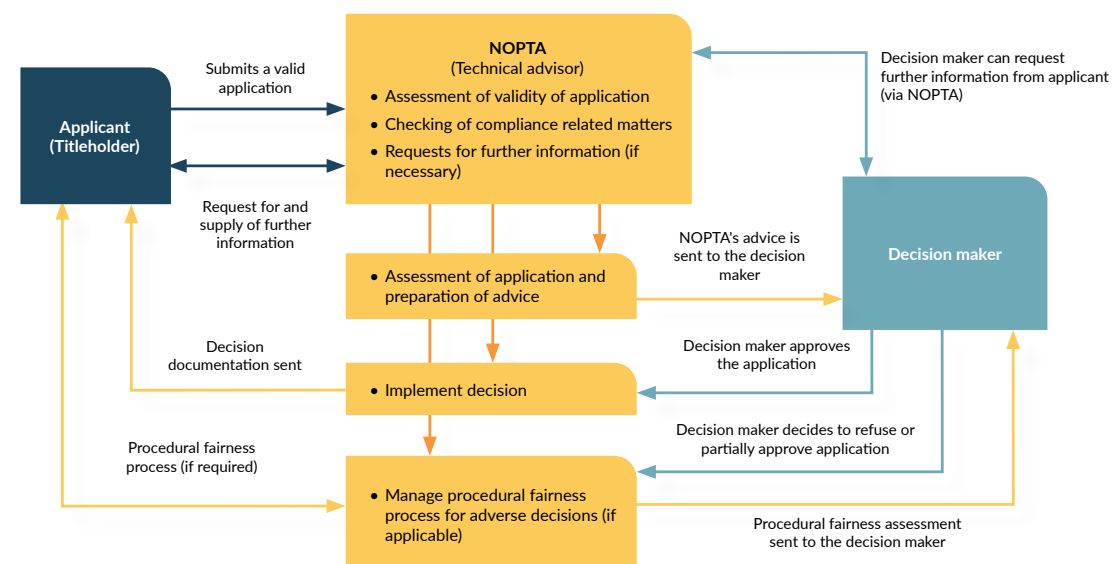


Figure 2: Sample application process under the OPGGS Act

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 General Manager, NOPTA Branch.

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*³.

Responsible Commonwealth Minister Decisions	Titles Administrator Decisions
Grant and Renewal (assessment permit, holding lease and injection licence) & key operations	Transfers and Change in Control (all titles)
Declaration of an identified storage formation (including variation or revocation)	Dealings (all titles)
Variation, suspension, extension or exemption of a condition of title	Change of company name & devolution of title (all titles)
Site Closing Certificate	Credits (work program)
Surrender and cancellation	Search Authority (short term title) – <i>delegated to the General Manager of the NOPTA Branch</i>
Research consent	Special Authority (short term title) – <i>delegated to the General Manager of the NOPTA Branch</i>
Offshore Petroleum Joint Authority Decisions	Cross-boundary Authority Decisions
Grant of a pipeline and infrastructure licences	Grant of cross-boundary GHG assessment permits (Including renewals, suspensions, extensions, variations and exemptions of title conditions)

Figure 3: Decision Makers for Offshore GHG Title Applications

Titles applications

In 2021-22, NOPTA received 455 offshore petroleum and GHG titles related applications (Table 2 and Figure 4) compared to 325 in 2020-21 (Figure 5).

Table 2: Applications submitted 2021-22

Decision Maker	WA	SA	NT	VIC	AC	NSW	QLD	TAS	BU	Cth	Total
Joint Authority	67	1	4	6	7	0	0	8	0	0	93
Titles Administrator	180	0	19	120	12	0	0	17	2	0	350
Responsible Commonwealth Minister	0	0	0	0	0	0	0	0	0	12	12
Total	247	1	23	126	19	0	0	25	2	12	455

³ See: https://www.nopta.gov.au/_documents/guidelines/GHG-Offshore-GHG-Guideline-for-Unified-GHG-Assessment-Permits-122020.pdf

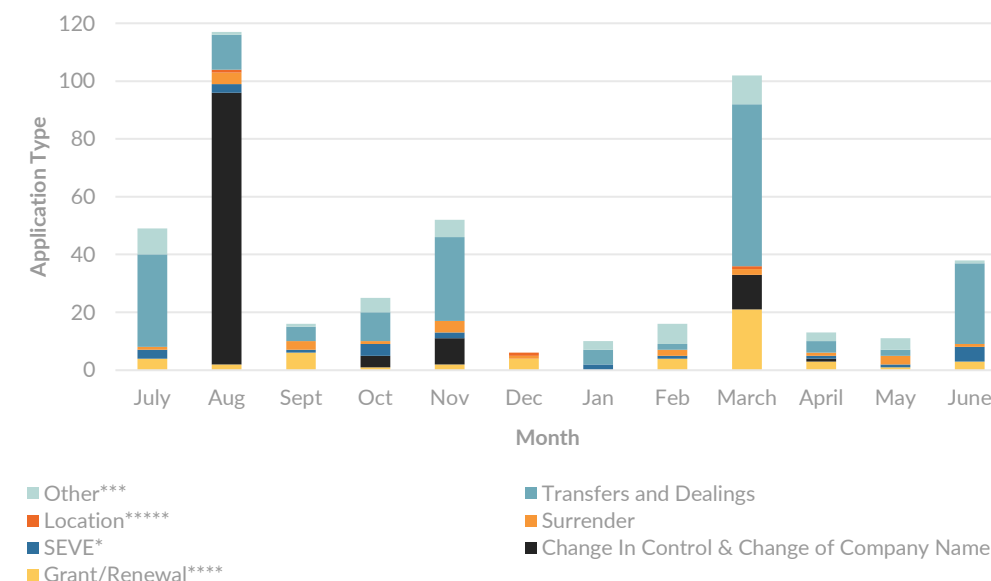


Figure 4: Applications submitted in 2021-22

* includes suspensions, extensions, variations and exemptions

** includes devolution of a title

*** includes cease title, expiration, extension of time to lodge a renewal, field development plan, pipeline licence variations, rate of recovery, and equipment and procedures.

**** Grant/Renewal includes consolidated GHG

*****Location: includes Declaration of Location and Location Extension.

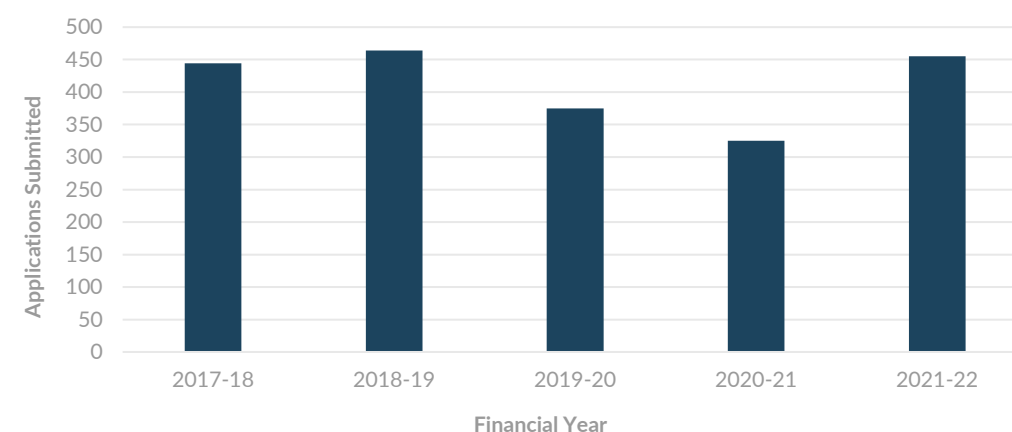


Figure 5: Applications submitted per financial year

As per previous financial years, change in company name, transfers and dealings made up the majority of the submitted applications (Figures 4, 6, 7 and 8).

New legislative provisions under *Offshore Petroleum and Greenhouse Gas Storage Amendment (Titles Administration and Other Measures) Act 2021* (Titles Administration Act) commenced on 2 March 2022 relating to a change in control (or ownership) of a registered holder of a petroleum exploration permit, retention lease, production licence, pipeline or infrastructure licence; or a GHG assessment permit; holding lease or injection licence.

Figure 8 provides a breakdown of the Change in Control, Change in Company Name and Devolution of Title applications received in 2021-22.

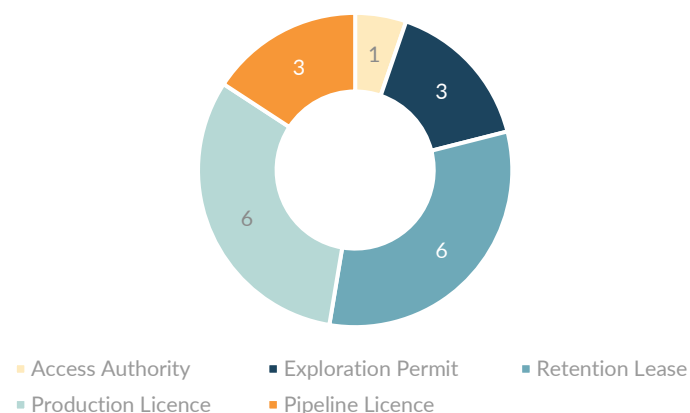


Figure 6: Transfers received in 2021-22 by title type

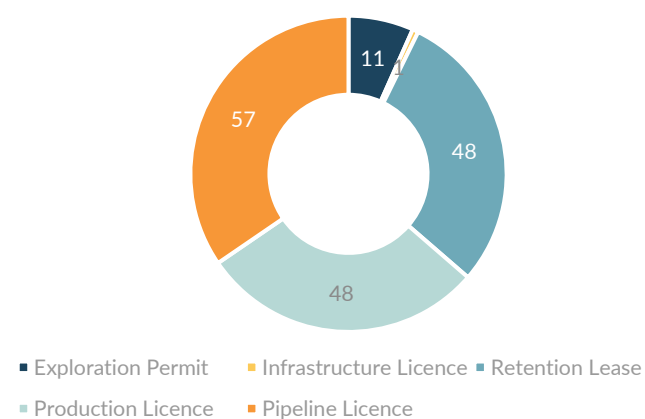


Figure 7: Dealings received in 2021-22 by title type

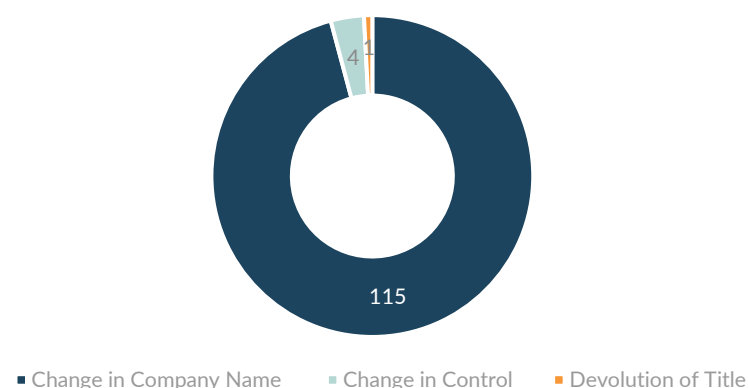


Figure 8: Change in Company Name, Change in Control and Devolution of Title applications received in 2021-22

In 2021-22, there were 467 decisions made in relation to applications for offshore petroleum titles. NOPTA provided advice to the Joint Authorities in relation to 110 of those decisions. The remaining 357 were Titles Administrator decisions.

