

Explanatory note on approval of NOPSEMA's CRIS 2021-22

The mechanism for NOPSEMA to set levies is through the preparation of a Cost Recovery Implementation Statement (CRIS) that meets the requirements of the Australian Government Cost Recovery Guidelines.

In the first half of 2021, NOPSEMA undertook a process of financial assessment and modelling to identify whether a levy increase would be required, and if so, by how much. The outcome of this process was a proposed increase to levies by 20 percent. The NOPSEMA CRIS sets out the rationale and details to support this levy increase.

Consultation with levy payers, the Department of Finance, and the Department of Industry, Science, Energy, and Resources found the proposed increase to be appropriate and proportionate for NOPSEMA to maintain regulatory activities and to undertake activities to ensure the regulatory regime is appropriately protecting Australian taxpayers from liabilities arising from ageing infrastructure projects.

In September 2021, the Minister for Resources and Water advised NOPSEMA that a 10% increase in the levies had been approved following consideration of the CRIS and other factors. The increase in the levies will take effect on 1 January 2022.

In 2022 and beyond, NOPSEMA will maintain its core regulatory functions and redirect resourcing invested in other activities, to ensure a sustainable budget position.

Date: 16 November 2021



National Offshore Petroleum Safety and Environmental Management Authority

COST RECOVERY IMPLEMENTATION STATEMENT

Regulation of occupational health and safety, structural integrity and environmental management of Australian offshore petroleum and greenhouse gas storage facilities and activities 2021-22

Cost recovery involves government entities charging individuals or non-government organisations some or all of the efficient costs of a specific government activity. This may include goods, services or regulation, or a combination of them. The Australian Government Charging Framework, which incorporates the Cost Recovery Guidelines (the CRGs)¹, sets out the overarching framework under which government entities design, implement and review regulatory charging activities.

¹ The CRGs are available on the Department of Finance website (www.finance.gov.au).

1 INTRODUCTION

1.1 Purpose of the CRIS

This Cost Recovery Implementation Statement (CRIS) provides information on how the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) implements cost recovery for the regulation of offshore facilities and activities. It also reports financial and non-financial performance information for these activities and contains financial forecasts for the period 2022 to 2025.

1.2 Certification

NOPSEMA is a corporate Commonwealth entity and by definition the Chief Executive Officer of NOPSEMA is the accountable authority under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

As the accountable authority, I certify that this CRIS complies with the Australian Government Cost Recovery Guidelines.



Stuart Smith
Chief Executive Officer
NOPSEMA

25 JUNE 2021

Date

1.3 Description of the activity

NOPSEMA has functions and powers conferred on it under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGs Act) and its regulations. The OPGGS Act provides that NOPSEMA is the regulator of occupational health and safety, structural integrity and environmental management for petroleum and greenhouse gas storage exploration and development activities in Australia's offshore areas beyond the first three nautical miles of the territorial sea (as well as designated coastal waters where regulatory functions have been conferred²).

NOPSEMA fulfils its statutory functions by undertaking assessment, inspection, investigation, enforcement, promotion and advisory activities. NOPSEMA's statutory functions associated with the regulation of occupational health and safety, structural integrity and environmental management are funded through respective cost recovery charges.

² Currently Victoria has conferred occupational health and safety and structural integrity powers to NOPSEMA.

1.3.1 Occupational health and safety

NOPSEMA's functions in relation to occupational health and safety are outlined in section 646 of the OPGGS Act, as follows:

- (a) *the functions conferred on it by or under this Act in relation to occupational health and safety matters in connection with offshore petroleum operations or offshore greenhouse gas storage operations in Commonwealth waters;*
- (b) *the functions conferred on it by or under a State PSLA or the Territory PSLA in relation to occupational health and safety matters in connection with offshore petroleum operations or offshore greenhouse gas storage operations in the designated coastal waters of that State or Territory;*
- (c) *to promote the occupational health and safety of persons engaged in offshore petroleum operations or offshore greenhouse gas storage operations;*
- (d) *to develop and implement effective monitoring and enforcement strategies to secure compliance by persons with their occupational health and safety obligations under this Act and the regulations;*
- (e) *to:*
 - (i) *investigate accidents, occurrences and circumstances that affect, or have the potential to affect, the occupational health and safety of persons engaged in offshore petroleum operations or offshore greenhouse gas storage operations in Commonwealth waters; and*
 - (ii) *report, as appropriate, to the responsible Commonwealth Minister, and to State and Northern Territory Petroleum Ministers, on those investigations;*
- (f) *to advise persons, either on its own initiative or on request, on occupational health and safety matters relating to offshore petroleum operations or offshore greenhouse gas storage operations;*
- (g) *to make reports, including recommendations, to:*
 - (i) *the responsible Commonwealth Minister; and*
 - (ii) *each State and Northern Territory Petroleum Minister;*
on issues relating to the occupational health and safety of persons engaged in offshore petroleum operations or offshore greenhouse gas storage operations.

1.3.2 Structural integrity

NOPSEMA's functions in relation to the structural integrity of facilities, wells and well-related equipment are outlined in section 646 of the OPGGS Act, as follows:

- (ga) the functions conferred on it by or under this Act in relation to the structural integrity of:
 - (i) facilities (within the meaning of Schedule 3); or*
 - (ii) wells; or*
 - (iii) well-related equipment;*located in Commonwealth waters;*
- (gb) the functions conferred on it by or under a State PSLA or the Territory PSLA in relation to the structural integrity of:
 - (i) facilities; or*
 - (ii) wells; or*
 - (iii) well-related equipment;*located in the designated coastal waters of that State or Territory;*
- (gc) to develop and implement effective monitoring and enforcement strategies to ensure compliance by persons with their obligations under a structural integrity law;*
- (gd) to investigate accidents, occurrences and circumstances that involve, or may involve, deficiencies in the structural integrity of:
 - (i) facilities (within the meaning of Schedule 3); or*
 - (ii) wells; or*
 - (iii) well-related equipment;*located in Commonwealth waters;*
- (ge) to report, as appropriate, to the responsible Commonwealth Minister, and to State and Northern Territory Petroleum Ministers, on investigations covered by paragraph (gd);*
- (gf) to advise persons, either on its own initiative or on request, on matters relating to the structural integrity of:
 - (i) facilities (within the meaning of Schedule 3); or*
 - (ii) wells; or*
 - (iii) well-related equipment;*located in Commonwealth waters.*

1.3.3 Environmental management

NOPSEMA's functions in relation to environmental management are outlined in section 646 of the OPGGS Act, as follows:

