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NOPSEMA

Australia's offshore
energy regulator

Annual report on the effectiveness of the operations of NOPSEMA
Financial year 2024 - 2025



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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 2024–25 (FY25). 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 continue strengthening safety, well integrity and environmental management across the industry. The safety of our offshore workforce remains paramount. This safety-first principle remained central to our work, with several significant incidents requiring strong regulatory intervention and underscoring the need for robust industry-wide controls.

During the year, we continued to build capability across our investigations function, including bringing together investigators and inspectors on joint matters. This collaborative approach has maximised skills across the organisation when responding to major incidents or those that had the potential to be more serious. This integrated model provides greater insight across the industry, strengthens the quality of regulatory action, informs education activities, and supports longer-term inspection and compliance programs.

In the 2024–25 reporting period, there were 15.9 million hours worked offshore in waters regulated by NOPSEMA, an increase of 16% from the 13.7 million hours worked in 2023–24.

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 receiving 203 key permissioning documents, issuing notice on 205 of them (99% within legislated timeframes), conducting 146 inspections of facilities, wells and activities, investigating 673 notifiable incidents, 30 complaints and 59 instances of non-reportable information, and undertaking 22 compliance and enforcement actions.

NOPSEMA's total expenditure for 2024–25 was \$53.0 million, an increase of \$6.0 million (12.8%) on the previous year. Total revenue recognised was \$86.9 million, including \$61.9 million in levy revenue and \$21.3 million from Government appropriations. This resulted in an operating surplus of \$33.9 million. The financial result reflects resumed assessment activity, the implementation of a 13% levy increase, higher interest earnings and supplementary appropriations.

I'm delighted to note that NOPSEMA met or exceeded the majority of KPI targets for 2024–25. 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

Contents

CEO’s foreword	2
1 NOPSEMA 2024–25 operations.....	5
1.1 Year in brief	5
1.2 Achievement of budget targets	7
1.3 Current cost recovery model	8
1.4 Cost recovery implementation statement	9
1.5 Environment plan levies and offshore project proposal fees.....	9
1.6 Safety case levies.....	12
1.7 Well levies	14
2 Cost effectiveness of NOPSEMA operations 2024-25	16
2.1 Organisational effectiveness in 2024–25	16
2.2 Regulatory activities.....	17
2.3 NOPSEMA’s core activities.....	18
2.4 Industry data – hours worked, incidents and complaints.....	19
3 Outlook for 2025–26.....	20
3.1 Staffing levels (full time equivalents – FTEs)	20

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 2024–25 for the Industry, Science 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 through regulation of the Australian offshore petroleum and greenhouse gas storage industries.

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 2024–25 operations

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).

In its role as the Offshore Infrastructure Regulator (OIR) under the *Offshore Electricity Infrastructure Act 2021* (OEI Act), NOPSEMA also regulates the work health and safety, infrastructure integrity and environmental management, for offshore infrastructure activities in the Commonwealth offshore area.

1.1 Year in brief

Table 1 NOPSEMA's 2024–25 financial result compared to 2023–24

INCOME STATEMENT				
<i>for the period ended 30 June 2025</i>				
	Actuals	Actuals	Variance	
	2024-25	2023-24	\$'000	%
	\$'000	\$'000	\$'000	%
INCOME				
Revenue - Cost Recovery				
Levies	61,941	43,701	18,240	41.7
Interest	3,156	1,921	1,235	64.3
Other	484	804	(320)	(39.8)
	65,581	46,426	19,155	41.3
Gains				
Other gains	0	0	0	0
Revenues from Government				
Revenues from Government	21,306	9,229	12,077	130.9
Total revenue	86,887	55,655	31,232	56.1
EXPENSES				
Expenses				
Employee benefits	43,706	38,268	5,438	14.2
Suppliers	7,057	6,118	939	15.3
Depreciation and amortisation	1,811	2,169	(358)	(16.5)
Finance costs	409	411	(2)	(0.5)
Total expenses	52,983	46,966	6,017	12.8
Surplus / (deficit)	33,904	8,689	25,215	290.2

Note: Income statement includes revenue and expenditure relating to the Offshore Infrastructure Regulator

This report covers the financial year 2024–25 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 \$33.9 million which includes \$21.3 million attributed to NOPSEMA's net appropriations. In 2023-24 the viability of NOPSEMA's cost recovery model was impacted by a reduction in submissions and a delay in acceptance of environment plans due to increased uncertainty associated with the offshore environmental management regulatory framework. As a response to forecast long-term funding shortfalls from levy revenue, NOPSEMA received \$20.0 million in supplementary funding.

