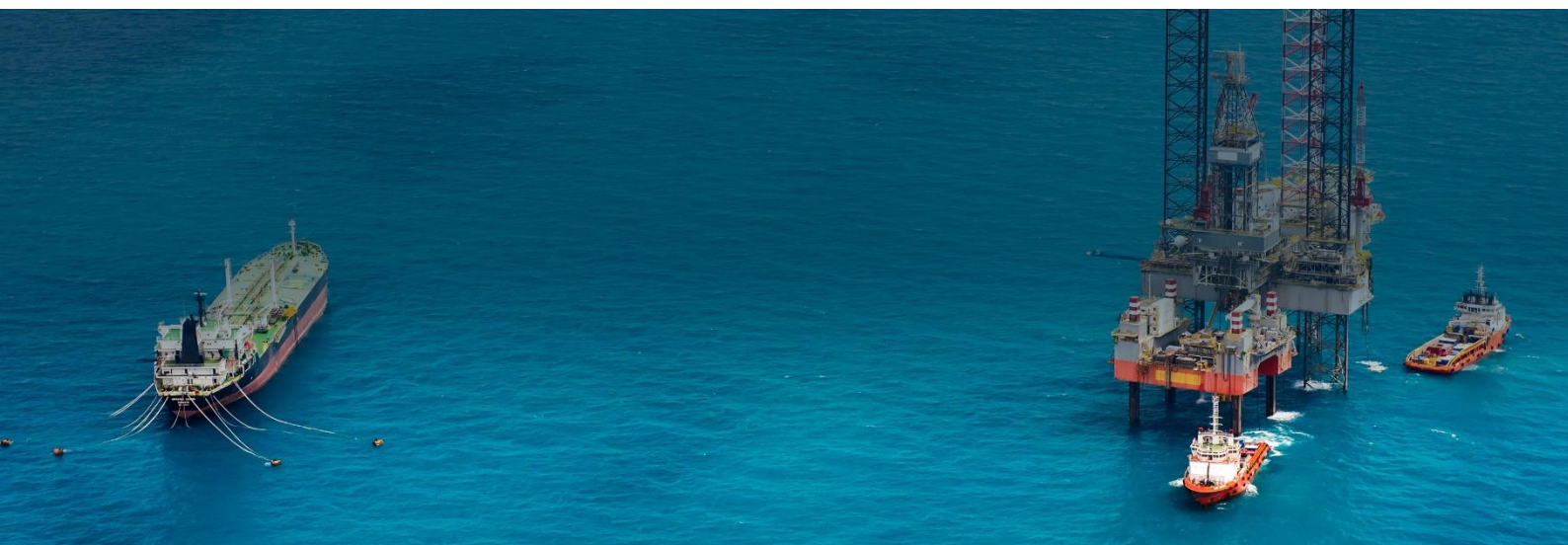




# National Offshore Petroleum Titles Administrator



## Regulator Performance Framework: 2018-19 self-assessment

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## Overview

NOPTA is pleased to present its fourth 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 website](#).

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

NOPTA is committed to continuous improvement and is a strong advocate of reducing regulatory burden on industry, without adversely impacting outcomes. As such, NOPTA has aligned its [2017-2020 Corporate Plan](#) and related strategic planning with the KPIs of the RPF. This enables clear and consistent annual reporting on NOPTA's performance which aids transparency and accountability to our stakeholders.