- (gg) the functions conferred on it by or under this Act in relation to offshore petroleum environmental management in connection with operations in Commonwealth waters;*
- (gh) the functions conferred on it by or under this Act in relation to offshore greenhouse gas storage environmental management in connection with operations in Commonwealth waters;*
- (gi) the functions conferred on it by or under a State PSLA or the Territory PSLA in relation to offshore petroleum environmental management in connection with operations in the designated coastal waters of that State or Territory;*
- (gj) the functions conferred on it by or under a State PSLA or the Territory PSLA in relation to offshore greenhouse gas storage environmental management in connection with operations in the designated coastal waters of that State or Territory;*
- (gk) to develop and implement effective monitoring and enforcement strategies to ensure compliance by persons with their obligations under an environmental management law;*
- (gl) to investigate accidents, occurrences and circumstances that involve, or may involve, deficiencies in:
 - (i) offshore petroleum environmental management in connection with operations in Commonwealth waters; or*
 - (ii) offshore greenhouse gas storage environmental management in connection with operations in Commonwealth waters;**
- (gm) to report, as appropriate, to the responsible Commonwealth Minister, and to State and Northern Territory Petroleum Ministers, on investigations covered by paragraph (gl);*
- (gn) to advise persons, either on its own initiative or on request, on matters relating to offshore petroleum environmental management;*
- (go) to advise persons, either on its own initiative or on request, on matters relating to offshore greenhouse gas storage environmental management.*

1.3.4 Additional functions

In addition to the aforementioned three categories of functions, NOPSEMA has the following additional statutory functions outlined in section 646 of the OPGGS Act (these functions do not have separate cost recovery charges):

- (gp) when requested by the responsible Commonwealth Minister, to provide information, assessments, analysis, reports, advice and recommendations to the responsible Commonwealth Minister in relation to the performance of the responsible Commonwealth Minister's functions, or the exercise of the responsible Commonwealth Minister's powers, in relation to offshore greenhouse gas storage operations;*
- (gq) to develop and implement effective monitoring and enforcement strategies to ensure compliance by persons with their obligations under this Act and the regulations (other than the obligations referred to in paragraphs (d), (gc) and (gk));*
- (gr) to cooperate with the Titles Administrator in matters relating to the administration and enforcement of this Act and the regulations;*
- (h) to cooperate with:*
 - (i) other Commonwealth agencies or authorities having functions relating to regulated operations; and*
 - (ii) State and Northern Territory agencies or authorities having functions relating to regulated operations;*
- (i) such other functions as are conferred on it by or under this Act;*
- (j) to do anything incidental to or conducive to the performance of any of the above functions.*

Note 1: For a limitation on the conferral of the functions referred to in paragraphs (b), (gi) and (gj), see subsection 646A(1A).

Note 2: For a limitation on the conferral of the functions referred to in paragraph (gb), see subsection 646A(1B).

1.3.5 Policy outcomes achieved

The Government policy outcome for NOPSEMA is to promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight.

1.3.6 The appropriateness of cost recovery for the activity

- The activities being provided by NOPSEMA are: assessment, compliance monitoring, investigation, enforcement, and advice and promotion. These activities are separately identifiable tasks that can be allocated to an appropriate levy or charged as a fee.
- The activities are undertaken by NOPSEMA as a Corporate Commonwealth Entity (CCE) on a not-for-profit basis.

2 POLICY AND STATUTORY AUTHORITY TO COST RECOVER

2.1 Government policy approval to cost recover the activity

The National Offshore Petroleum Safety Authority (NOPSA) was established on 1 January 2005 with regulatory responsibility for occupational health and safety matters in connection with offshore petroleum operations in Commonwealth waters under the OPGGS Act and under similar legislation of the States and Northern Territory which have conferred powers for designated coastal waters to NOPSA. NOPSA was made accountable to Commonwealth and relevant State/Northern Territory resource ministers through the then Standing Council on Energy and Resources (now Council of Australian Governments Energy Council). The associated safety case levies came into effect on 1 January 2005.

Following various reviews and reports including the Productivity Commission's *Review of Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector* (30 April 2009), the Government announced on 5 August 2009 its intention to move to a single national offshore regulator. The Government subsequently announced it would augment NOPSA's regulatory functions with regards to wells and well-related equipment (structural integrity), and environmental management.

Legislative amendments to provide NOPSA an augmented regulatory function with regard to structural integrity (to be delivered on a cost recovery basis) received royal assent on 16 November 2010. The associated Well levies came into effect from 17 June 2011 through amendments to *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003*, the (OPGGS (Regulatory Levies) Act), and the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations (OPGGS (Regulatory Levies) Regulations).

In November 2010, the Australian Government further extended NOPSA's regulatory functions to include environmental management to be delivered on a cost recovery basis. Legislative amendments with regard to environmental management received Royal Assent on 14 October 2011. The associated environment plan levy came into effect from 1 January 2012.

NOPSA was renamed NOPSEMA from 1 January 2012 by section 645 of the OPGGS Act in recognition of its augmented regulatory role. In February 2014, NOPSEMA became the sole Commonwealth environmental management regulator for offshore petroleum activities when the Commonwealth Minister for the Environment endorsed NOPSEMA's environmental management authorisation process under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). NOPSEMA continues to be fully funded through cost recovery charges imposed under the OPGGS Act, the OPGGS (Regulatory Levies) Act and the OPGGS (Regulatory Levies) Regulations.

2.2 Statutory authority to charge

Statutory authority for NOPSEMA to charge is provided by the following:

- OPGGS Act
- OPGGS (Regulatory Levies) Act
- OPGGS (Regulatory Levies) Regulations
- Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 (OPGGS (Environment) Regulations).

3 COST RECOVERY MODEL

3.1 Outputs and business processes of the activity

3.1.1 Outcome

The Government policy outcome for NOPSEMA is to promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight.

3.1.2 Outcome strategy

NOPSEMA provides assurance to the government and the community about whether the Australian offshore petroleum industry is doing enough to ensure high standards of safety and environmental management. NOPSEMA also supports improvement and conducts inspections and investigations to determine compliance with legislative requirements and recommendations made following inspections and, in the event of accidents or incidents, NOPSEMA investigates and takes appropriate enforcement action.

