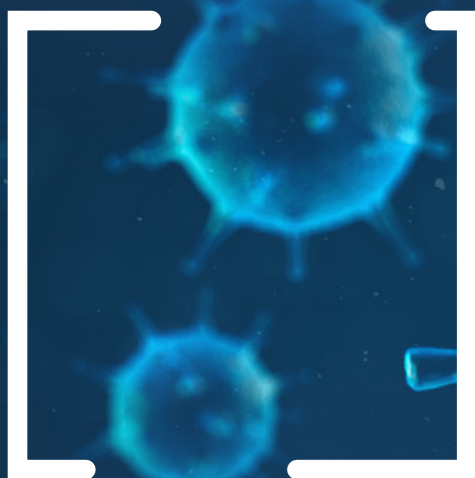


# THE REGULATOR

2020 - ISSUE 2



## REMAINING VIGILANT:

**Macondo legacy and  
COVID-19 reinforce  
diverse threats to safety**

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**NOPSEMA**

Australia's offshore  
energy regulator

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# THE REGULATOR

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### ABOUT NOPSEMA

The National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) is Australia's independent expert regulator for health and safety, environmental management and structural and well integrity for offshore petroleum facilities and greenhouse gas storage activities in Commonwealth waters.

By law, offshore petroleum activities cannot commence before NOPSEMA has assessed and accepted detailed risk management plans that document and demonstrate how an organisation will manage the risks to health and safety to as low as reasonably practicable (ALARP) and the risk to the environment to ALARP and with acceptable environmental impacts. For more information, visit our website at [nopsema.gov.au](https://nopsema.gov.au).

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# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



**Welcome to this COVID-19 Special Edition of *The Regulator*. In this edition, we take an in-depth look at the impacts and consequences of COVID-19 on the offshore oil and gas sector and how the pandemic has shaped industry priorities for 2020.**

We have included collated industry performance data for 2019, which highlights how much has changed in less than a year, with industry operating under different and challenging circumstances due to COVID-19 compounded by the effects of historically low oil prices.

For many reasons, 2020 will be memorable. As this edition's cover story explains, 2020 marks the tenth anniversary of the Macondo disaster, which involved a blowout in the Gulf of Mexico, resulting in the loss of 11 lives and significant oil pollution to the environment.

The 2010 disaster was a catalyst for stricter regulations globally and the formation of bodies like NOPSEMA, which is mandated to protect the offshore workforce and ensure responsible environmental management.

Just as the Macondo crisis influenced change on a global scale, the COVID-19 pandemic has forced the offshore oil and gas sector to adapt and evolve. The sector has responded to COVID-19 by applying new approaches to ensure critical business continuity and the health of its people under unprecedented and challenging circumstances.

NOPSEMA has also responded to the threat by drawing on latest techniques and the collective efforts of industry and its workforce to diversify the way it does compliance monitoring.

The lessons learned from disasters like Macondo and pandemics like COVID-19 can be used to bolster industry's capabilities to deal with threats, leading to better practices and safer outcomes. COVID-19 has reminded regulators and industry of the importance of vigilance, the need to expect the unexpected and remain alert to changes in risk and the emergence of new risks.

When the potential risk of COVID-19 emerged in Australia, NOPSEMA implemented a range of proactive measures, including the establishment of a COVID-19 Regulatory Taskforce. The Taskforce, its actions, priorities, challenges and outcomes achieved so far, are featured inside.

A forum involving regulators, industry and unions, which was established to guide ongoing engagement with offshore health and safety representatives, rapidly pivoted to consider the immediate challenges of COVID-19. NOPSEMA is impressed with the collaborative approach all parties have taken in addressing the challenges, with the common goal of ensuring the health and safety of the offshore workforce.

During the pandemic, NOPSEMA quickly adapted to the situation and continued to prioritise the health and safety of the offshore workforce and protection of the environment. We have applied a COVID-19 Pandemic Compliance Strategy, outlining our approach to support industry in its production of essential

energy supplies, while overseeing industry management of health, safety and environmental risks. This includes enforcing high standards of maintenance of offshore facilities and oil spill response preparedness.

