

Risk Appetite Statements and Mitigation Strategies

Preamble

- NOPSEMA's risk appetite statements communicate NOPSEMA's expectations of how much risk the organisation is willing to accept to achieve its strategic priorities.
- The statements and tolerances represent NOPSEMA's risk posture and will support and guide decision making and strengthen leadership alignment and consensus in the oversight of NOPSEMA's business risks.
- NOPSEMA may need to adjust its risk posture from time to time in response to changing circumstances.
- NOPSEMA's risk posture reflects the risk maturity of the organisation, demonstrates compliance with NOPSEMA's enterprise risk management framework and supports more conscious and considered risk taking.

Strategic Pillar	Risk Appetite Statement	Mitigation Strategies
Securing the organisational health	<p>Corporate functions</p> <p>NOPSEMA has low tolerance for insufficient resources and systems to meet its business objectives.</p>	<ul style="list-style-type: none"> • NOPSEMA's commitment to cost efficient and cost-effective operations and its focus on proportionate cost recovery arrangements, reflect NOPSEMA's responsible management of its resources. • NOPSEMA publishes and presents to industry an annual cost effectiveness report, and regularly engages the responsible Commonwealth Minister and associated Department on opportunities to improve the levy regime via the periodic Cost Recovery Implementation Statement (CRIS), Levy Framework and Regulatory Reviews. Our related accounting policies are externally audited as consistently applied and appropriate. • Our mechanisms to recruit and retain a specialist workforce and our Corporate Plan, annual operating plans and policies for allocating regulatory resources, drives a systematic and consistent approach to how we efficiently allocate our regulatory resources. • NOPSEMA's enterprise risk management framework promotes integrated risk management inclusive of audit and strategic planning, ensuring systems and processes operate effectively to support business objectives.

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	<p>Legislative obligations</p> <p>NOPSEMA has zero tolerance for not meeting legal and statutory obligations.</p>	<ul style="list-style-type: none"> NOPSEMA is committed to ensuring legal and statutory obligations are met, and closely monitors and responds to the risk of non-compliance through regular audits and various other internal oversight mechanisms. NOPSEMA ensures regulatory specialists receive appropriate training to support evidence-based decision making. NOPSEMA is subject to statutory reviews, and regular Government inquiries and consults with the NOPSEMA Advisory Board. NOPSEMA maintains a robust suite of policies and procedures and a legislative compliance register that ensures staff capability to comply with legal and statutory obligations.
	<p>Workplace arrangements</p> <p>NOPSEMA has zero tolerance for illegal conduct, workplace practices that compromise the wellbeing of the workforce and inappropriate standard of conduct.</p> <p>NOPSEMA has low tolerance for inadequate workforce competency.</p>	<ul style="list-style-type: none"> NOPSEMA has robust systems to detect and respond to fraud and corruption and effective systems for reporting and investigating all other disclosable conduct. NOPSEMA is committed to the wellbeing of its staff. Our policies support flexible working arrangements and offer protections against discrimination, harassment, sexual harassment and bullying. We have an established Health, Safety and Environment Committee and Wellbeing Programme that advocate the importance of safeguarding mental and physical wellbeing. NOPSEMA's Reconciliation Action Plan includes practical actions that drive NOPSEMA's contribution to reconciliation both internally and externally. NOPSEMA's Strategic Workforce Plan ensures an effectively managed workforce capability. Our values-based culture is framed by APS Values, APS Employment Principles, and the APS Code of Conduct. This culture sets out clear expectations for staff on our expected standard of conduct.
	<p>Information, technology, and equipment</p> <p>NOPSEMA has low tolerance for inadequate Information, Technology and Data (ITD) capabilities and data management and</p>	<ul style="list-style-type: none"> NOPSEMA invests in its ITD systems and services to appropriately manage record keeping and the reporting of decisions including the rationale and supporting evidence for all regulatory and corporate decisions.

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	<p>enabling equipment used by the workforce to support their work and business operations.</p>	<ul style="list-style-type: none"> NOPSEMA proactively seeks opportunities to improve online portals digitisation and remote technologies to streamline regulatory submissions and to reduce regulatory burden and associated costs.
<p>Delivering our regulatory services</p>	<p>Regulatory approach</p> <p>NOPSEMA has low tolerance for regulatory actions that do not involve due process and procedural fairness.</p> <p>NOPSEMA has moderate tolerance for exercising regulatory powers to test their application.</p>	<ul style="list-style-type: none"> NOPSEMA takes a multifaceted approach to ensure regulatory actions are consistent with administrative law principles and practices. Our Regulatory Services Charter reflects our commitment to consultative arrangements and the publication of various regulatory actions demonstrates our commitment to the transparency of decision making. Regulatory actions are subject to layers of oversight and control to include strategic oversight by NOPSEMA's Compliance Committee, internal legal review and where appropriate independent specialist advice. NOPSEMA is prepared to test new regulatory tools and approaches where the actions are reasonable and have the potential to enhance compliance.
<p>Ensuring stakeholder engagement</p>	<p>Stakeholder relationships</p> <p>NOPSEMA has low tolerance for inadequate engagement with government and health and safety representatives and inadequate consultation with representative bodies and the community.</p>	<ul style="list-style-type: none"> NOPSEMA actively engages across government, with partner agencies and industry, worker's representatives, environmental advocates and the community, through meetings, forums, community and environment reference groups, online feedback, enquiry and complaints mechanisms. In particular, NOPSEMA will consult on major changes to NOPSEMA's regulatory focus areas and strategies. NOPSEMA provides quarterly reports to Ministers, the NOPSEMA Advisory Board, publishes industry performance metrics and publications, and engages global counterparts at the IRF, IOPER, and GOWRF, to ensure Australia gains experience and knowledge of international best practice. NOPSEMA will listen and respond to any feedback on its performance.

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<p>Expanding our scope</p>	<p>Innovation and expanding scope</p> <p>NOPSEMA has moderate tolerance for pursuing additional functions in response to changes in industry and the regulatory environment.</p> <p>NOPSEMA has high tolerance for innovations which improve the effectiveness, efficiency and quality of our processes (acknowledging that other risks are appropriately managed).</p>	<ul style="list-style-type: none"> • NOPSEMA supports the development of a regulatory framework for offshore wind and other renewable technologies. • NOPSEMA will evolve and mature to respond to changes in industry operations and technology and in support of Australia's greenhouse gas emission reduction targets

Key: Risk Appetite Levels

- Zero** The risk is unacceptable to NOPSEMA, it may represent a breach of law or illegal conduct.
- Low** NOPSEMA accepts as little risk as possible and is cautious towards taking the risk.
- Moderate** NOPSEMA takes a balanced and informed approach to taking the risk.
- High** NOPSEMA takes a more vigorous approach to taking the risk for increased benefit or to achieve a strategic outcome.