

**National Offshore Petroleum Titles
Administrator (NOPTA)**

**2015-16 self-assessment against the
Regulator Performance Framework**

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NOPTA - snapshot

The key purpose of the Regulator Performance Framework (RPF) is to improve regulator's performance by being publicly accountable in demonstrating effective management of risk. NOPTA self-assesses that it has implemented the RPF and met its six Key Performance Indicators (KPIs) effectively – however NOPTA always strives to continuously improve.

Achievements against the KPIs for 2015-16 include:

- Improved the consistency of reporting for Annual Title Assessment Reports (ATARs) by engaging stakeholders in the design and implementation of model templates (KPI 1).
- Received positive feedback from stakeholders on the introduction of an Annual report of activities for the 2014-15 financial year (KPI 2).
- Engaged titleholders proactively to improve the understanding of data submission requirements and to clarify requirements (KPI 3).
- Identified opportunities to streamline and share services to reduce costs, including the provision of geographic information services to National Offshore Petroleum Safety Environmental Management Authority (NOPSEMA)(KPI 4).
- Over 95 per cent of the 2016 stakeholder survey respondents consider NOPTA open and transparent in its dealings, publicly accountable in publishing performance results and collaborative in its approach (KPI 5).
- Enhancing the Industry Portal of the National Electronic Approvals Tracking System (NEATS) to enable the automation of annual title administration levy notifications and provide easier access to credit card payment facilities and payment history (KPI 6).

The development of this inaugural RPF self-assessment has highlighted to NOPTA that the performance measures and metrics, developed against each of the KPIs, will need to be reviewed to determine their ongoing appropriateness and efficacy, especially for KPI 3. NOPTA will also refine how it collects evidence against each KPI with this self-assessment providing a baseline for future self-assessments.

In 2015-16 there were 478 decisions (compared to 573 in 2014-15) made for applications related to offshore petroleum titles. NOPTA provided advice to the Joint Authority for decisions on 254 applications and the Titles Administrator made 224 decisions. Table 1 illustrates the decisions made by the responsible authority and by jurisdiction. Figure 1 displays the proportion of decisions made each responsible authority.

Decision Maker	Jurisdiction							
	WA	SA	NT	VIC	AC	NSW	QLD	TAS
Joint Authority	192	7	9	11	22	2	1	10
Titles Administrator	158	0	7	32	23	0	0	4
Total	350	7	16	43	45	2	1	14

NOPTA's forward work program will be guided by operational requirements and shaped by the 2015 Operational Review of NOPTA, the 2016 stakeholder survey and the finalised Offshore Petroleum Resource Management Review. This flexible and open approach reflects the continuous improvement objective of the RPF. NOPTA is well positioned to respond to any recommendations consistent with its functions and legislative obligations.

Introduction

About NOPTA

The Australian government has responsibility for Australia's offshore areas beyond three nautical miles from the territorial sea baseline. The offshore areas are regulated under the Offshore Petroleum Regulatory Regime¹. The offshore legislation, regulations and guidelines provide for the orderly exploration for and production of petroleum and greenhouse gas resources, and sets out a framework of rights, entitlements and responsibilities of government and industry. The regulatory regime is a system built on mutual respect between governments and industry within a clear legal framework. This provides investors with predictability and clarity on their rights, returns and obligations while ensuring an appropriate return to the owners of the resources, the Australian people.

The *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGs Act) provides the legal framework for the exploration and recovery of petroleum and for injection and storage of the greenhouse gas substances in offshore areas. It establishes: the Offshore Petroleum Joint Authorities (the Joint Authorities) for each offshore area; NOPTA; and the NOPSEMA². The Joint Authority is made up of the responsible Commonwealth Minister and the State or Territory Minister for that jurisdiction. Prior to the establishment of NOPTA titles administration was conducted by each State and the Northern Territory through a Designated Authority.

NOPTA, and NOPSEMA commenced on 1 January 2012 as a result of recommendations from the Productivity Commission's 'Review of Regulatory Burden on the Upstream Petroleum (Oil & Gas) Sector' (April 2009)³ and the 2010 'Report of the Montara Commission of Inquiry'.⁴ The Productivity Commission's review identified significant unnecessary regulatory burden on the sector. The Productivity Commission review made 30 recommendations including the establishment of a national offshore petroleum regulator in Commonwealth waters, to reduce duplication and ease regulatory burden.

NOPTA recovers all of its operational costs from industry through application fees and annual levies.

NOPTA's role

NOPTA, also known as the Titles Administrator, is appointed by the Secretary under section 695A of the OPGGS Act. The Titles Administrator is an SES employee in the [Department of Industry, Innovation and Science](#).

NOPTA's key functions are to:

- provide information, assessments, analysis, reports, advice and recommendations to members of the Joint Authorities and the 'responsible Commonwealth Minister' in relation to the performance of those ministers' functions and the exercise of their powers;
- facilitate life of title administration, including but not limited to Joint Authority consideration of changes to permit conditions associated with offshore petroleum titles;
- manage the collection, management and release of data; and
- keep the registers of petroleum and greenhouse gas storage titles.

¹<http://industry.gov.au/resource/UpstreamPetroleum/OffshorePetroleumRegulatoryRegime/Pages/default.aspx>

² The Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011 amended the OPGGS Act to establish NOPTA and expand the former National Offshore Petroleum Safety Authority to become the NOPSEMA.

³ <http://www.pc.gov.au/inquiries/completed/upstream-petroleum/report> accessed 7 June 2016.

⁴ <http://industry.gov.au/resource/UpstreamPetroleum/MontaraInquiryResponse/Pages/default.aspx>

The Joint Authorities are the decision-maker for the granting of the petroleum titles that underpin petroleum exploration and development – exploration permits, retention leases and production licenses. NOPTA provides advice and recommendations in relation to these decisions. All communications to or from the Joint Authority occurs through NOPTA.