Total levies recognised in 2024–25 was \$61.9 million. This is an increase of \$18.2 million on the prior year attributed to the implementation of a 13 percent levy increase across all OPGGS Act levies, increased safety related activity and a notable clearance of environment plans held back in previous years due to uncertainty. Included in the total amount for levies is \$3.9 million that relates to the Offshore Infrastructure Regulator function.

Total expenditure for 2024–25 was \$53.0 million, an increase of \$6.0 million on the previous year. Employee benefits increased by \$5.4 million, and depreciation and amortisation costs decreased by \$0.4 million. Non-employee related expenses accounted for 18% of total agency expenditure (19% in 2023–24). Of the total expenditure, \$3.8 million relates to the Offshore Infrastructure Regulator function.

Cash and cash equivalents as at 30 June 2025 was \$77.8 million, an increase of \$36.6 million compared to the prior year. Retained earnings for the period 30 June 2025 increased to \$74.5 million. The increase in cash and cash equivalents and retained earnings is largely attributable to appropriations received, increase in levy and interest revenue.

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 2024–25 NOPSEMA received \$3.2 million in interest from invested monies (interest income from cash at bank).

1.2 Achievement of budget targets

Table 2 NOPSEMA's 2024–25 financial result compared to budget

INCOME STATEMENT				
<i>for the period ended 30 June 2025</i>				
	Actuals	Budget	Variance	
	2024-25	2024-25¹	\$'000	%
	\$'000	\$'000	\$'000	
INCOME				
<i>Revenue - Cost Recovery</i>				
Levies	61,941	37,015	24,926	67.3
Interest	3,156	609	2,547	418.2
Other	484	552	(68)	(12.3)
	65,581	38,176	27,405	71.8
<i>Gains</i>				
Other gains	0	0	0	0.0
<i>Revenues from Government</i>				
Revenues from Government	21,306	21,306	0	0.0
<i>Total revenue</i>	86,887	59,482	27,405	46.1
EXPENSES				
<i>Expenses</i>				
Employee benefits	43,706	47,028	(3,322)	(7.1)
Suppliers	7,057	12,447	(5,390)	(43.3)
Depreciation and amortisation	1,811	2,227	(416)	(18.7)
Finance costs	409	355	54	15.2
<i>Total expenses</i>	52,983	62,057	(9,074)	(14.6)
<i>Surplus / (deficit)</i>	33,904	(2,575)	36,479	(1,416.7)

Note: Income statement includes revenue and expenditure relating to the Offshore Infrastructure Regulator

¹Budget 2024-25 is the budget published in the Portfolio Budget Statements 2024-25 Industry, Science and Resources Portfolio

The financial result for 2024–25 was a surplus of \$33.9 million which is an increase of \$36.5 million against a budgeted deficit of \$2.6 million as shown in the Portfolio Budget Statements 2024–25.

Operational surpluses of \$12.6 million generated in 2024–25 will be progressively drawn on in future years as activity returns to a steady state level.

The additional \$20.0 million in Government funding will support NOPSEMA's long-term financial sustainability, ensuring the regulator can continue to effectively oversee the industry in the event of a downturn in market activity.

In 2024-25, NOPSEMA saw an increase to levy revenue as a result of the 13 percent increase on all regulatory levies, increased safety related activity and resumed environment plan activities that had been deferred in the previous year.

Total levy revenue for 2024–25 was \$61.9 million which is \$24.9 million (67.3 %) above budget. Budgeted revenue did not include the 13 percent increase and represented a significantly reduced projection of levy activity due to revenue uncertainty at the time of budget preparation.

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

Due to revenue uncertainty early in the 2024-25 financial period, NOPSEMA continued a conservative approach to spending. Delays in recruitment activity contributed to underspend in employee related costs and associated supplier expenses.

Total expenditure for 2024–25 was \$52.9 million which is \$9.1 million (14.6%) lower than budget. The primary driver of the variance in other supplier expenses was the delayed commencement of the Digital Transformation Program until the end of the 2024–25 financial year.

