

Annual report on the effectiveness of the operations of NOPSEMA
Financial year 2023 - 2024



CEO's foreword

I am pleased to release this Cost Effectiveness Report for the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) for the financial year 2023–24 (FY24). My role as Chief Executive Officer is to ensure that NOPSEMA maintains effective regulation of the industry through the protection of the offshore workforce and the environment. I am committed to ensuring that NOPSEMA continues to be well placed to respond to current and future challenges.

The focus of this reporting period was to strengthen safety and well management across the industry, while ensuring effective environmental management. We must never forget the safety of the people who work on the offshore facilities every day and night. This safety-first principle was highlighted this year following a dangerous near-miss that resulted in NOPSEMA taking one of its strongest enforcement actions.

Subsequently, we increased our focus on investigations with a new, experienced investigations team. Bringing together investigators and inspectors on joint matters has maximised the skill and expertise across the organisation when responding to major incidents or incidents that could have been more serious. This approach is designed to provide much greater insight into incidents across the industry, allowing input to education activities and regulatory action where required, but also into the longer-term inspection and compliance programs.

In the 2023–24 reporting period, there were 13.7 million hours worked offshore in waters regulated by NOPSEMA, which was an increase of 27% from the 10.8 million hours worked in 2022–23.

During the reporting period, NOPSEMA was responsible for regulating more than a thousand offshore assets comprising fixed and mobile facilities, pipelines, wells, and subsea infrastructure. Our regulatory activity included assessing 164 key permissioning documents, investigating 714 reported incidents and complaints, 126 inspections of facilities/activities/wells, and undertaking 13 compliance and enforcement actions.

NOPSEMA's total expenditure for 2023–24 was \$47.0 million, an increase of \$4.5 million (10.6%) on the previous year, with an operating surplus of \$8.7 million, an increase of \$0.7 million (8%) compared with the previous year's surplus of \$8.0 million. I'm delighted to note that NOPSEMA substantially met all KPI targets for 2023–24.

I would like to wholeheartedly acknowledge the professionalism and expertise of NOPSEMA staff who worked hard during the year to demonstrate the value of an independent, expert regulator. With the support of our Ministers and the guidance of the NOPSEMA Advisory Board — and the considerable efforts of industry, the workforce, and the community — I'm proud to be leading an agency with such a high degree of expertise.



Sue McCarrey
Chief Executive Officer

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Authority to recover

The Australian Government's overarching cost recovery policy is that, where appropriate, recipients of government activities should be charged the costs of those activities. As such NOPSEMA levies the offshore energy industry the costs attributable to the agency's activities undertaken in meeting its policy outcome and legislated functions. NOPSEMA undertakes these activities as a Corporate Commonwealth Entity on a not-for-profit basis.

Policy background

NOPSEMA's policy outcome is outlined in the Portfolio Budget Statements 2023–24 for the Industry, Science, Energy and Resources Portfolio and is as follows:

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.

Legislated functions

NOPSEMA's legislated functions are detailed in section 646 of the OPGGS Act and are summarised as follows:

- to promote the OHS of persons engaged in offshore petroleum operations or offshore greenhouse gas storage operations
- to develop and implement effective monitoring and enforcement strategies to secure compliance by persons with their OHS, structural integrity of facilities, wells and well-related equipment, and environmental management obligations under the OPGGS Act and regulations
- to investigate accidents, occurrences and circumstances relating to OHS, structural integrity of facilities, wells and well-related equipment, and environmental management
- to advise persons on matters relating to OHS, structural integrity of facilities, wells and well-related equipment, and environmental management
- to make reports, including recommendations, to the responsible Commonwealth minister and each responsible state and Northern Territory minister
- to cooperate with other Commonwealth and state or Northern Territory agencies or authorities having functions relating to regulated operations

NOPSEMA fulfills its legislated functions through assessment, inspection, investigation, compliance and enforcement, and promotion and advisory activities.

1 NOPSEMA 2023–24 operations

1.1 Year in brief

This report covers the financial year 2023–24 in which NOPSEMA fulfilled its responsibilities as the national regulator of offshore petroleum safety, well integrity and environmental management.

