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23

ANNUAL REPORT



NOPSEMA

Australia's offshore energy regulator

About this report

This report outlines the operations and performance of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), including in its capacity as the Offshore Infrastructure Regulator (OIR), for the financial year ending 30 June 2023.

It has been prepared in accordance with section 46 of the *Public Governance Performance and Accountability Act 2013* (PGPA Act), the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule) and the Department of Finance Resource Management Guide Number 136.

The list of requirements in this report states the information required by the PGPA Act and PGPA Rule and the corresponding page within this report where specific information can be found. This annual report can be found at the NOPSEMA's website at [About us/Planning and reporting/Annual report](#).

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Letter of Transmittal

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

Dear Minister,

I am pleased to present the Annual Report of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) for the year ending 30 June 2023. The Annual Report comprises sections related to the activities of NOPSEMA, as well as sections relating to activities in its capacity as the Offshore Infrastructure Regulator (OIR).

This report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 690 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, which requires that I provide an annual report to you for presentation to Parliament.

The Annual Performance Statements in Part 4 of this report have been prepared in accordance with section 39(1) of the PGPA Act and accurately presents NOPSEMA's performance for the 2022–23 financial year in accordance with subsection 39(2) of the PGPA Act. The report includes NOPSEMA's audited financial statements prepared in accordance with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*.

I certify that I am satisfied that NOPSEMA has in place appropriate fraud control mechanisms that meet our needs and comply with the PGPA Act, PGPA Rule and associated framework applying in 2022–23.

Yours sincerely,



Sue McCarrey
Chief Executive Officer
21 September 2023

PART 1

YEAR IN REVIEW

Chief Executive Officer Review

I am pleased to present the 2022-23 Annual Report for National Offshore Petroleum, Safety and Environment Management Authority (NOPSEMA) – my first since joining in February 2023.

Throughout the reporting period we have continued to focus on our four strategic pillars – our regulatory approach and outcomes, our capability and culture and our relationships and reputation. Preventing a major offshore incident is the primary focus of the industry and NOPSEMA and these focus areas guide our wider regulatory operations to ensure prevention of major accident events, prevention of loss of well control and responsible environmental management and the health and safety of the workforce.

It is with great sadness and concern that NOPSEMA must report that a member of the workforce suffered fatal injuries when working on the North Rankin platform on 2 June 2023. It is understood that high-risk works were being conducted at the time. NOPSEMA offers its condolences to the family, friends, and work colleagues affected by this loss of a loved one. NOPSEMA is investigating this fatal incident.

In response to this incident, NOPSEMA immediately issued a Safety Bulletin to industry and its workforce to advise them of a concerning trend where an increasing number of industry incidents can be linked back to insufficient assessment of risks such as stored energy, exclusion zones, line-of-fire and incorrect equipment selection or improper use. These risks significantly increase when circumstances change during the execution of the job and no, or insufficient, risk re-assessment is done. This bulletin provided a reminder of the need to identify risks and apply effective controls to always protect the safety of personnel. NOPSEMA expects industry to take heed of this reminder and is following up on how work is actually being done through its compliance monitoring and inspection program.

The work that NOPSEMA has been progressing on psychosocial risks to the workforce (including vicarious trauma, harassment and sexual harassment) has been useful in preparing and managing our staff involved in investigating this incident and the skills to appropriately engage with workers involved in or affected by this tragic incident.

NOPSEMA's expectations regarding decommissioning continued through the reporting period, with a particular focus on monitoring compliance with seven general directions that have been issued to titleholders regarding their decommissioning obligations. Greater efforts being made by titleholders to complete necessary planning to undertake decommissioning activities with an increasing number of permissioning documents submitted and assessed by NOPSEMA, which included eight environment plans.

NOPSEMA has a strong leadership role in influencing industry best practice and has developed a strategic plan to set expectations and provide guidance to industry to ensure duty holders implement industry best practice managing process safety.

As a regulator, you can only understand and regulate the industry by having an open dialogue with a range of people that are involved or impacted. NOPSEMA has invested heavily in responding to the Federal Court decision in *Santos NA Barossa Pty Ltd v Tipakalippa [2022] FCAFC 193*. NOPSEMA developed consultation guidelines to support clarity and transparency on the requirements related to assessment of environment plans and offshore project proposals. The guidelines have been supported by workshops and individual meetings with titleholders and First Nations groups to ensure expectations are clear.

We will continue to strengthen our relationships with all stakeholders, industry participants and its workforce, government organisations, unions, First Nations representatives and the many communities that interact with the offshore industry. I will look to provide clarity through engagement across the sector. Achieving this is certainly a challenge, but that's what drew me to the role here at NOPSEMA.

Outside of our regulatory work, we have also undertaken an organisational review during the reporting period, which will implement an integrated structure enabling greater responsiveness to a changing industry and growing areas such as offshore renewables and Carbon Capture and Storage (CCS). This new structure does not require substantial new resources, but rather a restructure of existing resources and a more integrated way of undertaking our functions.

Looking to the future, the year ahead is looking exciting as we continue to develop the functions of the Offshore Infrastructure Regulator (OIR) to oversee the offshore renewables sector. The *Offshore Electricity Infrastructure Act 2021* (OEI Act), which came into effect on 2 June 2022, established the NOPSEMA-administered OIR and includes the regulation of work health and safety, infrastructure integrity and environmental management and financial security for offshore infrastructure activities.

I would take this opportunity to acknowledge the leadership and achievements of the previous NOPSEMA CEO, Stuart Smith during the first half of the reporting period for this annual report.

I am looking forward to continuing Stuart's good work and guiding the organisation through the challenges and opportunities that lie ahead. This will be made easier by the high degree of expertise and professionalism of NOPSEMA's staff, the support of our Ministers and the guidance of the NOPSEMA Advisory Board. I am committed to ensuring it continues to be well placed to respond to future challenges.

Financial performance

In FY 2022-23 NOPSEMA's financial result was a surplus of \$8.0 million. This result includes an \$6.4 million surplus attributed to NOPSEMA's net appropriations, primarily the result of the underspend arising from delays in the implementation of the Digital Capabilities project. NOPSEMA's regulatory functions achieved a surplus of \$1.6 million.

NOPSEMA's total revenue for the year was \$50.5 million, comprising \$39.7 million in revenue from levies and fees, \$9.1 million in appropriations from the Australian Government and \$1.7 million in interest and other revenue.

The appropriations received from the Australian Government were to support the establishment of regulatory functions for offshore electricity infrastructure (\$2.5 million), independent from NOPSEMA's existing cost-recovered functions, and the Digital Transformation Plan (\$6.6 million). The appropriation received for the offshore energy infrastructure was to support legislative and regulatory development processes, building capability, developing guidance materials and supporting stakeholder engagement activities conducted by the *Offshore Infrastructure Regulator* (OIR).

NOPSEMA's total expenses for the year were \$42.4 million with 79% of total expenses related to employees including associated recruitment and training. The major expense categories were employee benefits (\$33.7 million), suppliers (\$6.9 million) and depreciation and amortisation (\$1.6 million).

NOPSEMA continues to carefully manage staffing levels to ensure it can effectively perform its regulatory functions. NOPSEMA remains financially viable with sufficient cash balances to meet future commitments.

NOPSEMA is forecasting a budget surplus of \$0.3 million for 2023–24.

Strategic compliance focus areas

PREVENTING MAJOR ACCIDENT EVENTS

Programs targeting this focus area included:

- identification and management of the human factors influencing the workforce, such as mental health, fatigue and workplaces free from harassment, including sexual harassment
- key safety management systems, the use of management of change, operational risk assessment, performance standards and other tools
- management of structural integrity across the whole of the upstream lifecycle, from the first day of a project until the last day of decommissioning.

PREVENTING LOSS OF WELL CONTROL

Programs targeting this focus area included:

- titleholder and drilling contractor interfaces, including management system interfaces, competency verification systems and management of change
- renewed focus on Titleholder compliance with lifecycle management of their well stock, and consistent with NOPSEMA's published Decommissioning Strategy, a requirement to maintain in good condition and repair or remove when no longer in use
- standardisation of methods for calculating pore pressure and fracture gradients to improve industry ability to predict possible failure pathways and conditions.

RESPONSIBLE ASSET STEWARDSHIP

Programs targeting this focus area included:

- ensuring duty holders have appropriate plans for decommissioning and are executing those plans in a timely, safe and environmentally responsible manner
- providing certainty to industry regarding decommissioning obligations, including issuing policy and guidance in relation to relevant legislative provisions and implementing a decommissioning compliance strategy and plan
- supporting capacity building for decommissioning in industry, including supporting research, collaboration and stakeholder engagement to improve decommissioning outcomes.

EFFECTIVE OIL POLLUTION EMERGENCY PREPAREDNESS

Programs targeting this focus area included:

- maintaining a compliance focus on operational matters including incident management team capability, source control capability, availability and capability of oil spill response providers and international response arrangements
- promoting cooperative solutions with titleholders through collaboration with industry representative bodies, the Australian Petroleum Production & Exploration Association's (APPEA) Oil Spill Working Group, and major oil spill response organisations
- participating in the National Plan Review and supporting the Department of Industry, Science, and Resources (DISR) to review the strengths and limitations of the offshore petroleum spill preparedness and response framework, aiming to clarify and simplify arrangements and inform potential policy and legislative change.

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 FY2022-23, NOPSEMA:

- received 167 key permissioning documents to assess
- provided notice on 168 key permissioning documents, of which 95% were within legislated time frames
- the 5% of notices which did not meet the legislated timeframe were due to varying extenuating circumstances which would have been discussed with the duty holder at the time of submission
- assessed 204 other regulatory submissions
- undertook 122 inspections from which 352 recommendations were issued
- investigated 637 reports of notifiable incidents, 26 complaints and 30 instances of non-reportable incidents and information. (Note – this is closer to the pre-COVID figures of 37 instances of non-reportable incidents and information in 2020-21 compared to the unusual high of 311 during 2021-22 when COVID-19 reports from operators were being entered into our system)
- issued 1 prohibition notice, 5 improvement notices, 6 directions, 2 requests for revised permissioning documents and 6 written advice/warnings
- participated in 956 stakeholder engagement activities.

PART 2

NOPSEMA OVERVIEW

Enabling legislation and principal functions

NOPSEMA is an independent statutory authority established under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act). NOPSEMA's functions are detailed in section 646 of the OPGGGS Act and are summarised as follows:

- to promote the occupational health and safety of persons engaged in offshore petroleum and greenhouse gas storage operations
- to develop and implement effective monitoring and enforcement strategies to secure compliance by persons with their obligations under the OPGGGS Act and regulations, a structural integrity law and environmental management law
- to investigate accidents, occurrences and circumstances that affect, or have the potential to affect, occupational health and safety and involve, or may involve, deficiencies in structural integrity or deficiencies in environmental management
- to report on investigations, as appropriate, to the responsible Commonwealth Minister, and to State and Northern Territory petroleum ministers
- to advise persons, either on its own initiative or on request, on matters relating to occupational health and safety, structural integrity, and environmental management
- to make reports, including recommendations, to the responsible Commonwealth Minister, and to State and Northern Territory petroleum ministers on issues relating to OHS, structural integrity, and environmental management
- to provide information, assessments, analysis, reports, advice and recommendations when requested by the responsible Commonwealth Minister in relation to the Minister performing functions or exercising powers in relation to offshore greenhouse gas storage operations
- to cooperate with the Titles Administrator in relation to the administration and enforcement of the OPGGGS Act and regulations and with other Commonwealth, State and Northern Territory agencies and authorities with functions relating to regulated operations.

On 2 June 2022, the *Offshore Electricity Infrastructure Act 2021* (OEI Act) entered into force. The OEI Act establishes the OIR to regulate the offshore renewables sector.

The functions of the OIR are set out under section 177 of the OEI Act and include regulation of work health and safety, infrastructure integrity and environmental management for offshore infrastructure activities. The functions of the OIR are administered by NOPSEMA.

Jurisdiction

NOPSEMA regulates all petroleum and greenhouse gas storage activities in Commonwealth waters as defined under the OPGGS Act. Commonwealth waters start three nautical miles off the coast and extend to the boundary of Australia's exclusive economic zone.

In accordance with the OEI Act, the OIR is responsible for regulating offshore infrastructure activities in the Commonwealth offshore waters.

NOPSEMA also regulates the health and safety and structural integrity of petroleum and greenhouse gas storage activities in the coastal waters of Victoria following conferral of state powers and functions to NOPSEMA.

Discussions regarding the conferral of powers and functions continues with other jurisdictions.

Vision, purpose, approach and values

OUR VISION

A protected offshore workforce and environment.

OUR PURPOSE

To assure the protection of lives and the environment.

OUR APPROACH

Influence | Oversee | Enforce

OUR VALUES

- Professionalism - we will be accountable, consistent, reasonable and act in accordance with the law.
- Ethics - we will demonstrate respect and integrity in all we do.
- Independence - we will make our decisions impartially on the merits of the circumstances, and without undue influence.
- Leadership - we will be proactive, inclusive and decisive in our conduct as a pre-eminent regulator.
- Collegiality - we will make and act on informed decisions through open and respectful dialogue.



Our outcome

NOPSEMA has a single outcome set by the Australian Government and outlined in the [2023-24 Portfolio Budget Statements](#). Our outcome is to promote and enforce the effective management of risks to the workforce, the environment and the structural integrity of facilities, wells and the well-related equipment of the Australian offshore petroleum and greenhouse gas storage industries through regulatory oversight. Our [Corporate Plan 2022-27](#) articulates how we seek to achieve this outcome and how achievement and success is measured.

Our Ministers

As of 30 June 2023, NOPSEMA's ministers were:

- [The Hon. Madeleine King MP, Minister for Resources and Minister for Northern Australia](#)
- [The Hon. Chris Bowen MP, Minister for Climate Change and Energy](#)
- [The Hon. Tanya Plibersek MP, Minister for the Environment and Water](#)
- [The Hon. Lily D'Ambrosio MP, Minister for Energy and Resources, Victoria](#)



Executive

SUE MCCARREY

Chief Executive Officer

Sue McCarrey joined NOPSEMA in February 2023 following eight years as the Chief Executive and National Rail Safety Regulator at the Office of the National Rail Safety Regulator.

Previously, Sue was the Deputy Director General, Policy, Planning and Investment at the Department of Transport in Western Australia. It was during this time that Sue led work on behalf of WA on Commonwealth and state government reforms to establish the single national rail safety regulator.

Earlier in her career Sue spent several years in the Department of Education, including working on matters relating to Commonwealth-state relations.

Sue is a member of the National Association of Women in Operations and is a Fellow of the Institute of Public Administration. She holds a Bachelor of Law, a Masters in Education and is a Graduate of the Australian Institute of Company Directors.

NICHOLAS PAGE

Director of the Office of the Chief Executive

Nicholas Page was appointed Director, Office of the Chief Executive in May 2021 after five years as NOPSEMA's Legislative Change, Communications and Stakeholder Relations Manager. Leading the Office of the Chief Executive, Nicholas oversees NOPSEMA's communications, legislative, secretariat, and regulatory improvement functions, and is principal advisor to NOPSEMA's CEO and executive leadership team.

With over 15 years' experience in the public sector, Nicholas has a strong record for government relations and ministerial liaison, including roles representing the Australian Government overseas. Prior to joining NOPSEMA, Nicholas held communications leadership roles with the Australian Federal Police and the CrimTrac Agency (now the Australian Criminal Intelligence Commission).

Nicholas holds Certified Practising Marketer and Chartered Manager accreditations and is a Fellow of the Australian Marketing Institute. Nicholas' qualifications include a Bachelor of Communication from Griffith University, a Master of Business from the Queensland University of Technology and is a graduate of the Chartered Institute of Marketing.

DERRICK O'KEEFFE

Head of Safety and Integrity

Derrick O'Keeffe was appointed NOPSEMA's Head of Safety and Integrity in December 2016, following a 34-year career in the oil and gas industry.

Derrick possesses a comprehensive understanding of the objective-based regulatory regime having worked in Australia as a country manager and Executive Director for Murphy Oil, chief operating officer for Strike Energy, and business manager for Woodside Energy. He also has significant international experience, including working in the United Kingdom, US, Asia, North Africa and the Middle East with companies such as British Gas, Cairn Energy, Schlumberger and Marathon Oil.

Derrick's career has involved building multi-cultural, cross-exploration and production teams to develop and deliver growth opportunities. His expertise includes strategy, business development, commercialisation, operations and regulatory management, governance and control, executive crisis management and stakeholder and media relations. His goal is to assist teams to achieve outcomes they had not thought possible.

Derrick holds a Bachelor of Science in chemical engineering from Loughborough University of Technology and a Master of Business Administration from Cranfield University and is a graduate of the Australian Institute of Company Directors.

CAMERON GREBE

Head of Environment, Renewables and Decommissioning

Cameron Grebe was appointed as NOPSEMA's inaugural Head of Environment in August 2011, and in May 2021 the division was expanded to include decommissioning as part of the Australian Government's agenda to increase focus on aging offshore infrastructure. Since 2021, Cameron has also been responsible for leading NOPSEMA's support to the government's establishment of the framework for the offshore renewables sector, culminating in the commencement of the Offshore Infrastructure Regulator in June 2022.

Prior to NOPSEMA, Cameron spent 12 years as an environmental engineer, adviser and manager at Woodside Energy and Shell Global Solutions International. In these roles he was responsible for the environmental and social impact assessment and management of largescale upstream exploration, production and liquefied natural gas projects.

At NOPSEMA Cameron is responsible for leading the agency's regulatory oversight of environmental management across all offshore petroleum activities in Commonwealth waters including oil pollution, risk management and emergency planning. Cameron led the inception and implementation of NOPSEMA's regulation of environmental management, which involved a comprehensive stakeholder engagement and streamlining program. He continues to lead teams of environment specialists to improve environmental management outcomes and NOPSEMA's regulatory activities, which necessitates substantial stakeholder engagement. Cameron represents NOPSEMA (and Australia) as a member and current Chair of the International Offshore Petroleum Environment Regulators forum.

Cameron holds a Bachelor of Engineering (Environmental Engineering) from Royal Melbourne Institute of Technology (RMIT) University and a Post Graduate Diploma in Energy Studies from Murdoch University.

SUZANNE HILLIER

General Counsel and Director of Legal and Risk

Suzanne Hillier was appointed NOPSEMA's General Counsel in March 2010, following seven years at the Western Australian Department of Health where she was the Director responsible for managing the Legal and Legislative Services directorate.

This included managing the legislative program for the Minister for Health, providing specialist advice on matters within the state's health system and providing extensive legal support for the coronial inquiry process.

Suzanne is responsible for managing NOPSEMA's legal and risk functions. This includes providing legal advice on contract and commercial issues, statutory interpretation, administrative and employment law, litigation and investigation and prosecution proceedings. She also manages the risk, internal audit and assurance functions for the agency. Suzanne has regularly presented on best practice legal management at forums for government and in-house company lawyers.

Suzanne is a graduate of the Australian Institute of Company Directors and a non-executive Director in the not-for-profit sector. She holds a Bachelor of Science and Bachelor of Law from the University of Tasmania and a Master of Environmental Law from the University of Sydney.

JULIE KORDIC

Acting Head of Corporate Services and Business Transformation

Julie Kordic was appointed acting Head of Corporate Services and Business Transformation in January 2022, following three years as NOPSEMA's Chief Financial Officer.

Julie brings to NOPSEMA 15 years of experience as a chief financial officer and director in the resources industry, with significant experience in strategic leadership across multiple corporate services functions, business financial management and corporate governance.

Prior to joining NOPSEMA Julie held the role of Director Corporate Services at the Chamber of Minerals & Energy, and before that held the title of Chief Financial Officer and Company Secretary at several resource companies.

As the acting Head of Division, Julie is responsible for overseeing NOPSEMA's corporate functions including human resources, finance and budget management and information technology. She is also responsible for delivering regulatory functions including independent investigations, financial assurance, and statutory reporting.

Julie is a Chartered Accountant and Fellow of the Governance Institute of Australia and holds a Bachelor of Commerce from the University of Western Australia and a Graduate Diploma of Applied Corporate Governance.

FINIAN KOONG
Chief Financial Officer

Finian Koong joined NOPSEMA in late 2022 with more than 30 years' experience across a range of industries including oil and gas, mining, services, technology, banking and finance.

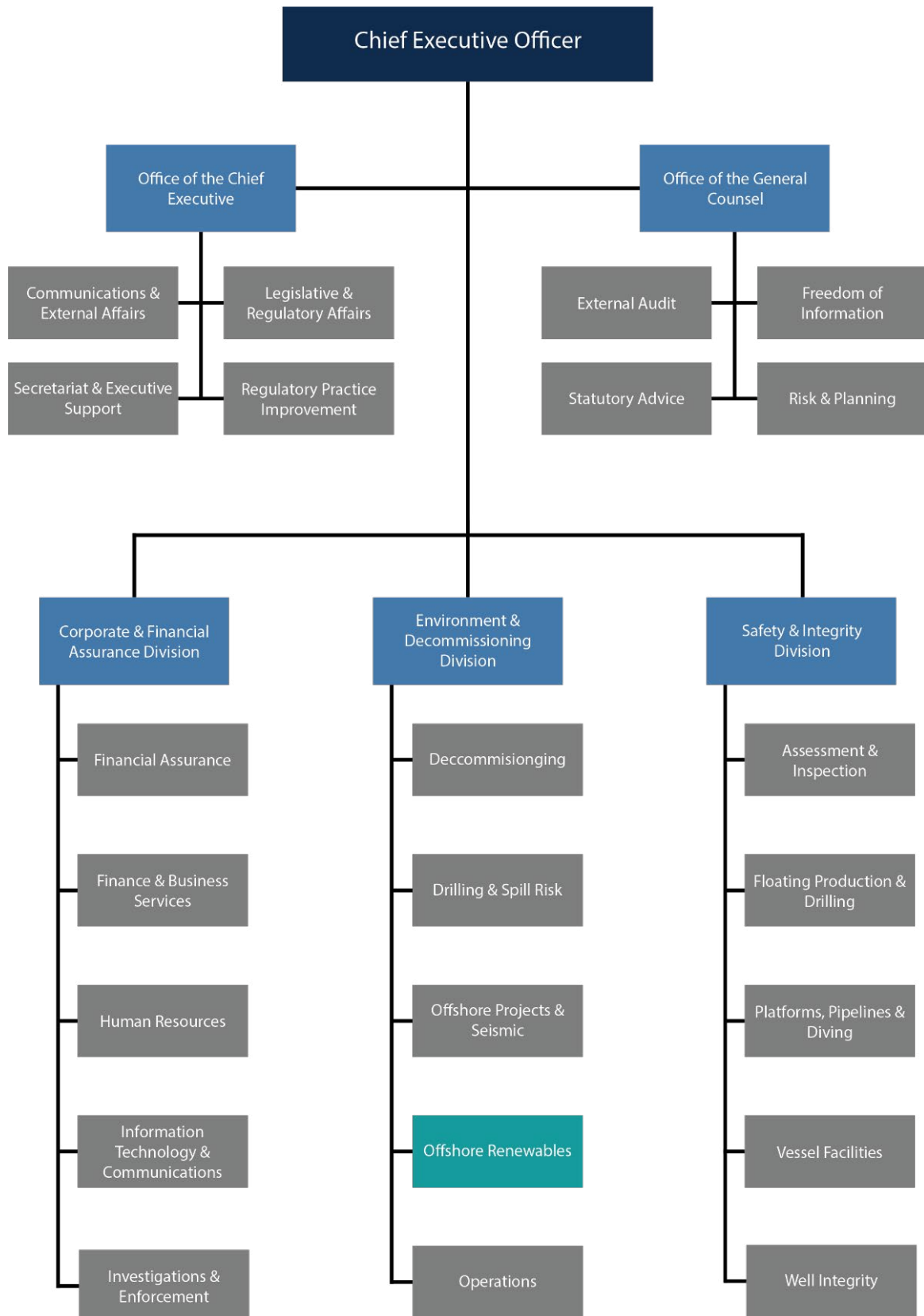
Prior to joining NOPSEMA, Finian was the Chief Financial Officer and Company Secretary of a cybersecurity technology company where he led the organisation in the areas of finance, commercial, enterprise risk, governance, legal and compliance.

