

A case for safety : A Regulator's View

Presentation to IChemE Safety Group

Jane Cutler
Chief Executive Officer

18 June 2014

- A brief history
- Vision and mission
- Legislation and legal framework
- Approach to safety regulation
- Annual offshore performance report
- 2014/15 inspection focus areas

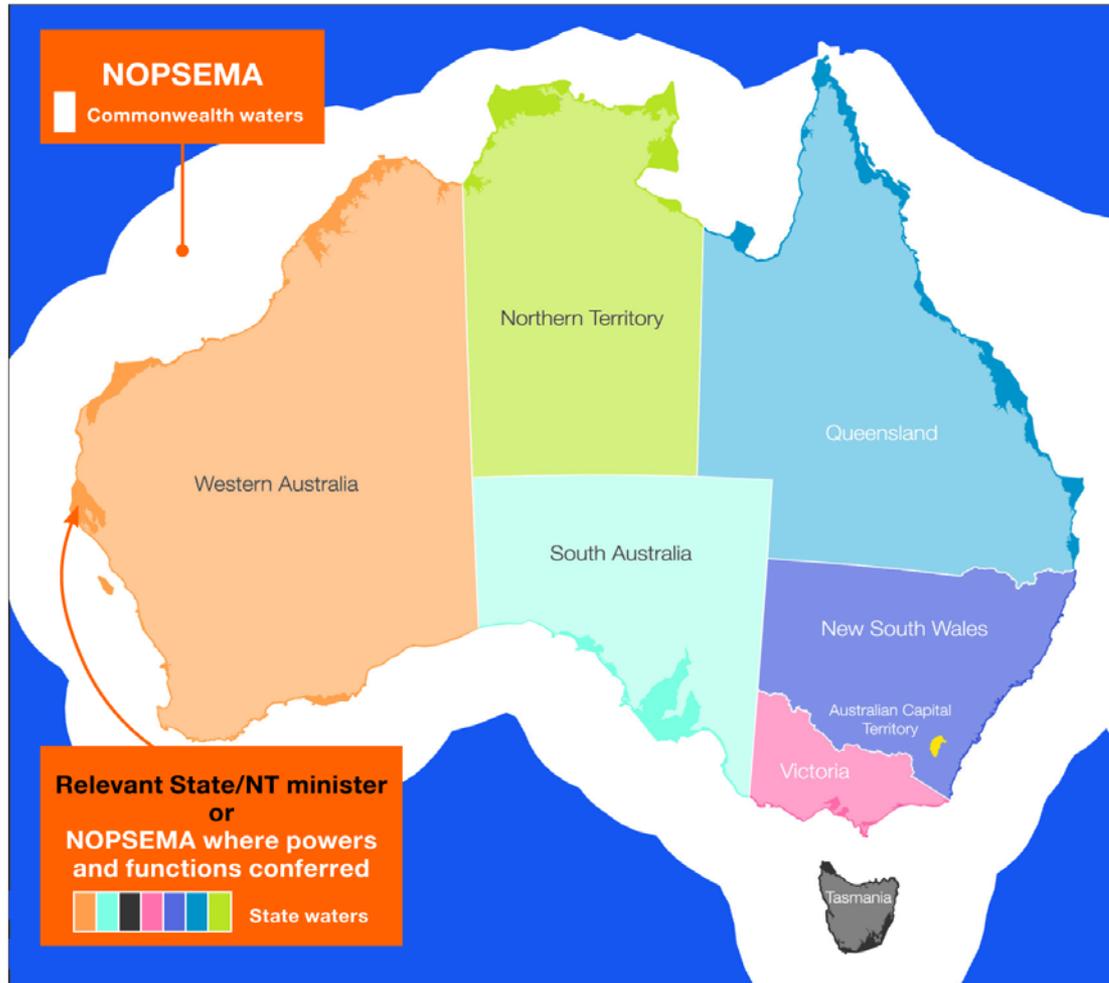
- 
- 1988** Piper Alpha disaster, North Sea, United Kingdom
 - 1996** Safety case regime enacted in Australia
 - 2001** COAG review recommended single Commonwealth offshore safety regulator
 - 2005** National Offshore Petroleum **Safety** Authority (NOPSA) established
 - 2006** *Offshore Petroleum Act 2006*
 - 2009** PTTEP AA Montara blowout, Timor Sea
 - 2010** BP Macondo, Gulf of Mexico, United States
 - 2011** Regulation of **well integrity**
 - 2012** National Offshore Petroleum Safety and **Environmental Management** Authority (NOPSEMA) established
'Polluter pays' principle legislated (May 2012)
 - 2014** NOPSEMA endorsed as 'one stop shop' for environmental approvals (Feb 2014)