NOPSEMA's financial result was a surplus of \$8.7 million. This result includes a surplus of \$6.1 million attributed to NOPSEMA's net appropriations, primarily the result of the underspend arising from delays in the implementation of the Digital Transformation Project. NOPSEMA's regulatory functions achieved a surplus of \$2.6 million in financial year 2023–24.

Total levies recognised in 2023–24 was \$43.7 million. This is a \$4.0 million increase on the prior year. Included in the total amount is \$0.3 million of levies that relate to the Offshore Infrastructure Regulator function.

NOPSEMA additionally received \$9.2 million in appropriations from the Australian Government and \$2.7 million in interest and other revenue.

Total expenditure for 2023–24 was \$47.0 million, an increase of \$4.5 million on the previous year. Employee benefits increased by \$4.6 million, and depreciation and amortisation costs increased by \$0.6 million. Non-employee related expenses accounted for 19% of total agency expenditure (21% in 2022–23). Of the total expenditure, \$2.6 million relates to the Offshore Infrastructure Regulator function.

Table 1 NOPSEMA's 2023–24 financial result compared to 2022–23

INCOME STATEMENT				
<i>for the period ended 30 June 2024</i>				
	Actuals 2023-24 \$'000	Actuals 2022-23 \$'000	Variance	
			\$'000	%
INCOME				
Revenue - Cost Recovery				
Levies	43,701	39,696	4,005	10.1
Interest	1,921	941	980	104.1
Other	804	746	58	7.8
	46,426	41,383	5,043	12.2
Gains				
Other gains	0	0	0	0
Revenues from Government				
Revenues from Government	9,229	9,112	117	1.3
Total revenue	55,655	50,495	5,160	10.2
EXPENSES				
Expenses				
Employee benefits	38,268	33,680	4,588	13.6
Suppliers	6,118	6,856	(738)	(10.8)
Depreciation and amortisation	2,169	1,574	595	37.8
Finance costs	411	338	73	21.6
Total expenses	46,966	42,448	4,518	10.6
Surplus / (deficit)	8,689	8,047	642	8.0

Cash and cash equivalents as at 30 June 2024 was \$41.2 million, an increase of \$5.0 million compared to the prior year. Retained earnings for the period 30 June 2024 increased to \$40.6 million. The increase in cash and cash equivalents and retained earnings is largely attributable to appropriations received, delays in the Digital Transformation Project, and the resultant underspend for the year.

The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) came into effect on 1 July 2014 and provides the legal framework for the governance, performance and accountability of, and the use and management of public resources by, the Commonwealth, Commonwealth entities and Commonwealth companies. Under the PGPA Act, NOPSEMA became a Commonwealth corporate entity that is financially separate from the Commonwealth. The entity is fully funded through cost recovery charges imposed under the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003* (OPGGs Act) and *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2022* (OPGGs Regulations).

Since 1 July 2014, NOPSEMA has been responsible for its own banking arrangements. Section 59 of the PGPA Act enables NOPSEMA to invest relevant money under its own account. In 2023–24 NOPSEMA received \$1.9 million in interest from invested monies (interest income from cash at bank).

1.2 Achievement of budget targets

The financial result for 2023–24 was a surplus of \$8.7 million which is an increase of \$8.4 million against a budgeted surplus of \$0.3 million in the Budget (Portfolio Budget Statements 2023–24).

In 2024, NOPSEMA saw a reduced level of levy revenue due to delayed Environmental Plan submissions.

As a response to the reduced revenue, NOPSEMA implemented a strategic pause on non-regulatory recruitment processes, corporate travel, and the execution of budgeted initiatives. This prudent decision led to a significant reduction in expenditures, particularly in employee-related costs and associated supplier expenses.

Revenue from Government exceeded budgeted expectations, following the initiation of the Financial Assurance policy review within the 2024 financial year.

Interest revenue was higher than budgeted, attributable to a combination of higher interest rates and cash reserves exceeding the expected budgetary provisions due to deferred expenditures.

The delay in commencement of the Digital Capabilities Project contributed to additional underspend relative to the allocated budget.

