

Farewell from the CEO

My tenure as the CEO of NOPSA and as the inaugural CEO of NOPSEMA has come to an end. I will be departing the organisation today 24 September 2014, and would like to take this opportunity to reflect on the past five years.

The journey has without a doubt been exciting, challenging and rewarding. Coming to the authority from a career in the oil and gas industry, I have been very fortunate to have been able to steer and influence change in such an important time in the industry.



Starting with Montara

My time with NOPSA commenced just after the Montara blowout in August 2009, prompting considerable debate about the future shape of the offshore petroleum industry with far reaching impact.

The incident highlighted the importance of an independent, professional regulator to rigorously challenge operators to do more to reduce the risk to offshore workforce and the environment. To date, the Montara blowout remains the Australian petroleum industry's most significant offshore incident with far reaching impacts on community confidence, faith in regulators, expectations for environmental management and was a driver for significant change to offshore industry regulation.

Integrating well integrity

The release of the *Final Government Response to the Report of the Montara Commission of Inquiry* was a trigger for major regulatory reform in Australia, with 102 recommendations giving rise to legislative amendments affecting the offshore oil and gas industry.

Further to those amendments on 29 April 2011, NOPSA took on responsibility for the regulation of integrity of wells and well-related activities under the Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011.

For NOPSA a great deal of 2011 was focused on engagement with industry to ensure a national understanding of the authority's approach, while building a new regulatory team with the necessary specialist skills.

Incorporating environmental management

On 1 January 2012, NOPSA became NOPSEMA and was rebadged. The authority's regulatory functions expanded to include environmental management of petroleum activities in Commonwealth waters and in State waters where powers had been conferred.

Ahead of the transition, a key task was to recruit a team of qualified environment specialists to undertake the regulation of environmental management. The organisation's structure and processes continued to evolve throughout the transition ensuring the authority's competency, technical proficiency and resources adequately fulfilled its responsibilities.

It also provided the impetus to put in place modern and updated Offshore Petroleum and Greenhouse Gas Storage (Environment Regulations) and to further consider environmental streamlining.

NOPSEMA's environmental assessments and inspections of industry environmental management have produced a noticeable improvement in environmental management, particularly in relation to the industry's preparedness to respond to a major environmental incident.

The next step - environmental streamlining

Following a comprehensive assessment of NOPSEMA's environmental authorisation processes, on 28 February 2014, NOPSEMA was endorsed as the sole environmental regulator for petroleum activities in Commonwealth waters, including those that impact on matters of national environmental significance protected under environmental protection laws. These milestone arrangements have clarified and simplified regulatory requirements and consolidated current industry and regulatory practice to the benefit of the industry.



Reduction in rates of injuries

Despite the changes that have impacted the organisation in recent years, we have continued to maintain our attention on industry's compliance with occupational health and safety obligations. It is encouraging that the rate of injuries has declined across all categories, including major injuries. Offshore workers however, continue to be hurt and most reported injuries in 2013 prevented them from carrying out their regular work.

As industry continues to dedicate resources to training, equipment and processes that better protect offshore workers we will see ongoing reductions in injury rates.

Industry response to a robust regulator

In assuming responsibilities for occupational health and safety, well integrity and environmental management as a single national regulator, I believe the authority has remained focused on the delivery of robust independent regulation of Australia's offshore petroleum industry. This outcome has been greatly assisted by Australia's adoption of regulatory framework that is consistent with internationally recognised practice.

Importantly, the authority has continued to focus on transparency in its compliance, improvement and governance functions in order to continue to build industry awareness. I am hopeful that NOPSEMA will continue to collect, analyse and distribute offshore petroleum industry performance data to industry and the wider community to assist in achieving the authority's strategic priorities, undertaking regulatory processes and securing improved industry performance.

Much work is still to be done

NOPSEMA's regulatory emphasis will continue to be informed by the challenges facing the Australian offshore petroleum industry, including: maintenance of ageing infrastructure, employment of new technologies such as floating LNG production facilities, aligning workforce competency with the pace of activity, and meeting community expectations for responsible and sustainable practices.

Collaborative efforts by all industry participants, such as the work on process safety, particularly process safety leadership that is being spearheaded by the Stand Together for Safety Leadership Steering Committee will be key to the future success.

In appreciation and closing

In closing I would like to thank the many colleagues who have contributed to the work of NOPSEMA during the last five years.

To our NOPSEMA Advisory Board – thank you for your leadership, dedication and strategic direction.

To our Ministers – thank you and your staff for your commitment to improving offshore oil and gas regulation in Australia.

To the Secretary and officers of the Department of Industry – thank you for your support, guidance and commitment.

To the offshore workforce industry bodies and wider community – thank you for your professionalism and ongoing commitment to driving improved safety and environmental outcomes.

To NOPSEMA staff, past and present – thank you for your decision to contribute to improving the performance of the oil and gas industry in Australia, your resilience, enthusiasm and hard work in assisting to make the authority what it is today is very much appreciated.

To our international regulatory counterparts – thank you for the collective efforts as members of IRF and IOPER to move the offshore oil and gas industry towards providing a safe place for people to work and better protect the environment in which the industry operates.

When I attended the Piper 25 conference in Aberdeen in June 2013 I said "Communication, cooperation and sharing applies equally to regulators as well as industry. I encourage those leading the offshore petroleum industry into the next generation, to move major accident prevention up the list of priorities, so that safety and environmental management are treated with the same degree of seriousness as profit and loss".

The success of Australia's offshore petroleum industry is inherently aligned to the safety and environmental performance of the industry. I look forward to seeing further improvements in the future.

Thank you.

Jane Cutler