In 2018-19 NOPTA delivered key outcomes focused on supporting the effective regulation of Australia's offshore oil and gas regime, this included the implementation of an ambitious internal structural and administrative review process to ensure we remain agile and well positioned to meet future challenges. Key achievements over this time included:

- completed the transition of our information and communications technology systems to an Azure cloud-based environment to meet ongoing business requirements and maintain secure, reliable and cost-effective systems
- continued the integration of our internal databases and systems that are used to collect, aggregate, analyse and report data to improve monitoring of Australia's offshore petroleum resources
- commenced a project to benchmark all well and survey data and samples submitted since 1 January 2016. The results will allow for the objective comparison of stakeholder submissions in terms of timeliness, completeness, and usability. This process will inform regulatory development and future discussions with stakeholders on data submission issues
- worked closely with the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) to improve information-sharing arrangements in relation to decommissioning to better inform titles-related decisions under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act)
- undertook a skills exchange with United Kingdom and Norwegian petroleum regulators focussed on best practice and innovation in resource management and data management
- promotion of a flexible approach to our working arrangements to ensure a productive and responsive workplace.

In May 2019, NOPTA conducted its fourth comprehensive [stakeholder survey](#)<sup>1</sup>. Compared to the previous surveys, the 2019 survey had the largest number of respondents which included titleholders, industry groups and government stakeholders. As with previous years, stakeholders reported high overall levels of satisfaction across the domains of communication, data and reporting, title application processes and NOPTA's function and regulatory role.

Key survey outcomes relevant to the six KPIs for 2018-19 include:

- **KPI 1:** 98 per cent of respondents to the survey considered that NOPTA makes a valuable contribution to the process of managing Australia's resources, with almost two-thirds of respondents considering this was true to a great extent.
- **KPI 2:** 80 per cent of respondents to the survey indicated that NOPTA maintains an appropriate profile with its stakeholders with regard to communicating and explaining its strategic direction, plans and outcomes to a 'great' or 'some' extent.

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<sup>1</sup> The 2019 survey was conducted by KPMG.



- **KPI 3:** 98 per cent of respondents considered the time and effort they spend on compliance related tasks as reasonable given the regulatory risk that NOPTA manages.
- **KPI 4:** 94 per cent of respondents to the survey agreed, to a 'great' or 'some' extent, that NOPTA requests for information were coordinated with other related requests, reasonable in terms of the effort required to address the request (96 per cent), and clear in terms of the information required (93 per cent).
- **KPI 5:** 81 per cent of respondents to the survey indicated that NOPTA decisions are 'always' or 'often' transparent, and 80 per cent indicated that decisions were 'always' or 'often' justified with reference to legislation and guidelines.
- **KPI 6:** 93 per cent of titleholders that responded to the survey indicated that they were 'very' or 'somewhat' satisfied regarding the usefulness of NOPTA interaction in relation to resource stewardship, including field performance, resource maturation, regional development plans, and benchmarking.

The outcomes of the 2019 stakeholder survey, in combination with our key achievements, have provided the basis of NOPTA's 2018-19 self-assessment.



## About NOPTA

NOPTA, or the Titles Administrator, is appointed under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (the OPGGS Act) and is part of the Department of Industry, Innovation and Science (the department).

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

NOPTA's role is to:

- provide information, assessments, analysis, reports, advice and recommendations to the Joint Authorities<sup>2</sup> and the 'responsible Commonwealth Minister'
- grant short-term titles (petroleum access authority and petroleum special prospecting authority) and approve transfers and dealings
- facilitate life of title administration, including compliance monitoring
- manage the collection, management and release of data
- keep the registers of petroleum and greenhouse gas storage titles
- ensuring petroleum resource management is undertaken in accordance with the principles of good oil field practice
- implementing effective field development review and performance monitoring strategies in order to secure optimum petroleum recovery

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<sup>2</sup> 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. The Joint Authority for each state and the Northern Territory comprises the responsible Commonwealth Minister (currently the Minister for Resources and Northern Australia) and the relevant state or Northern Territory minister.



## 2018-19 NOPTA self-assessment

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### 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 should 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 develops and maintains policies and procedures that promote transparency, efficiency and effectiveness, and minimise compliance costs. NOPTA reviews its policies and procedures regularly to ensure currency and identify any areas for improvement.