Finian has more than 10 years experience in the oil and gas industry in senior finance roles including leading the Finance Planning and Analysis, Business Unit Finance and Group Reporting teams.

Finian's experience ranges from start-ups through to large multinational organisations (ASX/NYSE) listed companies both in corporate and operational capacities. During this time, he has also gained experience in M&A, product pricing, R&D, capital raising and strategy and planning.

Finian is a Chartered Accountant and holds a Bachelor of Commerce from University of Western Australia.

Organisational Structure



PART 3

MANAGEMENT AND ACCOUNTABILITY

Accountable authority

The Chief Executive Officer (CEO) is the accountable authority of NOPSEMA.

**Time spent as the accountable authority
during the reporting period.**

Name	Position/title	Date of commencement	Date of cessation
Stuart Smith	CEO	01/07/2022	08/07/2022
		28/07/2022	26/09/2022
		10/10/2022	22/01/2023
		31/01/2023	17/02/2023
Sue McCarrey	CEO	18/02/2023	25/04/2023
		06/05/2023	30/06/2023
Suzanne Hillier	Acting CEO	18/07/2022	27/07/2022
		27/09/2022	09/10/2022
		23/01/2023	30/01/2023
Nicholas Page	Acting CEO	09/07/2022	17/07/2022
		26/04/2023	05/05/2023

Corporate governance

Overall responsibility for the management of NOPSEMA is vested in its CEO. The OPGGS Act vests the CEO with all the legal powers and functions assigned to NOPSEMA. The CEO, with the approval of the Minister, may delegate her authority for the day-to-day operations of NOPSEMA to the Head of Safety and Integrity, the Head of Environment, Renewables and Decommissioning, the Head of Corporate and Financial Assurance, the General Counsel or the Director of the Office of the Chief Executive.

The OPGGS Act requires NOPSEMA to report on its investigations, as appropriate, to the responsible Commonwealth, State and Northern Territory petroleum ministers. Under streamlined environmental authorisation arrangements, endorsed under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), NOPSEMA is also required to report to the Minister for the Environment and Water on its compliance with streamlining commitments (See EPBC Streamlining performance report 2022-23).

The *responsible Commonwealth minister* may, after consulting with the relevant State or Northern Territory petroleum ministers, issue policy principles to NOPSEMA to direct the way it fulfils its legislative functions. These policy principles do not extend to NOPSEMA's regulatory decision-making.

As a Commonwealth statutory authority and corporate entity, NOPSEMA has statutory obligations under the Public Service Act 1999 and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). NOPSEMA ensures compliance with these obligations through its corporate governance arrangements.

RISK, FRAUD AND CORRUPTION CONTROL

NOPSEMA is strongly committed to governance that involves effective and robust internal controls and a highly ethical culture. It is a key responsibility of all NOPSEMA officials to safeguard NOPSEMA's property against loss through fraud, corruption or negligence and to support fraud and corruption control efforts.

NOPSEMA's enterprise risk management framework conforms to AS/NZS ISO 31000:2018 Risk Management - Guidelines and aligns with the Commonwealth Risk Management Policy. The framework facilitates the management and control of all reasonably foreseeable organisational risks relevant to NOPSEMA. NOPSEMA's risk culture empowers its workforce to champion risk management across all areas of NOPSEMA business.

NOPSEMA has implemented risk appetite statements that 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 has also implemented a Fraud and Corruption Control plan that seeks to protect public money, information and property and the integrity and good reputation of NOPSEMA.



AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is established by the Accountable Authority in compliance with section 45 of the PGPA Act and section 17 of the *Public, Governance, Performance and Accountability Rule*. [The Committee Charter](#), published at the NOPSEMA website, outlines the purpose, membership, key functions and responsibilities of the committee, as part of the overall financial governance structure of NOPSEMA. During 2022-23, the Committee met in July, September and November 2022 and April and June 2023.



AUDIT AND RISK COMMITTEE MEMBERS

MEMBER NAME	QUALIFICATIONS, KNOWLEDGE, SKILLS OR EXPERIENCE (INCLUDE FORMAL AND INFORMAL AS RELEVANT)	NUMBER OF MEETINGS ATTENDED	TOTAL ANNUAL REMUNERATION (GST INC.)	ADDITIONAL INFORMATION
Ann Hughes (Chair)	Ann is presently GM Governance, Risk & Compliance at DRA Global and previously had significant career experience in the resource and oil and gas industries. Ann's key areas of expertise are governance, strategy, performance, risk, internal control and compliance. Ann has held previous roles on Audit and Risk Committees.	4/5	NIL	N/A
Tony Walsh (retired February 2023)	Tony Walsh has over 35 years' experience in dealing with listed companies, ASX, ASIC and corporate transactions including 14 years with the ASX in Perth where he acted as ASX liaison with the JORC committee, four years as Chairman of an ASX listed mining explorer and as a director of a London AIM listed explorer. He is currently Company Secretary of Great Western Exploration Limited and Legend Mining Limited. Tony is a member of the Australian Institute of Company Directors and is a Fellow of the Governance Institute of Australia, the Institute of Chartered Secretaries and the Institute of Chartered Accountants in Australia.	3/3	NIL	N/A
Jason Beeley	Jason holds a BA Hons (Oxon), Dip Strategic Studies. Jason joined the WA Office of the Auditor General in 2006, following 5 years as a commercial and general manager in the defence and technology sectors. Jason previously worked with the UK National Audit Office conducting and managing value for money studies, mainly of the Ministry of Defence. He was appointed Assistant Auditor General in 2009.	3/5	NIL	N/A
Paul Tiernan (appointed April 2023)	Paul holds a Bachelor of Economics (Hons), Fellow CPA, Master of Economics, Graduate Diploma Applied Finance & Investment and Executive MBA. Paul has held a wide range of senior and executive roles during his 30 year career in the oil and gas industry.	2/2	NIL	N/A

People management

In 2022-23 NOPSEMA continued to:

- build a high performing and values-based culture
- attract, recruit and retain a highly skilled workforce
- proactively plan for future workforce needs
- provide high quality and timely learning and development opportunities to employees.

NOPSEMA undertook a review of its organisational structure during the reporting period. It was an independent review involving both internal and external research and consultation with employees. The review recommended taking a more integrated approach to regulation across the industry lifecycle, enhancing technical support for regulatory activities and making some minor adjustments to our enabling functions. All these changes are expected to be implemented by the end of 2023.

NOPSEMA reviewed a series of human resource management policies and procedures in response to the Government's Australian Public Service Reform Agenda during the reporting period. This included implementing new legislation, such as the *National Anti-Corruption Commission Act 2023* and *Public Service Regulations 2023* and enacting legislative changes to the *Fair Work Act 2009*, *Sex Discrimination Act 1984* and the *Australian Public Service Commissioner's Directions 2022*.

NOPSEMA continued to focus on strengthening leadership, management and employee engagement in the agency during the reporting period. The NOPSEMA Leadership Team held a workshop in late 2022 to consider and identify agency initiatives in response to the 2022 APS Census results. A pulse employee engagement survey was held in March 2023 to check and monitor the progress of these initiatives.

NOPSEMA also continued to build awareness and understanding of conduct and integrity. New employees continued to undertake a combination of Australian Public Service (APS) and NOPSEMA-specific conduct and integrity training courses. In addition, NOPSEMA's 2022 Annual Workplace Behaviour programme required all managers and employees to complete online training focusing on key conduct and integrity issues, including out of hours conduct and preventing and managing sexual harassment in the workplace.

STRATEGIC WORKFORCE PLAN 2021-2026

NOPSEMA's Strategic Workforce Plan 2021-2026 was developed by NOPSEMA's Leadership Team to ensure the right resources are available to achieve our strategy.

The focus during the reporting period has been on workforce analysis to link NOPSEMA's workforce data, insights and strategy, with a particular focus on identifying critical skills and any current or future gaps in these skills. This has provided visibility on workforce data and workforce risks which will feed into the development of human resource strategies and initiatives during 2023/24.

EMPLOYEE BENEFITS

NOPSEMA offers staff highly competitive remuneration packages and exceptional working conditions. These include:

- competitive employer superannuation contributions at 15.4%
- 25 days of annual leave and 15 days of personal leave per annum
- ability to purchase additional leave subject to operational requirements
- learning and development opportunities
- flexible working arrangements
- employee assistance programme for staff and immediate family members
- annual flu vaccinations
- \$300 subsidy for employees requiring prescription glasses to perform their duties
- \$750 per calendar year for appropriate professional memberships / subscriptions.

DIVERSITY AND INCLUSION

NOPSEMA is committed to a fair, flexible, safe and rewarding workplace which allows for diversity among its employees. Our people management policies and practices seek to ensure a workplace free from discrimination and harassment.

We actively promote a work environment that recognises and values individual differences of staff and fosters the contributions of people from different backgrounds, experience and perspectives.

NOPSEMA's leadership team is taking a proactive approach to improving gender equity and reducing our gender pay gap. We have strong female representation at our executive and senior management levels, including the CEO, Executive General Manager – Corporate & Business Transformation, Chief Environmental Scientist, and General Counsel, and we are continuing to support leadership development. We are progressing this key priority through engagement with our Advisory Board, industry and workforce.

AUSTRALIAN PUBLIC SERVICE (APS) EMPLOYEE CENSUS

NOPSEMA participates in the annual APS Employee Census which collects information on the attitudes and opinions of employees on a voluntary basis.

The survey results are shared with NOPSEMA's Leadership Team to help identify areas for action and shape corporate strategies and initiatives. They are also presented to employees, who are given the opportunity to reflect on the results and make suggestions for improvement activities.

The 2022 survey results are available in the [2022 Australian Public Service Census Report](#), available at the NOPSEMA website.

STANDARDS OF BEHAVIOUR

Code of Conduct

In 2022-23, NOPSEMA continued to actively support and uphold the APS Values and Code of Conduct. NOPSEMA informs and educates employees on the APS Values and Code of Conduct through a combination of online and face to face training for new and experienced employees, as well as ongoing access to APS policy and guidance materials. NOPSEMA also considers and, where appropriate, investigates any potential breaches of the APS Values and Code of Conduct.

Conflicts of Interest

In order to fulfil our mission as an independent and professional regulator of the offshore energy sector, NOPSEMA has a strong policy to manage any real and apparent conflicts of interest. All employees must take reasonable steps to avoid any conflict of interest or other threats to the integrity of NOPSEMA and declare any conflicts of interest prior to commencing with the organisation. In addition, NOPSEMA's key management personnel must declare in writing their own financial and other interests and those of their family members that could involve a real or apparent conflict of interest.

Performance Management

NOPSEMA has a strong focus on managing the performance of all its employees to ensure effective contribution to the achievement of NOPSEMA goals. All employees participate in an annual performance management planning process which includes quarterly check-ins that monitor and measure employee progress against agreed objectives and goals, as well as learning and development plans.

Work, health and safety

NOPSEMA recognises that good work health and safety (WHS) performance contributes to the overall success of an organisation and is committed to providing a safe workplace for all workers.

In 2022–2023 NOPSEMA continued to implement its WHS management system and monitor and report on the organisation's WHS performance. This included the completion of a full risk review of NOPSEMA's WHS management system during the reporting period.

NOPSEMA is committed to being recognised as a leader in WHS performance. We strive to achieve a culture that empowers our people to be accountable for their WHS. Our objective is to achieve or exceed the standard of WHS performance we expect from the industry we regulate.

NOPSEMA has the required resources in place to comply with the *Work Health and Safety Act 2011 (Cth)* (WHS Act). This includes a strong commitment to an organisation wide consultative process on WHS matters, the ongoing development and implementation of policies and procedures, the management of hazards and incident reports and provision of information, education and training to all workers.

PROGRAMMES AND INITIATIVES

NOPSEMA has delivered a range of WHS programmes and initiatives which are summarised below.

All employees and their immediate family members are provided with access to up to six free counselling sessions through an Employee Assistance Program. Employees are also provided with access to an additional six counselling sessions for any work-related matters. Organisation-wide support has been put in place during periods of increased stressed.

Mental health wellbeing information, education and training is provided to all workers, including conducting an annual wellbeing programme and the delivery of wellbeing training to all workers in late 2022.

Trauma and vicarious trauma awareness training is being provided to workers. NOPSEMA's Leadership Team, duty phone holders, managers and Human Resources Team undertook training during the reporting period and further training is scheduled for 2023/24.

Training on officer responsibilities under WHS Act is provided to all of NOPSEMA's Leadership Team and other employees with these responsibilities.

Regular workplace hazard inspections are undertaken in the Perth and Melbourne Offices.

Ergonomic assessments are provided for all new employees, or where existing employees report any discomfort or injuries.

All regulatory employees at the EL1 or EL2 level undergo a pre-employment medical assessment and continue to undergo regular medical assessments in order to perform work offshore.

Employees are reimbursed for influenza vaccinations.

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

The Health, Safety and Environment Committee (HSEC) provides an avenue for effective communication between senior management and employees on workplace health, safety and environmental management matters. The HSEC has 10 members and a biennial review of its membership was completed during the reporting period. The HSEC met three times in the 2022-23 period with meeting minutes published on NOPSEMA's internal website.

GOVERNANCE

Comcare is the national regulator of WHS. It conducts a program of management system audits (on all federal employers) to assess policies and practices to ensure employers are meeting and maintaining their responsibilities under the WHS Act. Comcare conducted an engagement visit of NOPSEMA during the reporting period.



INCIDENTS, INVESTIGATIONS AND OTHER MATTERS

Under the WHS Act, NOPSEMA is required to notify Comcare of any notifiable or dangerous incidents arising from the organisation's conduct of business or undertakings. In 2022-23, there were no notifiable or dangerous incidents.

Under the WHS Act, NOPSEMA is required to report any WHS investigations conducted during the year relating to businesses or undertakings conducted. This includes details of all notices given to the entity during the year under Part 10 of the WHS Act.

In 2022-2023, there were no investigations conducted and no notices issued to NOPSEMA.

Environmental performance

Section 516A of the EPBC Act requires NOPSEMA to report annually on how its activities accord with and contribute to the principles of ecologically sustainable development (ESD) and the environmental performance of its internal operations.

The principles of ESD (as defined by section 3A of the EPBC Act), are enshrined in the environment regulations administered by NOPSEMA. NOPSEMA seeks to ensure offshore petroleum and greenhouse gas activities are carried out in a manner consistent with the principles of ESD through its regulatory activities (assessment, compliance monitoring, enforcement, promotion and advice).

As an Australian Government agency responsible for implementing federal environment policy, NOPSEMA also supports the work of the Federal Government to meet Australia's global greenhouse gas and climate change commitments and associated legal frameworks. This includes legislative and other requirements in place to implement Australia's commitment to the 1997 Kyoto Protocol and the 2016 Paris Agreement to reduce greenhouse gas emissions by 43% below 2005 levels by 2030.

Reducing the environmental impact of our own operations is an important part of NOPSEMA's corporate responsibility. NOPSEMA's day-to-day operations are largely office-based and as such our environmental footprint is limited to our offices in Perth and Melbourne and associated activities such as travel. NOPSEMA has an internal Environment and Sustainability Policy which drives measures to reduce the environmental impact of our operations. These measures include:

- travel policies that promote the use of phone and video conferencing in preference to air travel
- selecting office locations in close proximity to industry stakeholders to minimise travel requirements
- encouraging staff to walk, cycle or use public transport to and from work by providing suitable end-of-journey facilities such as showers, lockers, and secure cycle storage
- discouraging car use by excluding car parking facilities in our office leasing agreements
- leasing office premises with a five-star energy rating using the National Australian Built Environment Rating System
- encouraging the reduction of office energy and resource consumption through less printing, procurement waste, and energy use
- maintaining waste segregation facilities and recycling contracts for paper, cardboard, plastics, batteries and toner ink cartridges.

External scrutiny

INQUIRIES AND REVIEWS

NOPSEMA was not subject to any inquiries or reviews during FY 2022-23.

SENATE ESTIMATES

Estimates of government expenditure are referred to Senate committees as part of the annual budget cycle. This opportunity to examine the operations of government plays a key role in the parliamentary scrutiny of the executive.

NOPSEMA attended three Supplementary Budget Estimates and Additional Budget Estimates hearings held by the Economic Legislation Committee during the reporting period, held on 10 November 2022, 16 February 2023 and 1 June 2023.

FREEDOM OF INFORMATION

NOPSEMA is subject to the *Freedom of Information Act 1982* (FOI Act). NOPSEMA promotes the objectives of the FOI Act through proactive disclosure and transparency of its regulatory decisions and by promoting public participation and scrutiny of its operations. NOPSEMA publishes information on its website as required under the FOI Act's Information Publication Scheme.

Offshore Infrastructure Regulator (OIR)

On 2 June 2022 the *Offshore Electricity Infrastructure Act 2021* (OEI Act) came into effect. The legislation provides a framework for the licensing and regulation of offshore renewable energy and offshore electricity infrastructure projects providing clarity and certainty to investors. The framework applies to offshore locations from three nautical miles off the coast to the boundary of Australia's exclusive economic zone, with coastal waters remaining the responsibility of state and territory governments.

Recognising the importance of regulatory oversight, the OEI Act establishes the OIR to oversee the offshore renewables sector. The functions of the OIR are administered by NOPSEMA and include the regulation of work health and safety, infrastructure integrity and environmental management for offshore infrastructure activities.

In November 2022 the first tranche of Offshore Energy Infrastructure Regulations (OEI) covering arrangements for licensing, spatial referencing and cost recovery came into effect, enabling licences to be applied for in Australia's first offshore wind zone in the Bass Strait off Gippsland, Victoria.

During the reporting period the OIR continued to support the DCCEEW with development of further regulations necessary to fully operationalise the OEI regime.

Specialist technical advice was also provided to DCCEEW under contract to support the assessment of offshore renewable energy proposals under the *Environment Protection and Biodiversity Conservation Act 1999*.

ENGAGEMENT AND ORGANISATIONAL DESIGN

During the reporting period, more than 230 meetings were conducted with industry, government, non-government and international stakeholders. Domestic engagement was largely focused on building understanding of the OEI regime while international engagement with regulatory counterparts and developers provided an opportunity for the agency to discuss leading practice offshore renewables regulation for adoption in Australia.

Australia is in a fortunate position with respect to information sharing through established, international, collaborative forums.

The OIR represents Australia on the Global Offshore Wind Regulators Forum. This forum brings together regulators from experienced and emerging markets to discuss current regulatory and policy challenges in relation to offshore wind planning, licensing, and environmental oversight. The forum seeks to strengthen international cooperation on offshore wind through sharing best practices and lessons learned.

During the reporting period, the OIR in collaboration with NOPSEMA, led an initiative which will lead to an expanded scope of the International Regulators' Forum to include global collaboration on offshore renewables safety regulation. Australia will continue to benefit from strong international engagement into the future and shares many of the challenges faced by established and emerging offshore wind jurisdictions.

Preparatory work to effectively deliver the functions of the OIR – including establishing processes, systems and governance arrangements – was also undertaken during the reporting period.

An appropriation of \$2.5 million from Government was provided to support legislative and regulatory development processes, building capability, developing guidance materials and supporting stakeholder engagement activities. A snapshot of results against Key Performance Indicators (KPIs) relevant to the work of the OIR during FY22-23 is provided in Part 4 of this report.

Further, the Federal Budget released in May 2023 confirmed the agency will receive an additional \$2.7 million over the next three years for its functions as the Offshore Infrastructure Regulator. The additional funding seeks to advance the roll out of offshore wind projects in Australia through the acceleration of government implementation activities under the *Offshore Electricity Infrastructure Act 2021*.

A collaborative approach to engagement across government, industry and the community will be important as the OEI framework is further developed and implemented. Financial statements relevant to the activities of NOPSEMA in its capacity as the OIR are provided in a consolidated form in Part 5 of this report.

GOVERNANCE

The CEO of NOPSEMA is also the CEO of the OIR. The CEO has responsibility for exercising the powers and functions of the OIR under the OEI Act and for the day-to-day management of the OIR.

In discharging its functions under the OEI Act, the OIR advises the Minister for Climate Change and Energy and may provide reports and recommendations to the Minister on matters relating to work health and safety, infrastructure integrity and environmental management for activities regulated under the OEI Act, noting no activities were regulated by the OIR during this reporting period.

INCIDENTS, INVESTIGATIONS AND OTHER MATTERS

Under the WHS Act, NOPSEMA is required to notify Comcare of any notifiable or dangerous incidents arising from the organisation's conduct of business or undertakings. In 2022-23, there were no notifiable or dangerous incidents.



PART 4

ANNUAL PERFORMANCE STATEMENTS

Introduction

The overarching objective of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) is to provide a framework of governance and accountability for the performance and use of public resources by government agencies.

The agency must report on actual results achieved against the performance measures published in the corporate plan and portfolio budget statements. This must be presented as Annual Performance Statements in accordance with PGPA Act and *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule). These annual performance statements incorporate performance results for KPIs published in the NOPSEMA and OIR corporate plan, which aligns with the Regulator Performance Guide (RPG)¹ reporting requirements.

These KPIs and the results are drafted in accordance with Resource Management Guide No. 134 Annual performance statements for Commonwealth entities, as published by the Department of Finance, to streamline reporting processes and requirements.

The appropriateness of the agency's performance reporting is reviewed each year by its Audit Committee as per section 17(2)(b) of the PGPA Rule.

¹ See section [The RPG principles](#)



Introductory statement

I, Ms Sue McCarrey, CEO, as the accountable authority of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), present NOPSEMA's annual performance statements for 2022–23, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act), and the Regulator Performance Guide (RPG).

In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.



Sue McCarrey
21 September 2023

Entity vision and purpose

VISION

A protected offshore workforce and environment.

