

Compliance Strategy COVID-19 Pandemic

Document No: N-00000-PL1907

Date: 10/07/2020

1. Purpose

The purpose of this compliance strategy is to describe the framework and principles NOPSEMA will apply in the discharge of its regulatory functions and activities to ensure it effectively and efficiently regulates the offshore energy industry during the COVID-19 pandemic and recovery period.

This policy has been updated (revision 1, dated 10 July 2020) and will be revised as required by changes in the status of the pandemic. Subscribe to NOPSEMA news channel on our website home page to ensure you are advised of new revisions that supersede this version.

2. Scope

This policy applies to the discharge of all NOPSEMA's regulatory functions and activities during the COVID-19 pandemic and recovery period. This policy should be read in conjunction with NOPSEMA's Compliance Strategy. Where there is a conflict in approach, this policy takes precedence.

3. Principles

NOPSEMA has adopted the following principles for guiding decisions and actions to be taken during the pandemic and the recovery period:

- Targeted & Proportionate
- Accountable & Fair
- Informed & Flexible
- Systematic & Consistent
- Transparent & Consultative.

4. NOPSEMA's regulatory approach during the COVID-19 pandemic

NOPSEMA will discharge all regulatory functions with ongoing provision of advice, assistance and support to duty holders so that offshore energy activities can continue to be carried out in a safe and environmentally responsible way.

NOPSEMA will ensure that appropriate risk assessments and where necessary, alternative control measures, have been implemented to ensure the continued safe and environmentally responsible conduct of offshore activities during the pandemic and recovery period.

NOPSEMA recognises that the significant challenges presented by the COVID-19 pandemic requires an agile, responsive regulatory approach to ensure offshore activities can continue in a safe and environmentally responsible way.

NOPSEMA will continue to discharge all of its regulatory functions and activities in an integrated and coordinated way across the Agency. Where practicable all regulatory activities will be guided by existing policies and procedures unless certain actions are needed to deal with the evolving pandemic and post-pandemic industry recovery period.

Regulatory effort continues to be directed to addressing major hazards to the safety and health of personnel, well integrity and major impacts and risks to the environment.

NOPSEMA recognises that while the COVID-19 infection rates have stabilised and in many cases declined in most states and territories of Australia, the pandemic may continue globally for an extended period and there are risks of new surges in infection rates in Australia as controls are lifted, such as those seen in Victoria in early July 2020. NOPSEMA will continue to provide advice to duty holders to promote and encourage regulatory compliance and appropriate risk and impact management during the COVID-19 pandemic.

In recognition of the above, NOPSEMA's focus will be on ensuring compliance and, in particular, testing the effectiveness of any new management arrangements that may have been implemented to address risk gaps related to the pandemic.

4.1. What advice will NOPSEMA provide?

NOPSEMA will inform, consult and cooperate with industry so that regulatory expectations and good practice safety, health, integrity and environmental management practices are widely understood and adopted.

NOPSEMA will inform industry, stakeholders and the public about regulatory expectations and good practice advice. We will regularly publish updates on our website and via our email subscriber service.

NOPSEMA will consult duty holders to discuss their circumstances regarding requirements of permissioning documents and appropriate risk and impact management. Key points of contact remain your nominated focal point coordinator or inspector unless otherwise advised.

NOPSEMA will continue to work cooperatively and share information with Industry Associations, workforce representatives, federal, state and territory government agencies, international counterparts and other key stakeholders to identify and address common areas of challenge faced by Industry in responding to measures taken to address the COVID-19 pandemic.

5. What do duty holders need to do during the COVID-19 pandemic and during the recovery phase?

Duty holders are expected to make prudent decisions informed by a good understanding of changes to management of major safety, health, integrity and environmental impacts and risks.

Duty holders are expected to take the learnings from the COVID-19 pandemic to build resilience within their risk management systems and processes to prepare for future similar disruptions.

The COVID-19 pandemic continues to present challenges to the offshore energy industry in terms of protecting offshore worker health and ensuring offshore activities can continue in a safe and environmentally responsible manner. Duty holders are expected to make prudent decisions regarding the

continued conduct of activities and consider changes that need to be made to systems and processes to build resilience against future disruptions of this nature.

In order to understand the implications to major safety, health, integrity and environmental impact and risk management during the COVID-19 pandemic, all duty holders should have undertaken a review and risk assessment to establish the risk gap presented by changes taken to address COVID-19 restrictions or measures for each facility or activity.

The review and risk gap analysis should have been documented as part of implementing duty holders' existing management of change processes and used to inform the management of major safety, integrity and environmental impacts and risks. Any necessary changes that were identified should now have been implemented and these may be the focus of future NOPSEMA inspections.

NOPSEMA expects duty holders to recognise the potential for future similar disruptions of this nature, take the learnings from COVID-19, and build resilience into existing systems and processes to allow for an agile response if and when it is needed again in the future.

5.1. Are regulatory approvals needed?

Regulatory approvals continue to be needed for new activities and to address significant changes. NOPSEMA will prioritise assessments of those facilities or activities that require changes to address major safety, health, integrity or environmental impacts and risks in response to COVID-19.

NOPSEMA will continue to assess the full range of permissioning documents submitted by proponents in accordance with the relevant regulations, policies and guidelines.

NOPSEMA will prioritise and expedite assessment efforts to facilities or activities where a duty holder has found that changes are necessary for the management of major safety, integrity and environmental impacts and risks in response to COVID-19.

NOPSEMA recognises the need for duty holders to be agile and respond rapidly to change as part of addressing COVID-19 related measures and restrictions. NOPSEMA's expectation is that only significant changes will result in the need to obtain permissioning document acceptance. In many cases, changes can be managed in accordance with existing duty holder risk, change management and regulatory reporting processes described in permissioning documents and as per existing NOPSEMA guidance documents.

