

TRANSPARENCY TASKFORCE

1 Objective

The objective of the Transparency Taskforce is to align and coordinate multiple cross-jurisdictional efforts to improve community confidence in the offshore petroleum regime.

2 Intended Outcomes

The Transparency Taskforce has three intended outcomes to be delivered through six concurrent work streams as follows:

Outcome 1: Amend the Commonwealth Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 to give effect to increased transparency

- Work Stream 1. Regulatory amendment process to give effect to the agreed Australian Government policy position
- Work Stream 2. Monitor industry and regulator readiness for environment plan publication and public comment, and communicate Taskforce progress and achievement

Outcome 2: The community has confidence in the offshore petroleum regulatory regime

- Work Stream 3. Communication and engagement initiatives to increase transparency of key offshore petroleum industry processes and associated regulatory frameworks
- Work Stream 4. System updates to deliver regulatory amendments facilitating public comment and environment plan publication

Outcome 3: Reduced size and complexity of environment plans

- Work Stream 5. Alignment of regulatory interpretation to deliver efficient and effective environmental assessments
- Work Stream 6. Reduce unnecessary effort for titleholders to produce, and stakeholders to review, environment plan content by extracting common, typical content

3 Background and Drivers

Regulatory change can introduce uncertainty into the environmental assessment process, which threatens:

- the effective delivery of NOPSEMA's legislated function to ensure compliance with environmental management law
- industry certainty in attaining necessary environmental approvals
- stakeholder trust in the regulatory regime.

In 2016, DIIS undertook a review of the consultation and transparency requirements in place under the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 (the Environment Regulations), which indicated that improved transparency of Australia's environmental approvals processes is seen as critical to maintaining community confidence in the offshore petroleum sector. In November 2017, the Minister for Resources announced that recommendations from this review would be implemented, including publishing environment plans and inviting public comment as part of the assessment process.

APPEA and NOPSEMA have identified that smoothing any transition to increased transparency is a high priority for 2018. Industry feedback indicates acknowledgement of the need for increased transparency,



but also a high degree of concern for increasing uncertainty in the environmental assessment process. This uncertainty may lead to increasing pressure on investment and exploration decisions.

The sponsors of the Transparency Taskforce are agreed that a collaborative approach to ensuring all reasonable efforts are made to manage the transition to increased transparency is of considerable value.

3.1 Project drivers

Drivers for change have been identified through engagement with petroleum titleholders and communities affected by petroleum activities. These indicate pressure points in the existing environmental assessment process:

Developing an environment plan is:	The environment plan product is becoming:	Wide-scale environment plan improvements are challenging because:
<ul style="list-style-type: none"> • An uncertain activity authorisation for titleholders • Confusing for relevant persons during consultation • A long and demanding process for all involved 	<ul style="list-style-type: none"> • Lengthier, more variable and more complex • A source of competitive advantage in some circumstances • Demanded by communities and their representatives for close scrutiny • Disclosed to a different and pessimistic audience 	<ul style="list-style-type: none"> • Collaboration is difficult due to little margins in time and staggered projects • There is too much risk upgrading an environment plan product that works • Low oil price results in cost (and resource) pressure

4 Governance

The Transparency Taskforce is structured around a Steering Committee and Work Stream Leads to ensure that responsibilities and resources from the specific, but related, efforts of the multiple organisations taking action to improve consultation and transparency are identified and communicated.

This type of collaborative structure proved to be a suitable method of managing the transition to amended regulations in other cases, such as the transition of EBPC Act approvals to NOPSEMA and implementation of financial assurance legislative amendments.

4.1 Steering Committee

The Steering Committee has overall responsibility for improving community confidence in the offshore petroleum regulatory regime. NOPSEMA provides a coordinator resource (chairperson), facilitating communication between the Steering Committee and the work stream leads, and communicating the progress of the Taskforce externally.

The Steering Committee is intended to provide transparency and gather perspectives from a broad range of relevant stakeholders, and caters for participation in a variety of capacities. For example, committee ‘members’ typically contribute regularly to steering the Taskforce work streams, while other organisations may participate as ‘advisors’ that provide their perspectives at times and otherwise attend meetings for information gathering.

