



Australian Government
**National Offshore Petroleum
Titles Administrator**

National Offshore Petroleum Titles Administrator



Regulator Performance Framework: 2017-18 self-assessment

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Overview

NOPTA is pleased to present its third self-assessment against the Regulator Performance Framework (RPF). Previous self-assessments, as well as further background on NOPTA and the RPF, can be found on the NOPTA website¹.

NOPTA has assessed that the six Key Performance Indicators (KPIs) were met.

NOPTA is a strong advocate of reducing regulatory burden on industry, where possible, without adversely impacting outcomes. As such, the KPIs in NOPTA's Corporate Plan are aligned with the KPIs of the RPF. This enables clear and consistent annual reporting on NOPTA's performance as a regulator and demonstrates its accountability to stakeholders.

NOPTA did not conduct a stakeholder survey in 2018. Consistent annual survey results since 2015 and the lower number of respondents to the 2017 survey, justified a break in this process for 2018. NOPTA intends to conduct its next stakeholder survey in 2019, and every two years thereafter.

For this year's self-assessment NOPTA has focused on examples of output and activity based evidence, as well as describing activities relevant to the implementation of improvement opportunities identified by stakeholders in previous surveys.

Achievements against the RPF KPIs for 2017-18 include:

- KPI 1: Participated in relevant domestic and international forums to discuss current and emerging issues, share ideas and implement improvement strategies in-line with leading practice.
- KPI 2: Maintained a strong focus on clear, targeted and effective communication with stakeholders, which included the release of several new industry guidelines and the launch of our updated website.
- KPI 3: Published a 'Statement of Intent' in response to the responsible Commonwealth Minister's 'Statement of Expectations' affirming NOPTA's commitment to leading practice on the management of regulatory risk.
- KPI 4: Established and improved the integration between NOPTA's internal databases that are used to collect, aggregate, analyse and report data to improve our monitoring of Australia's offshore petroleum resources.
- KPI 5: Commenced the internal upgrade of the National Electronic Approvals Tracking System (NEATS) to improve application processing efficiencies following stakeholder feedback received through the NEATS 2020 Review.
- KPI 6: Worked closely with the Offshore Resources Branch and National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) on decommissioning matters, including the publication of a guideline and progressing an interagency protocol.

¹ See: <http://www.nopta.gov.au/media/self-assessment/index.html>

About NOPTA

NOPTA, also known as the Titles Administrator, is appointed by the Secretary of the Department of Industry, Innovation and Science² (the Department) under section 695A of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act). NOPTA was established on 1 January 2012 as part of the Australian Government's regulatory reform program for the Commonwealth offshore oil and gas industry.

The primary purpose of NOPTA is to advise on and administer the OPGGS Act for Australia's offshore petroleum titles regime, to support the effective regulation of Australia's offshore oil and gas resources consistent with good oil field practice and optimum resource recovery.

On 30 May 2018, the Minister for Resources and Northern Australia, Senator the Hon Matthew Canavan as the responsible Commonwealth Minister under the OPGGS Act, issued a Statement of Expectations (SoE) for NOPTA. NOPTA responded to the SoE with a Statement of Intent on 29 June 2018³.

Consistent with the OPGGS Act and associated regulations, NOPTA's functions include:

- advising the responsible Commonwealth Minister (both as a member of the Joint Authority and otherwise) and State and Northern Territory Ministers of the Joint Authority and their delegates
- the day-to-day administration of offshore petroleum titles in Commonwealth waters in accordance with the OPGGS Act and associated regulations
- maintaining a public register of Commonwealth offshore petroleum and greenhouse gas titles
- 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 petroleum recovery for the benefit of the Australian community
- in partnership with Geoscience Australia and the Western Australian Geological Survey, maintaining the National Offshore Petroleum Data and Core Repository (NOPDCR)
- collecting levies and fees in accordance with government policy and NOPTA's approved Cost Recovery Impact Statement (CRIS)
- maintaining a special account consistent with the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Joint Authorities are the decision-makers 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 communication 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.

² See: <https://www.industry.gov.au/>

³ See: <http://www.nopta.gov.au/about.html>

NOPTA Self-assessment

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

NOPTA acts in accordance with leading regulatory practice in all its activities and develops, maintains and implements policies, processes and communication practices to maximise efficiency, effectiveness and transparency, and minimise compliance costs. NOPTA reviews its policies and procedures regularly to identify areas for improvement necessary to achieve the above objectives.

