Environmental Regulation of the Offshore Petroleum Industry: challenges and opportunities

AMSA Conference July 2012
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PTT EP Montara 2009
Jurisdiction for Safety and Environment

Commonwealth Waters

NOPSEMA

State Waters
Relevant State/NT Minister
unless
powers are conferred to NOPSEMA *

* Current conferrals are for Safety only in all states except WA
Independent statutory authority

- **State/NT Ministers for Resources**
- **Commonwealth Minister for Resources**
- **NOPSEMA Advisory Board Chair**
- **NOPSEMA CEO**
- **NOPSEMA**
- **Department of Resources, Energy & Tourism Secretary**
- **National Offshore Petroleum Titles Administrator (NOPTA)**

*OPGGS Act 2006*
Legal framework

- An **independent** Authority, funded by levies on industry
- Uses the **Environment Plan** to demonstrate how the activity and impacts will be managed and to ensure compliance
- **Objectives-based** which allows flexibility depending on nature and scale of activity and continual improvement
- How does NOPSEMA compare to **international** frameworks?

UK - Objectives
Canada - Objectives
US - Prescriptive
Norway – Objectives and Prescriptive
Decision jurisdiction across petroleum resource development life cycle

**Seismic / other surveys:** Environment Plan (EP)

**Drilling:**
- SC, EP, WOMP, AAUWA

**Construction, Production:**
- SC, EP, PSZ

**Decommissioning:**
- SC, EP, AAUWA

**EPBC Act**
- Conditions of approval/compliance

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**Seismic / other surveys**
- EPBC Act referral(s) (and EIA)

**Award title**
- EPBC Act decision

**Acreage release & bid**
- EPBC Act conditions of approval/compliance
Scope: what requires an Environment Plan

- Petroleum and greenhouse gas storage activities
Content requirements of the EP

• Environmental assessment
  – Description of the activity
  – Description of the environment
  – Description of environmental impacts and risks
  – Environmental performance objectives, standards and measurement criteria

• Implementation strategy for the EP
• Reporting arrangements
• Consultation outcomes
NOPSEMA’s regulatory activities

**Assessment**
- Independent, sampled evaluation of an operator’s submission against the regulations
- Challenge operators: “Have you done enough?”

**Inspection**
- Independent, sampled inspection of the petroleum activity against the accepted EP and regulations
- Challenge operators: “Are you doing what you said?”

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

**Enforcement**
- Take action within powers under the Act and regulations to secure compliance
Environmental Plans, Monitoring and Guidance

**NOPSEMA Activities**

- EP Guidance Notes
- EP Assessment
- Compliance Monitoring - Inspection, Investigation, Enforcement

**Operator Activities**

- Baseline Studies
- EP submitted for assessment
- Environmental monitoring – discharge and receiving
- Spill Response and Clean-up
- Environmental monitoring – discharge and receiving
- Reporting – enviro and performance
- Type I Operational Monitoring
- Type II Scientific Monitoring

**Timeline**

- Petroleum Activity Commences
- Significant Incident
- Petroleum activity recommences
Monitoring challenges and opportunities

**Challenges**
- Non-standardised data collection, analysis, reporting
- Lack of standards and different interpretation
- Non-centralised data storage
- Limited data sharing and lessons learnt
- Monitoring at the wrong scale (temporal and spatial)
- Duplication of survey effort

**Opportunities**
- Data quality control and comparable data
- Common standards and interpretation
- Greater involvement of research community
- Greater transparency and less duplication of effort
- Regulator confidence and reduced regulatory burden
- Regional studies, cumulative impact assessment
## Responsibility – industry context

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<thead>
<tr>
<th></th>
<th>NOPSEMA</th>
<th>INDUSTRY</th>
<th>RESEARCH</th>
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<tbody>
<tr>
<td><strong>Regulations</strong></td>
<td>• Independent regulator</td>
<td>• Comply with Regs</td>
<td>• Familiarity with Regs – understand roles, flexibility and limitations</td>
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<td></td>
<td>• Consistency</td>
<td>• Challenge understanding</td>
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<td>• Streamlining</td>
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<td><strong>Guidance</strong></td>
<td>• Write guidance</td>
<td>• Seek guidance and provide feedback</td>
<td>• Provide scientific advice on possible approaches</td>
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<tr>
<td></td>
<td>• Seek feedback</td>
<td>• Understand limitations</td>
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<td>• Provide advice</td>
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<td>• Promote</td>
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<td><strong>Project implementation</strong></td>
<td>• Independently assess EPs</td>
<td>• Assess and evaluate risks and impacts</td>
<td>• Identify industry projects that also support research objectives</td>
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<td></td>
<td>• Inspect</td>
<td>• Scope and implement</td>
<td>• Technology development</td>
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<td></td>
<td>• Investigate</td>
<td>• Continual improvement</td>
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<td></td>
<td>• Enforce</td>
<td>• Comply with the law</td>
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<td></td>
<td>• Non-prescriptive</td>
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<td><strong>Strategic/regional issues</strong></td>
<td>• Ecologically sustainable development</td>
<td>• Collaboration and leadership</td>
<td>• Facilitate regional studies, cumulative impacts</td>
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<td>• Opportunities for industry improvement</td>
<td>• Data standards and sharing</td>
<td>• Data standardisation</td>
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<td>• Regional scale</td>
<td>• Data storage</td>
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<td>• Long term investment</td>
<td>• Working groups</td>
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Mechanisms for change

- Regulatory driven – regulations changed to require data standardisation and sharing
- Industry driven – voluntary adoption of standards and data sharing
- Stakeholder driven – social license to operate
- Regulatory driven – regulations changed to require data standardisation and sharing

Flexibility
Close