NOPTA's indicative application assessment timeframes are available on NOPTA's website⁴, and in 2021-22, NOPTA met the indicative target timeframes for assessing both Joint Authority and Titles Administrator applications 93 per cent of the time (Figure 9). This is consistent with 2020-21.

⁴ See <https://www.nopta.gov.au/legislation-and-compliance/legislative-overview/application-assessment-timeframes.html>

Figure 9: Percentage of applications that met the target assessment timeframes per financial year

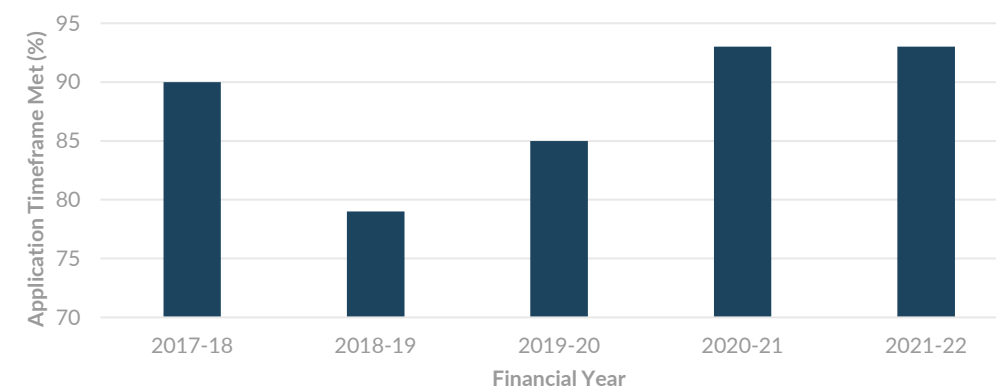


Figure 9: Percentage of applications that met the target assessment timeframes per 2021/2022 financial year

Figure 10 shows application processing performance in 2021-22 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. **Under Assessment** relates to the total time NOPTA spends assessing an application. **Delegate** and **Minister** relates to the amount of time taken by the relevant decision makers to decide on an application.

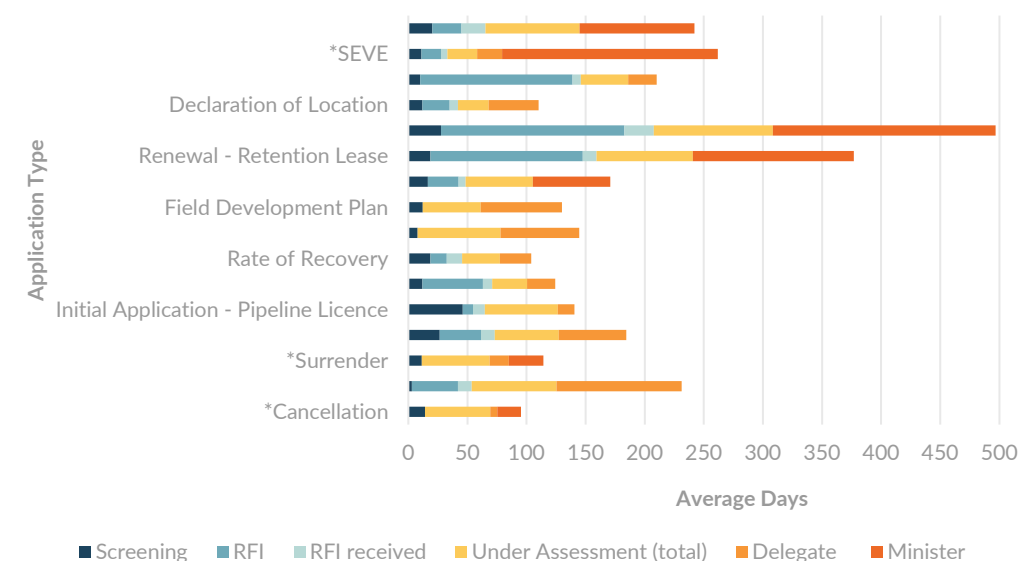


Figure 10: Completed Joint Authority Applications (2021-22) – Average days at each major stage of application processing per Joint Authority application type.

*Note: 2 SEVE, 2 surrender, and 3 cancellation decisions were made by the relevant Minister(s) (rather than delegates), hence the Minister component in the relevant application bars of the chart relate to these applications only.

In 2021-22, the average days that a Joint Authority related application was with the applicant for further information was 49 days (up from 36 days in 2020-21). NOPTA took on average 61 days (up from 41 days in 2020-21) to assess an application, and the average days for the Joint Authority Delegate or Minister to decide was 32 days and 119 days respectively (Figure 11).

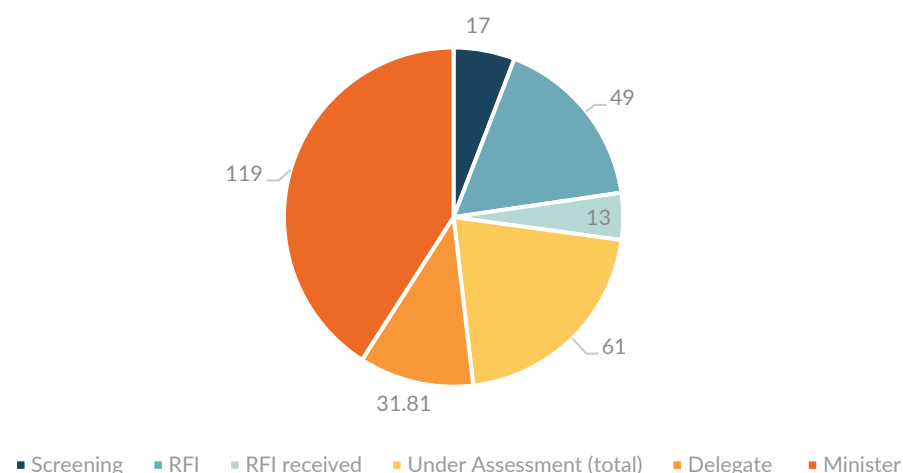


Figure 11: Completed Joint Authority Applications (2021-22) - Average days at each application status
(Note: decisions are either made by either delegate(s) or Minister(s))

In relation to Titles Administrator decisions, Figure 12 shows application processing performance in 2021-22 based on the major processing points for each application. NOPTA took on average 19 days (23 days in 2020-21) to assess a Titles Administrator related application and decisions were made on average within one day (consistent with 2020-21).

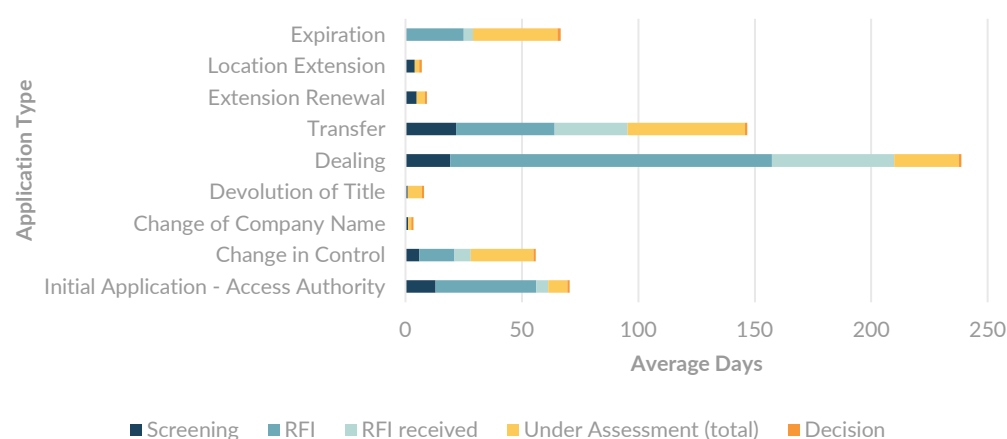


Figure 12: Completed Titles Administrator Applications (2021-22) - Average days at each major stage of application processing per Titles Administrator application type.

EXPLORATION

Acreage release outcomes – petroleum

The 2021 Petroleum Acreage Release Round comprised of 21 areas in Commonwealth waters offshore of Western Australia, Victoria, Tasmania and the Territory of Ashmore and Cartier Islands. All areas were available for a single round of work program bidding. Bidding closed on 3 March 2022. A total of 10 bids were received for 9 of the release areas (Figure 13). At the time of reporting NOPTA had provided its assessment of the bids received to the relevant Joint Authorities for decision on the award of exploration permits.

As a result of the 2020 Acreage Release, 5 exploration permits were granted in 2021-22, and one exploration permit was granted from the 2019 Acreage Release round, finalising both rounds. The 2020 round represents the lowest uptake in permits compared to the number that received applications in recent years. This was largely due to the COVID-19 pandemic continuing to affect exploration spending.

The average indicative value of work in the primary term has increased from the low in 2019, reflecting an increase in guaranteed operational activities, including both seismic acquisition and exploration wells (Figure 14). 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.

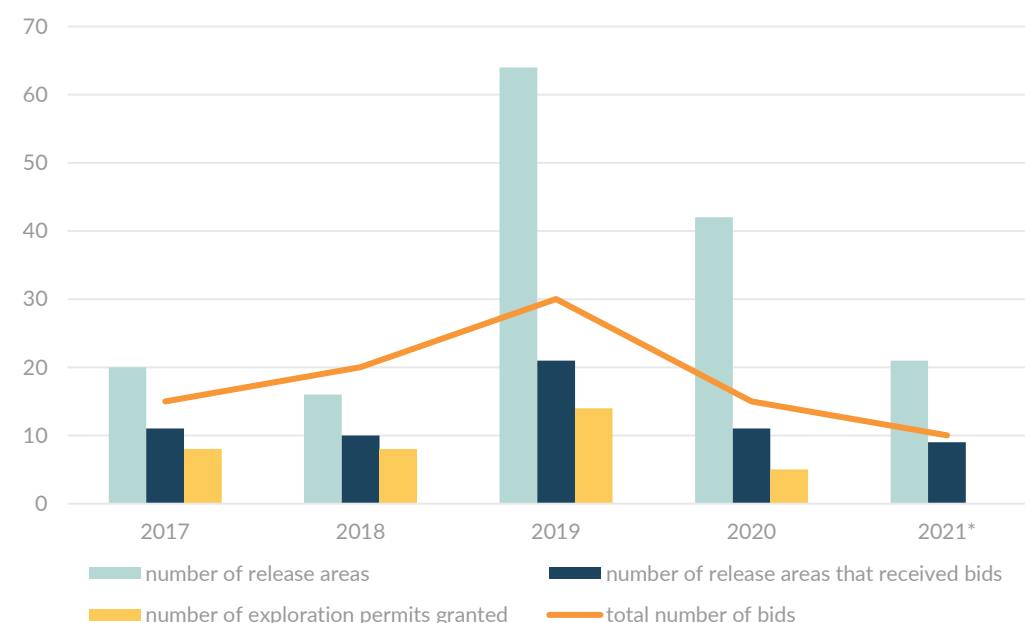


Figure 13: Acreage release outcomes – bidding trends 2017-2021, the year refers to the year the acreage was released.

*NOTE: All 2021 Acreage Release areas were with the Joint Authority for decision at the end of this reporting period.

Seismic survey acquisition

Seven marine seismic surveys (MSS) (Figures 15 and 16) were acquired in 2021-22. Two large 2D seismic surveys were acquired for INPEX and Woodside, providing data over previously lightly explored areas of the Bonaparte (Galactic 2D MSS) and western Browse and Offshore Canning (Mimosa 2D MSS) basins respectively.

