Introduction to NOPSEMA
Safety, Integrity & Environmental Management Regulation

WA Marine Science Institute Briefing
28 May 2012
Agenda

Introduction and background

Regulating environmental management, oil spill contingency plans

Questions and feedback

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General Manager Environment
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 Enquiry
       Australian Government response to establish single national regulator

2011  NOPSA regulation of well integrity  (April 2011)

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

State/NT Ministers for Resources

Joint Authority

Commonwealth Minister for Resources

NOPSEMA Advisory Board
  Chair

State/NT Ministers for Resources reporting where powers conferred

Department of Resources, Energy & Tourism
  Secretary

National Offshore Petroleum Titles Administrator (NOPTA)

NOPSEMA
  NOPSEMA CEO
Vision

A safe and environmentally responsible Australian offshore petroleum industry

Mission

To independently and professionally regulate offshore safety, integrity and environmental management
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
Legal framework

• A ‘General Duties’ regime for offshore petroleum & 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
  - Well operations management plan
  - Environment plan
NOPSEMA operates under legislated functions

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<th>Monitor &amp; Enforce</th>
<th>Investigate</th>
<th>Compliance</th>
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<td>Promote</td>
<td>Advise</td>
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<td>Co-operate</td>
<td>Report</td>
<td>Governance</td>
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NOPSEMA 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
Scope of regulation – jurisdiction

NOPSEMA

Relevant State/NT Minister

or

NOPSEMA where powers conferred*

* Current conferrals: for safety only In all states except WA
Scope – 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

Seismic / other surveys: Environment Plan (EP)

Delegation of authority: award title

acquisition release & bid

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

Construction Operations Decommissioning

Development

Operations

Decommissioning

EPBC Act

EPBC Act

EPBC Act
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
# NOPSEMA regulatory scope

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<th>Functions</th>
<th>Environmental management</th>
<th>Safety</th>
<th>Wells</th>
<th>General administration</th>
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<td><strong>Scope</strong></td>
<td>Petroleum activities</td>
<td>People at facilities</td>
<td>Well integrity</td>
<td>Petroleum exploration and recovery</td>
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<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>
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<tr>
<td><strong>Compliance</strong></td>
<td>Petroleum Project Inspectors</td>
<td>OHS Inspectors</td>
<td>OHS Inspectors</td>
<td>Petroleum Project Inspectors</td>
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<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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<td><strong>Funding</strong></td>
<td>Environment Plan Levy</td>
<td>Safety Levy</td>
<td>Well Levy</td>
<td>Reimbursement from NOPTA</td>
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</table>
Directions

- NOPSEMA has general and remedial direction-giving powers
- Ministerial directions (resource management, resource security and data management) prevail over NOPSEMA directions
- Significant Incident Directions enable NOPSEMA to direct a titleholder, in the event of a significant offshore petroleum incident that has caused or might cause an escape of petroleum, to:
  - take action (prevent, eliminate, mitigate, manage or remediate) or not to take an action, and
  - may be unconditional or subject to conditions
- The direction may apply either within or outside the titleholder’s title area
Scope: What requires an Environment Plan

- Petroleum and greenhouse gas storage activities
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
• Must contain an oil spill contingency plan
• 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
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
Environmental Monitoring and Guidance

**NOPSEMA Activities**

- **EP Guidance Notes**
- **EP Assessment**
- **Environmental monitoring**
- **Spill Response and Clean-up**
- **Type I Operational Monitoring**
- **Type II Scientific Monitoring**
- **Environmental monitoring**
- **Reporting**

**Operator Activities**

- **Petroleum Activity Commences**
- **Significant Incident**
- **Petroleum activity recommences**

**Timeline**

- Petroleum Activity Commences
- Significant Incident
- Petroleum activity recommences
Consultation requirements in the EP regime

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

**Operator**

**Implementation: ongoing communication**

- **NOPSEMA**
  - Assessment of submission
  - Monitor & enforce
Environment plan levy

• Australian Government policy decision
  – better transparency through levies for specific regulatory functions vs. registration fees
  – registration fees abolished once establishment costs recovered
• Imposed on titleholders and payable on submission of environment plan (new and revised)
• Graduated to reflect regulatory effort for different types of petroleum activity
• Covers assessment and ongoing compliance effort required to regulate the activity scope of the EP
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
Links with the National Plan & consultation

• Explanatory Note to be issued clarifying:
  – Legislative requirements
  – How the National Plan applies
  – NOPSEMA as Statutory Agency
  – Operator remains responsible for combat of spill
  – AMSA’s combat role

• Consultation requirements of the regulations apply
  – Affected stakeholders consulted
  – Relevant 3rd parties consulted where identified as providing response resources
Organisational arrangements & NOPSEMA role (simplified Commonwealth waters example)

Planning/Preparedness

- Regulator: NOPSEMA
- National Plan Administrator: AMSA
- Major Hazard Agencies: State/NT
- Operator/Titleholder: Oil Spill Response Organisations

Response

- Commonwealth Agencies led by RET (OPIRRC)
- Monitor and enforce compliance: NOPSEMA
- Operator/Titleholder: Oil Spill Response Organisation(s)
- “Combat Agency”: Operator or Nominated Combat Agency
OSC P Approach: risks from response strategies need to be managed

Environmental risks of operations for potential emergency conditions
NOPSEMA Environment regulation in 2012

• Consolidation of EM in NOPSEMA:
  – Inherited environment plan review and requests for revision
  – Commencement of inspections
  – Operational and scientific monitoring program guidance
  – Other guidance in support of regulations and NOPSEMA policy

• Review of Environment Regulations
  – Coordinated by Department of Resources, Energy and Tourism (www.ret.gov.au)
  – Comments on Terms of Reference close 16 April 2012

• EPBC Act accreditation
Close