

Transitioned Environment Plans

Information Session

31 October 2013

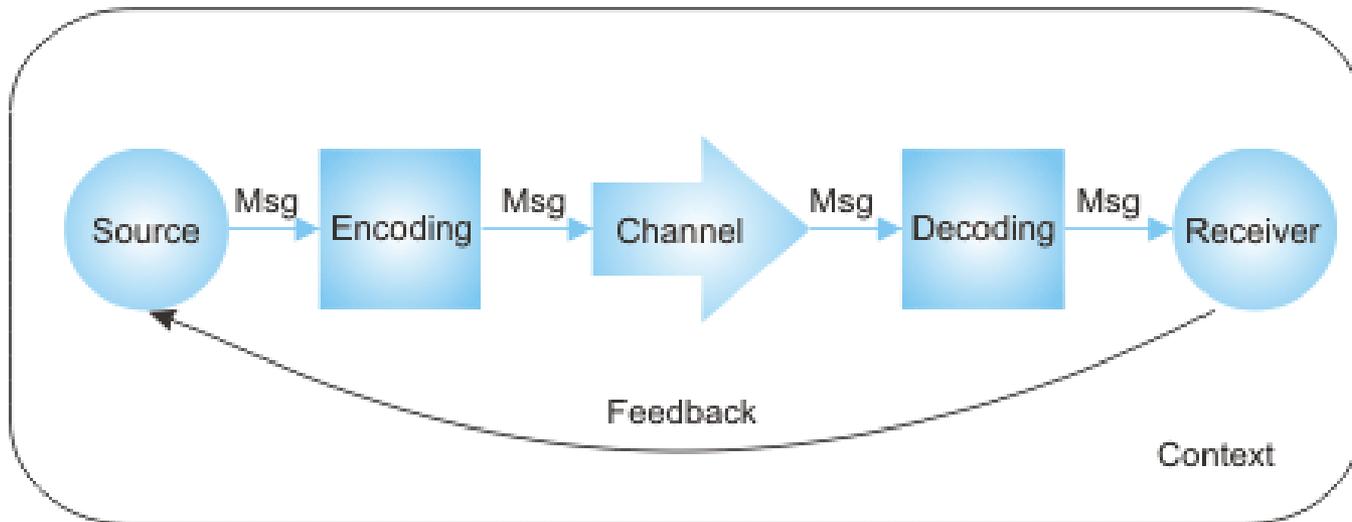
Part 1: TEP status and adjustment of timeframes