NOPTA has the authority to grant short term titles (petroleum access authority and petroleum special prospecting authority) and approves certain commercial arrangements known as transfers and dealings.

NOPTA utilises its technical and administrative experience to contribute to the development of guidance and legislation through the Offshore Resources Branch (ORB). ORB is a branch of the Department of Industry, Innovation and Science who provides the Australian Government with high-quality petroleum related policy advice.

Regulated entities and stakeholders

NOPTA regulates entities within the oil and gas industry including associated service providers, such as the seismic industry. Exploration and development of oil and gas resources involves large multinational companies, both foreign and domestically based. It also includes some medium sized non-multinational companies.

Other stakeholders include the Joint Authorities. In order to consult all stakeholders NOPTA has undertaken stakeholder surveys with the first survey occurring in 2015.⁵ The most recent survey was undertaken in May 2016.⁶

External Review

Section 695P of the OPGGS Act requires the responsible Commonwealth Minister to a conduct review on the activities of NOPTA. Specifically, the review is to assess the effectiveness of NOPTA's contribution to the efficiency of decision-making by a Joint Authority for a State or the Northern Territory.

The first review of NOPTA occurred three years after NOPTA's commencement. The review was completed in September 2015. The *2015 Operational Review of the National Offshore Petroleum Titles Administrator – Report for the Minister for Industry and Science, September 2015*⁷ (2015 Operational Review of NOPTA) highlighted that NOPTA is contributing to the efficiency of the decision making by the Joint Authority. A number of the recommendations directly relate to the Regulator Performance Framework (RPF) and are addressed against the relevant KPIs.

In December 2015 the Australian Government Response to the 2015 Operational Review of NOPTA was released. Of the 12 recommendations of the operational review the Government noted six, accepted five and agreed in principle with one. These include increasing the transparency of the decision making process of the Joint Authority, expanding the functionality of the National Electronic Approvals Tracking system (NEATS) system and publishing details of NOPTA's performance.

The Regulator Performance Framework and Self-Assessment

The RPF⁸ establishes a common set of performance indicators to enable the assessment of regulator performance and their engagement with stakeholders. Measuring and publicly reporting performance provides industry, the community and individuals confidence that regulators are being effective and are contributing to reducing regulatory burden.

⁵ <http://www.nopta.gov.au/media/stakeholder-survey/index.html>

⁶ <http://www.nopta.gov.au/media/stakeholder-survey/index.html>

⁷ <http://www.nopta.gov.au/media/operational-review/index.html>

⁸ <https://www.cuttingredtape.gov.au/resources/rpf>

The RPF mandates six KPIs and an annual externally validated self-assessment process. This inaugural self-assessment covers from 1 July 2015 to 30 June 2016.

Under the RPF a regulator is a government body, including a branch within a Department, which administers, monitors or enforces regulation. This includes NOPTA as the national administrator of offshore petroleum titles.

NOPTA's implementation of the RPF

NOPTA is strongly committed to the objectives of the RPF. NOPTA has incorporated the six KPIs into our 2015-17 Corporate Plan. In order to provide evidence against the KPIs NOPTA incorporated the RPF into design of questions for the 2016 annual stakeholder survey.

NOPTA has included this self-assessment, reporting against the RPF, as a chapter of our Annual report of activities.⁹ Publishing details of NOPTA's performance was recommended in the *2015 Operational Review of the National Offshore Petroleum Titles Administrator – Report for the Minister for Industry and Science, September 2015* (2015 Operational Review of NOPTA) and this self-assessment will be a key element in meeting this recommendation.

Incorporating the self-assessment into the Annual report of activities will complement, rather than duplicate, other reporting processes to ensure reporting is cost effective and does not place undue burden on NOPTA's stakeholders or staff.

As agreed to by the Minister, this report will be externally validated by the Growth Centre Advisory Committee. The Growth Centre Advisory Committee were chosen as NOPTA's validating body as they independent from NOPTA and have expertise in the oil and gas industry.

NOPTA engaged KPMG to undertake the 2016 stakeholder survey.¹⁰ The stakeholder survey provides quantitative performance metrics and qualitative insights against the RPF KPIs. It compared NOPTA's performance, in the opinion of survey respondents, against the results of the 2015 survey for timeliness, quality of communication, accessibility and responsiveness. The survey also identified areas for future improvement or action. Survey results are described against relevant RPF KPIs.

⁹ The inaugural Annual report of activities was for the 2014-15 period see <http://www.nopta.gov.au/media/activities-report/index.html>.

¹⁰ <http://www.nopta.gov.au/media/stakeholder-survey/index.html>

KPI 1: Regulators do not unnecessarily impede the efficient operation of regulated entities

Summary

- Improved the consistency of reporting and reduced requests for further information for Annual Title Assessment Reports (ATARs), by engaging stakeholders in the design and implementation of model templates.
- NOPTA is an active member of the International Upstream Forum which provides insights into titles administration and data management around the world.
- Contributed to data improvement initiatives through international petroleum data standards bodies such as Energistics and the Professional Petroleum Data Managers Association (PPDM).
- Reviewed and implemented a revised Cost Recovery Implementation Statement (CRIS).
- Achieved 97 per cent satisfaction¹¹ with NOPTA's responsiveness to business needs, as reported by survey respondents to the 2016 stakeholder survey.

KPI Expectations

The intention of this KPI is to ensure regulators always consider the legislative and authorising environment and that they seek to minimise the potential negative impact of regulatory activity where appropriate. Regulators seek to avoid imposing unnecessary costs in the design and review of policies, procedures and practices. This includes engaging with external organisations to learn and share experiences.