Total levy revenue for 2023–24 was \$43.7 million which is \$7.8 million (15.1 %) below budget due to fewer than expected submissions.

Total expenditure for 2023–24 was \$47.0 million, \$13.6 million (22.4%) lower than budgeted and comprising:

- employee benefits \$6.9 million lower than budget
- supplier costs \$6.9 million lower than budget
- depreciation and amortisation \$0.97 million below budget

Table 2 NOPSEMA's 2023–24 financial result compared to budget

INCOME STATEMENT				
<i>for the period ended 30 June 2024</i>				
	Actuals	Budget	Variance	
	2023-24	2023-24¹		
	\$'000	\$'000	\$'000	%
INCOME				
<i>Revenue - Cost Recovery</i>				
Levies	43,701	51,453	(7,752)	(15.1)
Interest	1,921	70	1,851	2,644.3
Other	804	600	204	34.0
	46,426	52,123	(5,697)	(10.9)
<i>Gains</i>				
Other gains	0	0	0	0.0
<i>Revenues from Government</i>				
Revenues from Government	9,229	8,721	508	0.0
Total revenue	55,655	60,844	(5,189)	(8.5)
EXPENSES				
<i>Expenses</i>				
Employee benefits	38,268	45,149	(6,881)	(15.2)
Suppliers	6,118	12,999	(6,881)	(52.9)
Depreciation and amortisation	2,169	2,266	(97)	(4.3)
Finance costs	411	139	272	195.7
Total expenses	46,966	60,553	(13,587)	(22.4)
Surplus / (deficit)	8,689	291	8,398	2885.9

Note: 2023–24 Budget is the budget published in the Portfolio Additional Estimates Statements 2023-24 Industry, Science, Energy and Resources Portfolio

1.3 Current cost recovery model

The Australian Government's overarching cost recovery policy is that, where appropriate, recipients of government activities should be charged the costs of those activities. The regulatory activities NOPSEMA delivers to industry to meet its legislated functions are funded through the charges in Table 3.

Table 3 NOPSEMA funding

Occupational health and safety	Well integrity	Environmental management
Safety case levies relate to the number of facilities and pipelines in a safety case when it is accepted and the number of	Well levies relate to the number of well operations management plans (WOMP) submitted and the number of eligible wells in	Environment plan levies relate to the number of activities in an environment plan when it is submitted and the number

facilities in accepted and in force safety cases each year.	accepted and in force WOMPs each year.	activities in accepted and in force environment plans each year. Offshore project proposal assessment fees relate to the costs incurred in the assessment of an offshore project.
Safety investigation levies relate to the recovery of costs incurred in the investigation of contraventions of an operator's legislative duties.	Well investigation levies relate to the recovery of costs incurred in the investigation of contraventions of a titleholder's legislative duties.	

1.4 Cost recovery implementation statement

The Cost Recovery Implementation Statement (CRIS) provides information on how NOPSEMA implements cost recovery and contains financial and non-financial performance information and financial estimates. The process for a CRIS is undertaken in accordance with Australian Government Cost Recovery Guidelines and is subject to the oversight by the Department of Finance.

On 15 December 2022, the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2022*, came into force with a 10% increase to the levy rates.

Table 4 Levy rates

Levy	at 30 June 2022	at 1 January 2023
Safety case levies		
Facility Amount - unit value	\$42,400	\$46,600
SMS Amount - mobile facility	\$136,700	\$150,400
SMS Amount - not a mobile facility	\$205,700	\$226,300
Unit value for pipeline facility	\$16,950	\$18,600
SMS for pipeline facility	\$67,800	\$74,600
Environment plan levies		
Activity value	\$4,400	\$4,800
Compliance value	\$4,400	\$4,800
Well levies		
Annual well levy	\$5,000	\$5,500
Well operations management plan	\$42,400	\$46,600

1.5 Safety case levies

Safety case levies were introduced in January 2005. 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 in NOPSEMA's jurisdiction. The definition of a facility is outlined in Schedule 3, Clause 4 of the OPGGS Act. The definition includes vessels, structures (including any pipe or system of pipes), and licensed pipelines used for offshore petroleum operations or offshore petroleum greenhouse gas storage operations.

