

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

**2016-17 self-assessment against the
Regulator Performance Framework**

Contents

NOPTA - overview	2
Governance	3
About NOPTA	3
KPI 1: Regulators do not unnecessarily impede the efficient operation of regulated entities	4
KPI Expectations.....	4
NOPTA’s Approach.....	4
Results.....	4
KPI 2: Communication with regulated entities is clear, targeted and effective	5
KPI Expectations.....	5
NOPTA’s Approach.....	5
Results.....	5
KPI 3: Actions undertaken by regulators are proportionate to the regulatory risk being managed	6
KPI Expectations.....	6
NOPTA’s Approach.....	6
Results.....	6
KPI 4: Compliance and monitoring approaches are streamlined and coordinated	7
KPI Expectations.....	7
NOPTA’s Approach.....	7
Results.....	7
KPI 5: Regulators are open and transparent in their dealings with regulated entities	8
KPI Expectations.....	8
NOPTA’s Approach.....	8
Results.....	8
KPI 6: Regulators actively contribute to the continuous improvement of regulatory frameworks	9
KPI Expectations.....	9
NOPTA’s Approach.....	9
Results.....	9
External Validation comments	10
2017-18 and beyond	10

NOPTA - overview

This is NOPTA's second self-assessment against the Regulator Performance Framework (RPF). The first self-assessment, which provides further background on NOPTA and the RPF, is at <http://www.nopta.gov.au/media/self-assessment/index.html>.

NOPTA has reviewed other regulator 2015-16 RPF self-assessments in structuring this 2016-17 self-assessment. As a result, we have developed a more concise self-assessment with clear outcomes against each RPF Key Performance Indicator (KPI).

NOPTA self-assesses that we have implemented the RPF and met its KPIs effectively – however, we strive to improve continuously. The RPF KPIs are in our new 2017-20 Corporate Plan.

Consistent with previous years, NOPTA engaged KPMG to undertake a stakeholder survey in 2017.¹ The stakeholder survey provided quantitative performance metrics and qualitative insights against the RPF KPIs. It compared our performance, in the opinion of survey respondents, against the results of the 2016 survey for timeliness, quality of communication, accessibility and responsiveness. The survey also identified areas for future improvement or action. Survey results are included against relevant RPF KPIs. Survey respondents included titleholders, industry groups and government stakeholders.

Achievements against the RPF KPIs for 2016-17 include:

- All respondents to the 2017 stakeholder survey (survey) agreed that NOPTA makes a valuable contribution to managing Australia's offshore petroleum resources (KPI 1).
- Identified high-level requirements for the next development phase for the National Electronic Application Tracking System (NEATS) – termed *NEATS 2020* (KPI 2).
- Implemented an internal NOPTA risk plan to complement the Department of Industry, Innovation and Science (department) and its Resources Division risks plans (KPI 3).
- Implemented a database to monitor conditions or expectations placed on titleholders by the Joint Authorities (KPI 4).
- All survey respondents agreed that we are open and transparent in our dealings, publicly accountable in publishing performance results, collaborative in our approach and responsive to business needs (KPI 5).
- Most survey respondents, 98 per cent, agreed that we are committed to continuous improvement (KPI 6).

There were 371 decisions in 2016-17 (compared to 478 in 2015-16) made for applications related to offshore petroleum titles. NOPTA provided advice to the Joint Authorities for decisions on 167 applications and the Titles Administrator made 204 decisions. Table 1 illustrates the decisions made by the responsible authority and by jurisdiction.

Table 1 – Decisions by Jurisdiction		Jurisdiction						
Decision Maker	WA	SA	NT	VIC	AC	NSW	QLD	TAS
Joint Authority	129	5	4	20	7	0	0	2
Titles Administrator	162	8	5	23	5	0	0	1
Total	291	13	9	43	12	0	0	3

In 2016-17, 619 items relating to new wells and 320 items relating to new and reprocessed surveys were submitted to NOPTA. Public release included data from 160 well activities and 143 surveys (including reprocessed surveys).

