

Introducing NOPSEMA

May 2017

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) is the regulator for health and safety, well integrity and environmental management for offshore oil and gas activities in Commonwealth waters and in coastal waters where regulatory powers and functions have been conferred.





Our history

In 1999, the Australian Government commissioned a review into the adequacy of offshore safety regulation in Australia. At the time, the states and Northern Territory (NT) carried out day-to-day offshore safety regulation using a combination of objective-based and prescriptive legislative rules. The review recommended a revision of the existing regulatory and legislative framework to establish a national petroleum safety regulatory authority.

Federal, state and NT ministers accepted the review's recommendation and in 2005 the Australian Government established the National Offshore Petroleum Safety Authority (NOPSA) to regulate the health and safety of workers on offshore facilities. New laws were also introduced stipulating the duty of the facility operator to manage offshore petroleum safety.

Over the next five years, major offshore incidents in Australia and internationally sparked moves for further regulatory reform. In 2010, the Commission of Inquiry into the 2009 Montara oil spill incident strongly recommended that a single, independent regulatory body be responsible for safety, well integrity, and environmental management.

In April 2011, the Commonwealth Government extended NOPSA's remit to include the regulation of well integrity. On 1 January 2012, the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) was established to reflect the added responsibility of regulating offshore environmental management.

In February 2014, NOPSEMA became the sole Commonwealth environmental management regulator for offshore oil and gas activities when the Commonwealth Minister for the Environment endorsed NOPSEMA's environmental management authorisation process under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

The combination of the regulation of safety, well integrity, and environmental management under a single independent regulator aims to standardise Australia's offshore petroleum regulation to a quality, best practice model

Our jurisdiction

NOPSEMA regulates all offshore areas in Commonwealth waters, which comprise those areas beyond the first three nautical miles of the territorial sea. This includes the Ashmore and Cartier offshore territories and Commonwealth offshore areas adjacent to all states and the NT.

NOPSEMA also regulates all offshore areas in coastal waters where a state or the NT has conferred regulatory powers and functions. In jurisdictions where powers to regulate are not conferred, regulatory responsibilities remain with the relevant state or territory.

As of May 2017, Victoria has conferred its functions for the regulation of health and safety and well integrity on NOPSEMA.

Our vision

Safe and environmentally responsible Australian offshore petroleum and greenhouse gas storage industries.

Our purpose

To independently and professionally regulate offshore safety, integrity and environmental management.

Our values

- **Professionalism** – we will be accountable, consistent, reasonable and act in accordance with the law.
- **Ethics** – we will demonstrate respect and integrity in all we do.
- **Impartiality** – we will make our decisions on the merits of the circumstances.
- **Leadership** – we will be proactive, inclusive and decisive in our conduct as a pre-eminent regulator.

Our functions

In support of fulfilling its legislated functions, NOPSEMA has implemented a compliance strategy that describes the framework and principles by which NOPSEMA undertakes its regulatory activities. NOPSEMA's regulatory activities include assessment, inspection, investigation, enforcement, promotion and advisory activities.

Assessment

For an offshore oil and gas activity to commence, an oil and gas company must first submit a detailed risk management plan to NOPSEMA for assessment and acceptance. Submitted plans can include safety cases, well operations management plans, offshore project proposals and environment plans.

NOPSEMA's dedicated assessment teams, which comprise highly qualified and experienced industry experts, assess each plan against strict criteria as set out in the relevant legislation and regulations.

To be accepted, a plan must clearly demonstrate how a company will undertake a proposed activity to protect the health and safety of offshore workers and the environment while reducing environmental impacts.

Inspection

NOPSEMA conducts inspections to monitor an oil and gas company's compliance with the law including the ongoing implementation and compliance with the accepted risk management plan.

Inspections are scoped using a risk-based methodology that consider risk factors relevant to the activity, performance and compliance history, current industry incident trends, and any relevant findings from previous inspections.

Upon completion of an inspection, NOPSEMA inspectors provide a detailed report of the inspections findings, conclusions and any recommendations for improvement. Inspectors may also request a company to provide NOPSEMA with their proposed actions to address any issues highlighted in the inspection report.