Five 3D seismic surveys were completed during 2021-22, including the Keraudren Extension 3D MSS which commenced in the previous financial year. A second phase of the Keraudren Extension 3D MSS was also acquired, to provide infill. The Sequoia and Prion 3D seismic surveys were acquired in Commonwealth waters off Tasmania, and the Petrel Sub-Basin South-West 3D MSS was acquired over the Tern gas field and adjacent exploration titles in Commonwealth waters offshore northern Western Australia.

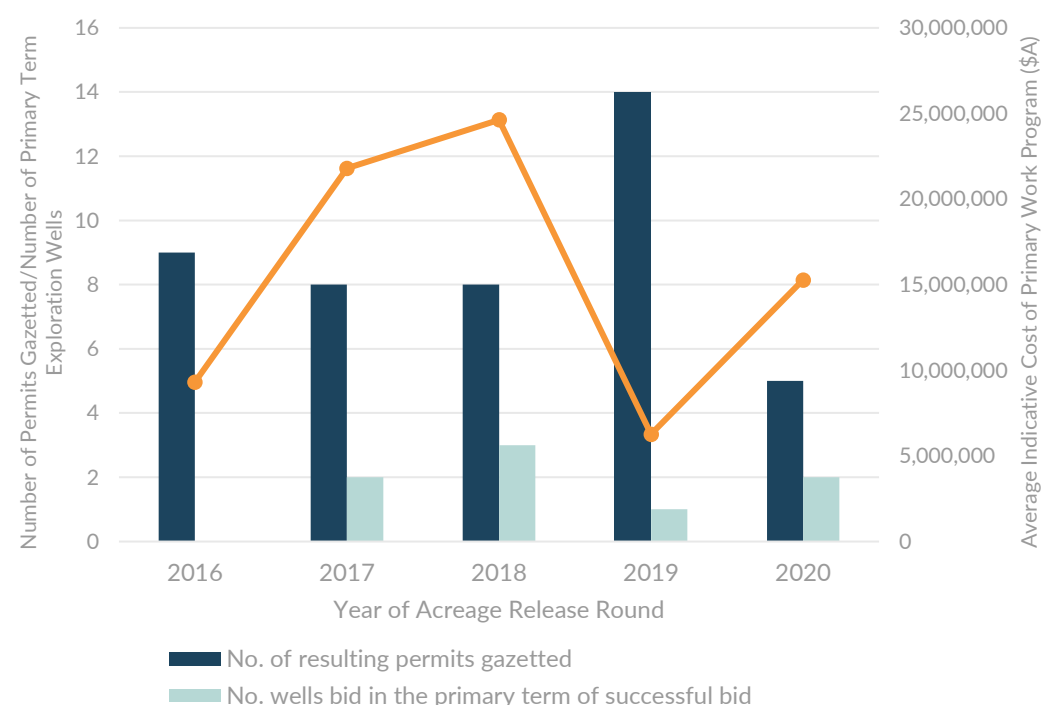


Figure 14: Acreage Release outcomes – permit grants and primary work program comparison 2016-20, the year refers to the year the acreage was released.

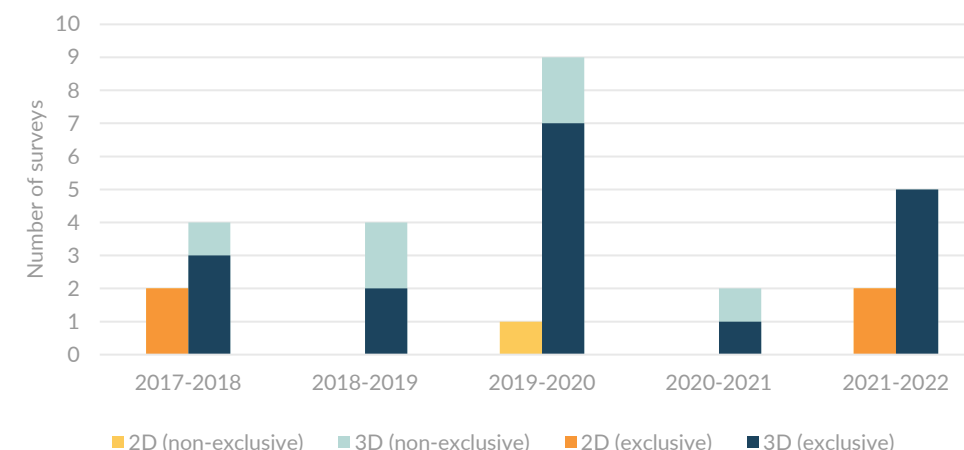


Figure 15: Number of seismic surveys completed 2017-18 to 2021-22

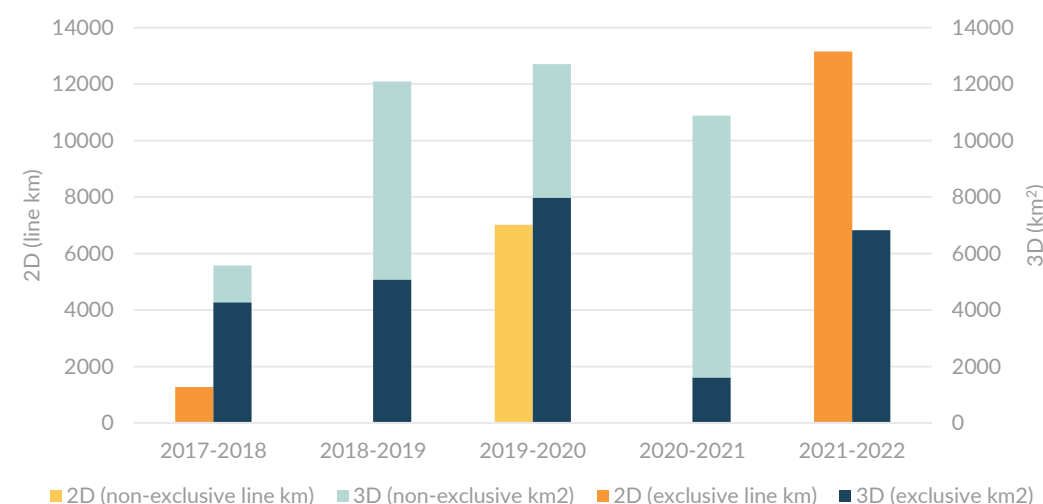


Figure 16: Amount of 2D and 3D seismic data acquired each financial year, 2017-18 to 2021-22



Exploration drilling activity

5 exploration wells were drilled during 2021-22, an increase in activity from the low in the previous financial year (Figure 17). One well was successful, with a hydrocarbon discovery publicly reported at the Pavo-1 well in the Roebuck Basin, drilled as a follow-up to the Dorado discovery nearby.

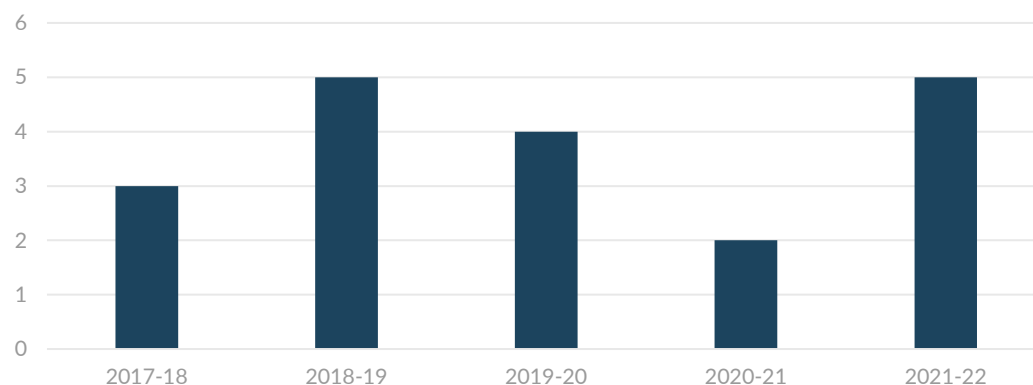


Figure 17: Exploration well activities completed 2016-17 to 2020-21

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 a location approved in 2021-22 (Figure 18):

- **Outtrim**, covering two graticular blocks within Petroleum Exploration Permit WA-155-P in the Northern Carnarvon Basin,
- **Thylacine West Extension** covering one graticular block within Petroleum Exploration Permit T/30P in the Otway Basin, and
- **Artisan** covering one graticular block within Petroleum Exploration Permit VIC/P43, also in the Otway Basin.

7 retention leases were granted in 2021-22, including over the Cloverhill, Elfin, Royal Oak, Lympstone, Kentish Knock South and Arnhem gas resources in the Northern Carnarvon Basin, offshore Western Australia. A retention lease was also granted over the West Seahorse oil field in the Gippsland Basin, offshore Victoria.

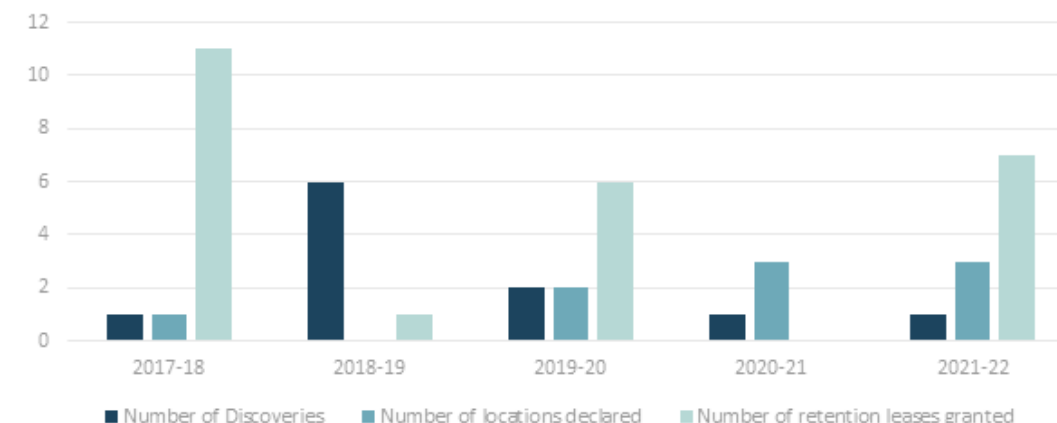


Figure 18: Discoveries*, Declaration of Location and Retention Lease grants, 2017-18 to 2021-22.

*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 STORAGE

The provisions of the Commonwealth Offshore Petroleum and Greenhouse Gas Storage Amendment (Cross-boundary Greenhouse Gas Titles and Other Measures) Act 2020 and the Victorian Offshore Petroleum and Greenhouse Gas Storage Amendment (Cross-boundary Greenhouse Gas Titles and Other Measures) Act 2021 became active upon the commencement of the declaration of compatibility by the responsible Commonwealth Minister on 5 August 2021. These amendments allowed the consolidation of existing and adjacent GHG assessment permits in Commonwealth and State waters. One application has been submitted under these provisions and NOPTA's assessment was with the Cross-boundary authority for decision at the end of the reporting period.