¹ <http://www.nopta.gov.au/media/stakeholder-survey/index.html>

Governance

The Australian Government has responsibility for Australia's offshore areas beyond three nautical miles from the territorial sea baseline.²

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 National Offshore Petroleum Safety and Environment Management Authority (NOPSEMA)³.

The '[Operating Protocols for Offshore Petroleum Joint Authorities and supporting institutions](#)' ([Joint Authority Protocol](#)) provides a high level framework and clarifies the roles and functions of the Joint Authorities, NOPTA, NOPSEMA and other stakeholders. The Joint Authority Protocol includes indicative timeframes for the decision-making and processing timeframes of applications.

The responsible Commonwealth Minister and the State or Territory Minister for that jurisdiction constitutes the Joint Authority.

NOPSEMA is Australia's independent expert regulator for health and safety, environmental management, structural and well integrity for offshore petroleum facilities and activities in Commonwealth waters.

About NOPTA

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](#) supported by departmental staff.

Our 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.

We recover all of our operational costs from industry through application fees and annual title levies.

²<http://industry.gov.au/resource/UpstreamPetroleum/OffshorePetroleumRegulatoryRegime/Pages/default.aspx>

³ 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.

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

KPI Expectations

Regulators should always consider the legislative and authorising environment and seek to minimise the potential negative impact of regulatory activity where appropriate. Regulators 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, we sought to relieve regulatory burden and improve the efficiency and transparency of our administrative and advice functions. This was achieved by identifying improvements and engaging stakeholders to action, for example, through developing templates and learning from our international counterparts.

Results

- All survey respondents agreed that NOPTA makes a valuable contribution to the process of managing Australia's offshore petroleum resources.
- Achieved 95 per cent satisfaction with the responsiveness of our staff; 92 per cent satisfaction with our staff professionalism and approachability and over 90 per cent satisfaction⁴ with our responsiveness to business needs, according to the survey.
- A core function of NOPTA is providing advice to the Joint Authorities. The survey noted five of the six Joint Authority respondents were very satisfied with the accuracy of information received from NOPTA.
- There was overall satisfaction with the limited range of Title Administrator decisions. Survey respondents were satisfied that the decisions were consistent (60 per cent), justified (65 per cent), transparent (65 per cent) and predictable (55 per cent). The discretionary nature of the Title Administrator's legislative decision-making powers may have influenced these results.
- NOPTA is a member of the International Upstream Forum (IUF), the Professional Petroleum Data Management (PPDM) Association and Energistics. We actively participate in data standards forums including the National Data Repositories Working Group and as the PPDM Regulatory Data Standards Committee. We attend the International Regulator's Forum (IRF).
- We implement improvement strategies derived from our peer experiences and international engagement. This highlights our commitment to continuous improvement and reducing the costs of compliance for the industry we regulate.

⁴ As at note 1.

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

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

We use a variety of mediums to collaborate, communicate, consult and engage with stakeholders. This includes face-to-face meetings, attending industry conferences and providing information e.g. guidelines, factsheets and our monthly performance statistics on the website.

Regular contact helps to build a shared understanding of titleholder issues and provides opportunities to raise any issues, clarify ambiguities and to address non-compliance. We consult stakeholders on new or updated forms, guidelines and templates as appropriate.