3.1.3 Outputs

The effective management of risks in the policy outcome is achieved through a series of outputs related to the different statutory functions of NOPSEMA. NOPSEMA's statutory functions are set out in section 646 of the OPGGS Act and are funded through respective cost recovery charges, as follows:

Occupational health and safety	Structural integrity	Environment management
Safety case levies relate to the number of accepted safety cases in force and billable during the financial year	Well activity levies relate to the number of eligible wells as of 1 January each year, plus the number of new applications for well activities submitted during the financial year	Environment plan levies relate to the number of on-going multi-year environment plans currently in-force, plus new applications of environment plans submitted during the financial year
Safety investigation levies relate to the recharge of costs incurred in the investigation of contraventions of an operator's duties relating to health and safety during the financial year	Well investigation levies relate to the recharge of costs incurred in the investigation of contraventions of a titleholder's duties relating to health and safety during the financial year	
Fees payable relate to the recharge of costs incurred by NOPSEMA relating to an assessment of a safety case for a proposed facility		Fees payable relate to the recharge of costs relating to the submission of offshore project proposals and the assessment of financial assurance arrangements

3.2 Costs of the activity

NOPSEMA's estimated costs of outputs for the 2021-22 budget year are as follows:

Table 1: Budgeted Cost of Outputs in 2021-22:

Output	Direct Costs (\$000's)	Indirect Costs (\$000's)	Total Costs (\$000's)
Occupational Health & Safety	\$10,706	\$1,912	\$12,618
Structural Integrity	\$4,286	\$640	\$4,926
Environment Management	\$9,936	\$1,772	\$11,708
Regulatory Support	\$2,227	\$1,451	\$3,678
Corporate Support	\$6,536	\$2,512	\$9,048
Total	\$33,691	\$8,287	\$41,978
	80%	20%	100%

3.2.1 Cost drivers

In the current budget year, employee expenses are expected to account for 76% of the total cost of NOPSEMA. These are fixed costs based upon the projected key business processes to be performed to deliver the outputs.

Property relating to NOPSEMA offices in Perth and Melbourne represent 8% of total expenses; the two offices are leased on long-term fixed cost leases.

Depreciation and amortisation costs account for 4% of total expense and relate to NOPSEMA's Regulatory Management System software together with office fit-out and equipment.

The remaining minor cost categories are: information technology and communications costs (4%), professional services (4%), recruitment and training costs (1%), travel costs (1%), Promotion costs (1%) and administration and office costs (1%).

3.2.2 Assumption about cost drivers

Employees

There is a wide and diverse range of processes required to be undertaken in order to achieve NOPSEMA's outputs. The regulatory work involved with assessing new submissions from titleholders, operators and proponents can be variable in quantity. There is also on-going regulatory work, such as compliance monitoring and enforcement, which must be undertaken continuously in parallel with the assessment work. Workloads can vary with industry activity and performance, but overall workload is relatively constant so historical employee expenses tend to be reasonable predictors of future expenses.

Building costs

NOPSEMA expects to continue with the long-term building leases in Perth and Melbourne as they support the estimated employee requirements in the current market conditions. Additional building leases may be required if some States or the Northern Territory confer additional powers on NOPSEMA.

Direct costs

- Employee expenses, to include superannuation, allowances, memberships and leave entitlements of the NOPSEMA occupational health and safety, structural integrity, and environment management specialists
- Recruitment, training, equipment, and travel costs of regulatory employees
- External consultants and experts engaged for regulatory purposes
- Workshop expenses incurred for regulatory purposes.

Indirect costs

- Employee expenses of the human resources; information technology and communications; finance and administration functions
- Recruitment, training and travel costs of these functions
- All expenses relating to the Perth and Melbourne offices.

Direct costs

All direct costs are charged in the NOPSEMA financial management and information system against the outputs of occupational health and safety, structural integrity, and environment management.

Allocation of indirect costs

NOPSEMA allocates all indirect expenses on a full-time equivalent (FTE) basis across the three outputs. NOPSEMA commissioned a review by external audit consultants to confirm this as the most appropriate allocation method. Allocations for the current year are as follows:

Table 2 - FTE allocation of indirect costs in 2021-22:

Output	FTE	Indirect Cost %
Occupational Health & Safety (OHS)	40.5	28%
Well Integrity (WI)	13.7	10%
Environment Management (EM)	38.0	26%
Regulatory Support	25.1	17%
Corporate Support	27.0	19%
Total	144.3	100%

Table 2A - FTE allocation of NOPSEMA Outputs 2021-22:

Output	OHS	WI	EM	Total
Direct FTE of Regulatory specialists	40.6	13.6	38.0	92.2
Allocation of Regulatory Support by FTE	11.0	3.7	10.4	25.1
Allocation of Corporate Support by FTE	11.9	4.0	11.1	27.0
Total	63.5	21.3	59.5	144.3
Total Allocation %	44%	15%	41%	100%

Capital Costs

- Depreciation and amortisation of assets consists primarily office fit-out costs plus the standardised employee workstations
- Development of the NOPSEMA regulatory management system
- Upgrade and replacement of end user audio-visual equipment.

3.3 Design of cost recovery charges

3.3.1 NOPSEMA cost recovery

To enable NOPSEMA to operate on a full cost recovery basis, levies have been designed for each of the three distinct functions of occupational health and safety, structural integrity and environmental management to match the estimated costs that NOPSEMA needs to incur in order to perform these legislated functions, over time. NOPSEMA surveys industry as part of its business planning cycle, in order to refine expense and revenue forecasts that are based on the number of facilities that may enter/leave NOPSEMA's regime, number of eligible wells, applications for well activities and environment plans that may be submitted.

Table 3: Revenue estimate for the financial year 2021-22:

Levy Type	Levy Item	Total Revenue (\$000's) No change	Total Revenue (\$000's) With change	Output
Safety Case Levy	Safety Management System	\$899	\$977	Occupational Health & Safety
		\$3,179	\$3,497	
		\$431	\$443	
Safety Case Levy	Facility	\$1,989	\$2,143	Occupational Health & Safety
		\$8,971	\$9,868	
		\$955	\$1,254	
Annual Well Levy	-	\$4,213	\$5,058	Structural
Well Activity Levy	Well Operations Management Plans	\$847	\$932	Structural
Environment Plan Levy	Activity	\$4,982	\$5,302	Environment Management
Environment Plan Levy - New	Compliance	\$2,976	\$3,068	Environment Management
Environment Plan Levy - Multi-Year	Compliance	\$6,390	\$7,668	Environment Management
Offshore Project Proposals	-	\$400	\$400	Environment Management
Offshore Energy	-	\$1,122	\$1,122	Environment Management
Other Revenue	Interest & cost recharges	\$803	\$803	Other
Total Revenue		\$38,157	\$42,535	

Each of the above levy categories are addressed in the following subsections

3.3.2 Changes to levy rates

The only levy change applied by NOPSEMA since 2012 was an increase in the regulatory levy rates from 1 January 2019 in relation to safety case, well integrity and environment plan levies. This increase followed significant changes in the industry and resulted in NOPSEMA returning a deficit for the financial year 2018-19 and a small surplus for financial year 2019-20.