Investigation

When there is a potential breach of the legislation, NOPSEMA will investigate to determine what, if any course of action is warranted. Initial actions will often include meeting with the responsible party, issuing a warning letter or undertaking a targeted inspection.

NOPSEMA will commence more detailed investigation proceedings if it determines the risk created by a potential breach is high and there is sufficient information to proceed.

NOPSEMA's investigation will determine what went wrong, share lessons learned and, where necessary, hold the responsible parties to account through enforcement action.

Enforcement

When NOPSEMA determines a breach of the legislation has occurred, the authority may take enforcement action to rectify the breach, avoid a recurrence, and act as a deterrent. Enforcement action can include issuing improvement and prohibition notices, giving directions, requesting a revision or withdrawing acceptance of a risk management plan and prosecution.

Promote and advise

With the overall objective of improving industry performance, NOPSEMA has a function to promote and advise on health and safety, well integrity and environmental management matters.

NOPSEMA proactively seeks to engage with stakeholders through liaison meetings, hosting workshops and information sessions, delivering presentations, participating in conferences and forums and publishing regulatory guidance and information on its website.

Through its advice and promotional activities NOPSEMA aims to:

- enhance stakeholder understanding of regulatory requirements and obligations
- encourage and promote compliance with regulatory requirements and obligations
- encourage and promote continuous improvement in safety, structural integrity and environmental management outcomes
- communicate emerging safety, structural integrity and environmental management issues
- encourage the adoption of best practice safety and environmental management systems
- supplement and support broader compliance and enforcement activities and initiatives.



Stakeholder engagement

NOPSEMA undertakes a number of initiatives to engage with our stakeholders including:

- implementation and maintenance of a stakeholder engagement framework
- proactive promotional campaigns and implementation of strategic improvement programs
- publishing comprehensive regulatory guidance, policies, alerts and other information
- participation in relevant stakeholder and community events to support our social licence to regulate
- direct engagement with industry and the offshore workforce to drive improved outcomes in health and safety and environmental performance
- strengthening relationships with State and Commonwealth Government agencies to ensure good regulatory outcomes
- collaboration with international regulatory counterparts to share industry insights and lessons learned.

Should you wish to get in touch with NOPSEMA see the 'Contact us' page at nopsema.gov.au.

Our governance

Appointed by the responsible Commonwealth Minister, NOPSEMA's Chief Executive Officer (CEO) has overall responsibility for the management of NOPSEMA. The CEO must have regard to the advice and recommendations of the NOPSEMA Advisory Board.

NOPSEMA reports, as appropriate, to the responsible Commonwealth Minister and each state or territory minister on major investigations and annually to the Commonwealth Minister for the Environment on its environmental management performance under the endorsed EPBC ACT 1999 arrangements.

Every five years, NOPSEMA is subject to an independent operational review of its regulatory performance and its performance as the sole environment regulator for offshore petroleum activities in Commonwealth waters.

