

The Hon. Madeleine King MP  
Minister for Resources  
Parliament House  
Canberra ACT 2600

**Subject: NOPSEMA Statement of Intent**

Dear Minister King *Madeleine*

I am writing in response to your letter of 29 June outlining your expectations of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA). This letter sets out how I, as the Chief Executive Officer of the NOPSEMA, will address your expectations as the Responsible Commonwealth Minister under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGs Act).

In preparing my response I have considered advice from the Department of the Prime Minister and Cabinet and the Department of Industry, Science and Resources ('your department') on the wider priorities of the Government and NOPSEMA's contribution towards achieving them.

**Ministerial priorities**

Acknowledging your priorities, in response, NOPSEMA will:

- Work collaboratively with your department, the offshore oil and gas and greenhouse gas storage industry, unions, and workforce representatives to progress the Government's Offshore Oil and Gas Safety Review to ensure Australia's offshore safety regime remains world leading. Further, NOPSEMA will support the implementation of possible reforms to legislation, regulation, practice, or process that arise out of the review to assure the protection and safety of the workforce at all times.
- Continue to deliver equal or better environmental outcomes for offshore oil and gas activities through the streamlined approvals process established under the endorsed program to meet requirements of the *Environment Protection and Biodiversity Conservation Act 1999*. This will include examining the impacts of greenhouse gas emissions through environment plan assessments in support of Australia's greenhouse gas emissions reduction targets under the Paris Agreement, including reducing emissions to 43 per cent below 2005 levels by 2030 and achieving net zero emissions by 2050.
- Apply a whole-of-government approach to ensure the safe and effective management, and decommissioning and remediation, of the Laminaria and Corallina oil fields and the associated infrastructure. NOPSEMA will apply its specialist knowledge and expertise in collaboration with your department to ensure the Government can apply best practice approaches to managing and implementing the decommissioning and remediation activity.
- Maintain a focus on compliance with decommissioning requirements of the OPGGS Act to ensure titleholders are appropriately planning for, and carrying out, required maintenance of property when in use and removal of property when not in use. In addition, NOPSEMA will work with your

department to progress opportunities for reform to ensure Australia's offshore oil and gas decommissioning and remediation framework is robust with all necessary safeguards in place.

- Provide advice to you, and work collaboratively with your department, on the development of a Government response to the 2020 review of the operation of NOPSEMA and subsequent implementation of any accepted recommendations.
- Support your department and work collaboratively with agencies across government to progress a review of Australia's offshore petroleum oil spill response and preparedness framework, ensuring the framework is fit for purpose and industry is meeting their obligation under the framework to assure the protection of the community and environment.

### **The economic and social environment in which NOPSEMA operates**

The offshore oil and gas and greenhouse gas storage industry in Australia continues to evolve and mature responding to both changes in economic and operating environments, as well as changing community expectations.

As the Government's regulator for the safety, well integrity, and environmental management of offshore petroleum and greenhouse gas storage activities in Commonwealth waters and coastal waters where regulatory powers and functions have been conferred, NOPSEMA will continue to meet its obligations to protect the safety of the offshore workforce and the environment, taking a risk-based approach to effective and efficient regulation.

To support the offshore industry to meet its regulatory obligations, NOPSEMA will provide appropriate guidance and clarity around regulatory requirements. NOPSEMA will prioritise the enforcement of compliance with the law and regulations, ensuring safe and environmentally sound operations offshore.

NOPSEMA will ensure the broader social, economic, and commercial environment in which we operate is known and considered through our regulatory activities by engaging with government, industry, workforce, environment, community, and First Nations peoples.

NOPSEMA will ensure alignment between operational policies and processes with those of the Government and will ensure operational policies and practices meet the Government's objectives, through engaging closely with your department and seeking clarification from you or your office where there is ambiguity.

NOPSEMA will foster a culture of support and collaboration with your department and your office to ensure all support required is provided and NOPSEMA contributes constructively to broader government outcomes.

### **Culture, practices, accountability and transparency**

NOPSEMA is cognisant of, and adherent to, the principles of best practice regulation while maintaining an adaptive and responsive approach to changing circumstances, new information and technological advancements.

To ensure NOPSEMA remains an employer of choice with an embedded culture of professionalism and continuous improvement, NOPSEMA will review its capacity to attract and retain specialist staff and adjust employment conditions where possible to adapt to an evolving market. In taking steps to adapt to a changing environment NOPSEMA will seek advice from the NOPSEMA Board and have regard to





the relevant elements of the Government's 'secure Australian jobs' policy when undertaking recruitment and other corporate organisational activities that relate to this policy.

In the pursuit of continuous improvement NOPSEMA will remain abreast of developments, scientific research and new technologies that offer opportunities to further improve regulatory compliance, increase efficiency, and build confidence.

To ensure NOPSEMA's regulatory systems and processes can accommodate technological changes and advancements, NOPSEMA will progress several projects to streamline and improve its regulatory management system. These enhancements will enable online submissions of permissioning documents and improve capabilities for remote inspections. This will result in significant reductions in administrative effort and associated costs for industry while improving efficiency and productivity for NOPSEMA.

Improvements to the regulatory management system will also enable better data analysis providing intelligence and an improved understanding of industry's overall performance. This intelligence will further increase NOPSEMA's capacity to deliver targeted and risk-based regulation and identify opportunities to utilise our advice and promotion functions to achieve regulatory compliance.

As NOPSEMA's remit expands and evolves, and in response to changes in industry and the regulatory environment, NOPSEMA will continue to monitor its capability frameworks to ensure it delivers the highest standard in contemporary regulation.