NOPSEMA did not increase regulatory levies in the 2020-2021 financial year, during the peak of the COVID-19 pandemic or in response to declining oil and gas prices. NOPSEMA recognised that the oil and gas industry was impacted by the pandemic and the price falls with trends emerging such as growing maintenance deferrals and an increase in the associated risk. These risks and consequential effects will persist for many years.

NOPSEMA understood that Government required a heightened focus on decommissioning and ageing assets as the industry matures. This focus has been reaffirmed in the Minister's Statement of Expectations released in October 2019, requiring NOPSEMA to look more closely at financial assurance measures and increased oversight of decommissioning plans. NOPSEMA has responded with a significant increase in associated compliance activity.

Changes to levies

As a result of NOPSEMA's internal review and industry stakeholder consultation, the most effective and equitable approach appears to involve applying the increase to all of NOPSEMA's levies.

Table 4 – changes to levy rates from 01 January 2022

Levy Type	Levy Item	Levy rates to 31 Dec 2021 value (\$)		Levy rates from 01 Jan 2022 value (\$)	
Safety Case Levy	Safety Management System	Mobile - per year	\$124,300	Mobile - per year	\$149,200
		Non-Mobile - per year	\$187,000	Non-Mobile - per year	\$224,400
		Pipeline - one-off	\$61,600	Pipeline - one-off	\$74,000
Safety Case Levy	Facility	Mobile - per year	\$38,500	Mobile - per year	\$46,200
		Non-Mobile - per year	\$38,500	Non-Mobile - per year	\$46,200
		Pipeline - one-off	\$15,400	Pipeline - one-off	\$18,500
Annual Well Levy	-	Unit Value - per year	\$4,540	Unit Value - per year	\$5,450
Well Activity Levy	Well Operations Management Plans	Unit Value - per submission	\$38,500	Unit Value - per submission	\$46,200
Environment Plan	Activity	Unit Value - per activity	\$3,960	Unit Value - per activity	\$4,760
Environment Plan	Compliance	Unit Value	\$3,960	Unit Value	\$4,760

3.3.3 Regulatory responsibility for greenhouse gas storage

Regulatory oversight for offshore greenhouse gas storage activities has transferred from the responsible Commonwealth Minister to NOPSEMA. NOPSEMA now regulates offshore activities where captured greenhouse gas emissions are transported and safely stored underground thereby reducing Australia's total atmospheric emissions.

Cost recovery was introduced by the *Offshore Petroleum and Greenhouse Gas Storage (Miscellaneous Amendments) Act 2019*, the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Amendment Act 2019*, and the *Offshore Petroleum and Greenhouse Gas Storage Legislation Amendment (Greenhouse Gas Storage) Regulations 2020*.

The legislation also provides NOPSEMA with inspection and enforcement powers in relation to greenhouse gas storage operations and impose levies in relation to greenhouse gas wells.

The current CRIS period for 2020-21, the Regulatory Levies sets out a zero amount for cost recovery for oversight of greenhouse gas storage activities. While activity is expected to grow in the future, there is currently no regulatory effort applied to oversight of these activities.

3.3.4 Safety case levies

Safety case levies are paid by the operators of facilities as defined under the OPGGS Act. Clause 4 of Schedule 3 of the OPGGS Act defines vessels or structures that are facilities, including any pipe or system of pipes used for offshore petroleum operations or offshore petroleum greenhouse gas storage operations.

A safety case levy is payable when a safety case for a facility is accepted by NOPSEMA and the facility is located or proposed to be located in NOPSEMA waters. The safety case levy is an annual levy, imposed for a calendar year or part of a calendar year depending on when the safety case comes into force and in any subsequent years for a facility other than a pipeline. Safety case levies for a facility other than a pipeline are payable quarterly in arrears. A safety case levy is made up of the sum of:

- the safety management system amount
- the facility amount.

In recognition that mobile facilities (e.g. mobile offshore drilling units, pipelay vessels) may operate on an intermittent basis, section 687 of the OPGGS Act provides for the remittal of part of the safety case levy, subject to a minimum payment of one quarterly instalment in any four consecutive quarters.

For a facility that is a pipeline, the safety case levy is payable only in the year in which a safety case is accepted or a major revision of a safety case is accepted, and is made up of the sum of:

- the safety management system amount
- the pipeline amount.

Safety management system amount

Only one safety management system amount is payable by an operator of a facility regardless of the number of facilities operated.

Facility amount

The facility amount is derived from the facility rating (a rating of 1 to 25 reflecting the increasing complexity of facilities) and the unit value (for mobile and other than mobile facilities). The following are the current values and apply for the period covered by this CRIS:

- unit value for mobile and other than mobile facilities \$46,200
- safety management system for a mobile facility \$149,200
- safety management system for other than a mobile facility \$224,400
- unit value for a pipeline facility \$18,500
- safety management system for a pipeline facility \$74,000

NOPSEMA also has the authority to:

- recover actual costs above a \$30,000 threshold for safety investigations via an Investigation Levy from an individual operator
- costs for investigations below the \$30,000 threshold are met from safety case levies.

Based on the financial year 2021-22, and current levels of offshore activities within NOPSEMA waters, the estimated cost recovery revenue from safety case levies from 2021-22 is set out in table 5.

Table 5 – Estimated cost recovery revenue from Safety Case Levies based on forecast number of facilities operating in NOPSEMA waters during the CRIS validity period

	Safety Case Levies 2021-22 (\$000's) No Change	Safety Case Levies 2021-22 (\$000's) With Change
SMS Amount – Mobile	\$899	\$977
Facility Amount – Mobile	\$1,989	\$2,143
SMS Amount – Other than Mobile	\$3,179	\$3,497
Facility Amount – Other than Mobile	\$8,971	\$9,867
SMS Amount – Pipeline	\$431	\$444
Facility Amount – Pipeline	\$955	\$1,254
Investigation Levy	\$0	\$0
Total Safety Case Levies	\$16,424	\$18,182

Investigation levies have been budgeted as zero above as NOPSEMA is only allowed to recover costs incurred. If a major investigation were to be undertaken, with a cost in excess of the \$30,000 limit, any levies received would simply offset the additional costs incurred by NOPSEMA. These additional costs incurred by NOPSEMA would normally include independent expert witnesses, travel and accommodation and legal fees.

