



Australian Government



2015 OPERATIONAL REVIEW OF THE
NATIONAL OFFSHORE PETROLEUM
TITLES ADMINISTRATOR

Australian Government Response

December 2015

This report was prepared by the Department of Industry, Innovation and Science.

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EXECUTIVE SUMMARY

The then Minister for the Industry and Science portfolio, the Hon Ian Macfarlane MP, commissioned the 2015 Operational Review of the National Offshore Petroleum Titles Administrator (NOPTA) in accordance with *the Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act).

Under section 695P of the OPGGS Act, the Minister is required to initiate the first review of NOPTA three years after its commencement. This first operational review marks a milestone for NOPTA, covering the period from its establishment, on 1 January 2012, to 31 December 2014. Subsequent operational reviews will relate to successive five-year periods.

The 2015 Operational Review of NOPTA (the 2015 Review) commenced on 6 March 2015 and was conducted by Noetic Solutions Pty Limited. The 2015 Operational Review of the National Offshore Petroleum Titles Administrator report (2015 Review) was presented to the then Minister Macfarlane on 30 June 2015.

The 2015 Review was informed by consultation with the offshore petroleum sector, government agencies, and stakeholders. Stakeholder groups included state, territory and Commonwealth government agencies, industry peak bodies, industry members, greenhouse gas storage stakeholders and NOPTA personnel. It considered NOPTA's effectiveness, including the quality of advice to Joint Authorities and the management of offshore petroleum data. The 2015 Review also considered the quality of relationships with stakeholders and the extent to which NOPTA's establishment and operation have met the objectives of the Australian Government's response to the 2009 Productivity Commission Review of the Regulatory Burden on the Upstream Petroleum (Oil and Gas).

The Terms of Reference for the 2015 Review are at **Appendix A**.

The 2015 Review made 12 recommendations that increase transparency of the decision making process of the Joint Authority including timing on title related matters; building on the effectiveness of the National Electronic Approvals Tracking System (NEATS) system and expanding its functionality; formalisation of communications with the industry regulatory body the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA); and the establishment of a single offshore titles administrative framework.

Overall the 2015 Review found that NOPTA is contributing to the efficiency of the decision making by the Joint Authority and concluded that its establishment and subsequent operations have, to a large extent, met the Australian Government's response to the 2009 Productivity Commission Review. It also found that, as a cost recovery agency, NOPTA provides its functions at a reasonable cost and that its fee structure is appropriate, and not a barrier to the offshore petroleum industry entering or exiting Australia.

The Australian Government is committed to the leading-practice approach which separates policy and regulatory administration which is reflected in a sound governance model for the administration of titles. NOPTA's capacity as a titles administrator is reflected in its strong relationships with stakeholders. Strengthening the relationship with NOPSEMA provides an opportunity to share information which might be beneficial to improving delivery of services to industry and reduce the regulatory burden for the sector without compromising the independence of either organisation.

The Government has examined each of the 12 recommendations and has noted six, accepted five and agreed in principle with one. Implementing eight of the recommendations is the responsibility of Resources Division in the Department of Industry, Innovation and Science, two are the responsibility of the Titles Administrator and one is the responsibility of the Titles Administrator working with the Chief Executive Officer of NOPSEMA. One recommendation is not being pursued by the Government at this time. Where appropriate, recommendations will be progressed in consultation with relevant states and the Northern Territory.

A progress report on implementation of the Government's response to the 2015 Review will be provided to the responsible Commonwealth Minister by 31 August 2016. An implementation plan to progress the accepted recommendations is at **Appendix B**.

Introduction

Regulatory regime

Offshore petroleum operations in Commonwealth waters are governed by the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act) and related Acts and Regulations.

Australia's offshore petroleum and greenhouse gas 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.

Ultimate responsibility for Australia's offshore areas, beyond three nautical miles from the territorial sea baseline, rests with the Commonwealth. Responsibility for petroleum operations onshore, and as far as three nautical miles seaward of the baseline (referred to as 'coastal waters'), rests with the individual state and territory governments.