NOPTA's Approach

During the reporting period NOPTA sought to reduce regulatory burden and improve the efficiency and transparency of its administrative and advice functions. This was achieved through identifying improvements and engaging relevant stakeholders to progress and action, for example developing templates and learning from our international counterparts.

Results

Timeliness of decision-making and NOPTA processes

NOPTA encourages regular engagement with titleholders to share information related to application processes and expectations.

In May 2016 the Joint Authorities agreed to make the 'Operating Protocols for Offshore Petroleum Joint Authorities and supporting institutions' (Joint Authority Protocol) public. The transparency benefit of publishing the protocol's indicative timings for NOPTA's advice and Joint Authority decisions was captured as a recommendation in the 2015 Operational Review of NOPTA. This transparency allows stakeholders to use these timeframes for their internal scheduling.

In 2015-2016 NOPTA processed 478 applications. NOPTA made 224 decisions on transfers, dealing, special prospecting authorities or access authorities. NOPTA provided advice to the Joint Authorities on 254 applications. NOPTA is refining its processes for recording the timeliness of advice, noting this is the first year the Joint Authority Protocol has been publically available. From the information that has been collected NOPTA has met the timeframes within the Joint Authority Protocol in relation to 90 per cent of applications (out of 224 not 254). In 2016-17 NOPTA will update its systems to collect data for all application made to the Joint Authority.

¹¹ As above.

NOPTA processed data from 129 well activities and 146 survey activities. Of these 73 per cent were received on time. One of NOPTA's key functions is the collection and release of data submissions. Since NOPTA's commencement significant effort has been made to make sure that the submissions received are complete and compliant. This will make sure that, where releasable, complete data will be available for future stakeholders.

During 2015-2016, NOPTA released 238 data submissions as permitted by the *Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011* (the Regulations).

Supporting efficient regulation – advice and decision-making

A core function of NOPTA is providing advice to the Joint Authorities. NOPTA rated exceptionally well on this function in the 2016 stakeholder survey noting that Joint Authority survey respondents did not identify any dissatisfaction with any aspect of NOPTA's advice to support Joint Authority decision-making.

For the limited range of Title Administrator decisions there was strong satisfaction. Respondents were satisfied¹² that the decisions were consistent (89 per cent), justified (81 per cent), transparent (77 per cent) and predictable (57 per cent). The majority of respondents considered titleholder decisions predictable but rated it lower relative to other measures. This may be due to the discretionary nature of the Title Administrator's decision-making powers under the legislation.

Improving regulatory efficiency

Recommendation 3 of the 2015 Operational Review of NOPTA, which was accepted by the Australian Government, provided '*That the feasibility of delegating simple decisions to the Title Administrator is investigated.*'

More broadly, the Joint Authorities have agreed with NOPTA's advice recommendations on key decisions¹³ in over 96 per cent¹⁴ of all cases, since NOPTA's establishment in 2012. This alignment of independent advice by NOPTA and the final judgment by Joint Authorities will help to provide confidence to stakeholders during any legislative consultations relevant to delegating simple decisions to the Titles Administrator.

NOPTA undertook some preliminary work to identify potential decisions for delegation. However at this time it was concluded that the costs would outweigh the benefits to make these changes i.e. the timesaving benefits from delegating certain decisions to NOPTA would be outweighed by the significant overhaul of governance arrangements and legislation that would be required to give effect to such a change. This will be monitored and the initiative may be considered further at a later time.

Improving the efficiency of regulatory reporting

The introduction of model templates for ATARs in December 2015 aimed to improve the consistency in reporting required under Part 3 of the Regulations and clarify expectations.¹⁵ A formal industry consultation from 3 September to 2 October 2015 indicated strong support from a peak industry

¹² As above.

¹³ This includes decisions such as the grant, renewal, suspension or cancellation of titles.

¹⁴ Figures derived from an internal analysis by NOPTA. Total agreement is 90 per cent where aspects of a decision differ from the NOPTA recommendation in terms of the types of conditions imposed or the timings of a decision. i.e. the 96 per cent figure only counts agreement with NOPTA decision recommendations not NOPTA recommendations on timings for extensions, for example, or content of conditions.

¹⁵ Further information available at <http://www.nopta.gov.au/forms/templates.html>

body, Australian and state government agencies and a number of oil and gas companies. Industry feedback was incorporated into the design and implementation of the ATAR templates.

The templates have resulted in an increase in the consistency of reporting and an increase in the compliance against the Regulations in terms of providing the information required. By not needing to seek additional information this has saved time for titleholders and NOPTA staff.

Engaging with international counterparts

NOPTA is a member of a number of international working groups and bodies. These memberships keep NOPTA informed and engaged with evolving international standards and practices.

NOPTA is a member of the International Upstream Forum and a contributory member of the Professional Petroleum Data Management (PPDM) Association. NOPTA actively participates in data standards forums including Energistics through the National Data Repositories work group; and as a member of the PPDM Regulatory Data Standards Initiative Steering Committee. NOPTA also attends International Regulator's Forum and is engaged on one of its working parties.

NOPTA is committed to learning from peer experiences in implementing continuous improvement strategies to reduce the costs of compliance for those they regulate.

Cost effectiveness

Since its 2012 establishment NOPTA has maintained a low cost delivery of its legislated functions. A recent assessment of NOPTA's structure, resources and skills found that NOPTA's staffing level was significantly below that of previous arrangements by 44 per cent. A comparison between NOPTA and similar overseas bodies¹⁶ also noted that NOPTA is the smallest in terms of establishment. NOPTA is committed to maintain a low cost delivery through continuous process and systems improvement in consultation with industry.