“ **NOPSEMA implemented a range of proactive measures, including the establishment of a COVID-19 Regulatory Taskforce.** ”

Despite the challenges, the pandemic has produced some silver linings. For example, we have seen a greater willingness for stakeholders, including industry, government, workplace representatives and regulatory bodies in Australia and overseas, to share information to deal with problems collectively, leading to faster and improved results.

Instead of being constrained by the way things have always been done, it's evident that members of the offshore oil and gas sector are willing to consider different approaches to solving problems. That's been a useful cultural change and it's a change that I, and others across industry, would like to see continue.

**Stuart Smith**  
Chief Executive Officer

# COMPLIANCE STRATEGY SUPPORTS INDUSTRY DURING CRISIS

**In recognition of the significant challenges created by COVID-19, NOPSEMA has responded to ensure risks to the offshore oil and gas sector are managed appropriately by releasing a Compliance Strategy, documenting measures for effectively regulating the industry during the pandemic.**

The Strategy explains how NOPSEMA is acting to support industry during the COVID-19 pandemic in its production of essential energy supplies, while continuing to oversee management of health, safety and environmental risks.

Following the Strategy's publication on 30 March, NOPSEMA inspected all operators within its remit and provided feedback within 24 hours. The inspections were followed by individual phone calls to the operator's senior management to ensure the learnings were reaching them and being applied. In all cases, these senior managers welcomed the inspection findings and the opportunities to improve their systems.

NOPSEMA continues to apply and inspect against its COVID-19 Compliance Strategy, with its emphasis on promotion and advice and working with dutyholders to allow for adjustments in the way offshore work must be conducted, while still retaining safeguards and controls.

While the impacts of COVID-19 on the community and industry continue to be assessed and

managed by industry, NOPSEMA is ensuring the normal processes of regulatory assessment and oversight are occurring, in accordance with legislative requirements. These processes include the ongoing assessment of necessary permissioning documents for offshore petroleum and greenhouse gas storage activities and ensuring dutyholders remain compliant with the requirements of Australia's regulatory regime.

“**NOPSEMA continues to apply and inspect against its COVID-19 Compliance Strategy**

NOPSEMA recognises that for some, the changes to address the threats posed by COVID-19 have impacted on work patterns, with longer periods away from home and in isolation in preparation for

travelling offshore. While not ideal, these measures may help to prevent the spread of COVID-19 and enable businesses to continue to function. NOPSEMA's approach to ensure appropriate ongoing management of workers' health and safety and protection of the environment has received positive feedback from international regulatory bodies and Australian companies, indicating that NOPSEMA's actions are contributing to the health, safety and environmental outcomes of the offshore industry.

In commenting on NOPSEMA's targeted inspections program and new Strategy, Vice President –

Health, Safety and Environment at INPEX, Neville Carrington said: “NOPSEMA's performance has been very good and of help in the acquisition and sharing of information to assist in the identification of risks and the means by which they could be effectively managed.”

In commenting specifically on NOPSEMA's Compliance Strategy, former Head of the US Bureau of Safety and Environmental Enforcement, Elmer Danenberger said: “Your strategy is prudent, measured and supportive, and is a good model for other regulators.”



# IN FOCUS: NOPSEMA COVID-19 REGULATORY TASKFORCE

When the potential risk of COVID-19 emerged in Australia, NOPSEMA responded quickly with a range of proactive measures, including the establishment of a COVID-19 Regulatory Taskforce. We spoke to the Head of the Taskforce, Rhys Jones, about the priorities, challenges and outcomes achieved so far and what is next for NOPSEMA in addressing the challenges posed by COVID-19.

## 1. Congratulations on the successful implementation of the COVID-19 Regulatory Taskforce. Why was the Taskforce established and how has it been effective?

Thank you. The Taskforce was necessary to support and maintain our effectiveness through a period where COVID-19 placed constraints and challenges on NOPSEMA as an agency. We wanted to ensure that we maintained a coordinated effort, through effective collaboration to address specific priorities and challenges as they came to hand. During the period of COVID-19 restrictions, all NOPSEMA staff rapidly transitioned to a work from home model. Staff from across NOPSEMA were redirected from other work areas to focus on COVID-19. This team has worked to support the regulatory divisions and the entire agency has been flexible and responsive in its approach to managing risks and issues associated with the pandemic.