Within this legal framework, Australian Government entities administer the regulatory regime together with state and Northern Territory governments through Joint Authority arrangements. The Joint Authorities for the offshore area of each state (except Tasmania) and the Northern Territory comprise the responsible Commonwealth Minister and the relevant state and Northern Territory Minister. The responsible Commonwealth Minister is the Joint Authority for the offshore areas of the External Territories and Eastern Greater Sunrise.

During the 2011 offshore regulatory reform process Tasmania chose to opt out of the Joint Authority arrangements for the offshore Tasmanian area. As a result the responsible Commonwealth Minister now solely constitutes the Joint Authority for the purposes of making decisions for the offshore Tasmanian area.

The Joint Authority makes the major decisions under the OPGGS Act concerning offshore petroleum titles, resource management and resource security. Key functions and powers of the Joint Authority include:

- the release of offshore petroleum exploration areas
- decisions relating to industry bids for these areas
- granting (or refusal) and renewal of offshore petroleum titles
- variation of title conditions
- suspension and extension to title terms
- cancellation of titles.

Up until 1 January 2012, the day to day administration of Australia's offshore petroleum regime was overseen by the relevant state/territory government for each of the seven offshore areas, known as the Designated Authority for each of those areas. However, in response to the 2009 Productivity Commission Review of the Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector, and given further impetus from the findings of the 2010 Report of the Montara Commission of Inquiry,

the Australian Government implemented a range of regulatory and administrative reforms to Australia's offshore petroleum regime.

The changes, which came into effect on 1 January 2012, included the establishment of National Offshore Petroleum Titles Administrator (NOPTA), responsible for the administration of all petroleum titles in Commonwealth waters and the consequent abolition of the seven Designated Authorities, and the expansion of the National Offshore Petroleum Safety Authority to the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) with responsibility for occupational health and safety; integrity of facilities; environmental management; and day-to-day petroleum operations in Commonwealth offshore areas.

Role of NOPTA

Established under the OPGGS Act, NOPTA is responsible for the day-to-day administration of petroleum and greenhouse gas titles in Commonwealth waters in Australia. The Titles Administrator is a statutory appointment which also holds the role of General Manager in the Department of Industry, Innovation and Science.

NOPTA's key functions are to:

- provide information, assessments, analysis, reports, advice and recommendations to the responsible state or Northern Territory Minister, of a Joint Authority, and the responsible Commonwealth Minister in relation to the performance of the functions, or exercise of the powers, of the Joint Authority; and to the responsible Commonwealth Minister under the OPGGS Act or regulation other than in his or her capacity as, or as a member of a Joint Authority.
- facilitate life of title administration, including but not limited to Joint Authority consideration of changes to permit conditions, and approval and registration of transfers and dealings associated with offshore petroleum titles
- manage the collection, management and release of data
- oversee the keeping of the registers of petroleum and greenhouse gas storage titles.

NOPTA's operating costs are recovered through a range of levies and fees imposed on the offshore petroleum and greenhouse gas storage industries.

NOPTA is the technical advisor to both the Commonwealth and state/territory Ministers and their respective delegates and provides that advice consistent with its statutory obligations. The Joint Authority is not compelled to accept NOPTA's advice. NOPTA also advises the Joint Authority in relation to resource management issues and monitors titleholders' compliance with regulatory obligations. NOPTA is also responsible for the receipt and management of confidential data from the offshore petroleum sector.

Australian Government Response

Joint Authority Decision Making

Recommendation 1: That timeframes for the consideration of, and decision making for, all titles related matters by Joint Authorities is agreed with jurisdictions and implemented.

Response: Noted

The Australian Government notes the Review comments that some titleholders raised concerns regarding transparency and timeliness of decision-making by Joint Authorities and recognises that clarity on these issues contributes to project certainty and risk management.

The OPGGS Act does not preclude statutory timeframes being provided. A protocol has been established that provides an agreed framework for decision making by the Joint Authority.