Results: **Met** **Partially Met** **Not Met**

NOPTA assesses that it has met KPI 1. This has been achieved through a strong commitment to continuous improvement of our internal processes and active engagement with stakeholders to execute our functions in accordance with leading regulatory practice.

- NOPTA is a member of the International Regulators Forum (IRF) and the International Upstream Forum (IUF). NOPTA is also an active participant in the Council of Australian Governments (COAG) Energy Council, Upstream Petroleum Resources (UPR) Working Group.
- NOPTA participates in data standards forums including the National Data Repositories Working Group, the Professional Petroleum Data Management (PPDM) Regulatory Data Standards Committee and Energistics.
- These forums are important avenues to discuss current and emerging issues, share ideas and implement improvement strategies derived from the experiences of peers and in line with leading practice.
- NOPTA's timeframes for application assessments and advice to the JA continue to be achieved in-line with the published 'Operating Protocols for Offshore Petroleum Joint Authorities and supporting institutions' (Joint Authority Protocol). NOPTA is not required to report publicly on timeframe adherence but does provide a quarterly report to the UPR on these metrics.
- Stakeholders can track the progress of applications via the National Electronic Approvals Tracking System (NEATS).
- The NOPTA Quarterly Dashboard Report provides a snapshot of aggregated key performance statistics relating to application processing timeframes, data management and NOPTA financials (see KPI 5).
- NOPTA periodically reviews its procedures to ensure they are clear and up-to date. As confirmed by the 2015 NOPTA Operational Review⁴ internal administrative processes are sound and NOPTA's procedures continue to reflect this.

⁴ See: <http://www.nopta.gov.au/media/operational-review/index.html>

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 explain why the information is required and how it is used. Effective communication supports compliance, regulatory feedback and continuous improvement.

NOPTA's Approach

NOPTA uses a variety of media to engage with stakeholders. This includes face-to-face meetings, attending industry conferences and providing information, such as guidelines, factsheets and quarterly performance statistics on its 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.

Results: Met Partially Met Not Met

NOPTA assesses that it has met KPI 2. NOPTA has maintained a strong focus on clear, targeted and effective communication with its stakeholders over past reporting periods. This supports compliance, regulatory feedback and continuous improvement.

- The majority of interaction with stakeholders is conducted via email, phone or face-to-face meetings. NOPTA welcomes and encourages ongoing engagement with industry as a means to promote open dialogue and strengthen its relationships with key stakeholders.
- NOPTA's Annual Report of Activities, which complements statutory annual reporting by the Department, provides stakeholders with information on its activities, achievements, financial results and outlook for the following year. The annual report of activities has been tailored to align with the objectives and deliverables under the NOPTA 2017-2020 Corporate Plan.
- To ensure clear and consistent information is available for regulated stakeholders, NOPTA developed and updated the following guidelines in consultation with the Offshore Resources Branch within the Department:
 - new Offshore Petroleum: Declaration of a Location Guideline (July 2017)
 - revised Transfers and Dealings in Petroleum Titles Guideline (May 2018).
- NOPTA continued to work with the Offshore Resources Branch and NOPSEMA on decommissioning matters under the OPGGS Act, including the following:
 - publication of an Offshore Petroleum Decommissioning Guideline (January 2018)
 - progressing an interagency protocol for the provision of decommissioning advice to inform title-related decision making.
- Stakeholders were consulted and provided opportunities to comment on draft guidelines. Comments were considered and actioned where appropriate. Stakeholders were kept informed of the release of new guidance material via the NOPTA website and the Department's Australian Petroleum News (APN) publication.
- NOPTA has a range of standardised templates to ensure consistency in our processes and communication with stakeholders, which are reviewed periodically (see KPI 1).
- When notifying titleholders of a decision, this is accompanied by sufficient information to justify the outcome. Where there is the potential for an adverse decision, stakeholders are consulted and advised of the process, including any relevant appeal mechanisms, prior to any decision.
- In August 2017 NOPTA launched a refreshed website which significantly improves how information is presented and accessed. The update was initiated following opportunities identified by stakeholders in the 2017 stakeholder survey. NOPTA used a third party provider to

design and build the website ensuring strict compliance with the Australian Government web accessibility guidelines.