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
The safety case levy relates to the number of facilities and pipelines in a safety case when it is accepted and for each subsequent year the safety case remains in force.	The well activity levy relates to the number of well operations management plan (WOMP) submissions and the annual well levy relates to the number of eligible wells in an in force WOMP each year.	The environment plan levy relates to the number of activities in an environment plan when it is submitted and for each subsequent year the environment plan remains in force up to five years.
The safety investigation levy is a fee imposed for compliance investigations to recover costs above \$30,000.	The well investigation levy is a fee imposed for compliance investigation to recover costs above \$30,000.	Offshore project proposal assessment fees relate to the costs incurred in the assessment of an offshore project.

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.

In March 2024, the Hon Minister King approved NOPSEMA's 2024-2026 CRIS, with the primary change being a 13% increase to regulatory levies. This increase took effect on 1 July 2024.

Table 4 Levy rates

Levy	at 30 June 2024	at 1 July 2024
Safety case levies		
Facility Amount - unit value	\$46,600	\$52,650
SMS Amount - mobile facility	\$150,400	\$169,950
SMS Amount - not a mobile facility	\$226,300	\$255,700
Unit value for pipeline facility	\$18,600	\$21,000
SMS for pipeline facility	\$74,600	\$84,300
Environment plan levies		
Activity value	\$4,800	\$5,420
Compliance value	\$4,800	\$5,420
Well levies		
Annual well levy	\$5,500	\$6,220
Well operations management plan	\$46,600	\$52,650

1.5 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.

Assessments – Environmental management (EM)

In 2024-25 NOPSEMA received 32 EP/OPP submissions (42 in 2023-24).

NOPSEMA also received 53 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.

Table 5 Environment plan assessment notifications for 2024–25

Assessment subtype	Number Submitted ¹	Number Notified ²
Environment plan (Exploration) - new	3	3
Environment plan (Exploration) - revised		
Environment plan (Development) - new	12	13
Environment plan (Development) - revised	13	15
Offshore Project Proposal - Stage 1	1	1
Offshore Project Proposal - Stage 2	3	4
Total	32	36

¹Based on date of submission

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

Inspections – EM

In 2024-25, NOPSEMA conducted 35 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 2024-25, there were 5 enforcements (1 general direction, 1 written advice/warning, 1 improvement notice and 2 'Request for a revision to an environment plan').

Incident notifications and investigations – EM

In 2024-25, there were 10 notifications relating to reportable environmental management matters (11 in 2023-24). All notifications were investigated to determine if there was a potential breach of the OPGGS Act, its regulations or an accepted permissioning document. In addition, there was also 3 environmental management-related complaints.

Advice, liaison and cooperation – EM

NOPSEMA invests significant effort in engagement with titleholders and other stakeholders to provide advice on environmental management and to support the effective performance of its regulatory functions. In 2024–25, engagement continued to focus heavily on consultation requirements associated with the preparation of environment plans, reflecting the implications of court decisions handed down in 2022 and 2023. A key focus of this effort was First Nations engagement.

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
- 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 DEECA (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 (AIMS) on emerging environmental challenges.
- 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)
- 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 and OPGGS Act

International liaison and cooperation

- International Offshore Petroleum Environment Regulators forum (IOPER) and IOPER working groups (Marine Sound, Oil Spill and Decommissioning, and Cultural Heritage/First Nations, respectively)
- Management of Ocean Noise by Multinational Energy Regulators (MONMER)
- International Regulators Forum (IRF)

1.6 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 – Occupational health and safety (OHS)

NOPSEMA in 2024–25 received 114 safety case assessments (94 in 2023–24), 94 scopes of validation (74 in 2023–24), and issued 112 safety case assessment notifications (88 in 2023–24). 99% of safety case notifications were issued within the legislated timeframe.