PURPOSE

To assure the protection of lives and the environment.

Portfolio Budget Statements (PBS) performance

These inform parliament of the resource allocation to government outcomes and programmes and are linked to an entity's planning and performance. The agency has a single outcome and programme as listed below:

OUTCOME 1.1

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.

PROGRAMME 1.1

Regulatory oversight of safety cases, well operations management plans and environment plans coupled with effective monitoring, investigation and enforcement.

NOPSEMA selects the regulatory focused KPIs for inclusion in the PBS, for the 2022-23 October budget, these were KPIs 1-4.

Data quality

The agency has made every endeavour to ensure the data included in the annual performance statements is accurate at the time of publication. However, data may subsequently vary as further information becomes available over time. Any significant amendments and variations from the published data last year are noted accordingly within this report.

Glossary of acronyms and abbreviations

AELERT	Australian Environmental Law Enforcement and Regulators Network
AGCC	Australian Government Crisis Committee
(the) Agency	NOPSEMA
AGM	Annual general meeting
AGNPC	Australian Government National Plan Committee
AMP	Australian Marine Park
AMSA	Australian Maritime Safety Authority
ANAO	Australian National Audit Office
APPEA	Australian Petroleum Production and Exploration Association
APSC	Australian Public Service Commission
(the) Authority	NOPSEMA
CCC	Crisis coordination centre
CDPP	Commonwealth Director of Public Prosecutions
CEO	Chief Executive Officer
CERG	Community Environment Reference Group
COVID-19	Coronavirus disease 2019
DAWE	Department of Agriculture, Water and the Environment
DCCEEW	Department of Climate Change, Energy, the Environment and Water
DISER	Department of Industry, Science, Energy and Resources
DISR	Department of Industry, Science and Resources
DNP	Director of national parks
DSMS	Diving safety management system
EAD	Environmental approvals division
EM	Environmental management
EMM	Enforcement management model
ENGO	Environment non-government organisation
EP	Environment plan
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
FA	Financial assurance
FLNG	Floating liquefied natural gas
FOI	Freedom of information

FPSO	Floating production, storage and offloading
GBRMPA	Great Barrier Reef Marine Park Authority
GBRMP Act	<i>Great Barrier Reef Marine Park Act 1975</i>
GGFR	<i>Global Gas Flaring Reduction Partnership</i>
GL / GN	Guideline / Guidance note
GOWRF	Global Offshore Wind Regulators Forum
HSR	Health and safety representative
IFAP	Industrial Foundation for Accident Prevention
IOGP	International Association of Oil & Gas Producers
IOPER	International Offshore Petroleum Environmental Regulators
IPIECA	International Petroleum Industry Environmental Conservation Association
IRF	International Regulators' Forum
IUCN zones	International Union for Conservation of Nature
KPI	Key performance indicator
Levies Act	<i>Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003</i>
Levies Regulations	Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2004
MNES	Matters of national environmental significance
MPPR	Marine Pollution Preparedness and Response Technical Groups
MSR	Management system representative
NGER Act	<i>National Greenhouse Energy and Reporting Act 2007</i>
NOPSEMA	National Offshore Petroleum Safety and Environmental Management Authority
NOPTA	National Offshore Petroleum Titles Administrator
NPMEE	National Plan for Maritime Environmental Emergencies
NPSC	National Plan Strategic Coordination Committee
NRCoP	National Regulator's Community of Practice
OEI Act	<i>Offshore Electricity Infrastructure Act 2021</i>
OEI Levies Act	<i>Offshore Electricity Infrastructure (Regulatory Levies) Act 2021</i>
OHS	Occupational health and safety
OIR (Regulator)	Offshore Infrastructure Regulator
OIR (Registrar)	Offshore Infrastructure Registrar
OPP	Offshore project proposal



OR	Offshore renewables
OPGGS Act	<i>Offshore Petroleum and Greenhouse Gas Storage Act 2006</i>
OPGGS(E)	Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations
OPGGS(Levies)	Offshore Petroleum Greenhouse Gas Storage (Regulatory Levies) Regulations 2011
OPGGS(RMA)	Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PL	Policy
PSZ	Petroleum safety zone
QMS	Quality management system
RPF	Regulator Performance Framework
SC	Safety case
SOP	Standard operating procedure
SPE	Society of Petroleum Engineers
Spillcon	International Oil Spill Conference
SWA	Stop Work Authority process
UPR	Upstream petroleum resources
WHS	Work health and safety
WOMP	Well operations management plan

Legislation

Established under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (OPGGS Act), NOPSEMA is a statutory authority who operates in accordance with or regulates under Australian Government legislation and regulations including:

- *Offshore Electricity Infrastructure Act 2021*
- *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003*
- *Offshore Petroleum and Greenhouse Gas Storage Act 2006*
- *Public Governance, Performance and Accountability Act 2013*
- *Environment Protection and Biodiversity Conservation Act 1999*
- Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011
- Offshore Petroleum and Greenhouse Gas (Environment) Regulations 2009
- Offshore Petroleum and Greenhouse Gas (Safety) Regulations 2009
- Offshore Petroleum and Greenhouse Gas (Regulatory Levies) Regulations 2022

NOPSEMA KPI Methodology, results and discussion

DEVELOPMENT OF KPIS

NOPSEMA's performance measures are aligned with the agency's purpose, functions, strategic goals and key activities; and the KPIs are developed in response to the Minister's [Statement of Expectations](#) (SoE) and NOPSEMA's responding [Statement of Intent](#) (Sol).

STATEMENT OF EXPECTATIONS AND STATEMENT OF INTENT

These are updated and published bi-annually or with changes of the relevant Minister or the Regulator head, or significant changes in policy.

The SoE is issued by the Minister and provides greater clarity about government policies and objectives relevant to statutory objectives and considers the economic and social environment in which the agency operates. It also outlines and provides strategic direction for agencies and references major projects, reforms and key developments.

The Sol is issued by NOPSEMA in response to the SoE and outlines how the agency will deliver on the Minister's expectations. It provides information and perspective on the agency's purpose, strategic direction and the delivery of statutory objectives, as well as our engagement with regulated entities, policy departments and the Minister.

These are the foundation for NOPSEMA's delivery strategies and key performance measures as reflected on the corporate plan.

KEY PERFORMANCE INDICATORS (KPI) DETAILS

The corporate plan KPI results are primarily extracted from the regulatory management system (RMS) database and the electronic document records management system (EDRMS). These contain a range of data, information, document types and sources, e.g. emails, minutes, reports, worksheets.

Transformation, data processing and data analyses may occur on the data to provide appropriate results; the specific methods for analysing and measuring each KPI are described in the tables below (methodology) along with a discussion of the current year's results. Results for previous years are also included for comparative purposes where available.

TYPES OF PERFORMANCE MEASURES

KPIs are also identified by types as per the Department of Finance - [Measures of outputs, efficiency & effectiveness](#). These are briefly described below and provide the agency with assurance that we are using a range of measures to assess our performance:

Outputs	Output measures assess the quantity and quality of the goods and services produced by an activity (including their volume or quantity).
Efficiency	These are about obtaining the most benefit from available resources; that is, minimising inputs used to deliver the policy or other outputs in terms of quality, quantity, and timing.
Effectiveness	These assess how well an entity has delivered on its purposes, i.e. whether the activities of the entity have had the intended impact, policy objective or contribution.

KPI LINKS TO STRATEGIC GOALS

KPIs all link back to strategic goals as per the corporate plan as follows:

Strategic goals and KPIs

1. Maintain our role as an expert risk-based regulator (KPIs 1-5)
 2. Apply focus areas to target effort (KPIs 6-8)
 3. Pursue best practice regulation (KPI 9)
 4. Maintain social license (KPI 10)
 5. Ensure engagement is targeted and specific (KPIs 11-12)
 6. Engage and work transparently with key stakeholders (KPIs 13-16)
 7. Meet future challenges (KPIs 17-19)
 8. Be an employer of choice (KPI 20)
 9. Evolve and adapt to maintain effective future operations (KPIs 21-23)
-

LINKS TO REGULATOR PERFORMANCE GUIDE

Our KPIs also serve to meet the reporting requirements in the Regulator Performance Guide (RPG). The RPG consists of the three principles as noted below - please see section [RPG - Background information](#) for further details.

Our KPI tables in the KPI Results section are annotated with either RPG1, RPG2 or RPG3 to signify this alignment.

Regulator Performance Guide Principle

RPG 1 Continuous improvement and building trust

RPG 2 Risk based and data driven

RPG 3 Collaboration and engagement

Key

All targets met **+++**

Targets substantially met **++**

Some targets met **+**

Targets not met **-**

Results summary and snapshot – NOPSEMA

KPI RESULTS

Percentage scores are rounded to whole numbers to negate the use of decimals. The ‘+/-’ indicators denote the level of success in meeting the performance measure targets – see the key on previous page.

NOPSEMA has met or substantially met the targets for the KPIs as stated in the corporate plan for 2022–23. These results largely support the fulfilment of NOPSEMA’s purpose to assure the protection of lives and the environment.

NOPSEMA PERFORMANCE MEASURES 2022-23		RESULT
1	Merit-based regulatory decisions	++
2	Risk based graduated enforcements	+++
3	Compliance strategy	+++
4	Regulatory information management	++
5	GHG emissions and climate change	+++
6	Compliance with SCFAs	+++
7	Senior executive oversight	+++
8	Decommissioning obligations	+++
9	Modern and collaborative regulation	+++
10	Management of psychosocial hazards	+++
11	Reporting to Ministers	+++
12	Liaison across government	+++
13	Promotion	+++
14	Co-operation with NOPTA	+++
15	Engagement with the Advisory Board	+++
16	Stakeholder engagement	+++
17	Environment scan	+++
18	Government key priorities	+++
19	Inform policy development	+++
20	Operate in line with APS	+++
21	Continuous improvement	+++
22	Reviews	+++
23	Cost effectiveness	+++

Strategic goal 1: Maintain our role as an expert risk-based regulator

KPIs 1-5

1 – MERIT-BASED REGULATORY DECISIONS

KPI 1	Merit-based regulatory decisions	PBS 1	RPG 2
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Independently administer the regulatory framework in line with government policy and guidance and make merit-based decisions on the evidence and facts presented.

KPI type:	Effectiveness	Target	2018-19	2019-20	2020-21	2021-22	2022-23
		100%	100%	98%	100%	99%	98%

Methodology

NOPSEMA exercises its legislative powers in line with government policy and makes merit-based decisions on the material evidence and facts with which it is presented. One of the significant regulatory decisions that NOPSEMA makes is the acceptance (or rejection) of a duty holder’s (or proponent’s) primary permissioning documents – these ‘key documents’ types are specified in the results table below. It is these merit-based assessment decisions described here for KPI 1.

NOPSEMA has a regulatory obligation to assess a range of documents submitted by duty holders and consider whether the duty holder has taken into consideration all practicable risk reduction measures in their submission. NOPSEMA’s assessors follow elements in the published [assessment policy](#) to assure that decisions are sound, and these are overseen by managers and senior lead regulatory specialists.

These elements include the following:

- assessments are fair, proportionate to risk and scopes are approved by managers
- assessors are technically competent and assessments are managed by a lead assessor
- specified procedures are followed for consistency and subject to QA/QC
- findings are reviewed by managers and teams share knowledge
- assessment documents are shared with duty holders to ensure transparency
- guidelines are published to inform duty holders e.g. [EP decision making guideline](#)
- reasons for decisions are provided, especially where assessments result in a rejection
- complex decisions are referred to the Compliance Committee for consideration.

In accordance with the government legislation, assessments are subject to time limits and it is NOPSEMA’s policy target to meet these assessment timeframes 100% of the time.

Results The target has been fully or substantially met for the last five years. **++**

The measures for this KPI are for key documents, and comprise the average of these 2 parts:

1. All assessments have risk-based scopes approved by managers
2. Assessments are notified within legislated timeframes.

Key document type² submissions	2018-19	2019-20	2020-21	2021-22	2022-23
Environment plan (EP)	37	45	27	52	29
Offshore project proposal (OPP)	3	5	2	2	0
Safety case (SC)	87	69	77	81	102
Well operations management plan (WOMP)	22	29	35	59	34
Diving safety management system (DSMS)	9	5	2	1	2
Total key documents	158	153	143	195	167
Total other³ assessment submissions	191	225	199	217	217
Grand total	349	378	342	412	384
% of briefs approved (key documents)	100%	100%	100%	100%	100%
% notified in time (key documents)	99%	97%	99%	98%	95%

Duty holders are notified in writing of assessments that are rejected or not accepted; these include a statement of reasons as to why the submission(s) was rejected/not accepted.

Rejected assessment types	2018-19	2019-20	2020-21	2021-22	2022-23
Safety case (SC)	23	21	6	17	18
Well operations management plan (WOMP)	0	1	3	0	1
Diving safety management system (DSMS)	1	0	0	0	0
Total rejected assessments	24	22	9	17	19

Note: The Federal court appeal (Santos v Tipakalippa) concluded in December 2022 and upheld the decision to set aside NOPSEMA's acceptance of the Barossa development drilling and Completions EP. Although not directly related to these KPIs this case has had a substantial impact on NOPSEMA's assessment and decision making under the OPGGS(E).

² Assessment briefs are not required for the assessment of WOMPs, DSMSs and PSZs as these are assessed in their entirety.

³ Includes diving start-up notices and project plans, scopes of validation, well activity applications and final abandonment reports, end of EP notices and EP summaries, safety zone access applications and title-related assessments.

2 – RISK-BASED GRADUATED ENFORCEMENTS

KPI 2 Risk based graduated enforcements

PBS 2

RPG 2

Apply a risk based graduated enforcement regime aimed at changing industry behaviours for longer-term performance improvements.

KPI type:	Effectiveness/output	Target	2018-19	2019-20	2020-21	2021-22	2022-23
		100%	100%	100%	100%	100%	100%

Methodology

When warranted, NOPSEMA takes enforcement action to address breaches of the relevant legislation or accepted permissioning documents and eliminate or reduce threats to health and safety, structural and well integrity or the environment. Enforcement actions align with the following principles: they will be outcomes focused, proportionate, responsive, informed, transparent, consistent, targeted and procedurally fair.

NOPSEMA's Enforcement Policy is published on the website, and inspectors are guided by this when choosing appropriate enforcement action(s) to obtain a responsible party's compliance with the legislation. Consistency is achieved by the use of a standardised process for compliance and enforcement that includes tools that facilitate objectivity and are based on information/data, evidence and risk e.g. the Enforcement Management Model (EMM form) and enforcement briefs are an intrinsic element of the decision-making process. All proposed actions are reviewed by the Compliance Committee, and the evidence upon which the enforcement action is taken is shared with the responsible party(s) at an appropriate time.

NOPSEMA has the capacity to initiate criminal and civil prosecutions, and these will be primarily used to deter repetition of breaches of the legislation, and be in the public interest, but will also serve to increase recognition of the potential impacts of non-compliance and assist in generating greater levels of compliant behaviour. Where NOPSEMA initiates a criminal prosecution, the matter will be referred to the Commonwealth Director of Public Prosecutions (CDPP) in accordance with its requirements and the Prosecution Policy of the Commonwealth. To help gauge industry improvement and as a proxy measure for behavioural changes, NOPSEMA considers an overall decreasing trend in the rate of serious incidents⁴ reported generally as one positive indicator. It is intended that effective enforcement activity outcomes may contribute to general industry improvements.

Results The target has been met for the last five years.

+++

During 2022-23, NOPSEMA inspectors used the Enforcement Policy and process tools to initially determine and recommend the appropriate type and level of enforcement action. The recommended level and type of enforcement action was subsequently reviewed and endorsed by lead inspectors, managers, the Compliance Committee, and/or the CEO.

The Board also views NOPSEMA's enforcement actions during the year as proportionate and commensurate with identified risks.

⁴ Serious incidents in this instance are considered to be all incidents where a Level 2, 3 or 4 investigation was commenced.

The results of all reviews of proposed enforcement actions were saved in the EDRMS and the approved actions (issued) entered into the RMS database, as follows:

ENFORCEMENT ACTIONS⁵	2018-19	2019-20	2020-21	2021-22	2022-23
Improvement and Prohibition Notices	17	17	6	9	6
Intent to withdraw or request for revised documents ⁶	4	2	0	10	2
Directions	7	3	15	7	6
Prosecution briefs (submitted to CDPP)	1	0	1	0	0
Written advice/warnings	5	8	6	7	6
Total number reviewed and agreed	34	30	28	33	20
% reviewed and agreed	100%	100%	100%	100%	100%

A prosecution was finalised in May 2023 resulting in a company fine of \$1 million for safety breaches following the successful prosecution in October 2022.

3 – COMPLIANCE STRATEGY

KPI 3 Compliance strategy

PBS 3

RPG 2

Implement the Compliance Strategy using a range of appropriate tools to ensure offshore energy activities are undertaken in a safe and environmentally responsible manner by encouraging, monitoring and enforcing compliance with the law.

KPI type:	Effectiveness/output	Target	2018-19	2019-20	2020-21	2021-22	2022-23
		100%	100%	100%	100%	100%	100%

Methodology

The [NOPSEMA Compliance Strategy 2023](#) explains how NOPSEMA intends to foster a culture of voluntary compliance and how it will treat and deter non-compliance across the offshore energy industry in Commonwealth waters. NOPSEMA proactively employs appropriate regulatory tools to ensure duty holder compliance and risk mitigation in relation to offshore energy activities.

⁵ Excludes verbal warnings/advice and investigation notices. Includes non-statutory compliance actions – written advice/warnings

⁶ SCs, EPs and WOMPs - For WOMPS this is a notice requiring variation to a well operations management plan.

The eight elements of the compliance strategy are as summarised as follows:

- | | |
|---|---|
| 1. Explain the law and educate stakeholders | 5. Encourage intentional compliance |
| 2. Assess permissioning documents | 6. Deter and address non-compliance |
| 3. Monitor offshore activities | 7. Provide regulatory expertise and advice |
| 4. Use compliance data | 8. Continuously improve regulatory capability |

NOPSEMA’s regulatory approach and compliance activities are designed to ensure a safe offshore workforce, structural and well integrity and the effective management of the environment. While addressing risk gaps is the focus of our approach to compliance monitoring, the compliance history of regulated entities is a factor that may be considered. NOPSEMA will actively engage and educate the community to simplify the law and provide tools and information to encourage and support voluntary compliance.

The agency is focused on driving continuous improvement to a point of consistent, intentional compliance, as well as a safe and environmentally conscious regulated community.

Results The target has been met for the last five years. +++

NOPSEMA encouraged compliance with the law through liaison and promotion activities such as industry workshops, seminars, conferences, publishing guidance, etc. See [KPI 13 – Promotion](#).

NOPSEMA monitored compliance with the law primarily through its assessment, inspection and investigation activities – see [KPI 1 – Merit-based regulatory decisions](#) and the [Policies | NOPSEMA](#) page on the website for details.

NOPSEMA enforced compliance as detailed in [KPI 2 – Risk based graduated enforcements](#).

4 – REGULATORY INFORMATION MANAGEMENT

KPI 4 Regulatory information management	PBS 4	RPG 2
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Capture and securely store regulatory decisions and the rationale and supporting evidence for those decisions in digital information systems.

KPI type:	Output	Target	2018-19	2019-20	2020-21	2021-22	2022-23
		100%	— Not previously a corporate plan KPI —				90%

Methodology

NOPSEMA collects and receives information from a variety of sources, and this information is used to inform our regulatory decisions. Our processes describe the steps undertaken to make, record and store our regulatory decisions. This information is saved in an electronic records management system (EDRMS – Objective ECM's). Staff are required to understand the importance of good records management practices. They are supported with specific training and remain upskilled as technology advances and systems evolve. EDRMS securely stores all the documents that relate to our activities and regulatory decisions, including submissions, emails, transcripts, statements, photographs, videos, notes and documentary evidence.

EDRMS is complemented by the RMS, an online bespoke software application that serves to capture, create, manage, process, store and report data, and assist staff to undertake regulatory activity processes. The data in RMS include extracts, subsets or analyses and interpretations of the information submitted to the agency and stored in EDRMS. It is supplemented by inspectorate decisions and records produced by the agency. RMS supports and captures the decision-making processes that require rationale and evidence to be provided for regulatory decisions. It also records the management oversight and approvals for these regulatory decisions.

There are six regulatory processes in the RMS database (Registrations, Assessments, Inspections, Notifications, Investigations and Enforcements) where regulatory decisions and rationale are stored. These contribute a component score of up to 15% each to this measure, based on a sampling approach, with the remaining 10% contribution from audit results.

These systems are securely managed on recently upgraded “on premise” server and database infrastructure. The data centre is world-class, rated to hold information at higher classification than the data held in NOPSEMA systems. All IT services at NOPSEMA are protected through the voluntary application of the Protective Security Policy Framework, including the Essential Eight protective measures for information security.

Results The target has been substantially met **++**

Regulatory decisions were made with supporting evidence and rationale captured and stored in RMS and/or EDRMS. Specifically, decisions were made regarding Operator/facility registrations, assessment and inspection conclusions, incident notifications, investigation and enforcement activity decisions.

QMS internal audits were also undertaken to audit compliance with assessment and investigations functions as per the 2022 annual scheduled audit programme. The QMS audits covered compliance with records management relevant to the audit topic.

Component measure	RMS data (90%)	EDRMS – audits (10%)
Operator/facility registration	+++	
Assessments	+++	+++
Inspections	+++	
Incident notifications	++	
Investigations (Exhibit Mgmt)	++	++
Enforcement actions	++	

Overall, the agency is confident that information is being captured and stored appropriately for regulatory activities and processes, including the rationale for decisions. It is noted that some process improvements have already been made as a result of findings from the investigations audit where some digital copies still required lodgement.

In 2022-23 NOPSEMA continued to undertake ongoing research and data analysis to inform regulatory decisions and promote improved industry performance, and these records are also captured in our digital systems; over 70,000 records were stored in the last year in EDRMS.

5 – GREEN HOUSE GAS (GHG) EMISSIONS AND CLIMATE CHANGE

KPI 5 GHG emissions and climate change

RPG 2

Regulatory decisions are made in accordance with legislative requirements, government policies and relevant guidance relating to GHG emissions and climate change.

KPI type: Effectiveness/efficiency	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	— Not previously a corporate plan KPI —				100%

Methodology

NOPSEMA undertakes its functions in line with legislative requirements, government policies and relevant guidance relating to GHG emissions and climate change. This includes considering the health and safety, well integrity and environmental risks and impacts of offshore petroleum and GHG activities, supporting the development of a regulatory framework for offshore wind and other renewable technologies, and promoting corporate and individual responsibility in accordance with Australian Government federal policy. In addition, GHG storage (carbon capture and storage) is an important part of a suite of management solutions with the potential to mitigate GHG emissions and help address the impacts of climate change.