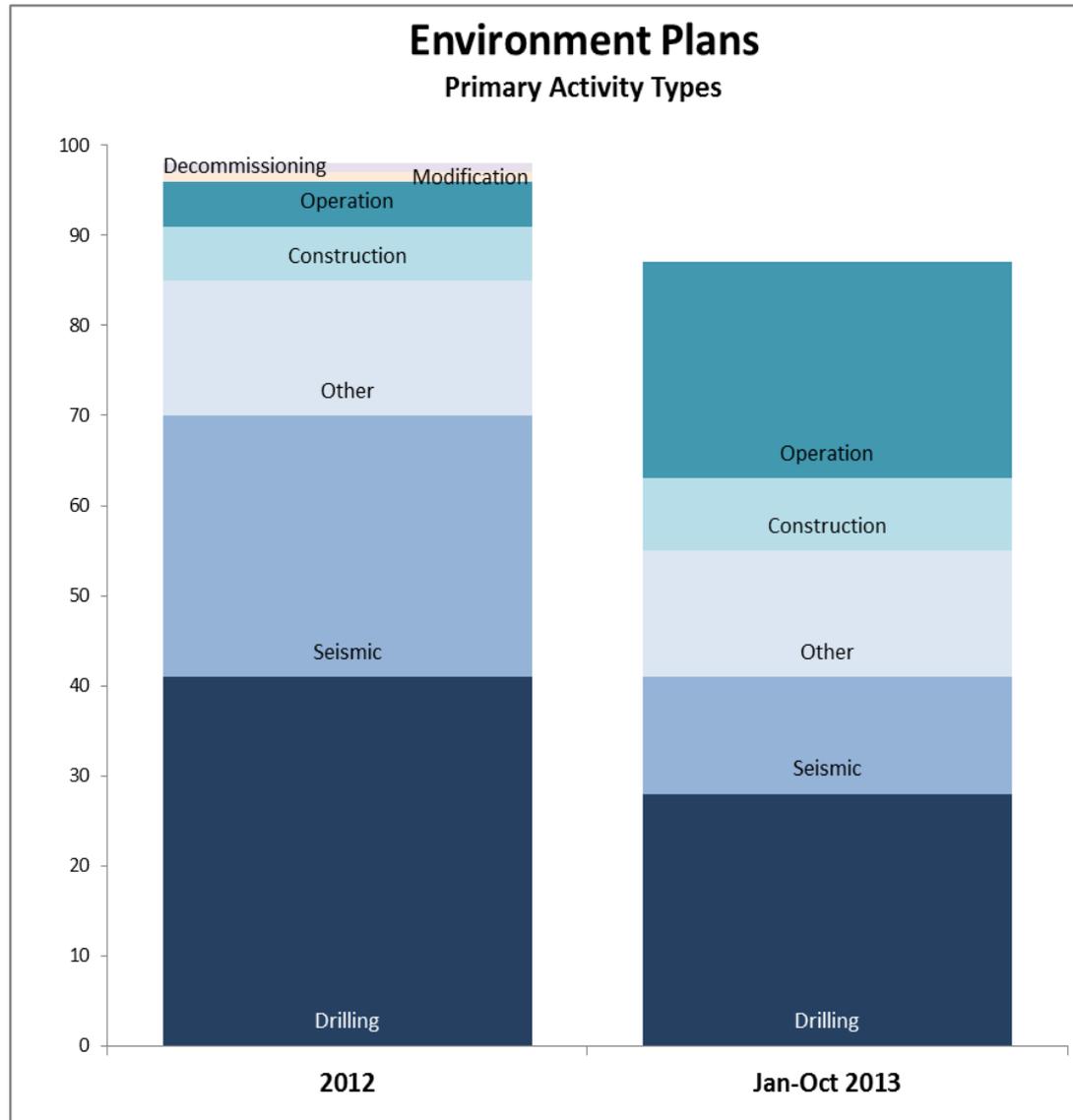
Rhys Jones

Manager Transitioned Environment Plan Project

- Assessment experience to date has identified common issues that are not being addressed
- Submission deadlines identified as a barrier to effective communication
- To allow additional time to ensure effective communication

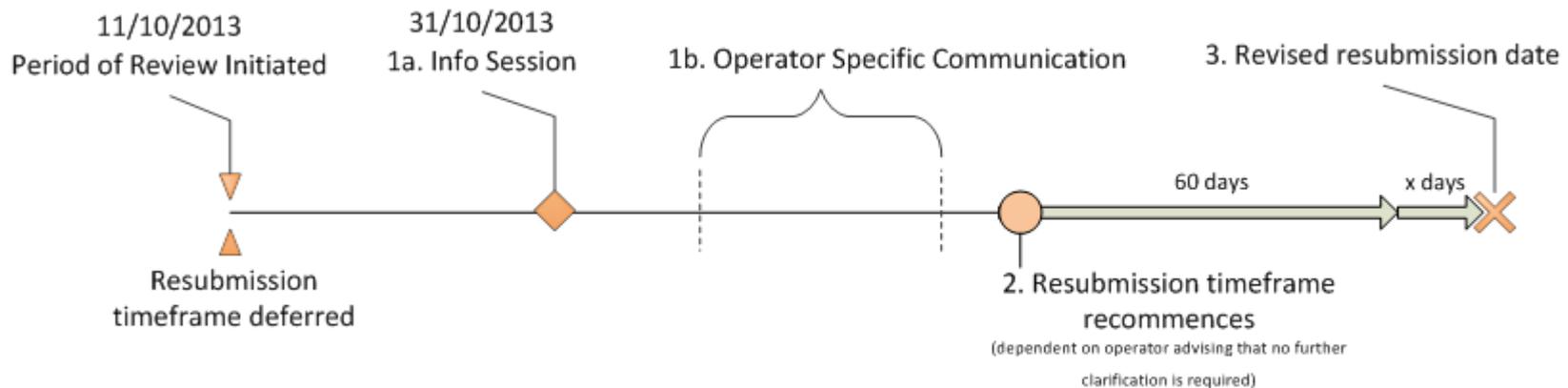
- What does effective communication look like for both NOPSEMA and Operators?
- Identify and manage barriers to communication
- Improve communication outcomes





- 40 of the 50 EPs to be proposed for revision are operation of a facility
- 18 of operations EPs are currently under assessment
- 5 operations EPs accepted