3.3.5 Structural integrity levies (well levies)

Well levies are paid by titleholders who hold the relevant permit or license to conduct well activities and are the responsible persons for the integrity of wells under the OPGGS Act.

The well levies consist of an annual levy, an activity levy in relation to a well operations management plan and an investigation levy.

Annual levy

This levy applies to all eligible wells, that is, any wells having been drilled within title areas but not abandoned, and that require ongoing regulation. An abandoned well is a well that has been made permanently safe and requires no further regulatory scrutiny.

The annual levy funds:

- a) the general compliance monitoring including inspections and routine investigations
- b) maintenance of the ongoing regulatory infrastructure and overheads of NOPSEMA allocated to structural integrity activities.

The annual levy provides the majority of the well levies revenue and so removes short-term revenue fluctuations that might arise from either a reduction or increase in well activities.

The annual levy is payable on 1 January each year and is due within 30 days. The levy is based on the number of eligible and non-abandoned wells that existed in a title area in the preceding calendar year.

The amount per well that will apply during the period covered by this CRIS is \$5,450.

Activity levy

NOPSEMA is required to give specific regulatory approval on the submission of a well operations management plan.

The activity levy is payable at the time that a registered holder of an eligible title submits an application for acceptance of a well operations management plan. The activity levy is only intended to be imposed in relation to the initial submission and for each five-year revision. Interim revisions will not be subject to a well activity levy.

The activity levy provides a variable component that partly reflects the cost of individual approvals. The amount per submission of a well operations management plan that will apply during the period covered by this CRIS is \$46,200.

Investigation levy

This covers additional regulatory costs incurred by NOPSEMA in investigating major well related incidents, and only in respect of occurrences where there is a suspected breach of the titleholder's duty of care in relation to wells and well-related equipment. Routine investigations generally require low inputs from NOPSEMA and form part of NOPSEMA's activities that are cost recovered through the annual levy. A major investigation would be one where actual costs incurred by NOPSEMA are in excess of \$30,000. Costs exceeding \$30,000 would be recovered by the investigation levy from the individual operator.

Table 6 – Estimated cost recovery revenue from Well Levies during the CRIS validity period

	Well Levies 2021-22 (\$000's) No Change	Well Levies 2021-22 (\$000's) With Change
Annual Levy	\$4,213	\$5,057
Well Activity Levy - WOMP	\$847	\$932
Total Well Levies revenue	\$5,060	\$5,989

3.3.6 Environment plan levies

An environment plan levy is paid by titleholders who hold the relevant permit or license to conduct activities as defined in the OPGGS Act. The main influencing factors in determining regulatory effort in relation to environmental management include:

- (a) amount of activity covered by the environment plan including:
 - i. Type of activity (and associated environmental risks to be regulated); and
 - ii. Number of activities covered by the environment plan (i.e. a facility or a number of facilities); and/or
 - iii. Number of different areas (e.g. bioregion or sedimentary basin) in which the activities are to take place
- (b) duration of activity (affects the environmental complexity in assessment to some degree, but more importantly heavily influences the amount of compliance regulatory effort required)
- (c) potential for requiring significant oil spill contingency planning within the environment plan
- (d) range and complexity of environmental risks presented (and associated real and/or perceived stakeholder issues).

The range and complexity of environmental risks is highly variable. This variation has been allowed for in the typical regulatory effort required for a specific type of activity (e.g. conducting a seismic survey in deep water compared with operating an oil production platform) rather than a specific environmental factor in the calculation method as it cannot be reasonably predicted for a particular activity in a transparent and fair manner. The environment plan levy for an environment plan submitted is based on:

- the type of activities that are provided in the description of the activity within the environment plan
- the number of discrete and different activities that are provided in the description of the activity within the environment plan (based on the number of petroleum titles across which activities covered by the environment plan will occur)
- consideration of the duration over which the activities extend as provided in the description of the activity within the environment plan.

The levy is made up of two components, which are calculated separately and subsequently multiplied by the number of activities within the environment plan:

- (a) Activity amount: Imposed on submission of an environment plan for acceptance by NOPSEMA.

This amount is calculated by assigning an activity rating to each type of activity covered by the environment plan that reflects the average regulatory effort required by NOPSEMA in assessing those activities and multiplying the activity rating by the unit value.

- (b) Compliance amount: Divided into equal instalments payable annually 1 January with the first instalment payable to NOPSEMA on submission together with the activity amount.

This amount is calculated by assigning a compliance rating to each discrete and different activity covered by the environment plan that reflects the average ongoing compliance regulatory effort required by NOPSEMA, and multiplying the compliance rating by the unit value, and then multiplying by the number of calendar years across which the activity will take place.

The environment plan levy is calculated as:

$$\text{Number of activities} \times [(\text{unit value} \times \text{activity rating}) + (\text{unit value} \times \text{compliance rating} \times N)]$$

*where N is the number of whole calendar years that the environment plan is valid

The unit value that applies during the period covered by this CRIS is \$4,760. This value was derived from estimates of NOPSEMA's expenditure to regulate the environmental management function and the number and type of activities likely to be submitted to NOPSEMA.

Where an environment plan contains more than one activity of the same kind, each activity is considered separate and is calculated using the formula above. For drilling and surveys only, multiple activities would be considered one activity where they were carried out in a similar manner, in a similar environmental setting and represented similar environmental risks.

Table 7 – Estimated cost recovery revenue from Environment Plan levies 2021-22:

	Environment Levies 2021-22 (\$000's) No Change	Environment Levies 2021-22 (\$000's) With Change
Environment Plan - Activity Levy	\$4,982	\$5,302
Environment Plan - Compliance Levy - New Submissions	\$2,976	\$3,068
Environment Plan - Compliance levy - Multi Year Annual Levy	\$6,390	\$7,668
Offshore Petroleum Projects – Fee	\$400	\$400
Offshore Energy	\$1,122	\$1,122
Total Environment Plan levies revenue	\$15,870	\$17,560

3.3.7 Fees for expenses incurred

For specific activities, NOPSEMA may charge fees reflecting the expenses occurred in carrying out the activity. The activities for which these fees are charged are only undertaken occasionally.

In accordance with section 685 of the OPGGS Act, regulations may provide for the payment of fees to NOPSEMA, in respect of matters in relation to which expenses are incurred by NOPSEMA under the Act or the regulations.

