



Australian Government
**Department of Industry,
Innovation and Science**

Progress Report Implementation of the 2015 NOPTA Operational Review Recommendations

August 2016

Progress Report

Implementation of the 2015 NOPTA Operational Review recommendations

Introduction

The Operational Review of the National Offshore Petroleum Titles Administrator (NOPTA) is a legislated requirement under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. The 2015 Review was the first review of NOPTA since its establishment on 1 January 2012 and relates to its first three years of operation. Subsequent reviews are to be undertaken every five years.

The Review considered the effectiveness of the Titles Administrator in contributing to the efficiency of the decision making by the Joint Authority. The Review was conducted by an independent consultancy, Noetic Solutions, and was provided to the then Minister for Industry and Science, the Hon Ian Macfarlane MP, on 30 June 2015 and tabled in both Houses of Parliament on 16 September 2015. The Government Response to the Review was tabled in both Houses of Parliament on 2 December 2015. The Response considered each of the 12 recommendations and noted six, accepted five and agreed-in-principle with one.

This document constitutes the department's progress report to the Minister for Resources and Northern Australia on implementation of the review's recommendations. As shown below, progress has been achieved across all agreed recommendations. Six items are complete, and five items are in progress. Of the five items in progress, two require further consultation. One item (recommendation 12) was agreed not to be progressed at this time in the Government response.

Progress on implementation of recommendations from NOPTA Operational Review

Item	Recommendation	Responsibility for Implementation	Government response:	Implementation Status	Comment / progress
1	That timeframes for the consideration of, and decision making for, all titles related matters by Joint Authorities is agreed with jurisdictions and implemented.	DIIS	Noted	Complete	This was progressed through the Upstream Petroleum Resources (UPR) working group with agreement reached for the public release of the 'Operating Protocols for Offshore Petroleum Joint Authorities and supporting institutions'. The protocol was made public in early May 2016, see http://www.nopta.gov.au/ja_protocol.html . The Protocol provides a high level framework and clarifies the roles and functions of the Joint Authority, NOPTA, the National Offshore Petroleum Safety and Environment Management Authority (NOPSEMA) and other stakeholders. The Joint Authority Protocol includes indicative timeframes for the processing of applications. The timeframes contained in the Joint Authority Protocol are intended to provide guidance to applicants and titleholders to assist with planning.
2	The adherence of the Titles Administrator and Joint Authorities against the agreed timeframes is reported as part of NOPTA's annual report.	DIIS, NOPTA	Agreed in principle	In progress	NOPTA is obliged to implement the Australian Government's Regulator Performance Framework (RPF) – see www.dpmc.gov.au/regulation/commonwealth-regulators/regulation-performance-framework . As part of the self-assessment against the RPF, NOPTA will be reporting its performance in relation to the indicative timeframes. Over time the reporting against these timeframes will be refined. The self-assessment is due to be published by the end of 2016 following relevant approvals. This process was chosen as NOPTA does not publish an independent annual report, it is part of the Department of Industry, Innovation and Science.
3	That the feasibility of delegating simple decisions to the Titles Administrator is investigated.	DIIS, NOPTA	Accepted	In-progress	NOPTA is reviewing the decisions made under the <i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i> and Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011.

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					Proposals on Joint Authority decisions that could be delegated to NOPTA will be considered through UPR noting legislative amendments may be required should any changes be agreed to proceed.
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.	NOPTA	Accepted	In-progress	<p>The functionality in NEATS was enhanced through the automation of annual title administration levy notifications through the Industry Portal (January 2015) enabling easier access by titleholders to payment facilities and tracking of annual title levy due dates and payment history. Additional functionality for the creation of application fee notifications within the Industry Portal is available upon request by applicants wishing to pay application fees.</p> <p>NOPTA will be engaging with titleholders to develop the scope of future NEATS enhancements.</p>
5	That NEATS functionality is extended to include more information on the progress of applications through the Joint Authority process.	NOPTA	Accepted	In progress	<p>By the end of 2016 NOPTA will provide further information around the capabilities of the NEATS industry portal on the NOPTA website.</p> <p>Greater detail of progression for applications, from submission to decision is provided through the Industry Portal. This includes additional status levels to allow companies to track the progress of an application.</p>
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	DIIS	Noted	Complete	NOPTA enhanced its technical capacity by the recruitment of additional specialists in 2015-16. This recruitment addresses the skill gaps noted in NOPTA's 2014-2015 Annual Report of Activities. Specialists were recruited for roles in the areas of commercial analysis, geology, reservoir engineering and geophysics. The enhanced skill base and staffing levels have enabled better support of NOPTA's resource management and stewardship functions. This has included, for example, reviewing titleholder development plans and their

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	contribute to the management of Australia's offshore resources.				implementation to ensure resources are developed consistent with good oil field practice and in the national interest.
7	That NOPTA develop and implement plans to facilitate Recommendations 3 and 6 (if accepted).	NOPTA	Noted	Recommendation 3: In progress Recommendation 6: Complete	Recommendation 3 is in progress. NOPTA plans to identify potential items for delegation for discussion with the Joint Authority. Recommendation 6 is complete.
8	That NOPTA prepare and issue its own annual report.	NOPTA	Noted	Complete	NOPTA introduced its inaugural annual report of activities for the 2014-15 financial year. The purpose of the report was to provide stakeholders with information specific to the activities of NOPTA headed by a statutory position of Titles Administrator. The report is part of the statutory annual reporting by the Department of Industry, Innovation and Science, given NOPTA is established as a branch of the Resources Division of the Department. A 2015-16 self-assessment against the RPF will be available in December 2016. The RPF establishes a common set of performance indicators to enable the assessment of regulator performance and their engagement with stakeholders. This report mandates six key performance indicators and an annual externally validated self-assessment process. This inaugural self-assessment covers from 1 July 2015 to 30 June 2016.
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.	NOPTA, NOPSEMA	Noted	Complete	The NOPTA-NOPSEMA determination was approved on 15 December 2015. This determination governs the amount to be paid by NOPTA to NOPSEMA for the services of NOPSEMA inspectors for engaging in activities that are preparatory to the exercise or relate to the exercise of the functions or powers of the Titles Administrator.
10	That NOPTA investigate the implications of a growth in applications for greenhouse gas	DIIS, NOPTA, NOPSEMA	Accepted	Complete	NOPTA continues to engage with the administration and guidance of greenhouse gas storage (GHG) titles. There are four GHG Assessment Permits in Commonwealth waters offshore of

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	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.				Victoria. NOPTA openly engages with DIIS and NOPSEMA in relation to GHG storage titles.
11	That NOPTA provide its insights on the offshore petroleum and greenhouse gas storage industries to jurisdictions to assist with policy development.	NOPTA	Accepted	Complete	NOPTA continues to provide advice to assist with policy development as required including through its ongoing engagement with Commonwealth and State/NT jurisdictions and participation in the Council of Australian Governments' Energy Council UPR working group. This advice is based on NOPTA's experience working in titles administration, data management and technical expertise. There is a particular focus on reducing regulatory burden and streamlining processes.
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.	NA	Noted	NA	As per the Government's response to this review, the intention is not to pursue this recommendation at this time.