In 2015-2016 industry stakeholders were consulted on proposed changes to NOPTA's cost recovery basis. Consultation with affected stakeholders included feedback that NOPTA has improved efficiency, provides timely and considered information and that the proposed cost increase was not significant.

The annual administration levy has since been aligned to reflect the level of effort required to regulate and administer the different types of titles. Applications will now attract a standard fee of \$7,500 for NOPTA applications. Providing the single rate for application fees helps relieve regulatory burden through a clear and more simplified fee structure.

Stakeholder comments

NOPTA's performance and engagement with its stakeholders rated highly positive in the 2016 stakeholder survey. The stakeholders included offshore petroleum title holders, Joint Authority delegates and Australian Government agencies.

Overall in 2016 stakeholder respondents indicated a high level of satisfaction with NOPTA's staff. Respondents were satisfied with NOPTA's technical competence (87 per cent), responsiveness (94 per cent), approachability (98 per cent) and professionalism (100 per cent).¹⁷ A 100 per cent of respondents considered that NOPTA makes a valuable contribution to the process of managing Australia's resources to a great extent (65 per cent) or some extent (35 per cent).

¹⁶ Norwegian Petroleum Directorate, the United Kingdom's Department of Energy & Climate Change and the Canada-Newfoundland and Labrador Offshore Petroleum Board.

¹⁷ The percentages amalgamate 'very satisfied' and 'somewhat satisfied' results. Refer to the 2016 stakeholder survey available at www.nopta.gov.au for further details.

NOPTA was viewed favourably on its public accountability, collaboration and consultation. The survey also noted that NOPTA rated well on its responsiveness to business needs, commitment to continuous improvement and that NOPTA was open and transparent in its dealings.

Petroleum titles underpin and enable petroleum exploration and development. A critical function of NOPTA is to process petroleum title applications efficiently and to provide advice to various stakeholders as appropriate. The survey noted that satisfaction with NOPTA's technical expertise and consistency of information provision for petroleum titles applications was particularly high – 88 per cent and 82 per cent of respondents were satisfied¹⁸ with these aspects respectively. In terms of overall effort required from a company that interacted with NOPTA on a petroleum title application 70 per cent of respondents were very satisfied and somewhat satisfied, 16 per cent neither satisfied or dissatisfied and 13 percent somewhat dissatisfied.

¹⁸ As above.

KPI 2: Communication with regulated entities is clear, targeted and effective

Summary

- Received positive feedback in relation to increased transparency from stakeholders on the introduction of an Annual report of activities for the 2014-15 financial year.
- Promoted NOPTA's monthly performance statistics or 'dashboard summaries' that provide graphical representations of the amount of applications and data received and processed.
- Ensured compliance of all NOPTA public documents with Australian government web accessibility guidelines.

KPI Expectations

To communicate effectively with regulated entities so they understand what they need to do. The regulator provides clear and consistent information through various mediums including guidelines that explains why the information is required and how it is used. Effective communication supports compliance, regulatory feedback and continuous improvement.

NOPTA's Approach

NOPTA conducted its second stakeholder survey with strong results. The development of new or updated forms, guidelines and templates included consultation with government, industry and community stakeholders as appropriate. NOPTA provided monthly public performance summaries on its website and engaged with industry and industry bodies on a regular basis.

NOPTA ensures that stakeholders are consulted on the development of reporting templates and on any changes to NOPTA's cost recovery funding basis. NOPTA assists ORB with consultation on guidelines and legislation as required. Regular engagement with policy agencies, peak industry representatives and titleholders ensures NOPTA is well informed and can communicate regulatory issues within NOPTA's legislative and policy framework.

NOPTA uses a variety of mediums to collaborate, communicate, consult and engage with stakeholders. This includes attending industry conferences (APPEA), communicating through the NOPTA website and the Australian Petroleum News publication maintained by ORB. Face-to-face meetings with titleholders provides opportunities to raise any issues, clarify ambiguities and to address non-compliance. Regular contact helps to build a shared understanding of titleholder issues and to discuss project development timeframes, work commitments and future title applications.

Results

Stakeholder consultations

During the reporting period NOPTA engaged in a number of stakeholder consultations, including:

- The 2016 NOPTA stakeholder survey.
- Consultation on the review of NOPTA's cost recovery arrangements from December 2015 to February 2016.
- Consultation on introducing model templates for ATARs in September 2015.
- Participated in APPEA's annual conference.
- Engaged with the Resources Data Initiative¹⁹ Steering Committee to improve the discoverability and availability of environmental, water, mining and oil and gas data.
- Presented to the 2015 PPDM symposium and hosting the 2016 PPDM 1st quarter luncheon.

¹⁹ The RDI includes industry and government stakeholders such as the States and Territories, the Offshore Resources Branch and other Commonwealth departments (including the Department of the Prime Minister and Cabinet and the Department of Environment)

- Participated in the National Energy and Resources Australia Oil and Gas Future Resources Workshop in April 2016.

Participating in stakeholder consultation allows NOPTA to hear feedback from industry stakeholders which can be integrated into NOPTA's processes.

NOPTA website

The NOPTA website provides information and resources for titleholders such as application forms, data submission requirements and reporting templates. Users can also access guidelines, fact sheets, spatial data, performance statistics, annual report of activities, financial statements and links to relevant legislation, Joint Authorities and government agencies.

A register of all well and survey activities is available on the website. Newly released public data and spatial data for petroleum titles and wells drilled since 2012 is also available. The industry portal of NEATS is a password protected titleholder-only area that enables:

- online lodgment of applications
- online fee payments
- searching and tracking applications
- management of task lists including monitoring application progress and actions required
- production of reports from the title register, using a range of criteria.