The Steering Committee consists of one representative from each of the project sponsors (listed in Section 7) and other relevant community organisations as follows:

- National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) (coordinator)
- Commonwealth Department of Industry, Innovation and Science (DIIS)
- WA Department of Mines, Industry Regulation and Safety (DMIRS)

- SA Department of Premier and Cabinet (DPC)
- NT Department of Primary Industries and Resources (DPIR)
- Victoria Department of Economic Development, Jobs, Transport and Resources (DEDJTR)
- Australian Petroleum Production and Exploration Association (APPEA)
- National Energy Resources Australia (NERA)
- Seafood Industry Australia
- Western Australian Fishing Industry Council
- Law Council of Australia
- The Wilderness Society of South Australia (*advisor*)

Invitations to join the Steering Committee will continue to be extended to national representative organisations throughout the life of the Taskforce.

The Steering Committee will meet approximately quarterly until the end of the Taskforce (defined in Section 6).

The Steering Committee, through DIIS, will provide a short brief to the Upstream Petroleum Regulators forum under the Council of Australian Governments (COAG) arrangements.

4.2 Work streams

The Transparency Taskforce has six work streams, each with an assigned project manager. The project manager will establish the scope of work and implementation plan for each work stream, to be agreed by the Steering Committee.

Each project manager will provide a one-page status update for the work stream one week prior to each Steering Committee meeting.

4.3 Decisions and recommendations

Where a decision is required from the Steering Committee, this is reached by discussion and consensus at quarterly meetings. The Steering Committee will typically be required to make decisions only on resource allocation to work by the Taskforce, and on communication of committee information and records.

In relation to implementation of the work streams, the Steering Committee provides advice and recommendations to the work stream project managers. Final decisions on the development and implementation of the work streams themselves are made by the project managers, within their respective organisations.

5. TASKFORCE RESOURCING AND SCOPE

All resourcing is to be delivered by sweat equity from the Taskforce participants. Additional costs and expenses are to be funded through individual organisation procurement processes.

5.1 Steering Committee

Steering Committee meetings will typically be hosted by NOPSEMA at its office in Perth. Phone conference facilities will be available to enable committee members to participate remotely. Steering Committee records will be distributed by email.

5.2 Work streams

Each work stream is to deliver the following specific outputs, in coordination with the other work streams:

Products and Services

- Produce outputs that support the Taskforce purpose, within the scope of work stream
- Minimise the likelihood of unintended consequences in the transition to a more transparent regulatory regime



Reports and Records

- Written project updates will be provided to the Steering Committee one week prior to each meeting
- An end of work stream report will be provided to the Steering Committee
- Work stream leaders are responsible for maintaining their own records, as appropriate.

5.3 Scope exclusions

The Transparency Taskforce must not:

- Seek to initiate additional transparency measures outside of the scope of the agreed Government policy position.
- Seek implementation in State/Territory jurisdictions (noting opportunities for other regulators to contribute within the scope items above).

6. REQUIREMENTS FOR SUCCESS AND END POINT CRITERIA

There are a number of requirements that the Transparency Taskforce must meet in order to be considered successful. These are:

1. The transition to transparency must not impede titleholders' flexibility to make improvements to environmental management
2. Transparency must maintain a risk-based approach
3. Transparency must not unduly increase administrative burden
4. The environment regulatory regime must seek alignment with safety & integrity processes and general global good practice
5. Transparency must meet the requirements of the Environment Regulations.

The Transparency Taskforce will cease when the following conditions have all been met:

- One month after the end of the transition period for the amended Environment Regulations
- When a long-term owner of reference cases is in place
- The communications effort has reduced back to the defined 'new normal' level of effort.

The Steering Committee will also consider the following endpoints derived from the drivers for change listed above:

- Environment plan development process is viewed as:
 - A predictable activity authorisation
 - Clear and simple for stakeholders to follow
 - Time well spent on environmental management
- The environment plan document is viewed as:
 - Purposeful and easy to understand
 - A prior authorisation rather than one on critical path
 - Available in full to those who request it
- The environment plan improvement process is viewed as:
 - Collaborative so that titleholders and relevant persons can influence improvements
 - Fit-for-purpose with a clear agenda and priorities for the whole of industry

7. SPONSORS

- National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA)
- Commonwealth Department of Industry, Innovation and Science (DIIS)
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