The *'Operating Protocol for Offshore Petroleum Joint Authorities and Supporting Institutions'* (the Protocol) provides indicative timeframes for NOPTA assessment and Joint Authority decisions (which differs if the decision is taken by members or by their delegates). A protocol has been in place since the establishment of NOPTA. The Protocol requires every jurisdiction to use 'best endeavours' to meet these timelines. A revised Protocol was agreed by all members of the Joint Authority in July 2015. NOPTA has amended its performance measures under the Government's Regulators' Performance Framework to reflect these indicative timeframes. The Protocol is an internal guidance document for governments.

The Government notes that the Offshore Petroleum Resource Management Review has proposed an Action that agreement be obtained from the Joint Authorities to make public the indicative timeframes for title decisions as provided in the Protocol on the NOPTA website.

To satisfy the recommendations of both reviews, the Government will seek agreement from all jurisdictions through the Upstream Petroleum Resources Working Group (UPR), a sub-committee of the Council of Australian Governments (COAG) Energy Council, to make the Protocol publicly available to increase transparency and support timely decisions.

Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.

Recommendation 2: The adherence of the Titles Administrator and Joint Authorities against the agreed timeframes is reported as part of NOPTA's annual report.

Response: Agreed in principle

The Government agrees that timeliness in decision making delivers improved certainty for titleholders. While existing guidelines available on NOPTA's website include indicative timing for some Joint Authority decisions, such as retention lease applications, the Government considers that making public the indicative timeframes in the Protocol will further encourage timely decision making. In addition, NOPTA currently provides dashboard reports on the NOPTA website which provides aggregated information on the status of applications.

This recommendation is agreed in principle, as any decisions to make Protocols and or performance

against indicative timeframes public must be agreed by the Upstream Petroleum Resources Working Group (UPR). The reporting mechanism will be considered following discussion with the UPR.

Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.

Recommendation 3: That the feasibility of delegating simple decisions to the Titles Administrator is investigated.

Response: Accepted

The Government notes that this recommendation is consistent with an action proposed in the Offshore Petroleum Resource Management Review. The Resource Management Review recommends that the Offshore Petroleum Joint Authorities consider options for further streamlining decision points across the offshore petroleum regime, including devolving some decisions to the titles administrator and/or the responsible Commonwealth Minister.

Implementation will be informed by the areas identified and agreed to by the members of the Joint Authorities and is the responsibility of the Department of Industry, Innovation and Science.

Titles Information

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.

Response: Accepted

The National Electronic Approvals Tracking System (NEATS) was established by NOPTA and provides access to publicly available information concerning offshore petroleum titles and applications. NEATS has a level of access for both industry and the public, and is a single source of up to date information on offshore petroleum titles and applications. NEATS can be accessed through NEATS online (www.neats.nopta.gov.au).

The public portal in NEATS provides access to information held within the titles register, application tracking and the electronic lodgement of applications. It also enables titleholder specific (confidential) information to be viewed by Titleholders through an industry portal. In this regard, a Titleholder is able to have a consolidated view of the titles in which they participate and is able to lodge selected applications, including payment of fees.

The key features included in NEATS are:

- the ability to search the title register using a range of criteria
- the ability to view details of a title, including relevant title instruments
- a geospatial view of titles providing summary details and interactive maps to identify surrounding titles.

The key features of the NEATS Industry Portal are:

- application tracking and search facilities
- online fee payment facilities
- online lodgement of selected applications
- industry log-on with roles based user management
- application tracking in greater detail for applicants
- company based task lists of applications in progress and actions required
- the ability to produce reports from the title register using a range of criteria.

The Government notes that the current development cycle of NEATS is due to conclude in October, 2015 with the last major upgrade/roll out.

The next phase of development for NEATS will consider increased functionality in respect of the titles activities and useability in relation to the information that can be accessed through the geospatial/mapping capability, such as Special Prospecting and Access Authorities, and titles register, further contributing to transparency of offshore petroleum titles. Consideration of the development requirements will commence in early 2016 and will include providing higher levels of automation and increased use of on-line submission of applications, and related work flows. It is estimated that the planning and development program will be over three years (12 months planning/scoping followed by specification and design followed by up to two years development, testing and implementation).

Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.

