

## Summary of opportunities to improve productivity through actions and regulatory reform

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## Introduction

The following outlines a summary of productivity initiatives in response to the letter from the Treasurer and the Minister for Finance dated 4 July 2025. The letter requested for the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) to provide assistance in identifying regulatory reform opportunities to bolster productivity growth. In response, NOPSEMA offers the following outline of suggested productivity initiatives for consideration, in addition to activities already underway by NOPSEMA.

These suggestions should also be considered against existing policy reviews and initiatives led by our policy portfolio agencies, the Department of Industry, Science and Resources (DISR) and the Department of Climate Change, Energy and the Environment (DCCEEW).

## 1. Actions requiring legislative reform

### 1.1. A single national regulator for offshore energy

This achievable reform (Action 1) proposes a single national offshore regulator for all environment, safety and integrity related approvals for oil and gas, carbon capture and storage (CCS)<sup>1</sup> and renewable energy.

Currently there is overlap in regulatory approval and compliance requirements that apply to offshore energy activities in the Commonwealth offshore area. This overlap is particularly prevalent in relation to environmental management of these activities under the *Environment Protection and Biodiversity Conservation Act* (EPBC Act), the *Environment Protection (Sea Dumping) Act 1981* (Sea Dumping Act), the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act) and the *Offshore Electricity Infrastructure Act 2021* (OEI Act).

Leveraging NOPSEMA's current technical capabilities and fully cost recovered regulatory frameworks to deliver a single national regulator would improve regulatory outcomes and streamline the business environment for Australia's offshore energy industries. It would also enhance Australia's strong environment and safety credentials for the offshore oil and gas, CCS and renewable energy infrastructure industries. Consideration of these actions may be within scope of existing policy reviews.

#### 1.1.1. Previous reviews

This suggestion builds on the recommendation made by the 2009 Productivity Commission Review of the Regulatory Burden on the Upstream Petroleum (Oil and Gas) Industry (2009 Productivity Commission Review) for a single national offshore regulator.

Further, the [2020 independent operational review](#) of NOPSEMA for the resources Minister recommended (#24) that Government should, in consultation with other stakeholders as appropriate, consider if there should be a single offshore regulator covering:

- Offshore petroleum, GHG storage and titles administration
- Regulation of safety and environmental matters for offshore petroleum and GHG storage.

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<sup>1</sup> Note references to CCS are interchangeable with the term greenhouse gas storage (GHG), which is the term used in the OPGGS Act.

### 1.1.2. Implementation of these reforms

Enabling a single national offshore regulator, would require amendments to relevant legislation to designate NOPSEMA/OIR as the sole environmental regulator for activities in the Commonwealth Marine Area.

The 2020 independent operational review of NOPSEMA also recommended titles and licence functions currently managed by NOPTA could be integrated with NOPSEMA. This could be achieved through amendments to the OPGGS and OEI Acts.

A single regulator would reduce duplication and uncertainty under the EPBC and Sea Dumping Acts, particularly for CCS and the growing decommissioning industry. NOPSEMA already performs much of the environmental management assessment work through provision of specialist and technical advice under administrative arrangements with DCCEE. Further the agency delivers compliance monitoring and enforcement functions in relation to offshore energy activities on behalf of the Commonwealth for environmental management. Formalising the agency's role as the single environmental regulator would eliminate redundancy and enable a cost-recovered framework, reducing government and taxpayer burden.

Victoria has conferred well integrity and safety powers to NOPSEMA. The OPGGS Act allows other jurisdictions to do the same through legislative amendments. Achieving broader conferral would require coordinated regulatory, policy, and political support.

### 1.1.3. Alternatives to a single national regulator

#### *Action 2 – A single national regulator, without titles administration*

This action envisages the same broad-ranging as Action 1 – however the titles and licencing administration functions vested with the National Offshore Titles Administrator (NOPTA) would remain separate to NOPSEMA.

