Introduction to NOPSEMA
Safety, Integrity & Environmental Management Regulation

APIA

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Immediate Cause:
Primary cementing integrity failure

Root Cause:
Systemic failure of management systems, non-compliance with operating procedures
• Offshore Petroleum and Greenhouse Gas Storage Act
• Regulating safety
• Regulating well integrity
• Regulating environmental management
• Regulatory framework for offshore petroleum exploration & recovery
• Provides for the grant of titles including:
  – exploration permits
  – production licences
  – pipeline licences
• Titles are administered by the Joint Authority (JA)
• NOPSEMA administers safety, well integrity & environmental management
• NOPTA is responsible for assisting & advising the JA & responsible Commonwealth Minister
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td><strong>NOPSA established</strong> for regulation of safety <em>(1 January 2005)</em></td>
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</table>
| 2009 | **Productivity Commission**  
Review of the regulatory burden on the offshore petroleum industry |
| 2011 | **Montara Commission of Enquiry**  
Australian Government response to establish single national regulator |
| 2012 | **NOPSEMA established** including addition of environmental management regulation *(1 January 2012)* |
NOPSEMA is a statutory agency
Has an Advisory Board
Headquarters in Perth – regional office in Melbourne
90 staff
Where conferred, functions under State/NT PSLA
Provide services on cost recovery basis
• **Operations**
  – Offshore petroleum operations
  – Offshore greenhouse gas storage operations

• **Scope**
  – Occupational health and safety at facilities (incl. pipelines)
  – Structural integrity of facilities (incl. pipelines) and wells
  – Environmental management of petroleum activities
Scope of regulation – jurisdiction

NOPSEMA

Relevant State/NT Minister or NOPSEMA where powers conferred
1. OPGGSA

Commonwealth Offshore Area
Coastal Waters
Internal Waters

Note - State Waters = Internal Waters + Coastal Waters

3 Nm Limit of State Coastal Waters
Baseline

PETROLEUM ACTS
2. WA - Petroleum Submerged Lands Act 1982
3. WA - Petroleum & Geothermal Energy Resources Act 1967
4. WA - Petroleum Act 1936

APPLIES EXCEPT WHERE TITLES DERIVE FROM SUBSISTING COMMONWEALTH PERMITS
WHERE APPLIES
NOPSEMA operates under legislated functions

<table>
<thead>
<tr>
<th>Monitor &amp; Enforce</th>
<th>Investigate</th>
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</thead>
<tbody>
<tr>
<td>Promote</td>
<td>Advise</td>
</tr>
<tr>
<td>Co-operate</td>
<td>Report</td>
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Compliance
Improvement
Governance
• Performance, objective-based regime with some prescriptive elements

• **An independent** Safety and Environmental Management Authority, funded by levies on industry

• An operator’s or title-holder’s management plan, accepted by NOPSEMA, is required to commence activities:
  - Safety case (SC)
  - Well operations management plan (WOMP)
  - Environment plan (EP)
Regulatory activities

Assessment
- Sampled evaluation of an operator’s plan (Safety Case, Environmental Plan & Well Operations Plan) against the regulations: “Are your plans appropriate?”

Inspection
- Sampled inspection against the accepted SC, WOMP, EP and regulations: “Are you doing what you said you would do?”

Investigation
- Independent inspection to determine what went wrong and determine whether enforcement/prosecution is required: “What wasn’t done? What can we learn?”

Enforcement
- Action within powers in the law to secure compliance
Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003:

- Safety case levy: annual levy payable by operator of facility with safety case in force
- Annual well levy: payable by titleholder for eligible wells (non-abandoned) plus well activity levy: submission of WOMP
- Environment plan levy: on submission of EP and payable by titleholder
- Values worked out in accordance with the Regulations
## NOPSEMA regulatory scope