Vision

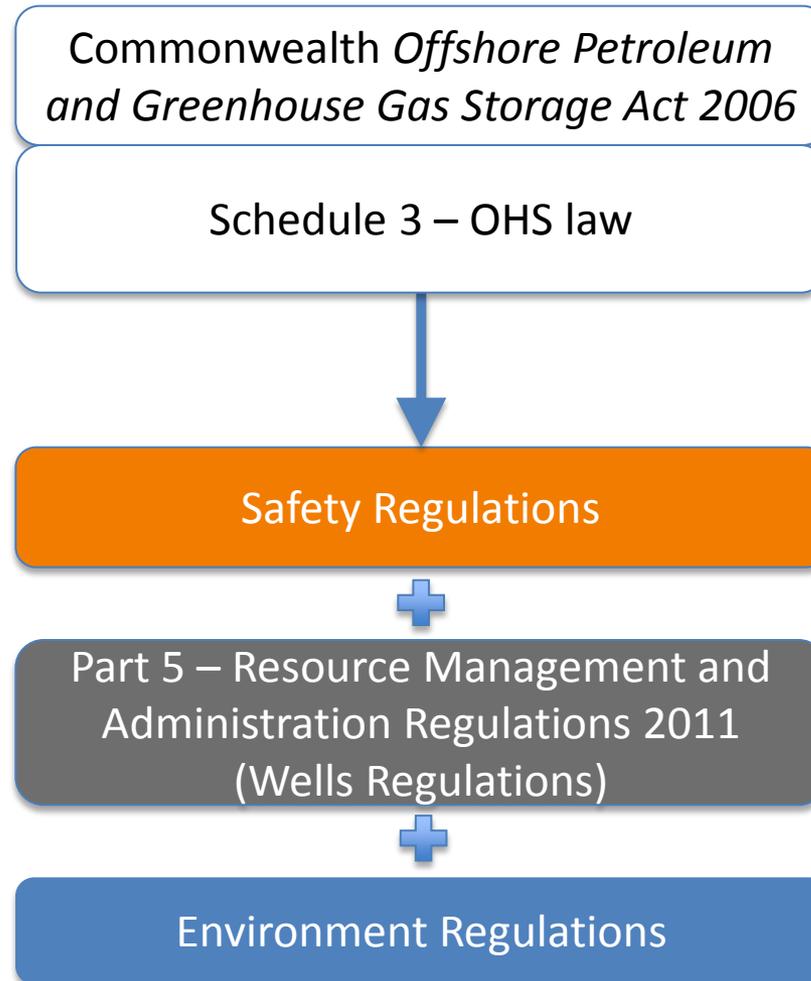
Safe and environmentally responsible Australian offshore petroleum and greenhouse gas storage industries.

Mission

To independently and professionally regulate offshore safety, well integrity and environmental management.



Note: State and Northern Territory coastal waters conform more or less to the Australian continent and associated islands. Commonwealth waters extend seaward from the edge of the three nautical mile limit of designated coastal waters, to the outer extent of the Australian Exclusive Economic Zone at 200 nautical miles.