## 1.2. Remove legislative duplication

Large productivity gains could be realised for the oil and gas, CCS and renewable energy industries through amendments of:

- OPGGS Act and OEI Act
- Sea Dumping Act

Removal of duplication between these Acts could enable:

- Faster and simplified environmental approvals for the oil and gas, CCS and renewables industries.
- Support to [Australia's Offshore Resources Decommissioning Roadmap](#) and associated decommissioning and financial assurance reforms announced in the 2023-24 MYEFO.
- CCS – simplifying the [regulatory pathway](#) to create one environmental approval, could provide regulatory clarity for CCS proponents and potentially facilitate CCS investment.

### 1.2.1. Current overlap of oil and gas decommissioning approvals

Decommissioning approvals currently follow a dual framework: the Sea Dumping Act (administered by DCCEEW) and the OPGGS Act (administered by NOPSEMA). DCCEEW makes decisions under the Sea Dumping Act and is supported by NOPSEMA for technical advice. Separately, NOPSEMA approves decommissioning through environment plans under the OPGGS Act, requiring risks and impacts to be ALARP and acceptable.

### 1.2.2. Current duplication of CCS environmental approvals

The OPGGS Act is internationally recognised as a robust framework for CCS. However, environmental approvals for CCS injection and storage fall under the EPBC Act (administered by DCCEEW), while NOPSEMA regulates CCS under the OPGGS Act. DCCEEW also manages sea dumping applications under the Sea Dumping Act, with NOPSEMA providing technical advice to support their assessments.

This system could be improved through simplification. Designating NOPSEMA as the sole environmental regulator for CCS under the EPBC and Sea Dumping Acts—or future reforms—would streamline approvals and improve efficiency.

## 1.3. Simplifying environmental approvals

NOPSEMA's approval of an Offshore Project Proposal (OPP) provides project-level approval for new developments, excluding seismic surveys and exploration drilling. Individual activities still require separate approvals—environment plans (EPs), safety cases, and WOMPs.

OPP and EP approvals demand significant time and resources. Productivity could improve by shifting effort toward OPPs and simplifying EPs. EPs would become environmental management documents, similar to offshore renewables, rather than activity approvals.

EPs would target major risks and impacts only and therefore align with the EPBC Act's focus on matters of National Environmental Significance. This approach offers long term benefits, such as greater clarity, efficiency, and investment appeal—while maintaining strong environmental and safety standards.

## 1.4. Scope 3 emissions

In assessing OPPs and EPs, NOPSEMA considers the requirements of the OPGGS Act, environment regulations and relevant Government policies for emissions reductions.

This includes how a titleholder has considered the relevant requirements of the *National Greenhouse and Energy Reporting Act 2007* (NGER Act) and the Safeguard Mechanism. NOPSEMA considers environmental impacts, including [Scope 3 emissions](#), on a case-by-case basis having regard to the DCCEEW [Policy Statement 'Indirect consequences' of an action: Section 527E of the EPBC Act](#).

NOPSEMA's requirement to consider this policy statement stems from the EPBC Act endorsed program, not from a requirement in our primary legislation, the OPGGS Act. Consideration could be given to identifying and addressing duplication in emission regulation and reporting.

## **1.5. Simplifying NOPSEMA's Cost Recovery Model**

NOPSEMA's current cost recovery model is complex and the revenue is vulnerable to sudden temporary changes in industry activity. This instability was experienced in the 2023-24 budget cycle with NOPSEMA requiring an appropriation, in addition to its cost recovery revenue, to maintain our regulatory functions. Without a stable revenue base, noting 86.2 per cent of NOPSEMA's costs are fixed, financial instability impacts our capacity to deliver on our legislated obligations.

This can impact the productivity of industry through delayed assessment and approval times. Additionally, the complexity of our current levies and fees adds uncertainty and unnecessary burden on both NOPSEMA and industry in the issuing and paying of levies and fees that are due at varied times for each activity.

Streamlining to align with other models, could increase certainty and reduce burden for industry by reducing the number of charges issued and how often they are charged. For example, a title-based model could align with how NOPTA charges the industry and would remain aligned with Government's cost recovery framework principles.

## **2. Actions achievable within existing resources and legislation**

### **2.1. Streamlining Governance: NOPSEMA Advisory Board**

NOPSEMA is subject to extensive scrutiny, including Parliamentary inquiries, Senate estimates, FOI requests, and public hearings. It also undergoes audits by the ANAO, financial oversight from the Department of Finance, and policy review by DISR. Its decisions have been tested in Federal Court, examining its legal application and procedures.

