

Our ref: ID: A740290
Contact: Stuart Smith:

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Ms Lisa Gropp
Presiding Commissioner
Resources Sector Regulation Study Productivity Commission
LB2, Collins Street
EAST MELBOURNE VIC 8003

Submission lodged via <https://www.pc.gov.au/inquiries/current/resources/make-submission#lodge>

Dear Ms Gropp

**RE: NOPSEMA SUBMISSION – DRAFT PRODUCTIVITY COMMISSION REPORT ON RESOURCES
SECTOR REGULATION**

On 31 October 2019, the National Offshore Petroleum Safety and Environmental Management Authority, (NOPSEMA) provided its initial submission to the Productivity Commission Review into Resources Sector Regulation. NOPSEMA advocated that a standardised approach to regulation, through conferral of powers, reduced the potential for inconsistency and associated regulatory burden for industry and Government.

NOPSEMA notes the Commission's invitation to stakeholders to provide comments on the draft report, recently published on the Commission's website, by 21 August 2020.

NOPSEMA's comments set out in this letter are specific to the report. In principle, NOPSEMA supports the recommendations made by the Commission and acknowledges and supports the references to NOPSEMA's efforts in promoting leading practice regulation.

Within the report, there is one particular area that may benefit from further explanation:

'Because of [NOPSEMA's] focus on one industry segment under Commonwealth jurisdiction, the NOPSEMA model would not translate in full to the broader, more diverse resources sector.'

In its initial submission, NOPSEMA described its administration of an objective-based regime that expanded over time to include multiple regulatory environments. This experience confirms that the regulatory model administered by NOPSEMA is scalable and adaptable to other responsibilities. For example:

- In 2005, the regulatory model was established to administer offshore petroleum safety responsibilities within Commonwealth waters. These responsibilities were extended during the same year with the conferral of offshore petroleum safety responsibilities within Victorian waters as part of the regulatory model;
- In 2011, the Federal Government extended the offshore petroleum safety regulator's remit (NOPSEMA's predecessor) to include the regulation of well integrity;



NOPSEMA
Australia's offshore energy regulator

- In 2012, NOPSEMA was established with the addition of responsibilities for the regulation of offshore environmental management;
- In 2020, NOPSEMA's role was further expanded to include the regulation of greenhouse gas re-injection and storage activities (such as the CarbonNet project that seeks to establish a commercial scale carbon capture and storage network in the Gippsland); and
- In recent years NOPSEMA has also entered into agreements with the Federal Department of Agriculture, Water and the Environment and the Federal Department of Industry, Science, Energy and Resources to provide advisory services for activities such the administration of sea-dumping regulations and the development of a regulatory framework for the offshore renewable energy sector.

These expanding responsibilities, (combined with multiple independent reviews and inquiries which have found NOPSEMA to be a highly competent, adaptable and robust regulator) confirm the agency and regulatory model are well suited to assuming a broader role in regulation of the resources sector in Australia.

Should you wish to discuss NOPSEMA's response to the draft report please do not hesitate to contact me

Yours sincerely

Stuart Smith
Chief Executive Officer

24 July 2020