Results

- Almost all 2017 stakeholder survey respondents rated personal communication with NOPTA highly and considered the information received as up-to-date, clear, accessible, accurate, complete, consistent and timely. Personal contact via phone, email or face-to-face meetings accounted for 97 per cent of the type of interaction we had with respondents. All titleholders used our website.
- NOPTA's 2016-17 Annual Report of Activities provides stakeholders with information on our activities that complements statutory annual reporting by the department.
- Updated and improved factsheets and guidelines to improve clarity of regulatory obligations and processes, in collaboration with the Offshore Resources Branch within the department:
 - new factsheets for industry stakeholders on the processes for surrendering, cancelling and expiring offshore petroleum titles and the signature requirements for NOPTA notification and nominations forms, transfer and dealing applications;
 - updated guidelines on the:
 - Grant and administration of retention leases
 - Special Prospecting Authorities, Access Authorities and Scientific Investigation Consent
 - Offshore petroleum declaration of a location process.
- Continued to promote NOPTA's monthly performance statistics or 'dashboard summaries'. These include graphs and figures on the number of applications and amount of data received and processed; the number of applications with each Joint Authority member; NOPTA's finances; the number of data submissions outstanding and the number of offshore wells and surveys completed per year.
- Consulted stakeholders to identify high-level requirements for the next development phase of the National Electronic Application Tracking system (NEATS) – the *NEATS 2020 project* (see <http://www.nopta.gov.au/media/neats2020/index.html>).
- Ensured compliance of all NOPTA public documents with Australian government web accessibility guidelines.
- Participated in APPEA's 2017 annual conference. Our staff were available at a dedicated booth to discuss any general or specific issues.

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

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 offshore petroleum industry is highly compliant with its legislative requirements and proactive in engaging NOPTA early on compliance issues. We encourage early engagement and ensure our actions are transparent, flexible and consistent as appropriate. We have a strong appreciation of the industry we regulate. Each team in NOPTA contributes to compliance activities by educating and engaging the relevant stakeholders.

Results

- The vast majority, 96 per cent, of respondents to the survey, considered the time and effort their company's spend on complying with NOPTA administered functions is reasonable, relative to the regulatory risk we manage.
- The majority⁵ of non-titleholder respondents to the survey considered that our decisions are always or often transparent, justified, consistent and predictable.
- In 2017, we developed an internal NOPTA risk plan to complement the Resources Division and department's risk plans. Our 19 key risks are categorised as people, process or technological risks. The majority of residual risks that we face are medium in severity and adequately controlled.
- The residual risk ratings reflected the consequence and likelihood of each risk occurring. Many of the potential consequences are external to NOPTA and could affect the efficiency, governance and reputation of the regulatory regime that we administer. The internal risk plan is a live document, reviewed quarterly and updated when new risks or changes to existing risks are identified.
- NOPTA continued to provide high quality advice to the Joint Authorities as the decision-maker for major petroleum titles. We promote early engagement with titleholders on potential non-compliance issues. This maximises the range of options that may be available to address issues – once a non-compliance has occurred, the Joint Authorities may be limited in the regulatory options available for redress.

⁵ 55 to 65 per cent of non-government respondents.

KPI 4: Compliance and monitoring approaches are streamlined and coordinated

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 consider circumstances and operational needs of the regulated entity.

NOPTA's Approach

NOPTA's compliance and monitoring approaches are continuously improving because of feedback, government policy initiatives and external reviews. This includes the maturation of NOPTA's regulatory approach since our establishment in January 2012, various recommendations from reviews and stakeholder surveys and the implementation of the RPF into the 2015-17 and 2017-20 Corporate Plans.

We have fostered collaborative and consultative relationships with our stakeholders that has resulted in a shared understanding of how compliance underpins our advice, regulatory and resource management functions.

Results

- NOPTA established a number of information management systems with a specific focus on compliance monitoring. We have streamlined compliance activities since the introduction of these systems. This has also aided early engagement on compliance related issues.
- We reviewed the effectiveness of the voluntary Annual Title Assessment Reports (ATAR) templates introduced at the end of 2015. The templates clarify regulatory requirements and have improved reporting consistency.
- We review the production data from petroleum fields on a monthly basis for compliance and resource management purposes. In 2016-17 we commenced annual performance reviews of fields. Titleholders now meet with us on an annual basis as result of this process.
- We actively engage with industry prior to the due date of submissions to ensure their timely provision. Outstanding data is at negligible levels as a result. This improves the availability of public information once the appropriate confidentiality period has expired.
- Quality control of submitted items has been implemented to improve the accuracy of new data. We also promote initiatives to improve the quality of legacy information submitted prior to NOPTA's establishment.