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

Response: Accepted

NEATS has a proven and established platform and framework for titleholders to be able to track their individual title applications through the confidential industry portal. The publically visible Approvals Tracking page on NEATS provides aggregated information on total numbers of applications at milestone stages. NEATS also offers an additional, confidential level of detail for registered titleholders to log-in and see what stage their individual application is up to, including which member of the Joint Authority is currently considering the matter. The Government notes that this function of NEATS does not appear to be known broadly, and as such NOPTA will further communicate and promote this function with titleholders to ensure its effective utilisation.

In addition, the further development and implementation of electronic workflows by NOPTA will contribute to increasing the timeliness of information that can be made available to applicants, particular in relation to the progress of applications.

Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.

Compliance

Australia's offshore petroleum and greenhouse gas legislative and supporting administrative regime provides a range of monitoring and enforcement mechanisms and triggers which support and ensure the timely and optimal development of Australia's oil and gas resources. They include ongoing assessment and scrutiny of the titleholder in meeting these requirements; the Annual Titles Assessment Report (ATAR), and ultimately the decision of the Joint Authority on whether to grant, renew, refuse, revoke and/or cancel a title.

NOPTA is responsible for undertaking compliance activities given it receives an array of reports and data, and has information seeking powers and as a result provide timely advice to the Joint Authority where the titleholder has not met the requirements of the legislation, regulations or conditions of title.

The Government notes industry comments in relation to a perceived lack of flexibility shown by NOPTA in undertaking compliance activities and in response, Government considers NOPTA's approach accurately reflects the current legislative framework as well as the expectations of the Joint Authority. The Joint Authorities and NOPTA will continue to discuss appropriate and effective methods for the identification and management of instances of non-compliance by titleholders.

In addition the Offshore Petroleum Resource Management Review has proposed a number of actions across the petroleum life cycle which will increase flexibility for both the Joint Authority and industry. These actions recognise the tools available for monitoring compliance on title related activities. The Department of Industry, Innovation and Science will consult with NOPTA on the ongoing appropriateness and robustness of the compliance tools available in particular the contents of the Annual Titles Assessment Report.

While the 2015 Review did not provide any recommendations on compliance, the Australian Government believes there is an opportunity to enhance NOPTA's compliance activities. These may include formal monitoring and more regular reporting on compliance matters to the Joint Authority.

Furthermore the Government notes that the 2015 Review also identified that NOPTA has established internal improvement plans and that once fully implemented it will further assist NOPTA in enhancing its capability in this area. NOPTA has implemented a compliance programme in line with its Corporate Plan, noting the relationship between titleholder compliance and the effective stewardship of Australia's offshore petroleum resources.

The Government also recognises that with the abolishment of the Designated Authorities and the establishment of NOPTA on 1 January 2012, the Australian Government, through the Joint Authority arrangements, has a direct line of sight to the management of Australia's offshore resources. Since 2012 there has been a central and consistent approach to the management and administration of all offshore petroleum titles in Commonwealth waters. Over the past three years NOPTA has obtained consistent information and data relating to investment and activities across all stages of the petroleum life cycle occurring in Commonwealth waters. The application of technical knowledge and intelligence retained

by NOPTA is also an important element of compliance. It is also a critical component to supporting informed and responsible decision making by the Joint Authority, ensuring the exploitation and development of Australia's offshore resources is to the benefit of Australia.

Resource Management

Recommendation 6: That, depending on the outcomes of the Department of Industry and Science's (now the Department of Industry, Innovation and Science) report on the Management of Offshore Resources, the Minister consider an enhancement to NOPTA's capability and capacity to enable it to more effectively contribute to the management of Australia's offshore resources.

Response: Noted

The Government acknowledges the 2015 Review's finding that NOPTA has developed the necessary skills and capability to deliver high quality advice to the Joint Authorities and to meet its legislative functions.

However, in relation to resource management, the Report has noted that NOPTA requires staff with the technical skills, knowledge and experience to undertake review of development plans and the ongoing implementation of these plans to ensure the exploitation of the resource is in the national interest. The Review recommends an increase in NOPTA's technical capabilities whilst noting the difficulties in attracting and retaining these staff in a competitive market.

