Introduction to NOPSEMA
Offshore Petroleum Environment Management Regulation

Environmental Consultants Association
25 July 2012
• Introduction and background
  Simon Schubach
  General Manager Regulatory

• Environmental management regulatory regime
  Cameron Grebe
  General Manager Environment

• Environmental Monitoring
  Dr Christine Lamont
  Manager Environment Monitoring and Analysis

• EP Assessments
Introducing NOPSEMA

Simon Schubach
General Manager Regulatory
Vision
A safe and environmentally responsible Australian offshore petroleum industry

Mission
To independently and professionally regulate offshore safety, integrity and environmental management
NOPSA to NOPSEMA
background & history

2005  NOPSA established for regulation of safety (1 January 2005)

2009  Productivity Commission
      Review of the regulatory burden on the offshore petroleum industry

2011  Montara Commission of Inquiry
      Australian Government response to establish single national regulator
      NOPSA regulation of well integrity (April 2011)

2012  NOPSEMA established including addition of environmental management regulation (1 January 2012)
Independent statutory authority

**Joint Authority**

- State/NT Ministers for Resources
- Commonwealth Minister for Resources
- NOPSEMA Advisory Board Chair

**Reporting where powers conferred**

- Department of Resources, Energy & Tourism Secretary
- National Offshore Petroleum Titles Administrator (NOPTA)
- NOPSEMA NOPSEMA CEO
Legislation administered by NOPSEMA

Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006*

Schedule 3 – OHS law

Safety regulations

Wells via resource mgt regulations

Environment regulations
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
NOPSEMA operates under legislated functions

<table>
<thead>
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<th>Monitor &amp; Enforce</th>
<th>Investigate</th>
<th>Compliance</th>
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<tr>
<td>Co-operate</td>
<td>Report</td>
<td>Governance</td>
</tr>
</tbody>
</table>
• A ‘General Duties’ regime for offshore petroleum and greenhouse gas storage operations
• Performance-based, but with some prescriptive elements
• An independent safety 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 (SC)
  – Well operations management plan (WOMP)
  – Environment plan (EP)
**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 permissioning document (eg EP) and regulations
- Challenge operators: “Are you doing what you said you would do?”

**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
Approach to regulation

• Independent and professional
  - Transparent, coherent policies and processes, shared with industry and consistent with the requirements of the regulations, administered by a critical mass of skilled professionals that focus on ensuring duty holders, and the regulator, comply with their obligations specified in law

• Respect for “due process”
  - Timely and competent decisions based on criteria set out in the regulations
  - Processes outside the regulatory requirements are not created
  - Requirements and interventions by the regulator are not arbitrary

• Certainty for industry and a reduction in regulatory burden

• Ongoing dialogue
# NOPSEMA regulatory scope

<table>
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<tr>
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<th>Environmental management</th>
<th>Safety</th>
<th>Wells</th>
<th>General administration</th>
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<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>
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</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>
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<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>
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</table>
Explanatory text to Environment Regulations provides context

AS/NZS ISO 31000 + AS/NZS ISO 14000
Scope - what requires an Environment Plan?

- Petroleum and greenhouse gas storage activities
Petroleum development life cycle

- **EPBC Act referral(s)** (and EIA)
- **EPBC Act decision**
- **EPBC Act conditions of approval/compliance**

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

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

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

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

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

**Exploration**

**Development**
- Construction
- Operations
- Decommissioning

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**NOPSEMA**

[OPGGS Act]

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[OPGGS Act]
Scope - risks and impacts on environment

- Ecosystems & their parts including people and communities
- Natural and physical resources
- Qualities, characteristics of locations, places and areas
- Heritage value of places
  ...including the social, economic and cultural features of these matters.
Environment plan regulatory requirements

• Required before activity commencement
• Specific objectives-based acceptability criteria must be met, including:
  – Appropriate for nature and scale
  – Risks as low as reasonably practicable (ALARP)
  – Risks must be acceptable
  – Appropriate performance objectives and standards
  – Appropriate consultation and responses
• Must contain an oil spill contingency plan
• Must contain an implementation strategy
Consultation process in the offshore petroleum EP regime

**Operators**

1. **REVIEW THE LEGISLATIVE REQUIREMENTS & GUIDANCE**
2. **IDENTIFY THE RISKS, STAKEHOLDERS & STAKEHOLDER ISSUES**
3. **EVALUATE THE RISKS AND IDENTIFY POTENTIAL CONTROLS**
4. **CONSIDER FEEDBACK, RESPONSE & ACTIONS IN ABSENCE OF FEEDBACK**
5. **SUBMIT EP (&OSCP) TO NOPSEMA FOR ASSESSMENT**
6. **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
Oil Spill Emergency Response Arrangements
The National Framework

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

International

Australia

Offshore Petroleum and Greenhouse Gas Storage Act

Environment Regulations

‘Protection of the Sea Acts’

National Plan

Operator’s EP (with OSCP)
Oil Spill Contingency Plans

• The Regulations
  – The EP implementation strategy must contain an OSCP
  – Provide for the maintenance of the OSCP
  – The OSCP include oil spill emergency response arrangements

• Oil spill response activities are considered ‘risk controls’ which means they must be...
  – evaluated for impacts and risks
  – have environmental performance objectives, standards and measurement criteria
Environmental risks of operations for potential emergency conditions

Environmental risks of operations

Proposed Activity

Hydrocarbon Release
Identify & Evaluate Impacts and Risks
Performance Objectives, Standards & Measurement Criteria

RESPONSE ACTIVITIES [RISK CONTROLS]

Response Technique
Identify & Evaluate Impacts and Risks
Performance Objectives, Standards & Measurement Criteria

Implementation Strategy inc. OSCP

OSCP approach: risks from response need to be managed
Monitoring
EP submissions and critical success factors