- NOPSEMA established following recommendations of the Montara Commission of Inquiry
- Enforces an objective-based regulatory regime
 - Holds to account those that create the risk
 - Recognised as international regulatory best practice
 - Provides flexibility for offshore industry to drive continuous improvement in risk management

- ‘General Duties’ regime
- Performance-based (some prescriptive elements)
- Independent safety, integrity and environmental management authority
- Funded by levies on industry
- A duty holder’s management plan, accepted by NOPSEMA, is used as a ‘permissioning’ document:
 - Safety case
 - Well operations management plan
 - Environment plan

- Operator of offshore petroleum facility is responsible for safe and effective operation
- Onus on industry to ensure and demonstrate to regulators that risks of an incident are reduced to ‘as low as reasonably practicable’ (ALARP)
- Not self-regulation by industry:
 - Industry must demonstrate to regulators
 - Regulators must assess and accept (or not accept) that risks of an incident have been reduced to ALARP.



Assessment

- Challenge operators: “Have you done enough?”

Inspection

- Challenge operators: “Are you doing what you said you would do?”

Investigation

- Challenge operators: “What wasn’t done? What can we learn?”

Enforcement

- Action within powers under the Act and Regulations to secure compliance

- Facility must have a registered operator
- A safety case must be in force (accepted by NOPSEMA) to conduct activities on the facility
- Work at a facility must not be contrary to the safety case in force for the facility

- Assumption that information in the safety case is correct
- Assessment in accordance with regulations:
 - **Contents requirements**
 - **Appropriateness (Fitness for Purpose)**
 - **Validation**
- Revised safety case - Assessment to focus on the change

- Information contained in submissions will be treated as confidential
- Assumption that information is correct
- Assessment of submissions will be in accordance with Regulatory requirements
- Assessments will be fair and technically competent
- Consistency of methodology between assessments
- Assessment processes will be transparent
- Level of assessments will be proportional to the risk
- Good project management and quality management practices will be applied by NOPSEMA

- Appropriate to facility and activities
- Content & Level of detail requirements
- Self contained document
- MAE controls identified & described
- Comprehensive & integrated SMS described
- Well structured and coherent
- Demonstration of workforce involvement

- Lack of alignment – FD, FSA and SMS
- Level of detail
- Recycled / ‘cut & paste’ submissions
- Failure to detail likelihood and consequences of each MAE
- ALARP demonstration statements that do not relate to control measures and their alternatives
- Insufficient detail in the ERP description
- Confusion between preventative and mitigative controls
- Failure to address all Safety Case content requirements
- Lack of workforce involvement

- Regulation – Not Project Facilitation
- Maintain Reputation - Personal & Organisation:
 - Integrity & Credibility
 - Professional & Ethical
- Embrace the process
 - Regulations, Policies, SOPs & Guidance

- Support & Use the Processes Positively
 - Not pre-empting procedure
 - Not undermining procedure
- Apply the legislation – NOPSEMA does not prescribe solutions
 - Appropriately formulated Assessment requests for further written information
 - In writing, following procedure.

- Interaction with Operators / Industry - Professional & Ethical
- No Coffee-Shop Regulation
 - Meeting protocols:
Agenda, Location, Attendees, Minutes / File note
Courtesy & Respect between parties
- Practical application of APS standards

- No concurrent assessments: one revision of a safety case at any one time
- Requests for further written information
 - New safety case – limited to 2
 - Must allow 30 days for response
 - Revised safety case – limited to 1
 - Must allow 10 days for response
- Timely, unconditional decisions
- Negative decisions – reasonable opportunity to change and resubmit