For vessels and structures, the safety case levy is an annual levy, imposed on the facility operator for the calendar year, or part thereof, depending on when the safety case comes into force. For licensed pipelines, the safety case levy is imposed on the pipeline licensee if a major revision of the safety case has come into

force during the previous year. Safety case levies for a facility (other than a pipeline) are payable quarterly in arrears and remain payable for all years the facility operates in NOPSEMA's jurisdiction.

NOPSEMA's authority includes investigations into complaints, and notifiable and reportable occupational health and safety (OHS) matters. NOPSEMA charges the operator an additional levy (safety investigation levy) to recover the costs associated with the investigation in excess of \$30,000.

Assessments – OHS

NOPSEMA in 2023–24 received 94 safety case assessments (102 in 2022–23), 74 scopes of validation (81 in 2022–23), and issued 88 safety case assessment notifications (98 in 2022–23). 100% of safety case notifications were issued within the legislated timeframe.

Table 5 Safety case assessment notifications for 2023–24

Assessment subtype	Number submitted	Number Notified
Safety case new	19	17
Safety case revised	75	71
Total Safety Cases	94	88
Scope of validation	74	79
Diving SMS new	1	1
Diving SMS revised		
Diving Project Plan		
Diving start-up notice	2	2
Total	77	82

1 Based on date of submission

2 Assessments where NOPSEMA has formally notified the duty holder in writing. Based on date of first notification.

Table 6 Number of facilities subject to safety case levies during each financial year

Year	2017	2018	2019	2020	2021	2022	2023	2024
FLNG	1	1	1	1	1	1	1	1
Large Platforms	3	3	3	3	3	3	3	3
Other platforms								
Drilling occurring	0	1	1	1	1	1	1	1
No drilling occurring	20	18	18	18	18	18	18	18
FPSO	11	10	9	7	7	8	9	9
FSO	1	2	3	0	0	0	0	0
MODU	13	13	12	15	12	7	7	10
Pipe laying vessel	11	16	17	17	20	14	13	13
Multi-purpose vessel	21	14	8	9	10	10	10	16
Pipeline	50	59	68	70	71	73	75	78
Not Normally Attended	15	11	11	11	11	11	11	11
Vessel or structure not otherwise listed	0	4	4	8	8	7	7	7
Total	146	152	155	160	162	153	155	167

The number of facilities subject to safety case levies during 2024 increased to 167 compared to 155 for the previous year. This increase was due to the number safety case assessments increasing by 6 for multi-purpose vessels, by 3 for MODUs and by 3 for pipelines, as seen in Table 6 above.

Inspections – OHS

For the reporting period, NOPSEMA completed a total of 65 safety inspections across a range of facilities and operators. This is a slight decrease from 72 inspections in the previous period. Focus areas for inspections included:

1. Deferred maintenance
2. Structural integrity
3. Loss of containment
4. General occupational health hazards
5. Assets and ageing facilities
6. Decommissioning activities

NOPSEMA's planned inspections involved a range of activities, including:

- Communication with OHS representatives and members of the workforce
- Verifying those actions arising from previous inspections had been completed
- Oversight of compliance to NOPSEMA enforcements actions
- Oversight of structural integrity for late life assets including wells and assets entering into a decommissioning phase
- Oversight of the abandonment of wells

All inspections were undertaken in an informed, risk-based and consistent manner.

Enforcements – OHS

In 2023-24, NOPSEMA issued 11 OHS-related enforcement actions.

Incident notifications – OHS

In 2023-24, there were 582 incidents relating to reportable OHS matters (565 in 2022-23). This figure comprised of 18 accidents (20 in 2022-23) and 564 dangerous occurrences (545 in 2022-23). In addition, there was also 27 OHS-related complaints (24 in 2022-23).

Well levies

Well levies were introduced on 17 June 2011 comprising an annual levy and an activity levy. NOPSEMA is responsible for the administration of Part 5 – Well operations management plans and well activities under the OPGGS (Resource Management and Administration) Regulations 2011.