NOPSEMA will maintain a focus on ensuring the workplaces it regulates have adequate management systems to prevent, and deal with, incidents of harassment of any kind including sexual harassment. To ensure this occurs NOPSEMA will collaborate with partner regulators to maximise access to specialist expertise, increase engagement with workplace Health and Safety Representatives and general members of the workforce, provide multiple safe avenues for workforce reporting to NOPSEMA, and pursue specialist staff training to support NOPSEMA inspectors when managing reports of assault and harassment.

NOPSEMA is committed to ongoing work with your department to develop and implement a revised approach to the oversight of financial assurance, to ensure titleholders demonstrate they hold appropriate financial assurance to meet their costs, expenses, and liabilities over the life of their projects.

In accordance with your expectations, NOPSEMA will:

- promote the regulatory framework in a manner which encourages continuous improvement across the offshore oil, gas and greenhouse gas storage industries
- maintain a focus on process safety and prevention of major accidents and events
- maintain a focus on the protection of the marine environment and managing risks to As Low As Reasonably Practicable ('ALARP')
- adopt and maintain an effective risk-based framework for compliance monitoring and enforcement, supporting a proportionate response to risks suited to their size, nature, and complexity
- operate as a cost efficient and cost-effective regulator who manages the impost it imposes on industry, and its fees, levies and charges, in an appropriate and sound long-term manner. This



will include applying an evidence-based approach to assessing increases and their impacts before seeking your agreement to any increases

- proactively seek and engage with opportunities to remove duplication, streamline processes, reduce regulatory burden and associated costs, improve efficiency and lift productivity
- proactively employ regulatory tools that ensure compliance and risk mitigation in relation to the offshore petroleum and greenhouse gas storage industry
- have in place a sound information management system that records regulatory decisions, including the rationale and supporting evidence for a decision.

## Organisational business

When developing our corporate plan, NOPSEMA will seek advice and recommendations from the NOPSEMA Advisory Board and input from your department before providing it to you for your consideration and response prior to publishing.

To lift performance, improve consistency, and strengthen the risk-based approach to administering regulation, NOPSEMA will consult with the NOPSEMA Advisory Board to identify opportunities to review operational policies, processes, procedures, strategies, and cultural barriers to improvement.

Consideration of these opportunities will occur at meetings of the NOPSEMA Advisory Board, which will occur at least four times per year. Following these reviews, NOPSEMA will provide you with a report on how implementation of proposed changes will improve regulatory activities, efficiency, productivity, and reduce unnecessary impost, cost, and burden on industry.

## Engagement

NOPSEMA will ensure you and your office are informed of significant actions, events, incidents, or issues on a proactive basis and as soon as possible following their emergence or occurrence. Similarly, NOPSEMA will actively engage with your department to collaboratively identify solutions to policy and regulatory challenges and give effect to them.

NOPSEMA will continue to work closely with you, your office, and your department to identify issues, propose solutions and ensure that all parties are well informed and reach consensus on key issues affecting the portfolio, aligning NOPSEMA's operations with government policy.

NOPSEMA will also seek input and guidance from your department on government and ministerial briefings, and participation in government processes and parliamentary inquiries to ensure a whole-of-portfolio perspective is considered and a consistent whole-of-government approach can be taken.

### *The National Offshore Petroleum Titles Administrator (NOPTA)*

NOPSEMA will build on its close and collaborative relationship with NOPTA to identify and address any operational policy, culture or process barriers that may impede on this relationship. NOPSEMA will do this by seeking advice from the NOPSEMA Advisory Board on further opportunities to share expertise, systems, and resources with NOPTA to develop a closer working relationship and seamless operating environment. Upon undertaking this engagement, in consultation with the NOPSEMA Advisory Board and with input from NOPTA, NOPSEMA will provide you with a report outlining our findings and proposed solutions.





## *The NOPSEMA Advisory Board*

NOPSEMA will continue to consult with, and seek advice and recommendations from, the NOPSEMA Advisory Board (the Board) on strategic matters and improvements to operational policies and procedures, as well as the development of the Corporate Plan, to leverage the extensive collective experience and diverse skills of the Board.

NOPSEMA will seek input and guidance from the Board on initiatives to enable NOPSEMA to take a cost-effective approach to its regulatory functions, while maintaining safety, integrity, and environmental outcomes. Consideration of these opportunities will occur at meetings of the Board and at least four times per year.

## *Other government agencies*

NOPSEMA will engage across government to support the Government's policies and priorities. In recognition of the complex interactions between marine users, NOPSEMA will build on existing relationships with your department, the Department of Climate Change, Energy, Environment and Water, and the Australian Maritime Safety Authority. Further, NOPSEMA will engage with state and territory agencies with responsibility for resource, environment, fisheries, and maritime management.

## *Non-government representatives*

Acknowledging the diversity of interests outside of government, NOPSEMA will engage with representative of the offshore petroleum industry, unions and workforce representatives, fisheries operators, environmental advocates, and community organisations to foster collaborative arrangements that ensure all users of the offshore environment can co-exist while maintaining strong safety, integrity, and environmental outcomes.

## *Partner agencies*

To remain a world class regulator in the offshore oil and gas sector, at the forefront of best practice and regulatory innovation, NOPSEMA will continue to engage with its domestic and global counterparts and relevant communities of practice, including chairing of the International Regulator's Forum and the International Offshore Petroleum Environmental Regulators, fostering productive relationships to encourage information sharing and learnings from other jurisdictions.

## **Statement of Intent**

NOPSEMA will ensure that the implementation and publication of your statement of expectations and this statement of intent does not occur until we have received confirmation of your acceptance of this statement. I note that once your acceptance is received, and the statements are published, both will take effect from the date of this statement of intent.

Yours sincerely

Stuart Smith

Chief Executive Officer

02 September 2022