Critical factors for acceptable safety cases

- safety case content that is consistent with the OPGGS(S) Regulations; description with an appropriate level of detail that accurately explains the physical characteristics of the facility, its operating envelope, the activities that take place at or in connection with the facility and its technical safety-related control systems;
- a consistent, integrated overall structure to the safety case such that there is a logical flow through the assessment process with links between the causes and consequences of MAEs, their associated risks, the selection of strategies and measures to control the risks, and the performance required from specific measures to maintain risk levels to ALARP;
- description with an appropriate level of detail that explains the hazards and MAEs identified and the risk assessment conducted;
- description with an appropriate level of detail that explains the means by which the operator ensures adequacy of the design, construction, installation, operation, maintenance or modification of the facility;
- a transparent and robust argument to show that the adopted control measures reduce risk to ALARP;
- a transparent and robust provision of evidence that the SMS provides for reduction of risk to ALARP, and that it is comprehensive and integrated;
- a description of the processes by which the workforce are consulted and involved in preparation or revision of the safety case;
- consideration for interrelatedness of the information being presented; and
- implementation of appropriate referencing techniques for both SMS documents and external material the case relies on (e.g. standards, codes, data, etc.).

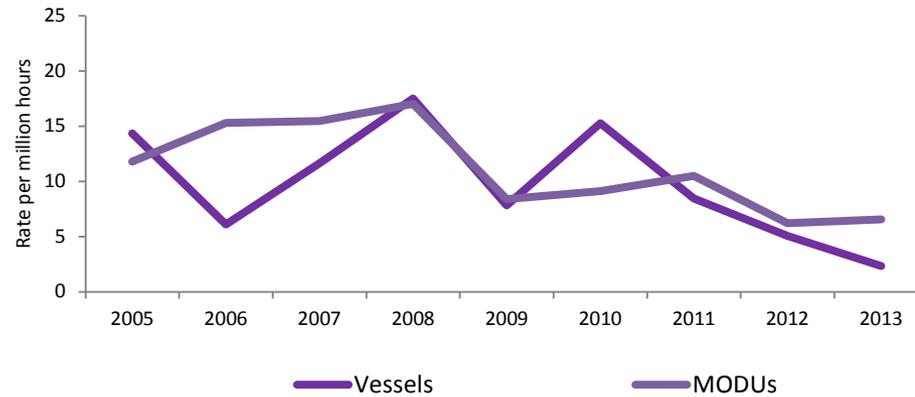
- Standards applied must be listed in the safety case and the operator must comply with these standards
- Validation:
 - independent confirmation that appropriate standards selected and applied for design, construction and installation
 - part of safety case assessment
- Performance standards must be specified (e.g. for emergency preparedness)

Annual offshore performance report
Regulatory information about the Australian offshore petroleum industry

