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**STATEMENT OF EXPECTATIONS – NATIONAL OFFSHORE PETROLEUM
SAFETY AND ENVIRONMENTAL MANAGEMENT AUTHORITY**

This Statement of Expectations (SoE) outlines the Australian Government's expectations regarding the role and responsibilities of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) in carrying out its activities and functions related to petroleum and greenhouse gas (GHG) operations. The SoE reflects the Government's commitment to good corporate governance of regulators, ensuring resources are used effectively and industry is regulated appropriately.

NOPSEMA is the independent, expert regulator for health and safety, structural integrity, well integrity and environmental management for offshore petroleum and GHG storage activities in Commonwealth waters, and in coastal waters where regulatory powers and functions have been conferred. The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) provides the overarching framework for NOPSEMA's governance and financial management as a Commonwealth entity, while the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGs Act) specifically outlines its regulatory functions and responsibilities in the offshore petroleum and GHG storage industry.

NOPSEMA's role in the regulation of offshore infrastructure under the *Offshore Electricity Infrastructure Act 2021* is not within the scope of this SoE.

The economic and social environment in which NOPSEMA operates

The Government recognises the importance of Australia's resources sector as a key driver of our economy and our long-term prosperity. Australia is committed to supporting global emissions reductions to reduce the impacts of climate change and reach net zero emissions by 2050. The Government's *Future Gas Strategy* highlights the continued demand for and essential role of gas in the energy transition to achieving net zero emissions targets.

Robust environmental approval processes are key to the social license of the gas industry, and central to the Government's productivity agenda. The Government is currently reviewing Australia's offshore environmental management framework. This review will make sure our offshore environmental management regime reflects best practice for offshore environmental management and is consistent with national reforms.

The Government is also working to develop and implement reforms to decommissioning planning and financial assurance requirements for offshore petroleum titleholders to ensure decommissioning remains the responsibility of industry. The implementation of the *Offshore Resources Decommissioning Roadmap* to strengthen the decommissioning industry is key to this work.

NOPSEMA contributes to the integrity and reputation of Australia's offshore petroleum and GHG industry by fully exercising its regulatory powers, fostering consistent and efficient regulatory practices. The safety and well-being of offshore workers is of paramount importance and NOPSEMA plays a central role in ensuring this remains a priority with a strong focus on continual improvement.

To this end, NOPSEMA is expected to consider the broader social, economic and commercial environment in which it operates. NOPSEMA also has an important role to play in advancing the Government's productivity growth agenda which aims to boost Australia's productivity, resulting in measurable impacts for the Australian community.

NOPSEMA as a Regulator

It is important that NOPSEMA acts independently and objectively in performing its functions and exercising its powers as set out in its governing legislation. The Government also expects NOPSEMA to consider the Government's broad policy framework, including its productivity agenda, in performing its role and meeting its responsibilities.

NOPSEMA is to undertake its regulatory functions in a manner to promote a leading practice regulatory framework and that encourages continuous improvement in safety, structural and well integrity, and environment risk management by the offshore petroleum and GHG industries. It is expected to be transparent, responsive, and regulate in a modern and collaborative way, which encourages high quality industry submissions and outcomes.

NOPSEMA is to maintain a focus on the protection of the marine environment and manage risks to as low as reasonably practicable. It will also proactively work with titleholders to ensure they meet their legislative obligations to undertake decommissioning. NOPSEMA is also expected to take timely, risk-based action against titleholders at higher risk of not meeting decommissioning obligations.

It is important that NOPSEMA continues work on process safety and strives to improve safety outcomes, with a focus on preventing major accident events and zero operational fatalities. It should also foster and promote the importance of workplaces that are safe, respectful, and inclusive, with contemporary management systems.

In line with the Government Crisis Management Framework and relevant crisis management arrangements, NOPSEMA is to ensure titleholders are prepared for and able to respond effectively to an offshore petroleum incident. NOPSEMA is to exercise its powers and responsibilities should such an event occur in Commonwealth waters.

It is also expected that NOPSEMA adopt and maintain an effective risk-based approach to compliance monitoring and enforcement, allowing for proportionate responses to risks suited to their size, nature and complexity.

NOPSEMA's Corporate Responsibilities and Processes

NOPSEMA's Corporate Plan is expected to be developed in consultation with the NOPSEMA Advisory Board and the Department of Industry, Science and Resources (DISR) with NOPSEMA providing it to the Minister for Resources before publishing.

NOPSEMA should adopt a holistic, system-wide approach to risk management and in driving continuous improvement in efficiency, performance, capability, and culture. It must remain flexible and responsive to changing circumstances, looking for opportunities to streamline processes, and reduce regulatory burden in the context of the productivity agenda.

It is expected that NOPSEMA be a cost-efficient and cost-effective regulator who manages its fees, levies and charges in an appropriate and sound long-term manner. This includes an evidence-based approach before seeking agreement to any increases.

NOPSEMA employs staff under the *Public Service Act 1999* (PSA). Under the PSA, agencies are required to uphold and promote the APS Values. All APS employees are required to adhere to the APS Code of Conduct. NOPSEMA is also required to comply with the APS Bargaining Framework in relation to APS employees.

NOPSEMA is to foster a culture of inclusiveness, professionalism, and continuous improvement.

Relationship with stakeholders

NOPSEMA is to proactively keep the Minister for Resources and DISR informed of all significant actions, events, incidents, or issues. NOPSEMA is also expected to provide advance notice to DISR of intentions to participate in government processes, such as parliamentary inquiries, to support a consistent whole-of-government approach.

Regarding relationships with stakeholders, the Government expects NOPSEMA to:

- Ensure that its actions are not inconsistent with the policies of the Government, in accordance with section 21 of the PGPA Act.
- Continue to work collaboratively with DISR, ensuring information is shared as well as raising trends and issues, and being part of the solution process. Where government policy is under development, being implemented or being revised, NOPSEMA is to work with DISR to help inform policy development and implementation and, to maintain alignment between NOPSEMA's operational policies and processes and the Government's priorities and policies.
- Seek advice from the NOPSEMA Advisory Board on strategic matters which enable the industry to take a cost-effective approach to regulatory requirements, while maintaining safety, integrity and environmental management outcomes, and to ensure NOPSEMA is considering all viewpoints on matters to inform the most suitable path forward.
- Maintain a collaborative and sound working relationship with the National Offshore Petroleum Titles Administrator (NOPTA) to ensure information is shared, and a seamless operating environment is created for the industry, whilst reducing costs, and without compromising regulatory integrity and strong regulatory outcomes.
- Continue to engage, maintain or build collaborative relationships with other operational agencies, including the Australian Maritime Safety Authority, and the Department of Climate Change, Energy, the Environment and Water, working to find relevant opportunities to streamline regulatory functions, encouraging sharing of information, and removing duplication.

Conclusion

The Government expects NOPSEMA to publish its statement of intent in response to the SOE on its website and subsequently incorporate the statement of expectations and intent in its Corporate Plan.