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

The well activity levy is payable at the time a registered holder of a petroleum title submits an application for acceptance of a WOMP. NOPSEMA is authorised to impose an additional well investigation levy to recover costs reasonably incurred in relation to a well investigation.

Assessments – Well integrity (WI)

During 2023–24, a total of 40 WOMP submissions were received (33 in 2022-23).

Table 7 Well integrity assessment notifications for 2023–24

Assessment subtype	Number Submitted	Number Notified
WOMP -new	19	19
WOMP - Revisions	21	18
Total	40	37

Inspections – WI

In 2023-24, 24 inspections of titleholder’s regulatory compliance with respect to their management of well operations were completed (17 in 2022-23). Focus areas for inspections included monitoring and auditing of well integrity, well barriers, suspension and abandonment, management systems and manage of change.

Enforcements – WI

In 2023-24, NOPSEMA issued no well integrity related enforcements (0 in 2022-23) and no non-statutory compliance actions (2 in 2022-23).

Incident Notifications – WI

In 2023-24, 93 incidents relating to well integrity matters were notified to NOPSEMA (73 in 2022-23)

1.8 Environment plan levies and offshore project proposal fees

On 1 January 2012, NOPSEMA’s regulatory functions and responsibilities were expanded to include environmental management. To fund NOPSEMA’s expanded responsibilities, levies for environment plans (EPs) were introduced, effective from 1 January 2012. The EP levy is comprised of two components - an ‘activity amount’ and a ‘compliance amount.’

The range in complexity that may occur between different petroleum activities and subsequently impact on regulatory effort required to assess submissions is broadly reflected in the levy calculation method in relation to each EP.

The activity component of the levy is payable on submission of an EP or when a proposed revision is submitted and is due 30 days after submission.

The compliance amount is payable in instalments each calendar year for the duration of the petroleum activity, rounded up to the nearest whole year, with the first compliance levy payable on submission and thereafter annually on 1 January.

From 28 February 2014, NOPSEMA also cost recovers for whole-of-project environmental acceptability through the assessment of Offshore Project Proposals (OPPs). To fund OPP assessments, NOPSEMA charges fees on a full cost recovery basis under Regulation 57 of the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2023. OPP assessment fees are calculated in accordance with NOPSEMA’s Schedule of Fees and are based on the total amount of expenses actually incurred by NOPSEMA in considering the proposal.

Table 8 Environment plan assessment notifications for 2023–24

Assessment subtype	Number Submitted	Number Notified
Environment plan (Exploration) - new	10	9
Environment plan (Exploration) - revised	1	1
Environment plan (Development) - new	17	16
Environment plan (Development) - revised	10	9
Offshore Project Proposal - Stage 1	3	3
Offshore Project Proposal - Stage 2	1	0
Total	42	38

In 2023-2024 NOPSEMA received 42 EP/OPP submissions (29 in 22/23).

NOPSEMA also received 48 submissions for title related compliance advice from NOPTA during this period. Requests for advice vary for matters ranging from applications by titleholder to surrender a title, company transfers or renewal of petroleum titles.

Inspections – Environmental Management (EM)

In 2023-24, NOPSEMA conducted 37 environmental management inspections as part of its function to monitor and enforce compliance. These inspections were conducted in accordance with NOPSEMA policy and covered a range of petroleum activities, including seismic surveys, drilling and production operations.

NOPSEMA's inspection programming is primarily driven by consideration of specific risk factors that are informed by regulatory intelligence obtained through assessments, inspections, investigations, notifications, and liaison with domestic and international regulators.

Risk factors include, but are not limited to, compliance history, attitude and behaviour of duty holders, strategic factors and external pressures such as financial pressures, heightened public interest and latent risks.

NOPSEMA's inspection policy also details baseline inspection frequencies (the minimum frequency of inspections that will be undertaken where risk factors have not been identified). NOPSEMA's Environment Inspection baseline frequencies include:

- All new titleholders undertaking exploration or development activity - inspected in the first year of activity commencement.
- Production activities
 - Once during commissioning (start-up) of new production activities
 - Once every five-years for ongoing production activities
- Drilling activities
 - Once every campaign (exploration / development activities)
- Wells and infrastructure - suspended wells and non-producing infrastructure once every five-years
- Decommissioning activities; Seismic activities; 'Other' activities – inspection undertaken based on risk.