Acreage release – greenhouse gas storage

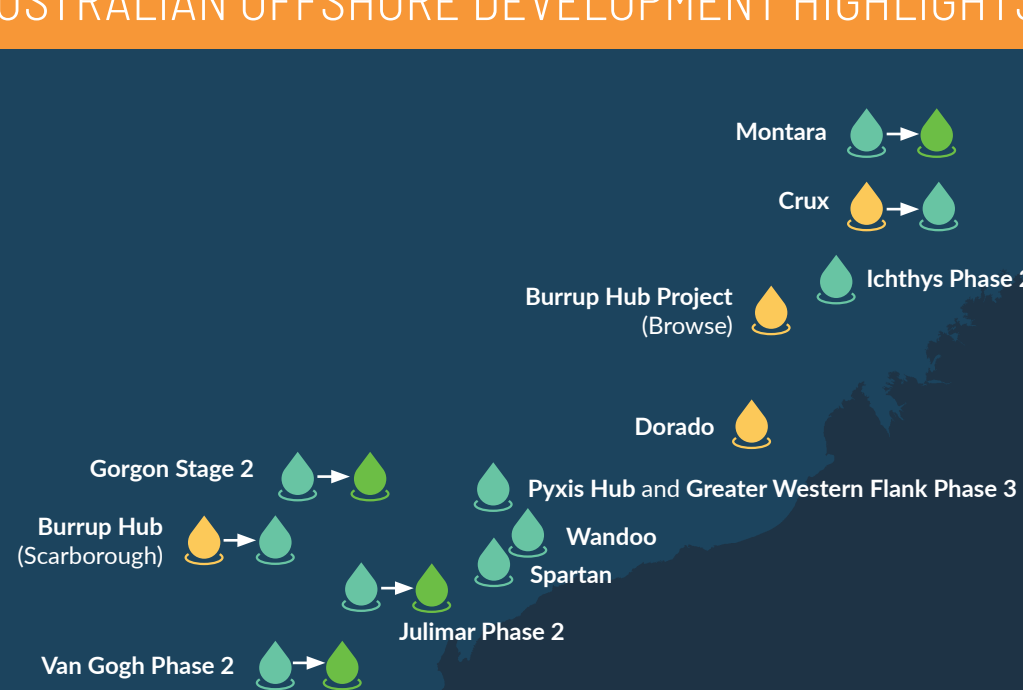
The first release of acreage for exploration for offshore GHG injection and storage locations since 2014 was announced on 6 December 2021, with a window for submitting applications between 4 and 10 March 2022. Five areas were released in Commonwealth waters offshore of the Northern Territory and Western Australia.

Nine applications were received for the five areas, and at the end of the financial year, NOPTA's assessments were with the responsible Commonwealth Minister for decision.



NEW DEVELOPMENTS 2021-22

AUSTRALIAN OFFSHORE DEVELOPMENT HIGHLIGHTS



"Ongoing development drilling in existing projects support production, while two major new projects also reached a positive Final Investment Decision."

PROJECT MATURATION STAGES



- Project Maturation Status (refer colours above) and location
- Denotes transition between Project Maturation Stages during last financial year

Geopraphe/Thylacine

Note: The location of the activities are approximate and for illustration purposes only.

Appraisal and development drilling activity

Similar to activity in the previous year, 15 development and no appraisal wells were completed in 2021-22

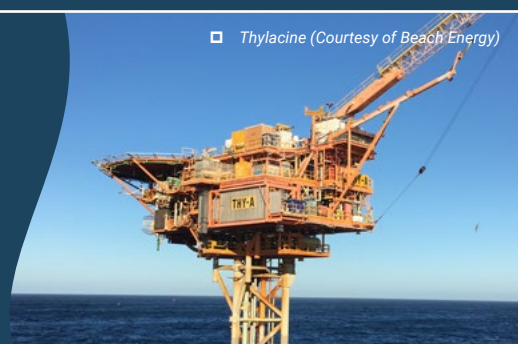
Developments – committed and in progress

Ongoing development drilling in existing projects includes wells to support gas and oil production across the Otway, Browse, Bonaparte and Northern Carnarvon basins. Drilling in the Otway Basin has increased the potential production across the Geographe/Thylacine development. Infill drilling at Ichthys has continued development of additional reservoirs within the Browse Basin to complement ongoing drilling. In the Northern Carnarvon Basin drilling has extended gas production associated with the existing projects at Pluto, via the Pyxis Hub, as well as the North West Shelf, via development of remaining opportunities associated with Greater Western Flank-3. Meanwhile, established oil production continues to be extended via infill drilling in the Northern Carnarvon Basin, at the Wandoo and Van Gogh fields, and also in the Bonaparte Basin, associated with the Montara Project.

GEOGRAPHE/THYLACINE (THYLACINE WEST)

Production Licences VIC/L23, T/L2, T/L3 and T/L4

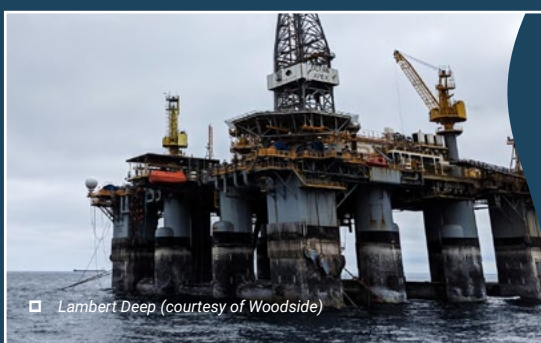
- Area: Offshore Victoria and Tasmania, Otway Basin
- Product: Gas
- Fields: Geographe and Thylacine
- Titleholders: Beach Energy (Operations) Ltd led Joint Venture



GREAT WESTERN FLANK-3 AND LAMBERT DEEP

Production Licences WA-5-L and WA-16-L

- Area: Offshore Western Australia, Northern Carnarvon Basin
- Products: Gas and Condensate
- Field: Goodwyn and Lambert
- Titleholders: Woodside Energy Ltd. led Joint Venture



ICHTHYS PHASE 2

Production Licence WA-50-L

- Area: Offshore Western Australia, Browse Basin
- Products: Gas and Condensate
- Fields: Ichthys
- Titleholder: INPEX Ichthys Pty Ltd led Joint Venture



New and emerging developments

As in previous years, new development activity over the last 12 months has been primarily focused on the Bonaparte, Northern Carnarvon and Browse basins. Numerous major offshore projects have taken positive Final Investment Decisions (FID) in the past few years, which now also includes the Scarborough and Crux developments.

Following the grant of a production licence in 2020, the Scarborough project in the Carnarvon Basin took FID in November 2021, with first gas targeted for 2026. A pipeline licence associated with the project was also granted in April 2022.

A production licence was granted in the Browse Basin over the Crux Field following FID in May 2022, with pipeline licence applications in progress. Crux will be developed as a tie-back to the Prelude FLNG facility, with first gas expected in 2027. Following a positive FID in March 2021, the Barossa project in the Bonaparte Basin has also continued to progress through maturation stages, with first gas targeted for 2025 as backfill to the Darwin LNG facility.

Two production licences were also granted during the past year: Spartan in the Carnarvon Basin and Dorado in the Roebuck Basin (offshore Canning Basin). Following FID in early 2021, a production licence was granted over Spartan in July 2021 and a pipeline licence in December 2021. A production licence was also granted over Dorado in April 2022, and a decision on FID is expected shortly.

Across offshore Australia, there has also been significant recent interest from existing oil and gas producers in incorporating carbon capture and storage (CCS) at both depleted and currently producing fields, as well as off-selling CO₂ to commercial customers.

Production

Australia's total offshore hydrocarbon production during 2021 was only marginally reduced compared to the previous year across all hydrocarbon types (Figure 19). This is the result of a balance between the natural ongoing decline from mature fields, including some that ceased production, and increased and/or stabilised production from more recent projects.

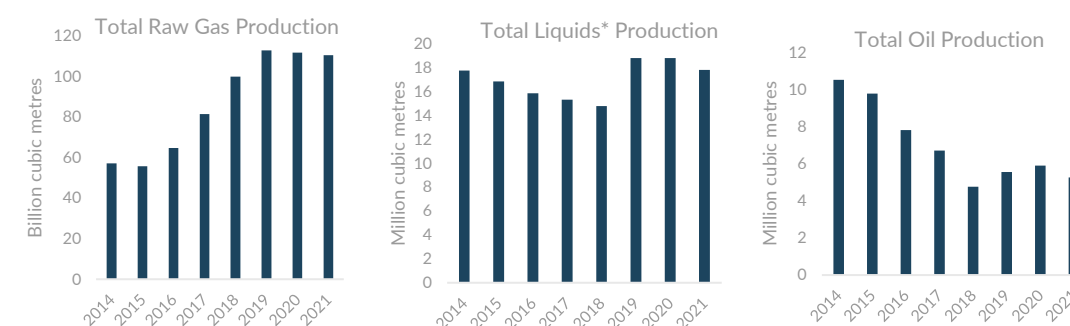


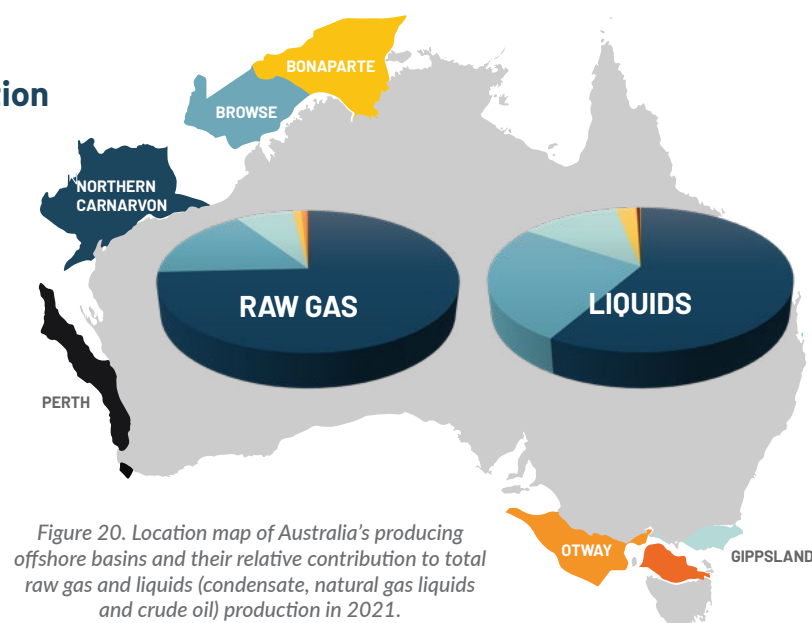
Figure 19. Production trends in offshore Australia, across different hydrocarbon types, since 2014.

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

Total raw gas production continues to plateau, with a very marginal decline from the peak observed in 2019 (which represented the end point of a 4-year ramp-up period). The Carnarvon and Browse basins dominate total raw gas production (Figure 20). Condensate, associated (primarily) with LNG projects, continues as the largest contributor to total liquids production (crude oil, condensate and natural gas liquids) which remained steady, with a marginal reduction from the most recent peak observed in 2019. Total oil production was lower than the previous two years and well below 2014 levels.

Offshore production by basin

The Northern Carnarvon Basin remains the largest source of raw gas and liquids production, accounting for 74% and 58% (respectively) of the total across offshore Australia. The Browse Basin is now established as the next largest contributor, accounting for 17% of total raw gas and 26% of total liquids production.



DATA MANAGEMENT

Overview

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).