GHG emissions

NOPSEMA has a role to ensure industry efforts support the government's target to reduce GHG emissions by 43% by 2035 and work towards the legislated target of net zero by 2050. The OPGGS(E) seek to ensure that every offshore petroleum activity in Commonwealth waters is carried out in a manner:

- consistent with the principles of ecologically sustainable development
- such that the environmental impacts and risks of the activity will be acceptable and reduced to as low as reasonably practicable (ALARP).

NOPSEMA's regulatory decisions follow strict environmental protection legislation that require the environmental impact of offshore petroleum GHG emissions to be considered, as well as related emissions reporting and reduction frameworks. Regulatory decisions are made in accordance with the OPGGS(E) Regs and are guided by other Commonwealth legislation such as the EPBC Act and the *National Greenhouse Energy and Reporting Act 2007* (NGER Act). Environment plans are required to provide estimates of GHG emissions from activities and manage GHG emissions to demonstrate how the impacts on the environment from GHG emissions and climate change are managed to ALARP and acceptable levels.

Climate change

NOPSEMA's regulatory decisions consider the measures needed to mitigate and manage potential natural disaster risks arising from global climate change to offshore facilities and activities. In 2019, the Australian Government agreed to a National Disaster Risk Reduction Framework outlining foundational actions to be taken across all sectors to address existing disaster risk and minimise the creation of new risk. The framework recognises global climate change as an underlying driver of disaster risk. Australian Commonwealth agencies consider climate change risks where it relates to their area of responsibility.

NOPSEMA regulatory decisions in relation to GHG emissions and climate change involve considerations relating to relevant international arrangements, the domestic legislative framework and proponent / titleholder actions relevant to GHG emissions reduction, monitoring and adaptive management. In making its decisions under the Environment Regulations, NOPSEMA has regard to relevant policies under the EPBC Act, including EPBC Policy Statement on Indirect Consequences, as well as reputable published literature including peer-reviewed scientific publications, reports and documents published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

Where relevant, consideration of the potential risks to facilities and activities generated by climate change has also been undertaken.

Results The target has been met

+++

Guidance was published on the content requirements for environmental management approval documents to assist proponents in meeting the GHG emissions, climate change related environmental impacts and other regulatory requirements.

NOPSEMA assessed submitted OPPs and relevant EPs for potential environmental impacts and risks arising from greenhouse gas (GHG) emissions and climate change. Statements of reasons for OPP assessment decisions were published on our website and included specific details regarding the identification, evaluation and management of GHG emissions and climate change impacts. One OPP was accepted during 2022-23 [OPP Statement of reasons - Dorado Development](#), which considered GHG emissions associated with the project and related impacts to the Australian environment through climate change.

Over the last three years, all EPs were assessed with consideration of GHG and climate change impacts to the Australian environment where this was relevant to the activity (34 EPs in total). Where there were issues relevant to GHG emissions and climate change, NOPSEMA required information to be included in the EP that addressed emissions estimates, potential impacts and risks, control measures, and systems to achieve improvement through the life of the activity.

In the rapidly developing space of greenhouse gas (GHG) emissions management in the offshore petroleum industry, NOPSEMA has encouraged innovation and responsiveness in implementing solutions to reduce emissions from new and existing activities; including providing significant advice to titleholders through assessments and inspections.

Between mid-2021 and end-2023, NOPSEMA has implemented a GHG emissions focus area in inspections of 12 operating facilities, utilising a consistent framework to enable analysis of outcomes and communication of lessons/observations. NOPSEMA plans to use these inspection outcomes to communicate across industry to facilitate broader improvements. Inspection recommendations have been issued to facilitate improvement in GHG management and reduction systems, as well as to improve future EP submissions for those titleholders.

While large scale emissions reduction projects such as battery storage installation can require significant resources, emissions reduction can also be achieved through incremental operational improvements and involving the expertise of the offshore workforce. NOPSEMA publishes relevant articles to inform the industry of good practices e.g. [The keys to emissions management](#) and provides guidance towards relevant industry references and good practice.

NOPSEMA has continued cooperation with the Clean Energy Regulator to ensure respective regulatory operations are complimentary and do not unnecessary duplicate or overlap requirements related to GHG emissions as the legislative framework evolves.

Strategic goal 2: Apply focus areas to target effort

KPIs 6-8

6 – COMPLIANCE WITH SCFAS

KPI 6 Compliance with SCFAs

RPG 1

Ensure duty holders are fully aware of, and comply with their regulatory obligations, particularly in the key strategic compliance focus areas (SCFAs).

KPI type:	Effectiveness	Target	2018-19	2019-20	2020-21	2021-22	2022-23
		100%	— Not previously a corporate plan KPI —				100%

Methodology

NOPSEMA has legislative requirements to keep duty holders informed of regulatory matters on a regular basis. The agency undertakes this through various methods as outlined below:

- core regulatory policies, procedures, guidelines etc. are published on our website
- liaison during regulatory activities, typically during early design phase engagements, permissioning document assessment stages, and prior to, and during inspections
- The Regulator magazine, promotions at seminars/conferences, regulatory news announcements that are sent directly to subscribers (this includes duty holders)

NOPSEMA identifies strategic compliance focus areas (SCFAs) to guide the agency's activities to mitigate the highest perceived risk factors that currently affect industry. Four SCFAs were recognised in late 2017 and included in our annual operating plans as priorities over the last 5-6 years.

The SCFAs undergo annual review and teams develop specific plans for implementation that may include a range of regulatory activities e.g. SCFAs were added as inspection and assessment focus areas and included in promotion activities and spill exercises. The current SCFAs as published in the Regulator magazine (2021) are:

SCFA A Preventing major accident events	SCFA B Preventing loss of well control	SCFA C Effective oil pollution emergency preparedness	SCFA D Responsible Asset Stewardship
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Results The target has been met

+++

NOPSEMA undertook various regulatory activities (e.g. assessments, inspections and promotional activities) that focused on driving improvements in the following areas:

-
- SCFA A** • management of human factors e.g. mental health, that may contribute to MAEs
- key safety management systems e.g. management of change, operational risk assessments, performance standards and other tools
 - management of maintenance with focus on ageing assets, ensuring that facilities are maintained appropriately until the point at which they are decommissioned
-

- SCFA B** • titleholder and drilling contractor interfaces, including management system interfaces and management of change
- standardisation of well-barrier diagrams, well failure models and terminology to promote a common language for communicating well integrity risks and controls
 - standardisation of methods to calculate pore pressure and fracture gradients to improve industry's ability to predict failure pathways and conditions
-

- SCFA C** • maintaining a compliance focus on operational matters including incident management team capability, source control capability, selection and use of dispersants, availability and capability of spill response providers, international response arrangements
- promoting cooperative solutions with titleholders through collaboration with industry bodies, the Oil Spill Risk Forum and major oil spill response organisations
 - participation in the National Plan Review and collaboration with DISR to review the strengths and limitations of the offshore petroleum spill response framework, aiming to clarify and simplify arrangements and inform potential policy and legislative change
-

- SCFA D** • ensuring duty holders have appropriate plans for decommissioning and are executing those plans in a timely manner
- certainty to industry regarding decommissioning obligations, including developing policies in relation to relevant legislative provisions and supporting regulations
 - supporting industry capacity building for decommissioning, including research, collaboration, resource-sharing and establishing a property register
-

Over the last 2 years, the number of inspections completed with SCFA scopes were as follows:

Strategic Compliance Focus Area (SCFA)	2021-22	2022-23
SCFA-A Prevent MAE's	18	51
SCFA-B Prevent Loss of Well Control	16	22
SCFA-C Effective oil pollution emergency preparedness arrangements	6	4
SCFA-D Decommissioning	7	20
Total	47	97

7 – SENIOR EXECUTIVE OVERSIGHT

KPI 7 Senior executive oversight

RPG 2

Collect and review information from duty holders regarding senior executive and board oversight and accountability for the control of major accident hazards.

KPI type: Output/effectiveness proxy	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	— Not previously a corporate plan KPI —				100%

Methodology

NOPSEMA has implemented a program to collect and review information relating to the degree to which senior executives and boards have sufficient oversight of, and accountability for, the control of major accident hazards. NOPSEMA expects senior executives and/or their boards to have oversight of the safety and environmental risks related or relevant to their facilities and activities, to be capable of understanding the risks and to be accountable for ensuring controls are in place to effectively manage the risks. Most importantly, NOPSEMA expects senior executives to manage the long-term low-likelihood, but high consequence risks to their facilities, in addition to any other operating or financial performance required.

NOPSEMA plans to review corporate scorecards and target setting for key personnel, transparency and visibility to senior management of relevant performance indicators, and the status of internal governance and oversight of operations responsible for safety and environmental management. Results from these reviews will be shared with company Chief Executives or equivalents and responses sought.

Results The target has been met

+++

Through its compliance monitoring activities, NOPSEMA has identified issues within the industry at an operational level that may have roots at the executive level. For example

- decisions made prioritising projects that will increase production over routine or campaign maintenance activities leading to unacceptable levels of corrosion and degradation
- management of change processes routinely misused to manage risks to the company rather than risks to the workforce and environment
- failure to address NOPSEMA's inspection findings until faced with the prospect of escalated enforcement action
- significant job or operating budget cuts without due regard for work re-prioritisation, deferred maintenance, OHS and process safety
- workforce reluctance to raise safety issues or 'stop the job' over safety concerns
- lack of support for the Health and Safety Representative (HSR) role
- increase in workforce mental health related issues.

The examples above are potential symptoms of organisational structures and incentive systems that prioritise the mitigation of financial risk over safety and environmental risk.

In addition, four facility inspections included policy leadership and commitments as a scope item in 2022-23. Examples of relevant conclusions on some facilities were noted in the following areas:

- monitoring and continuous improvement systems failing to identify weaknesses
- attitudes to safety management not positive – e.g. slow responses to HSRs
- good commitment to the promotion, reinforcement, and effective implementation of the Stop Work Authority (SWA) process
- non-compliance with the Management of Change Decision Making Framework as described in the safety case.
- could adopt better practice – provide clarity on the suitability of a mentor from a different trade or discipline when assigned to a Short Service Worker

The benchmarking inspection campaign on sexual harassment also included a leadership and governance topic and reached the conclusions described under KPI 10 (below). This campaign targeted nine major employers in the industry.

8 – DECOMMISSIONING OBLIGATIONS

KPI 8 Decommissioning obligations

RPG 2

Ensure duty holders continue to comply with decommissioning obligations in a timely, safe and environmentally responsible manner.

KPI type: Effectiveness	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	— Not previously a corporate plan KPI —				100%

Methodology

As the regulator for Australia’s offshore energy industry NOPSEMA plays a key role in implementing the Australian Government’s decommissioning framework. It ensures this by promoting a heightened focus on the planning and execution of decommissioning during the assessment of permissioning documents and also by monitoring and enforcing titleholders’ compliance to ensure they meet their decommissioning obligations. NOPSEMA ensures that duty holders are fully aware of, and complying with, their decommissioning obligations.

Decommissioning involves the timely, safe, and environmentally responsible removal of, or otherwise satisfactorily dealing with, infrastructure from the offshore area that was previously used to support oil and gas operations. Decommissioning is a normal and inevitable stage in the lifetime of an offshore petroleum project that should be planned from the outset and matured throughout the life of operations.

There are numerous ways of addressing the challenges and opportunities of decommissioning offshore oil and gas infrastructure when it is no longer required. However, regardless of the process, the Australian government and NOPSEMA are fully committed to ensuring decommissioning is carried out in a timely, safe, and environmentally responsible way.

The key principles of the framework can be found in the [Offshore Petroleum: Decommissioning Guidelines](#).

Results The target has been met

+++

Over the last year NOPSEMA has undertaken significant ongoing collaboration and engagement with stakeholders, other Government Departments and agencies, interest and industry groups to improve decommissioning outcomes.

NOPSEMA continued to give heightened focus into the planning and execution of decommissioning and has published a five-year [Decommissioning Compliance Strategy](#) to set the direction for working with stakeholders to ensure that decommissioning of wells, structures, equipment and property is undertaken in a timely, safe and environmentally responsible manner and is considered across the full life cycle of a project. The strategy intends to reinforce and clarify decommissioning related requirements of titleholders under the OPGGS Act and ensure appropriate planning for, and execution of, decommissioning activities in Australia’s Commonwealth waters. It contains several targets for industry to meet, along with a range of compliance and enforcement actions we have taken in some cases.

The website was reviewed and updated with regard to decommissioning information – policies and guidance were published so industry is well placed to meet its decommissioning obligations into the future, e.g.:

- NOPSEMA [decommissioning compliance plan](#)
- NOPSEMA regulatory policy – Section 572 Maintenance and removal of property was updated and published in December 2022. It sets out the principles that NOPSEMA will apply in the administration of section 572 of the OPGGS Act
- Section 270 [Consent to Surrender Title Policy](#) (July 2022)
- Article published: *Taking ownership for safe decommissioning* [The Regulator, Issue 3 2022](#) regarding the concern that detailed engineering and design for decommissioning activities is being deferred and therefore neither the titleholders or operators have the information they need to be appropriately informed of relevant risks when safety cases are being submitted.

The following number of inspections over the last five years included decommissioning activities:

Inspection topic scope	2018-19	2019-20	2020-21	2021-22	2022-23
Decommissioning	NA	9	8	9	10

In addition, the recently published [Research Strategy 2023-2025](#) includes a section on decommissioning – this strategy promotes a collaborative approach to prioritising, funding and designing research to deliver improved outcomes in the environmental management of offshore energy projects.

Strategic goal 3: Pursue best practice regulation

KPI 9

9 – MODERN AND COLLABORATIVE REGULATION

KPI 9 Modern and collaborative regulation

RPG 2

Regulate in a modern and collaborative manner – engage bilaterally with international peers to build professionalism and promote and encourage leading practice on the management of hazards, impacts and risks in the offshore energy sector.

KPI type: Output/effectiveness proxy	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	100%	100%	100%	100%

Methodology

NOPSEMA maintains focus on process safety and the prevention of major accidents and events, and protection of the marine environment by ensuring risks are managed to be as low as reasonably practicable (ALARP) and acceptable. NOPSEMA administers an objectives-based, risk focused, regulatory regime. In practice, this places the responsibility for identifying, mitigating and reducing risk with those wishing to undertake the offshore energy activities - the ones who are creating the risks. This means that while NOPSEMA does not prescribe how risks must be managed, we regulate to ensure a consistently high threshold must be met. NOPSEMA undertakes regulatory functions in a modern and collaborative manner that serves to increase accountability, promote and share leading practice, build professionalism and support cultural change within regulators.

NOPSEMA's regulatory approach	Influence	Oversee	Enforce
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The agency collaborates internationally to share knowledge and drive improvements across the whole industry. NOPSEMA is a member of the International Regulators' Forum (IRF) and the International Offshore Petroleum Environmental Regulators (IOPER):

- HSE regulators of the offshore energy industry from various parts of the world drive improvements in global offshore safety and environmental performance
- IRF was established in 1994, membership has grown to 11 countries, and includes some of the world's pre-eminent offshore oil and gas regulators
- IOPER was established in 2013 and has 16 member countries.

The IRF and IOPER are ideally positioned to drive safety and environmental performance improvements in the offshore energy sector as they have a global perspective with privileged access to information, and the legal powers to enact change and influence at many levels.

Results The target has been met for the last five years **+++**

NOPSEMA attends the IRF and IOPER annual general meetings and plenary meetings, informal mid-year meetings, and a conference with industry every two to three years.

Group	2018-19	2019-20	2020-21	2021-22	2022-23
IRF engagements ⁷	2	3	7	6	2
IOPER engagements	7	4	1	2	2

Membership of these groups has delivered many benefits to NOPSEMA and the industry in Australia. NOPSEMA's approach to decommissioning and the COVID-19 response are two topical examples where the experience of international colleagues was drawn on to guide the agency actions during the year.

Australia's leadership in the progress of IRF and IOPER is reflected in:

- our CEO being Chair of the IRF Management Committee
- the Head of our Environmental, Renewables and Decommissioning Division (ERD) being elected as Chair and NOPSEMA as Secretariat for IOPER.

NOPSEMA is also a member of the following national groups:

- Australian Environmental Law Enforcement and Regulators Network (AELERT) and National Regulator's Community of Practice (NRCoP) - to access the collective wisdom of the regulators and provide staff with opportunities for professional development targeted at regulators. The Head of Environment, Renewables and Decommissioning is also on the governing National Council of AELERT
- Major Hazard Facilities Forum - a group to share industry best practice with the aim of improving safety outcomes and reducing risk at Major Hazard Facilities
- Industry OHS Forum - a tripartite committee of industry, unions and government.

⁷ Not including management committee meetings and opportunity statement meetings

Strategic goal 4: Maintain social licence

KPI 10

10 – MANAGEMENT OF PSYCHOSOCIAL HAZARDS

KPI 10 Management of psychosocial hazards

RPG 1

Consider duty holders' frameworks for effective management of psychosocial hazards and risk factors to ensure the well-being and safety of their workforce through ongoing compliance monitoring.

KPI type: Output/effectiveness proxy	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	— Not previously a corporate plan KPI —				100%

Methodology

Psychosocial health, including bullying and all forms of harassment, is a focus area for NOPSEMA. A guidance note, [Psychosocial Risk Management](#), is available on our website to provide duty holders with information on how to manage psychosocial risk in the workplace, thereby facilitating compliance to their legislative obligations.

Psychosocial hazards can adversely impact performance of critical human tasks and, as such, represent a contribution to MAE risk. In 2011, the International Association of Oil & Gas Producers (IOGP) defined critical human tasks as the activities (or supporting activities) that people are expected to perform that act as barriers against incidents occurring or to prevent any escalation should an incident occur.

In addition, the appropriate management of risks to psychosocial health and safety for members of the offshore workforce to a level that is as low as reasonably practicable is a focus for NOPSEMA. NOPSEMA ensures that the regulated entities have adequate management systems to prevent and manage incidents of bullying and harassment of any kind in the workplace. Both proactive (planned) and reactive (in response to incidents, complaints or other non-compliances) inspections are undertaken to monitor these risks. Where necessary NOPSEMA will take enforcement action.

Results The target has been met

+++

During 2022, NOPSEMA met with several major operators to discuss what measures they currently have in place to prevent and manage workplace harassment. They advised largely that they do have measures in place and are taking steps to review and improve those measures. NOPSEMA continues to develop a compliance process to monitor how operators are appropriately managing risks related to all types of harassment. Improved guidance can provide the industry with a clear understanding of its duties, the legislative requirements, and our expectations as the regulator.

A series of benchmarking inspections were conducted to ensure duty holders were meeting their duties and were doing everything that is reasonably practicable to protect the workforce from sexual harassment. This inspection campaign was to establish an understanding of the standard of management systems in major Australian operators/employers of the offshore workforce. A dedicated team was established and nine inspections were undertaken in 2023 to inspect duty holder's psychological hazards management, with a particular focus on harassment and in particular sexual harassment. The findings will be shared with industry in due course. The Respect@Work [Good Practice Indicators Framework for Preventing and Responding to Workplace Sexual Harassment](#) was adapted for use as an inspection checklist.

There were seven complaints made regarding psychosocial hazards (including bullying and harassment) during 2022-23, and these were all investigated.

In addition, a specific inspection that included a scope for psychological hazards management was also undertaken in August 2022 in response to issues that arose during the course of the inspection. Agency staff are currently completing a workplace behaviour training programme to build awareness on issues including workplace sexual harassment. As part of this, the staff who manage complaints and investigations will receive additional training in responding to disclosures of sexual harassment in a trauma informed way.

Strategic goal 5: Ensure engagement is targeted and specific

KPIs 11-12

11 – REPORTING TO MINISTERS

KPI 11 Reporting to Ministers

RPG 2

Ministers are informed of any significant announcements, actions, events, incidents, and issues, and intentions to participate in government processes e.g. govt inquiries, in a timely manner.

KPI type: Output/efficiency	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	100%	100%	100%	100%

Methodology

NOPSEMA keeps ministerial offices and policy agencies informed of significant announcements, actions, events, incidents, issues and intentions to participate in government processes to ensure whole-of-government consistency. The agency has legislative requirements and agreements to keep relevant ministers, the NOPSEMA Advisory Board (the Board) and relevant stakeholders informed of industry and/or agency matters on a regular basis. The Minister receives regular briefs on operational and regulatory matters from NOPSEMA, in addition to National Quarterly Reports, and the Minister’s Office is verbally briefed on a regular basis on various matters.

There are a set of standard reports produced monthly, quarterly and/or annually. These reports generally have set deadlines and their accompanying transmittal records are saved in EDRMS, with team annual operating plans (AOPs) and the task management systems recording the completion of these tasks.

NOPSEMA reports, as appropriate, to the responsible Commonwealth, State and Northern Territory resources ministers on major investigations and annually to the Commonwealth Minister for the Environment on its environmental management performance under the endorsed EPBC Act arrangements.

NOPSEMA submits quarterly operational and data reports to the Board comprising information on agency activities, data and trends related to industry and NOPSEMA performance. The Board may also request additional ad hoc data and information prior to, or during, for any of its quarterly meetings.

Several reporting channels and ministerial reporting requirements are managed and overseen by various teams within NOPSEMA. Managerial oversight of these reporting tasks and relevant performance indicator results occurs regularly.

Results The target has been met for the last five years

+++

Please also see KPI 12 – liaison across government

National and State quarterly reports regarding industry health and safety, structural and well integrity and environmental management performance, and NOPSEMA's regulatory activity and performance were transmitted to relevant Commonwealth, State and Territory Minister, and copies were provided to the NOPSEMA Advisory Board, as follows:

Q4 2021-22	Apr-Jun 2022 data	Transmitted to Ministers in Sep 2022
Q1 2022-23	Jul-Sep 2022 data	Transmitted to Ministers in March 2023
Q2 2022-23	Oct-Dec 2022 data	Transmitted to Ministers in March 2023
Q3 2022-23	Jan-Mar 2023 data	Transmitted to Ministers in May 2023
Q4 2022-23	Apr-Jun 2023 data	Transmitted to Ministers in Aug 2023

NOPSEMA also submitted a range of reports to relevant ministers and departments as per legislated or administrative requirements and deadlines, including these examples below:

EPBC annual streamlining report	Finance and budget reports
EPBC five-year review report	Contracts and tenders reports
APSC reports (HR)	Legal expenditure reports
IT security reports	Freedom of Information (FOI) reports

12 – LIAISON ACROSS GOVERNMENT

KPI 12 Liaison across government

RPG 3

Undertake regular liaison with other departments and agencies to encourage and consistently develop amendments and improvements to legislation, policies and advice.