- NOPTA has produced a range of short tutorial videos to assist users in navigating and using the NEATS public portal, with a focus on highlighting the system's key features and tips for effective use. NOPTA developed the videos following stakeholder feedback obtained from the NEATS 2020 report⁵. NOPTA has received positive feedback regarding the videos' helpfulness for new NEATS users.
- Complementing the NEATS videos, NOPTA also published new online guidance around the use of the NEATS Industry Portal.
- As a result of the above website and NEATS initiatives, NOPTA has noted a reduced number of stakeholder queries around the use of these systems.
- Working in conjunction with other government agencies, staff were available at a dedicated NOPTA booth to discuss any general or specific issues with stakeholders at the May 2018 APPEA conference.

⁵ See: <http://www.nopta.gov.au/media/neats2020/index.html>

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

NOPTA takes a risk-based approach to titles administration, engagement with industry and compliance and enforcement, allowing for proportionate responses to risks suited to the nature and complexity of the issue at hand.

Results: Met Partially Met Not Met

NOPTA assesses that it has met KPI 3. NOPTA continues to encourage early engagement with stakeholders and ensure that our actions are transparent, flexible and consistent.

- As indicated in previous stakeholder surveys, a significant majority of NOPTA's stakeholders consider the time and effort spent on complying with NOPTA administered functions is reasonable, relative to the regulatory risk we manage. There is no evidence to indicate that this has changed. The next survey is planned in 2019.
- NOPTA encourages stakeholders to provide feedback on its performance via a dedicated email address (feedback@nopta.gov.au) located on its website. NOPTA did not receive any formal complaints in 2017/18.
- NOPTA's risk register was updated and endorsed by the NOPTA senior management team in February 2018. The risk register is a live document, reviewed quarterly and amended when new risks or changes to existing risks are identified.
- NOPTA's approach to compliance and enforcement is published on its website. The program uses a graduated, risk based approach which recognises the nature and seriousness of the issue at hand.
- NOPTA commenced the transition of its ICT systems to a cost-effective cloud-based environment to meet ongoing business requirements and maintain secure, reliable and responsible information technology systems.
- On 29 June 2018 NOPTA published a Statement of Intent in response to the Minister's Statement of Expectations. Both documents are published on its website⁶.

⁶ See: <http://www.nopta.gov.au/about.html>

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 promotes early engagement with stakeholders on potential non-compliance issues as a means to maximise the range of options that may be available to address issues. NOPTA has established internal information management systems, with a specific focus on compliance monitoring, which helps to recognise when new information is required or whether the information is already held by NOPTA.

Results: Met Partially Met Not Met

NOPTA assesses that it has met KPI 4. NOPTA's compliance and monitoring approaches are continuously improving as a result of feedback, broader government initiatives and associated review processes. NOPTA has continued to strengthen its collaborative and consultative relationships with its stakeholders which helps support a shared understanding of how compliance underpins NOPTA's regulatory, advice and resource management functions.

- NOPTA has well established internal processes in place to ensure that requests for information are clear, targeted and coordinated across the organisation to minimise burden on stakeholders. Over the reporting period NOPTA regularly met with stakeholders to clarify issues where there was uncertainty.
- In March 2018 NOPTA provided an initial report to the Joint Authority on its re-evaluation of the commercial viability of ten offshore petroleum retention leases in the North West Shelf area. As part of the process, titleholders were requested to provide submissions and were kept informed of developments as the review progressed. The results will contribute to the informed decision making of the Joint Authority and responsible Commonwealth Minister on the optimal development of gas resources in the region.
- NOPTA established and improved the integration between its internal databases used to collect, aggregate, analyse and report data for improved monitoring of Australia's offshore petroleum resources. This has improved NOPTA's efficiency in managing data submitted by industry.
- NOPTA established an 'annual field performance update' with operators to discuss field performance, insights and planned activities. This facilitates communication and dialogue between NOPTA and titleholders and provides context to the information and data received during the year.
- NOPTA continued to collaborate with Geoscience Australia to further develop the National Offshore Petroleum Information Management System (NOPIMS) to deliver an integrated data management system to better manage submissions, monitor compliance, and facilitate open-file release of data.
- Since the release of NOPIMS in 2016 and subsequent development during 2017/18, more data has been made available online than ever before, and uptake by data users has been pleasing. Feedback on the NOPIMS system has been overwhelmingly positive.
- The level of outstanding data submissions has been maintained at negligible levels throughout 2017/18.
- NOPTA abolished the surcharge for credit card payments from 1 September 2017.