- Operators with Multiple TEPs
 - existing submission timeframes will be adjusted in accordance with 3 step process below



- Operators with single TEP
 - existing submission timeframes adjusted on a case by case basis as usual

Part 2: The case approach to environment plans

Matthew Smith

Manager Spill Assessment

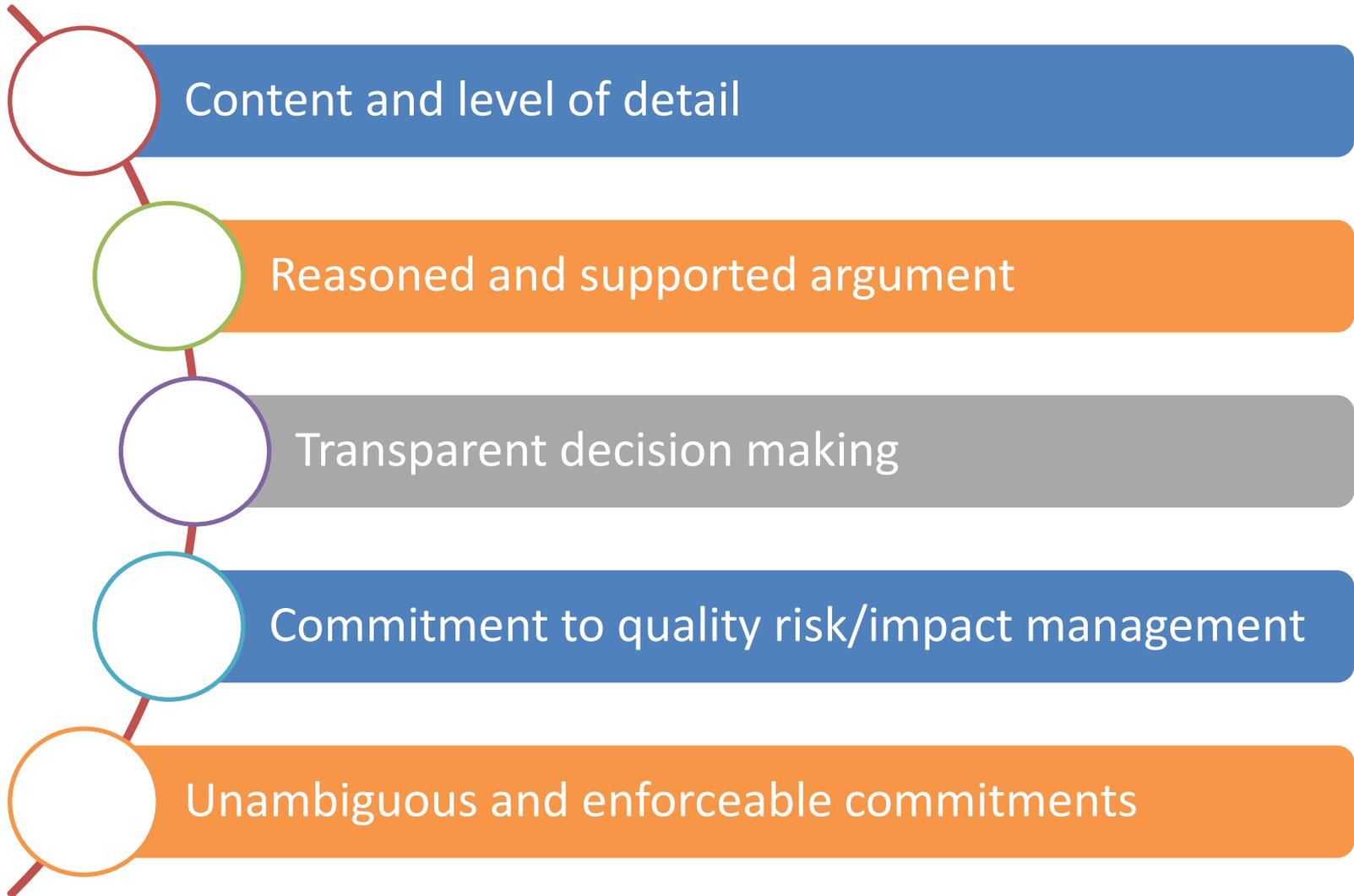


Uncompromised Foundations

- Risk management framework
- A competent and independent regulator
- Imposition of general duties on the operator
- A '*case*' approach accepted (or not) by the regulator