Results:  Met  Partially Met  Not Met

*NOPTA assesses that it has met KPI 1. This is evident through the positive stakeholder feedback received regarding the decision-making processes NOPTA is involved in.*

- The outcomes of the 2019 stakeholder survey reveal that NOPTA remains highly regarded with 98 per cent of respondents considering that NOPTA makes a valuable contribution to the process of managing Australia's resources.
- In relation to interaction with NOPTA on petroleum title applications, 83 per cent of respondents indicated they were satisfied with the consistency of advice received (45 per cent 'very satisfied' and 38 per cent 'somewhat satisfied').
- Regarding NOPTA decisions, respondents to the survey indicated that these were often consistent (54 per cent), transparent (50 per cent) and predictable (50 per cent).
  - These results indicate an area of future focus for NOPTA, particularly in relation to processes and expectation around petroleum title dealings (see KPI 4).
- A core function of NOPTA is to provide advice to the Joint Authorities. In relation to NOPTA processes that inform Joint Authority decision making, 69 per cent of government stakeholder respondents indicated they were 'very satisfied' with the accuracy of the information, while 54 per cent were 'very satisfied' with both the consistency and supportability of NOPTA's recommendations.
- To further improve consistency, transparency and control of its standard operating documents, NOPTA commenced a comprehensive review and update of its internal processes and procedures in relation to its requirements under the OPGGS Act and PGPA Act.
  - During 2019-20 this will be further complemented by the introduction of an internal assurance review process to test NOPTA's ongoing adherence to legislative and administrative requirements.
- During 2018-19 NOPTA participated in several cross-agency forums or events to discuss current and emerging issues, share ideas and implement improvement strategies in line with leading practice. These included:
  - a skills exchange with United Kingdom and Norwegian petroleum regulators (also see KPI 6)



- the International Regulators Forum (IRF) and the International Upstream Forum (IUF)
- the Council of Australian Governments Energy Council, Upstream Petroleum Resources Working Group
- the Professional Petroleum Data Management, Regulatory Data Standards Committee
- collaborating with Geoscience Australia and WA Department of Mines, Industry Regulation and Safety on the operation of the National Offshore Petroleum Data and Core Repository; and on an improvement program for National Offshore Petroleum Information Management System (NOPIMS)

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

### KPI Expectations

To communicate effectively with regulated entities so they understand what is required. 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 approaches to engage with stakeholders, including face-to-face meetings, attending industry conferences, publishing guidance material (such as guidelines, factsheets and tutorial videos) and quarterly performance statistics on its website. Regular contact with titleholders helps to build a shared understanding of issues and provides opportunity to raise, clarify or address concerns as they arise.

Results:       Met       Partially Met       Not Met

*NOPTA assesses that it has met KPI 2. This is evident through positive stakeholder feedback received in relation to how information is both accessed from and provided to NOPTA, including high levels of satisfaction relating to the information available from the NOPTA website and via the National Electronic Approvals Tracking System (NEATS).*

- 80 per cent of respondents to the survey indicated that NOPTA maintains an appropriate profile with its stakeholders in relation to communicating and explaining its strategic direction, plans and outcomes to a 'great' or 'some' extent.
- The most common way to communicate with NOPTA continues to be via phone, email and face to-face meetings. Overall, respondents to the survey were very satisfied that the information received through these avenues was up-to-date (68 per cent), accurate (68 per cent), complete (62 per cent), accessible (58 per cent), consistent (58 per cent), timely (56 per cent) and clear (56 per cent).
  - During 2018-19 NOPTA held 221 meetings with industry stakeholders.
- As highlighted in the 2017-18 RPF self-assessment, in late 2017 NOPTA launched a refreshed website which significantly improved how information is presented and accessed. In the 2019 survey, stakeholders were asked about the quality of information accessed from the website. Respondents generally reported being 'very' or 'somewhat' satisfied that the information was



up to date (91 per cent), clear (86 per cent), accessible (91 per cent), accurate (84 per cent), complete (84 per cent) and consistent (80 per cent).