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

NOPTA exercises its functions and powers under the OPGGS Act, associated regulations and other applicable laws in good faith and to the best of its ability. It is responsive, consultative, accountable and transparent. NOPTA provides merit-based advice and makes decisions and recommendations based on the material evidence with which it is presented.

Results: **Met** **Partially Met** **Not Met**

NOPTA assesses that it has met KPI 5. This has been achieved through regular communication and consultation with our stakeholders and the adoption of a 'no surprises' approach in discharging our regulatory and administrative functions.

- NOPTA's 2017-20 Corporate Plan incorporates the six RPF KPIs with reference to its functions, objectives and deliverables. NOPTA has aligned its internal and public reporting with the corporate plan objectives.
- NOPTA's annual report of activities and the annual RPF self-assessment promote greater transparency around its role and contribution to the regime in which it operates.
- Commenced the internal upgrade of NEATS to improve application processing efficiencies following stakeholder feedback received through the NEATS 2020 Review. Stakeholders are alerted to any updates or new information in relation to the NEATS system via the NOPTA website and the Department's APN publication (see KPI 2).
- The NOPTA quarterly dashboard summary report provides a snapshot of aggregated key performance statistics. The dashboard is published on the NOPTA website (see KPI 1).
- Operating Protocols for Offshore Petroleum Joint Authorities and supporting institutions' (Joint Authority Protocol) is published on the NOPTA website (see KPI 1).
- The Titles Administrator appeared at all relevant Senate Estimates (Economics Committee) hearings for 2017-18.

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

NOPTA works collaboratively with the Department as the policy agency to provide constructive input into regulatory change processes from an operational regulatory perspective, and works with relevant government and non-government stakeholders to implement changes to regulations and regulatory practices.

Results: **Met** **Partially Met** **Not Met**

NOPTA assesses that it has met KPI 6. NOPTA has achieved results that exemplify our ongoing commitment to continuous improvement with a culture that embraces innovation, efficiency and stakeholder engagement. This is reflected in its daily business practices and strong relationships with key government and industry stakeholders.

- Provided input and technical support to legislative amendments led by the Department's Offshore Resources Branch (ORB).
- Worked closely with the Offshore Resources Branch and NOPSEMA on decommissioning matters, including the publication of a guideline and progressing an interagency protocol (see KPI 2)
- Published new and updated guidelines, which included a consultation and feedback process with key stakeholders (also see KPI 2).
- NOPTA has a dedicated feedback email (feedback@nopta.gov.au) located on its website (see KPI 3).

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. The following comments were provided:

GCAC comments – NOPTA 2017-18 RPF self-assessment

The key purpose of the RPF is to improve regulator's performance by being publicly accountable in demonstrating effective management of risk. Overall, 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 considers all of the administrative functions of the Titles Administrator for the Offshore Petroleum and Greenhouse Gas Storage Act 2006 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. There is a formal mechanism in place for regulated entities to provide feedback on NOPTA's performance. The quarterly dashboard report provides aggregate key performance statistics relating to application processing timeframes, data management and financials. NOPTA has established an annual field performance update with Operators to discuss field performance, insights and planned activities.

- *NOPTA does not impede activities of regulated entities;*
- *NOPTA communication is clear and targeted;*
- *NOPTA actions are proportionate to risk being managed;*
- *NOPTA dealings are open and transparent with Titleholders. NOPTA has published a Statement of Intent in response to the Minister's Statement of Expectations and both documents are published on its website. One potential improvement is to provide greater transparency to industry on the management of good standing agreements;*
- *NOPTA actively contributes to continuous improvement-data management, Retention Lease management, resource management, basin wide developments, shared infrastructure, end of field life management business models;*
- *NOPTA continues to collaborate with Geoscience Australia to further develop the National Petroleum Information Management System;*
- *NOPTA communicates effectively with NOPSEMA to address emerging issues such as new entrants to industry; financial transactions at end of field life and asset decommissioning.*

NOPTA is an effective and pragmatic administrator and the regulated entities strongly support NOPTA in its role.