Transparent Dutyholder Process

- Assessment of impacts and risks
- Demonstrating risk tolerance criteria are met
- Making the commitment to perform
- Meeting the level of performance



Problem: Information provided in the submission can be insufficient, too much, out-of-place, or duplicated

General advice:

- Consider advice on ‘nature and scale’ in part 3
- We don’t need everything you’ve got
- Start with a blank page (or company template)
- Carefully consider use of existing information
- Provide commensurate justification for controversial issues, new/novel approaches, areas with a high degree of uncertainty, and higher order impacts and risks

Problem: Conclusions made within environment plans are not substantiated through reasoned and supported argument

General advice:

- Avoid reverse engineering of arguments
- Ensure the rationale and support is commensurate to the level of risk and certainty of approach
- Keep justification concise through reference to support
- Include reasoning for selected controls
- Include reasoning for not selecting alternative/additional controls

Problem: Lack of clarity about why decisions have been made

General advice:

- Ensure assessment analysis has conclusions
- An evaluation is about judging and decision making
- Fully disclose all information relevant to identifying, understanding, and managing impacts and risks

Problem: Appears as though process steps might be applied selectively to particular impacts and risks

General advice:

- Ensure understanding of the process to be used
- Ensure process is up-to-date
- Simplified process steps;
 - Environmental assessment
 - Demonstration of ALARP and Acceptable Level
 - Setting levels of performance
 - Implementation strategy
- Senior management to generate commitment to process

Problem: Ambiguity in statements of performance making elements of the plan unenforceable

General advice:

- Make clear commitments that cannot be misinterpreted and will provide a compliance record
- Align statements of performance with acceptable levels of impact and risk
- Address all control measures (system, person, procedure or item of equipment) that have been identified to manage impacts and risks
- Avoid language like 'should', 'may', 'if appropriate', 'as practicable'
- Avoid broad disclaimers which undermine commitments