Assessment of safety cases for proposed facilities

NOPSEMA has the authority under regulation 60 of the OPGGS (Regulatory Levies) Regulations to charge such a fee to recover all expenses incurred for the purposes of assessing a safety case in relation to a proposed facility. In accordance with regulation 60 (2) the amount or rate of the fee is an amount or rate determined by the NOPSEMA CEO and must not exceed the total of the expenses incurred by NOPSEMA for the purposes of assessing the safety case.

The NOPSEMA CEO determines the amount or rate of the fee, normally based on average NOPSEMA rates. However, if an activity can be allocated to a specific function or area, then a different rate may apply to reflect the cost of that activity incurred by the relevant area.

As an example, NOPSEMA has previously calculated a rate of \$330 per hour based on cost recovery. This rate was applied to actual time recorded against a specific activity and charged to the relevant recipient of the service provided by NOPSEMA.

Fees for assessing offshore project proposals

NOPSEMA has the authority under regulation 32 of the OPGGS (Environment) Regulations to:

- (1) charge a fee for the consideration of an offshore project proposal in accordance with Part1A of the Regulations.*
- (2) The fee is the total amount of the expenses incurred by NOPSEMA in considering the proposal.*
- (3) However, NOPSEMA may remit the whole or a part of an amount of the fee if NOPSEMA considers that there are good reasons for doing so.*
- (4) The fee is:*
 - (a) due when NOPSEMA issues an invoice for the fee to the person who submitted the proposal; and*
 - (b) payable in accordance with the requirements of the invoice.*

The NOPSEMA CEO determines the amount or rate of the fee, normally based on average NOPSEMA rates. However, if an activity can be allocated to a specific function or area, then a different rate may apply to reflect the cost of that activity incurred by the relevant area.

Fees for assessing financial assurance arrangements

NOPSEMA has the authority under regulation 33 of the OPGGS (Environment) Regulations:

- (1) For section 685 of the OPGGS Act, a fee is payable to NOPSEMA by the titleholder for a petroleum activity if NOPSEMA assesses financial assurance arrangements, proposed by the titleholder in relation to the activity, for the purposes of regulation 5G.*

(2) The amount or rate of the fee is an amount or rate determined by the Chief Executive Officer of NOPSEMA and must not exceed the total of the expenses incurred by NOPSEMA for the purpose of assessing the proposed financial assurance arrangements.

(3) The fee is payable at the time or times agreed in writing between the Chief Executive Officer of NOPSEMA and the titleholder.

Expenses incurred by NOPSEMA for the assessment of financial assurance arrangements may be recovered under regulation 33 of the OPGGS (Environment) Regulations.

Examination of the cost calculation method may be required if the Australian Petroleum Production and Exploration Association (APPEA) method, as provided for in NOPSEMA guidance, is not used or if financial assurance arrangements are complex. In such circumstances, a fee may be payable under regulation 33 to allow NOPSEMA to engage relevant experts to thoroughly assess financial assurance arrangements proposed by the titleholder. In such instances, the fee recovered will not exceed the total of expenses incurred by NOPSEMA for the purposes of assessing the proposed financial assurance arrangements.

3.3.8 Review of NOPSEMA levies

Since the last levy increase in 2019, NOPSEMA deferred a planned 2021 increase due to the impact of the global COVID-19 pandemic on industry and has continued to expand regulatory functions that are yet to be cost recovered.

Over and above NOPSEMA's base regularly functions encompassing assessment, inspection, enforcement, promotion, and advisory, additional functions implemented and not yet cost recovered include management of the publication and public comment processes for environment plans.

In addition, in 2020, NOPSEMA established a dedicated COVID-19 taskforce to provide a rapid response to the emerging crisis and provide ongoing support to industry. This ensured industry continued to meet its obligation to keep the workforce safe throughout the pandemic and has resulted in Australia having one of the best records of COVID-19 preparedness and response in the global offshore oil and gas sector.

In early 2020, the Australian Government established the Northern Endeavour Taskforce in response to the collapse of the Northern Oil & Gas Australia Pty Ltd group of companies, the owner of the Northern Endeavour facility. Through the provision of technical support and advice to the Australian Government's Northern Endeavour Taskforce, NOPSEMA continues to play a significant role in the ongoing safe management of the facility, with none of this critical work being cost recovered.

More recently NOPSEMA expanded efforts to further apply and enforce section 572 obligations under the OPGGS Act for decommissioning assessment and compliance functions, in accordance with the government's wider agenda on managing Australia ageing offshore infrastructure. In the year ahead NOPSEMA will be building on this responsibility by establishing a dedicated financial assurance function within the agency to expand regulatory oversight of s571 obligations under the OPGGS Act, as a continued commitment to the government's policy agenda.

The establishment of these additional functions meets the expectations of government to ensure the regulatory regime is appropriately protecting Australian taxpayers from liabilities arising from ageing infrastructure offshore. The implications of industry failing to decommission infrastructure adequately and appropriately at the end of its useful life are substantial and pose safety, environment and financial risks to the community if not effectively regulated.

To manage cost pressures without the planned 2021 levy increase NOPSEMA adopted a range of cost controls including reducing headcount, pausing pay rises, and delaying major IT enhancements. These cost controls were achieved despite a 3.5% CPI increase since the last levy increase. While manageable in the short term, if these cost controls are kept in place for the longer term NOPSEMA's regulatory capacity will be diminished.

Further, it has been agreed with stakeholders that NOPSEMA requires an appropriate cash balance to meet operational expenses, asset replacements and current provisions. A cash balance must be retained to meet liabilities as NOPSEMA cannot draw upon Commonwealth budget appropriations to meet operational expenses, due to its levy-based funding model.

It is acknowledged that variations in activity levels and regulatory effort could result in either under or over recovery from year to year. Should the levy values result in cash reserves which are likely to be significantly higher than required, NOPSEMA will work with industry to agree on appropriate action to limit future levy increases, thus reducing the surplus, consistent with the approach taken for safety case levies between 2010 and 2013; and with levies in general between 2014 and 2018. In such circumstances, strategies to ensure the reduction of the surplus will be discussed with stakeholders at the annual cost effectiveness review held in the first quarter of each calendar year.

To support the additional regulatory work already underway, and to ensure the critical new functions and technology platforms come online as required, NOPSEMA needs a 20% increase to levies. This increase will enable NOPSEMA to adequately resource its baseline regulatory functions, build the new compliance capabilities needed to support the government's policy agenda, and ensure sufficient cash balance is retained to meet current and future liabilities. If approved, the increase will come into effect on 1 January 2022, three years since the last levy increase and only the second increase in a decade as the small levy rise in 2019 followed an extended period of no annual levy increases.

