

National Offshore Petroleum Safety and Environmental Management Authority**STATEMENT OF INTENT – NOVEMBER 2019**

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 Greenhouse Gas Storage Act 2006* (OPGGs Act), as set out in the Ministerial Statement of Expectations of October 2019, with regard to the functions and powers conferred to NOPSEMA under the OPGGS Act and associated regulations.

Guiding principles

Recognising our unique position as the single, national regulator for offshore petroleum and greenhouse gas storage facilities in Commonwealth waters, (and coastal waters where powers are conferred) 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 (OPGGs Act and associated regulations) in a manner not unnecessarily impeding the efficient operations of the offshore industry;
- encouraging leading practice on the management of safety, structural integrity 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 various fundamental obligations under the OPGGS Act. Through implementation of this Strategy 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;
- publish industry-wide safety and environmental performance data, 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 improve safety and environmental 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/territory and federal levels, to encourage and develop amendments and improvement to legislation, where required. This work will be facilitated through our framework for legislative engagement with DIIS, and through forums such as the Upstream Petroleum Resources 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 industry, offshore workforce and wider community. To achieve this NOPSEMA will continue to work collaboratively with government, industry, workforce representatives and other interested parties to promote leading practice and continuous improvement in health, safety and environmental management.

In addition, we intend maintaining our leadership roles with the International Regulators Forum and International Offshore Petroleum Environmental Regulators forum, 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 Department of the Environment and Energy, the Australian Maritime Safety Authority, and other responsible state, territory and federal departments and agencies to ensure regulatory streamlining opportunities are maximised.

NOPSEMA recognises growing community interest in the progression of petroleum activities through the assessment process and acknowledges that stakeholders are seeking to have more insight into decision-making. In response to the Chief Scientist's Audit of NOPSEMA's consideration of exploration in the Great Australian Bight, NOPSEMA will:

- actively address opportunities specific to further improving transparency and engagement with stakeholders associated with the offshore petroleum industry;
- work cooperatively with relevant government departments and titleholders in contributing to the implementation of improvements to the regulatory regime as identified by the Chief Scientist, while appreciating that policy decisions are a matter for the Government; and

- publish an official response (including actions to be undertaken by NOPSEMA) in response to the Chief Scientist's audit.

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 value, 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.

In addition, and in recognition of our need to effectively carry out operations on a fully cost-recovered basis, NOPSEMA will conduct annual reviews 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 review will ensure that our cost recovery arrangements are adequate, and that we can continue to effectively discharge our regulatory functions, while not imposing unnecessary financial burden on industry.

Decommissioning

Across its regulatory functions, NOPSEMA is taking steps to ensure that titleholders are fully aware of their obligations under s572 of the OPGGS Act in relation to maintenance and removal of property brought onto title. NOPSEMA will develop and implement specific decommissioning guidance to assist the industry in understanding and meeting these obligations. The guidance will explain how industry can demonstrate compliance with decommissioning obligations through established NOPSEMA assessment and decision making processes.

NOPSEMA will focus on titleholder compliance with obligations for decommissioning through its compliance monitoring and enforcement activities to ensure that titleholders are appropriately planning for, and executing, decommissioning activities in a timely and responsible manner.

Further, NOPSEMA will continue to work collaboratively with NOPTA and DIIS to provide information relevant to decommissioning matters and support Joint Authority decision making.

Meeting the future challenges of industry

NOPSEMA recognises the need to be informed of social, technological, and commercial trends affecting both the offshore industry and the regulatory regime. 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 shifts in the operating 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.