The Government notes that consistent with this recommendation, the Offshore Petroleum Resource Management Review identified the need to have the right skill sets and technical capacity in the administration and management of Australia's offshore petroleum resources. The Offshore Petroleum Resource Management Review acknowledged that there could be improvements in some of NOPTA's technical capacity with an Action for NOPTA to work with relevant government agencies and industry to assess its technical needs against identified resource management requirements and develop a medium term plan to address any deficiencies or areas of new capacity.

Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.

Internal Operations

Recommendation 7: That NOPTA develop and implement plans to facilitate Recommendations 3 and 6 (if accepted).

Response: Noted

The Government notes that implementation of recommendation 3 will be informed by the areas identified and agreed to for streamlining by the Joint Authorities. Any legislative changes that may be required to the OPGGS Act and its supporting regulations will be made in accordance with the Australian Government's legislative timetable.

Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.

Recommendation 8: That NOPTA prepare and issue its own annual report.

Response: Noted

The 2015 Review considered the case for NOPTA to operate as a standalone statutory authority. The rationale for this was the need to be, and be perceived to be, impartial or independent. In its consideration the 2015 Review did not find any compelling evidence that NOPTA's functions would best be performed outside of the Department of Industry, Innovation and Science. Further as an administrator and in some cases the administrative decision maker, NOPTA's position in the Department further supports its independence from industry.

The Titles Administrator has a statutory responsibility to "prepare and give to the responsible Commonwealth Minister, for presentation to the Parliament, a report on the Titles Administrator's activities during that year. (s695N (1) of the OPGGS Act). In the 2013-14 reporting period the Title Administrator discharged this responsibility as part of the then 2013-14 Department of Industry and Science Annual Report.

However the Government notes that NOPTA intends to provide a separate report detailing the title administration, management and advisory activities it undertook for the Joint Authority and as the Title Administrator. This will also be consistent with the reporting requirements of the Australian Government's Regulator Performance Framework which came into effect on 1 July 2015. The Regulator Performance Framework is an important part of the Australian Government's commitment to reducing the cost of unnecessary or inefficient regulation imposed on individuals, business and community organisations.

This report will also be published on NOPTA's web site in the fourth quarter of 2016 in relation to the 2015-16 reporting period.

Implementation of this recommendation is the responsibility of the Titles Administrator.

Relationships with Stakeholders

Recommendation 9: That NOPTA and NOPSEMA should establish an instrument (such as a Memorandum of Understanding or Charter of Engagement) to clarify the interaction between the agencies.

Response: Noted

The Government notes that the 2015 Review highlighted the relationship between NOPTA and NOPSEMA as being pivotal in the effective oversight of the offshore petroleum sector and that this relationship could be made more effective through a formal agreement. NOPSEMA and NOPTA have improved their inter-agency cooperation since the initial period of operations when engagement was almost by necessity focused on discharging their new responsibilities. Legislative change has since enabled better sharing of information which provides opportunities for further cooperation.

Both organisations have demonstrated the capacity to work cooperatively on matters relating to the regulation of offshore petroleum titles and greenhouse gas operations. As such, the Government does not consider a formal instrument of engagement between NOPSEMA and NOPTA is necessary

provided the areas of co-operation and consultation are documented and updated to ensure currency. Implementation of this recommendation is the responsibility of the National Offshore Petroleum Titles Administrator and the Chief Executive Officer of NOPSEMA.

Data Management

The Government notes that there were no recommendations made regarding the data management arrangements implemented by NOPTA and notes that stakeholders have confidence in NOPTA's ability to secure confidential data.

Since the creation of NOPTA on 1 January 2012 there have been important developments in the management of Australia's offshore petroleum data. These include:

