



Australian Government  
National Offshore Petroleum  
Titles Administrator

# RISK IDENTIFICATION AND MITIGATION FOR NEW TECHNOLOGY



A PRESENTATION TO THE IRF

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[www.nopta.gov.au](http://www.nopta.gov.au)

# Australia's Offshore Petroleum Regime

## NOPTA

### ■ Administers petroleum titles

- Assesses applications from titleholders
- Provides advice to the Joint Authority
- Manages the Titles Register (NEATS)
- Monitors data and compliance aspects

## Offshore Petroleum Joint Authority

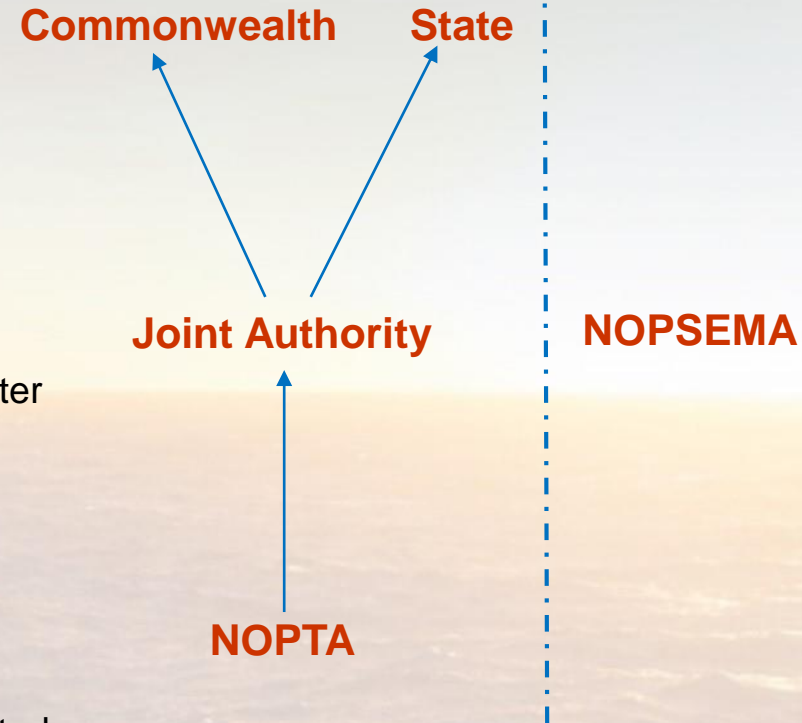
### ■ Decision-maker for offshore petroleum titles matters

- Commonwealth Minister and State/Territory Minister
- Annual acreage release
- Good Standing Register

