The theme of this issue of the Regulator is consistency and accountability, a theme that could not be more apt as NOPSEMA concludes two major investigations and awaits legislative changes to further streamline and clarify our regulatory activities.

NOPSEMA’s complex investigations into offshore incidents have seen significant progress in recent months. On 25 July 2014, Technip Oceania Pty Ltd was convicted and fined by the Perth Magistrates Court for specific breaches of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (the OPGGS Act) by failing to provide employees with a safe working environment. In passing sentence Magistrate Tavener noted that ‘safety provisions, even with complex supporting safety systems are only effective if they are followed and not put aside for convenience.’ In relation to the same accident, NOPSEMA has commenced legal proceedings against the equipment manufacturer, Hammelmann Australia Pty Ltd, for specific breaches of schedule 3 of the OPGGS Act. Legal proceedings are being conducted through the Magistrates Court of WA.

NOPSEMA has completed its investigation into the double fatality on the Stena Clyde mobile offshore drilling unit in the Bass Strait on 27 August 2012. The Magistrates’ Court of Victoria, with the assistance of the Commonwealth Director of Public Prosecutions, has commenced legal proceedings for specific breaches of the OPGGS Act. NOPSEMA will communicate further details of the lessons learnt with duty holders and the wider community once legal proceedings have concluded.

Looking forward, the Regulatory Powers (Standard Provisions) Act 2013 will likely receive Royal Assent in the coming months, which will bring the Compliance Measures Acts into full force. These Acts, as a result of the Australian Government Response to the Montara Commission of Inquiry, contain a range of measures that provide NOPSEMA with additional enforcement powers. The changes include the alignment of powers between NOPSEMA’s environmental and OHS inspectors; creating a single class of ‘NOPSEMA Inspector’. This will not only streamline our inspection process but provide greater clarity and consistency to titleholders.

With these strengthened powers and processes NOPSEMA will continue to hold industry to account and build on the successful outcomes to date. NOPSEMA is determined ensure that titleholders and operators effectively manage risks to the health and safety of workers and the environment to a level that acceptable and as low as reasonably practicable.

Jane Cutler, CEO

"It is not only what we do, but also what we do not do, for which we are accountable.”
(Jean Baptiste Moliere)
Changes to environmental reporting requirements

On 28 February 2014, new and changed notification and reporting requirements were introduced as part of amendments to the Offshore Petroleum Greenhouse Gas Storage (Environment) Regulations.

Since the changes took effect, NOPSEMA has recorded a number of instances where titleholders have not complied with the requirements under the Regulations for notification of reportable environment incidents. Specific examples include failing to notify NOPSEMA of a reportable incident within the specified timeframes and failing to provide written records of notification of the incident.

Titleholders should be aware that four changes to the notification/reporting requirements were introduced as part of an amendment to Regulations 26 & 26A. The changes were:

- **Reg 26 (4):** The initial notification of the reportable incident must be given orally to the Regulator as soon as practicable, and in any case not later than 2 hours after the first occurrence of the reportable incident; or if the reportable incident was not detected by the titleholder at the time of the first occurrence – the time the titleholder becomes aware of the reportable incident.
- **Reg 26 (6):** A written record of the notification must be given by the titleholder to NOPSEMA, the Titles Administrator and the Department of the responsible State Minister, or the responsible Northern Territory Minister as soon as practicable after making the verbal notification to NOPSEMA.
- **Reg 26A (4):** The written report of the incident must include any action taken or proposed to be taken to prevent a similar incident in the future.
- **Reg 26A (5):** Within 7 days after giving a written report or a reportable incident to the Regulator, the titleholder must give a copy of the report to the Titles Administrator; and the Department of the responsible State Minister, or the responsible Northern Territory Minister.

The written record of notification in Reg 26 (6) may take the form of an email, letter or report.

In determining whether an incident is reportable, titleholders should refer to their environment plans; specifically the arrangements given for reporting incidents. Titleholders should also refer to the reportable incident definition in the Regulations.

NOPSEMA provides a template to assist titleholders in submitting the required information for the written report. To view the template or for more information see Notification and Reporting page under the Environmental Management tab at nopsema.gov.au
Update on Stena Clyde investigation

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) has completed its investigation into the double fatality on the Stena Clyde mobile offshore drilling unit in the Bass Strait on 27 August 2012.

Legal proceedings have commenced through the Magistrates’ Court of Victoria with the assistance of the Commonwealth Director of Public Prosecutions (CDPP) for specific breaches of the Offshore Petroleum and Greenhouse Gas Storage Act 2006.

Upon conclusion of the legal proceedings, NOPSEMA will communicate lessons learnt with duty holders and the wider community.