- Establishment of the National Offshore Petroleum Data and Core Repository (NOPDCR), a collaborative arrangement between NOPTA, Geoscience Australia and the Western Australia Department of Mines and Petroleum (DMP). The NOPDCR has consolidated the storage of all Commonwealth offshore petroleum mining samples; with one-third sections held in Canberra and the two-thirds section now held in DMP's Carlisle Core Store in Perth. These world class facilities provide secure storage of samples, disaster mitigation and increased access for viewing and sampling by industry in both East and West coast locations.
- Development of the National Offshore Petroleum Information Management System (NOPIMS), a data discovery and delivery system for offshore wells, and survey data and information. NOPIMS will remove the need to go to multiple sources for data in different areas of Australia. Data coverage and completeness will be initially limited to reports and data for open-file activities post 1 January 2012, but will be progressively populated over time with data for open-file activities prior to this date. The arrangement between NOPTA and Geoscience Australia for the development of NOPIMS is further strengthening their relationship and providing direct and tangible benefits to Australia's offshore petroleum industry.
- Development and application of consistent compliance activities over regulated data to ensure items are submitted and are complete on submission. Since 2012 data submission standards have been set out in the NOPTA's data submission requirements. Compliance with these requirements is necessary to allow the maximum benefit to be reaped from the data submitted and subsequently released; thus reducing the long term costs associated with non-compliant data to both industry and government.

The Government also notes that the Offshore Petroleum Resource Management Review has identified an issue with the quality of legacy data due to the differing compliance standards across jurisdictions at the time the data was collected and data confidentiality provisions. The Offshore Petroleum Resource Management Review has proposed Actions that require:

- NOPTA, Geoscience Australia and the offshore petroleum sector to work together to ensure that all new data submissions and the current data holdings are compliant with agreed standards and
- a formal analysis of the data management provisions in the OPGGS Act and the regulations and in particular, confidentiality provisions.

Greenhouse Gas Storage

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 and Science (now the Department of Industry, Innovation and Science), and NOPSEMA.

Response: Accepted

Australia was one of the first countries in the world to have a comprehensive legislative framework to regulate offshore greenhouse gas injection and storage. The creation of NOPTA occurred after the commencement of the greenhouse gas legislative framework so there is merit in NOPTA and the department to continue to work together to better understand the resourcing and other implications of a growth in greenhouse gas titles.

Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.

NOPTA's Insight

Recommendation 11: That NOPTA provide its insights on the offshore petroleum and greenhouse gas storage industries to jurisdictions to assist with policy development.

Response: Accepted

The 2015 Review notes NOPTA is now at a point in its development where it has a range of analytical skills and industry expertise gained through its administrative function that would benefit the policy decision making of the jurisdictions. These skills and knowledge would provide insights into the exploration, development and production phases, based on trend analysis and on industry knowledge, rather than providing policy advice per se.

The Titles Administrator is able to exercise this expertise as there is a clear and broad advice function under s695B of the OPGGS Act in relation to advice to the jurisdictions and relevant State/Northern Territory Petroleum Ministers.

NOPTA already employs its recognised technical expertise and analytical skills in the insights provided to the jurisdictions through its participation in the meetings of the Upstream Petroleum Resources Working Group, which reports to the COAG Energy Council.

NOPTA has developed extensive data holdings, captured as part of the functions of the Title Administrator. NOPTA will consider aggregating confidential data to develop trend analysis including projections, to inform policy development for both the Commonwealth and the states/ Northern Territory.

Furthermore, the Offshore Petroleum Resource Management Review has an Action for NOPTA to establish an annual public reporting framework that provides a holistic assessment of the state-of-play of Australia's offshore petroleum resources and associated infrastructure in producing and prospective regions. The intent of this report is to provide the community and the offshore petroleum industry with a high-level comprehensive picture of Australia's offshore petroleum resource base and associated

development/production infrastructure at the regional and/or basin level and to highlight current and emerging resource management issues. It will also provide the public with a transparent understanding of the management regime, and will be used by NOPTA and the Joint Authorities as a basis for engagement with industry on the issues identified.

Implementation of this recommendation is the responsibility of the Titles Administrator.

Government's Deregulation Agenda

Recommendation 12: That the Commonwealth Minister considers the conduct of a feasibility study for the creation of a single offshore titles administrative framework for both Commonwealth waters and State/Northern Territory waters through the conferral of powers under State and Northern Territory legislation.

