

COMPLIANCE STRATEGY

1 Purpose

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), established by the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGs Act), is Australia's national regulator for health and safety, well integrity and environmental management for offshore oil and gas operations.

The OPGGS Act confers functions and powers on NOPSEMA, which broadly include:

- (a) to develop and implement effective monitoring and enforcement strategies to secure compliance by persons with their obligations under the OPGGS Act and subordinate legislation with respect to occupational health and safety, structural integrity (including wells) and environmental management;
- (b) to promote and advise persons on matters relating to occupational health and safety, structural integrity (including wells) and environmental management of offshore oil and gas operations; and
- (c) to investigate accidents, occurrences and circumstances that involve, or may involve, deficiencies in occupational health and safety, structural integrity (including wells) and environmental management of offshore oil and gas operations.

The purpose of this compliance strategy is to describe the framework and principles by which NOPSEMA will undertake a range of regulatory activities to fulfil the above functions in an efficient and effective manner. The strategy is aimed at encouraging, monitoring and enforcing compliance with the law so that offshore petroleum activities are carried out in a safe and environmentally responsible way.

2 Principles

Under this compliance strategy, decisions and actions taken by NOPSEMA will:

Targeted & Proportionate

- focus preferentially on major hazard risks and impacts on the safety of personnel and the environment, considering the adverse events that may arise from specific regulatory non-compliances, the severity of their consequences and the likelihood of their being realised;
- be outcome focused and proportionate to the risk involved.

Accountable & Fair

- be impartial and based on technical merit, evidence and relevant legislation;
- not unnecessarily impede the efficient and effective operations of regulated entities and will be subject to review on appeal by higher authorities.

Informed & Flexible

- take account of inherent hazards of particular activities, specific and general intelligence derived from NOPSEMA's monitoring and investigation activities, accident and incident data, Australian and international regulators, industry and other stakeholders;
- be continuously reviewed, having regard to regulatory priorities, and modified to reflect new and developing risk profiles.


Systematic & Consistent

- be in accordance with NOPSEMA’s Assessment, Inspection, Investigation and Enforcement policies and procedures.

Transparent & Consultative

- be in accordance with NOPSEMA regulatory policies and guidance material. These policies and guidance material will be developed collaboratively and available publicly.
- be subject to regulatory performance review that includes active engagement with stakeholders.

3 Regulatory Activities

Implementation of this compliance strategy implicitly requires an integrated application of regulatory methods, tools and approaches. Each of these continuously informs the others and incorporates evaluation of the regulatory risk of the circumstances involved. NOPSEMA’s regulatory activities are primarily focused on prevention of harm to people and the environment, noting that punitive actions are intended to have a deterrent effect and encourage compliance more broadly.

In practice these regulatory activities are not only integrated but are often undertaken concurrently in relation to individual dutyholders. For the sake of clarity the activities are described separately below and reflect NOPSEMA’s legislated functions:

- **Advice and promotion**

NOPSEMA seeks to promote and encourage regulatory compliance and appropriate risk management through publication of information papers, guidance notes, alerts and articles via various media, as well as conducting collaborative topic specific workshops and seminars with industry and other stakeholders.

- **Assessment**

NOPSEMA is obliged to assess a range of documents submitted by proponents. The outcomes of these assessments contribute to the ongoing inspection of dutyholders’ compliance with the regulations. Information gained from inspections, investigations and other sources may be used to inform assessment activities. NOPSEMA continues to build on its knowledge and experience of dealing with proponents and dutyholders to help it assess subsequent submissions.

- **Inspection and compliance monitoring**

NOPSEMA focuses compliance monitoring efforts through the conduct of inspections to monitor and secure compliance with obligations under the OPGGS Act and the regulations. Inspection activities are specific and focused, using a risk based methodology incorporating regulatory intelligence from multiple sources. Inspection findings are evidence based and documented in written reports to dutyholders.

Compliance is also informed by other sources including incidents reported, complaints made and advice provided by third parties.

- **Investigation**

NOPSEMA conducts investigations where it has garnered information that justifies seeking evidence of non-compliance with the law as a basis for potential enforcement. NOPSEMA may also conduct investigations of individual events or related events, with the primary aim of identifying and sharing lessons learnt with the broader industry and stakeholders generally. When deciding which matters to investigate, and the level of resources to be deployed; account will be taken of the severity and scale of

potential or actual harm, the seriousness of any potential breach of the law, individual dutyholder performance factors, NOPSEMA strategic enforcement priorities and any serious public concerns.