Part 3: Industry-wide Assessment Feedback

Matthew Smith & Rhys Jones

MIXING REGULATORY CONCEPTS

Application of nature and scale

Critical terminology used interchangeably

Communicating consultation

ADDRESSING SYMPTOMS NOT CAUSES

Misconstruing essential components of ALARP

Merging of ALARP and Acceptable

NOT IDENTIFYING/ EVALUATING CONTROL MEASURES

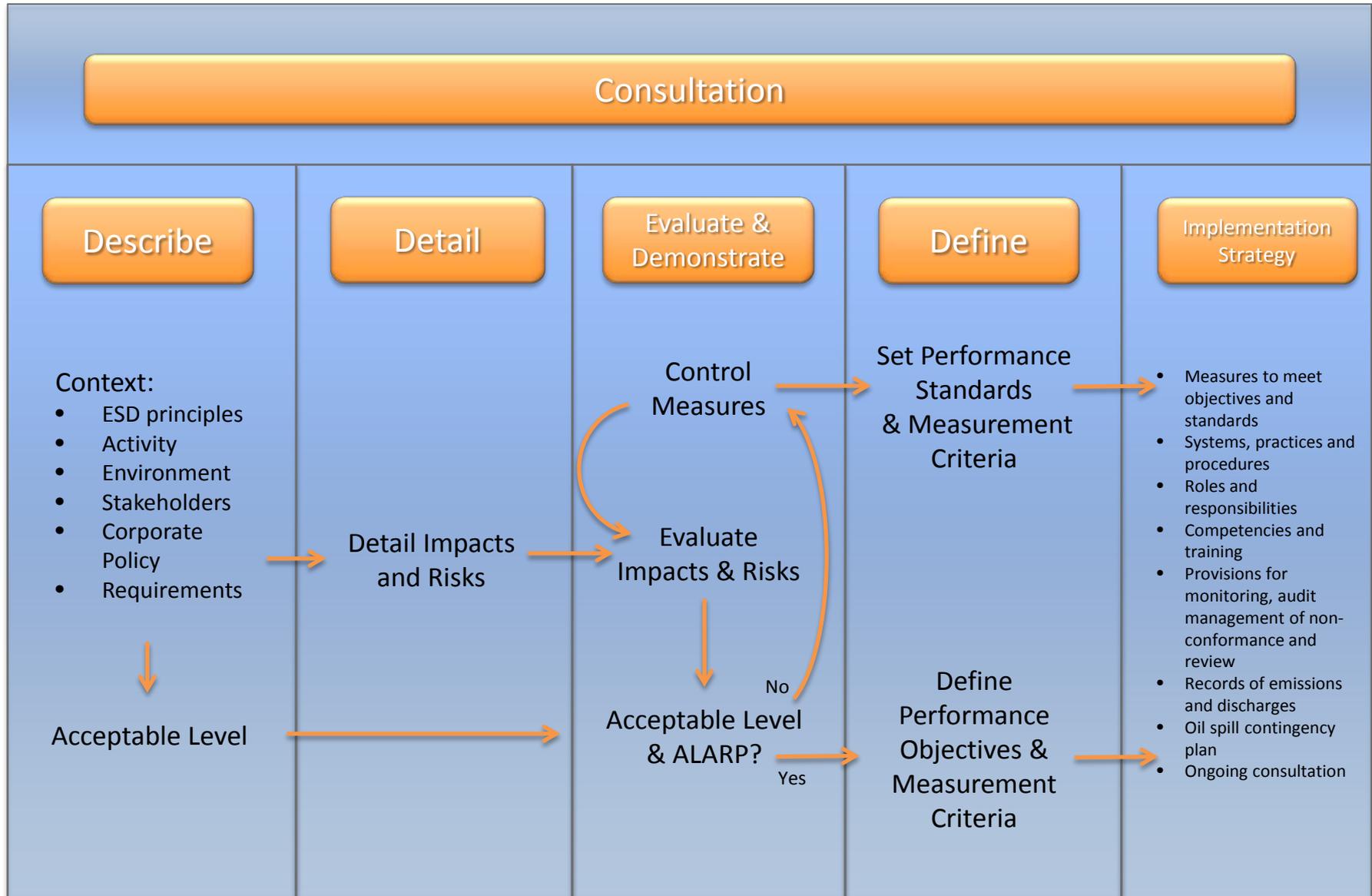
Criticality of controls not reflected

Not assessing impacts and risks arising from control measures

Limited application of adaptive management controls

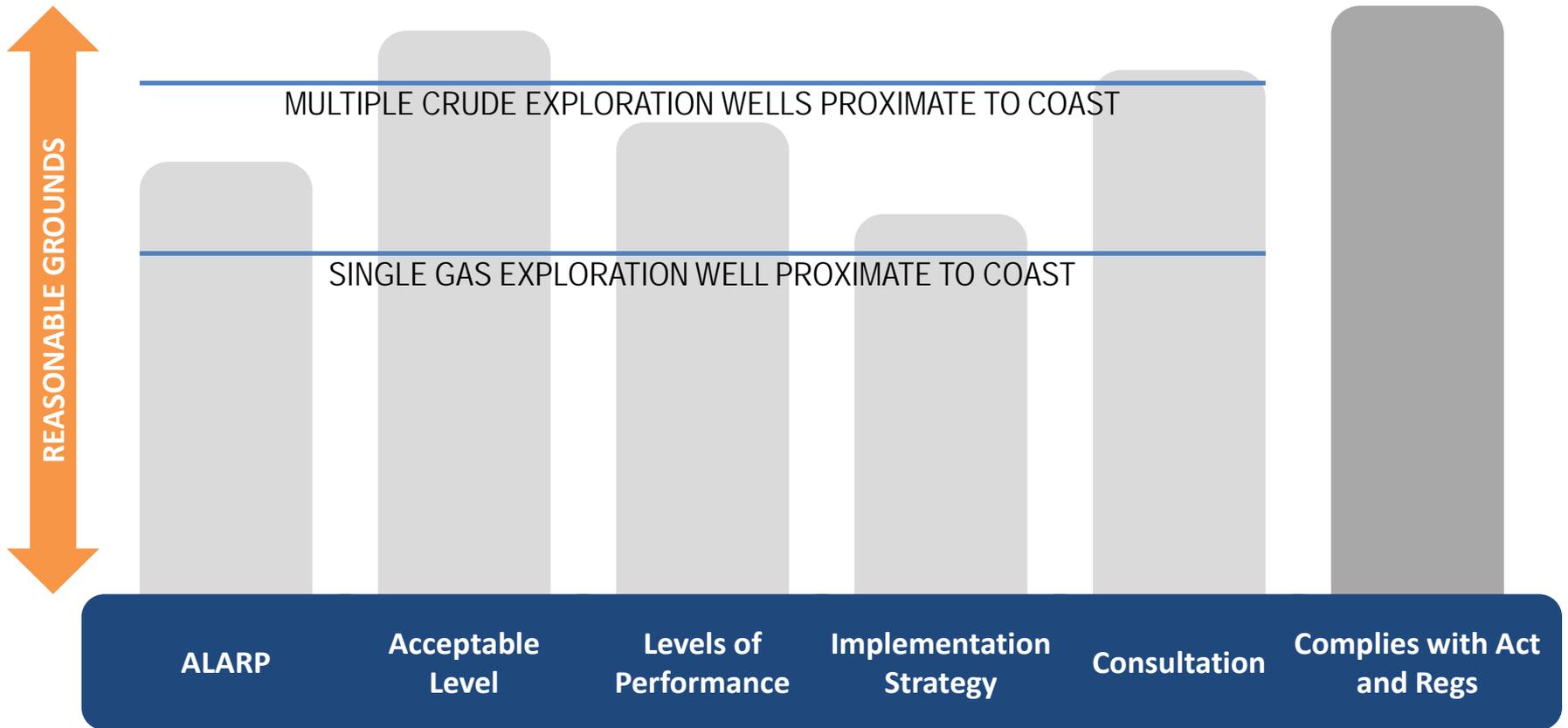
Process Faults

- High-level issue identification
- Seeking industry perspective on NOPSEMA identified issues
- Seeking industry input on additional issues
- Identify need for further clarity and how this might be achieved
- As always:
 - NOPSEMA assessment feedback is given by highlighting the process fault (cause) and by illustration through examples (symptoms)

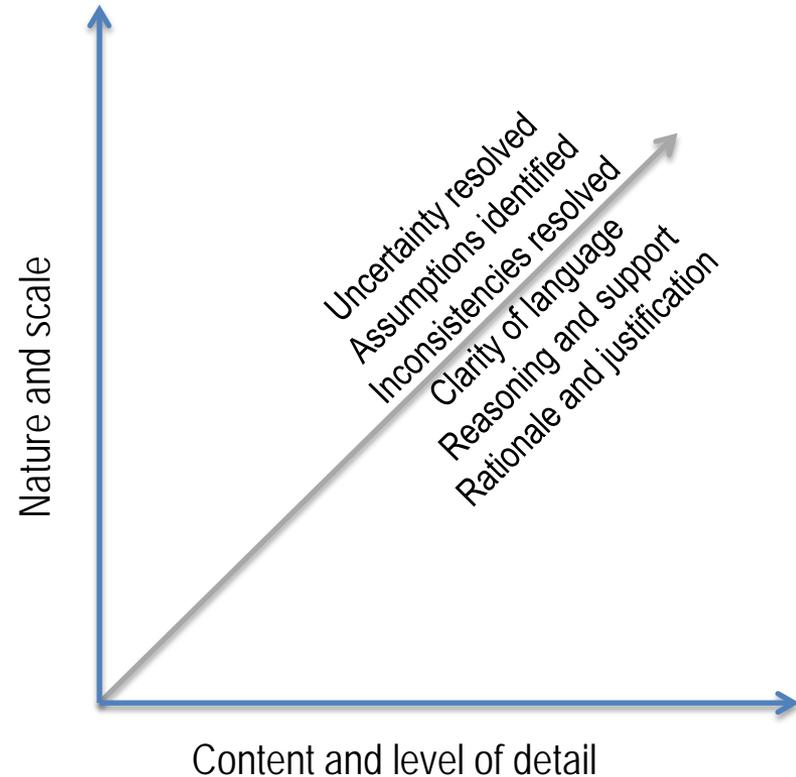


- Process fault: narrow definition of nature & scale leading to incorrect level of content and detail
- Examples:
 - Generic descriptions / evaluations that do not incorporate experience specific to the area despite long term operations (reliance on literature)
 - Response plans that contain large quantities of unfocused and/or irrelevant information that do not show us that you understand the risk or have the right measures in place to respond
 - Information provided is too broad for the purposes of risk assessment where its reasonable to expect more accurate information is available e.g. oil properties/analogues

Content and level of detail required to have reasonable grounds for believing the plan meets the acceptability criteria



- Advice:
 - Consider the nature and scale on a case by case basis
 - Consider component parts of the activity
 - **Quality not quantity**



- Process fault: terms used interchangeably
- Examples:
 - ‘Details’ and ‘Evaluation’
 - ‘Impact’ and ‘Risk’
 - ‘ALARP’ and ‘Acceptable Level’

EP Quotes

“an (oil spill) is an acceptable level of impact”