More broadly, regulators in Australia have been grappling with changes in community and government expectations. Regulators are often now expected to adopt a more interventionist approach to compliance that includes increased enforcement activity and engagement with stakeholders. These changing expectations have sometimes followed inquiries and Royal Commissions such as those for the finance and aged care sectors with substantial funding increases to support the regulators. NOPSEMA is subject to the same changing expectations (as evidenced by developments with Ministerial Statements of Expectations) but additional funding has not been provided to date.

NOPSEMA's levy-based funding model ensures the community is not financially burdened for the regulation of the offshore oil and gas sector. NOPSEMA's prudent management of its finances has also ensured it is able to effectively manage regulatory demands while limiting the frequency and amount of levy increases.

While any levy increase can be significant when considered in isolation, the request from NOPSEMA as an amount per regulated duty holder is relatively small, particularly in the context of the activities being regulated. As the industry and independent reviews have recognised, an appropriately resourced regulator ensures a better supported industry, a protected offshore workforce and environment, and confidence that the Australian community is not exposed to financial risks of industry operations.

4 RISK ASSESSMENT

In accordance with the Better Practice Template for a Charging Risk Assessment (the template) for regulatory activities, as published by the Department of Finance, the following risks are identified, and risk ratings assessed:

Changes in cost recovery revenue

The proposed change in annual cost recovery revenue is 20%. According to the template, a fluctuation of over 10% is rated as a high risk.

Total proposed annual cost recovery revenue

For the financial year 2020-21 total cost recovery revenue is estimated to be \$38M with the proposed levy increase representing an additional \$5M per annum. According to the template, total proposed annual revenue of more than \$20M is rated as a high risk.

Policy or activity change requirements

Changes in the level of existing cost recovery charges. The levy unit values are quoted in the OPGGS (Regulatory Levies) Regulations. According to the template this risk is rated as low.

Type of cost recovery charges used

Fees and Levies. This risk is rated as medium.

Legislation requirements for cost recovery

The legislative framework is already in place, so according to the template this risk is rated as low.

Involvement with other Commonwealth / State / Territory government entities

NOPSEMA, as part of the Industry, Innovation and Science Portfolio, liaise directly with the Department of Finance. According to the template this risk is rated as low.

Expected impact of cost recovery

NOPSEMA has had cost recovery in place for many years. Industry is familiar with the procedures involved and the mechanism is generally very well accepted. According to the template this risk is rated as low.

Consultation with stakeholders on cost recovery

NOPSEMA undertakes an annual cost effectiveness report, with the audited report being published on the NOPSEMA website. All operators and titleholders are also invited to an annual stakeholder meeting to discuss this report and any issues in general. Stakeholder engagement on this CRIS was conducted in May 2021. According to the template this risk is rated as low.

Overall cost recovery risk assessment

According to the template this risk is rated as medium.

5 STAKEHOLDER ENGAGEMENT

For the CRIS 2021-22, NOPSEMA contacted all levy payers advising of the proposed changes and inviting them to attend a stakeholder briefing session held on 20 May 2021. Stakeholders participated in person and virtually from: Fugro Australia Marine, FTAI Ocean, Maersk Drilling, Vermillion Energy, Woodside, NOPTA, TechnipFMC, Gulf Energy, ESSO Australia, KATO Energy, Santos, SapuraOMV, Sky Energy Ventures. NOPSEMA also provided stakeholders with time following the briefing to provide further feedback on the proposed changes and consulted directly with the industry peak body (the Australian Petroleum Production and Exploration Association)

The major matters raised by industry were:

- Support by industry for NOPSEMA to be a highly skilled, professional and competent regulator with appropriate processes, procedures and guidance material in place to meet its regulatory requirements.
- The significant reorganisation and restructure industry has undergone during the COVID-19 pandemic, in response to a constrained and challenging commercial and operating environment. In that frame, industry sought clarification on how NOPSEMA may be restructuring its resources and sought clarification on projected growth in NOPSEMA personnel.
- An acknowledgement of the additional advisory responsibilities arising through NOPSEMA resources being allocated to support the Australian Government's Northern Endeavour Taskforce.
- An acknowledgment of the resourcing requirements for NOPSEMA to effectively manage public comment on published environment plans, and the ongoing need for the community to have confidence in NOPSEMA's assessment processes.
- An acknowledgement of the recent changes in government policy on the application of s571 and s572 of the OPGGSA, that will lead to an increase in regulatory oversight by NOPSEMA for financial assurance and decommissioning.
- Industry is seeking a timely review of the levies legislative framework and will seek commitment from Government for a structural review of the framework in the near future and well before the sunset of regulations in 2024.

NOPSEMA also delivered a briefing session to stakeholders on the annual cost effectiveness review.

6 FINANCIAL ESTIMATES

Table 8 – Financial estimates per the Portfolio Budget Statements (PBS) 2020-21

	A	B	C	D	E
	2019-20 Actual (\$000's)	2020-21 Budget (\$000's)	2021-22 Budget (\$000's)	2022-23 Budget (\$000's)	2023-24 Budget (\$000's)
Expenses = X	\$36,076	\$38,958	\$37,896	\$37,226	\$37,227
Revenue = Y	\$36,505	\$38,958	\$37,896	\$37,226	\$37,227
Balance = Y – X	\$429	\$0	\$0	\$0	\$0
Cumulative Balance	\$16,074^b	\$16,053	\$16,053	\$16,053	\$16,053
Explain material variance	The 2020-21 actual is consistent with the PBS budget forecast for the financial year. The future increases in revenue detailed above relate to projected increases in industry activity, not to increases in levy unit values. These industry activity changes are consistent with the 5-Year cycle and re-submission of Environment Plans.				
Explain balance management strategy	With regards to the \$16.1M retained surplus, NOPSEMA's strategy has been to maintain Safety Case, Well Activity and Environment Plan Levy unit values despite increases in cost. Due to the industry downturn, NOPSEMA implemented a recruitment freeze plus other cost saving measures, these proved successful to the point of breaking even as opposed to an anticipated loss. From 2019 NOPSEMA has undertaken recruitment to fill vacant positions and costs have increased resulting in a loss for the financial year 2018-19 and a small surplus in 2019-20. There was an increase in levy unit values of 10% on 1 st January 2019.				

^a As defined by AASB1031 and Division 12 – Materiality and Disclosure of the Finance Minister's Orders.

