

NOPTA Statutory Review

Terms of Reference

Legislative context

Under section 695P(1) of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act) the responsible Commonwealth Minister must cause to be conducted a review of the activities of the National Offshore Petroleum Titles Administrator (NOPTA).

The Act requires that the review will relate to the 5-year period of 1 January 2020 to 31 December 2024.

Timeframes

The Review will commence on the date that is announced by the responsible Commonwealth Minister and be completed within six-months of this date.

Roles and responsibilities

The review will be led by a Head of Review, supported by a Secretariat team within the Department of Industry, Science and Resources. The Head of Review will be responsible for leading the review and delivering the findings and recommendations to the government.

Purpose and scope

The review of activities of NOPTA comes at a time where the adaptability of NOPTA to a rapidly changing economic, technological and regulatory environment is critical. This is particularly important given the significance of the resources sector to the Australian economy and the role it will play in achieving net zero. The review will provide government with an opportunity to consider whether NOPTA is operating efficiently, effectively and if it is appropriately equipped to manage current and emerging challenges.

In accordance with section 695P of the Act, the review of activities of the Titles Administrator must include an:

1. Assessment of the effectiveness of the Titles Administrator in contributing to the efficiency of decision-making by a Joint Authority for a state or the Northern Territory.

In the context of the Act and regulations, including the legislated functions of the Titles Administrator across both petroleum and greenhouse gas functions, this review will consider, assess and provide recommendations in relation to:

2. The efficiency and effectiveness of application, assessment and approvals processes for Titles Administrator decisions or responsibilities, including:
 - a. Evaluating the consistency and timeliness of decision-making.
 - b. Internal systems, workflows and processes, and any bottlenecks or inefficiencies.
 - c. Evaluating the effectiveness of assessments including the financial capacity of titleholders, and how assessments and advice support the Joint Authority and/or the government.
 - d. Knowledge sharing, training and assurance procedures and whether these are sufficient to support consistent and timely decision-making and are consistent with departmental expectations, policies and procedures.
3. The extent to which NOPTA's interpretation and exercise of its legislative powers aligns with the intent of the Act. This is to consider NOPTA's:

- a. Interpretation of its legislative power and how this influences its approach, including whether there is scope for greater flexibility while maintaining any legislative confidentiality requirements under the Act.
 - b. Understanding of how its advice and expertise informs broader policy and decision making, including to support the government achieve its objectives.
4. The effectiveness of NOPTA's role in compliance and monitoring activities within its remit, noting under the Act, NOPSEMA is responsible for enforcement activities. This should consider:
 - a. How compliance and monitoring activities have been conducted, recorded and reported on to NOPSEMA, the Responsible Commonwealth Minister or the relevant Joint Authority for action during the review period.
 - b. The effectiveness of compliance, monitoring and reporting mechanisms.
 - c. How NOPTA has used its information gathering powers under section 699 of the Act.
 - d. The appropriateness of systems in place to support compliance and monitoring activities and any adjustments necessary for continuous improvement.
5. The capacity and capability of NOPTA, including whether it has the right resources, expertise, staffing and organisational structure to respond to varying levels of industry activity, support the policy functions of government and to address new technologies and other emerging issues including. This should consider:
 - a. How NOPTA's resourcing, expertise and structure enables it to meet government expectations.
 - b. Alignment with broader departmental policies and procedures.
 - c. Any opportunities to improve efficiencies across NOPTA.
 - d. The readiness of NOPTA to respond to an increase in CCS data.
6. How NOPTA has responded and adjusted its practices following significant legislative amendments, such as the *Offshore Petroleum and Greenhouse Gas Storage Amendment (Titles Administration and Other Measures) Act 2021*.
7. The appropriateness of NOPTA's approach to risk identification and management, including alignment with departmental risk management policies and procedures and if NOPTA's risk tolerance settings influence the exercise of its functions and engagement across the department and the broader government.
8. The effectiveness of NOPTA's communication and co-operation with NOPSEMA, as well as other Commonwealth agencies and organisations on matters related to the administration and enforcement of the Act and its associated regulations. This should consider:
 - a. The organisational culture of NOPTA and the extent to which this impacts its interactions across the department and the broader government.
 - b. How this impacts and supports regulatory/policy outcomes, broader policy development and decision-making processes.
9. The effectiveness of NOPTA's communication, engagement and relationships with external stakeholders, including but not limited to state and territory governments, oil, gas, greenhouse gas industries and First Nations stakeholders. This should consider how NOPTA:
 - a. Conveys information to stakeholders, including making information publicly available to stakeholders and the community (where relevant) and the ease of use and accessibility of the information.
 - b. Contributes to and maintains community confidence through its engagement activities.

- c. Responds to community concerns and other matters within an appropriate timeframe and ensuring relevant departmental executives and/or the Responsible Commonwealth Minister are aware of these matters in a timely manner.
- 10. The provision of information, data, assessments, analysis, reports, advice and recommendations to the relevant Joint Authority and/or the responsible Commonwealth Minister and/or NOPSEMA on titles, compliance, monitoring and reporting and other related matters. This should consider:
 - a. Whether the scope, method and efficiency of the information provided meets needs of the end user and aligns with the department's policies and procedures (where relevant).
- 11. The suitability of the current cost recovery model for NOPTA, to determine whether the model is fit for purpose. This should also consider:
 - a. Whether the levies and fees collected by NOPTA are sufficient to enable it to perform its functions.
 - b. Opportunities where NOPTA can reduce any cross-subsidisation, reduce its operating costs, increase efficiencies and streamline functions to reduce the financial burden on industry.
 - c. The utilisation and allocation of cost recovery funds over the review period.
 - d. Any recommendations in relation to the future of the model including levy and fee increases.

Out of scope

- NOPTA's role in the licensing and regulation of offshore infrastructure under the *Offshore Electricity Infrastructure Act 2021*.
- Any responsibilities of the Joint Authorities, including their effectiveness, procedures and decision-making timeframes.

Related matters

- Future Gas Strategy.
- 2020 Independent review into the circumstances leading to the administration and liquidation of Northern Oil and Gas Australia.
- 2020 Productivity Commission review into resources sector regulation.
- Relevant Senate inquiry reports from the review period.
- 2020 review of activities of the Titles Administrator.
- 2015 review of activities of the Titles Administrator.
- Relevant government responses to previous statutory reviews.