Our legislation

Offshore Petroleum and Greenhouse Gas Storage Act 2006

Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009

Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009

Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011

Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003

Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2004

Environment Protection and Biodiversity Conservation Act 1999



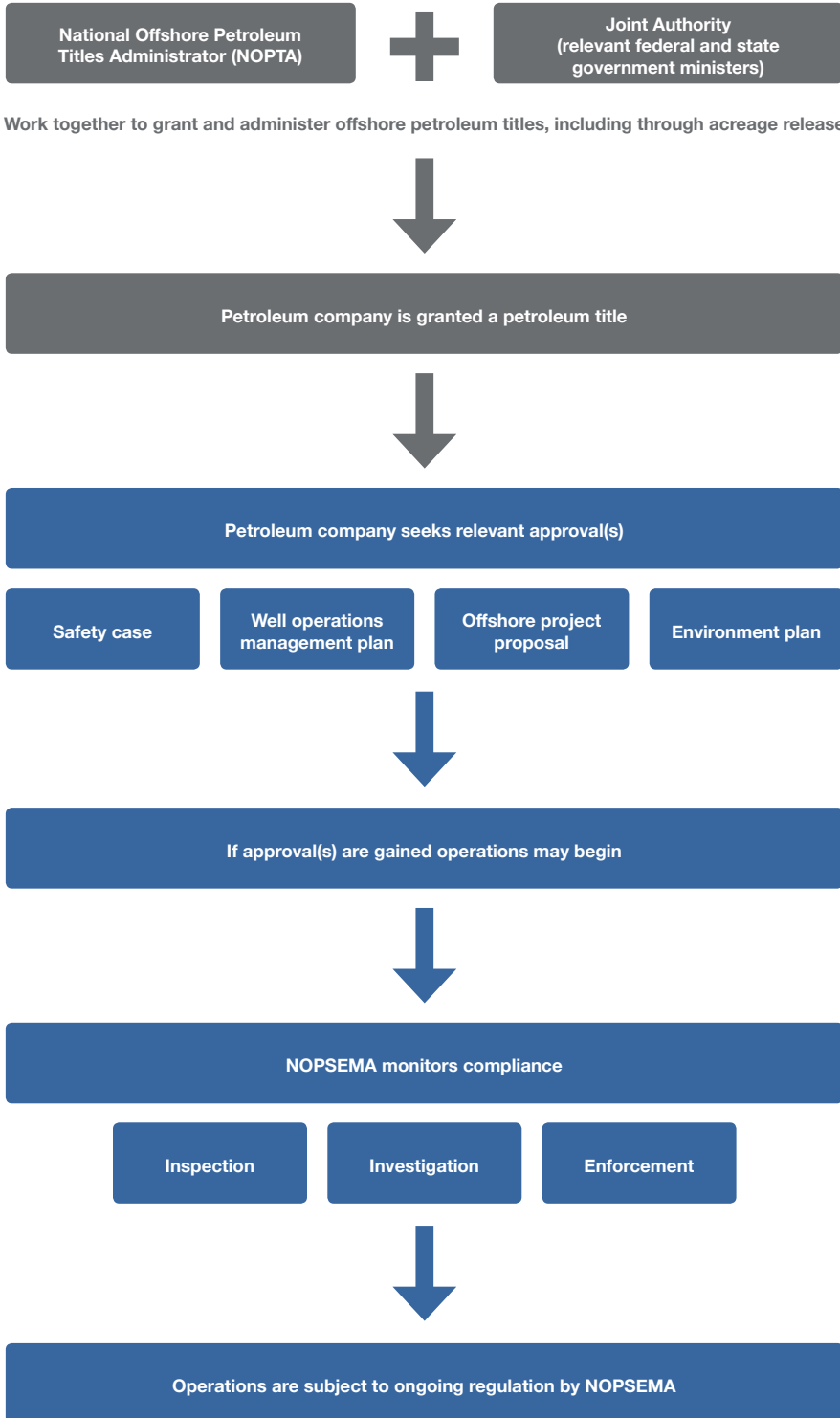


The offshore petroleum approval and regulatory process

The infographic below provides a broad overview of the approval and regulatory process for all offshore petroleum activities in Commonwealth waters. For more information, visit nopsema.gov.au.

Legend

- NOPSEMA's remit
- Outside of NOPSEMA's remit



NOPSEMA has no role in granting or administering petroleum titles. For more information contact the National Offshore Petroleum Titles Administrator (NOPTA) at nopta.gov.au.

For more information about the assessment process see nopsema.gov.au.





NOPSEMA

Further information

NOPSEMA publishes policies, guidance notes, guidelines, and information papers at nopsema.gov.au

The Offshore Petroleum and Greenhouse Gas Storage Act 2006, subsidiary regulations and the *Environment Protection and Biodiversity Conservation ACT 1999* are available in full at comlaw.gov.au

Legislative requirements not administered by NOPSEMA can be obtained from:

- The Department of Industry, Innovation and Science at industry.gov.au
- State/Northern Territory department at directory.gov.au
- The National Offshore Petroleum Titles Administrator at nopta.gov.au

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