- Respondents also indicated a high level of satisfaction with information accessed from NEATS, with 80 per cent of all responses indicating they were either 'very' or 'somewhat' satisfied.
- In 2018-19 NOPTA published:
  - the updated, as developed by Offshore Resources Branch with input from NOPTA, *Offshore Petroleum Exploration Guideline: Work-bid* effective 1 July 2019<sup>3</sup> to clarify existing processes and reflect changes announced in September 2018 to the acreage release process.
  - the *Signatures* fact sheet relating to the execution of NOPTA forms by companies to provide clearer guidance on the execution of NOPTA forms and prescribed instruments of transfers
  - the *Developing Petroleum Resource* fact sheet to assist stakeholders to understand the process of moving from the exploration or appraisal phase to development, including the various approvals required before commencing production
  - updated application forms to provide greater clarity on the submission requirements and the additional information NOPTA requires to undertake application assessments
- NOPTA maintained a visible presence at:
  - the 2019 APPEA conference, where staff were available to answer questions at a dedicated NOPTA booth.
  - participated in community sessions in South Australia and Newcastle, NSW regarding the governments' role in regulating offshore oil and gas activities.
  - attended the 2018 South East Asia Australia Offshore Conference

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<sup>3</sup> See <https://www.nopta.gov.au/guidelines-and-factsheets/offshore-petroleum-guidelines.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, compliance and enforcement, allowing for proportionate responses to risks, suitable to the nature and complexity of the issue at hand.

Results:  Met  Partially Met  Not Met

*NOPTA assesses that it has met KPI 3. This is evident through positive stakeholder feedback received in relation to our function and role, including our approach to compliance.*

- 98 per cent of titleholders surveyed indicated the time and effort they spend on compliance as reasonable to 'a great extent' or 'some extent', given the regulatory risk NOPTA manages.
- NOPTA maintains a risk register which is reviewed quarterly and amended when new risks or changes to existing risks are identified. All staff are encouraged to actively engage with the register, incorporating potential implications into day-to-day tasks. The process for conducting risk reviews, including how matters should be escalated if they arise, is consistent with the department's risk management framework.
- 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. The program is reviewed and updated as required.
- NOPTA operates in accordance with the Minister's Statement of Expectations and NOPTA's Statement of Intent which are incorporated into corporate and strategic planning and published on the [NOPTA website](#).
- In 2019 NOPTA completed the transition of its ICT systems to an Azure cloud-based environment, and an upgrade of its ageing desktop and videoconferencing fleet, to meet evolving business requirements. This transition is expected to produce substantial productivity improvements and to maintaining secure and reliable ICT systems.
- NOPTA encourages feedback on its performance via a dedicated email address ([feedback@nopta.gov.au](mailto:feedback@nopta.gov.au)) located on its website. NOPTA did not receive any formal complaints in 2018/19.



## 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. Compliance and monitoring 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 to maximise the range of options available and to minimise unintended outcomes for all parties. NOPTA has established internal information management systems with a specific focus on compliance monitoring to help recognise when new information is required or if the information is already held by NOPTA.

Results:  Met  Partially Met  Not Met

*NOPTA assesses that it has met KPI 4. This is evident through positive stakeholder feedback in relation to the appropriateness of the NOPTA information requests and the mechanisms through which this was obtained.*

