



Varanus Island report reinforces need for continuous improvement

The head of Australia's regulator for offshore petroleum safety, well integrity and environmental management today encouraged industry to use findings in relation to the Varanus Island incident to drive continuous improvement in their safety procedures.

Jane Cutler, CEO, National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), said the *Offshore Petroleum Safety Regulation Varanus Island Incident Investigation* report, tabled in WA Parliament yesterday, provided a further reminder of the risks involved in petroleum operations and the need for vigilance.

"The fortunate fact that no lives were lost in the Varanus Island incident does not detract from the ongoing imperative for industry to ensure it complies with the law in order to protect lives and the environment," Ms Cutler said.

In considering the report, Ms Cutler noted the findings relating to the pipeline operator, Apache Energy Ltd., reflect those delivered by inspectors from the National Offshore Petroleum Safety Authority (NOPSA) in October 2008. The 2008 NOPSA report submitted to the WA Department of Industry and Resources concluded that there was:

- ineffective anti-corrosion coatings and ineffective cathodic protection auditing by Apache Energy Ltd., particularly in high-risk corrosion environments affecting sections of the pipeline; and,
- ineffective inspection and monitoring by Apache Energy Ltd. of sections of the affected gas pipeline.

"The latest report provides another valuable tool in terms of lessons learnt and the obligations of operators to ensure they have appropriate monitoring and inspection regimes in place for their petroleum activities and facilities, including pipelines," Ms Cutler said.

Noting recommendations in the report regarding regulatory arrangements at the time, Ms Cutler said investigations into offshore incidents, such as the Varanus Island pipeline rupture and Montara well blowout in the Timor Sea in August 2009, had prompted important changes to Australia's offshore regulatory regime.

NOPSEMA was established on 1 January 2012 as Australia's first national independent regulator for safety, well integrity and environmental management for offshore oil and gas operations in Commonwealth and designated waters where powers are conferred. Jurisdictions where regulatory powers are not conferred remain the responsibility of the relevant state or territory department.

"The combination of safety, well integrity and environmental management responsibilities into a single regulator, NOPSEMA, has provided for strengthened, informed and independent regulation of Australia's offshore petroleum industry. NOPSEMA's role and regulatory functions aim to provide certainty through consistent application of legislative requirements within a framework that matches internationally recognised best regulatory practice."

"Our role as the national regulator is to independently challenge operators' proposals and then monitor and secure compliance against these commitments."

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