Enforcements – EM

In 2023-24, there were 2 enforcements (1 general direction and 1 'Request for a revision to an environment plan').

Incident notifications and investigations – EM

In 2023-24, there were 11 notifications relating to reportable environmental management matters (5 in 2022-23). All notifications were investigated to determine if there was a potential breach of the OPGGS Act, its regulations or an accepted permissioning document.

Advice, liaison and cooperation – EM

A substantial amount of effort is applied by NOPSEMA to engaging with titleholders and other stakeholders to provide advice on environmental management as well as cooperation in performance of NOPSEMA's regulatory functions. In 2023-24 a big focus of engagement with titleholders and other stakeholders continued to be related to consultation requirements in preparation of environment plans following court decisions in 2022 and 2023.

NOPSEMA also published a range of guidance during this period including a revision to its Decommissioning Compliance Strategy 2024-2029.

NOPSEMA continued to maintain liaison and cooperation on a range of topics including:

- Liaison with DCCEEW as part of the Administrative Arrangements for the NOPSEMA EPBC Streamlining Program
- Liaison with DCCEEW in the establishment and implementation of Work Orders under the Deed of Standing Offer
- Participation in DCCEEW's Biodiversity Offsets Regulators Group
- Liaison with DCCEEW to discuss decommissioning projects and assessments that fall under the remit of both the Environment Protection (Sea Dumping) Act 1981 and Environment Regulations.
- Cooperation with DISR regarding enhancements to Australia's decommissioning framework
- Advisory Panel representation in the Blue Economy Cooperative Research Centre
- Participation in the Marine Pest Sectoral Committee
- Cooperation with Parks Australia under Memorandum of Understanding
- National Marine Science Committee (NMSC)
- Engagement with the National Environment Science Program Marine and Coastal Hub, including participation on its Steering Committee
- Attendance to present to AEP Board and relevant committees and working groups
- Supporting DISR on the National Plan Strategic Coordination Committee (NPSCC) governance of the National Plan for Maritime Environmental Emergencies (NatPlan)
- Participation as a member of the Australian Government National Plan Committee (AGNPC) for the implementation of the National Plan for Maritime Environmental Emergencies (NatPlan)
- Participant in the AMSA coordinated working group for the review of the National Plan for Maritime Environmental Emergencies (NatPlan)
- Participation in offshore petroleum relevant State/Territory Maritime Environmental Emergency Response Committees with regards to maritime pollution risks.
- Engagement with WA DMIRS on maritime pollution risk issues through the WA State Maritime Environmental Emergency Committee (WA MEERC)
- Engagement with DCCEEW and the Clean Energy Regulator on the proposed Safeguard Mechanism reforms and GHG emissions advice to inform NOPSEMA decision making
- Engagement with DISR on consultation reforms and the Environmental Management Policy review.
- Engagement with Earth Resources (Victoria) and DMIRS (WA) on regulation of cross jurisdictional petroleum activities
- Engagement with AMSA on updates to MARPOL and Marine Orders and jurisdictional interface between Navigation Act and OPGGS Act regime
- Engagement with Australian Institute of Marine Science

- Engagement with Centre of Decommissioning Australia (CODA) and the National Decommissioning Research Initiative (NDRI)
- Participation in Australian Environmental Law Enforcement and Regulators Network (AELERT) and National Regulator's Community of Practice (NRCoP)
- Engagement with the Australian Securities and Investment Commission (ASIC) to develop a information sharing culture between the two agencies and to improve decommissioning outcomes within industry
- Engaging with DISR regarding policy reform throughout the year including for the regulatory framework for decommissioning of the Laminaria and Corallina project, financial assurance and decommissioning planning
- Working with DISR and DCCEEW on preparing whole of government guidance to industry on property removal obligations under the Sea Dumping Act and OPGGS Act

International liaison and cooperation

- International Offshore Petroleum Environment Regulators forum (IOPER) and IOPER working groups (Marine Sound, Oil Spill and Decommissioning)
- Liaison with industry representative bodies including IOGP and IPIECA on oil spill preparedness

2 Cost effectiveness of NOPSEMA operations 2023-24

2.1 Activities and costs

During the period, NOPSEMA received 395 submissions, mostly of the following types:

- safety case
- scope of validation
- diving safety management system
- diving start-up notice
- well operation management plan
- environmental plan
- petroleum safety zone application
- offshore project proposals

Of these submissions, 164 key permissioning documents were completed. Of the key permissioning documents notified by NOPSEMA, 99% were completed within the legislated timeframes.