- Respondents to the survey agreed to a 'great' or to 'some' extent, that NOPTA requests for information were coordinated with other related requests (94 per cent), reasonable in terms of the effort required to address the request (96 per cent), and clear in terms of the information required (93 per cent). This is consistent with findings from the 2017 survey.
- In terms of the data submission interaction, 83 per cent of respondents indicated a positive response to the technical expertise of NOPTA staff; 76 per cent were satisfied with the level of effort required in meeting submission obligations; and 81 per cent with the guidance material provided by NOPTA'. Further work is intended in relation to regulatory review, with the intention of streamlining submission requirements and reducing ambiguity where appropriate (see KPI 6).
- 86 per cent of titleholders involved in resource stewardship discussions, including field performance, resource maturation, regional development plans, and benchmarking, indicated they were either 'very' or 'somewhat' satisfied with the overall level of effort required from their company in complying with these processes.
- NOPTA uses a central database to record and monitor compliance in relation to title 'special' conditions and Joint Authority expectations placed on a titleholder. This database provides a comprehensive record of progress towards meeting conditions and expectations, allowing NOPTA to track progress over long timeframes. It also aids in technical discussions with titleholders and provides important information on the compliance behaviour of titleholders.
- In 2019, NOPTA completed the first stage of an internal upgrade of NEATS to improve application processing efficiencies. NOPTA will now focus on upgrades to the NEATS industry portal to improve and streamline application and data submissions. This is consistent with areas of improvement highlighted by respondents to the recent survey.
- During 2018-19 NOPTA continued to enhance how compliance and monitoring issues are managed internally to ensure a more coordinated, streamlined and robust decision and advice process. In addition to the NEATS initiatives, areas of focus have included:
  - improved integration of NOPTA's internal databases and systems that are used to collect, aggregate, analyse and report data relating to petroleum production matters



- continued to develop NOPIMS by incorporating additional documentary information and improving internal data management processes functions to aid data discovery in collaboration with Geoscience Australia, and
- continued coordinated engagement with titleholders regarding a re-evaluation of commercial viability of 10 Retention Lease in offshore Western Australia and commenced a re-evaluation of commercial viability of eight retention leases in offshore Victoria and Tasmania.

## 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 makes decisions and recommendations based on the merits of the information with which it is presented.

Results:       Met       Partially Met       Not Met

*NOPTA assesses that it has met KPI 5. This is evident through positive stakeholder feedback in relation to the transparency of NOPTA decisions, as well as NOPTA’s ongoing commitment to open and regular communication with our stakeholders.*

- 81 per cent of respondents to the survey indicated that NOPTA decisions are ‘always’ or ‘often’ transparent, and 80 per cent indicated that decisions were ‘always’ or ‘often’ justified with reference to legislation and guidelines.
- Regarding Joint Authority decisions, 69 per cent of respondents indicated that these are ‘always’ or ‘often’ transparent, and 68 per cent indicated that decisions were ‘always’ or ‘often’ justified with reference to legislation and guidelines.
- NOPTA attended all relevant Senate Estimates (Economics Committee) hearings for 2018-19.
- NOPTA produces an ‘annual report of activities’ which has been substantially revised for the 2018-19 financial year to provide more transparency around its role, strategic objectives and contribution to the regime in which it operates. The NOPTA annual report of activities is published in addition to NOPTA’s requirement to provide input into the department’s (legislated) annual report process.
- NOPTA has published its 2017-20 Corporate Plan which includes the six RPF KPIs. NOPTA has aligned its public reporting obligations, including stakeholder surveys, annual report of activities, annual RPF self-assessment and internal risk management assessments to take account of objectives under the corporate plan.
- In conjunction with the Offshore Resources Branch of the department (and other agencies where relevant) NOPTA has published a large suite of guidance material on its [website](#). NOPTA



periodically reviews guidance material to clarify existing processes and reflect any relevant changes to the regulatory framework.

- Operating Protocols for Offshore Petroleum Joint Authorities and Supporting Institutions’ (the Joint Authority Protocol) is published on the [NOPTA website](#). This document provides clarity around the roles and functions of the Joint Authority, NOPTA, NOPSEMA and other stakeholders.
- Since January 2015 NOPTA has published a dashboard report to keep stakeholders up to date with NOPTA's key performance stats.

## 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 Offshore Resources Branch as the policy area of the department to provide constructive input into regulatory change processes and works closely with industry and other stakeholders to provide guidance and implement changes as they arise.