KPI type: Output/effectiveness	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	100%	100%	100%	100%

Methodology

NOPSEMA works collaboratively with portfolio departments and relevant agencies so that government briefings, advice and policies canvas all relevant issues and encompass a whole of government perspective. The relevant agencies include (but are not limited to) the following:

AMSA	Australian Maritime Safety Authority
DAWE	Department of Agriculture, Water and the Environment
DCCEEW	Department of Climate Change, Energy, the Environment and Water, including Parks Australia and the Clean Energy Regulator
ASIC	Australian Securities and Investments Commission
DISR	Department of Industry, Science and Resources
NOPTA	National Offshore Petroleum Titles Administrator/Offshore Infrastructure Registrar

NOPSEMA undertakes regular (at least quarterly) liaison with DISR in relation to ongoing legislative change matters, and portfolio chief operating officer meetings.

The agency will continue to investigate opportunities to contribute to collaborative networks where applicable to its interests (e.g. GHG and Climate Change).

Results The target has been met for the last five years

+++

NOPSEMA has established co-operative mechanisms in place, examples include:

- NOPSEMA Program (EPBC Act Strategic Assessment Program) Administrative Arrangements with DCCEEW monthly coordination and progress meetings
- Parks Australia – co-regulation coordination meetings and quarterly senior executive liaison
- DCCEEW Sea Dumping Unit streamlining pilot – quarterly senior executive oversight meetings
- DISR Quarterly heads of agency meetings
- Crisis Coordination Centre⁸ meetings
- Australian Antarctic Division – contract of service agreement
- State regulatory agencies – regular meetings

⁸ Supports the Australian Government Crisis Committee

Examples of liaison that occurred with DISR in 2022-23 are noted below, with regard to:

- the OPGGS (Resource Management Administration) Regulations 2011 and the OPGGS (Safety) Regulations 2009 which were due to sunset in April 2024, now extended to April 2026
- the findings of the Offshore Oil and Gas Safety Review; NOPSEMA continues to proactively consider implementation and resourcing in anticipation of proposed regulatory amendments
- a potential change in policy for financial assurance to include financial assurance for decommissioning and planned/routine operations (with NOPTA)
- exploring minor changes to the OPGGS Act to address implementation challenges and considering options for avoiding duplication of capability and capacity between NOPTA and any potential role for NOPSEMA. The latter is a recommendation of the 2020 operational review of NOPSEMA
- The Minister endorsed NOPSEMA's Cost Recovery Implementation Statement (CRIS) for 2023.

NOPSEMA has started the development of a draft policy paper for an internal policy review of the offshore regulatory levies to identify areas for improvement, clarification, simplification, and potential harmonisation of levy approaches. The review is one of NOPSEMA's top priorities.

NOPSEMA is engaged with DISR and DCCEEW on considering CCS settings and mapping regulatory approvals for CCS across government.

DISR have sought a new policy authority from Minister King to progress implementation of the 2019 Offshore Oil and Gas Safety Review, which will result in OPGGS Act and OPGGS (Safety) Regulations amendments.

In the reporting period, NOPSEMA supported NOPTA following a request from Minister King wrote to NOPTA seeking advice on the financial capacity of titleholders to meet their obligations under the OPGGS Act. On request of NOPTA, NOPSEMA provided information relating to titleholder enforcement actions and the management of safety, environmental and structural integrity operational activities.

DISR consulted with NOPSEMA on a draft of the Australian Government response to the 2020 Operational Review of NOPSEMA – to date, DISR have indicated agreement with the majority of recommendations, including a recommendation to not duplicate capacity for financial assurance assessments with NOPTA.

Strategic goal 6: Engage and work transparently with stakeholders

KPIs 13-16

13 – PROMOTION

KPI 13 Promotion

RPG 3

Undertake productive engagement and ongoing dialogue with the offshore energy sector and all other stakeholders to promote the modern regulatory framework and encourage continuous improvement.

KPI type: Output/effectiveness proxy	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	100%	100%	100%	100%

Methodology

NOPSEMA has a core role to help drive industry performance improvements, and an essential part of this is through promoting and advising on best practice regarding health and safety, structural and well integrity, and environmental management matters. NOPSEMA ensures that through collaboration and provision of advice to industry, a modern regulatory framework is promoted to encourage safe, respectful, inclusive workplaces and continuous improvement.

NOPSEMA provides clear and concise guidance to industry through a variety of formats, e.g. website, workshops, forums, industry events, one-on-one liaison with duty holders, newsletters, Linked in etc. The agency also continues to implement plans to improve community trust and confidence in the offshore petroleum regime and regulation through the transparent disclosure of relevant and appropriate information, focused regulatory effort on areas of poor consultation practice, increased frequency of community input to better understand their views e.g. via CERG⁹, and increased transparency of NOPSEMA's decision-making processes.

NOPSEMA seeks feedback from stakeholders on guidance provided, and periodically reviews the adequacy of its guidance and communication mechanisms to ensure stakeholders maintain an understanding of the organisation's functions, practices and processes, particularly with respect to risk assessment. The agency's other promotion activities also provide opportunities for stakeholders to engage and/or provide feedback.

NOPSEMA does not typically undertake additional formal stakeholder engagement surveys as NOPSEMA offers numerous opportunities and mechanisms for stakeholders to provide feedback and/or complaints about NOPSEMA, (including over 950 direct engagement activities for 2022–23 (see KPI 16).

To identify and share lessons learned with industry and stakeholders, incident investigation outcomes are also analysed and reported. NOPSEMA conducts investigations into the circumstances surrounding all incident and complaint notifications to varying degrees, and in certain cases to seek evidence of non-compliance with the law as a basis for potential enforcement. By influencing the improvement in safety to people and the environment, NOPSEMA's investigation findings aim to deliver the greatest public benefits.

⁹ Guidance includes guidelines, guidance notes and information papers.

Results The target has been met for the last five years

+++

NOPSEMA undertook various promotion and consultation activities, including publishing new or updated documents, and provided information and/or sought consultation¹⁰ or feedback - details as follows:

Promotion, presentation or attendance at conferences, seminars, workshops etc.

Jul-Dec22 Aquatic noise effects on marine life conference, DrillSafe and DrillWell Forums, HSR Forum, Society of Petroleum Engineers (SPE), EP consultation briefing

Jan-Jun23 DrillSafe - perspectives on risk, APPEA Conference, Decommissioning and Abandonment Summit, engagement with First Nations peoples about consultation

Publication of guidelines, guidance or information papers

N=15

Jul-Dec22 Making submissions to NOPSEMA; Replacement of a registered facility operator; Responding to public comment on EPs; Safety case content and level of detail; ALARP; EP decision making

Jan-Jun23 Consultation with Commonwealth agencies with responsibilities in the marine area; Guidance to drive improved cooperation and co-existence between the offshore petroleum and fishing industries, and address seismic survey impacts; Facility definition/associated offshore place; NOPSEMA Research Strategy 2023-2025; Validation; Deaths and Injuries - Monthly Reporting; Consultation - preparing an EP; EP brochure for 'relevant persons' under OPGGS(E) Regs; Petroleum activities and Australian Marine Parks

Publication of quarterly magazine – The Regulator

Aug22:3 – Sounds of the sea; Dec22:4 - Our decade-long journey; Mar23:1 – Keep your head above water

Media releases

Aug-22 Gippsland Basin Decommissioning EP now available

Jun-23 Safety bulletin regarding hazardous offshore work in response to a fatal incident

Quarterly and annual datasets of industry and NOPSEMA performance were also provided for stakeholders on NOPSEMA's website with references in The Regulator magazine

¹⁰ All EPs and OPPs must undergo a public comment period prior to formal submission to NOPSEMA for assessment, these are not included in this KPI.

14 – CO-OPERATION WITH NOPTA

KPI 14 Co-operation with NOPTA¹¹

RPG 3

Work co-operatively and share information with NOPTA in contributing to the implementation of improvements to regulatory regimes.

KPI type: Effectiveness	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	100%	100%	100%	100%

Methodology

NOPSEMA has established cooperative mechanisms in place to interact with the National Offshore Petroleum Titles Administrator (NOPTA) to maintain a seamless operating environment for the sector to reduce cost without compromising regulatory integrity and outcomes.

Ongoing regular (at least quarterly) interagency meetings are held with various NOPSEMA and NOPTA teams and management.

NOPSEMA continues to foster a collaborative and ongoing relationship with NOPTA, primarily through a flow of regulatory information and advice exchanges, for example:

- when undertaking title surrender application assessments, NOPTA seeks advice from NOPSEMA with respect to titleholder compliance with section 270. NOPSEMA provides advice relevant to its scope under section 270 provisions to NOPTA who will in turn advise the JA to inform their decision-making
- to discuss any other advice provided or requested
- liaison on legal issues
- to request daily drilling report information.

Results The target has been met for the last five years

+++

Regulatory

The table below shows the number of regulatory liaisons/engagements that were recorded over the last five years. During 2022-23 NOPSEMA recorded approximately one regulatory interaction per fortnight with NOPTA, and this is similar to the previous year (2021-22). Examples of the types of interactions included:

- Decommissioning
- Digital needs - regulatory
- Borehole harmonisation working group
- CCS regulatory information sharing
- New or proposed petroleum activities and projects.

Regulatory interactions	2018-19	2019-20	2020-21	2021-22	2022-23
with NOPTA	10	9	18	26	24

¹¹ NOPTA – National Offshore Petroleum Titles Administrator

Corporate

In addition to the regulatory interactions, NOPSEMA's corporate and executive teams also regularly collaborate and co-operate where appropriate.

For example:

- NOPSEMA recently undertook an office refit to modernise and future-proof our office facilities. As a result, we now share an open office space and facilities with NOPTA
- During the last year, and into the foreseeable future, NOPSEMA and NOPTA have been working together on a project to redesign, enhance, share and align our digital systems where relevant, possible and appropriate. As well as improve customer and staff processes the initiative is aimed at reducing unnecessary regulatory burden
- NOPSEMA and NOPTA met to discuss planning the IRF conference in Perth, October 2023.

15 – ENGAGEMENT WITH THE NOPSEMA ADVISORY BOARD

KPI 15 Co-operation with NOPTA¹¹

RPG 1

Undertake regular engagement with the Advisory Board to seek advice and provide information, and act on agreed recommendations in a timely manner.

KPI type: Efficiency	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	100%	100%	100%	100%

Methodology

NOPSEMA regularly engages with, and seeks the advice and support of, the NOPSEMA Advisory Board (the Board) on a range of strategic matters relating to the performance of functions, and recommendations on operational policies and strategies. As an example, the Strategic Plan and the Corporate Plan are reviewed by the Board.

NOPSEMA meets with the Board and provides quarterly operational reports that discuss in detail the regulatory and corporate activities undertaken each quarter, with input from all teams across the agency.

In addition, copies of The National Quarterly Report and State Snapshot Reports are forwarded to the Board each quarter; these contain industry performance and NOPSEMA performance data.

The Board continues to monitor and provide advice on improving the regulatory approvals process, stakeholder engagement, outcomes and recommendations from reviews, alignment with other government agencies and departments, industry performance and NOPSEMA's responsibilities.

Note: The NOPSEMA Advisory Board has no advisory role with respect to the OIR and offshore electricity infrastructure

Results The target has been met for the last five years

+++

NOPSEMA's CEO attended six Board meetings during the financial year 2022-23. The Board discussed and provided information to NOPSEMA regarding multiple topics e.g. emerging decommissioning activities and costs over the next decade, industry safety performance, duty holders' risk assessment processes, First Nations consultation and expansion of the agency's scope (offshore renewables, financial assurance, project assessments under the EPBC Act). The Board also provides written reports to the Minister following each meeting.

Throughout the year the Board was also requested to review and provide input on the following:

- revised Compliance Strategy 2023
- new 2023-28 Corporate Plan
- new NOPSEMA Strategic Plan

The Board was provided copies of NOPSEMA's quarterly divisional and team operational reports, quarterly data reports (National and State Snapshots) and various presentations, information, updates, and special reports on topical and emerging issues; these included:

- progress of legislative changes
- critical infrastructure resilience
- environment update
- executive oversight and accountability

16 – STAKEHOLDER ENGAGEMENT

KPI 16 Stakeholder engagement

RPG 3

Engage and liaise with other government departments and agencies, industry, and relevant stakeholders.

KPI type: Output/effectiveness	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	100%	100%	100%	100%

Methodology

NOPSEMA is committed to ensuring a safe and environmental responsible offshore petroleum industry by maintaining a high standard of engagement with stakeholders. The agency continues to engage in a two-way dialogue and build collaborative relationships and trust with a range of stakeholders including the following:

- Government – departments, agencies, representatives (international, federal, state, local), regulators, NOPSEMA Advisory Board
- Industry - duty holders, industry CEOs, contractors, consultants, service providers, offshore workforce, HSRs, industry peak bodies
- Other – academia, unions, non-government organisations and the community.

NOPSEMA has established cooperative mechanisms to interact with relevant stakeholders and records of all these interactions are saved in a register. The register contains information about the engagement, advice and promotional activities with external stakeholders. Our engagement interactions vary in nature and include in-person and/or written exchanges of information, working groups, forums, seminars, meetings, reports, updates, subscription services, web-portal submissions and other email and telephone exchanges.

The agency engages regularly with duty holders at liaison meetings and uses various tools to provide information and offer opportunities for stakeholders to engage and provide feedback, e.g. an online consultation hub, direct requests via the website, workshops, forums, information sessions and/or meetings with various stakeholder groups. These groups may include: the NOPSEMA Advisory Board, industry duty holders, CEOs and associations e.g. Australian Petroleum Production & Exploration Association (APPEA), Health and Safety Representatives (HSRs) on offshore facilities during an inspection or special-interest groups such as unions, ENGOs and fishing peak bodies.

Results The target has been met for the last five years +++

Some examples of our stakeholder engagement activities include:

- a forum in Melbourne with HSRs, hosted by NOPSEMA, APPEA and ACTU with a focus on increased awareness of the importance of mental health in the offshore energy industry
- leaders and experts of the decommissioning world converged on Perth for the Society of Petroleum Engineers' symposium – Asia Pacific Offshore Decommissioning and Well P&A 2022. The two-day event was billed as a key platform for industry leaders, subject matter experts, regulators, service, and technology providers, as well as researchers to address challenges, success stories and lessons learnt in the offshore decommissioning and well P&A (plug and abandon) activities. NOPSEMA's Head of Safety and Integrity was the symposium's co-chair.

NOPSEMA reports stakeholder engagement information in quarterly reports to Ministers and the Board, NOPSEMA's own 'Regulator' magazine, and on the NOPSEMA website. There were 956 stakeholder engagement activities in 2022–23, up slightly (4%) from the previous year, as noted below:

Entity	2018-19	2019-20	2020-21	2021-22	2022-23
Government departments/ agencies	145	203	262	210	223
Industry	709	834	644	672	711
Other stakeholders	48	56	94	40	22
Total	902	1093	1000	922	956

Recurring engagements are undertaken with selected stakeholders, including DISR, DAWE, DCCEEW, NOPTA (at quarterly meetings or more often as required), state agencies, APPEA, and a suite of other collaborative networks, e.g. ACTU, AMSA, CERG and more. NOPSEMA also undertakes formal consultation e.g:

Dec-22: Consultation period (3 months) EP decision making guideline update following a court decision regarding consultation requirements of the OPGGS(E)

Apr-23: Consultation - event, 2 months with DCCEEW, presentation 'Guidelines for working in the near and offshore environment to protect underwater cultural heritage' and 'Considering Underwater Cultural Heritage Act requirements in Environment Plans' presentation

Apr-23: Consultation period (3 months) The principles governing NOPSEMA's management of gender-restricted, and other culturally sensitive or restricted information – for decisions made under OPGGS(E).

Strategic goal 7: Meet future challenges

KPIs 17-19

17 – ENVIRONMENT SCAN

KPI 17 Environment scan

RPG 2

Undertake environment scan to evaluate emerging industry technological advancements, issues and risks to inform planning processes and accommodate relevant changes in advance.

KPI type: Output/effectiveness proxy	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	100%	100%	100%	100%

Methodology

NOPSEMA stays informed and considers the evolving social, economic, technological and commercial context of the offshore energy sector by undertaking an annual environment scan.

The scan is the first step in NOPSEMA's annual strategic planning and risk review processes and includes the identification of external factors using a PESTLE¹² tool and methodology, and an analysis of our internal strength and weaknesses by undertaking a SWOT¹³ factors analysis.

The scan assists NOPSEMA to identify new and emerging issues that should be considered during its annual risk review process. Subsequently, this may result in a change to how NOPSEMA assesses and controls an identified risk.

The environment scan and risk review results then are used to inform NOPSEMA's strategic, corporate planning and annual operating planning processes, and to assist in identifying the agency's priorities and focus areas.

Results The target has been met for the last five years

+++

The 2022-23 environment scan highlighted a number of external factors that were subsequently addressed by NOPSEMA (to assist in the mitigation of potential effects), for example:

Political	Developed organisational capability for delivering the First Nations agenda
Economical	Sought increased levies to meet projected deficit and inflationary pressures
Sociocultural	Assured stewardship of offshore assets by monitoring executive oversight
Technological	Continual improvement of the cybersecurity posture to reduce/mitigate threats
Legal	The effects of travel restrictions were addressed through using virtual technology
Environmental	Offshore renewables – establishment of team, website, policies etc.

¹² PESTLE: political, economic, social, technological, legal and environmental

¹³ SWOT: strengths, weakness, opportunities and threats

The SWOT factor analysis also highlighted some internal factors that the agency sought to address as follows:

SWOT factor examples 2022-23:	Actions undertaken in response to these factors:
<p>Strengths</p> <ul style="list-style-type: none"> Improved engagement with fishers, ENGOs Increased compliance oversight 	<p>These strengths were maintained.</p> <ul style="list-style-type: none"> Sustained number of engagements Published new guidance framework All enforcement actions overseen by CC¹⁴
<p>Weaknesses</p> <ul style="list-style-type: none"> Accurate forecasting for environment plan submissions Recruitment timing - handover 	<p>Improvements were made:</p> <ul style="list-style-type: none"> Forecasting model was revised and improved Recruitment timing was improved to facilitate better handovers
<p>Opportunities</p> <ul style="list-style-type: none"> Research organisations – identifying gaps Streamline QMS size and complexity 	<p>Improvements were made:</p> <ul style="list-style-type: none"> Research Strategy 2023-25 published QMS review completed – reduced size and complexity
<p>Threats</p> <ul style="list-style-type: none"> Internal audit programme behind schedule Aging/retiring workforce 	<p>The threats were reduced by:</p> <ul style="list-style-type: none"> Resources applied to internal audit function Introduced more flexible work options

18 – GOVERNMENT KEY PRIORITIES

KPI 18 Government key priorities

RPG 1

Action and implement relevant government/portfolio key priorities according to agreed schedules

KPI type: Output/effectiveness proxy	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	— Not a corporate plan KPI —			100%

Methodology

NOPSEMA supports the government and portfolio departments to progress and implement key priorities by maintaining open dialogue, communication and collaboration with relevant government departments and agencies. Specific details are outlined below:

¹⁴ CC = NOPSEMA's internal Compliance Committee – comprising senior management

The SWOT factor analysis also highlighted some internal factors that the agency sought to address as follows:

The Minister's key priorities ¹⁵	How NOPSEMA supports the priorities
1. Ensuring Australia's offshore safety regime remains world leading to protect the safety of the workforce at all times.	<p>Maintain high level of compliance monitoring and investigation.</p> <p>Engagement with stakeholders.</p> <p>Progress the Oil and Gas Safety Review.</p> <p>Support reforms to legislation or process.</p>
2. Ensuring the resources sector supports the Government's plan to reduce Australia's emissions by 43 per cent by 2030, to support net zero by 2050.	<p>Deliver good environmental outcomes for offshore activities through the streamlined approvals process.</p> <p>Examine the impacts of GHG emissions through EP assessments in support of reduction targets.</p>
3. The management, and decommissioning and remediation, of the Laminaria and Corallina oil fields and the associated infrastructure.	<p>Apply a whole-of-government approach to ensure the management, decommissioning and remediation of the Laminaria and Corallina oil fields and the associated infrastructure.</p>
4. Ensuring Australia's offshore oil and gas decommissioning and remediation framework is robust with all necessary safeguards in place.	<p>Collaborate with DISR to apply best practice decommissioning activity management and identify reforms. Maintain a focus on titleholder compliance with decommissioning and remediation.</p>
5. The development of the Government response to the 2020 review of the operation of NOPSEMA and subsequent implementation of any accepted recommendations.	<p>Provide advice and work collaboratively with DISR on the development of a government response to the 2020 review of the operation of NOPSEMA and subsequent implementation of any accepted recommendations.</p>
6. A review of Australia's offshore petroleum oil spill response and preparedness framework.	<p>Support DISR and work collaboratively with agencies to progress the review, ensuring the framework is fit for purpose and industry is meeting their obligations.</p>
Results The target has been met	+++

¹⁵ From the Minister's Statement of Expectations June 2022

1. World leading safety regime

NOPSEMA has undertaken the following actions in the areas that were identified for improvement as per the [Offshore oil and gas safety review](#):

- improving industry early engagement design safety cases
- strengthening the role of HSRS through increased workshops, advice, meetings
- recognising the importance of mental health via inspection campaigns and focus areas, published articles raising awareness, engaging consultant psychologist and training staff
- increasing regulator oversight of diving operations and developing diving guidelines
- implementing strategic compliance inspection plans for all duty holders.

2. Net Zero

All OPPs and EPs are assessed to ensure they meet the government targets.

3. Management of the Laminaria and Corallina oil fields

NOPSEMA supports DISR with resources and advice as requested.

4. Decommissioning

Please see KPI 8.

5. 2020 review responses

NOPSEMA is awaiting the Australian Government response to the review's recommendations

6. Review of oil spill response and preparedness framework

NOPSEMA is working collaboratively with DISR to progress this review. The project has been developed and progressed in multiple parts and is presently in the phase of wider industry consultation on the identified alternative frameworks under consideration. The implementation phase of the alternative framework elements is predicted to commence in 2024.

19 – INFORM POLICY DEVELOPMENT

KPI 19 Inform policy development

RPG 3

Inform policy development and maintain alignment with broader government priorities and policies by providing strategic advice to portfolio departments on regulatory impact and operational matters.

KPI type: Output	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	100%	100%	100%	100%

Methodology

NOPSEMA collaborates with government to inform policy development, support implementation and maintain alignment between agency and government priorities and policies. The agency has a legislative change management framework in place, and within this framework proposes key priorities and contributes to legislative change, collaborating frequently with DISR.

NOPSEMA has established cooperative mechanisms in place to interact with relevant government agencies, including our portfolio department, DISR. These cooperative mechanisms include in-person and written exchanges of information such as working groups and forums, attendance at both regularly scheduled (quarterly) and ad hoc meetings, the provision of written reports and updates, and other email and telephone exchanges.

Records of all interactions are saved into the electronic document records management system.