- NOPSEMA could never permission this type of impact

“the modelling has evaluated this risk”

- Modelling is a tool used to identify and analyse risk, not a decision making tool

- Advice:
 - Be disciplined about use of terms
 - Clarify meaning and understanding of terms
 - Distinguish between impact and risk
 - Distinguish between details and evaluation within the assessment of impacts and risks

- Process fault: not reflecting consultation undertaken (and ongoing) in accordance with regulatory requirements
- Examples:
 - Consultation records provided for a different activity with questionable relevance
 - Consultation reports not making a case for how changes over time have been accounted for
 - Consultation reports not meeting specific content requirements

- Advice:
 - Proposed revisions must include a report on consultation to meet regulatory requirements [Reg11A and 16(b)], however it is not expected that the consultation approach be that of a new facility
 - Operators should consider what is sufficient information and provide a rationale for the judgement
 - The consultation process should identify and address gaps resulting from changes over time
 - Provide for appropriate ongoing consultation in accordance with Reg 14(9)
 - Utilise existing forums to support regulatory compliance

- Process fault: methodologies used miss or misconstrue essential components of ALARP
- Examples:
 - Absence of demonstration in its entirety
 - ALARP is based on estimation rather than computation
 - Demonstration understates impact/risk averted
 - Demonstration overstates sacrifice that could be made

- Advice:
 - Stick rigorously to selected methodology
 - Consider advice on ‘nature and scale’ and ‘content and level of detail’
 - Show your workings of sacrifice, impact/risk averted, and gross disproportionality
 - Honestly establish sacrifice(s) that could be made through implementation of additional/alternative controls
 - Consider the quantum (activity/company/industry) of impact/risk that could be averted, reduced or mitigated
 - Honestly establish the impact/risk averted, reduced or mitigated from a given sacrifice
 - Grossly disproportionate computation – impact/risk averted is insignificant in relation to the sacrifice
 - Consider industry-wide ‘base cases’ for ALARP grounded in industry best practice

- Additional reference material

ALARP – What does it really mean?

M.Jones-Lee, T. Aven

<http://www.sciencedirect.com/science/article/pii/S0951832011000238>

NOPSEMA Guidance Note - ALARP

Rev 4 – Dec 2012

<http://www.nopsema.gov.au/assets/document/N-04300-GN0166-ALARP.pdf>

- Process fault: lack of definition of acceptable levels of impact and risk
- Examples:
 - Often no definition only implication from defined environmental performance objectives
 - Overweighting of internal context in defining acceptable levels of impact and risk

EP Quote

“having demonstrated ALARP this risk is acceptable”