Response: Noted

The Australian Government is committed to a regulation reform agenda that will drive productivity and efficiency gains within the economy. A key feature of the agenda includes reducing the regulatory burden, as a means of unlocking productivity and competitiveness gains for industry. For the purpose of the Government's activities in this area, regulation is considered broadly in this context. This includes, legislation, programs, administrative processes and guidelines and any other aspect of government or regulator behaviour that can influence actions.

Responsibility for the management and regulation of offshore petroleum activities in coastal waters is a matter for the states and the Northern Territory. The Government notes that this recommendation is in response to the Terms of Reference which stated that "the review should have regard to opportunities consistent with the Government's deregulation agenda". While the Commonwealth does not intend to pursue this option at this time, it notes that s695B of the OPGGS Act does provide limited authority for NOPTA to exercise functions and powers conferred upon it under a state/Northern Territory Petroleum (Submerged Lands) Act, so long as those functions and powers are substantially similar to those conferred upon NOPTA by the operation of the OPGGS Act and associated regulations. This authority requires an agreement between the Titles Administrator on behalf of the Commonwealth and the relevant State or Northern Territory Petroleum Minister, and approved by the responsible Commonwealth Minister (see s695 B(2) and (3)).

There are thus provisions for the states and the Territory to authorise NOPTA to undertake title administrative functions in coastal waters, on a fee for service basis. This option continues to be available to jurisdictions to utilise as considered appropriate.

Appendix A: Terms of Reference

In accordance with Section 695P (2) of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act), the 2015 Operational Review of the National Offshore Petroleum Titles Administrator (the Titles Administrator) will:

1. Make an assessment of the effectiveness of the Titles Administrator in contributing to the efficiency of the decision making by a Joint Authority for a State or the Northern Territory

In the context of the OPGGS Act and Regulations including the legislated functions of the Titles Administrator, this assessment will consider, assess and provide recommendations in relation to:

2. The extent to which the establishment of the Titles Administrator has met the objectives of the Australian Government's response to the Productivity Commission's report *Review of Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector*
3. The current operating arrangements for provision of advice to Joint Authorities and the Responsible Commonwealth Minister on titles and titles related matters
4. The management and performance of the legislated, publicly available, register of petroleum titles with Geographic Information System (GIS) support
5. The compliance, monitoring and enforcement activities of the Titles Administrator
6. The management of arrangements for information and data receipt and storage
7. Engagement with stakeholders, including industry, Geoscience Australia, and state and territory agencies
8. The relationship with NOPSEMA and state and Northern Territory regulators to improve end-to-end service to the industry and reduce costs

The review should have regard to opportunities consistent with the Government's deregulation agenda.

For more information see the NOPTA website: www.nopta.gov.au

Appendix B: Implementation Plan

Implementation activity and timeframe

Recommendation and Government Response	Responsibility for Implementation and Timeframe
<p>1. That timeframes for the consideration of, and decision making for, all titles related matters by Joint Authorities is agreed with jurisdictions and implemented.</p> <p>Noted</p>	<p>Consistent with the outcomes of the Offshore Petroleum Resource Management Review, the Government will seek agreement from the Joint Authorities to make public the indicative timeframes for title decisions as provided in the <i>Operating Protocol for Offshore Petroleum Joint Authorities and Supporting Institutions</i> (the Protocol), on the NOPTA website.</p> <p>Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science and will be completed by Q1 2016.</p>
<p>2. The adherence of the Titles Administrator and Joint Authorities against the agreed timeframes are reported as part of NOPTA's annual report.</p> <p>Agreed in principle</p>	<p>Any decisions to make Protocols and or performance against indicative timeframes public must be agreed by the Upstream Petroleum Resources Working Group (UPR). The reporting mechanism will be considered following discussion with the UPR.</p> <p>Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.</p>
<p>3. That the feasibility of delegating simple decisions to the Titles Administrator is investigated.</p> <p>Accepted</p>	<p>Consistent with the outcomes of the Offshore Petroleum Resource Management Review, the Government will work with Offshore Petroleum Joint Authorities to consider options for further streamlining decision points across the offshore petroleum regime, including devolving some decisions to the Titles Administrator and/or the responsible Commonwealth Minister.</p> <p>Discussion on options for further streamlining decision points across the offshore petroleum regime to commence through the UPR by Q4 2015. Implementation will be informed by the areas identified and agreed to by the members of the Joint Authorities.</p> <p>Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.</p>

Recommendation and Government Response

Responsibility for Implementation and Timeframe

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.