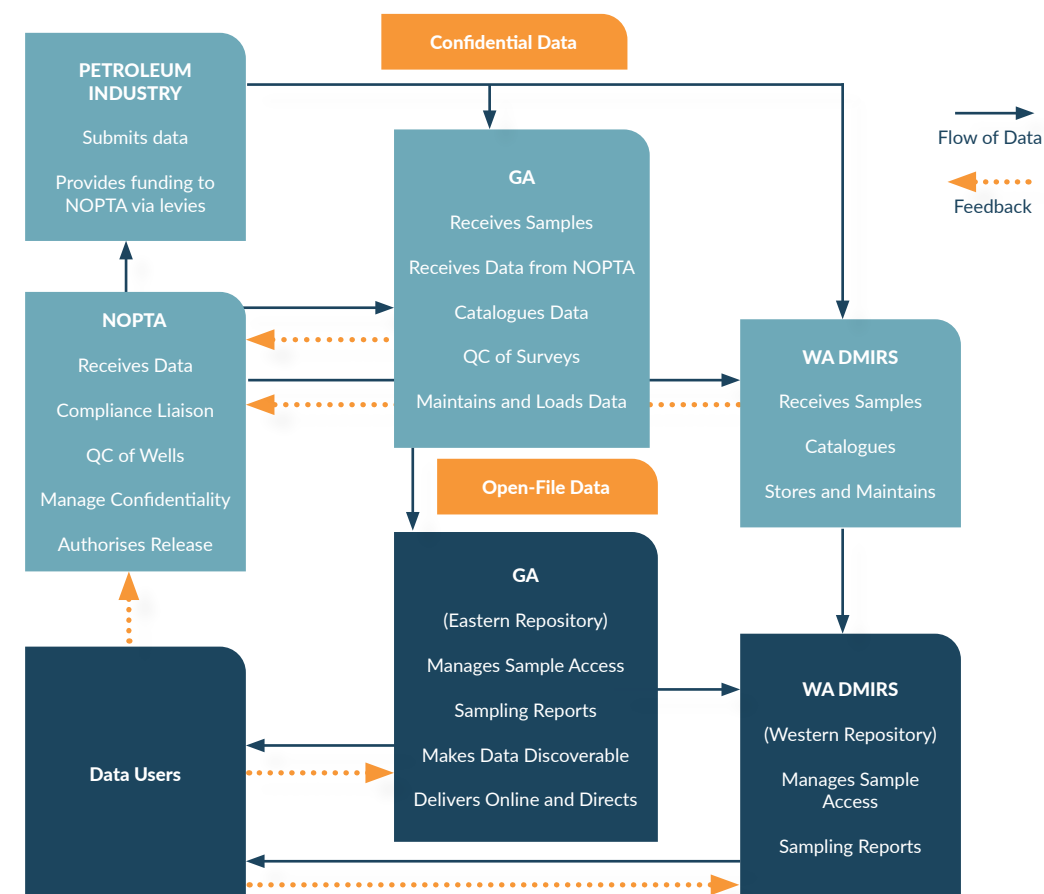
NOPDCR organisation

The National Offshore Petroleum Data and Core Repository (NOPDCR) is a collaborative initiative between Commonwealth and state government departments and is funded by a combination of levies on the oil and gas industry (for confidential data) and direct government appropriation (for data which has been publicly released).

The NOPDCR is enabled by Agreement between NOPTA, Geoscience Australia (GA) and the Western Australian Department of Mines, Industry Regulation and Safety (WA DMIRS).

The Parties to the NOPDCR have collective responsibility for stewardship of Data and Physical Samples submitted and released in accordance with Parts 7, 8, 9 and 10 of the RMA Regulations. NOPTA has formal custodianship of the Data and Physical Samples from submission, until the Titles Administrator has authorised release, at which time formal custodianship passes to GA. WA DMIRS provides data management services to NOPTA and GA both prior to and after public release.

A new NOPDCR agreement for the management of data during regulated confidentiality periods has been negotiated, guaranteeing continuity of this arrangement. Once submitted data has been quality-checked, it is released for public use by NOPTA after the expiration of regulated confidentiality periods and then made available through the NOPDCR repositories in Canberra (GA) and Perth (DMIRS) (Figure 21).



NOPDCR operations

Stakeholder feedback confirms the National Repository relationship between NOPTA, GA and WA DMIRS continues to be considered positively. Data submission benchmarking has identified further areas where data outcomes for users might be improved and the agencies are collaborating on ways to streamline submission, discovery and delivery. The cost of managing offshore confidential data rose marginally from \$1,332,000 in 2020-21, to \$1,359,052 in 2021-22. These costs are predicted to decline in 2022-23. The National Offshore Petroleum Information Management System (NOPIMS) will continue to be the primary tool by which these improvements will be realised.

Data transactions

Activity reporting increased during 2021-22, commensurate with industry operations. Whilst production reporting numbers remained steady, Daily Drilling Reports (DDR) received increased from 2305 to 3051 during 2021-22 and Weekly Survey Reports (WSRs) from 13 to 55. The total number of activity reports received increased from 3373 in 2020-21 to 4193 in 2021-22 (Figure 22).

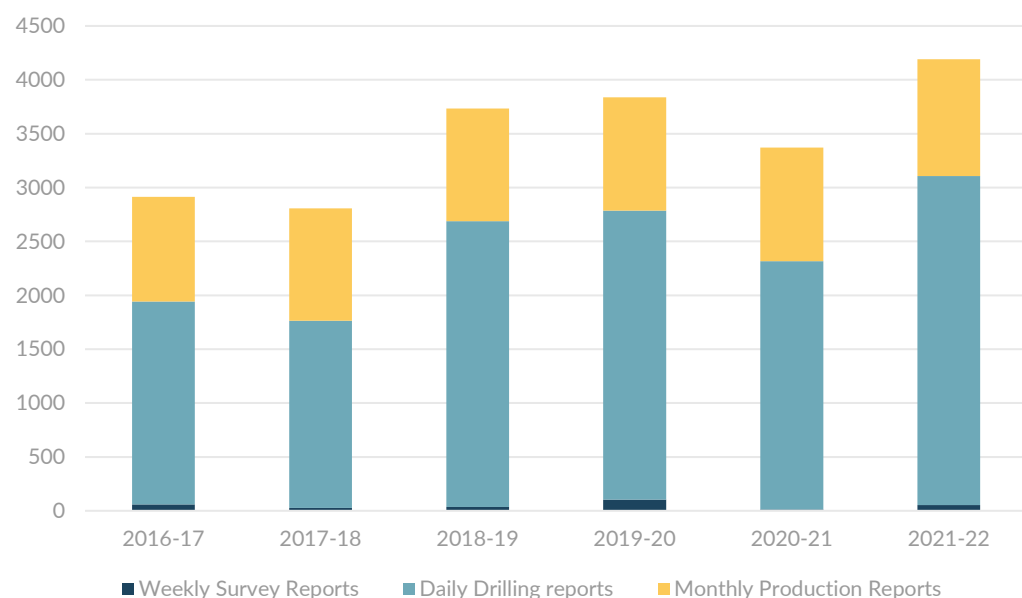


Figure 22: Activity Reporting 2016-17 to 2021-22

NOPIMS

NOPIMS provides access to downloadable publicly released well and survey data held by the NOPDCR. NOPIMS is a web-based data discovery and delivery system funded and administered collaboratively by the NOPDCR partners. NOPIMS is subject to a separate support agreement.

During 2021-22 an additional 10,234 gigabytes (GB) of data was released for public use across 104 offshore activities. Of the data released, 5062 GB related to new survey acquisitions, 5033 GB to reprocessing projects and approximately 139 GB was borehole related. This is a significant increase in the volume of data made available from 2020-21, when the total volume of data released was 6832 GB. 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 2021-22, NOPTA's contribution to NOPIMS development and support was \$244,512. Stakeholder consultation on the future of NOPIMS was also undertaken, with a new development program in place for 2022-23 to update infrastructure, support full cloud enablement and enable future on-line submission.

Data submission

The total number of regulatory submission items received during 2021-22 declined to 660 (767 in 2020-21). A breakdown by report type is provided in Figure 23.

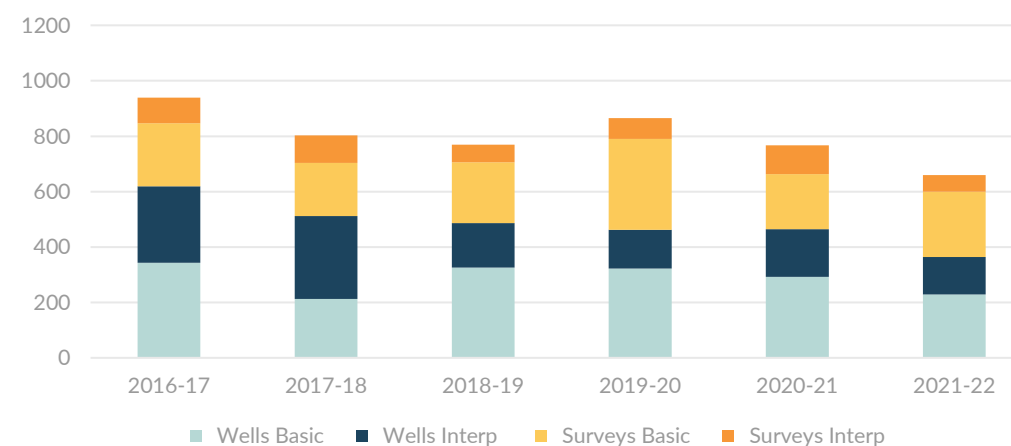


Figure 23: Regulatory Submissions Reporting 2016-17 to 2021-22

Data release

The number of activities released for open file use decreased from 143 in 2020-21 to 97 in 2021-22. This reflects the reduced drilling and survey activity over the last few years; and is a product of the time-lag between submission and release (Figure 24).

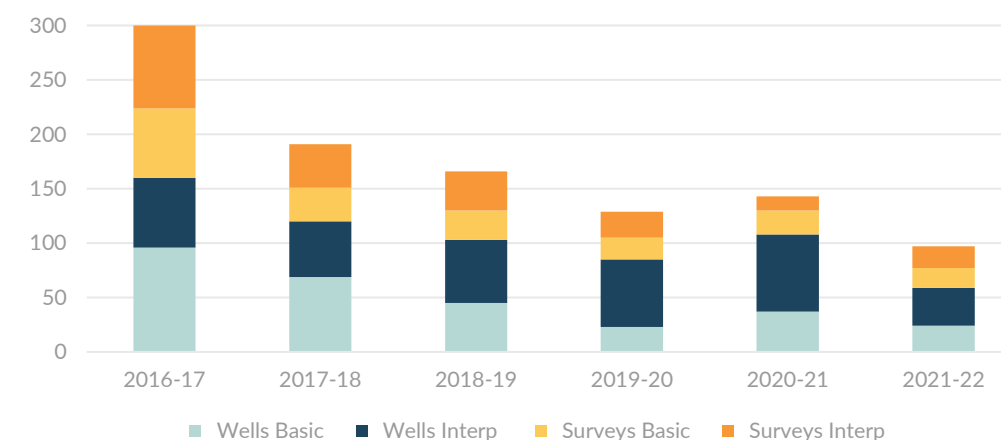


Figure 24: Open-File Data Release Authorisations 2016-17 to 2021-22

3

SUPPORTING INDUSTRY



□ Courtesy of Woodside: Angel Platform

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 2021-22 include:

NEATS Secure Portal upgrades

- Continued to enhance the NEATS secure 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 secure portal.
- Released the payment module under the secure portal upgrades.
- Held a workshop with the Joint Authority departments to scope out a proposal for the development of a communication tool between the Joint Authority delegates and NOPTA within the secure portal.
- Held a workshop with NOPSEMA to scope out the proposal for a centralised communication tool on titles related submissions and applications, within the secure portal.