^b Includes a re-statement of \$2,077 in relation to implementing the new AASB 16 – Leases.

7A FINANCIAL PERFORMANCE

Table 9 – Historical financial performance per the Annual Report

	2014-15 (\$000's)	2015-16 (\$000's)	2016-17 (\$000's)	2017-18 (\$000's)	2018-19 (\$000's)	2019-20 (\$000's)
Expenses = X	\$32,212	\$33,434	\$31,169	\$31,738	\$34,541	\$36,076
Revenue = Y	\$39,713	\$30,607	\$36,232	\$31,960	\$33,109	\$36,505
Balance = Y – X	\$7,501	-\$2,827	\$5,063	\$222	-\$1,432	\$429
Cumulative balance	\$12,542	\$9,715	\$14,778	\$15,000	\$13,568	\$16,074^b
Explain material ^a variance	A new levy structure was introduced in FY12 which created a surplus, levy unit values were again not increased in FY13, with the safety case and environment levies unit values only being revised from 1 st January 2014. In FY15 there were significant submissions of 5-year environment plans producing the surplus and in FY17 NOPSEMA received additional non-recurring safety case and well integrity levy revenue. In FY19 NOPSEMA filled some long-standing staff vacancies funded by increasing levy unit values by 10% from 1 st January 2019.					
Explain impact on balance management strategy	NOPSEMA does not have access to debt arrangements, therefore must maintain liquidity whilst following the concepts of cost recovery. Once maturity has been reached with levy structures in the past, NOPSEMA has successfully managed any surplus by maintaining constant levy unit amounts in the face of rising costs. Levies commenced with safety case in 2005, well integrity levies from 2011 and environment plan levies from 2012. Safety case and well integrity levies can now be forecast with relative accuracy, however environment plan revenue is submission based and subject to significant annual fluctuations.					

^a As defined by AASB1031 and Division 12 – Materiality and Disclosure of the Finance Minister's Orders.

^b Includes a re-statement of \$2,077 in relation to implementing the new AASB 16 – Leases.

7B NON-FINANCIAL PERFORMANCE

NOPSEMA's regulation of the offshore petroleum and greenhouse gas storage sector is subject to a range of governance controls including, parliamentary oversight, ministerial policy direction and independent statutory reviews. The independent Review of NOPSEMA's performance, tabled in Parliament on 16 September 2015, found that NOPSEMA is an effective regulator that has made positive contributions to improving safety, well integrity and managing Australia's offshore environment. This view has been reinforced by the findings of multiple more recent independent reviews by eminent authorities such as Steve Walker from the UK Health and Safety Executive and Prof Allan Finkel AO, (Chief Scientist of Australia).

In 2020, the most recent statutory operational review of NOPSEMA's performance was undertaken. The outcomes of the review are with Government and have not yet been released but NOPSEMA understands the findings are consistent with the earlier independent reviews noted above.

In accordance PGPA Act requirements, NOPSEMA have developed, communicated and implemented Accountable Authority Instructions (AAIs) which form part of the finance law which officials are required to comply with and provides a mechanism to apply the key principles and requirements of the financial framework.

In accordance with ANAO requirements, NOPSEMA complies with internal and external audit measures and NOPSEMA ensures it fully complies with the PGPA.

In addition, NOPSEMA is in compliance with The Regulator Performance Framework (RPF) that came into effect 1 July 2015 and is administered by the Department of the Prime Minister and Cabinet (PM&C). The RPF establishes a common set of performance measures that allows for the comprehensive assessment of regulator performance and their engagement with stakeholders. It comprises six key performance indicators (KPIs), which regulators are required to derive metrics to assess their performance against, namely:

1. Regulators do not unnecessarily impede the efficient operation of regulated entities
2. Communication with regulated entities is clear, targeted and effective
3. Actions undertaken by regulators are proportionate to the risk being managed
4. Compliance and monitoring approaches are streamlined and coordinated
5. Regulators are open and transparent in their dealings with regulated entities
6. Regulators actively contribute to the continuous improvement of regulatory frameworks.

The NOPSEMA Corporate Plan 2020-25 was completed and published within legislative requirements and is on the NOPSEMA website. NOPSEMA has, following an in-depth review and analysis process, been innovative and been able to directly link the development of its Corporate Plan 2020-25 with the compliance requirements of the RPF. The responsible Minister has approved NOPSEMA's metrics to meet the KPIs requirements of the RPF and the alignment between the RPF metrics and the Corporate Plan KPIs has been achieved with the following benefits:

- Integrated performance reporting arrangements can be utilised
- A single consistent report on regulator performance can be delivered i.e. Annual Report
- Clearer message on the expected performance of NOPSEMA to the regulated industry and other stakeholders
- An integrated detailed Annual Operating Plan 2020-21 process to assist NOPSEMA's performance measurement and management as the automated monitoring mechanism for all of the above measures.

8 KEY FORWARD DATES AND EVENTS

Development of this CRIS involved a full review of the activities covered by the CRIS. This process included review by NOPSEMA senior management and the NOPSEMA CEO together with consultation with the Department of Finance, Department of Industry, Science, Energy and Resources and industry stakeholders.

The audit report for the year ended 30 June 2020 is available, and the tables contained within the CRIS have been updated with actuals where possible.

The annual financial statements for 30 June 2020 have been approved and are available on the NOPSEMA website. The annual cost effectiveness report is also available on NOPSEMA's website.

9 CRIS APPROVAL AND CHANGE REGISTER

Table 10 – register of changes to the CRIS

Date of CRIS change	CRIS change	Approver	Basis for change
01-Jul-2015	Update existing CRIS in new Department of Finance format	The Accountable Authority of NOPSEMA and the Minister for Resources, Energy and Northern Australia	New Department of Finance CRIS format
01-Jan-2016	The revised NOPSEMA CRIS document comes into effect	The Accountable Authority of NOPSEMA and the Minister for Resources, Energy and Northern Australia	To reflect changes to well regulations and the subsequent changes to well levies
31-Dec-2018	Updated CRIS approved by the Minister for Resources and Northern Australia; and endorsed by the Department of Finance	The Accountable Authority of NOPSEMA and the Minister for Resources, and Northern Australia	To reflect the new 2018-19 budget year estimates and changes to levy values
01-Jan-2019	The revised NOPSEMA CRIS document comes into effect	The Accountable Authority of NOPSEMA and the Minister for Resources, and Northern Australia	To reflect the new levy rates for all NOPSEMA's regulatory levies