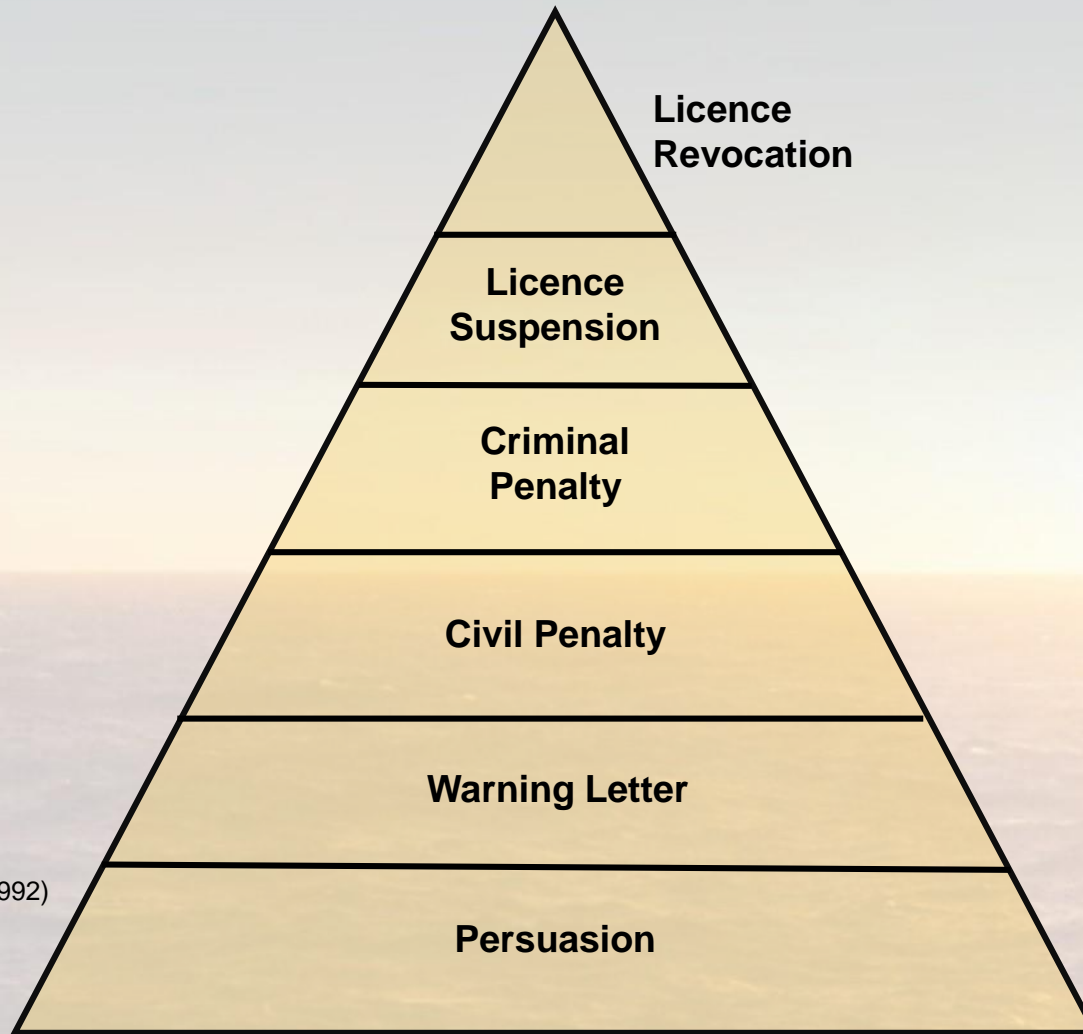
## NOPSEMA

### ■ Regulates offshore petroleum operational activities

- Safety
- Structural integrity of facilities, wells and well-related equipment
- Environmental management



# Compliance Pyramid



Source: Ayres and Braithwaite (1992)