Petroleum Safety Zone register

Following an extensive exercise of searching the state and territory government gazettes and liaising with relevant titleholders, NOPSEMA has recently published a consolidated register of active petroleum safety zones (PSZs) in Commonwealth waters extending as far back as 1972.

This exercise included clarifying whether all gazetted PSZs were still required. This resulted in the revocation of 11 redundant PSZs which provided for the return of those areas of ocean where entry, and presence in, is no longer prohibited without permission. For more information or to view the register of current PSZs please see the Petroleum Safety Zone page under the Safety tab at nopsema.gov.au.
Strengthening NOPSEMA’s regulatory powers


The Acts contain a range of measures to strengthen the offshore petroleum regulatory regime in respect to the monitoring and compliance, and inspection and enforcement objectives resulting from the Australian Government response to the Montara Commission of Inquiry. The new provisions will commence on proclamation which is likely to occur in the coming months.

The legislation provides NOPSEMA with new compliance measures including:

- a civil penalty regime
- increased penalties
- a single category of ‘NOPSEMA inspector’, providing greater clarity and consistency
- additional enforcement mechanisms, including infringement notices, adverse publicity orders, injunctions and continuing penalties
- increased environmental enforcement powers, including the ability to issue do not disturb, environmental prohibition and environmental improvement notices requiring titleholders to take action to remove significant threats to the environment
- mandatory publication of improvement notices and prohibition notices on NOPSEMA’s website.

For more information see the Recent Changes page under the Legislation and Regulations tab at nopsema.gov.au
In the preparation of the commencement of the PGPA Act, NOPSEMA implemented an organisational restructure with changed management reporting arrangements to ensure that internal policies and procedures are consistently implemented. These changes have also been mindful of the Australian Government’s drive to reduce the burden of regulation and are intended to increase the efficiency and effectiveness of NOPSEMA as a regulator.

The Australian National Audit Office also recently undertook a performance audit of NOPSEMA and tabled a report in Parliament on 12 June 2014. It concluded that overall, NOPSEMA has appropriately integrated administrative arrangements for the new function of environmental management and has established a sound framework for the regulation of the offshore petroleum industry.

Changes to NOPSEMA’s governance

On 1 July 2014, as part of the Australian Government’s public management reform agenda, NOPSEMA became a corporate Commonwealth entity under the Public Governance, Performance and Accountability Act 2013 (the PGPA Act).

The PGPA Act represents a cultural change in Commonwealth resource management, moving from a compliance approach to a principles-based framework.

As a body corporate, legally separate from the Commonwealth, NOPSEMA has taken steps to strengthen its focus on risk management, governance and financial controls. The PGPA Act places specific duties on the CEO as the ‘accountable authority’ to control and manage public resources responsibly and transparently.

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Operators are required to submit revisions to both safety cases and diving safety management systems (DSMS) every five years. NOPSEMA has recently become aware that differences in the regulatory requirements in relation to these revisions may not be well understood throughout industry.

A safety case that has been accepted by NOPSEMA remains in force until a new safety case is accepted (unless NOPSEMA withdraws the acceptance or the operator is removed from the operator register for the facility). Facility operators can submit a five-yearly revision to a safety case on or before the fifth anniversary of the last acceptance, and can remain operating while the revised safety case is being assessed by NOPSEMA.

Conversely, a DSMS will expire on the fifth anniversary of the last acceptance date. A diving contractor must therefore submit a five-yearly revision of their DSMS well before the fifth anniversary of acceptance to avoid the DSMS losing its ‘current’ status. Diving contractors are reminded that it is a strict liability offence to allow diving or to continue a diving project without a current and accepted DSMS in place.

NOPSEMA will typically accept or reject a revision of the DSMS within 28 days of receiving the submission. However, the Safety Regulations also provide for NOPSEMA and the diving contractor to agree on an extended period of time to make a decision on the DSMS. Diving contractors are reminded to submit the five-yearly revision of their DSMS early enough to ensure their DSMS remains current.

For more information see the Diving Operations page under the Safety tab at nopsema.gov.au
Lifting and rigging plans

What happened?

Recent NOPSEMA investigations of dangerous occurrences during non-routine lifting and rigging activities, which resulted in dropped objects and failed rigging equipment, have identified a trend in the absence of effective lifting and/or rigging plans for an operation or partial completion of a plan which was considered ineffective.

The following examples aim to illustrate the above points:

- A 40 kg object was dropped 4 metres from a wooden pallet onto a grated walkway as it was being lifted into a pump room. An investigation identified that a lifting plan was not completed for the lift, as required by the operator’s safety management system. Requirements regarding pallet lifts were also not detailed in the operators lifting procedures. NOPSEMA notes that the lifting of wooden pallets is not permitted by some facility operators.