Table 6 Safety case assessment notifications for 2024–25

Assessment subtype	Number submitted ¹	Number Notified ²
Safety case new	16	14
Safety case revised	98	98
Total Safety Cases	114	112
Scope of validation	94	93
Diving SMS new	1	1
Diving SMS revised	1	1
Diving Project Plan	1	1
Diving start-up notice	4	4
Total	101	100

¹Based on date of submission

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

Table 7 Number of facilities subject to safety cases levies during each financial year

Year	2018	2019	2020	2021	2022	2023	2024	2025
FLNG	1	1	1	1	1	1	1	1
Large Platforms	3	3	3	3	3	3	3	4
Other platforms								
Drilling occurring	1	1	1	1	1	1	1	1
No drilling occurring	18	18	18	18	18	18	18	18
FPSO	10	9	7	7	8	9	9	10
FSO	2	3	0	0	0	0	0	0
MODU	13	12	15	12	7	7	10	9
Pipe laying vessel	16	17	17	20	14	13	13	11
Multi-purpose vessel	14	8	9	10	10	10	16	17
Pipeline	59	68	70	71	73	75	78	79
Not Normally Attended	11	11	11	11	11	11	11	11
Vessel or structure not otherwise listed	4	4	8	8	7	7	7	7
Total	152	155	160	162	153	155	167	168

The number of facilities subject to safety case levies during 2024–25 increased to 168 compared to 167 for the previous year. This increase was due to a slight increase in safety case assessments including for new developments underway (e.g. Crux, Barossa and Scarborough).

Inspections – OHS

For the reporting period, NOPSEMA completed a total of 80 safety inspections across a range of facilities and operators. This is an increase from 65 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 enforcement actions

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

Enforcements – OHS

In 2024-25, NOPSEMA issued 16 OHS-related enforcement actions.

Incident notifications – OHS

In 2024-25, there were 559 incidents relating to reportable OHS matters (582 in 2023-24). This figure comprised of 32 accidents (18 in 2023-24) and 527 dangerous occurrences (564 in 2023-24). In addition, there was also 27 OHS-related complaints (27 in 2023-24).

New work, health and safety regulations

Revisions and amendments to the Offshore Petroleum and Greenhouse Gas Storage Act came into effect on 12 June 2025. The changes were wide-ranging, including the introduction of a Vessel Activity Notification Scheme, the implementation of a mandatory Design Notification Scheme, and several other measures aimed at strengthening offshore worker safety outcomes. NOPSEMA facilitated a series of industry engagement sessions, undertook targeted consultation, and developed a suite of guidance materials to support the transition to the new requirements.

1.7 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 authorized to impose an additional well investigation levy to recover costs reasonably incurred in relation to a well investigation.

Assessments – Well Integrity (WI)

During 2024–25, a total of 54 WOMP submissions were received (40 in 2023-24).

Table 8 Well integrity assessment notifications for 2024–25

Assessment subtype	Number Submitted ¹	Number Notified ²
WOMP -new	26	26
WOMP – Revisions	28	29
Total	54	55

¹Based on date of submission

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

Inspections – WI

In 2024-25, 31 inspections of titleholder’s regulatory compliance with respect to their management of well operations were completed (24 in 2023-24). 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 2024-25, NOPSEMA issued 1 well integrity related enforcements (0 in 2023-24).

Incident Notifications – WI

In 2024-25, 74 incidents relating to well integrity matters were notified to NOPSEMA (93 in 2023-24).

Advice, liaison and cooperation – WI

NOPSEMA invests significant effort in engagement with titleholders and other stakeholders to provide advice on well integrity matters and to support the effective performance of its regulatory functions.

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

- Engagement with DEECA (Resources Victoria) on regulation of cross jurisdictional petroleum activities
- Engagement with DMIRS (WA) on regulation of cross jurisdictional petroleum activities
- Engagement with DISR regarding RMA remake and regulatory activities for decommissioning of the Laminaria and Corallina wells
- Engagement with AEP Drilling Industry Steering Committee on staged WOMP submissions and RMA remake
- Presenting at Energy Club WA Introduction to Industry seminars
- Engagement with the Centre of Decommissioning Australia (CODA)
- Engagement with WA Drillsafe on well integrity and decommissioning subjects

International liaison and cooperation

- Engagement with International Regulators Forum (IRF)
- Engagement with HAVTIL on emerging well integrity technologies

2 Cost effectiveness of NOPSEMA operations 2024-25

2.1 Organisational effectiveness in 2024–25

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.

National Priorities

NOPSEMA's National Priorities represent a focused and risk-based approach to offshore safety and environmental regulation. These priorities guide regulatory efforts toward the most critical challenges in Australia's offshore energy sector, ensuring resources are strategically allocated to drive measurable improvements in safety, integrity, and environmental performance.