Details of NOPSEMA's activity during 2023–24 is summarised in the NOPSEMA Annual Report 2023–24 available at nopsema.gov.au.

2.2 Organisational effectiveness in 2023–24

Organisational effectiveness is determined by assessing the extent to which the desired outcomes and goals of the organisation have been achieved.

The objectives and performance measurement of NOPSEMA and the industry are addressed in NOPSEMA's corporate plan and the annual performance statements published in the NOPSEMA Annual Report, available at nopsema.gov.au. NOPSEMA substantially met all KPI targets for 2023–24.

2.3 NOPSEMA's core activities

Two of NOPSEMA's core activities increased during 2023-24 (Assessments and Investigations). The numbers of each activity undertaken were as follows:

Table 9 Core activities for 2023–24

Core activity	Environmental Management	Occupational Health and safety	Well Integrity	Other ¹	2023–24 Total	2022–23 Total for comparison
Assessments	91	176	72	53	392	384
Inspections	37	65	24	-	126	123
Investigations ²	12	609	93	-	714	668
Enforcements	2	11	-	-	13	20
Liaison	N/A	N/A	N/A	N/A	918	980

2.4 Industry data – hours worked, incidents and complaints

2023–24 data indicates that increases in total hours worked and most incident categories were reported.

Table 9 Hours worked and incidents reported for 2023–24

Activity	2023–24	2022–23	% change
Total hours worked	13.7 million	10.8 million	↑27%
Fatalities	0	1	↓100%
Injuries	84	62	↑35%
Accidents	18	20	↓10%
Dangerous occurrences	564	545	↑3%
Well integrity incidents	93	73	↑27%
Environmental incidents (reportable)	11	5	↑120%
Complaints	28	25	↑12%

Industry data from 2014–2024 can be found on the NOPSEMA website

(<https://www.nopsema.gov.au/about/planning-and-reporting/industry-nopsema-performance-reports>)

under performance datasets.

¹ Includes liaison across multiple divisions or for other corporate or agency liaison

² Includes investigations of incidents and complaints, excludes not-notifiable types

3 Outlook for 2024–25

Table 10 Outlook for 2024–25

INCOME STATEMENT				
	Budget Estimated Actuals 2024-25 \$'000	Audited Actuals 2023-24 \$'000	Variance \$'000 %	
INCOME				
<i>Revenue - Cost Recovery</i>				
Levies	52,732	43,701	9,031	20.7
Interest	2,677	1,921	756	39.4
Other	629	804	(175)	(21.8)
	56,038	46,426	9,612	20.7
<i>Gains</i>				
Other gains	0	0	0	0
<i>Revenues from Government</i>				
Revenues from Government	21,306	9,229	12,077	130.9
<i>Total revenue</i>	77,344	55,655	21,689	39.0
EXPENSES				
<i>Expenses</i>				
Employee benefits	45,767	38,268	7,499	19.6
Suppliers	13,976	6,118	7,858	128.4
Depreciation and amortisation	1,825	2,169	(344)	(15.9)
Finance costs	419	411	8	1.9
<i>Total expenses</i>	61,987	46,966	15,021	32.0
Surplus / (deficit)	15,357	8,689	6,668	76.7

Note 1: 2024-25 Budget Estimated Actuals are as per the published estimated figures in the Portfolio Budget Statements 2025-26 Industry, Science, Energy and Resources Portfolio

3.1 Staffing levels (full time equivalents – FTEs)

NOPSEMA's staffing level for 2023–24 increased to 158.6 Full Time Equivalents (FTEs) as at 30 June 2024 compared to 155.5 FTEs as at 30 June 2023.

