

National Offshore Petroleum Safety and Environmental Management Authority

STATEMENT OF INTENT

This Statement of Intent sets out my intentions, as the Chief Executive Officer of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), regarding how NOPSEMA will meet the expectations of the responsible Commonwealth Minister under the *Offshore Petroleum and Green House Gas Storage Act 2006* (OPGGGS Act), as set out in the [Ministerial Statement of Expectations](#) of 11 April 2017, with regard to the functions and powers conferred to NOPSEMA under the OPGGS Act, associated regulations, and other relevant legislation.

Guiding principles

Recognising our unique position as the single, national regulator for offshore petroleum and greenhouse gas storage facilities in Commonwealth waters, NOPSEMA will maintain its role as an expert regulator through a process of continuous improvement based on:

- productive engagement and dialogue with the offshore industry, its workforce, and other stakeholders;
- independent administration of the regulatory regime (OPGGGS Act and associated regulations) in a manner not unnecessarily impeding the efficient operations of the offshore industry;
- leading best practice on the management of safety and environmental risks in the offshore industry; and
- ensuring internal procedures and processes accord with regulatory and government performance requirements.

NOPSEMA has implemented a [Compliance Strategy](#), which details the relationships between our fundamental obligations under the OPGGS Act. Through its implementation we are ensuring that offshore petroleum activities are carried out in a safe and environmentally responsible manner by encouraging, monitoring, and enforcing compliance with the law.

Providing efficient and effective regulation

The efficient and effective administration of the offshore regulatory regime is central to all activities undertaken by NOPSEMA. To ensure our regulatory administration and enforcement procedures and processes reflect best practice, NOPSEMA will:

- undertake annual reviews of its five year forward-looking [Corporate Plan](#), identifying where change is required to ensure we continue to meet the expectations of government, industry, and the wider community;
- prepare and publish the [Annual Offshore Performance Report](#), providing industry and government with the means to track industry performance under the regulatory regime and identify where changes to the regime may be required;
- continue to apply a graduated enforcement regime aimed at changing behaviours, where required, within industry for longer-term performance improvements; and

- continue to promote and advise industry on best practices with the intent of influencing behavioural change across industry to result in safer and environmentally sound outcomes.

Regulatory change

NOPSEMA recognises that during a period of change for the offshore industry, the regulatory regime must also adapt. We will continue to work collaboratively with the Department of Industry, Innovation and Science (DIIS), along with other departments, at both the state and federal levels, to encourage and develop amendments and improvement to legislation, where required. This will be facilitated through our framework for legislative engagement with DIIS, and through forums such as the Upstream Petroleum Working Group of the Council of Australian Governments' Energy Council.

In accordance with the drive for ongoing regulatory reform and improvement, NOPSEMA will continue to advocate for the States and Northern Territory to confer responsibility for the management of safety and environmental regulation to the Commonwealth, to form part of NOPSEMA's existing processes.

Stakeholder engagement, consultation and transparency

NOPSEMA believes that the key to maintaining a high degree of confidence in the regulatory regime is transparency in decision making, meaningful consultation with affected parties, and effective engagement with the wider community. To achieve this NOPSEMA will continue to work collaboratively with government, industry, and other interested parties to deliver greater transparency to our assessment processes, and improved information provision to the community-at-large.

Specifically, NOPSEMA will continue to engage with:

- DIIS to progress legislative changes to improve transparency and consultation arrangements associated with the regulatory regime;
- the Australian Petroleum Production and Exploration Association (APPEA) to improve industry engagement processes on a collaborative basis; and
- the Australian Council of Trade Unions, and partner unions where appropriate, to seek their input on the regime, and ensure the views of the offshore workforce are considered by NOPSEMA.

In addition, we will maintain our leadership role on the Management Committee of the International Regulators Forum and participation in the grouping of International Offshore Petroleum Environmental Regulators, to ensure Australian remains are the forefront of international best practice.

Domestically, NOPSEMA will continue to engage with partner agencies, including the National Offshore Petroleum Titles Administrator, the Australian Maritime Safety Authority, and responsible state and territory departments and agencies to ensure regulatory streamlining opportunities are maximised.

Reducing regulatory burden

NOPSEMA acknowledges the value of reducing regulatory burden on industry, where possible, without adversely impacting on safety and environmental outcomes. In recognition of this, the key performance indicators (KPIs) in [NOPSEMA's Corporate Plan](#) are aligned with the KPIs of the government's [Regulator Performance Framework](#). The alignment of NOPSEMA's KPIs to the requirements of the [Regulator Performance Framework](#) enables NOPSEMA to provide a clear and consistent report on its performance as a regulator and demonstrate its accountability to stakeholders each year.

NOPSEMA's performance against the [Regulator Performance Framework](#) is externally assessed and validated annually, by the Growth Centres Advisory Committee of the Ministerial Advisory Committee. NOPSEMA will continue to engage in this annual review process to ensure we are minimising regulatory burden while delivering an effective regulatory regime.

Meeting the future challenges of industry

Throughout this ongoing period of lower oil and gas prices, NOPSEMA recognises the need to be informed of social, technological, and commercial trends affecting both the offshore industry and the regulatory regime. As the industry adjusts to the impacts of the lower prices, NOPSEMA is ensuring it is responding accordingly through:

- undertaking an annual environmental scan, to evaluate emerging risks, inform development of our [Corporate Plan](#) and track changes across industry, government, and the wider community; and
- engaging widely with industry, both directly with duty holders and through bodies such as APPEA and National Energy Resources Australia, to understand specific industry pressures and measures being adopted in response to the shifting environment.

In addition, NOPSEMA will continue to undertake its annual [Cost Effectiveness Review](#) to demonstrate the systematic and consistent approach we take to the allocation of resources, in support of administering the regulatory regime and meeting responsibilities under the OPGGS Act. [The Cost Effectiveness Review](#) provides the basis for NOPSEMA to demonstrate that we are responding appropriately to the wider environmental changes impacting the offshore industry.

Operational matters

Independence from policy agencies enables NOPSEMA to make decisions that ensure the offshore oil and gas industry delivers the most effective safety and environmental outcomes. To ensure we continue to administer the regulatory regime in a manner that maximises safety and environmental outcomes, NOPSEMA will continue to:

- develop Annual Operating Plans; covering all aspects of NOPSEMA's operations, these plans ensure we have the appropriate skills, expertise, processes, and other resources necessary to independently, transparently, and efficiently administer the regulatory regime; and
- undertake an Annual Risk Review; supporting NOPSEMA's Risk Management System, this review ensures NOPSEMA is operating an effective, risk-based monitoring and compliance framework.

In addition, and in recognition of our need to effectively carry out operations on a fully cost-recovered basis, this year NOPSEMA will conduct a review of its [Cost Recovery Implementation Statement \(CRIS\)](#). Determination of our CRIS provides the basis upon which we can establish that we are levying industry at a rate that is commensurate with the level of effort required. The CRIS review will ensure that our cost recovery arrangements are adequate, and that we can continue to effectively discharge our regulatory functions.