The five National Priorities replace the former Strategic Compliance Focus Areas.

1. Structural integrity: Ensuring offshore assets remain safe and well-maintained

Regulatory efforts during 2024-25 include:

- Targeted inspection programming across multiple facility types. This approach will allow the agency to benchmark structural integrity management across facility types and promote a clear understanding of 'what good looks like'.
- Review of guidance materials to industry to ensure NOPSEMA's positions and expectations around structural integrity management are clearly communicated.
- Promoting a lifecycle approach to structural integrity management through regulatory duties.
- Taking regulatory action where required.

2. Addressing redundant wells: Strengthening oversight to ensure wells are decommissioned responsibly

Regulatory efforts during 2024-25 include:

- Decommissioning strategy update to strengthen timely plugging and abandonment of wells.
- Risk-ranking of wells, with a prioritisation on compliance actions for high-risk suspended wells to ensure timely plugging and abandonment.

3. Psychosocial health: Protection of worker mental health and wellbeing

Regulatory efforts during 2024-25 include:

- Strengthening oversight and engagement to support compliance with new legislative requirements on psychosocial risks (effective 12 June 2025).
- Encouraging improved industry reporting to better understand and address mental health, bullying, and harassment.
- Analysing benchmarking inspection campaigns to build understanding of psychosocial risk and management.

4. Control of Work: Promoting effective systems to ensure work is carried out safely and we learn from incidents to continually improve.

Regulatory efforts for this topic will commence in the next financial year and will focus on:

- Promoting effective Control of Work systems, including job task analysis, permit to work processes, and isolations.
- Supporting quality investigation and reporting to improve root cause identification and prevent recurrence.
- Enhancing data collection and analysis to support industry-wide learning from incidents.

5. Leadership and management: Sharing how decision-making impacts safety and environmental outcomes on offshore facilities.

Regulatory efforts during 2024-25 include:

- Engaging with duty-holder leadership to emphasise the link between organisational decision-making and safety/environmental outcomes.
- Enhancing post-incident reviews to understand how leadership decisions influence risk management.
- Utilising research to support evidence-based improvements in leadership practices.

More information on our National Priorities can be found at nopsema.gov.au/NationalPriorities.

2.2 Regulatory activities

NOPSEMA's compliance programs are operated under the NOPSEMA Compliance Strategy and include work streams across:

- advice and promotion of good practice and compliance
- assessments
- compliance monitoring, including inspections
- investigations
- enforcements.

During 2024–25, NOPSEMA:

- received 203 key permissioning documents to assess
- provided notice on 205 key permissioning documents, of which 99% were within legislated timeframes (the 1% of notices which did not meet the legislated timeframe were due to varying extenuating circumstances which were discussed with the duty holder at the time of submission)
- assessed 282 other regulatory submissions
- undertook 146 inspections, from which 567 recommendations were issued
- investigated 673 reports of notifiable incidents, 30 complaints and 59 instances of non-reportable incidents and information
- issued the following enforcements:
 - Direction – general
 - EM improvement notice
 - OHS improvement notice
 - OHS prohibition notice
 - WI improvement notice
 - Request for a revised safety case
 - Request for a revision to an environment plan
- regularly cooperated with other State and Commonwealth agencies which have functions relating to NOPSEMA’s regulated operations, including but not limited to: Department of Industry, Science and Resources (DISR), Department of Climate Change, Energy, the Environment and Water (DCCEEW), Australian Maritime Safety Authority (AMSA), and the Department of Energy, Environment and Climate Action (DEECA), Victoria.

2.3 NOPSEMA’s core activities

Majority of NOPSEMA’s core activities increased during 2024-25. The number of each activity undertaken was as follows:

Table 9 Core activities for 2024–25

Core Activity³	EM	OHS	WI	Other¹	2024-25 Total	2023-24 Total
Assessments	81	218	114	68	481	392
Inspections	35	80	31	-	146	126
Investigations²	13	590	70	-	673	714
Enforcements	5	16	1	-	22	13

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

² Includes notifications of all incidents and complaints, where not all will result in an investigation. Excludes non-notifiable types

³ Disclaimer: Core activity data may be subject to change as new information becomes available. Whilst NOPSEMA endeavours to maintain consistency in the reporting of data, these datasets are subject to continuous improvement and modifications in response to legislative, industry or organisational changes.