NOPIMS

- Commenced a piece of work to modernise NOPIMS and integrate it with NOPTA's systems, ultimately leading the online submission of data.
- As the first stage in this work, NOPTA conducted industry and government stakeholder feedback workshops and scoped out a plan of work. The first stage of the NOPIMS rebuild is expected to be delivered by the end of 2022-23 financial year.

Internal systems

- Ongoing improvements were made to NOPTA's internal systems to continue strive to ensure a streamline approach to the collection, sharing and analysing of information within NOPTA.

Production monitoring

- The ongoing review of functionality of NOPTA's production monitoring and benchmarking tools, was undertaken to ensure that these systems continue to enable NOPTA to implement its resource management priorities efficiently.

Resource management

Resource management at NOPTA encompasses 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 titleholders and identifying and managing emerging issues such as late life title management.

Highlights

NOPTA continues to analyse annual trends in offshore production as well as resources and reserves replacement. While annual production for 2021 remained high and similar to 2020, the level of reserves replacement continues to be low at ~30% (Figure 25). Similarly, a simple estimate of how long reported reserves would enable current production rates to be maintained, suggest a reserves/production ratio (R/P) of ~15 years (on a millions of barrels of oil equivalent (MMboe) basis, Figure 25). 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 future resource maturation. Thus, NOPTA remains focused on a proactive dialogue with titleholders to understand how they are maturing existing resources into reserves and production. These observations, as well as other analysis of relevant trends, continues to be shared by NOPTA to assist and support the department's Offshore Resources Branch (ORB) with policy considerations. NOPTA is also making progress towards systematically capturing the estimated volumes of identified prospective resources available in Australia's offshore, including its probability of geo-technical success.

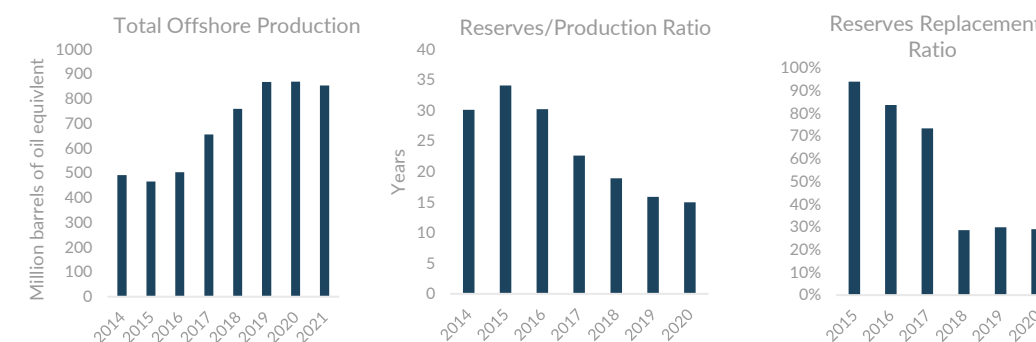


Figure 25: Annual trends in offshore production and reserves replacement.

Key achievements in 2020-21 include:

Annual Performance Update Meetings

- Held annual field performance review meetings with titleholders responsible for offshore production. As in recent years, engagement between NOPTA and titleholders continued through virtual meetings in 2021-22 and provided valuable insights and information at local and regional scales, across 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

- Further extended efforts towards systematic comparative assessment and analysis of industry performance for internal monitoring purposes. Benchmarking enables a more strategic approach to dialogue with industry and provides a broader context in the assessment of applications and advice to the Joint Authorities, and through this improves overall outcomes within the regulatory regime.
 - 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.
 - A broad range of benchmarking metrics have been developed via dedicated databases and are measured on an ongoing basis.
 - In addition to aspects from previous benchmarking work, new benchmarking efforts for 2022 included comparisons with benchmarked data from previous years, overviews of application processing times and summaries of compliance issues including special conditions on titles.
 - During the year, NOPTA shared insights from this work with industry to inform, seek feedback and encourage engagement on measures to improve outcomes.
 - NOPTA will continue to refine its benchmarking program of work over the next financial year, which will ultimately assist with industry efforts to improve production, cost efficiency and regulatory compliance.

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 of 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.

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.

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 2021-22 include:

Titles Administration Act Implementation

- In collaboration with ORB, NOPTA implemented changes to the OPGGS Act as a result of amendments under the Titles Administration Act including new application requirements and suitability decision making criteria, as well as the introduction of a new change in control application. This work included:
- updating the following guidelines and fact sheets:⁵
 - Guideline: Offshore petroleum exploration-Work-bid
 - Guideline: Grant and administration of a retention lease and related matters
 - Guideline: Transfers, dealings, change in control and other titleholder transactions
 - Guideline: Offshore petroleum decommissioning
- the creation of the following new guidelines and fact sheets:
 - Guideline: Applicant suitability
 - Guideline: Trailing liability for decommissioning of offshore petroleum property
 - Fact sheet: Change in control of a registered titleholder

- FAQ: Change in control of a registered titleholder
- Fact Sheet: Declaration of experience and disclosures
- FAQ: Declaration of experience and disclosures
- Fact Sheet: Retention lease application content
- Fact Sheet: Financial resources

- updated the suite of application forms and created new NOPTA Forms Guides⁶ to assist applicants with the submission of validly made petroleum and GHG title applications.

Cessation of pipeline operations and/or Petroleum Production Fact Sheet

- Published a Cessation of Pipeline Operations and/or Petroleum Production Fact Sheet⁷ to provide information about regulatory approval requirements and other matters prior to a licensee ceasing operation of a pipeline or ceasing production from a petroleum field.

GHG Storage⁸

- Participated in a webinar on the release of offshore GHG storage acreage in December 2021 including the Minister's announcement of bidding areas, presentations from Geoscience Australia and NOPTA, and a specialist panel question and answer session.
- Updated the following guideline and presentation:
 - Guideline: Consolidated Work-bid and Cross-boundary Greenhouse Gas Assessment Permits
 - Presentation: *An introduction to the greenhouse gas (GHG) storage legislative framework*
- Published the following guidelines and fact sheets:
 - Guideline: Work-bid Greenhouse Gas Assessment Permit (consolidating previous guidance)
 - Guideline: Declaration of Identified Greenhouse Gas Storage Formation
 - Fact Sheet: Key Greenhouse Gas Operations
 - Fact Sheet: GHG Cancellation
 - Fact Sheet: GHG Surrender
 - Fact Sheet: Expiry

Website updates

- Refreshed NOPTA's website content on the offshore petroleum and GHG framework. In particular, more information was published on roles and responsibilities, application assessment processes, key decision makers and indicative application assessment times.
- Updated the data management section of the website to provide greater clarity on data submissions, sample management, transmittals, and data compliance. More updates will occur over the next financial year.

⁶ <https://www.nopta.gov.au/forms/index.html>

⁷ https://www.nopta.gov.au/_documents/fact-sheets/fact-sheet-cessation-pipeline-operations-and-or-petroleum-production.pdf

⁸ <https://www.nopta.gov.au/guidelines-and-factsheets/index.html>

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.

Offshore Petroleum Forum

- Established the Offshore Petroleum Forum (OPF) consisting of Joint Authority delegates (and its respective departments), NOPSEMA and Geoscience Australia representatives. The OPF is a valuable avenue to share information on issues that cut across all jurisdictions, including policy and legislative reform matters. The OPF convenes 3 times a year.

Regulatory reform process

- NOPTA continued to collaborate with external stakeholders, including NOPSEMA and ORB on legislation, guidance material and administrative processes improvements. Key initiatives have included:
 - The enhanced framework for decommissioning offshore oil and gas infrastructure
 - Comprehensive review of the *Offshore Petroleum and Greenhouse Gas Storage (Resources Management and Administration) Regulations 2011*
- NOPTA expects to continue working on these matters through 2022-23.

Offshore Electricity Infrastructure

Assigned staff within NOPTA (under a separate funding arrangement), assisted the policy team within the department to:

- Develop the *Offshore Electricity Infrastructure Act 2021*, together with the *Offshore Electricity Infrastructure (Regulatory Levies) Act 2021* and *Offshore Electricity Infrastructure (Consequential Amendments) Act 2021*, to provide the legal framework for offshore electricity infrastructure projects and activities in Commonwealth waters.
- Develop the draft Offshore Electricity Infrastructure Regulations and Offshore Electricity Infrastructure (Regulatory levies) Regulations.
- Draft the cost recovery impact statement and participate in consultation meetings.
- Draft the guideline, application forms and other guidance materials.
- Meet with relevant companies and international regulators.

Engagement

In 2021-22, NOPTA continued its pro-active approach to stakeholder engagement across our broad array of functions. This included meeting with a range of industry and government stakeholders to build and maintain confidence in NOPTA's role, support regulatory reform processes, and ensure efficient and transparent decision-making processes under the OPGGS Act (Figure 26).

NOPTA held 421 meetings in 2021-22 (294 in 2020-21), an average of 35 stakeholder engagements per month. These meetings were conducted via a combination of face-to-face, video and tele-conference mediums.

As indicated in Figure 27, the number of meetings attended by NOPTA notably increased in 2021-22 from the previous year. The increase is due (in part) to an easing of COVID restrictions across the country, but mainly in response to the comprehensive regulatory reform agenda pursued by the government, including in relation to offshore electricity infrastructure matters. The number of meetings relating to GHG matters also increased in 2021-22 due to the first acreage release round since 2014 and a comprehensive update of external guidance materials, and assessment templates for GHG.

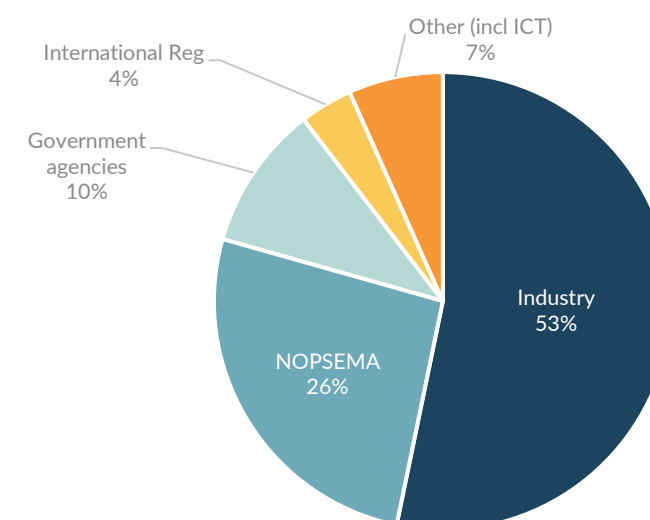


Figure 26: NOPTA meeting stakeholder breakdown 2021-22

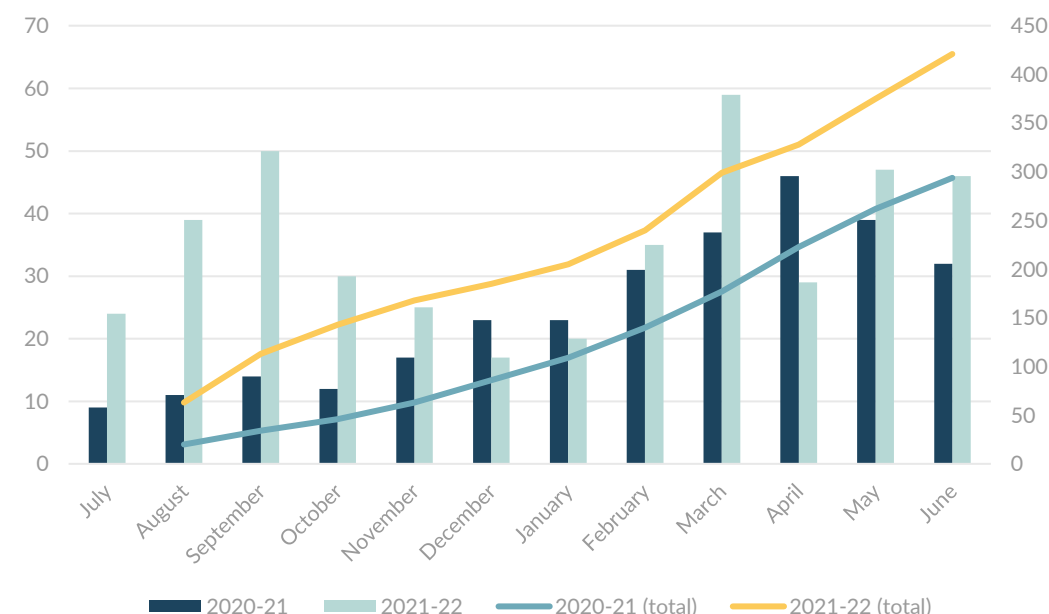


Figure 27: 2020-21 to 2021-22 NOPTA stakeholder meeting comparison

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 2021-22 included:

Compliance and Enforcement Policy

- Updated NOPTA's Compliance and Enforcement Policy⁹ to better reflect the principles of compliance covered under NOPTA's strategic plan.

