Transparency update and reference case briefing

NOPSEMA
Perth Conference and Exhibition Centre and Online
Session outline

0845  Attendees arrive
0900  Introduction, acknowledgement of country, task force overview  (NOPSEMA)
0915  Review of consultation and transparency provisions in the Regs  (DIIS)
0930  Reference case project: Vision and progress  (NOPSEMA)
0945  Proof of concept: Progress and learnings  (NERA)
1000  An industry perspective  (APPEA)
1015  Break
1030  Operational and Scientific Monitoring opportunities  (NOPSEMA and Shell)
1050  Assessment policy changes  (NOPSEMA)
1105  Long-term custodian  (NOPSEMA)
1120  Panel session: Facilitated by Matt Smith  (All presenters for Q&A)
1200  Session close
Introduction to the transparency task force

Cameron Grebe
Head of Division - Environment
NOPSEMA has been working on transparency issues to improve our social licence to regulate.

- Consultation issues monitored and defined: Feb 2014 – July 2015
- NOPSEMA commenced a stakeholder engagement and regulatory transparency work program: August 2015 – June 2017
- NOPSEMA established a transparency task force to align cross-jurisdictional efforts to increase community confidence in the offshore petroleum sector: July 2017 – ??

A584047
Six work streams are underway aiming to improve consultation and transparency

**Outcome 1:** Amended Environment Regulations to give effect to increased transparency
- Legislative change process

**Outcome 2:** The Australian community has confidence in the regulatory regime
- Monitor sector readiness for transparency

**Outcome 3:** Reduced size and complexity of EPs
- Events and community reference group
- NOPSEMA system updates

**Outcome 4:**
- Alignment of regulatory interpretation

**Outcome 5:**
- Reference case concept

**Outcome 6:**
NOPSEMA wants to hear more about what matters to the community

- Part of Work Stream 3
  - Community and Environment Reference Group
  - Providing community perspectives and helping guide NOPSEMA’s approach to regulation
  - Call for expressions of interest closes 20 January 2018
  - Visit NOPSEMA’s website
Review of the consultation and transparency provisions

Lisa Wechmann
Assistant Manager – Safety and Environment
Dept. of Industry, Innovation and Science
Consultation and transparency update

Environment, Safety and Security Section
December 2017
Overview

• Background on the review process
• Endorsed policy changes
• Next steps
### Background

<table>
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<tr>
<th>Consultation burden and fatigue</th>
<th>Volume and frequency of consultation requests</th>
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<tr>
<td>Timely access to information</td>
<td>Information regarding petroleum activities is published after a decision is made to accept an Environment Plan</td>
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<td>Stakeholder submission process</td>
<td>Stakeholders reliant on titleholder’s consultation process to be aware of proposed activities</td>
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<td>Lack of public notification and comment period</td>
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<td>Transparency of consultation process and EPs</td>
<td>No publication of Environment Plans</td>
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<td>No publication of consultation submissions, including the titleholder’s response to concerns raised</td>
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Endorsed Policy Changes

- Full publication of Environment Plans
- Public consideration period
- Public consultation on potential new petroleum exploration areas
- Register of interest for relevant stakeholders
- Community engagement
### Next steps

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<th>Step</th>
<th>Description</th>
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<td>Consultation to develop amendments</td>
<td>The department will consult with stakeholders in early 2018 on implementation of these changes.</td>
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<td>Consultation on draft amendments</td>
<td>A draft of the proposed regulatory changes and transitional arrangements will be released for consultation.</td>
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<tr>
<td>Regulatory Impact Statement</td>
<td>Engaging with the Office of Best Practice Regulation on regulatory impacts arising from proposed amendments.</td>
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<tr>
<td>Implementation</td>
<td>Regulatory amendments to be provided to Minister for approval and tabling in parliament.</td>
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These changes will not apply retrospectively – accepted EPs will not be affected.

