

Holding industry to account

Environmental performance objectives and standards

Under objective-based regulation, administered by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), individual operators have the flexibility to adopt environmental management practices best suited to individual company circumstances, activities and locations, so long as they set environmental performance objectives and standards to be met during the activity.

In such a regime, environmental performance objectives and standards are critical to allow:

- the operator to measure their own performance
- the regulator to monitor and enforce compliance.

The environment plan regime

The *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act) and Environment Regulations require an operator to have an accepted environment plan in place prior to conducting an offshore petroleum activity.

An accepted environment plan:

- demonstrates that impacts and risks from the activity are reduced to as low as reasonably practicable (ALARP) and acceptable levels
- contains environmental performance objectives, standards and measurement criteria.



Merits of objective-based regulation

- The operator's risk management can be tailored to the impacts and risks unique to the petroleum activity.
- Responsibility for managing risk rests with the operator who is best placed to identify and manage the impacts and risks of their activity to ALARP and acceptable levels, and to set appropriate performance measures (objectives and standards).
- The operator has the flexibility to implement new technologies to meet and exceed the performance objectives and standards they have set for the activity, promoting continuous improvement.

NOPSEMA regulates occupational health and safety, well integrity and environmental management of offshore petroleum industry activities under an objective-based regime.

Challenges for the regulator

Since January 2012, NOPSEMA has identified key challenges for objective-based environmental management.

Assessment – communicating the need for well-defined performance objectives and standards that promote protection of the environment.

Compliance – measuring operator performance against the objectives and standards, using measurement criteria contained in their plan.

Enforcement – determining breaches and taking enforcement action where unplanned events are not covered by an operator's performance objectives and standards.



Promoting an improved approach to objectives and standards

NOPSEMA emphasises to industry the importance of well-defined environmental performance objectives and standards to effective risk management:

Emissions and discharges tracking – the Regulations require the operator to maintain quantitative records of emissions and discharges that can be audited against their environmental performance standards.

Routine performance reporting – the Regulations require routine reporting by the operator to NOPSEMA, therefore, objectives and standards should define performance in a way that can be measured regularly and documented

Environmental monitoring – should be used as a measurement criterion for objectives and standards set for environmental protection from long-term impacts or oil spills.

Definition of incidents – the Regulations define “recordable incidents” as those that breach an operator's performance objective or standard, so these incidents must be readily-identifiable to operational staff, if they occur.

Carrie McIntosh
Environmental Specialist, NOPSEMA