Accepted

The current development cycle of NEATS is due to conclude in October, 2015 with the last major upgrade/roll out.

The next phase of development for NEATS will consider increased functionality in respect of the titles activities and useability in relation to the information that can be accessed through the geospatial/mapping capability. Consideration of the development requirements will commence in early 2016. It is estimated that the planning and development program will be over three years (12 months planning/scoping followed by specification and design followed by up to two years development, testing and implementation).

Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.

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

Accepted

The Government notes that the functionality of NEATS does not appear to be known broadly. NOPTA will further communicate and promote this function with titleholders to ensure its effective utilisation.

Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.

6. That depending on the outcomes of the Department of Industry and Science's (now the Department of Industry, Innovation and Science) report on the Management of Offshore Resources, the Minister consider an enhancement to NOPTA's capability and capacity to enable it to more effectively contribute to the management of Australia's offshore resources.

Noted

Consistent with the outcomes of the Offshore Petroleum Resource Management Review, NOPTA will work with relevant government agencies and industry to assess its technical needs against identified resource management requirements and develop a medium term plan to address any deficiencies or areas of new capacity.

Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.

Recommendation and Government Response	Responsibility for Implementation and Timeframe
<p>7. That NOPTA develop and implement plans to facilitate Recommendations 3 and 6 (if accepted).</p> <p>Noted</p>	<p>The Government notes that implementation of recommendation 3 will be informed by the areas identified and agreed to for streamlining by the Joint Authorities. Any legislative changes that may be required to the OPGGS Act and its supporting regulations will be made in accordance with the Australian Government's legislative timetable.</p> <p>Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.</p>
<p>8. That NOPTA prepare and issue its own annual report.</p> <p>Noted</p>	<p>The Government notes that NOPTA intends to provide a separate report detailing the title administration, management and advisory activities it undertook for the Joint Authority and as the Title Administrator. This will also be consistent with the reporting requirements of the Australian Government's Regulator Performance Framework which came into effect on 1 July 2015. This report will also be published on NOPTA's web site in the fourth quarter of 2016 in relation to the 2015-16 reporting period.</p> <p>Implementation of this recommendation is the responsibility of the Titles Administrator.</p>
<p>9. NOPTA and NOPSEMA should establish an instrument (such as a Memorandum of Understanding or Charter of Engagement) to clarify the interaction between the agencies</p> <p>Noted</p>	<p>The Government does not consider a formal instrument of engagement between NOPSEMA and NOPTA is necessary provided the areas of co-operation and consultation are documented and updated to ensure currency.</p> <p>Implementation of this recommendation is the responsibility of the National Offshore Petroleum Titles Administrator and the Chief Executive Officer of NOPSEMA.</p>
<p>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 and Science (now the Department of Industry, Innovation and Science), and NOPSEMA.</p> <p>Accepted</p>	<p>There is merit in NOPTA and the department to continue to work together to better understand the resourcing and other implications of a growth in greenhouse gas titles.</p> <p>Implementation of this recommendation is the responsibility of the Department of Industry, Innovation and Science.</p>

Recommendation and Government Response

Responsibility for Implementation and Timeframe

11. That NOPTA provide its insights on the offshore petroleum and greenhouse gas storage industries to jurisdictions to assist with policy development.

Implementation of this recommendation is the responsibility of the Titles Administrator.

Accepted

12. That the Commonwealth Minister considers the conduct of a feasibility study for the creation of a single offshore titles administrative framework for both Commonwealth waters and State/ Northern Territory waters through the conferral of powers under State and Northern Territory legislation.

The Government notes that this recommendation is in response to the Terms of Reference which stated that “the review should have regard to opportunities consistent with the Government’s deregulation agenda”. The Government does not intend to pursue this option at this time, however provisions for the States and the Territory to authorise NOPTA to undertake title administrative functions in coastal waters, on a fee for service basis continues to be available to jurisdictions to utilise as considered appropriate.

Noted