Transitional arrangements will be developed to ensure activities already under assessment are not unduly delayed.
Further information


For further information, or to register for updates on this issue, please email: offshoreenvironment@industry.gov.au

Catherine Kesteven 02 6243 7368
Lisa Wechmann 02 6243 7304
Update on the reference case project

Matt Smith
Environment Manager
All stakeholders save time and money and maintain responsible environmental outcomes

INDUSTRY
Restore social licence to operate

COMMUNITY
Easier access to information before submissions are made

GOVERNMENT
Greater confidence in the regulatory regime

OTHER MARINE USERS
Streamlined consultation and aligned interpretation of knowledge
To restore confidence in stakeholders eyes, use reference cases to standardise.

Current EP’s

Explain applicability of reference case
There are no fatal flaws in the reference case concept and issues can be managed

- Development is protracted and costly
- Overly comprehensive
- Reference cases increase burden
- Prescription by stealth

- Consensus output gives confidence
- Simplistic and not detailed enough
- Reference cases make it easier to gain approvals
- Increases certainty of tenure
The foundations of the project have been laid and there is still a lot to do

- Explain the reference case concept
- Show the potential for the project
- Make the project accessible
- Publish remaining NERA RC’s
- Generate ideas for future reference cases
- Enlist development partners
- Design suitable development process
- Identify roles/responsibilities in the process
- Create the prioritisation process
- Identify long-term coordinator
Reference Case
Project Update - NERA

Miranda Taylor
CEO
Industry Growth Centres

- Industry led and independent
- Areas of competitive strength or strategic need
- Drive productivity & competitiveness as economy transitions
- Transfer more of our investment in knowledge into commercial value developed here in Australia
- But connected to global markets
Reference Case Project

Scope: deliver a “Proof of Concept”

• Phase 1: Determine a process for development & template for a reference case (complete)
• Phase 2: Prepare 4 “reference cases” for publication in consultation with industry and the regulator (ongoing)

Process has identified significant opportunity for all stakeholders

Reference Cases require a long-term independent home
APPEA: An industry perspective

Stedman Ellis
Chief Operating Officer
Australian Petroleum Production and Exploration Association
Break until 1030
Agenda

- Historical context for OSMPs
- OSMP progress to date
- NOPSEMA observations
- Industry perspective on a collaborative OSMP
- Benefits of an OSMP Reference Case
- Development so far and next steps
• Montara oil spill in 2009, Macondo in 2010
• Montara Commission of Inquiry
• Findings related to incident causes, regulatory regime, compliance, response and monitoring
• Recommendation - establish “off the shelf” scientific environmental monitoring programs
• Recommendation - EPs, OSCPs and OSMPs publically available
• NOPSEMA published guidance for industry to develop OSMPs
• Industry has developed and maintained activity/company OSMPs
• Next logical step is a single OSMP arrangement as originally recommended
Start 2012
No OSMPs

End 2012
OSMPs in EPs
OSMP guidance published

2013
OSMPs improve
OSMP inspections commence

Start 2014
Enviro Regs updated to include 14(8D)

2014 - 2015
OSMPs mature
inspections continue
2016-2017 mature OSMP similar modules, implementation strategies

2016 targeted OSMP inspections
Guidance OSMP frameworks

End 2017 Industry working collaboratively on OSMP content
~ 18 titleholders with drilling or operations activities OSMPs

+ ~ a dozen other companies with non-ongoing activities (seismic) that require OSMPs

+ Lots of content duplication

+ Common group of consultants writing OSMPs

+ Common incident monitoring provider base

+ Many, not all, OSMPs refer to baseline data housed in I-GEM

+ Same requirement for maintenance of OSMPs and capability to implement

= Small amount of effort for large potential gain in efficiency, effectiveness and cost saving in preparation and in response
Industry perspective

• Nathan Waugh, Environmental Advisor, Shell
- Reference cases publicly available and independently housed
- Reductions in stakeholder consultation burden
- Transparency in line with existing agenda and helps to build social licence
- Built into an agreed revision schedule and process
- Appropriate input already sought from subject matter experts
- Industry, Commonwealth government, research organisations, state/territory agencies and community all working from same ‘play book’ in the event of an incident
‘endorsed’ by NOPSEMA reducing assessment times and inspection burden

Greater ability for companies to move into new regions (more agile)

Linked to other reference cases such as regional environment descriptions

Direct cost savings into collaborative research that directly benefits industry and leads to better environmental outcomes

Direct cost savings into response readiness

Small amount of effort for large potential gain in efficiency, effectiveness and cost saving in preparation, response and improved social licence for whole industry
July 2017 - APPEA MESP proposed industry OSMP to NOPSEMA. NOPSEMA supported concept and advised APPEA to include broad range of stakeholders in development.