NOPSEMA had 195 approved positions as at 30 June 2024. Staffing requirements are reviewed on an ongoing basis taking into consideration any requirements for specific expertise to deliver NOPSEMA's legislated functions.

NOPSEMA's staffing levels are continually reviewed as part of its planning processes and to reflect the need for NOPSEMA to fully acquit its regulatory functions at 'best practice'.



**Shape the future
with confidence**

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4 July 2025

Ms Sue McCarrey
Chief Executive Officer
NOPSEMA
Level 8, 58 Mounts Bay Road
Perth WA 6000

**Agreed-Upon Procedures Report on the accuracy of the Financial Report
on Cost Effectiveness for the 2023-2024 financial year for National
Offshore Petroleum Safety and Environmental Management Authority
("NOPSEMA")**

Purpose of this agreed-upon procedures report

We have performed the procedures agreed with you (the "Engaging Party") solely to assist you in assessing, in combination with other information obtained by you, the accuracy of the Financial Report on Cost Effectiveness, ("Subject Matter") for the 2023-2024 financial year ended 30 June 2024, and may not be suitable for another purpose. The procedures performed are detailed in our engagement agreement dated 4 July 2025 and are also described below.

Responsibilities of the Engaging Party

Management has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

Management is responsible for the Subject Matter on which the agreed-upon procedures are performed.

You are responsible for determining whether the factual findings provided by us, in combination with any other information obtained, provide a reasonable basis for any conclusions which you or other intended users wish to draw on the subject matter.

Responsibilities of the practitioner

We have conducted the agreed-upon procedures engagement in accordance with the Australian Standard on Related Services (ASRS) 4400, *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with Management, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness or the sufficiency of the agreed-upon procedures described below.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.



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Our independence and quality management

We have complied with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*, (APESB Code) and the independence requirements in Part 4A of the APESB Code.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and factual findings

We have performed the procedures described below, which were agreed upon with Management, on the accuracy of the Financial Report on Cost Effectiveness for the 2023-24 financial year.

Procedures Performed	Factual Findings (including errors or exceptions identified)
1. We have agreed the "Actuals 2023-24" column of the Income Statement disclosed in Table 1 to the audited 2023-24 NOPSEMA Financial Statements.	Amounts agreed. No errors or exceptions.
2. We have agreed the "Actuals 2022-23" column of the Income Statement disclosed in Table 1 to the audited 2023-24 NOPSEMA Financial Statements.	Amounts agreed. No errors or exceptions.
3. We have recalculated the variations (both \$'000's and as a percentage) between the "Actuals 2023-24" and "Actuals 2022-23" in Table 1.	Recalculated without exception.
4. We have agreed the "Actuals 2023-24" column of the Income Statement disclosed in Table 2 to the audited 2023-24 NOPSEMA Financial Statements.	Amounts agreed. No errors or exceptions.
5. We have recalculated the variations (both \$'000's and as a percentage) between the "Actuals 2023-24" and "Budget 2023-24" in Table 2.	Recalculated without exception.
6. We have agreed the "Budget Estimated Actuals 2024-25" column of the Income Statement disclosed in Table 9 to the 2024-25 NOPSEMA Budget.	Amounts agreed. No errors or exceptions.
7. We have agreed the "Audited Actuals 2023-24" column of the Income Statement disclosed in Table 9 to the 2023-24 NOPSEMA Financial Statements.	Amounts agreed. No errors or exceptions.
8. We have recalculated the variations (both \$'000's and as a percentage) between the "Audited Actuals 2023-24" and "Budget Estimated Actuals 2024-25" in Table 9.	Recalculated without exception.



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Restriction on use of report

As required by ASRS 4400, *Agreed-Upon Procedures Engagements*, use of this agreed-upon procedures report is restricted to NOPSEMA for the purpose set out above.

This report may be relied upon by NOPSEMA for the purpose set out above only pursuant to the terms of our engagement agreement dated 4 July 2025.

We disclaim all responsibility to any other party for any loss or liability that the other party may suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party or the reliance upon our report by the other party.

Ernst & Young

Ernst & Young

Adelaide
4 July 2025