

Opening Statement, Sue McCarrey, Chief Executive Officer

Budget Estimates, 6 June 2024

I welcome the opportunity to appear before the committee today and will cover a few topical issues through my opening address that may assist with answers to questions some senators may have.

I would like to start by recognising that our work in the petroleum space and the renewables space is delineated under legislation and our internal structure, including cost recovery mechanisms.

I have with me today, staff who can answer questions that go to NOPSEMA's role administering the OPGGS Act and associated regulation for the offshore oil and gas industry.

I want to take this opportunity also to recognise the one-year anniversary of the death of a worker on Woodside's North Rankin facility. It was the first death at an offshore facility in ten years, and a tragic reminder of how crucial safety on site is.

Our investigation into the fatality continues and it remains a priority for NOPSEMA to complete the investigation as soon as possible.

We have a dedicated team of investigators that conduct high level, complex investigations on behalf of the organisation, and they are leading on this matter.

Consultation continues to be a core focus for NOPSEMA, particularly how the industry can better cooperate and share learnings from and with First Nations communities on responsible resource management on Sea Country.

Impacts caused by delays to environment plan approvals, flowing on from recent court cases continue to be felt. However, on a positive note, there has been an increase in both approvals and submissions since December 2023.

Since our last appearance, NOPSEMA has accepted 8 environment plans. We have accepted 14 in 2024 to date and in 2023 we accepted 24, the majority in December.

The average timeframe for an assessment remains 12 to 13 months.

Currently, we have 25 environment plans under assessment, all at varying stages of their assessments.

However, NOPSEMA continues to work with the Government to manage the financial impact caused by these delays.

While the organisation has maintained a close watch over its budget, and implemented a range of cost control measures, it was agreed that additional measures should be in place to assure the organisation's financial sustainability given its important role.

The appropriation in this year's Federal Budget allows us to retain the necessary specialist skills as industry activities return.

To address NOPSEMA's long-term financial sustainability, and ensure supplementary funding is not required as an ongoing measure, we will be working with Government to review the cost recovery framework and design of levies and fees in our cost recovery model.

We continue to support the work being done to by the Department of Industry, Resources and Science to clarify consultation requirements through the Offshore Petroleum and Greenhouse Gas Storage Environmental Management Review.

NOPSEMA also remains focussed on ensuring the offshore oil and gas industry meets its decommissioning obligations.

Most titleholders are progressing decommissioning planning, some have completed decommissioning projects – as is the case for Woodside's removal of the Nghanurra RTM last year and ENI's completion of decommissioning the Woollybutt field.

NOPSEMA continues to support the Department on policy initiatives that seek to enhance decommissioning planning, which includes strengthening financial assurance.