

NOPSEMA's allocation of regulatory resources

1 Purpose

The purpose of this policy is to set out a documented, systematic and consistent approach to how NOPSEMA will allocate its available regulatory resources.

2 Scope

This policy applies to the performance of regulatory functions conferred on NOPSEMA by the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* and associated regulations.

3 Relevant Legislation

Commonwealth Offshore Petroleum and Greenhouse Gas Storage Act 2006 [OPGGs Act]

Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009 [Safety Regulations]

Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011 [Resource Management Regulations]

Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 [Environment Regulations]

Commonwealth Offshore Petroleum and Greenhouse Gas Storage Regulatory Levies Act 2003 [Regulatory Levies Act]

Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2004 [Levies Regulations]

4 Background

4.1 NOPSEMA's regulatory functions

NOPSEMA's central regulatory functions are concerned with health and safety, well integrity and environmental management and in connection with offshore petroleum operations and offshore greenhouse gas storage operations (see section 646 of the OPGGS Act generally).

In particular, NOPSEMA is responsible for developing and implementing effective monitoring and enforcement strategies to secure compliance by persons with their:

- occupational health and safety obligations under the OPGGS Act and the regulations (section 646(d))
- obligations under the OPGGS Act and the regulations to the extent that they relate to the structural integrity of facilities, wells or well-related equipment (section 646(gc))
- obligations under the OPGGS Act and the regulations to the extent that they relate to, or empower NOPSEMA to take action in relation to, offshore petroleum environmental management or offshore greenhouse gas storage environmental management (section 646(gk)).

NOPSEMA has the additional function of developing and implementing effective monitoring and enforcement strategies to secure compliance by persons with their obligations under the OPGGS Act and the regulations other than those obligations referred to above (see section 646(gq))¹. These obligations primarily relate to the resource management and titles management aspects of offshore petroleum operations and offshore greenhouse gas storage operations.

4.2 Minister's Statement of Expectations and NOPSEMA's Statement of Intent

From time to time the responsible Commonwealth Minister for matters relating to offshore petroleum and greenhouse gas storage activities under the OPGGS Act issues a Statement of Expectations to NOPSEMA. The statement sets out the Minister's expectations in relation to NOPSEMA's fulfilment of its legislated functions and the exercise of the powers conferred on it by the OPGGS Act, the Safety Regulations, the Resource Management Regulations, and the Environment Regulations.

The NOPSEMA CEO responds to the Statement of Expectations with a Statement of Intent, committing NOPSEMA to fulfilling its functions in accordance with the guiding principles and specific expectations set out by the Minister to regulate occupational health and safety, structural integrity for facilities and wells and environmental management in the Australian offshore petroleum and greenhouse gas storage industries.

4.3 NOPSEMA CEO's responsibility for allocating resources

The CEO of NOPSEMA is responsible for managing NOPSEMA's operations and, in particular, the allocation of NOPSEMA's resources, subject to the provisions of the OPGGS Act and the regulations, the Minister's Statement of Expectations, and NOPSEMA's Statement of Intent.

NOPSEMA has finite resources and the statements in section 5 below broadly address the way in which these resources are to be allocated.

4.4 Cost recovery

NOPSEMA is fully funded by cost-recovery levies and fees². Provisions are made in the Regulatory Levies Act and associated Levies Regulations for NOPSEMA to recover costs associated with implementing effective monitoring and enforcement strategies to secure compliance by persons with their:

- occupational health and safety obligations under the OPGGS Act and the regulations
- obligations under the OPGGS Act and the regulations to the extent that they relate to the structural integrity of facilities, wells or well-related equipment
- obligations under the OPGGS Act and the regulations to the extent that they relate to, or empower NOPSEMA to take action in relation to, offshore petroleum environmental management or offshore greenhouse gas storage environmental management.