Christine Lamont
Environment Manager Monitoring and Analysis
Monitoring and basis in the regulations

- Object of Regulations: to ensure activities are carried out
  - in a manner consistent with principles of Ecologically Sustainable Development
  - in accordance with an EP that has appropriate environmental performance objectives, standards and measurement criteria

- No prescriptive requirements for how monitoring is to be provided for

- Objectives based regime – flexible based on nature and scale of activity and encourages innovation
# Monitoring advice

## Consider potential role of environmental impact monitoring
- Measurement criteria – have the standards proposed been met?
- Assisting to demonstrate impacts and risks are acceptable and continuously reduced to ALARP
- Actions in response to monitoring results

## Demonstrate how monitoring proposed is appropriate... reasoned and supported arguments
- How thresholds are established and used
- How source monitoring can be related to receiving environment impacts
- Why monitoring may not be required

## Ensure it’s achievable
- Within timeframe
- Will be able to measure impacts at appropriate power
- Will be able to show if objectives were met
Environmental monitoring considerations

**The activity**
- Petroleum activity

**The environment**
- Desktop studies
- Baseline studies

**Impacts and risks (planned and unplanned)**
- Modelling studies
- Discharges and emissions

**Risk and impact management controls**
- Environmental performance objectives
- Controls to prevent impact
- Measurement criteria for objectives & standards

**Implementation**
- Environmental monitoring and performance monitoring
- Reporting

Regulation 13(4), 13(5) and 14
Environment Plans, monitoring and guidance

NOPSEMA Functions & Regulatory Activities

Advice
Assessment
Compliance Monitoring - Inspection, Investigation & Enforcement

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

Operator Activities

Timeline

Petroleum Activity Commences
Significant Incident
PETroleum activity recommences

Type I Operational Monitoring
Type II Scientific Monitoring
• EP must include arrangements for monitoring, recording and reporting information:
  – Must be sufficient to enable NOPSEMA to determine that performance objectives and standards have been met
  – Includes any information required to be recorded under the Act, Regulations or other legislation
  – Propose a timeframe for reporting to NOPSEMA, not less often than annually
  – Must contain details of all reportable incidents for the activity
It is the **responsibility of the operator** to demonstrate within the plan that all the criteria have been met.

The Regulations state that NOPSEMA must accept an environment plan if there are reasonable grounds for believing that the plan meets the acceptance criteria.

NOPSEMA can only make an assessment on the information provided in the environment plan for an activity.
**Total Submissions Received**

<table>
<thead>
<tr>
<th>Description</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Submissions Received</td>
<td>56</td>
</tr>
<tr>
<td>Including those transferred from Designated Authorities</td>
<td>6</td>
</tr>
</tbody>
</table>

**Decisions**

<table>
<thead>
<tr>
<th>Description</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptances</td>
<td>24</td>
</tr>
<tr>
<td>Refusals</td>
<td>3</td>
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**In progress**

<table>
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<th>Description</th>
<th>Count</th>
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</thead>
<tbody>
<tr>
<td>Submissions currently under assessment</td>
<td>14</td>
</tr>
<tr>
<td>Submissions currently being modified by operators for resubmission.</td>
<td>15</td>
</tr>
</tbody>
</table>

*as at 20 July 2012*
Q&A time
Critical success factors

- Environment plans must be specific to the proposed activity(ies) and receiving environment
- Statements in environment plans must be supported by reasoned arguments and backed by relevant evidence
- To prepare an environment plan a detailed knowledge of the activity is required
- Environment plans must satisfy the acceptability criteria and content requirements of the regulations
Critical success factors

- Tailor the plan to the nature and scale of the activity
- Focus on impact and risk management specific to the receiving environment and potential receptors
- Only include information that is relevant to the management of the environmental impacts and risks of the activity
- Establish clear linkages between sections of the environment plan
- Provide reasoned and supported arguments to justify claims made in the plan
Common deficiencies

• Demonstrations of acceptable and ALARP impacts and risks often inadequate
• Environmental performance objectives, standards and measurement criteria are poorly defined and will not allow measurement of environmental performance
• Demonstration of appropriate stakeholder consultation inadequate
• Oil Spill Contingency Plan not appropriate to manage identified impacts and risks
• Before the first submission of an environment plan for an activity, **all** instrument holders must appoint an operator for the activity
• Environment plan submissions must include all content required under the Regulations
• NOPSEMA may decline to consider a submission if the above two points are not satisfied
• Submissions should be emailed directly to: [submissions@nopsema.gov.au](mailto:submissions@nopsema.gov.au)
• A hard copy should also be submitted
NOPSEMA advice and promotion activities

**Regulatory**
- Operator liaison meetings
- Operator regulatory clarification meetings
- Operator liaison on decisions
- Ad-hoc advice requests (email and phone)
- Policies and Guidance Notes
- NOPSEMA decisions feedback
- Industry performance reporting

**Non Regulatory**
- Industry briefings
- Other stakeholder briefings
- Industry env mgt workshop program
- APPEA committees and quarterly liaison
- High level operator liaison
- CEO delegation briefings
- The Regulator newsletter and other publications
- Alerts
- NOPSEMA feedback/complaints

**External Opportunities**
- Key issues working groups (Co-lead or participate)
- Input / review to APPEA guidelines and standards
- Regulators forums (APRF, IRF, IOPER and AELERT)
- Conference and seminar participation
Engaging with the Regulator

• NOPSEMA’s point of contact is always the appointed operator
• An operator may appoint an agent as a contact point for an activity
• A consultant may represent an operator in liaison meetings and other interactions if appointed by an operator
• NOPSEMA environment personnel are available for liaison meetings and to provide advice to operators and their agents