# National Legislative Compliance Framework

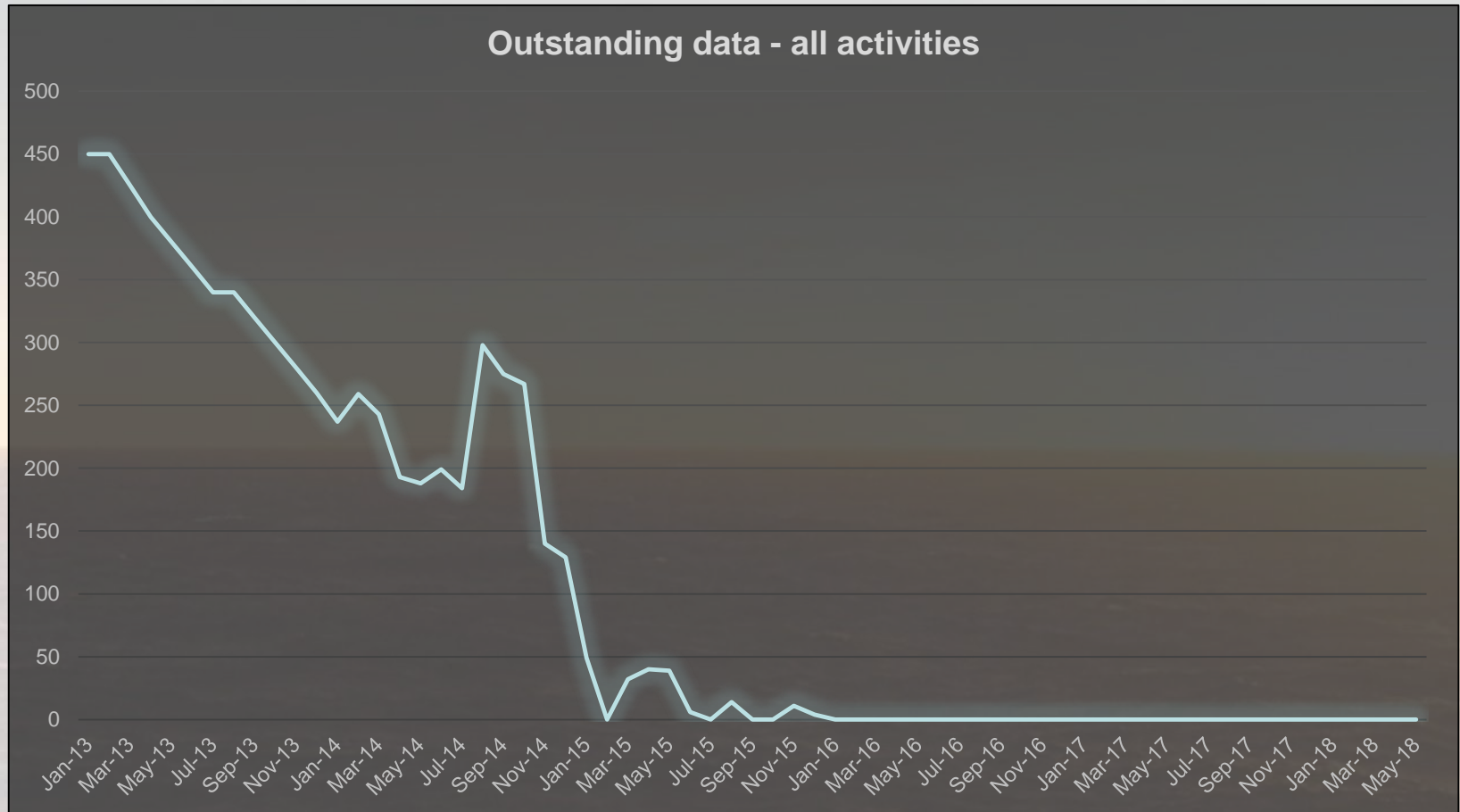


# Performance or Compliance?

Performance (Auditing)	Compliance (Auditing)
Examines how well something is being done	Often very tightly scoped to a binary outcome – strict compliance
Looks at the value that has been added	Doesn't look at method, main focus is on outputs
Uses both qualitative as well as quantitative measures	Relies on statistical validity
Is intended to be linked to how well a process achieves objectives	Should be a component of a range of compliance monitoring tactics but often is not
Should always identify potential improvements and risks	Traditionally seen as a <i>gotcha</i> approach to compliance
Main focus is not on inadequate performance	Good way to determine compliance with rules
A useful tool when part of a performance measurement regime	Results often used to determine performance through adherence to rules.
Usually requires higher level skills by auditors	Can be accomplished by less experienced personnel using a tick and flick approach



# Data compliance improvements



# Regulator Performance Framework

- KPI1 NOPTA does not unnecessarily impede the efficient operation of Titleholders.
- KPI2 Communication with Titleholders is clear, targeted and effective.
- KPI3 Actions undertaken by NOPTA are proportionate to the regulatory risk being managed.
- KPI4 Compliance and monitoring approaches are streamlined and coordinated.
- KPI5 NOPTA is open and transparent in its dealings with Titleholders.
- KPI6 NOPTA actively contributes to the continuous improvement of regulatory frameworks.



# Managing technology risks

The risks associated with any tech driven development project can be identified and managed provided:

- there is a competent capacity in managing the project
- we're willing to accept that the project will take longer and cost more than promised.





# Technology and promises

Techos paint an idyllic picture of what the new technology will deliver...