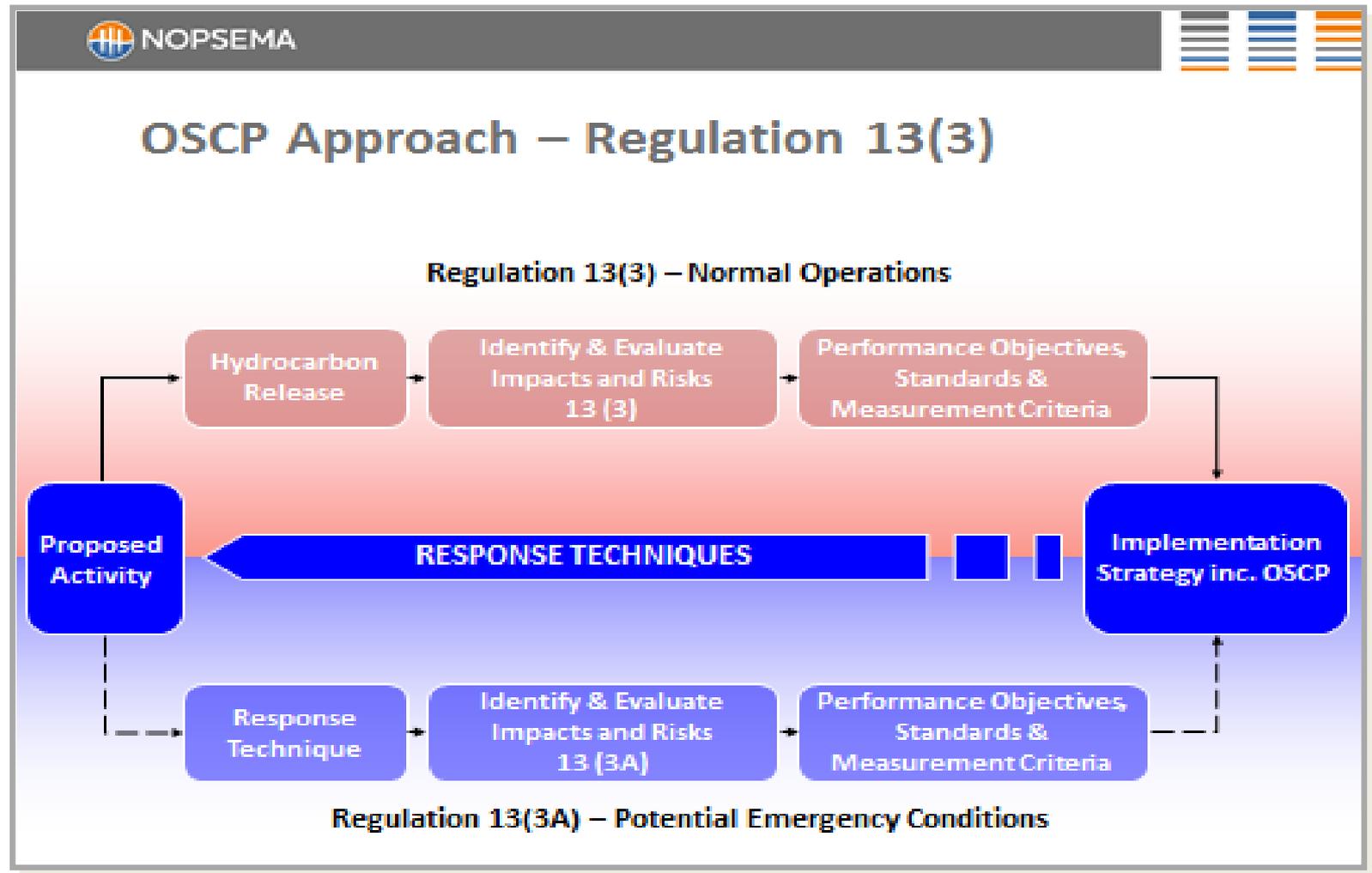
In isolation reaching ALARP is not sufficient to demonstrate an acceptable level of risk

- Advice:
 - Define acceptable levels thoroughly before assessment
 - Principles of ecologically sustainable development
 - Internal context
 - National, international standards and best practice
 - Legislative and other requirements
 - External context
 - Take care not to have an over-reliance on internal context
 - External context is essential to understanding how impacts and risks are perceived
 - Consider industry-wide efforts to define acceptable levels of impacts and risks

- Process fault: criticality of identifying, evaluating and selecting treatment controls not reflected
- Examples:
 - Control measures not identified
 - Control measures discussed in activity description without being addressed by environmental performance standards
 - Control measures not taken through remainder of the process
 - Control measures without levels of performance
 - Often no discussion of control measure effectiveness

- Advice:
 - Take time to methodically identify all controls
 - Selection and evaluation of controls needs to be justified
 - Setting performance levels for control measures is the cornerstone of objective-based regulation
 - Consider how to monitor effectiveness of selected controls

- Process fault: failure to risk assess control measures for impacts and risks associated with their implementation
- Examples:
 - Impacts and risks associated with spill response activities are sometimes not risk assessed
 - Evaluation of spill response impacts and risks is often deferred to the day of a spill



OSCP Workshop – 20 March 2012

- Advice:
 - Consider spill response actions as a **planned** activity that occurs following an **unplanned** event
 - Apply your usual risk assessment process to spill response activities

UNPLANNED ACTIVITIES	ALARP	Acceptable Level
Hydrocarbon spill risks	☑	☑
Spill response risks	☑	☑
PLANNED ACTIVITIES (EMERGENCY)		
Spill response impacts	☑	☑

- Process fault: it is unclear how controls for continually reducing risks to ALARP will effectively complete this task
- Examples:
 - Spill response adaptive management measures not identified or implemented
 - Adaptive management measures for PFW discharge not identified and implemented

- Advice:
 - Don't understate reliance on adaptive management measures for the duration of the activity (c. 5 years)
 - Identify the systems, practices and procedures to effectively reduce impacts and risks to ALARP (particularly for those risks that can be predicted to change over time)
 - Consider systems, practices and procedures as controls that manage impacts and risks
 - Ensure levels of performance can be met
 - Ensure measurement criteria provide a record of compliance
 - Include clear implementation of adaptive management including criteria in their use

Any Questions?