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# NOPTA News



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## NOPTA's Cost Recovery Arrangements

### INTRODUCTION

Since it was established on 1 January 2012, NOPTA has been operating under transitional cost recovery arrangements. The transitional Cost Recovery Impact Statement (CRIS) provided for the continuation of the same charging structure that existed prior to 1 January 2012 with the Annual Titles Administration (ATA) levy replacing the Annual Fees that were previously in place. It was considered appropriate to keep the ATA levy structure similar to the previous Annual Fee regime in order to minimise confusion to industry and facilitate a smooth hand over during the transition period.

NOPTA has developed a revised Cost Recovery Impact Statement (CRIS) expected to take effect 1 November 2013. As part of this process a review of the cost recovery arrangements was undertaken in relation to NOPTA's operations including the current charging structure and levies imposed under the legislation. The results of this review and an overview of the proposed CRIS is outlined in this newsletter. NOPTA welcomes written submissions to the proposed CRIS. A copy of the full document can be found on NOPTA's website located [NOPTA's website](#).

*Graeme Waters*

General Manager, NOPTA

## NOPTA'S COST RECOVERY REVIEW

A key aim of the review was to ensure that NOPTA has a cost recovery arrangement that provides the resources necessary for efficient and effective operation of the organisation. The cost recovery arrangement should also be aligned with best practice policy principles, specifically those outlined in the Australian Government's Cost Recovery Guidelines.

It was concluded that the overall amount currently collected through levies and application fees is sufficient to continue to fund NOPTA's operations. However, the amounts of the varying titles levies and application fees should be rebalanced to remove cross-subsidy. This would ensure that NOPTA's cost structure is more equitable and relevant to the activities that NOPTA undertakes.

Furthermore, the review concluded that the annual titles administration levy for a petroleum exploration permit should be charged on a per title basis. Currently an annual titles administration levy for a petroleum exploration permit is charged on a per block basis. This will be more equitable as NOPTA's effort in administering the exploration permit does not vary according to the number of blocks being applied for, which can vary widely.

In addition, certain cost recoverable activities that require effort do not currently attract a fee. Costs are instead being cross-subsidised through the ATA Levy which is collected on an annual basis. Three new application fees are proposed to cost recover for the activities related to access authorities; suspension, extension, variation, exemption; and declaration of location. The proposed CRIS also suggests the removal of miscellaneous fees.

The Registration Fees which were previously charged under the *Offshore Petroleum and Greenhouse Gas Storage (Registration Fees) Act 2006* (the Registration Fees Act) will cease from 1 November 2013 when the Registration Fees Act is repealed. The Registration Fees for transfers and dealings will be replaced with an application fee. Please see [NOPTA's fact sheet](#) on Registration Fees for more information.

The revised CRIS moves NOPTA to an activity based costing approach providing greater transparency around NOPTA's operational costs. A full copy of the proposed CRIS can be found on the [Cost recovery and fees webpage](#). NOPTA is seeking stakeholder input by COB 20 September 2013. Enquiries can be made to NOPTA's Business Manager, phone 08 6424 5300. Please direct written submissions to [corporate@nopta.gov.au](mailto:corporate@nopta.gov.au).