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

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

We undertake 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 we ensure that we are open and transparent in our dealings. This is achieved through regular communication and consultation. We regularly engage in face-to-face meetings with titleholders to discuss issues in detail to ensure a shared understanding. We also maintain NEATS, which allows titleholders to follow the progress of their applications.

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

Results

- NOPTA's 2017-20 Corporate Plan includes the six RPF KPIs.
- All survey respondents agree that we are publicly accountable in publishing performance results. Over 95 per cent agree that we are open and transparent in our dealings.
- All non-titleholder survey respondents also agree that we are open and transparent in our dealings, publicly accountable in publishing performance results, collaborative in our approach and responsive to business needs.
- High-level stakeholder requirements have been documented and are included in an independent report about the future development of the National Electronic Application Tracking system (NEATS) – the NEATS 2020 project.

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

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

We are 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 our commencement in 2012, the development of a series of protocols and operational policies ensured that we could discharge our responsibilities efficiently. The maturation of the relationship between NOPTA and our government and industry stakeholders has enabled informal and formal feedback mechanisms.

Results

- The survey noted that 98 per cent of respondents considered that we are committed to continuous improvement⁶.
- Titleholder satisfaction in providing information to NOPTA has improved in the 2017 stakeholder survey compared to 2016 on:
 - the time and effort spent on providing information is reasonable;
 - the level of information required is reasonable; and
 - understanding why NOPTA needs the information we ask for.
- The survey had improvement suggestions on:
 - how we rationalise and set cost recovery arrangements;
 - the availability or transparency of information provided to NOPTA; and
 - improving administrative processes.

We will implement improvement opportunities as appropriate.
- We provided input and technical support to legislative amendments and new policy initiatives led by the department's Offshore Resources Branch.
- Published new and updated factsheets, guidelines, templates and application forms.
- We provided input and advice into consultation processes for the mandatory reporting of petroleum statistics. We seek to minimise the regulatory burden of reporting for this initiative by exploring arrangements to share production data information with the Department of the Environment and Energy.
- We developed an internal database to capture, aggregate and analyse data reported by titleholders on Australia's offshore petroleum reserves and contingent resources. This has enabled us to provide de-identified, aggregated data to Geoscience Australia for publication.

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

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 this self-assessment report. Positive feedback included:

“NOPTA's self- assessment is a positive reflection that it has implemented the RPF and met its six KPI's. The self-assessment is comprehensive and takes into account all of the administrative functions of the Titles Administrator for the Offshore Petroleum and Greenhouse Gas Storage Act and its interaction with stakeholders.

NOPTA's performance KPI's adequately cover the administrative functions of the organisation. The link between evidence and performance measures is well documented and supports NOPTA's focus on reducing regulatory burden, improving efficiency and open, transparent dealing with industry. Continued engagement with APPEA and industry stakeholders will benefit all. NOPTA is an effective and pragmatic administrator and the regulated entities strongly support NOPTA in its role.”

2017-18 and beyond

Our forward work program will be guided by industry activity and associated applications and any new policy initiatives. It will also include prioritisation of the high level requirements of *NEATS 2020* and implementing the NOPTA Information, Communications and Technology (ICT) Strategy 2017-19.

We will continue to work with the department's Offshore Resources Branch to update and develop guidance material for industry. This will include reviewing the data management provisions in 2017-18, which regulate the submission and release of data.

During 2018 we will continue to collaborate with Geoscience Australia on the development of the National Offshore Petroleum Information Management System (NOPIMS). NOPIMS has significantly improved the volume and comprehensiveness of exploration data available to industry. During 2017-18 NOPIMS development will include the management of confidential data, providing NOPTA with the ability to streamline data submission and release. This will improve provision of compliance-related information to stakeholders and contribute to further reduction of regulatory burden.

We will continue to strengthen our relationships with key stakeholders, including NOPSEMA, the department's Offshore Resources Branch, delegates of the Joint Authorities, Geoscience Australia, APPEA and industry.