With increased scrutiny, the strategic role of the NOPSEMA Advisory Board has become less central. While it was valuable in NOPSEMA's early years for industry and scientific input, the agency now has strong in-house expertise and access to international regulatory networks. Given NOPSEMA's maturity and evolving regulatory landscape, the ongoing need for the Advisory Board may warrant reconsideration.

### **2.2. Streamlining Governance: Beyond 5-yearly operational reviews**

Existing robust oversight mechanisms for Commonwealth agencies such as ANAO audits, including performance audits as well as routine Budgetary Estimates hearings and ad-hoc Senate Inquiries provide more impactful governance and oversight mechanisms than the standalone five-yearly operational reviews of NOPSEMA. This oversight is often more direct, accountable and transparent. The frequency of these existing mechanisms is also higher and requires NOPSEMA to be responsive – often publicly.

Additionally, NOPSEMA also develops and publishes an Annual Report and annual Cost Effectiveness Report. Further, NOPSEMA periodically undertakes a Cost Recovery Implementation Statement process that requires public consultation and Ministerial approval.

The OPGGS Act also provides the resources Minister powers to issue policy principles<sup>2</sup> to NOPSEMA, if warranted. Additionally, the Government maintains discretion to request reviews or inquire into performance of government entities.

Given NOPSEMA's maturity and ongoing measures for transparency and accountability, the ongoing need for the operational review may warrant reconsideration.

### **2.3. Digital capability improvement**

NOPSEMA is currently undertaking a comprehensive digital capability improvement program. It will improve productivity, access and user experience for communities, industry and staff.

The program will provide an effective, collaborative and seamless regulatory experience enabled by contemporary technology that is scalable and adaptable, promotes efficiency, generates insights to reduce risks and enables improved data sharing with stakeholders for the community, industry and staff.

## **3. NOPSEMA's internal productivity initiatives**

### **3.1. Integration of safety and environment to streamline outcomes**

On 31 January 2024 NOPSEMA's new structure came into effect. It facilitates a more strategic focus and provides a more streamlined approach.

Safety and environment teams are now integrated across teams, reflective of the lifecycle of our regulated industries. This provides a more responsive structure to adapt to current and future changes in our regulatory environment. Industry benefits from joint safety, well and environment team inspections.

These changes support NOPSEMA to achieve its vision of a protected offshore workforce and environment and to fulfil our purpose to assure the protection of lives and the environment.

Our new structure provides staff opportunities for new roles, development and career pathways. We are seeking inputs for the co-design of process and workflows to adapt to an integrated way of working.

### **3.2. Data-driven insights and capability**

Since 2024, NOPSEMA has increased its data and analytics capability through the expansion of a dedicated data team. This enables NOPSEMA to leverage data and intelligence available to generate insights and identify safety and environment trends. This provides feedback to regulatory operations and the executive at NOPSEMA to allow a greater focus on risk.

### **3.3. Leveraging Artificial Intelligence**

NOPSEMA is cautiously exploring the potential of artificial intelligence (AI) to enhance workplace productivity in a way that keeps humans at the centre of our decision making. We are doing this in a safe, secure, and ethical fashion.

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<sup>2</sup> See s647 of the OPGGS Act.

We are also examining AI's application to support our regulatory specialists in their assessments of permissioning documents, which should reduce approval timeframes. NOPSEMA does not currently use AI in service delivery, compliance, auditing or decision-making without having a human-in-the-loop. This means that while AI technologies may be used to assist in various tasks, any final decisions or actions are made by a human. Our AI usage is focused on enhancing corporate and enabling functions by way of AI tools such as:

- meeting transcription and automated document summarisation
- virtual assistants, that streamline workflows and improve efficiency
- deep data analysis, that helps us understand both structured and unstructured material.

### **3.4. Stakeholder engagement**

NOPSEMA's stakeholder engagement strategy has expanded significantly, with a focus on First Nations engagement and community consultation.