<table>
<thead>
<tr>
<th>Functions Aspects</th>
<th>Environmental management</th>
<th>Safety</th>
<th>Wells</th>
<th>General administration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope</strong></td>
<td>Petroleum activities</td>
<td>People at facilities</td>
<td>Well integrity</td>
<td>Petroleum exploration and recovery</td>
</tr>
<tr>
<td><strong>Dutyholder</strong></td>
<td>Operator of petroleum activities</td>
<td>Operator of facility</td>
<td>Titleholder</td>
<td>Titleholder</td>
</tr>
<tr>
<td><strong>Permissioning document</strong></td>
<td>Environment Plan (including OSCP)</td>
<td>Safety Case</td>
<td>Well Operations Management Plan</td>
<td>Titles &amp; conditions</td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td>Petroleum Project Inspectors</td>
<td>OHS Inspectors</td>
<td>OHS Inspectors</td>
<td>Petroleum Project Inspectors</td>
</tr>
<tr>
<td><strong>Powers</strong></td>
<td>Entry, information</td>
<td>OHS related entry, seizure, Notices</td>
<td>OHS related entry, seizure, Notices</td>
<td>Entry, information</td>
</tr>
<tr>
<td><strong>Funding</strong></td>
<td>Environment Plan Levy</td>
<td>Safety Levy</td>
<td>Well Levy</td>
<td>Reimbursement from NOPTA</td>
</tr>
</tbody>
</table>
Regulating safety
OPGGSA Schedule 3 contents:

1. Facility definition
2. General duties – Operator is the primary duty holder
3. Workplace arrangements, including HSRs
4. OHS inspections
5. Accident and Dangerous Occurrence reporting
• Facility must have a registered operator
• A safety case must be in force (accepted by NOPSEMA) to conduct activities
• Validation:
  – independent confirmation that appropriate standards selected and applied for design, construction and installation
  – part of safety case assessment
• Work at a facility must not be contrary to the safety case in force for the facility
Regulating well integrity
**Well Integrity Regulations**


- NOPSEMA replaced the State Regulator for wells in Commonwealth waters from April 2011.
- NOPSEMA decides:
  - WOMP acceptance/rejection
  - individual well activities approval /rejection
Regulating environmental management
Environment Plans

*Offshore Petroleum & Greenhouse Gas Storage (Environment) Regulations 2009*

- Required before activity commencement
- Must contain an oil spill contingency plan
- Specific objectives-based acceptability criteria:
  - Appropriate for nature and scale
  - Risks as low as reasonably practicable (ALARP)
  - Risks must be acceptable
  - Appropriate performance objectives and standards
  - Appropriate consultation
Scope - what requires an Environment Plan?

- Petroleum and greenhouse gas storage activities?
Petroleum Activity includes:

• Construction and installation of a pipeline;
• Operation of a pipeline; and
• Significant modification of a pipeline; and
• Decommissioning, dismantling or removing a petroleum pipeline.
Consultation process in the offshore petroleum EP regime

### Operators

| PLANNING STEPS | REVIEW THE LEGISLATIVE REQUIREMENTS & GUIDANCE | IDENTIFY THE RISKS, STAKEHOLDERS & STAKEHOLDER ISSUES | EVALUATE THE RISKS AND IDENTIFY POTENTIAL CONTROLS | CONSIDER FEEDBACK, RESPONSE & ACTIONS IN ABSENCE OF FEEDBACK | SUBMIT EP (&OSCP) TO NOPSEMA FOR ASSESSMENT | COMMENCE ACTIVITY AND REVISE |

### Stakeholders

**Planning:** communication with ‘relevant persons’ on impacts relating to functions, activities or interests

**Implementation:** ongoing consultation

**NOPSEMA**

- Assessment of submission
- Monitor & enforce
NOPSEMA’s role: publication and notifications

- **Publish information:**
  - Environment plan submission data summary
  - Environment plan summary published after acceptance

- **React to notifications by Operator:**
  - Commencement/completion of activities
  - Reportable incidents notified to NOPSEMA

- **Monitor & enforce compliance**

www.nopsema.gov.au
Oil Spill Contingency Planning (OSCP) Framework

Oil Pollution Preparedness, Response and Cooperation, 1990 (OPRC90)

International

Offshore Petroleum and Greenhouse Gas Storage Act

Environment Regulations

‘Protection of the Sea Acts’

National Plan

Operator’s EP (with OSCP)

Australia
Organisational arrangements & NOPSEMA role (simplified)

Planning/Preparedness

- Operator/Titleholder
- NOPSEMA
- National Plan Administrator
  - AMSA
- Major Hazard Agencies
  - State/NT

Response

- Commonwealth Agencies
- Monitor and enforce compliance
  - NOPSEMA
- Operator/Titleholder
- “Combat Agency”
  - Operator or Nominated Combat Agency
  - Oil Spill Response Organisation(s)
Thank you