Respondents to the 2016 stakeholder survey were satisfied²⁰ that the website information was clear (97 per cent); up-to-date, accessible and consistent (94 per cent), accurate (91 per cent) and complete (89 per cent). Accessing guidelines and factsheets constitutes the majority of information that is accessed on the NOPTA website.

NOPTA makes every effort to meet web accessibility standards for content provided on this site. The only exception is where information has been written and developed by a third party.

Public performance reporting

NOPTA's monthly dashboard summaries provide performance statistics including timeframes of application processes; the number of applications with each Joint authority member; NOPTA's finances; the number of data submissions outstanding and the number of wells and surveys completed per year.

Annual report of activities

NOPTA introduced its inaugural annual report of activities for the 2014-15 financial year. The purpose of this report is to provide stakeholders with information specific to the activities of NOPTA headed by a statutory position of Titles Administrator. The report complements statutory annual reporting by the Department of Industry, Innovation and Science, noting NOPTA is established as a branch of the Resources Division of the Department.

The Australian Government response to the 2015 Operational Review of NOPTA noted the annual report of activities and stated that it is consistent with the reporting requirements of the RPF.

Stakeholder comments

The 2016 stakeholder survey reported strong satisfaction with the information received, using the NOPTA website and NEATS portal and in personal communication with NOPTA. An overwhelming majority consider NOPTA open and transparent in its dealings and collaborative in its approach.

²⁰ See note 18.

There is a relatively high level of interaction between NOPTA and its stakeholders. Almost half²¹ of the respondents engage NOPTA on a monthly basis with the remainder roughly split between engaging NOPTA on a weekly basis or less than monthly.

Personal contact via phone, email or face-to-face meetings accounted for 90 per cent of the type of interaction NOPTA had with respondents, the NOPTA website 77 per cent and the NEATS portal 73 per cent (respondents could select multiple options for these three types of interactions). Almost all respondents (85 to 95 per cent satisfaction²²) rated personal communication with NOPTA highly and considered the information received as clear, up-to-date, accessible, consistent, and complete.

²¹ 44 per cent, excluding accessing the NOPTA website

²² See note 1

KPI 3: Actions undertaken by regulators are proportionate to the regulatory risk being managed

Summary

- NOPTA continued to provide high quality advice to the Joint Authorities as the decision-maker for major petroleum titles.
- Engaged titleholders proactively to improve the understanding of data submission requirements and to clarify requirements.

KPI Expectations

A risk-based approach is used to promote the most efficient use of resources and improve the effectiveness of the regulatory framework. This is achieved through minimising burden on those who are voluntarily compliant and ensuring that enforcement action is proportionate and undertaken only when necessary.

NOPTA's Approach

In general, the industry is highly compliant with its legislative requirements, proactive in engaging NOPTA early on compliance issues and highly conscious of its social licence to operate. NOPTA encourages early engagement and ensures its actions are transparent, flexible and consistent as appropriate. NOPTA has a strong appreciation of the industry it regulates. Each team in NOPTA contributes to compliance activities through educating and engaging their relevant stakeholders.

Results

Managing regulatory risk - proactive approach and early engagement

Communication is central to managing regulatory risk. The emphasis on early engagement and communication recognises that some of the options for a regulatory decision by the Joint Authorities need to be considered prior to the non-compliance occurring. NOPTA has a published Compliance and Enforcement Policy to communicate expectations to stakeholders.²³

For example, a titleholder that does not complete a work program (e.g. specific exploration type activities such as seismic surveys or drilling a well) in the year specified as a condition of the title would be in non-compliance and constitutes grounds for cancellation of the title under the OPGGSA. Titleholders are awarded titles on a competitive basis that are primarily judged on the merits of a work program.

This type of non-compliance and potential cancellation may be avoided by engaging NOPTA and, through NOPTA, the Joint Authorities at an early stage. NOPTA can convey options to the titleholder such as seeking a suspension and/or extension of the title from the Joint Authorities. Early engagement by the titleholder can also aid NOPTA in understanding the reasons why the work program could not be completed in a required year. NOPTA would be better informed to advise the Joint Authorities in greater detail and confidence on why or why not the suspension and/or extension should (or should not) be granted by the Joint Authorities. The Joint Authorities are not, however, required to accept NOPTA's advice.

Example - Data Management

Regular contact is maintained with titleholders and service contractors on data management expectations and submissions due. Meetings are regularly held with titleholders and contractors on areas of ambiguity, non-compliance and any arising issues. Details of submissions due in coming months and any outstanding data submissions are communicated to titleholders on a bi-monthly

²³ <http://www.nopta.gov.au/compliance/index.html>

basis to ensure that non-compliance is reduced and that there are shared expectations on data management issues.

In addition to 'early warning' on data submissions due NOPTA completes a compliance check to ensure that all regulated items are provided. Data is then provided to Geoscience Australia for completion of data quality and fitness for purpose checks, with NOPTA undertaking compliance follow up activity at each stage.

This open and engaging approach reflects NOPTA's commitment to effective communication to ensure that regulated entities understand what they need to do. These proactive activities also support NOPTA's compliance, regulatory feedback and continuous improvement objectives.

Business risks

Business risks are assessed and discussed at management team meetings as part of the decision making process when evaluating projects and associated funding commitments. Risks associated with procurements are documented and prioritised in accordance with the Department's guidelines. Technical and business risks are also assessed, documented and agreed with internal and relevant external parties as part of NOPTA's project management process.

Stakeholder comments

Almost all non-titleholder respondents – 91 per cent – to the 2016 stakeholder survey considered that NOPTA decisions made are always or often transparent, justified, consistent and predictable. As a comparison, titleholders considered decision-making to be transparent (78 per cent always or often), justified (81 per cent always or often) and consistent (89 per cent always or often).