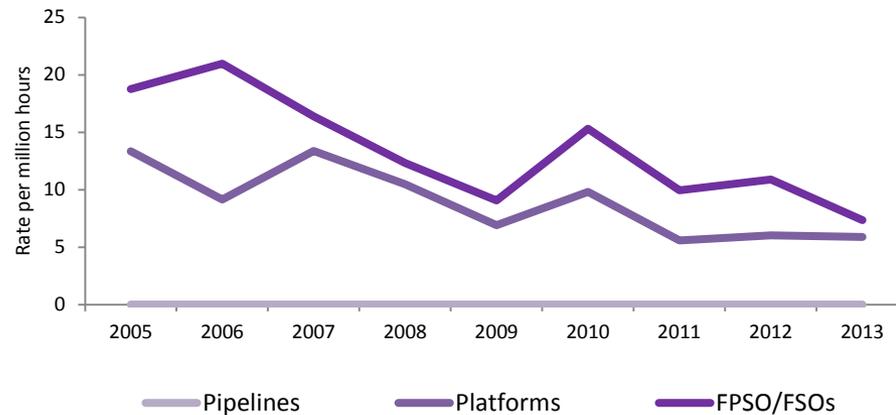
to 31 December 2013



Total recordable cases for mobile facilities

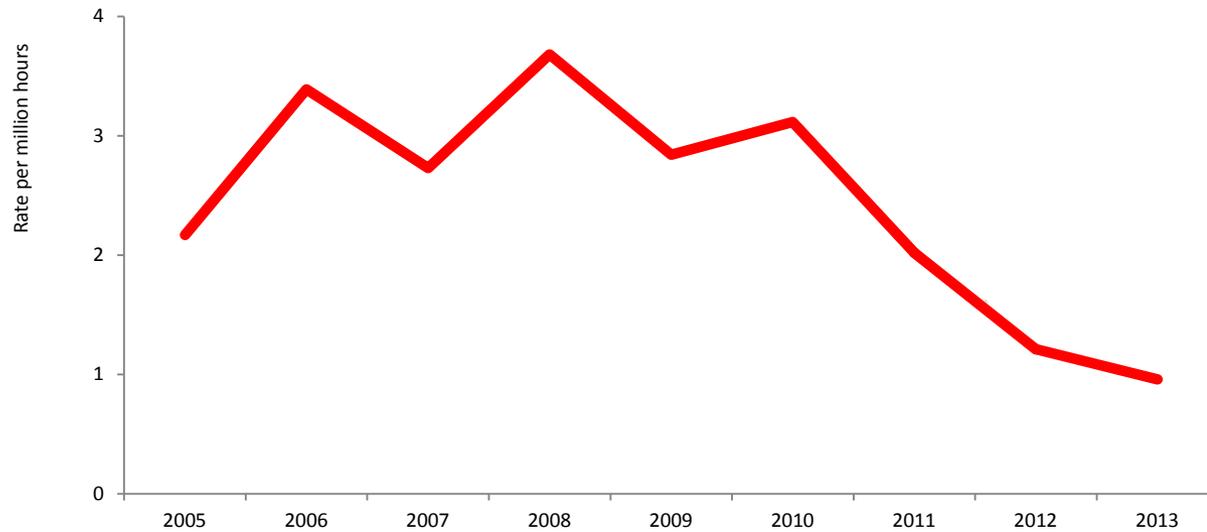


Total recordable cases for fixed facilities

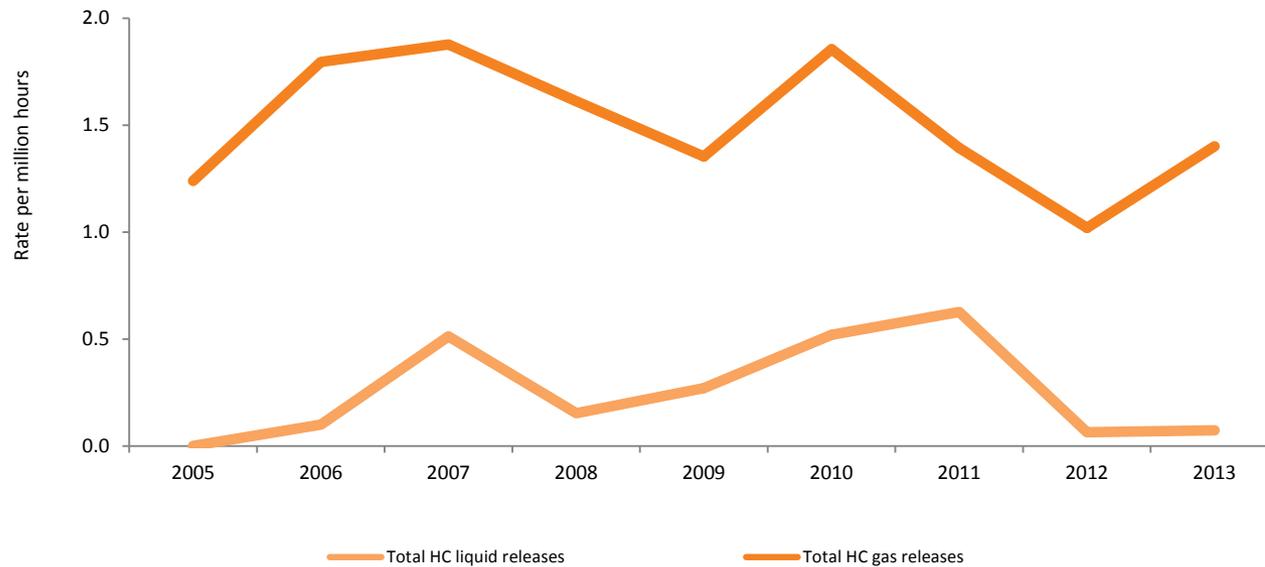




Accidents



Uncontrolled hydrocarbon releases - OHS



- Industry needs to pay greater attention to managing the impact of different work circumstances
 - MODUs consistently account for the highest number of injuries suffered by the offshore workforce across all facility types
- Consistent incident root causes means industry isn't putting enough focus on these areas to reduce risk
 - Design specifications, preventive maintenance and procedures
- Managing ignition sources better is critical to safety and the prevention of major accident events.
 - NOPSEMA made 113 recommendations and issued 14 improvement notices and two prohibition notices during its topic-based inspection on control of ignition sources - hazardous area equipment

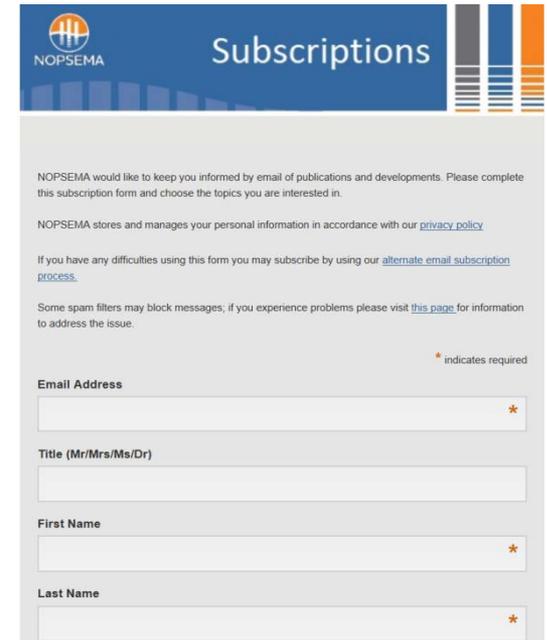
Process Safety	<ul style="list-style-type: none">• Management of Change with focus on risk assessment (incl temporary deviations)• Asset Integrity & Maintenance Management• Workforce Involvement