Results:       Met               Partially Met               Not Met

*NOPTA assesses that it has met KPI 6. This is evident through a range of initiatives undertaken and currently underway to improve our administrative performance and help address matters of strategic relevance to industry.*

- To keep pace with global trends and advancements in regulatory approach, in 2019 NOPTA participated in a skills exchange with United Kingdom and Norwegian petroleum regulators focussed on best practice and innovation in resource management and data management.
- 93 per cent of titleholders to the survey indicated that they were ‘very’ or ‘somewhat’ satisfied regarding the usefulness of NOPTA interaction in relation to resource stewardship, including field performance, resource maturation, regional development plans, and benchmarking.
- NOPTA has commenced a project to benchmark all well and survey data and samples submitted since 1 January 2016. The results will allow for the objective comparison of stakeholder submissions in terms timeliness, completeness, and usability. This process will inform regulatory development and future discussions with stakeholders on data submission issues.
- NOPTA, Geoscience Australia and WA DMIRS continue to collaborate on improvements to NOPIMS. Further enhancements are planned for the 2019-20 financial year.
- NOPTA continued to work closely with the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) on decommissioning matters associated with offshore oil and gas activities with a view to streamlining processes under the current offshore petroleum regime.
- During 2018-19 NOPTA participated in several cross-agency forums or events to discuss current and emerging issues, share ideas and implement improvement strategies in line with leading



practice, and worked closely with relevant government agencies to publish new and updated guidance material (See KPI 1 and KPI2).

- NOPTA has a dedicated feedback email ([feedback@nopta.gov.au](mailto:feedback@nopta.gov.au)) located on its website (see KPI 3).

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## 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 2018-19 self-assessment**

*The key purpose of the RPF is to improve regulator's performance by being publicly accountable in demonstrating effective management of risk. The framework consists of six outcomes-based KPIs covering reducing regulatory burden, communications, risk-based and proportionate approaches, efficient and coordinated monitoring, transparency, and continuous improvement. Overall, NOPTA's self-assessment is a positive reflection that it has implemented the RPF and met its six KPI's.*

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

*NOPTA analyse data and information to inform resource management, encourage greater collaboration and efficiency within industry to drive optimum resource development and efficiently regulate the offshore titles in accordance with the OPGGS Act.*

*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 manage 381 offshore petroleum titles and 4 greenhouse gas titles and conducted 221 stakeholder meetings.*

*NOPTA's self-assessment is comprehensive and based on positive feedback received in a stakeholder survey. The 2019 survey respondents included titleholders, industry groups and government stakeholders. Stakeholders reported high levels of satisfaction across the areas of communication, processes, function and regulation.*

*NOPTA communicates effectively with NOPSEMA to address emerging issues such as new entrants to industry, late field life financial transactions and asset decommissioning with a view to streamlining processes under the current offshore petroleum regime.*

- *NOPTA does not unnecessarily impede efficient activities of regulated entities;*
- *NOPTA's communication is clear, targeted and effective;*
- *NOPTA's actions are proportionate to the regulatory risk being managed;*
- *NOPTA's dealings are open and transparent with Titleholders. Two areas of potential improvement are to provide greater transparency to industry on the management of good standing agreements and to be more transparent on prospective fee increases;*



- *NOPTA actively contributes to continuous improvement-data management, Retention Lease management, field resource management and comparative benchmarking, basin wide developments and commerciality reviews, shared infrastructure and end of field life management business models;*
- *NOPTA engages with international regulators to identify and implement best practices and commenced a skills exchange program with United Kingdom and Norwegian petroleum regulators focussed on best practice and innovation in resource management and data management;*
- *NOPTA continues to engage with titleholders on the optimum stewardship of late life resources;*
- *NOPTA continues to collaborate with other agencies to further develop the National Petroleum Information Management System.*

*NOPTA is an effective and pragmatic administrator, and the regulated entities strongly support NOPTA in its role administrating the OPGGS Act.*