KPI 4: Compliance and monitoring approaches are streamlined and coordinated

Summary

- Promoted and populated the National Offshore Petroleum Information Management System (NOPIMS) in collaboration with Geoscience Australia.
- NOPTA and Geoscience Australia developed the National Offshore Petroleum Data Integration Project (NOPDIP) in collaboration with Geoscience Australia.
- Identified opportunities to streamline and share services to reduce costs, including the provision of geographic information services to NOPSEMA.
- Collaborated with Geoscience Australia and the Western Australian Department of Mines and Petroleum to streamline spatial data provision.

KPI Expectations

Information is only requested from regulated entities where it is required to achieve the regulatory objectives. Monitoring and inspection approaches are risk based and considers circumstances and operational needs of the regulated entity.

NOPTA's Approach

NOPTA's compliance and monitoring approaches are continuously improving as a result of feedback, government policy initiatives and external reviews. This includes the maturation of NOPTA's regulatory approach since its establishment in January 2012, various recommendations from reviews and stakeholder surveys and the implementation of the RPF into the 2015-17 Corporate Plan. NOPTA has fostered collaborative and consultative relationships with its stakeholders that has resulted in a shared understanding of how compliance underpins NOPTA's regulatory, advice and resource management functions. NOPTA clearly recognises when new information is required or the information is already held by NOPTA.

Results

Consolidating and sharing data

The NOPIMS initiative was promoted and populated during 2015-16. It now includes a range of publically available wells, survey data and reports. Integration of the digital data collection into NOPIMS continues and is now approximately 90 per cent complete.

The NOPDIP project started in 2015-16. NOPTA and Geoscience Australia are also managing the project. Its aim is to ensure the remaining hard copy legacy data collections of the former State and Territory Authorities are quality checked, digitised and made available through NOPIMS. Given the appreciable volume of materials involved, this activity is projected to continue until 2019.

NOPTA is providing geospatial services to NOPSEMA to assist in their work requirements. NOPTA is working with Geoscience Australia and the Western Australian Department of Mineral and Petroleum to streamline the provision of spatial data and coordinate delivery of spatial data to external stakeholders.

Improving compliance reporting

NOPTA is enhancing how compliance issues are managed internally to ensure a more coordinated, streamlined and robust decision and advice process. Initiatives in this area includes the development of a SharePoint based compliance register that enables NOPTA staff to identify compliance issues that can be managed through to a resolution.

As discussed under KPI 1, NOPTA introduced model templates for ATARs in December 2015 to improve the consistency in reporting under the Regulations and to clarify expectations. This initiative includes the implementation of standardised tables to report resources and reserves

consistent with the Society of Petroleum Engineers Petroleum Resource Management System (SPE-PRMS).

Stakeholder comments

The 2016 Stakeholder Survey highlights that 93 per cent of titleholders consider the time and effort they spend on compliance as reasonable to a great extent or to some extent, given the regulatory risk NOPTA manages. This result supports the view that titleholder regulatory burden is reasonable.

KPI 5: Regulators are open and transparent in their dealings with regulated entities

Summary

- NOPTA published the 'Operating Protocols for Offshore Petroleum Joint Authorities and supporting institutions' (Joint Authority Protocol) on its website on 3 May 2016.
- NOPTA's inaugural 2015-17 Corporate Plan includes the six RPF KPIs.
- Over 95 per cent of the 2016 stakeholder survey respondents consider NOPTA open and transparent in its dealings, publicly accountable in publishing performance results and collaborative in its approach.

KPI Expectations

Where possible, regulators clearly communicate the evidence base and approach used in decision-making processes. Transparency provides the regulated entity and broader community with greater confidence and understanding of the regulator's role.

NOPTA's Approach

NOPTA undertakes a variety of title administration functions that includes processing title applications, providing advice to the Joint Authority, making (limited) decisions, monitoring compliance, enforcing legislative requirements, developing guidelines and fact sheets and identifying potential policy, legislative or administrative improvements.

For each of these functions NOPTA ensures that is open and transparent in its dealings. This is achieved through regular communication, consultation and a 'no surprises' approach in discharging its regulatory and administrative functions. NOPTA regularly engages in face-to-face meetings with titleholders to discuss issues in detail to ensure a shared understanding.

This shared understanding with titleholders enables NOPTA to set realistic expectations on timeframes and information required, provide clarity to questions of process and provide informal feedback on future applications where appropriate.

Results

A core function of NOPTA is maintaining the Titles Register. NEATS assists as an electronic resource, however it is not the official register. NOPTA makes sure the register is accurate and up to date for all users. NEATS also provides an approvals tracking system which allows titleholders to following their applications progress, either through a private industry portal or a limited amount of public information.

Titleholders are able to use the approvals tracking system along the with the indicative timeframes for title decisions and for NOPTA assessment and Joint Authority decisions, as specified in the Joint Authority Protocol to assist with their future planning.

The 2015-17 Corporate Plan highlights NOPTA's vision, purpose and culture as well as detailing functions and indicators of success. It includes NOPTA's key achievements for 2012-14, key risks and the six RPF KPIs. NOPTA will refresh its corporate plan in mid-2017 with a revised corporate plan for the 2018-20 period. This may include reviewing NOPTA's achievements against the current plan and identifying opportunities for improvement.

Stakeholder comments

An overwhelming majority of the 2016 stakeholder survey respondents consider NOPTA open and transparent in its dealings, publicly accountable in publishing performance results and collaborative

in its approach.²⁴ Titleholder respondents also considered Title Administrator decisions to be transparent, justified and consistent.²⁵

Importantly, 90 per cent of respondents considered NOPTA engaged stakeholders to streamline, clarify or improve reporting requirements. The development of the model Annual Title Assessment Reports (ATARs) detailed at KPI 1 and 4 above is a recent example.