August 2017 - APPEA presented at ES&T Workshop in Hobart.

November 2017 – NOPSEMA provided advice on OSMP framework approach, content and proposed use of existing OSMP content to save time and effort.

November 2017 – NOPSEMA discussed OSMP concepts with APPEA Exploration Committee.

December 2017 – Continue development including confirm roles and responsibilities and identify suitable OSMPs to use as a starting point.
Possible EP assessment process amendments

David Christensen
A/Environment Manager,
Assessment and Inspection - Seismic and Production
## Objective-based regime

- Onus on duty holder to manage their impacts and risks
- A case needs to be made by the duty holder that impacts and risks will be managed to an agreed level

## NOPSEMA assessment polices

- Titleholder to demonstrate environmental impacts and risks reduced to ALARP and an acceptable level
- Titleholders to provide contents in the EP to meet all content requirements
- NOPSEMA needs to be satisfied that the whole EP meets acceptance criteria
- Assessment proportionate to risk
Questions

Is a reference case a requirement?

Can I just refer to a reference case within my EP?

When a reference case is used in an EP how will this be assessed?

What happens if changes are made to a reference case that forms part of an EP?

How is compliance monitored with a reference case?
• Policies
  – Environment plan assessment
• Guidance note
  – Environment plan content requirements
• Guidelines
  – Environment plan decision-making
  – Making submissions to NOPSEMA
• Forms
  – Environment plan submission cover sheet

Proposed Public Comment Period
1 March – 1 April 2018
Long-term outlook for the reference case project

Cameron Grebe
Head of Division - Environment
Those with accountability for managing environmental impacts and risks must lead and coordinate the project.

- Leadership and commitment
- Funding
- Expertise and knowledge
- Information
Coordination of the project is critical to ensure the expectations of diverse stakeholders are met

The long-term coordinators role:

- Maintain register of ideas and database of content
- Maintain and update reference cases through an established network of experts in industry, government, research institutions and universities
- Facilitate the development of reference cases by generating consensus among development partners
- Undertake public comment on reference cases and communicate the outcomes as part of the reference cases
- Identify gaps and priorities areas of future work and securing funding for delivery
A robust and sustainable framework must be established to coordinate the project outputs.

Get involved by identifying where you think you can add value in the development process.
NOPSEMA’s role in the project will be to provide regulatory advice during the development process.

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<th>INDICATIVE DEVELOPMENT PROCESS FOR REFERENCE CASES</th>
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<td><strong>PROCESS STEP</strong></td>
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<td>1. IDEA</td>
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<td>2. FILTERING</td>
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<td>3. SCOPING</td>
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<td>4. TECHNICAL AUTHORING</td>
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<td>5. EXPERT REVIEW</td>
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<td>6. PUBLIC COMMENT</td>
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<td>7. PUBLISHING</td>
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Next steps are for industry to fully evaluate the reference case proposition

**NEXT STEPS FOR INDUSTRY**

1. Identify intermediate and long-term resourcing to coordinate the Reference Case Project.
2. Lead community consultation on the future of the Reference Case Project in cooperation with the Reference Case Coordinator.
3. Prepare a development process for reference cases in collaboration with one another.
4. Establish roles and responsibilities for the development of reference cases.
5. Continue to develop specific reference cases based on cost/benefit proposition.

**NEXT STEPS FOR NOPSEMA**

1. Provide advice to identified long-term Reference Case Coordinator.
2. Participate in ongoing community consultation.
3. Provide regulatory advice on the reference case development process and specific reference cases.
4. Update environment plan assessment policy and guidance to include reference cases.
5. Continue to assess and make decisions on environment plans in accordance with the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009.
Panel Session