*‘this program will change your life!’*

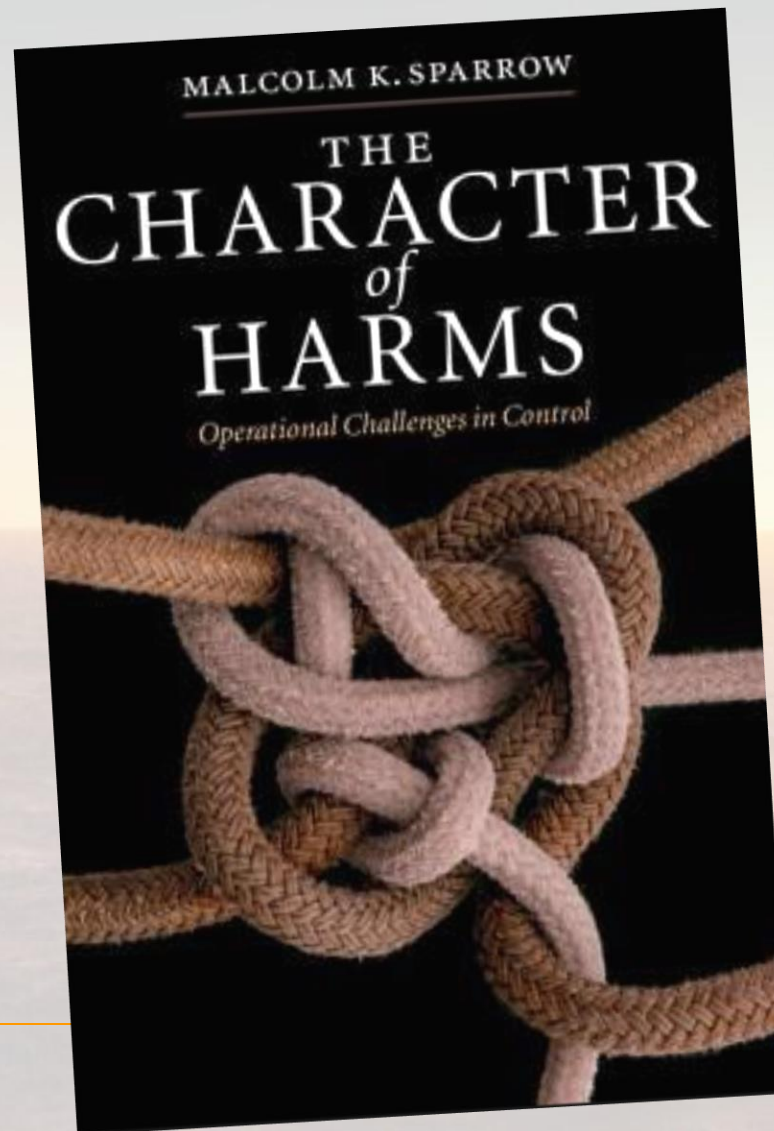
*‘...you’ll never have to work hard again!’*

*‘with this system you’ll have a paperless office!’*

The reality is usually much different.



# Bring out the good – control the bad



# Understanding the risk

Risk	Description
<b>Catastrophic risks</b>	Not represented in normal reactive workload.
<b>Emerging risks</b>	Novel & unfamiliar, not covered by established programs.
<b>Invisible risks</b>	Not manifest, or only partially manifest in routine processes.
<b>Risk involving conscious opponents/adversaries</b>	Routine controls can be studied and circumvented – cyber attacks.
<b>Boundary spanning risks</b>	Not adequately addressed through single agency programs (risks rarely acknowledge jurisdictional or organisational boundaries).
<b>Persistent risks</b>	Those that will not respond to traditional treatments.



# Keep up if you can!

- Finally our project is delivered – over time and over budget.
- We ask why, but understood the risks.
- Everyone is using new system, confidence is high and risks are being managed (for now).
- But new harms emerge and new technologies prevail...and so the cycle repeats.
- So where to next?