Results The target has been met for the last five years

+++

Over the course of the year NOPSEMA continued to contribute significantly to legislative change processes led by DISR. In particular NOPSEMA contributed to:

- the new OPGGS (Regulatory Levies) Regulations that commenced on 1 January 2023, after being remade in accordance with the Government's sunseting framework. They have provided a 10% levy increase and changes to GHG levies from zero to be commensurate with petroleum levies
- 3 other regulatory remakes - new OPGGS (Environment) Regulations, OPGGS (GHG) and OPGGS (Resource Management) Regulations. After the remakes, a series of policy reviews are expected for the OPGGS (E) Regulations and potentially for the OPGGS (GGS) Regulations
- developing flexible work programme documents (in line with the government's reform agenda).
- ensuring regulatory burden and impact was minimised for regulated entities, while still maintaining regulatory objectives
- working closely with NOPTA on decommissioning matters associated with offshore oil and gas activities.
- working with DISR which is consulting NOPSEMA on a draft GHG Injection Licence Guideline to help provide clarity to the emerging CCS/GHG industry. NOPSEMA engaged with DISR and DCCEEW on considering CCS settings and mapping regulatory approvals for CCS across government
- responding to DISR whom have sought a new policy authority from Minister King to progress implementation of the 2019 Offshore Oil and Gas Safety Review, which will result in OPGGS Act and OPGGS (Safety) Regulations amendments
- engaging with DISR and NOPTA in relation to a potential change in policy for financial assurance to include financial assurance for decommissioning and planned/routine operations.

Please also see KPI 12.

Strategic goal 8: Be an employer of choice

KPI 20

20 – OPERATE IN LINE WITH THE AUSTRALIAN PUBLIC SERVICE (APS)

KPI 20 Operate in line with the Australian Public Service (APS) RPG 1

Operate in line with the Secure Jobs Better Pay Act 2022¹⁶, and seek to implement the improvements identified in the agency's APS employee census results.

KPI type: Effectiveness/output	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	Not a corporate plan KPI				100%

Methodology

The *Secure Jobs Better Pay Act* is a set of legislative amendments to improve Australia's workplace relations system. It changed workplace relations laws relating to bargaining, job security, gender equality, compliance and enforcement, workplace conditions and protections and workplace relations institutions.

The agency uses the APS Census data results to identify areas to celebrate, monitor and improve. The APS Census collects information on employees' views and experiences of working in the agency and the broader APS. The APS Census data is used to inform activities, programmes and projects, monitor trends over time and allow comparisons with other agencies and the APS more generally.

Results The target has been met for the last five years +++

NOPSEMA supported the *Secure Jobs Better Pay Act* by enacting all the legislative amendments that came into effect during the reporting period.

Furthermore, NOPSEMA also enacted a series of legislative amendments and policy updates specifically affecting APS employment, such as the *Public Service Regulations 2023*. This is being supported by NOPSEMA's Strategic Workforce Plan 2021-2026, including undertaking workforce analytics to ensure that the agency can attract and retain a highly skilled workforce.

The 2022 APS Census results were presented to executive and senior managers and employees with the opportunity to provide feedback on the results and suggestions for actions. The information has been used to shape organisational activities, projects and programmes, such as strengthening leadership through the 2023 Emerging Leaders Programme and reinforcing integrity through the 2022 Appropriate Workplace Behaviour Programme.

NOPSEMA published the [APS census agency-level reports](#) each year as per government requirements.

¹⁶ Note the Secure Jobs Code is not applicable to NOPSEMA

NOPSEMA's response rate was above the APS rate for the previous four years (averaging 88%) up until this last year (2022-23), when a decrease was recorded (78%). However, the engagement score has remained relatively stable across the five years, ranging from 73-78%. This indicates job satisfaction, commitment to the agency, emotional connection, how motivated and inspired employees feel, and whether they feel enabled to improve the agency's outcomes.

APS Annual Census	2018-19	2019-20	2020-21	2021-22	2022-23
All APS response rate	77%	78%	77%	83%	80%
NOPSEMA staff response rate	85%	90%	86%	92%	78%
NOPSEMA engagement index score	77%	78%	76%	73%	75%

The agency's Human Resources team provided regular reports to the NOPSEMA Advisory Board and the Australian Public Service Commission that included information about the agency's workforce profile, attraction and retention activities and organisational development initiatives.



Strategic goal 9: Evolve and adapt to maintain effective operations

KPIs 21-23

21 – CONTINUOUS IMPROVEMENT

KPI 21 Continuous improvement

RPG 1

Identify and implement ways to improve efficiency, reduce regulatory burden, streamline processes and lift productivity via our management system and continuous improvement framework.

KPI type: Effectiveness/efficiency	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	100%	100%	100%	100%

Methodology

NOPSEMA continues to improve efficiency in regulation by looking for opportunities to reduce duplication, regulatory burden and associated costs, and streamline processes to build stakeholder trust and confidence. In addition, we strive to enhance our governance, capabilities, culture, staff engagement and maintain the highest standards of workplace health and safety.

The agency undertakes internal audits and process improvement reviews on the quality management system (QMS) primarily for compliance, but also with a view to identify areas for improvement to ensure our resources continue to be used effectively and efficiently, and to support us to innovate and remain flexible and responsive to changing circumstances. An annual audit plan is prepared with reference to the risk register, audit history, and strategic input from the executive. Improvement projects of varying complexities are undertaken as opportunities are identified.

Some of the improvements identified result from audits and reviews, and others may be continuous improvements proposed via feedback from staff/staff surveys, external reviews, APS Census results, external stakeholder feedback and complaints etc.

NOPSEMA's regulatory services charter is published on the website, and a dedicated mailbox is offered: feedback@nopsema.gov.au.

NOPSEMA maintains a register that includes references to relevant documents and completion/finalisation dates to ensure the agency acknowledges all feedback, requests for review, and complaints received and responds to the complaints in a timely manner.

Results The target has been met for the last five years

+++

During 2021-22, NOPSEMA:

- undertook an average of three audits per quarter
- made improvements to a number of QMS series containing our policies and processes.

The numbers of audits and reviews undertaken each year vary depending upon the scale and complexity of the activity undertaken. For example, undertaking a larger number of focused audits typically requires less resources than those required to undertake a complex and very extensive function/process review.

Scopes for the next planned management reviews for assessments and enforcements remain under development.

Some of the improvement projects for 2022-23 included:

- Development of a refreshed Compliance Strategy
- Strengthening leadership capabilities programme
- Emerging leaders course
- Review of organisational planning processes
- Commencement of digitisation project
- Development of risk appetite statements, tolerances and mitigation strategies
- Cybersecurity enhancements
- Financial budgeting and forecasting - increasing engagement across the organisation.

Effort was also directed toward completing older investigations during the financial year.

In 2022–23, NOPSEMA received a total of 9 complaints¹⁷, feedback suggestions or requests for review to help the agency to improve. All submissions were processed, reviewed, analysed, and actioned according to our charter. In summary, the submissions were very varied in nature and included complaints regarding investigation processes – specifically reporting findings and the inspectors’ approach, and feedback to improve the clarity of published website diagrams and broken links/website errors.

NOPSEMA used the following tools and mechanisms to collect and manage feedback and complaints:

- Requested workshop participants to fill out feedback forms
 - Used interactive online tools at NOPSEMA workshops/forums
 - Provided stakeholders with opportunities to give feedback during face-to-face meetings and briefings
 - Website guidance for contact methods, submitting feedback or complaints and requesting a review.
-

¹⁷ These only include complaints about NOPSEMA processes or employees – not the offshore industry

22 – REVIEWS

KPI 22 Reviews

RPG 1

Undertake regular reviews to identify areas for improvement and allocation of resources in consultation with the Advisory Board and provide a report to the relevant Minister.

KPI type: Effectiveness	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	100%	100%	100%	100%

Methodology

NOPSEMA conducts regular reviews and seeks the Advisory Board input where relevant to adopt a consistent, whole of organisation, risk-based approach to administering regulation, evolve with industry, and allocate resources appropriately.

Please also see KPI 15 for details about engagement with the NOPSEMA Advisory Board.

NOPSEMA undertakes audits and reviews to identify areas for improvement and to assist in resource allocation. These audits and reviews may arise from a range of sources as opportunities are identified, e.g:

- improvements proposed via feedback or survey responses from staff
- continuous improvements identified by process owners
- improvements in response to internal audit conclusions and recommendations
- improvement recommendations arising from external audits and reviews
- improvements proposed via feedback from external stakeholders
- improvements proposed by the Advisory Board
- improvements opportunities agreed by NOPSEMA management.

Please also see KPI 21 for details regarding continuous improvement processes.

The reviews and the resulting improvement projects may comprise varying complexities and timescales, and the scope may be determined with consideration of advice from the Advisory Board.

The CEO of NOPSEMA is responsible for managing NOPSEMA's operations and, in particular, the allocation of NOPSEMA's resources, subject to the provisions of the OPGGS Act and the regulations, the Minister's Statement of Expectations, and NOPSEMA's Statement of Intent. The agency has a published policy for [Allocation of NOPSEMA Regulatory Resources](#).

Note: externally initiated reviews and inquiries such as ANAO audits or legislated operational reviews are not included in this KPI.

Results The target has been met for the last five years

+++

Please also see the following related KPIs:

- KPI 11 – Reporting to Ministers
- KPI 15 – Engagement with the Advisory Board
- KPI 21 – Continuous improvement

An annual audit plan is developed each year and the following audits/reviews were conducted in 2022-23:

- Financial Assurance risk assessment
- WOMPS in Victorian waters
- Credit card use
- Exhibit Registrar function
- Investigation process - risks and advice
- Public comment process – EPs and OPPs

Briefs/reports are provided to senior management on the outcomes of these audits/reviews, and the progress on any corrective actions arising from these are monitored by the Legal and Risk Team.

The Minister receives regular briefs on operational and regulatory matters from NOPSEMA and the Minister's Office is verbally briefed on a regular basis on various matters.

Please also see KPI 11 for further details on reporting to Ministers.

23 – COST EFFECTIVENESS

KPI 23 Cost effectiveness

RPG 1

Undertake regular cost recovery implementation and cost effectiveness reviews, and publish reports on our website.

KPI type: Effectiveness	Target	2018-19	2019-20	2020-21	2021-22	2022-23
	100%	100%	100%	100%	100%	100%

Methodology

Under the PGPA Act, NOPSEMA became a Commonwealth Corporate Entity that is financially separate from the Commonwealth; it is fully funded through cost recovery charges imposed under legislation¹⁸.

NOPSEMA operates on a cost recovery basis through levies and fees collected from duty holders that are planning and undertaking offshore oil and gas operations. These arrangements ensure that NOPSEMA is sufficiently resourced to effectively regulate safety, structural and well integrity, and environmental management.

¹⁸ The Levies Act and Levies Regulations – see the glossary for full legislative titles

The mechanism for setting levies is through the preparation of a Cost Recovery Implementation Statement (CRIS) that meets the requirements of the Australian Government Cost Recovery Guidelines. NOPSEMA conducts reviews of cost structures and regulatory charges prior to seeking any increases in levies.

The expectation of continuous improvement applies to the performance of NOPSEMA. As such, the agency will continue to ensure regulatory levies are allocated appropriately to maintain adequate resources, and invest in the development and retention of expertise, systems and processes. NOPSEMA has broad ranging regulatory powers and responsibilities, and a policy that documents a systematic and consistent approach for how to allocate regulatory resources: See [Allocation-of-NOPSEMA-Regulatory-Resources](#).

Under Regulation 62 of the OPGGS(Levies) Regulations, NOPSEMA prepares and publishes a financial report each year that assesses the cost effectiveness of our operations.

The Australian National Audit Office (ANAO) undertake an audit on financial statements to verify financial systems, records, and results of the agency each financial year. The audit outcome (independent auditor's report) is included in NOPSEMA's annual report each year.

Results The target has been met for the last five years +++

NOPSEMA's CRIS was published in September 2022 and the report was presented to industry stakeholders in July 2023 along with the 2022-23 Cost Effectiveness Report (published in June 2023).

There were no increases in levies during 2022–23.

The Hon Madeleine King MP Minister for Resources approved NOPSEMA's Cost Recovery Implementation Statement (CRIS), which included charging Greenhouse Gas (GHG) levies commensurate with petroleum levies. Previously, GHG levy rates were set at zero. This approval was effected into a requirement from 1 January 2023 with the Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2022.

For the period, NOPSEMA reported:

2021-22	Total expenditure of \$39.6 million	\$5.4 million operating surplus
2022-23	Total expenditure of \$42.4 million	\$8.0 million operating surplus

The 2022-23 operating surplus is primarily due to the receipt of appropriations to undertake digital transformation activities for which the timing of expenditure has been deferred to FY24 and FY25 to ensure the project deliverables fulfil NOPSEMA requirements.

In September 2022, the previous year's audit report (2021-22) was completed and stated that the financial statements of NOPSEMA:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

Analysis of performance against entity purpose – NOPSEMA

Measuring our effectiveness or impact can be challenging as NOPSEMA cannot always directly connect all regulatory work to a tangible impact on industry e.g. the agency’s promotion and advice activities.

NOPSEMA can however extrapolate this to conclude that our engagement activities have a positive effect on the management of offshore occupational health and safety, structural and well integrity, and management of the environment.

Changes to:

(a)	Purpose	No significant changes to NOPSEMA’s purpose that impacted performance.
		Note: new legislation for offshore renewables commenced in June 2022 – with impacts expected to continue to increase in the next financial year.
	Activities	Our activities remained relatively stable, with increases some assessment and inspection scopes/topics e.g. GHG and Climate Change, executive oversight, bullying and sexual harassment.
	Organisational capabilities	Increase in the number of staff from 141 (136 FTEs ¹⁹) to 164 (154 FTEs).
(b)	Operating environment	The changes in <u>industry activity</u> from 2021–22 to 2022–23 include: <ul style="list-style-type: none"> • total hours worked offshore = 5% increase • reportable incidents notified = 5% decrease • complaints reported = 86% increase (14 to 26) • injuries reported = 22% decrease (78 to 61) • total assessments submitted = 7% decrease <p>The changes in <u>NOPSEMA activity</u> from 2021-22 to 2022–23 include:</p> <ul style="list-style-type: none"> • total assessments completed = 10% decrease • planned inspections = 8% increase • incident investigations (levels 2-4) = 31% increase • enforcement actions = 39% decrease (33 to 20)

¹⁹ FTE = Full time equivalent

Results summary and snapshot – OIR

The OIR's KPIs currently align with NOPSEMA's where appropriate, however the offshore renewables sector is still in its infancy in Australia and no activities were regulated by the OIR under the *Offshore Electricity Infrastructure Act 2021* during the reporting period. As such some KPI results are not applicable for 2022-23 as indicated below.

NOPSEMA Performance measures 2022-23		Result
1	Merit-based regulatory decisions	
2	Risk based graduated enforcements	
3	Compliance strategy	
4	Regulatory information management	
5	GHG emissions and climate change	NA ²⁰ (no regulatory activity undertaken yet)
6	Compliance with SCFAs	
7	Senior executive oversight	
8	Decommissioning obligations	
9	Modern and collaborative regulation	
10	Management of psychosocial hazards	
11	Reporting to Ministers	
12	Liaison across government	+++
13	Promotion	+++
14	Co-operation with NOPTA (OIR – Registrar)	NA
15	Engagement with NOPSEMA Advisory Board	NA
16	Stakeholder engagement	+++
17	Environment scan	NA
18	Government key priorities	NA
19	Inform policy development	+++
20	Operate in line with APS	NA

Key

All targets met	+++
Targets substantially met	++
Some targets met	+
Targets not met	-

²⁰ NA – KPIs marked as NA are either:

- not applicable to OIR
- not yet applicable to OIR as regulatory activities are yet to commence
- included with NOPSEMA's KPI results (at this point in time)

KPI Results – Offshore Infrastructure Regulator

OIR 12 – LIAISON ACROSS GOVERNMENT

KPI 12 Liaison across government

RPG 3

Undertake regular liaison with other departments and agencies to encourage and consistently develop amendments and improvements to legislation, policies and advice.

Strategic goal 5

Ensure engagement is targeted and specific

Target 2022-23

KPI type:

Output/effectiveness

100%

100%

Methodology

The OIR cooperates with policy agencies and authorities who have functions that may interface with activities regulated under the OEI Act Framework.

The OEI Act entered into force on 2 June 2022. The framework provides a licensing scheme to enable the construction, operation and decommissioning of offshore renewable energy and offshore electricity infrastructure projects in the Commonwealth offshore area and grants the role of the Offshore Infrastructure Regulator to NOPSEMA.

Under the framework OIR has responsibility for overseeing work health and safety, environmental management, infrastructure integrity and financial security for offshore infrastructure activities.

The key agencies that the OIR collaborate with include (but are not limited to) the following:

AMSA Australian Maritime Safety Authority

DCCEEW Dept of Climate Change, Energy, the Environment and Water

DITRD Dept of Infrastructure, Transport, Regional Development, Communications and the Arts

OIR (Registrar) Offshore Infrastructure Registrar

Results

Liaison covered a range of topics, for example:

- Introductory meetings - overview of roles and responsibilities under the OEI framework
- Discussions and engagement on legislation, policy and guidelines
- Offshore renewables maritime, safety and environmental regulatory interfaces
- Supporting the assessment of offshore renewable energy proposals under the EPBC Act.

OIR 13 – PROMOTION

KPI 13 Promotion

RPG 3

Undertake productive engagement and ongoing dialogue with the offshore energy sector and all other stakeholders to promote the modern regulatory framework and encourage continuous improvement.

Strategic goal 6

Engage and work transparently with stakeholders

Target

2022-23

KPI type:

Output/effectiveness proxy

100%

100%

Methodology

The OIR ensures that through collaboration and provision of advice to industry, a modern regulatory framework is promoted to encourage continuous improvement and development of a safe, sustainable and environmentally responsible offshore renewables industry. A key focus for the OIR is providing guidance and advice to stakeholders on how to comply with requirements of the OEI Act Framework.

OIR engages with a wide and diverse range of stakeholders including proponents, consultants, service providers, government representatives (international, federal, state, and local), regulators, academia, industry representative bodies, unions, non-government organisations, First Nations peoples and the community.

A register is maintained about OIR's advice and promotional activities with external stakeholders.

OIR is also a member of various groups including the Global Offshore Wind Regulators Forum (GOWRF). This is a group of international regulators with a shared interest in licensing, approvals and oversight of the offshore wind industry, with an aim to strengthen co-operation and discuss important issues related to this rapidly growing industry.

Results

OIR publications included:

Jun 2023 Brochure	Offshore renewables - interactions with fisheries	Information on key aspects of the OEI Act framework relevant to commercial and recreational fishers. The Offshore renewables and interactions with fisheries brochure also highlights where the views of fishers and other stakeholders can be accounted for across the OEI Act framework.
May 2023 Guideline	Authorisations for offshore infrastructure activities	For OEI Act licence holders and other stakeholders considering conducting activities which may involve the construction, installation, commissioning, operation, maintenance or decommissioning of offshore renewable energy infrastructure or offshore electricity transmission infrastructure.

Oct 2022 Guidance	Offshore renewables environmental approvals	Highlights the key licensing and environmental approval steps for proponents and other interested parties, as well as indicative timing to support efficient primary environmental approval processes for offshore renewable energy developments.
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Dec 2022 Brochure	Harnessing wave energy	Highlights the challenges and opportunities associated with wave energy extraction.
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Presentations at key industry events included:

May 2023	Australian Wind Industry Summit	Presentation - importance of information sharing and collaboration to support offshore renewables approvals
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Feb 2023	Global Forum Offshore Wind	Regulating offshore renewables in Australia
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Feb 2023	WA Clean Energy Forum	Cross jurisdictional engagement on offshore wind
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Nov 2022	AELERT	Regulating towards 2050 – Working together to face emerging challenges
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Sep 2022	Wind Energy Conference	Presentation – major developments in offshore wind in Australia.
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OIR 16 – STAKEHOLDER ENGAGEMENT

KPI 16 Stakeholder engagement

RPG 3

Engage and liaise with other government departments and agencies, industry, and other relevant stakeholders.

Strategic goal 6	Engage and work transparently with key stakeholders	Target	2022-23
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KPI type:	Output/effectiveness	100%	100%
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Methodology

OIR continues to engage and build collaborative relationships with industry, other stakeholders and other relevant government departments and agencies. Our national and international collaborations help develop regulatory excellence by sharing expertise, information, and best practice.

We seek to reinforce our international standing and access to leading regulatory practice through our active involvement in various international forums and groups. Particular priority is given to the Global Offshore Wind Regulators' Forum (GOWRF) and the International Regulators' Forum (IRF) comprising regulatory bodies from leading international jurisdictions for offshore renewables safety and environmental management.

A register is maintained that contains information about NOPSEMA's engagement, advice and promotional activities with external stakeholders. Our engagement interactions vary in nature and include in-person and/or written exchanges of information, working groups, forums, seminars, meetings, reports, updates, subscriptions, web-portal submissions and other email and telephone exchanges.

Results

OIR has established cooperative mechanisms to interact with relevant stakeholders and records of all interactions are saved. In preparation for taking on the role of the OIR the following engagement activities were completed during the reporting period:

- Commissioned a review of work health and safety regulatory and administrative approaches for offshore renewables under the OEI framework
- Led a working group on international collaboration on offshore renewables safety regulation through the International Regulators' Forum (IRF)
- Contributed to the GOWRF through the organisation and structure working group
- Jointly convened a meeting of senior industry and government representatives to discuss the current state of play for offshore renewables and examine opportunities for future collaboration and coordination on matters of common interest.

During the reporting year, OIR undertook 232 engagements, and as expected this was an increase from the number of engagements in 2021-22 as the industry continues to grow.

Entity	Jan-Jun 2021	2021-22	2022-23
Government departments and agencies	27	92	127
Industry	9	74	94
Other stakeholders	5	28	11
Total	41	194	232

OIR 19 – INFORM POLICY DEVELOPMENT

KPI 19 Inform policy development

RPG 3

Inform policy development and maintain alignment with broader government priorities and policies by providing strategic advice to portfolio departments on regulatory impact and operational matters.

Strategic goal 7

Meet future challenges

Target 2022-23

KPI type:

Output

100%

100%

Methodology

OIR collaborates with government to inform policy development, support implementation and maintain alignment between agency and government priorities and policies.

OIR works to ensure regulatory burden and impact will be minimised for regulated entities, while still maintaining regulatory objectives.

Results

Over the course of the year the OIR continued to provide specialist technical and regulatory advice to DCCEEW to support the development of the regulatory framework for offshore renewables. Please also see KPI 12.

OIR 23 – COST EFFECTIVENESS

KPI 23 Cost effectiveness

RPG 1

Undertake regular cost recovery implementation and cost effectiveness reviews, and publish reports on our website.

Strategic goal 9	Evolve and adapt to maintain effective future operations	Target	2022-23
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KPI type:	Effectiveness	100%	100%
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Methodology

The work of the OIR will be fully cost recovered through a combination of fees and levies collected from regulated entities. A fully cost recovered regime allows the OIR to deliver high quality regulatory services and ensures the costs of administering the framework are borne by the offshore renewables industry.

The Cost Recovery Implementation Statement (CRIS) is published on the website and provides information on how responsible entities will implement full cost recovery for the administration and regulation of OEI licences and activities under the OEI Act, the OEI Levies Act, and associated regulations.