External compliance monitoring

- Examined 44 instances of non-compliance with the OPGGS Act and associated regulations in accordance with NOPTA's Compliance and Enforcement Policy, with 3 titles cancelled during the reporting period; advice sent to the Joint Authority on one occasion and no non-compliance recorded on 2 occasions.

Compliance trends

- 21 instances where titleholders did not provide NOPTA with a Well Operation Management Plan (WOMP) as per regulation 5.28 of the RMA Regulations.
- 14 instances where titleholders did not provide an Annual Titles Assessment Report (ATAR) in the timeframe specified in regulation 3.03 of the RMA Regulations.

Special conditions and Joint Authority expectations

- Monitored 85 special conditions and 111 expectations placed on titleholders by the Joint Authority, with 2 instances of non-compliance identified during the reporting period. Each matter was managed in accordance with NOPTA's Compliance and Enforcement Policy.

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 2021-22 included:

Internal assurance reviews

- Continued a program of internal assurance reviews of our internal compliance with policies, procedures, and guidance to ensure our workflow and processes are working as effectively and efficiently as possible. The internal quality assurance also helps to confirm that assessments and business activities are valid, consistent, accurate and dependable, whilst encouraging continuous improvement and oversight of our risk controls.

- During the year, the following internal workflow processes and associated procedures were reviewed:
 - Review of the Breach Register procedure.
 - Review of the procedures for processing an expiry of a title.
 - Review of the internal escalated compliance procedure.
 - Review of calculation of the annual levy of a Pipeline Licence.
 - Review of the procedures for processing a Suspension, Extension, Variation application.
 - Review of the procedures to verify survey spatial data.

Continuous improvement and debrief sessions

Areas for continuous improvement and/or debrief reflection sessions are 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.

- Continuous improvement topics in 2021-22 included: transfers and dealings, acreage release assessments, change in control applications, suitability assessments, and various GHG application processes.
- Monthly and annual application debrief sessions are also conducted based on application processing statistics.

Internal reporting

NOPTA has the following internal reporting structures:

- Quality Assurance Committee comprised of the Titles Administrator; Strategy and Governance Manager; and Operations Manager which meets on a quarterly basis and provides governance oversight to NOPTA's legislative and strategic reporting framework (Figure 28).
- ICT Board comprised of the Titles Administrator; Strategy and Governance Manager; Operations Manager; BSU Manager; and the TIGS Manager which meets on a monthly basis to discuss key ICT projects.
- Weekly operations meetings comprised of managers, assistant managers, and key personnel to discuss ongoing application processing statistics drawn from live data and other operational matters.

Titles Administration Act

- In preparation for the commencement of the Titles Administration Act, NOPTA conducted a series of training sessions for NOPTA and ORB staff. Key operating documents were created and/or updated and external guidance materials were established. Key governance documents were also reviewed and a series of workforce planning sessions were undertaken to ensure NOPTA was operationally ready for the commencement of the legislation.

⁹ See: <https://www.nopta.gov.au/legislation-and-compliance/index.html>

NOPTA LEGISLATIVE AND STRATEGIC MANAGEMENT FRAMEWORK

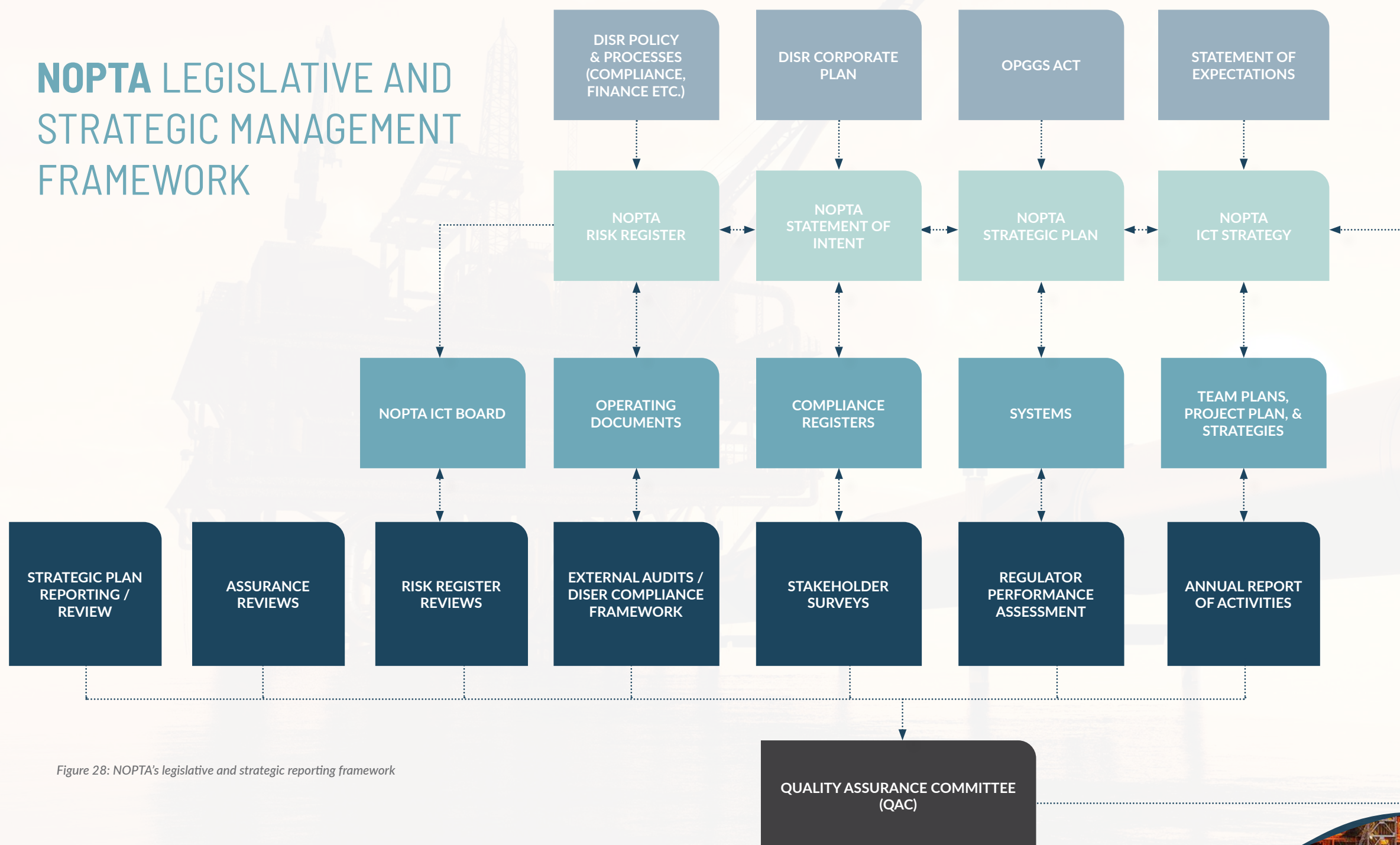


Figure 28: NOPTA's legislative and strategic reporting framework

4 FINANCIALS

COST RECOVERY

Annual Titles Administration Levy

An Annual Titles Administration Levy is payable in accordance with the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) 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 86.5 per cent in 2021-22). 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 3 indicates the total annual levy revenue collected during 2021-22, including adjustments made as a result of renewals, expiries, surrenders and cessations (\$15.8 million). It is not intended to reflect the number of titles in force at 30 June 2022 (refer to Table 1) or applications submitted (refer to Table 2).

Table 3: Annual Titles Administration Levy 2021-22

Title Type	No. of Titles	No. of Blocks	Length Km	Levy Amount
Exploration Permit	111	NA	NA	\$1,141,000
Exploration Permit Renewals (pro rata)	1	NA	NA	\$2,137
Refunds of Surrendered Exploration Permits	-7	NA	NA	-\$70,000
Refunds of Expired Exploration Permits (pro rata)	-3	NA	NA	-\$9,918
Greenhouse Gas Assessment Permit	2	NA	NA	\$22,000
Refunds of Ceased Greenhouse Gas Assessment Permit (pro rata)	-2	NA	NA	-\$2,027
Infrastructure Licence	3	NA	NA	\$77,500
Pipeline Licence	81	NA	4583	\$484,860
Production Licence	101	357	NA	\$6,888,000
Refunds of Ceased Production Licence (pro rata)	-1	1	NA	-\$1,589
Retention Lease	77	295	NA	\$6,124,000
Retention Lease Renewals (pro rata)	25	54	NA	\$1,162,005
Refunds of Ceased Retention Lease (pro rata)	-2	6	NA	-\$45,359
Annual Levy				\$15,772,609

*Pro rata amounts calculated on number of days title is in force

Application 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 312 applications in 2021-22 that attracted a fee, generating revenue of \$2.5 million, or approximately 13.5 per cent of NOPTA's total income (Table 4).

Table 4: Application Fees 2021-22

Application Type	No. of Applications	Fee Amount
Work-bid Exploration Permit	10	\$82,500
Cash-bid Exploration Permit	0	\$0
Renewal Exploration Permit	1	\$8,250
Petroleum Retention Lease	1	\$7,500
Renewal Retention Lease	9	\$72,750
Production Licence	3	\$22,500
Renewal Production Licence	1	\$8,250
Pipeline Licence	3	\$22,500
Variation Pipeline Licence	4	\$31,500
Special Prospecting Authority	4	\$31,500
Transfer	20	\$153,750
Dealing	174	\$1,374,000
Change in Control	4	\$33,000
Access Authority	9	\$69,000
Suspension and extension; variation; exemption (per title)	24	\$188,250
Declaration of Location	2	\$15,750
Surrender	22	\$171,750
GHG Variation, suspension, exemption	1	\$7,500
Acceptance of a FDP	3	\$23,250
Variation FDP	0	\$0
Rate of Recovery	7	\$54,750
Work-bid GHG Assessment Permit	9	\$74,250
GHG Cross-boundary	1	\$7,500
Application Fees	312	\$2,460,000

Cost effectiveness

NOPTA's ability to effectively discharge its functions under the OPGGS Act and to meet the expectations of the responsible Commonwealth Minister, is underpinned by access to sufficient resources, capacity, and qualified personnel. Since establishment on 1 January 2012, NOPTA has been operationally efficient in delivering its activities and has minimised the need to adjust levies and fees over this time. NOPTA continues to find cost efficiencies across a number of areas, including property operating costs, travel and consultancy expenses. From 1 January 2022, NOPTA increased its fees and levies charges by 10%, which represented the first adjustment in charges since the 2016-17 Cost Recovery Implementation Statement (CRIS).