#### **3.4.1. First Nations engagement**

In early 2025, a NOPSEMA delegation travelled to Darwin and Pirlangimpi in the Tiwi Islands to meet with the Tiwi Land Council for on-country engagement. This visit included an educational session with the full council, providing clarity on NOPSEMA's regulatory role, industry consultation requirements, and the environment plan approval process. This initiative helped build trust and understanding with Traditional Owners and demonstrated NOPSEMA's commitment to respectful, place-based engagement.

In parallel, NOPSEMA has engaged with First Nations groups across Victoria, Western Australia, and the Northern Territory, as well as fisheries organisations, community reference groups, and other government agencies. These efforts are part of a broader strategy to ensure that all relevant persons understand their rights and responsibilities in the regulatory process. This has resulted in a reduction in uncertainty related to offshore activities and provided a smoother pathway for industry consultation as part of their environment plan development.

#### **3.4.2. 2025 Stakeholder survey**

NOPSEMA and the OIR have a broad regulated community and a wide range of stakeholders as such, NOPSEMA and the OIR are commencing a wide-reaching 2025 Stakeholder Survey.

The survey is intended to gather insights about the effectiveness, communication, transparency, responsiveness and community impact of NOPSEMA and the OIR.

The focus of the survey is the performance of NOPSEMA and the OIR in undertaking their roles as regulators in accordance with the OPGGS Act and OEI Act, respectively.

The survey does not assess or seek feedback on the legislation, the offshore energy regime or the regulated community themselves.

The 2025 NOPSEMA Stakeholder Survey will involve a series of short interviews with selected representative stakeholders and an additional online survey available to a wider cohort of NOPSEMA and OIR stakeholders, both of which are designed to seek feedback from across NOPSEMA and OIR's stakeholder reach.



### 3.4.3. Cross-sector collaboration

In March 2025, NOPSEMA co-hosted the HSR Forum 2025: Collaborating for Better Safety Outcomes in partnership with the Australian Energy Producers and the Australian Council of Trade Unions (ACTU). This landmark event brought together health and safety representatives (HSRs), regulators, unions, and industry leaders to share insights, discuss regulatory reforms, and celebrate frontline safety leadership through the inaugural HSR Awards. The forum exemplified NOPSEMA's ability to convene diverse stakeholders to drive safety culture and regulatory understanding across jurisdictions.

### 3.5. Greater focus on regulatory craft and risk-based approaches

NOPSEMA exercises its regulatory craft through a robust, risk-based framework grounded in the OPGGS Act. Our regulatory approach is characterised by proactive engagement, transparency, and continuous improvement. NOPSEMA ensures compliance through inspections, assessments, and enforcement actions, while also promoting leading practices across the industry.

A key feature of NOPSEMA's regulatory craft is its strategic focus on national priorities that address emerging risks and industry challenges. These priorities include maintaining offshore asset integrity, ensuring responsible well decommissioning, and safeguarding worker mental health.

NOPSEMA applies a lifecycle approach to infrastructure oversight, emphasizing corrosion management and proactive maintenance. It also enhances regulatory oversight of suspended wells to ensure timely abandonment and environmental protection. With recent legislative changes, NOPSEMA is intensifying its focus on psychosocial risks, encouraging improved industry reporting and collaboration to foster safer, more supportive offshore workplaces. This targeted, adaptive approach exemplifies NOPSEMA's commitment to effective, modern regulation.

## 4. Background: Governance overview NOPSEMA and the OIR

### 4.1. National Offshore Petroleum Safety and Environmental Management Authority

NOPSEMA is an independent statutory authority established under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGS Act). NOPSEMA regulates all offshore areas in Commonwealth waters, which comprise those areas beyond the first three nautical miles (approximately 5.5 kilometres) of the territorial sea.

NOPSEMA also regulates all offshore areas in coastal waters where a state or the Northern Territory has conferred regulatory powers and functions. In jurisdictions where powers to regulate are not conferred, regulatory responsibilities remain with the relevant state or territory. Currently, Victoria continues to be the only jurisdiction to have conferred its functions for the regulation of health and safety and structural integrity to NOPSEMA.

Appointed by the responsible Commonwealth resources Minister, NOPSEMA's CEO has overall responsibility for the management of NOPSEMA. The CEO must have regard to the advice and recommendations of the NOPSEMA Advisory Board. 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.

Every five years, NOPSEMA is subject to an independent operational review of its regulatory performance and its performance as the sole environment regulator for offshore petroleum activities in Commonwealth waters.