The responsible entities are the:

- Offshore Infrastructure Registrar - OIR (Registrar)
- Offshore Renewable Energy (ORE)
- within the Department of Climate Change, Energy, the Environment and Water (DCCEEW)
- Offshore Infrastructure Regulator – OIR (Regulator)

The CRIS also reports financial and non-financial performance information for license administration and regulation and contains financial forecasts. The CRIS is regularly reviewed to ensure excess revenue is not generated; however, this is balanced with the need for functions to maintain capacity for ongoing tasks. This may include a reassessment of staffing numbers particularly over forward years.

Results

The Cost Recovery Implementation Statement (CRIS) was published on the OIR website in September 2022. [OEI CRIS - Sep 2022](#). For the period, OIR reported:

2022-23	Total cost allocated to outputs of \$2.5 million	100% effort
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No revenue was anticipated for the 2022-23 financial year.

The OEI framework commenced on 2 June 2022. Before licences can be applied for, and granted, there are a number of statutory processes that must occur. This includes the declaration of an area as suitable for offshore renewable energy infrastructure and an invitation to apply for licences. Once these processes have been undertaken, it will take additional time for proponents to compile and submit applications, for the Registrar to assess applications, and for the Minister to grant licences.

As a result it is anticipated that cost recovery charging for regulatory activities will not commence until late 2023 or early 2024. And as the OEI framework is new, and the industry in its infancy, it is anticipated that it will take until late 2023-24 or early 2024-25 for an operating surplus. It will take time for the industry to develop and for the cumulative effect of granted licences to reach a point where full cost recovery is occurring.



Analysis of performance – OIR

The offshore renewables sector is still in its infancy in Australia and as the OIR was not regulating any activities during the reporting period, measuring our effectiveness or impact over 2022-23 is therefore somewhat challenging.

However, the OIR considers stakeholder engagement activities play an important role and can have a positive effect on the emerging offshore renewable energy sector through promoting safe and responsible development of offshore renewable energy resources.

Changes to:

(a)	Purpose	New legislation for offshore renewables commenced in June 2022 - the majority of impacts will occur in the next financial year.
	Activities	OIR continued to increase stakeholder engagement, promotion and advice.
	Organisational capabilities	OIR continued to increase resources and capability during the year.

(b)	Operating environment	<p>The changes in industry activity from 2021–22 to 2022–23 include:</p> <ul style="list-style-type: none">• Increased interest in developing offshore renewables projects in Australia due to Government moving swiftly to develop a legislative framework and identifying priority areas for future offshore renewables projects . <p>The changes in OIR activity from 2021-22 to 2022–23 include:</p> <ul style="list-style-type: none">• Significant increase in stakeholder engagement activity to provide advice and guidance to the emerging offshore renewable energy sector on compliance with the OEI Act requirements.
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Regulator Performance Guide (RPG) – NOPSEMA & OIR

RPG - BACKGROUND INFORMATION

The Australian Government refreshed expectations for regulator performance and reporting with the Regulator Performance Guide (RPG) which replaced the Regulator Performance Framework (RPF) from 1 July 2021. The RPG provides guidance and information to regulators for performance reporting, including setting performance objectives through Ministerial Statements of Expectations. The RPG aligns with requirements for performance reporting in the PGPA Act and PGPA Rules.

The 3 RPG principles of best practice that regulators report against are:

1	2	3
Continuous improvement and building trust	Risk based and data driven	Collaboration and engagement

For further information see: [RPG 128](#) at www.finance.gov.au



RPG Performance results

- summary

NOPSEMA has fully met RPG principles 1 and 3 and substantially met RPG principle 2 for 2022-23. For more details on these performance measures see section KPI results.

RPG 1 - Continuous improvement and building trust		+++
6	Compliance with SCFAs	+++
10	Managing psychosocial hazards	+++
15	Engaging with the Advisory Board	+++
18	Action government key priorities	+++
20	Operate in line with APS	+++
21	Continuous improvement	+++
22	Regular reviews	+++
23	Cost effectiveness	+++

RPG 2 - Risk based and data driven		++
1	Merit-based regulatory decisions	++
2	Risk based graduated enforcements	+++
3	Compliance strategy	+++
4	Regulatory information management	++
5	GHG emissions and climate change	+++
7	Senior executive oversight	+++
8	Decommissioning obligations	+++
17	Environment scan	+++

RPG 3 - Collaboration and engagement		+++
9	Modern and collaborative regulation	+++
11	Reporting to Ministers	+++
12	Liaison across government	+++
13	Promotion	+++
14	Cooperation with NOPTA	+++
19	Stakeholder engagement	+++
19	Inform policy development	+++

PART 5

FINANCIAL STATEMENTS

Independent Auditor's report



To the Minister for Resources

Opinion

In my opinion, the financial statements of the National Offshore Petroleum Safety and Environmental Management Authority (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Chief Executive Officer and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the Auditor-General Act 1997. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chief Executive Officer is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chief Executive Officer is also responsible for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office

A handwritten signature in black ink, appearing to read 'Bradley Medina', written in a cursive style.

Bradley Medina
Executive Director
Delegate of the Auditor-General

Canberra
21 September 2023

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Statement by Chief Executive Officer and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the corporate Commonwealth entity will be able to pay its debts as and when they fall due.



Sue McCarrey,
Chief Executive Officer

21 September 2023



Finian Koong,
Chief Financial Officer

21 September 2023

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Statement of comprehensive income

For the period ended 30 June 2023		2023	2022	2023 October Budget
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	33,680	30,233	34,785
Suppliers	1.1B	6,856	5,102	11,721
Depreciation and amortisation	2.2A	1,574	4,262	2,684
Finance costs		338	34	117
Other expenses		-	-	-
Total expenses		42,448	39,631	49,307
Own-source revenue				
Levies and fees	1.2A	39,696	40,419	41,370
Interest		941	55	70
Other revenue	1.2B	746	2,210	1,259
Total own-source revenue		41,383	42,684	42,699
Gains				
Other gains		-	842	-
Total gains		-	842	-
Net contribution by services		(1,065)	3,895	(6,608)
Revenue from Government	1.2C	9,112	1,500	9,112
Surplus on continuing operations		8,047	5,395	2,504
Total Comprehensive income		8,047	5,395	2,504

The above statement should be read in conjunction with the accompanying notes.

BUDGET VARIANCES COMMENTARY

Supplier expenses are lower than budget primarily due to delays to the Digital Capabilities project and overall lower consulting costs.

Depreciation and amortisation costs are lower than budget due to a delay in NOPSEMA's office move and lower amortisation on legacy software costs due to the delay to the Digital Capabilities project.

Finance costs are higher than budget due to the impact of an increase to the incremental borrowing rate (IBR) on NOPSEMA's office leases.

Higher interest revenues in 2023 were the result of a combination of higher interest rates, and delays in the Digital Capabilities project that resulted in higher than budgeted cash levels.

Other revenues are lower than budget primarily due to reclassification to Levies and Fees for the Northern Endeavour facility.

Statement of financial position

For the period ended 30 June 2023		2023	2022	2023 October Budget
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	36,212	26,374	29,631
Trade and other receivables	2.1B	11,158	8,340	8,711
Other financial assets	2.1C	2,495	2,162	3,416
Total financial assets		49,865	36,876	41,758
Non-financial assets				
Land and buildings ¹	2.2A	9,486	6,856	11,559
Plant and equipment	2.2A	391	308	307
Intangibles	2.2A	442	867	598
Other non-financial assets		552	338	338
Total non-financial assets		10,871	8,369	12,802
Total assets		60,736	45,245	54,560
LIABILITIES				
Payables				
Suppliers	2.3A	732	797	797
Other payables	2.3B	7,119	2,052	1,347
Total payables		7,851	2,849	2,144
Interest bearing liabilities				
Leases	2.4A	11,392	9,409	16,221
Total interest-bearing liabilities		11,392	9,409	16,221
Provisions				
Employee provisions	3.1A	7,086	6,627	7,331
Other provisions	2.5A	98	98	98
Total provisions		7,184	6,725	7,429

Total liabilities	26,427	18,983	25,794
Net Assets	34,309	26,262	28,766
EQUITY			
Contributed equity	2,361	2,361	2,361
Retained surplus	31,948	23,901	26,405
Total equity	34,309	26,262	28,766

The above statement should be read in conjunction with the accompanying notes.

¹ Right-of-use assets are included in this line item

BUDGET VARIANCES COMMENTARY

Cash levels were higher than budget primarily due to delays in the Digital Capabilities project and the resultant underspend for the year. Additionally, \$2.56 million was received by NOPSEMA in June 2023 and is to be refunded to the Department of Finance in FY24, this has resulted in an increase in both Cash and Other payable balances. Further, delays experienced in the assessment of Environment Plans has resulted in higher levels of unearned revenue and therefore higher Other Payables.

The higher Trade and other receivables balance relative to budget is due to timing of fees & levies and cash receipts.

Finalisation of lease terms in respect of a new office and its fit-out costs have resulted in lower than budgeted Other financial assets, Land and buildings, and Leases.

Statement of changes in equity

For the period ended 30 June 2023	2023	2022	2023 October Budget
Notes	\$'000	\$'000	\$'000
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	2,361	896	2,361
Adjusted opening balance	2,361	896	2,361
Transactions with owners			
Contributions by owners			
Equity injection - Appropriations	-	1,465	-
Total transactions with owners	-	1,465	-
Closing balance as at 30 June	2,361	2,361	2,361
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	23,901	18,506	23,901
Adjusted opening balance	23,901	18,506	23,901
Comprehensive income			
Surplus / (Deficit) for the period	8,047	5,395	2,504
Total comprehensive income	8,047	5,395	2,504
Closing balance as at 30 June	31,948	23,901	26,405

For the period ended 30 June 2023	2023	2022	2023 October Budget
Notes	\$'000	\$'000	\$'000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	26,262	19,402	26,262
Adjusted opening balance	26,262	19,402	26,262
Comprehensive income			
Surplus / (Deficit) for the period	8,047	5,395	2,504
Total comprehensive income	8,047	5,395	2,504
Transactions with owners			
Contributions by owners			
Equity injection - Appropriations	-	1,465	-
Total transactions with owners	-	1,465	-
Closing balance as at 30 June	34,309	26,262	28,766

The above statement should be read in conjunction with the accompanying notes.

BUDGET VARIANCES COMMENTARY

Increase in retained earnings compared to budget primarily relates to the delay in the Digital Capabilities project and its resultant underspend.

Cash flow statement

For the period ended 30 June 2023	2023	2022	2023 October Budget
Notes	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Receipts from levies and fees	39,546	36,940	41,370
Sale of goods and rendering of services	-	-	941
Interest ¹	849	55	40
GST received	985	507	-
Other	698	2,161	1,259
Appropriations	11,674	1,500	9,112
Total cash received	53,752	41,163	52,722
Cash used			
Employees	(33,007)	(30,245)	(34,785)
Suppliers	(6,959)	(2,767)	(11,721)
Interest payments on lease liabilities	(338)	(34)	(117)
GST paid	(929)	(435)	-
Accommodation	(747)	(502)	-
Total cash used	(41,980)	(33,983)	(46,623)
Net cash from operating activities	11,772	7,180	6,099
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment	(5,762)	(259)	(1,364)
Total cash used	(5,762)	(259)	(1,364)
Net cash used by investing activities	(5,762)	(259)	(1,364)

For the period ended 30 June 2023	2023	2022	2023 October Budget
Notes	\$'000	\$'000	\$'000
FINANCING ACTIVITIES			
Cash received			
Contributed equity	-	1,465	-
Lease incentive	5,060		
Receipts from investment in sublease	492	923	-
Total cash received	5,552	2,388	-
Cash used			
Principal payments of lease liabilities	(1,724)	(3,395)	(1,676)
Total cash used	(1,724)	(3,395)	(1,676)
Net cash used by financing activities	3,828	(1,008)	(1,676)
Net increase in cash held	9,838	5,913	3,059
Cash and cash equivalents at the beginning of the reporting period	26,374	20,461	26,572
Cash and cash equivalents at the end of the reporting period	36,212	26,374	29,631
2.1A			

The above statement should be read in conjunction with the accompanying notes.

¹ Interest receipts on investment in sublease is included in this line item

BUDGET VARIANCES COMMENTARY

Cash levels were higher than budgeted primarily due to delays in the Digital Capabilities project and the resultant underspend for the year. Additionally, \$2.56 million received by NOPSEMA in June 2023 (to be refunded to Department of Finance in FY24) has contributed to higher cash levels. The budget did not take into consideration the impact of lease incentive that has increased both Purchase of property, plant and equipment, and Lease incentive by \$5.06 million.

Overview

OBJECTIVES OF THE NATIONAL OFFSHORE PETROLEUM SAFETY AND ENVIRONMENTAL MANAGEMENT AUTHORITY (NOPSEMA)

NOPSEMA's primary role is promoting and securing compliance and improvement by duty holders through monitoring, enforcement and proactive engagement with stakeholders to reduce 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 the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGSA).

In addition to regulating offshore petroleum activities, following passage of the *Offshore Electricity Infrastructure Act 2021* (OEI Act). NOPSEMA has been given the role and functions of the Offshore Infrastructure Regulator (the Regulator). The Regulator has primary responsibility for work health and safety, environmental management, infrastructure integrity and financial security for offshore infrastructure activities. The Regulator will also provide specialist technical advice to the Department of Climate Change, Energy, Environment and Water to support the assessment of offshore renewable energy proposals under the *Environment Protection and Biodiversity Conservation Act 1999*. The Regulator will provide guidance and advice on how to comply with the regulator requirements.

THE BASIS OF PREPARATION

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR); and
- b) Australian Accounting Standards and Interpretations - including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars.

New Accounting Standards

All new standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on NOPSEMA's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

TAXATION

NOPSEMA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

EVENTS AFTER THE REPORTING PERIOD

At the time of completion of these financial statements, NOPSEMA was not aware of any significant events occurring after the reporting date.

BUDGETARY REPORTING OF MAJOR VARIANCES (AASB1055)

Budget variances commentary provides a comparison between the original budget reported in the Portfolio Budget Statements 2022-23, and the final outcome of the 2022-23 financial statements. The original budget provided is not audited, however, major changes in budget have been explained as part of the variance analysis where relevant.

Variances are considered 'major' where:

- (a) the variance between budget and actual is greater than +/- 10% of the budget for the line items; and
- (b) the variance between budget and actual is greater than +/- 2% of total expenses or total own-source revenue.

1. Financial performance

This section analyses the financial performance of NOPSEMA for the year ended 2023.

1.1 Expenses

	2023	2022
	\$'000	\$'000
1.1A: Employee benefits		
Wages and salaries	23,879	22,064
Superannuation:		
Defined benefit plans	527	496
Defined contribution plans	4,020	3,506
Leave and other entitlements	5,068	3,994
Other employee benefits	186	173
Total employee benefits	33,680	30,233

ACCOUNTING POLICY

Accounting policies for employee related expenses is contained in the People and relationships section.

1.1B: Suppliers

Goods and services supplied or rendered

Consultants	1,333	1,368
Contractors	199	112
Communication	105	91
Consumables	262	177
Travel and accommodation	840	226
IT services	1,055	767
Insurance	66	52
Utility	126	136
Temporary staff	615	419
Training and conferences	524	369
Registration and licenses	853	804
Other	149	91
Total goods and services supplied or rendered	6,127	4,612

	2023	2022
	\$'000	\$'000
Goods supplied	262	177
Services rendered	5,865	4,435
Total goods and services supplied or rendered	6,127	4,612

Other suppliers

Operating lease rentals	675	445
Workers' compensation expenses	54	45
Total other suppliers	729	490
Total suppliers	6,856	5,102

1.2 Own-source revenue

	2023	2022
	\$'000	\$'000
1.2A: Revenue from levies and fees		
Wells	6,116	6,324
Safety	20,012	18,134
Environment	13,518	15,961
Total revenue from levies and fees	39,696	40,419

ACCOUNTING POLICY

Revenue from fees and levies is recognised in accordance with AASB15 Revenue from Contracts with Customers. Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

	2023	2022
	\$'000	\$'000
1.2B: Other revenue		
Resources received free of charge		
Remuneration of auditors - ANAO	48	48
Other revenue	698	2,114
Total other revenue	746	2,162

ACCOUNTING POLICY

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

	2023	2022
	\$'000	\$'000
1.2C: Revenue from government		
Department of Industry, Science and Resources		
Corporate Commonwealth entity payment item	9,112	1,500
Total revenue from Government	9,112	1,500

ACCOUNTING POLICY

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to this entity) is recognised as Revenue from Government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

2. Financial position

This section analyses NOPSEMA's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

2.1: Financial Assets

	2023	2022
	\$'000	\$'000
2.1A: Cash and cash equivalents		
Cash at bank	36,212	26,374
Total cash and cash equivalents	36,212	26,374

ACCOUNTING POLICY

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- cash on-hand
- demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value
- cash in special accounts.

2.1B: Trade and other receivables

	2023	2022
	\$'000	\$'000
Goods and services receivables		
Goods and services	7,757	4,683
Total goods and services receivables	7,757	4,683

	2023	2022
	\$'000	\$'000
Other receivables		
Levy receipts to be appropriated by the		
Department of Industry, Science, Energy and Resources	0	198
Interest	109	17
Accrued revenue	3,067	3,355
Travel advances	2	3
GST receivable from the Australian Taxation Office	0	43
Other	223	41
Total other receivables	3,401	3,657
Total trade and other receivables	11,158	8,340

Credit terms for goods and services were within 30 days (2022: 30 days).

ACCOUNTING POLICY

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

2.1C: Other financial assets

	2023	2022
	\$'000	\$'000
Investment in sublease asset	2,495	2,162
Total other financial assets	2,495	2,162

2.2: Non-Financial Assets

2.2A: Reconciliation of the Opening and Closing Balances of Land, Buildings, Plant and Equipment and Intangibles

	Land and buildings	Plant and equipment	Intangibles ¹	Total
	\$'000	\$'000	\$'000	\$'000
Gross book value	12,352	1,612	9,230	23,194
Accumulated depreciation, amortisation and impairment	(5,496)	(1,304)	(8,363)	(15,163)
Total as at 1 July 2022	6,856	308	867	8,031
Additions				
Purchase	10,310	167	19	10,496
Reclassification		123	(123)	-
Depreciation and amortisation	(271)	(207)	(321)	(799)
Depreciation on right-of-use assets	(775)	-	-	(775)
Disposals	(6,635)			(6,635)
Total as at 30 June 2023	9,486	391	442	10,319
Total as at 30 June 2023 represented by				
Gross book value	11,580	1,404	9,025	22,008
Accumulated depreciation, amortisation and impairment	(2,094)	(1,013)	(8,583)	(11,689)
Total as at 30 June 2023	9,486	391	442	10,319
Carrying amount of right-of-use assets	3,960	-	-	3,960

¹ Intangibles consisted of internally generated software

No indicators of impairment were found for land, buildings, plant and equipment and intangibles.

No land, buildings, plant and equipment and intangibles are expected to be sold or disposed of within the next 12 months.

ACCOUNTING POLICY

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the entity where there exists an obligation to restore the property to its original condition. These costs are included in the value of the entity's leasehold improvements with a corresponding provision for the 'make good' recognised.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16, NOPSEMA adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2023	2022
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 to 5 years	3 to 5 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets were assessed for impairment at 30 June 2023. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use.

Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The entity's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the entity's software is five years (2022: 5 years). All software assets were assessed for indications of impairment as at 30 June 2023.

2.3: Payables

	2023	2022
	\$'000	\$'000

2.3A: Suppliers

Trade creditors and accruals	732	797
Total suppliers	732	797

Settlement is usually made within 30 days.

2.3B: Other payables

Salaries and wages	901	705
Unearned income	3,639	1,019
GST Payable	13	-
Other Payables	2,566	328
Total other payables	7,119	2,052

2.4: Interest bearing liabilities

2.4A: Leases

Lease Liabilities	11,392	9,409
Total leases	11,392	9,409

Maturity analysis - contractual undiscounted cash flows

Within 1 year	2,300	1,196
Between 1 to 5 years	9,716	8,522
More than 5 years	716	1,569
Total leases	12,732	11,287

ACCOUNTING POLICY

For all new contracts entered into, NOPSEMA considers whether the contract is, or contains a lease. A lease is defined as 'a contract' or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment of modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

2.5: Other provisions

	2023	2022
	\$'000	\$'000
2.5A: Other provisions		
Provision for restoration	98	98
Total other provisions	98	98

ACCOUNTING JUDGEMENTS AND ESTIMATES

NOPSEMA has two agreements for the leasing of premises in Perth and Melbourne. The makegood for the Perth lease has been waived by the landlord, whilst the provision to restore the Melbourne premises to its original condition remains in place. NOPSEMA maintains a provision for the Melbourne lease which reflects the present value of this obligation.

3. People and relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

3.1: Employee provisions

	2023	2022
	\$'000	\$'000
3.1A: Employee provisions		
Annual Leave	2,614	2,324
Long Service Leave	4,472	4,303
Total employee provisions	7,086	6,627

ACCOUNTING POLICY

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2023. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The entity recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The entity's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The entity makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The entity accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

3.2: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The entity has determined the key management personnel to be the Chief Executive Officer, three Divisional Heads, Director for the Office of Chief Executive and the General Counsel.

Key management personnel remuneration is reported in the table below:

3.2A: Key management personnel remuneration

	2023	2022
	\$'000	\$'000
Short-term employee benefits	1,922	1,892
Post-employment benefits	288	302
Other long-term employee benefits	34	36
Termination benefits	-	30
Total key management personnel remuneration¹	2,244	2,260

¹ The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

The total number of key management personnel that are included in the above table are six [2022: 6].

3.3: Related party disclosures

Related party relationships:

NOPSEMA is an independent statutory authority established under the Offshore Petroleum Greenhouse Gas Storage Act 2006. Related parties to NOPSEMA are Key Management Personnel and the Portfolio Minister.

Transactions with related parties:

Significant transactions with related parties can include:

- the payments of grants or loans
- purchases of goods and services
- asset purchases, sales transfers or leases
- debts forgiven; and
- guarantees

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed.

4. Managing uncertainties

This section analyses how NOPSEMA manages financial risks within its operating environment.

4.1: Financial instruments

	2023	2022
	\$'000	\$'000

4.1A: Categories of financial instruments

Financial Assets

Financial assets at amortised cost

Cash and cash equivalents	36,212	26,374
Trade and other receivables	11,158	8,340
Other financial assets	2,495	2,162
Total financial assets at amortised cost	49,865	36,876
Total financial assets	49,865	36,876

Financial Liabilities

	2023	2022
	\$'000	\$'000

Financial liabilities measured at amortised cost

Trade creditors	732	797
Other payables	7,119	2,052
Total financial liabilities measured at amortised cost	7,851	2,849
Total financial liabilities	7,851	2,849

ACCOUNTING POLICY

Financial assets

With the implementation of AASB 9 Financial Instruments for the first time in 2019, the entity classifies its financial assets in the following categories:

- a. financial assets at fair value through profit or loss
- b. financial assets at fair value through other comprehensive income
- c. financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition.

Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date. Comparatives have not been restated on initial application.

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses. A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at amortised cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

4.1B: Net gains or losses on financial assets

	2023	2022
	\$'000	\$'000
Financial assets at amortised cost		
Interest revenue	941	55
Net gains/(losses) on financial assets at amortised cost	941	55

5. Other information

5.1: Current/non-current distinction for assets and liabilities

5.1A: Current/non-current distinction for assets and liabilities

Assets expected to be recovered in:	2023	2022
	\$'000	\$'000
No more than 12 months		
Cash and cash equivalents	36,212	26,374
Trade and other receivables	11,158	8,340
Other financial assets	2,495	2,162
Total no more than 12 months	49,865	36,876
More than 12 months		
Land and buildings	9,486	6,856
Plant and equipment	391	308
Intangibles	442	867
Other non-financial assets	552	338
Total more than 12 months	10,871	8,369
Total assets	60,736	45,245
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	732	797
Employee provisions	902	705
Other payables	6,217	1,347
Total no more than 12 months	7,851	2,849
More than 12 months		
Leases	11,392	9,409
Employee provisions	7,086	6,627
Other provisions	98	98
Total more than 12 months	18,576	16,134
Total liabilities	26,427	18,983

PART 6

APPENDICES

Appendix 1: EPBC Streamlining performance report 2022-23

On 28 February 2014, the National Offshore Petroleum Safety and Environmental Management Authority's (NOPSEMA's) environmental management authorisation process was endorsed by the then Minister for the Environment as a Program that meets requirements of Part 10 of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

This ministerial endorsement streamlined environmental approvals for offshore petroleum activities and made NOPSEMA the sole regulator for environmental management of petroleum activities in Commonwealth waters. Further information about the endorsed Program is available at [NOPSEMA's website](#).

This report provides a summary of NOPSEMA's performance under the streamlined arrangements for the period 1 July 2022 to 30 June 2023.

Regulatory activity		1 July 2022 to 30 June 2023
Submission type	Category	Number
Offshore project proposal¹	Accepted for public comment ²	0
	Accepted ³	1
	Assessments in progress – for public comment ⁴	0
	Assessments in progress – for acceptance ⁴	0
Environment plan	Accepted ⁵	8
	Assessments in progress ⁴	25
	Decisions - refuse to accept ⁵	0
	Assessments stopped/cancelled ⁵	9
	Acceptances that pose unacceptable impacts to matters protected under Part 3 of the EPBC Act	0

¹ The offshore project proposal (OPP) process streamlines decision-making on the overall environmental acceptability of offshore projects in Commonwealth waters and is designed to deliver equivalent environmental outcomes to the environmental impact assessment process under the Environment Protection and Biodiversity Conservation Act 1999.

² NOPSEMA publishes OPPs that are open for public comment following its determination that the OPP is suitable for publication. The public then have an opportunity to review and provide comment on the OPP. Based on year of acceptance for public comment (1 July 2022 to 30 June 2023).

³ The final accepted OPP. Based on year of completion (1 July 2022 to 30 June 2023).

⁴ Based on year of submission (1 July 2022 to 30 June 2023).

⁵ Based on year of completion (1 July 2022 to 30 June 2023).

During the reporting period, NOPSEMA continued to implement administrative arrangements for the Program that are in place between NOPSEMA and the Department of Climate Change, Energy, the Environment and Water (DCCEEW), formerly the Department of Agriculture, Water and the Environment (DAWE). This included sharing information with DCCEEW about NOPSEMA's regulatory activities such as environment plan assessments, inspections, investigations and enforcement actions.

NOPSEMA also regularly engages with DCCEEW on a range of matters, including to ensure clarity and consistency of approaches to application of the EPBC Act policies and instruments. Notable examples of engagement during the reporting period are that:

- NOPSEMA and Parks Australia have published a [revised guidance note](#) for titleholders about how to consult with Parks Australia and complete their impact and risk assessments for petroleum activities that are in and near to marine parks
- NOPSEMA has continued engaging with DCCEEW in relation to review of the [Conservation Management Plan for the Southern Right Whale \(2011-2021\)](#)
- NOPSEMA has engaged with, and provided advice to, DCCEEW on the development of National Anthropogenic Underwater Noise Guidelines and an update to [Policy Statement 2.1 - Interaction between offshore seismic exploration and whales: Industry guidelines](#)
- NOPSEMA has been working with the National Offshore Petroleum Titles Administrator, DCCEEW and the Department of Industry, Science and Resources as part of a Commonwealth Government coordinating group to ensure regulatory messages are consistent, approvals pathways / sequencings are clear, and guidance for carbon capture and storage regulation in Commonwealth waters is effective
- NOPSEMA has been providing support / advice to the EPBC Reforms Taskforce on draft National Environmental Standards as relevant to the endorsed Program or any future streamlined arrangements.

Key areas of focus for NOPSEMA in regulatory assessments and compliance monitoring over the reporting period have been decommissioning of offshore petroleum infrastructure, marine seismic surveys, oil pollution risk management, industry management of greenhouse gas emissions, and compliance with statutory instruments for the protection and conservation of listed threatened marine species.

Appendix 2: APS net zero

As part of the reporting requirements under section 516A of the EPBC Act, and in line with the Government's APS Net Zero 2030 policy, NOPSEMA is required to publicly report on the emissions from its operations, commencing in the 2022-23 Annual Report.

Emission source	Scope 1	Scope 2	Scope 3	Total
	kg CO₂-e	kg CO₂-e	kg CO₂-e	kg CO₂-e
Electricity (Location-Based Method)	0	164,297	12,138	176,435
Natural Gas	0	0	0	0
Fleet Vehicles	0	0	0	0
Domestic Flights	0	0	198,059	198,059
Other Energy	0	0	0	0
Total kg CO₂-e	0	164,297	210,197	374,493
International Flights	0	0	132,661	132,661
Total kg CO₂-e Including Domestic and International Flights	0	164,297	342,858	507,155

Appendix 3: Advisory Board Report

NOPSEMA BOARD FUNCTIONS

The NOPSEMA Board is established under Part 6.9, Division 3 of the OPGGS Act and is established as a separate entity to NOPSEMA. It does not have a role in decision-making matters, nor may it direct the operations or individual decisions of NOPSEMA. Section 654 of the OPGGS Act sets out the functions of the Board in full. The Board may provide advice and recommendations to the CEO of NOPSEMA about operational policies and strategies to which the CEO must have regard.

CHAIR REVIEW

The NOPSEMA Ministerial Advisory Board (Board) held six meetings during the reporting period and provided regular written reports to the responsible Commonwealth Minister following each meeting.

As Chair, I would like to commend the outgoing CEO, Mr Stuart Smith, for his leadership to NOPSEMA and the industry, his professionalism, and his strong communication skills during his eight-year tenure. I would also like to welcome the incoming CEO, Ms Sue McCarrey. The Board and I look forward to working alongside Ms McCarrey.

Unfortunately, there was one fatality in the offshore industry in this reporting period. This is the first fatality in the offshore oil and gas sector since 2012. The Board extends its sympathy to the family of the deceased worker and all those present at the facility when the incident occurred. The Board noted the professional response to the incident and the subsequent investigation. NOPSEMA investigators were urgently mobilised to attend the scene and worked with other relevant authorities as appropriate. This incident is a tragic reminder of the risks of working in the offshore industry.

The Board does not have a governance role and has no executive responsibility to review risk mitigation or enforcement decisions. However, throughout the year the Board provided advice and feedback on a variety of matters to the Minister and the NOPSEMA CEO covering a broad range of topics from regulatory management to industry performance. During the year, the Board focused on process safety and preventing low frequency high consequence incidents, NOPSEMA's four Strategic Compliance Focus Areas, executive accountability with Duty Holders' line management to the CEO and Board, the risk and audit process, and engagement with First Nations stakeholders regarding cultural heritage and values.

The Board continued to discuss the importance of addressing industry's process safety performance and the critical role the inspectors play in identifying latent hazards in operations and auditing continued compliance with respective safety cases.

NOPSEMA has a strong leadership role influencing industry best practice and has developed a strategic plan to set expectations and provide guidance to industry to ensure Duty Holders implement industry best practice managing process safety. The Board views NOPSEMA's enforcement actions during the year as proportionate and commensurate with identified risks.

NOPSEMA has noted a concerning trend in industry where an increasing number of incidents can be linked back to insufficient assessment of risks such as stored energy, exclusion zones, line-of-fire and incorrect equipment selection or improper use. These risks significantly increase when circumstances change during the execution of the job and insufficient, risk re-assessment is done.

The Board discussed the decommissioning activity emerging over the next decade. The forecast decommissioning over the next 40 years is estimated to be US\$40 billion across wells, pipelines, and facilities. Approximately 50% of the decommissioning costs occur in the next 10 years and 74% by 2040.

The taxation treatment of these activities is an area worthy of policy consideration. The nurture and development of the decommissioning sector will support the capture of long-term benefit for the Australian industry, environment, and economy. A proactive and collaborative approach to increasing the capacity of the decommissioning service sector will enable industry to access commercial opportunities arising from both the domestic and Asian requirements over the next 5-10 years.

The Board supports a rigorous focus on the decommissioning of facilities and wells by NOPSEMA and industry to ensure the best possible safety and environment outcomes. The Board has been advised that NOPSEMA will work collaboratively with the Centre for Decommissioning Australia and industry to promote best practices, innovation, and collaboration on decommissioning matters.

As noted above, the Board considers there is an opportunity for PRRT to be used to proactively encourage the development of a decommissioning service sector, rather than allowing Titleholders to delay focus on decommissioning activities.

The International Regulators Forum in 2022 highlighted the common issues with Australia including the need to increase executive oversight, deteriorating facility maintenance performance and risks associated with late life asset transfers.

A key issue raised by European regulators, and which is common to Australia, is energy security, including the protection of energy infrastructure. This is an area of the industry in Australia that requires timely policy consideration by governments.

The Board discussed the findings in the case brought by the Environmental Defenders Office against NOPSEMA and Santos in relation to the Barossa development. The judgement pointed to existing guidance and practice for meaningful consultation with diverse groups as a potential framework for future industry consultations. The Board noted there is not a common approach or format within the offshore oil and gas industry for stakeholder engagement and comments that common industry protocols and a standard format would provide clarity for both industry and participants in future engagement and consultation.

The Board commended NOPSEMA's role in facilitating a CEO summit to engage both Titleholder and First Nations groups on appropriate levels of engagement. The Board also noted the broader implications for offshore wind developments.

The role of NOPSEMA is expanding with new responsibilities associated with the *Offshore Electricity Infrastructure Act*, carbon capture and storage, financial assurance, and its expanded role in assessing projects under the *Environment Protection and Biodiversity Conservation Act 1999*. The indirect consequences of a development are broader than consideration of scope 3 emissions and include other factors such as cultural heritage and values. The expanded scope adds significant complexity and diversity to NOPSEMA's existing roles and responsibilities. The Board recognises the support of the Department of Industry, Science, and Resources (Department) in ensuring appropriate resourcing for this function. This support will continue to be required during the establishment of the additional responsibilities and expanded scope until NOPSEMA is able to generate revenue for these responsibilities under full cost recovery.

The Board recognises the progress made by the Department on diverse issues including the continuation of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGs Act) regulations; the offshore electricity infrastructure framework; decommissioning of offshore infrastructure; the financial assurance for late life assets; potential reforms to the safeguard mechanisms; FPSO jurisdictional issues; offshore oil spill preparedness, and the progress on the decommissioning of the Northern Endeavour.

THE YEAR AHEAD

Considering its functions under the OPGGS Act and allowing for any ministerial and CEO requests for specific advice during the coming year, the Board's work programme includes monitoring and advice on:

- improvements in relation to the transparency of the regulatory approvals process and stakeholder engagement
- the outcomes and recommendations arising from the review into decommissioning, late life asset transfers and cross-over alignment with other agencies and regulators
- the implications of changes to NOPSEMA's scope of responsibilities
- industry performance in:
 - the four strategic compliance areas of preventing major accident events, preventing loss of well control, effective oil pollution emergency preparedness and responsible asset stewardship. Significant progress has been made in relation to the SCFA relating to oil spill preparedness and this has been closed as a strategic compliance focus area in 2023 but remains key focus in permissioning documents and inspections
 - process safety, environmental management and the EPBC Act, stakeholder engagement with indigenous communities, executive accountability, and maintenance and removal of property.

BOARD MEMBERSHIP AND ATTENDANCE

It is with great regret that the Board notes the passing of member Mike Lawson on 29 March 2023. The Board extends its sympathy to Mike's family and colleagues.

The term of Professor Melinda Hodkiewicz ended during the reporting period (17 March 2023), and I would like to thank her for her strong contribution to the Board during her two terms. Professor Andrew Hopkins' term was extended 12 months to March 2024 and the Board welcomes Andrew's continued involvement.

Attendance for the six meetings during the reporting period is indicated below. Meetings 45 and 48 were held via video conference.

Ms Sue McCarrey was appointed to the position of NOPSEMA CEO in February 2023, replacing Mr Stuart Smith. Ms McCarrey and Mr Smith attended all Board meetings during their respective terms in the reporting period.

A senior representative of the portfolio Department is periodically invited to provide an update on policy matters and ensure effective communications between the Board and portfolio department are maintained.

Board member attendance

Name	07/09/2022 Meeting 44	12/10/2022 Meeting 45	07/12/2022 Meeting 46	22/02/2023 Meeting 47	12/04/2023 Meeting 48	07/06/2023 Meeting 49
Mr Ken Fitzpatrick	Y	Y	Y	Y	Y	Y
Prof Melinda Hodkiewicz	Y	Y	Y	Y	N/A	N/A
Ms Anthea Tinney	Y	Apology	Y	Y	Y	Y
Mr Christopher Blackmore	Y	Y	Y	Y	Y	Y
Prof Andrew Hopkins	Y	Y	Y	Y	Y	Y
Ms Victoria Jackson	Y	Y	Y	Y	Apology	Y
Mr Michael Lawson	Y	Y	Y	Y	N/A	N/A

BOARD FINANCIAL STATEMENT

Remuneration of Board members is set by the Remuneration Tribunal. NOPSEMA funds the remuneration of the Board and its members and the cost of travel to meetings. NOPSEMA also provides secretariat support for board meetings. The Board does not employ staff and does not own or lease physical assets.

Board expenditure in 2022-23 in comparison to NOPSEMA's 2021-22 budget allocation and expenditure is set out in the table below.

BOARD FINANCIAL STATEMENT 2022-23

Expenditure Items	Annual Budget	Actuals	Variance	Last Year's
	2022-23	2022-23	Favourable/ (Unfavourable)	Actuals 2021-22
	\$'000	\$'000	\$'000	\$'000
Members Remuneration	314	292	22	267
Travel and Accommodation	60	41	19	12
Other Expenses	1	1	0	0
TOTAL	375	334	41	279

Appendix 4: Executive remuneration

REMUNERATION FOR KEY MANAGEMENT PERSONNEL

Name	Position Title	Short-term benefits		Post-employment benefits	Other long-term benefits		Termination Benefits	Total Remuneration
		Base Salary	Bonuses and other benefits and allowances	Super-annuation Contributions	Long Service Leave	Other Long-term benefits		
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Sue McCarrey	Chief Executive Officer	137,137	0	17,001	2,000	0	0	156,138
Stuart Smith	Chief Executive Officer	342,582	0	38,276	0	0	0	380,858
Cameron Grebe	Head of Division - Environment & Decommissioning	298,502	0	48,699	7,977	0	0	355,179
Derrick O’Keeffe	Head of Division - Safety and Integrity	292,042	0	48,699	7,180	0	0	347,920
Julie Kordic	A/Head of Division - Enabling Services & Business Transformation	308,807	342	48,699	6,382	0	0	364,231
Suzanne Hillier	Director - Legal and Risk / General Counsel	221,629	38,905	39,415	5,381	0	0	305,330
Nicholas Page	Director - Office of the Chief Executive	240,756	40,879	47,298	5,381	0	0	334,314
Total		1,841,456	80,126	288,088	34,301	0	0	2,243,971

In addition to the remuneration Tribunal Determination for the Chief Executive Officer, accrued annual leave and accrued long service leave are included in accordance with the reporting guide.

All Senior Executive staff are included in the key management personnel table above and are therefore not disclosed separately.

The remuneration of the Chief Executive Officer reflects service over the financial year.



REMUNERATION FOR SENIOR EXECUTIVES

Total remuneration bands	Short-term benefits				Post-employment benefits	Other long-term benefits		Termination Benefits	Total Remuneration
	Number of senior executives	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0 - \$220,000	0	0	0	0	0	0	0	0	0
\$220,001 - \$245,000	0	0	0	0	0	0	0	0	0
\$245,001 - \$270,000	0	0	0	0	0	0	0	0	0
\$270,001 - \$295,000	0	0	0	0	0	0	0	0	0
\$295,001 - \$320,000	0	0	0	0	0	0	0	0	0
\$320,001 - \$345,000	0	0	0	0	0	0	0	0	0
\$345,001 - \$370,000	0	0	0	0	0	0	0	0	0
\$370,001 - \$395,000	0	0	0	0	0	0	0	0	0
\$395,001 - \$420,000	0	0	0	0	0	0	0	0	0
\$420,001 - \$445,000	0	0	0	0	0	0	0	0	0
\$445,001 - \$470,000	0	0	0	0	0	0	0	0	0
\$470,001 - \$495,000	0	0	0	0	0	0	0	0	0
\$495,001 - ...	0	0	0	0	0	0	0	0	0

REMUNERATION FOR OTHER HIGHLY PAID STAFF

Remuneration Band	Number of Other Highly Paid Staff	Short-term benefits		Post-employment benefits	Other long-term benefits		Termination Benefits	Total Remuneration
		Average Base Salary	Average Bonuses and Other benefits and allowances	Average Superannuation contributions	Average Long Service Leave	Average Other long-term benefits	Average Termination benefits	Average total remuneration
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
\$240,000 - \$245,000	1	199,460	342	36,573	5,972	0	0	242,347
\$245,001 - \$270,000	12	221,682	282	34,465	4,745	0	0	261,175
\$270,001 - \$295,000	24	235,984	1,382	36,595	5,747	0	0	279,708
\$295,001 - \$320,000	6	261,543	402	39,717	6,821	0	0	308,483
\$320,001 - \$345,000	4	288,910	257	45,122	7,105	0	0	341,395
\$345,001 - \$370,000	5	300,746	277	46,104	7,285	0	0	354,413
\$370,001 - \$395,000	5	335,667	137	47,175	6,113	0	0	389,092



Employee profile

NOPSEMA STAFFING AND REMUNERATION

As at 30 June 2023

NOPSEMA classification	APS3	APS4	APS5	APS6	APS6 Well	EL1 Regulatory	EL1 Integrity	EL1 Well Integrity	EL2	EL2 Lead Managers	EL2 Regulatory	EL2 Well Integrity Lead	EL2 Well Integrity Manager	SES
Full-time salary range (\$)	69365 - 75910	77216 - 90305	91613 - 104701	106010 - 119097	124453 - 139815	143963 - 178517	213007 - 239632	315073 - 317289	183227 - 215944	242295 - 264924	266258 - 292883	315073 - 317289	319508 - 339479	320112
Staff total	3	17	8	18	5	17	54	13	8	2	10	0	1	2
Perth	3	17	8	18	5	17	49	11	8	2	9	0	1	2
Melbourne	0	0	0	0	0	0	5	2	0	0	1	0	0	0
Part-time	2	0	0	2	0	1	5	2	0	0	0	0	0	0
Full-time	1	17	8	16	5	16	49	11	8	2	10	0	1	2
Male	0	2	2	7	2	9	45	11	5	2	8	0	1	2
Female	3	15	6	11	3	8	9	2	3	0	2	0	0	0
Indigenous	0	0	0	0	0	0	0	0	0	0	0	0	0	0

NOTE: All staff are employed on common law contracts.

ALL ONGOING EMPLOYEES

	Man/ Male Full time	Man/ Male Part time	Man/ Male Total	Woman/ Female Full time	Woman/ Female Part time	Woman/ Female Total	Non- binary Full time	Non- binary Part time	Non- binary Total	Prefers not to answer Full time	Prefers not to answer Part time	Prefers not to answer Total	Uses a different term Full time	Uses a different term Part time	Uses a different term Total	Total
WA	61	0	61	41	5	46	0	0	0	0	0	0	0	0	0	107
VIC	6	0	6	1	0	1	0	0	0	0	0	0	0	0	0	7
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	67	0	67	42	5	47	0	0	0	0	0	0	0	0	0	114



ALL NON-ONGOING EMPLOYEES

	Man/ Male Full time	Man/ Male Part time	Man/ Male Total	Woman/ Female Full time	Woman/ Female Part time	Woman/ Female Total	Non- binary Full time	Non- binary Part time	Non- binary Total	Prefers not to answer Full time	Prefers not to answer Part time	Prefers not to answer Total	Uses a different term Full time	Uses a different term Part time	Uses a different term Total	Total
WA	20	3	23	19	2	21	0	0	0	0	0	0	0	0	0	44
VIC	1	1	2	0	0	0	0	0	0	0	0	0	0	0	0	2
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TAS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	21	4	25	19	2	21	0	0	0	0	0	0	0	0	0	46

PART 7

REFERENCE MATERIAL

List of requirements

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(a)	Enabling legislation and principal functions	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	Enabling legislation and principal functions	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	Vision, purpose, approach and values	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	Our Ministers	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	N/A	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	N/A	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	N/A	Particulars of non compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(g)	Annual performance statements	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(h), 17BE(i)	N/A	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non compliance with finance law and action taken to remedy non compliance	If applicable, mandatory
17BE(j)	Accountable authority	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	Organisational structure	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	Employee profile	Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: (a) statistics on full time employees; (b) statistics on part time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory
17BE(l)	NOPSEMA office locations	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	Corporate Governance	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	N/A	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(p)	N/A	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	N/A	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory
17BE(r)	N/A	Particulars of any reports on the entity given by: (a) the Auditor General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	If applicable, mandatory
17BE(s)	N/A	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory
17BE(t)	N/A	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory
17BE(taa)	Audit Committee	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(ta)	Executive remuneration	Information about executive remuneration	Mandatory
17BF	N/A	Disclosure requirements for government business enterprises	
17BF(1)(a)(i)	N/A	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory
17BF(1)(a)(ii)	N/A	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	If applicable, mandatory
17BF(1)(b)	N/A	Information on dividends paid or recommended	If applicable, mandatory
17BF(1)(c)	N/A	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations	If applicable, mandatory
17BF(2)	N/A	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory

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NOPSEMA

Australia's offshore
energy regulator