²⁴ 95 per cent, 98 per cent and 98 per cent respectively judge NOPTA on these elements 'to a great extent' and 'to some extent'.

²⁵ 78, 81 and 89 per cent respectively on these three elements.

KPI 6: Regulators actively contribute to the continuous improvement of regulatory frameworks

Summary

- NOPTA identified and contributed to potential legislative improvements.
- NOPTA reviewed its suite of application forms relating to offshore petroleum titles to improve user friendliness and to detail further guidance to applicants.
- NEATS functionality was improved through the automation of annual title administration levy notifications in the Industry Portal

KPI Expectations

Regulators will actively contribute to the continuous improvement of the regulatory framework, including establishing cooperative and collaborative relationships with stakeholders and regularly seeking and sharing feedback.

NOPTA's Approach

NOPTA is committed to continuous improvement with a culture that embraces innovation, efficiency and stakeholder engagement. This is reflected in our daily business practices and in the attitude and commitment of our staff.

Since NOPTA's commencement in 2012 a series of protocols and operational policies were developed to ensure that NOPTA could discharge its responsibilities efficiently. The maturation of the relationship between NOPTA and its government and industry stakeholders has enabled informal and formal feedback mechanisms. For example, NOPTA receives informal feedback on the quality of its advice to the Joint Authorities and feedback on the ease of the NEATS to make payments or find information. Formal feedback includes the 2015 Operational Review and the stakeholder surveys

Results

Support to policy and broader government & improving the legislative framework

During the reporting period NOPTA provided input, technical support and contributed to a number of legislative amendments led by ORB, which has policy oversight for offshore petroleum and greenhouse gas policy.

NOPTA regularly provides feedback to policy stakeholders on titleholder issues and trends as well as the practical operation of the legislation.

Improving guidelines, factsheets and application forms

To assist stakeholders NOPTA provides consistent information through the use of guidelines, factsheets and application forms. These documents also aid NOPTA in responding to common questions related to application processes. In December 2015 and June 2016 NOPTA reviewed its suite of application forms relating to offshore petroleum titles. The review aimed to simplify the forms, make them more user friendly and to provide guidance to applicants – particularly where guidelines are still under development.

NOPTA responds to frequent asked questions by providing consistent information to stakeholders through guidelines, factsheets and application forms. In the reporting period NOPTA also reviewed the published factsheets to make sure they are useful and responded to frequent process questions by providing consistent information through fact sheets and application forms.

Additionally, NOPTA developed a set of guidance presentations on the legislative framework; assisted with drafting the Declaration of a Location Guideline; reviewed the Special Prospecting

Authority Guideline; established the Greenhouse Gas Declaration of a Formation Guideline; and developed a Greenhouse Gas Search Authority, Special Authority and Research Consent factsheet.

NOPTA is also consulting with stakeholders on potential improvements to the data submission guidelines. The consultation seeks to ensure the guidelines are up to date, responsive to technological developments, clarifies ambiguities, removes inconsistencies and enables flexibility in how to meet the requirements. A revised set of submission guidelines is expected to be finalised in the 2016-17 period.

NOPTA is assessing the feasibility of delivering updates to wells and survey metadata by Web Services. This initiative seeks to ensure a 'single source of truth' for stakeholders. It would also streamline population of external databases, including NOPIMS and state-based data discovery and delivery systems.

Innovations and enhancements

NEATS, administered by NOPTA, provides access to publicly available information on offshore petroleum titles and applications. It also enables online payment of fees and the lodgment and tracking of applications.

The functionality in NEATS was enhanced in 2015-16 through the automation of annual title administration levy notifications through the Industry Portal (January 2015) enabling easier access by titleholders to credit card payment facilities and tracking of annual title levy due dates and payment history. Additional functionality for the creation of application fee notifications within the Industry Portal is available upon request by applicants wishing to pay application fees by credit card.

66 per cent of nominated titleholders (operators) are registered for the Industry Portal comprising 84 per cent of titles subject to the annual title administration levy as at 30 June 2016.

408 Annual titles administration levy notifications and 27 Application Fee notifications were created in NEATS for 2015-2016, of these 19 per cent of payments were made or notified through NEATS. Of these payments through NEATS 36 per cent were made using the NEATS credit card facilities.

NOPTA is continuing to upload historic titles and registered documents into NEATS to improve the transparency and completeness of this database.

The 2016 stakeholder survey noted no dissatisfaction with NEATS functionality. Almost all respondents were very to somewhat satisfied that the information was clear, accessible, accurate and consistent.²⁶

Stakeholder comments

The 2016 stakeholder survey noted that 98 per cent of respondents considered that NOPTA is committed to continuous improvement.²⁷

As mentioned in KPI 2 the feedback in the 2016 Stakeholder Survey provided positive feedback on the usefulness, consistency and up to date information found in the NOPTA application forms, factsheets and guidelines.

The areas for improvement suggested in the stakeholder survey will be considered by NOPTA in 2016-17 together with any actions arising from the finalised Offshore Petroleum Resource Management Review. A general suggestion from the survey was that NOPTA could do more to promote its roles, responsibilities, processes and duties. NOPTA is actively considering how to improve promotion in consultation with policy areas and member of the Joint Authorities.

²⁶ 92, 91, 92 and 92 per cent respectively for these elements.

²⁷ 41 per cent 'to a great extent' and 57 per cent 'to some extent'.

The December 2015 Australian Government response to the operational review recognised NOPTA's current and future contribution to continuous improvement, including the following recommendations:

- *Recommendation 10 – That NOPTA investigate the implications of a growth in applications for greenhouse gas storage titles. This should be undertaken in conjunction with the Department of Industry, Innovation and Science and NOPSEMA.*
- *Recommendation 11 – That NOPTA provide its insights on the offshore petroleum and greenhouse gas storage industries to jurisdictions to assist with policy development*

These recommendations were developed with stakeholder consultation.