NOPSEMA's principal functions are as follows:

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

## 4.2. NOPSEMA EPBC Act Program

On 28 February 2014, the process for streamlined environmental approvals for offshore petroleum and greenhouse gas storage activities in Commonwealth waters came into effect under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

The Federal Minister for the Environment endorsed NOPSEMA's assessment process as a Program (the Program) that meets the requirements of Part 10 of the EPBC Act and approved a class of actions which, if undertaken in accordance with the endorsed Program, do not require separate referral, assessment and approval under the EPBC Act.

The key regulatory elements of the endorsed Program consist of the assessment process under the OPGGS Act's environment regulations together with NOPSEMA's Program commitments in the Program Report - Streamlining Offshore Petroleum Environmental Approvals, Program Report February 2014.

All petroleum and greenhouse gas storage activities undertaken in Commonwealth waters in accordance with the endorsed Program are considered "approved classes of action", with the exception of those that:

- have, will have or are likely to have a significant impact on the environment on Commonwealth land.
- are taken in any area of the sea or seabed that is declared to be part of the Great Barrier Reef Marine Park under the Great Barrier Reef Marine Park Act 1975 (Cth).
- have, will have or are likely to have a significant impact on the world heritage values of the Great Barrier Reef World Heritage property or on the national heritage values of the Great Barrier Reef National Heritage place.

- are taken in the Antarctic.
- are injection and / or storage of greenhouse gas.

The Program provides for NOPSEMA to assess and make approval decisions for new offshore petroleum development projects and shorter-term activities.

New projects are assessed under the Offshore Project Proposal (OPP) process in the Environment Regulations which delivers outcomes similar to the environmental impact statement assessment process under the EPBC Act.

An activity covered by the Program is not allowed to commence unless an EP for the activity has been accepted by NOPSEMA.

NOPSEMA's environmental assessment processes consider all project- and activity-specific environmental impacts and risks, including but not limited to those relevant to matters protected under Part 3 of the EPBC Act. Decision-making under the Program ensures that environmental impacts and risks, including to matters protected under Part 3 of the EPBC Act, will be of an acceptable level and reduced to ALARP. The object of the Environment Regulations includes to ensure that any petroleum activity or greenhouse gas storage activity is carried out in a manner consistent with the principles of ecologically sustainable development as set out in section 3A of the EPBC Act.

Key steps taken by NOPSEMA to deliver the strong environmental safeguards expected include applying and complying with NOPSEMA's Program commitments through assessments and decision-making. Many of these commitments closely mirror legislative requirements for decision-making under the EPBC Act.

The broader nature of criteria for acceptance of EPs under the OPGGS Act's environment regulations means that the 'cultural features' of the environment are in scope for every EP assessment, and must be considered in decision-making by NOPSEMA. In contrast, EPBC Act approval mechanisms are limited to matters of National Environmental Significance.

### 4.3. NOPSEMA Advisory Board

The National Offshore Petroleum Safety and Environmental Management Authority Board (the Board) is established under the provisions of the OPGGS Act as an advisory board, separate to NOPSEMA, with no decision-making or directing responsibilities.

The functions of the Board, as specified in s654 of the OPGGS Act, are primarily to give advice and make recommendations to the Chief Executive Officer (CEO) of NOPSEMA about the operational policies and strategies to be followed by NOPSEMA in the performance of its function as the Regulator.

Additionally, the Board gives advice and makes recommendations on oil and gas and CCS/GHG operations to the Commonwealth Minister and relevant State and Territory Ministers on matters relating to:

- occupational health and safety of persons;
- structural integrity of facilities, wells or well-related equipment;
- policy or strategic matters relating to environmental management; and
- the performance of NOPSEMA.

The members of the Board are selected on merit and expertise to provide advice and recommendations and are appointed by the Commonwealth Minister, with each term of office not exceeding three (3) years.

#### **4.4. Offshore Infrastructure Regulator**

The CEO of NOPSEMA is also the CEO of the Offshore Infrastructure Regulator (OIR). The CEO has responsibility for exercising the powers and functions of the OIR under the *Offshore Electricity Infrastructure Act 2021* (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 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.