- An investigation into rigging equipment, which parted in a drilling derrick, found that a rigging plan was not completed for the rigging operation as required by the operator’s safety management system. The investigation also found that the rigging loads were not accurately estimated or calculated, and that the selected rigging equipment was subsequently determined as being under-rated for the anticipated loading.

- A manned forklift, which was being utilised to suspend a rigging equipment arrangement, toppled-over on the deck as a result of rigging equipment failure. An investigation identified that, contrary to the operator’s safety management system, the rigging operation was conducted without a rigging plan and without rigging loads being determined for any part of the operation.

- An investigation into the lifting of a manned Fast Rescue Craft (FRC) for regular launch and recovery operations using the facility crane identified that the lifting plan was only partially completed. The lifting plan did not identify the actual or estimated weight of the load being lifted and subsequently, the rigging selected was identified as being under-rated for the actual lifting operation.

What could go wrong?

Failure of lifting equipment can potentially result in a dropped load or dropped object, while failures of rigging equipment can potentially result in an uncontrolled vertical or horizontal movement of the load or equipment. The examples provided of failures of lifting and rigging equipment could have resulted in serious injuries or a fatality, while the potential failure in the under-rated FRC rigging had the potential for multiple fatalities.

Key lessons

The following recommendations should be considered.

Lifting or rigging plans should be completed in accordance with the facility safety management system, and should be:

- completed for every lifting or rigging operation (routine and non-routine)
- completed by suitably trained and competent personnel
- reviewed by a competent person
- approved by the supervisor of the lifting or rigging operation to ensure all of the identified controls are in place prior to commencement and remain in place for the duration of the activity.

Lifting and rigging plans are an integral part of hazard identification as a component of the overall risk management process for safe management of lifting and rigging operations.

The detail required in the lifting and rigging plans should be proportional to the complexity and frequency of the operation. Frequent or simple tasks may only require a basic plan while infrequent or complex lifting or rigging operations may require significant engineering. Also, lifting and rigging plans on floating facilities should consider the dynamic effects on loads and resulting dynamic amplification factors.

It has been reported by operators that many lifting and rigging incidents have occurred during what is perceived...
as low risk operations. It is important that these risks are effectively managed with lifting and rigging plans as part of the overall risk assessment process to ensure the operations are safe and risks are reduced to as low as reasonably practicable (ALARP).

**The legislation**

Clause 9 of Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* requires that “the operator of a facility must take all reasonably practicable steps to ensure that the facility is safe and without risk to the health of any person at or near the facility.” This includes an obligation to take all reasonable practicable steps to:

- implement and maintain systems of work that are safe and without risk to health [Clause 9(2)(d)];
- provide all members of the workforce with the information, training and supervision necessary for them to carry out their activities in a manner that does not adversely affect the safety of persons at the facility [Clause 9(2)(f)].

**Contact**

For further information email alerts@nopsema.gov.au and quote Alert 59. NOPSEMA safety alerts are on published at nopsema.gov.au, on the ‘Safety Alerts’ page under the ‘Safety’ tab.

The following oil and gas publications provide further guidance and recommended practice on lift planning and provide examples of lift plans.

Data reports and statistics

NOPSEMA continuously collects and receives data on the safety, well integrity and environmental management performance of the offshore petroleum industry, as well as its own regulatory performance. This data is regularly analysed and converted into a series of datasets. The latest datasets are published both quarterly and annually under the 'Resources' tab at nopsema.gov.au They contain many familiar performance indicators such as incident rates, injury rates, hydrocarbon releases and international benchmarks.

Schedule of events

The events listed below are by invitation only, please continue to visit nopsema.gov.au for information on future events that NOPSEMA is hosting, presenting or exhibiting at.

- 18 September 2014 Titleholder feedback session: Seismic surveys and consultation with relevant persons, Perth
- 24 September 2014 Titleholder feedback session: Seismic surveys and consultation with relevant persons, Melbourne

Feedback

NOPSEMA welcomes your comments and suggestions. Please direct media enquiries, requests for publications, and enquiries about NOPSEMA events to communications@nopsema.gov.au Operators and other employers are encouraged to circulate this newsletter to their workforce. Past issues of this newsletter are available at nopsema.gov.au

Subscribe

NOPSEMA has recently expanded its online subscription service. To receive the latest news and developments from Australia’s national regulator for the oil and gas industry please complete the online subscription form. NOPSEMA’s services include news and information on environmental management, HSRs, media releases, safety alerts and the Regulator newsletter.

The information provided in this publication is intended to provide general information and guidance only and should not be treated as a substitute for professional advice. Please read NOPSEMA’s disclaimer.

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