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, and pays workers' compensation and other insurances, as well as charges directly attributable to NOPTA. In 2021-22 the department recouped \$427,442 for these operational costs.

NOPTA uses information obtained via its ongoing engagement with its international counterparts and regular industry reporting under legislation to undertake comparative assessment and analysis of a range of performance metrics. This analysis allows NOPTA to better understand its performance, relative to similar regulators, which promotes transparency and helps identify opportunities for improvement.

In May 2022, NOPTA conducted a benchmarking exercise, based on 2020-21 data, against similar offshore resource petroleum regulators located in the United Kingdom (North Sea Transitional Authority (NSTA)), 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 only¹⁰.

The results show that NOPTA compares favourably in relation to all key metrics. In particular, the comparisons show that at the end of 2020-21, NOPTA:

- has the lowest FTE headcount of all regulators (Figure 29)
- administered more total acreage under active licence (430,711 km²) than all the other regulators combined (313,564 km²) (Figure 30)
- administered more active titles (370) than Canada, but less than the USA, UK and Norway (Figure 31)
- had lowest annual operating budget of all regulators (\$16.425M) (Figure 32), which combined with the lowest FTE headcount (63) drives (on average) the second lowest annual operating cost per-title compared with the other regulators (Figure 33).

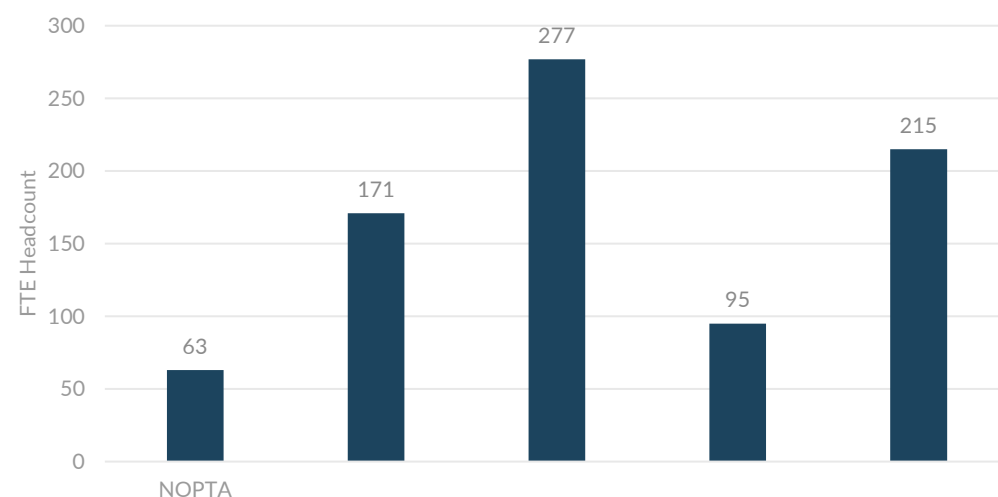


Figure 29: FTE headcount shown against other international regulators 2020-21

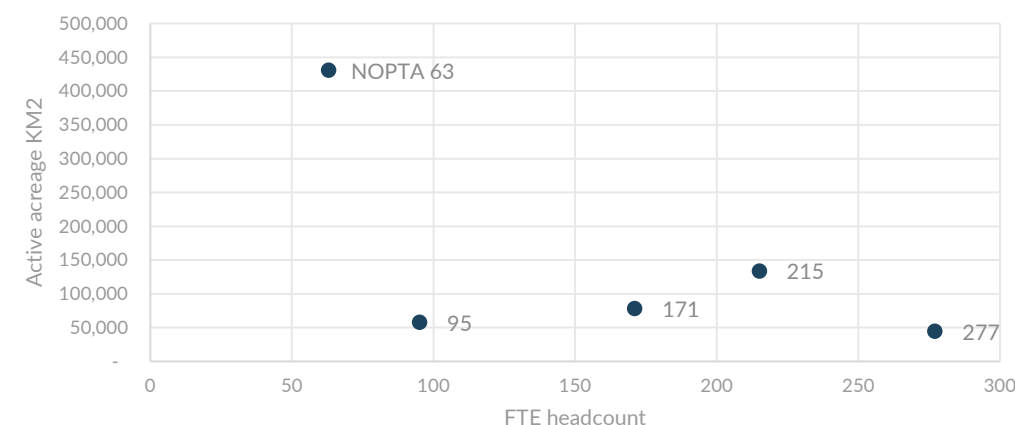


Figure 30: Headcount vs total active acreage (km²) against compared regulators 2020-21

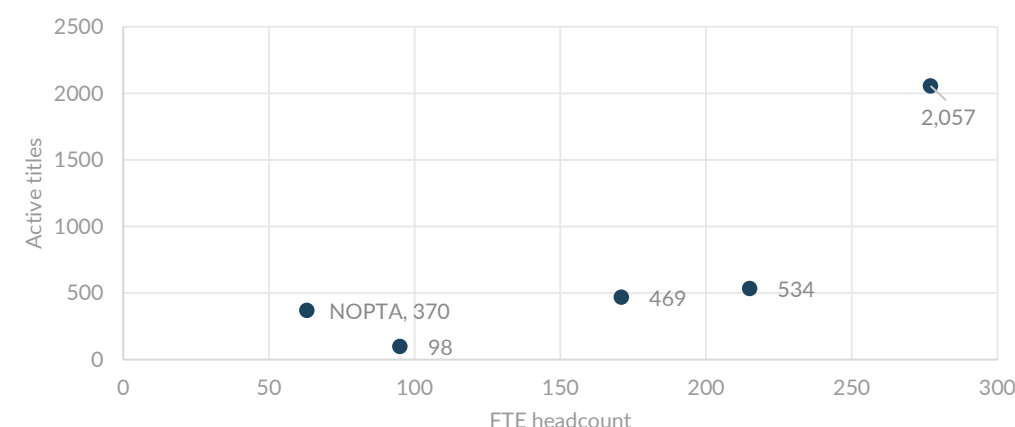


Figure 31: Headcount vs total number of active titles 2020-21

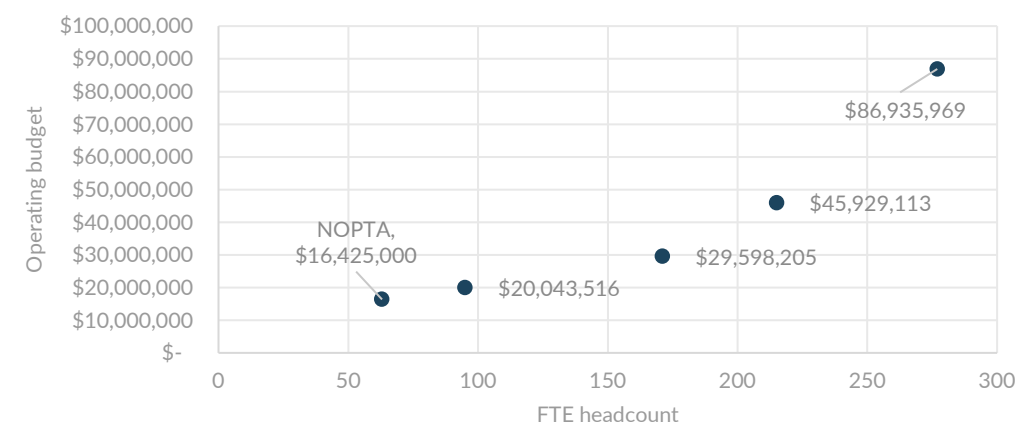


Figure 32: Headcount vs regulatory reported annual operating budget 2020-21 (AUD)

¹⁰ Note: C-NLOPB costs are an estimate only. It has been derived by removing expenses relating to safety and environmental affairs from the 2020-21 budget. See C-NLOPB 2020-21 Annual Report 'statement of operations' (p44)

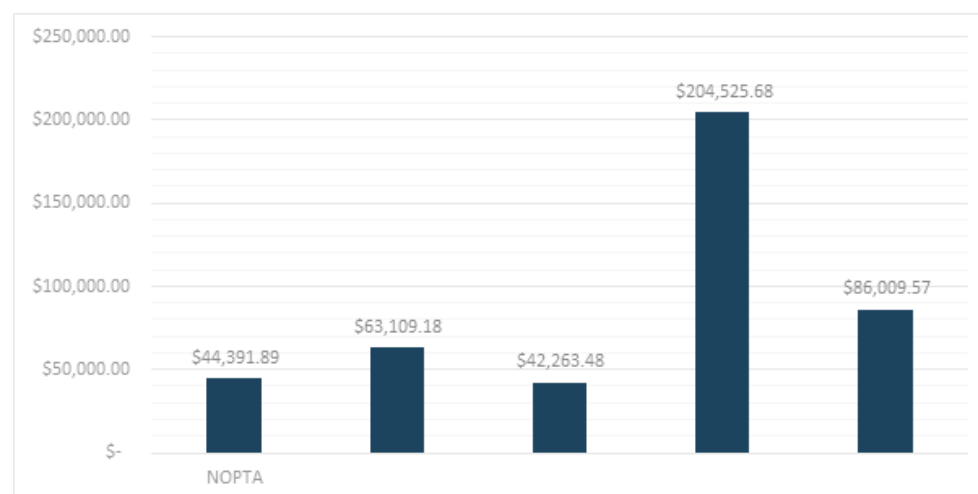


Figure 33: Average operating cost per offshore petroleum title 2020-21 (AUD)

NOPTA'S FINANCIAL RESULT

NOPTA operates a Special Account under the PGPA Act. The balance of the Special Account was \$8.9 million at 30 June 2022. Table 5 outlines NOPTA's financial performance for 2021-22 compared to 2020-21.

Table 5: NOPTA's 2021-22 financial result compared to 2020-21

INCOME STATEMENT	2021-22 \$'000	2020-21 \$'000
Revenue - Cost Recovery		
Levies	15,773	14,921
Application Fees	2,460	2,243
Other	10	14
Total Revenue	18,243	17,178
Expenses		
Employee Benefits*	7,584	7,016
Suppliers**	3,646	2,698
NOPDCR	1,359	1,332
ICT and Telecommunications Costs	2,001	2,261
Depreciation and Amortisation***	1,989	2,728
Overhead Recharging Allocation	427	390
Total Expenses	17,006	16,425
Surplus / (deficit)	1,237	753

* Employee benefits includes \$0.357 million relating to the implementation of the offshore electricity registrar in 2021-22 (2020-21: \$0.071).

** Includes NOPIMS payments totalling \$0.2 million in 2021-22 (2020-21: \$0.2 million) and \$0.156 million in expenses relating to the implementation of the offshore electricity registrar in 2021-22. The Australian government has provided NOPTA with \$0.075 million in 2020-21, \$0.516 million in 2021-22 and \$0.089 million in 2022-23 to support the implementation of the Offshore Electricity Infrastructure framework.

*** Includes right of use asset amortisation totalling \$0.881 million in 2021-22 (2020-21: \$0.940 million)

5 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.



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.

THIS MEANS

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.





Australian Government

**National Offshore Petroleum
Titles Administrator**