External Validation comments

The Industry Growth Centres Advisory Committee (GCAC) is NOPTA's independent validating body for the self-assessment against the six KPIs of the RPF.

GCAC provided unconditional support of NOPTA's self-assessment report. Positive feedback included noting *"NOPTA's self-assessment demonstrates achievement against the six KPIs. The comprehensive self-assessment covers NOPTA's regulatory functions, integrates data and findings to indicate progress as a good regulator."*

Additional GCAC feedback included suggestions for NOPTA's consideration in developing future RPF self-assessments, these were canvassed in this self-assessment.²⁸

Conclusion

Overall, NOPTA assesses that it has implemented the RPF and met its six KPIs effectively, however NOPTA acknowledges there is always room for improvement. The key purpose of the RPF is to improve regulator's performance by being publicly accountable in demonstrating effective management of risk.

This self-assessment highlights NOPTA's commitment to public performance reporting through:

- an Annual report of activities, the inaugural report published in 2015;
- implementing the outcomes of the 2015 Operational Review of NOPTA;
- undertaking stakeholder surveys in 2015 and 2016; and
- publishing monthly performance statistics as 'dashboard reports' on NOPTA's website.

NOPTA's regulatory risk management has been framed in terms of NOPTA's advice function to Joint Authority decision-makers for the granting of major petroleum titles – exploration permits, retention leases and production licenses.

This self-assessment also highlights how NOPTA risk manages compliance issues. The public Compliance and Enforcement Policy communicates the context and approach of NOPTA's compliance activities to ensure that actions and advice provided by NOPTA are proportionate to the regulatory risk being managed. The graduated compliance pyramid highlights a range of actions from education and awareness through to prosecution, noting the majority of NOPTA's compliance activity is educating and engaging early with titleholders.

Communication is central to managing NOPTA's regulatory risk. The emphasis on early engagement and communication recognises the limited flexibility of the legislation to provide options for a regulatory decision by the Joint Authorities or NOPTA once a non-compliance has been identified. NOPTA ensures clear communication of requirements by developing and regularly updating forms and guidelines. The example of the 2015 development of templates for ATARs shows NOPTA's collaborative approach with affected stakeholders to develop initiatives that improve regulatory efficiencies for the regulator and the regulated. This also demonstrates NOPTA's commitment to continuous improvement and is reflective of an organisational culture that values innovation, efficiency and stakeholder engagement.

2016-2017 and beyond

At the conclusion of this self-assessment process, in 2016-2017, NOPTA will review the performance measures and metrics which were developed against each of the KPIs to determine their appropriateness and efficacy. This will inform NOPTA's approach for reporting against the RPF in the

²⁸ See 'NOPTA's Implementation of the RPF'

2016-2017 Annual report of activities and future reports. The development of this RPF self-assessment feedback included ideas on how NOPTA could improve its future self-assessments.

This includes providing a summary of performance against internal NOPTA KPIs; devising specific strategies for improvements as identified in the 2016 stakeholder survey; a strategy for human resource development; reference to a strategic needs analysis and documenting baseline performance. NOPTA will consider this feedback for the 2017 RPF self-assessment.

NOPTA's forward work program will be guided by operational requirements, shaped by the 2015 Operational Review of NOPTA, the 2016 stakeholder survey and outcomes of a finalised Offshore Petroleum Resource Management Review²⁹. This flexible and open approach reflects the continuous improvement objective of the RPF. NOPTA is well positioned to respond consistent with its functions and legislative obligations.

In 2016-2017 NOPTA intends to work with APPEA to provide more information and clarity to regulated entities as to how NOPTA performs its functions. This includes explaining NOPTA's information requirements and how this is used.

2015 Operational Review of NOPTA

The forward work program will include the implementation of the December 2015 Australian Government Response to the 2015 Operational Review of NOPTA. This includes considering the following recommendations:

Recommendation 4 – That NOPTA, in conjunction with stakeholders, develop and implement short and long term plans to enhance the NEATS system to improve the efficiency and access to titles information.

The Government accepted this recommendation. Future improvements in transparency in dealing with title holders can be fostered by increasing the functionality of NEATS through the use of geospatial mapping capability for Pipelines, Special Prospecting and Access Authorities.

Recommendation 5 – That NEATS functionality is extended to include more information on the progress of applications through the Joint Authority process.

The Government accepted this recommendation and noted that some of the functionality of NEATS could be promoted more widely with title holders. The ability to view individual applications confidentially, including which member of the Joint Authority is considering the application, will improve the transparency of NOPTA and the Joint Authority dealings with title holders.

2016 Stakeholder Survey

The 2016 stakeholder survey noted a level of dissatisfaction for the question relating to 'staff understanding of the operating environment of the oil and gas industry' – overall the response was positive but a small minority was somewhat dissatisfied. Respondents were also less satisfied with NOPTA's 'level of understanding of the current and emerging issues affecting the oil and gas industry', with 16 per cent (all of whom were titleholders) indicating that they were somewhat dissatisfied.

NOPTA will be reviewing these results in 2016-17 and implementing any improvements. The survey also notes that it is plausible that the general tightening of resources within the industry could have had a negative influence of stakeholder perceptions and considered it likely that this influenced stakeholder perceptions of NOPTA in general.

²⁹ The 'Offshore Petroleum Resource Management Review – Interim Report' November 2015 available at <http://www.industry.gov.au/resource/UpstreamPetroleum/Pages/Offshore-Petroleum-Resources-Management-Review.aspx>