

Inspection

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1. Purpose

The purpose of this policy is to provide an overview of the general principles the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) applies when undertaking inspections at facilities, regulated business premises, offshore premises or other premises. This policy is supported by, and should be read in conjunction with, separate policies for each type of inspection conducted.

2. Scope

The *Offshore Petroleum and Greenhouse Gas Safety Act 2006* (OPGGs Act) defines NOPSEMA's functions and gives NOPSEMA inspectors the power to conduct inspections to monitor compliance with the requirements of the OPGGS Act and subordinate regulations.

An inspection includes an investigation or inquiry; and need not include a physical inspection of any facility, premises or thing. The OPGGS Act does not differentiate between inspection and investigation but, for operational reasons, NOPSEMA has separated these from a regulatory perspective and has separate policies for inspections and investigations, as follows:

- This policy (PL1523) addresses the approach taken by NOPSEMA inspectors in conducting compliance monitoring inspections, for which NOPSEMA uses the term 'inspection'. The majority of these inspections are planned in advance, either through regular scheduling or another risk based prioritisation process. These inspections focus on the duty holder's compliance with risk management permissioning documents (e.g. safety case, well operations management plan, diving safety management plan, and environment plan), the regulations and the OPGGS Act.
- NOPSEMA uses the term 'investigation' to refer to instances where it has gathered information that justifies seeking evidence of non-compliance with the law as a basis for potential enforcement. NOPSEMA may also conduct investigations of individual events or related events, with the primary aim of identifying and sharing lessons learnt with the broader industry and stakeholders generally. NOPSEMA's investigation policy (PL1697) provides additional details on the purpose and conduct of investigations.

3. Policy statement

NOPSEMA will conduct inspections in accordance with the following sections of this policy.

3.1. Risk-based inspections

NOPSEMA will scope, schedule and conduct inspections using a risk-based methodology that considers the following factors:

- relevant risk factors
- previous performance and compliance history, informed by inspections, investigations, incident history and other environmental and safety performance factors
- industry incident trends
- responses to recommendations from previous inspections.

3.2. Inspection activities are specific and focused

NOPSEMA will consult with responsible parties when developing inspection schedules. The proposed scope of an inspection will be prepared by the NOPSEMA inspector in a manner consistent with section 5 of this policy 'risk based inspections', and approved by a representative of NOPSEMA.

The inspection team will conduct the inspection as proposed in the inspection scope. Where the need for a major deviation in the focus of the inspection occurs during an inspection, this will be discussed with a representative of NOPSEMA where it is practicable to do so. If other issues are noted by NOPSEMA inspectors, these issues may also be taken into consideration during the inspection, even though they may fall outside the original scope.

3.3. Inspection team

Inspections will generally be conducted by a team consisting of two persons, one of whom is designated as the lead inspector.

3.4. Conduct of the inspection

NOPSEMA inspectors will conduct a notification of entry meeting with the responsible party and other relevant personnel, to inform them of NOPSEMA's intentions during the inspection.

All inspection findings will be evidence-based and appropriately recorded. At the conclusion of the inspection a meeting will be held to present and discuss the observations (both positive and negative) of the inspection.

NOPSEMA inspectors conducting inspections will operate within the boundaries of the relevant legislation and NOPSEMA policies and procedures including where in the opinion of an inspector enforcement action is appropriate.

Information obtained by NOPSEMA through inspection powers will be treated as confidential and utilised only for the purposes it was collected.

3.5. Communication of NOPSEMA's expectations

NOPSEMA will aim to ensure that responsible parties are fully aware of the role and purpose of inspections. NOPSEMA will generally issue an inspection brief not less than two weeks prior to the inspection and, where appropriate, NOPSEMA will conduct meetings with the responsible parties' onshore management representatives prior to commencing an inspection. During inspections, NOPSEMA inspectors will communicate with different levels of the workforce including health and safety representatives (HSRs) where appropriate. A post inspection meeting with the responsible parties will also generally be held to discuss the inspection findings.

The OPPGS Act provides NOPSEMA inspectors with powers to conduct inspections at any time and to enter and search a facility or premises. NOPSEMA may require a duty holder to provide reasonable assistance and facilities in relation to an inspection that is conducted offshore. This may include, but is not limited to, offshore travel to a facility and the provision of work space, accommodation and meals during the inspection.

Duty holders must note that NOPSEMA inspectors are not part of the general work force at a facility and are not subject to individual company requirements, with respect to, for example, induction or permit to work training, medical certification, random alcohol and drug tests or use of a particular type of personal protective clothing or equipment.

3.6. Managing inspections

All inspection activities will be recorded and monitored using NOPSEMA's regulatory management system (RMS).

3.7. Report on inspection

Upon completion of an inspection, NOPSEMA will provide a report to the responsible parties detailing the findings, conclusions and any recommendations from the inspection, the reasons for those conclusions and any recommendations arising from the inspection. NOPSEMA may, in writing, request the responsible parties, or any other person to whom a copy of the report is given, to provide NOPSEMA with details of action proposed to be taken with respect to the inspection report conclusions and recommendations.

3.8. Referral of significant inspection issues to Compliance Committee

NOPSEMA inspection teams will refer significant inspection issues, e.g. significant repeat recommendations which the operator has failed to adequately address, similar significant findings/recommendations across several different operators' facilities, unacceptable delays in addressing or closing-out recommendations, etc., to the Compliance Committee for consideration.

4. Purpose of inspections

Inspections are part of NOPSEMA's function under the OPPGS Act to develop and implement effective monitoring and enforcement strategies to secure compliance by persons with their obligations under the OPPGS Act and supporting regulations.

Where inspections identify deficiencies with controls and systems, a lack of system availability, or significant omissions or errors in accepted regulatory submissions; that may constitute either regulatory non-compliance or opportunities for improvement. It is NOPSEMA's policy to secure compliance or improvement by the responsible party via recommendations, or enforcement action in accordance with the N-05000 core process series, as appropriate.

NOPSEMA's inspections do not physically inspect every element of a facility, offshore premise, pipeline or diving activity – rather they operate on a quality assurance basis. Inspections are a sampled evaluation of the controls and management systems of the responsible party in managing impacts and risks to a level that is as low as reasonably practicable (ALARP).

5. Relevant legislation

- *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act)
- Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009
- Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011
- Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009
- *Regulatory Powers (Standard Provisions) Act 2014* (Regulatory Powers Act)

6. Monitoring

Compliance with the Policy is to be assessed by the Process Owner at least every three years.

7. Related documents

N-02100-PL0025 – Policy OHS planned inspection

N-02200-PL0973 – Policy Planned petroleum environmental inspection

N-02300-PL1422 – Policy Planned titleholder well operations inspection