Technical Controls	<ul style="list-style-type: none">• Well Control – BOP & related equipment; Primary well control; & Application of well barrier policy• Escalation / Emergency Preparedness:<ul style="list-style-type: none">• F&G detection• ESD system integrity & integration• Lifeboat operations• Oil pollution emergency response plans
Performance standards	<ul style="list-style-type: none">• Implementation of controls to specified performance standards• Integration of developed performance standards into testing / inspection / maintenance regimes

- **Subscriptions**

You can stay up to date with NOPSEMA's latest news and information by signing up to our subscription service.

- *The Regulator* newsletter
- Environmental management news
- HSR news
- Safety Alerts
- Media releases

- **Questions?**



The screenshot shows the 'Subscriptions' form on the NOPSEMA website. The form is titled 'Subscriptions' and includes the following text:

NOPSEMA would like to keep you informed by email of publications and developments. Please complete this subscription form and choose the topics you are interested in.

NOPSEMA stores and manages your personal information in accordance with our [privacy policy](#)

If you have any difficulties using this form you may subscribe by using our [alternate email subscription process](#).

Some spam filters may block messages; if you experience problems please visit [this page](#) for information to address the issue.

* indicates required

Email Address *

Title (Mr/Mrs/Ms/Dr)

First Name *

Last Name *