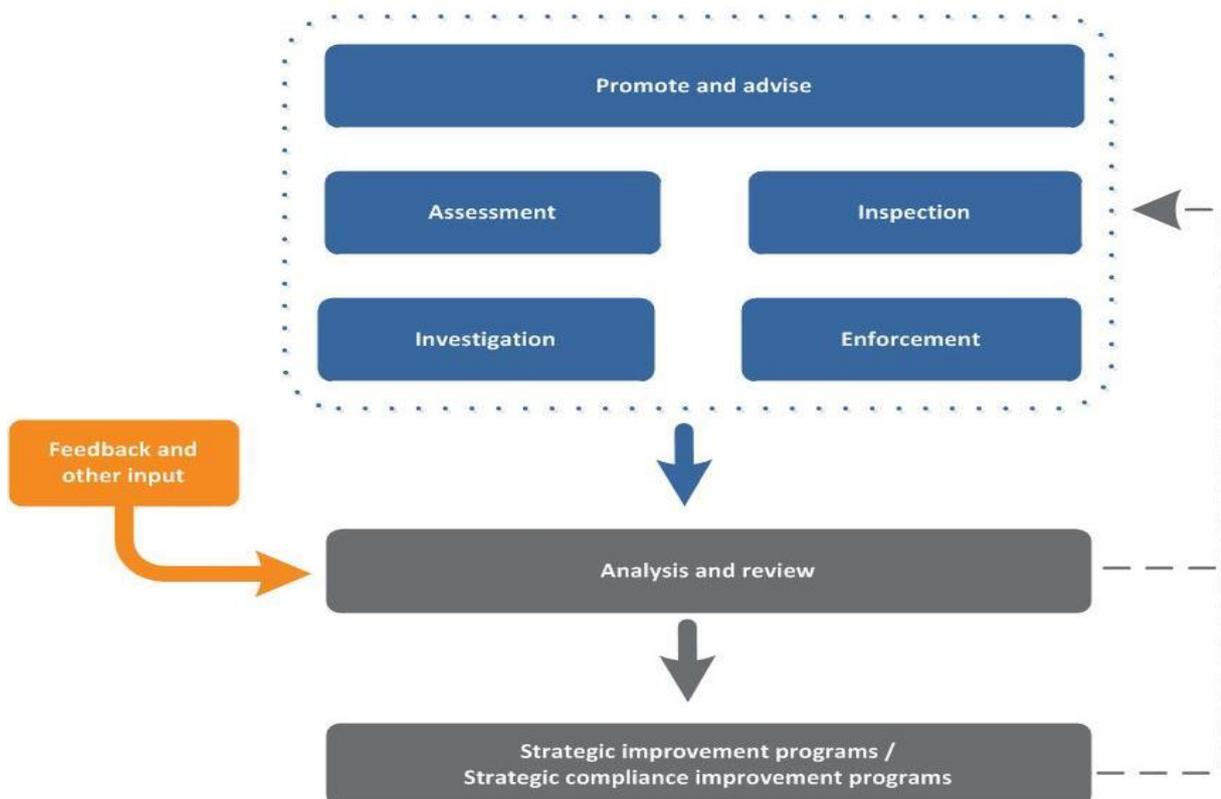
- **Enforcement**

NOPSEMA will take appropriate enforcement actions in response to breaches of the legislation. The use of enforcement actions, including prosecution, is important to secure compliance with the law and ensure those who have duties under it may be held to account to safeguard the health or safety of people and the environment. NOPSEMA has developed tools and processes which encourage a principled and consistent approach to enforcement in determining the most appropriate action in response to a particular circumstance.

4 Strategic Approach to Driving Improved Compliance

NOPSEMA applies a systematic process on an annual planning basis to identify, evaluate and plan for improvements in areas where non-compliance is widespread. NOPSEMA analyses information from multiple regulatory activities and may engage with relevant stakeholders to inform the design of specific programs to drive regulatory activities to improve compliance in these areas.

This approach embodies the principles of continuous improvement. It recognises that our regulatory activities are relevant to the entire industry and seeks to broaden the impact of individual compliance activities so individual actions have an effect on compliance across the regime. Design, implementation and progress of strategic compliance improvement programs will be made visible to stakeholders to ensure those affected are aware of the implications.





5 Related Documents

N-02000-PL1523 – Inspection

N-03000-PL1697 – Investigation

N-04000-PL0050 – Assessment

N-05000-PL0067 – Enforcement

N-06000-PL1698 – Advice and Promotion