Duty holders are encouraged to liaise with NOPSEMA to understand their obligations regarding regulatory submissions.

5.2. How could a safety case address pandemics?

Pandemic management / response can be addressed in the detailed description of the safety management system (SMS). NOPSEMA expects operators will incorporate pandemic management / response into their safety cases prior to their next submission of a revised or 5 yearly revision.

A Pandemic Management / Response plan could be addressed in the detailed description of the safety management system (SMS). A Pandemic Management / Response Plan description should address the framework by which hazard identification, risk assessment and identifying a range of potential scalable controls to reduce risks to a level that is as low as reasonably practicable would be considered. The description of the plan should appropriately leverage the learnings from COVID-19 in terms of the broader

implications regarding matters such as; government imposed restrictions, health testing, quarantine periods, access to personnel, logistics constraints, communication and engagement challenges.

Operators should consider the extent to which the presence of COVID-19, or a more general case of a communicable disease, at a facility is a hazard that has the *potential* to cause a major accident event (MAE), using the COVID-19 experience as a basis. Irrespective of whether an operator determines it is an MAE, the description of a Pandemic Management / Response plan should include the types of prevention and mitigation measures that would be considered to ensure risks are reduced to a level that is as low as reasonably practicable.

5.3. When will a return to normal inspection and compliance monitoring occur?

NOPSEMA is implementing a staged return to duty holder office-based and offshore inspections. We will apply a risk-based approach to determine those facilities and activities that should be inspected as a matter of priority.

NOPSEMA will take measures to ensure the continued safety of the offshore workforce and NOPSEMA staff during those inspections and will continue to comply with Government COVID-19 rules.

During the pandemic, NOPSEMA inspection efforts were conducted remotely and were initially directed to monitoring measures taken by duty holders to prevent the transmission of COVID-19 in the offshore workforce. Effort was also directed to monitoring measures taken by duty holders as a consequence of COVID-19 and the implications to the management of major hazards to the safety and health of personnel, well integrity and major impacts and risks to the environment. There was a continuation of the normal NOPSEMA inspection programs where possible during this period through remote means.

A return to office-based inspections will begin around mid-July and offshore inspections are planned to commence in early August dependent on Government travel restrictions, the state of local infection risk, logistics, and NOPSEMA and duty holder readiness. NOPSEMA will implement a PCR testing regime for all NOPSEMA inspectors prior to the commencement of office-based and offshore inspections, where Government requirements or duty holder protocols require this.

The initial inspections will be selected using activity specific risk drivers, for example:

1. Larger inventory of oil particularly where close to environmental sensitivities and traditionally more reliant on international spill response support
2. Larger numbers of people on board including where there is a high reliance on international workforce
3. Higher levels of contractor interface
4. Greater uncertainty/predictability of risk levels (e.g. earlier in drilling history, operations prior to steady state)
5. Greater complexity of operations
6. Aging production assets
7. Recent history of compliance issues including management system deficiencies.

When applying these risk drivers to the initial set of proposed inspections NOPSEMA will ensure that a representative cross section of facility/activity types, duty holders and geographic locations is covered. NOPSEMA will consult with duty holders when developing inspection schedules as per normal processes. Inspections will be coordinated across NOPSEMA and where practicable combined safety, environment and well integrity inspection teams may be deployed to ensure efficiency and effectiveness and to mitigate potential impact from multiple inspections on the operations of regulated entities. NOPSEMA aims to gradually increase the frequency of inspections over time aiming to return to full inspection capacity/presence in offshore locations over the remainder of 2020. This will result in an eventual return to more normal offshore inspection frequency toward the end of the year.

NOPSEMA continues to actively monitor regulatory reports and change management information provided by duty holders, intelligence from government agencies, international counterparts and other stakeholders to inform the conduct of its inspections and other regulatory activities.

5.4. Will NOPSEMA still investigate matters of poor practice?

NOPSEMA will conduct investigations where it has obtained information through our own activities, or by other means, that justifies seeking evidence of non-compliance with the law as a basis for enforcement.

During the COVID-19 pandemic and recovery period, NOPSEMA will continue to investigate duty holder notification of accidents, dangerous occurrence and environmental reportable incidents and complaints from the workforce and community in relation to COVID-19 and other matters. Investigations will be conducted where necessary in accordance with the NOPSEMA Compliance Strategy and the NOPSEMA Investigation Policy.

5.5. Will NOPSEMA still enforce requirements?

NOPSEMA will take appropriate enforcement action in proportion to the seriousness of breaches of the legislation during the COVID-19 pandemic and recovery period.

NOPSEMA will continue to take appropriate enforcement actions in response to breaches of the legislation during the COVID-19 pandemic and recovery period following the NOPSEMA Compliance Strategy and NOPSEMA Enforcement Policy.

In making a decision about the form of any action(s) to be taken, NOPSEMA will take into account factors such as compliance history of the duty holder, behaviours and the level of cooperation of the responsible parties involved along with relevant strategic factors.

Related documents

N-00000-PL1696 – Compliance Strategy

N-02000-PL1523 – Inspection Policy

N-03000-PL1697 – Investigation Policy

N-04000-PL0050 – Assessment Policy

N-05000-PL0067 – Enforcement Policy

N-06000-PL1698 – Advice and Promotion Policy

N-05000-PL0157 – Exemptions Policy

N-04750-PL1347 – Environment Plan Assessment Policy

N-04300-PL00052 Safety Case Assessment Policy

N-04600-PL0842 - Well Operations Management Plan Assessment Policy

N-04750-GL1705 – When to submit a revision of an environment plan