The OPGGS Act also provides for NOPSEMA to recover costs from NOPTA where a NOPSEMA inspector is engaging in activities that are preparatory to the exercise or the possible exercise of a power, or the actual exercise of a power under the OPGGS Act for a purpose that relates to the functions or powers of NOPTA.

¹ Following the enactment of the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Act 2011, which came into effect on 1 January 2012,

² Explanatory Memorandum, Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011

5 Policy statements

5.1 General resources allocation policy

NOPSEMA will allocate its resources with the objective of fulfilling all of the functions conferred on it, as described above – that is, with the objective of:

- reducing the risks to the health and safety of the offshore workforce to as low as reasonably practical
- ensuring the maintenance of the structural integrity of facilities, wells and well-related equipment
- reducing the impacts and risks to the environment from offshore petroleum activities and offshore greenhouse gas storage activities to as low as reasonably practical.

As noted above, NOPSEMA's functions are centrally concerned with health and safety, well integrity and environmental management matters. Further, non-compliance by persons with the various broader obligations imposed by the OPGGS Act and regulations may have health and safety, well integrity or environmental management implications. Consistent with this, the day-to-day activities of NOPSEMA, and the allocation of its resources, will be focused on compliance and enforcement functions relating to health and safety, well integrity and environmental management.

5.2 Allocation of resources for regulatory activities

NOPSEMA's regulatory activities are set out in the OPGGS Act and the regulations. In line with the above general resources allocation policy, NOPSEMA will, in undertaking its regulatory activities, allocate its resources to reflect that most of these activities will focus on:

- Schedule 3 of the OPGGS Act and the Safety Regulations
- Part 5 of the Resource Management and Administration Regulations (particularly the provisions relating to health and safety or environmental matters)
- Schedule 2A of the OPGGS Act and the Environment Regulations

5.2.1 Assessment activities

NOPSEMA's assessment activities are focused on submissions including (but not limited to):

- operator nominations and notifications
- safety cases, environment plans and other permissioning documents
- notifications and reports of accidents and incidents.

5.2.2 Monitoring and enforcement

NOPSEMA's activities to monitor compliance are focused on (but not limited to):

- conducting inspections at facilities, regulated business premises and vessels to determine compliance with permissioning documents and legislative obligations
- conducting liaison meetings with operators of facilities, activity operators and titleholders
- application of appropriately responsive and proportionate enforcement to direct and enforce compliance.



5.2.3 Investigation and reporting

NOPSEMA's investigation and reporting activities are focused on (but not limited to):

- receipt and triage of notifications and reports of accidents, dangerous occurrences and reportable environmental incidents
- the use of applicable powers to investigate, where appropriate, accidents, dangerous occurrences and reportable environmental incidents
- appropriately reporting on investigations to the applicable Minister(s).

5.2.4 Promotion and advice

NOPSEMA's advisory activities are focused on providing advice, proactively and reactively regarding (but not limited to):

- compliance with occupational health and safety legislation and the risks to the health and safety of the offshore workforce
- compliance with structural integrity legislation and the maintenance of the structural integrity of facilities, wells and well-related equipment.
- compliance with environmental management legislation and the impacts and risks to the environment from offshore petroleum and greenhouse gas storage activities

NOPSEMA's promotional activities are focused on promoting the occupational health and safety of the offshore workforce.

5.3 Compliance with other listed NOPSEMA laws

As noted above, NOPSEMA's compliance activities may relate to any of the obligations imposed on persons by the OPGGS Act and the regulations³.

In line with the above general resources allocation policy, NOPSEMA may, in allocating its resources for compliance activities concerning resource management obligations, provide NOPSEMA inspectors to NOPTA.

6 Responsibilities

Role	Responsibility
CEO	Review the ongoing suitability of this policy at least biennially
Heads of Division	Give effect to this policy in the allocation of regulatory resources

³ See, for example, the meaning of 'listed NOPSEMA law' in Section 601 of the OPGGS Act.