2.4 Industry data – hours worked, incidents and complaints

2024–25 data indicates a 16 percent increase in total hours worked. In comparison with 2023-24 data, most activities have shown a decrease in incidents reported.

Table 10 Hours worked and incidents reported for 2024–25

Activity¹	2024-25	2023–24	% change
Total hours worked	15.9 million	13.7 million	↑16%
Fatalities	0	0	0%
Injuries	82	84	↓2%
Accidents	32	18	↑78%
Dangerous occurrences	527	564	↓7%
Well integrity incidents	70	93	↓25%
Environmental incidents (reportable)	10	11	↓9%
Complaints	30	28	↑7%
Psychosocial (reportable)	4	0	↑100%

¹ Disclaimer: Industry data may be subject to change as new information becomes available. Whilst NOPSEMA endeavours to maintain consistency in the reporting of data, these datasets are subject to continuous improvement and modifications in response to legislative, industry or organisational changes.

3 Outlook for 2025–26

Table 11 Outlook for 2025–26

INCOME STATEMENT				
	Budget Estimated Actuals	Audited Actuals	Variance	
	2025-26¹ \$'000	2024-25 \$'000	\$'000	%
INCOME				
<i>Revenue - Cost Recovery</i>				
Levies	60,034	61,941	(1,907)	(3.1)
Interest	2,549	3,156	(607)	(19.2)
Other	576	484	92	19.0
	63,159	65,581	(2,422)	(3.7)
<i>Gains</i>				
Other gains	0	0	0	0
<i>Revenues from Government</i>				
Revenues from Government	2,498	21,306	(18,808)	(88.3)
<i>Total revenue</i>	65,657	86,887	(21,230)	(24.4)
EXPENSES				
<i>Expenses</i>				
Employee benefits	49,654	43,706	5,948	13.6
Suppliers	14,544	7,057	7,487	106.1
Depreciation and amortisation	1,838	1,811	27	1.5
Finance costs	321	409	(88)	(21.5)
<i>Total expenses</i>	66,357	52,983	13,374	25.2
Surplus / (deficit)	(700)	33,904	(34,604)	(102.1)

Note: Income statement includes revenue and expenditure relating to the Offshore Infrastructure Regulator

¹Budget Estimated Actuals 2025-26 are as per the published estimated figures in the Portfolio Budget Statements 2026-27 Industry, Science and Resources Portfolio

3.1 Staffing levels (full time equivalents – FTEs)

NOPSEMA's average staffing level (ASL) increased to 170.88 as at 30 June 2025 compared to 158.6 as at 30 June 2024.

NOPSEMA had 202 approved positions as at 30 June 2025. Staffing requirements are reviewed on an ongoing basis taking into consideration any requirements for specific expertise to deliver NOPSEMA's legislated functions and the need to fully acquit its regulatory functions at 'best practice'.



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with confidence**

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4 May 2026

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 2024-2025 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 2024-2025 financial year ended 30 June 2025, and may not be suitable for another purpose. The procedures performed are detailed in our engagement agreement dated 4 May 2026 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 2024-25 financial year.

Procedures Performed	Factual Findings (including errors or exceptions identified)
1. We have agreed the "Actuals 2024-25" column of the Income Statement disclosed in Table 1 to the audited 2024-25 NOPSEMA Financial Statements.	Amounts agreed. No errors or exceptions.
2. We have agreed the "Actuals 2023-24" column of the Income Statement disclosed in Table 1 to the audited 2024-25 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 2024-25" and "Actuals 2023-24" in Table 1.	Recalculated without exception.
4. We have agreed the "Actuals 2024-25" column of the Income Statement disclosed in Table 2 to the audited 2024-25 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 2024-25" and "Budget 2024-25" in Table 2.	Recalculated without exception.
6. We have agreed the "Audited Actuals 2024-25" column of the Income Statement disclosed in Table 11 to the 2024-25 NOPSEMA Financial Statements.	Amounts agreed. No errors or exceptions.

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 May 2026.



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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.

Yours sincerely

Ernst + Young

Ernst & Young
Adelaide
4 May 2026