## 2. What are the key objectives of the COVID-19 Regulatory Taskforce?

The Taskforce was established to focus largely on the external implications of COVID-19, the effects on the offshore petroleum industry, the response requirements and delivery of effective regulation and support during the crisis.

The key objective of the Taskforce is to ensure effective regulatory oversight and appropriate management of risks associated with COVID-19 to protect the health of offshore workers and reinforce responsible management for a protected offshore workforce and environment. This includes supporting sustained essential operations and identifying opportunities that may support industry's return to normal operations, following the pandemic.

This has been achieved by providing a central coordination function to support, inform and coordinate NOPSEMA regulatory activities in line with NOPSEMA's COVID-19 Pandemic Compliance Strategy.



## 3. What specific risks and challenges has the Taskforce focused on?

Australia was in a fortunate position in that we had seen the direction the pandemic had taken internationally. We were able to monitor experiences overseas and use those experiences to inform our thinking.

We recognised early on that the pandemic would bring considerable challenges for the offshore industry and that we would need to respond with proactive measures to regulate the Australian industry and provide support.

NOPSEMA's initial focus was on the immediate health response to the pandemic and ongoing measures for infectious disease management. Our key concern was the

protection of the offshore workforce and efforts to sustain essential operations.

We were also concerned that in the longer term, the effects of low oil prices combined with pressures resulting from the COVID-19 pandemic and relevant response measures could have consequences for the management of other impacts and risks. In particular, we were concerned about financial pressures on oil and gas companies and how this may influence their operations and decisions regarding offshore facilities.

Our current and longer term focus remains on directing attention towards the prevention of major accidents, and ensuring appropriate response measures are effective in reducing risks to worker safety and the environment.

#### 4. What approach has the Taskforce taken to managing those risks and challenges?

The Taskforce has been established to support NOPSEMA's regulatory divisions, acting as a central mechanism for coordinating the agency's response to COVID-19 issues. The Taskforce has continued to build on the work undertaken by the initial crisis and incident response unit, which was enacted earlier this year to deal with the rapid evolution of the pandemic.

The Taskforce has gathered information about how industry is responding to COVID-19 to further develop and plan regulatory priorities to address specific concerns.

We have established a specific situation and intelligence unit to collate and analyse information gathered, while looking to lessons and experiences from the past, to inform where to focus our regulatory effort going forward.

NOPSEMA developed a COVID-19 Pandemic Compliance Strategy to guide effective regulation of the offshore industry during the pandemic and the Taskforce has been focused on the consistent and appropriate implementation of this policy.

Internally, the Taskforce supports our existing regulatory divisions to develop and execute appropriate compliance strategies and plans.

#### 5. As part of NOPSEMA's response to COVID-19, a series of specific inspections and investigations was undertaken. What were the findings?

NOPSEMA has undertaken two series of inspections to date. The first was focused on the industry's immediate response to address the health risks presented by COVID-19, while the second was a more expansive exploration of the potential implications and consequences of COVID-19 on industry activity and safety and environmental risk management.

Our immediate focus was on industry's response to health and infectious disease management. A series of inspections was conducted to confirm operators of offshore facilities are equipped with adequate arrangements for protecting workers from infectious diseases such as COVID-19.

The results from these inspections were encouraging and indicated that operators have taken reasonable steps to protect the health of the workforce in relation to COVID-19. The industry is also continuing to monitor and adjust these arrangements as the situation evolves, and appears to be taking a prudent and thoughtful approach in line with changing circumstances.

Following this, the Taskforce coordinated a second series of information gathering to gain increased situational awareness intelligence in relation to the effects and consequences of the COVID-19 pandemic on the industry and allow NOPSEMA to identify and plan regulatory priorities in an informed way.

This allowed us to gain situational awareness regarding potential safety and environmental management risk gaps that may exist given the COVID-19 crisis, in a coordinated, effective and efficient manner.

The scope of the inspection program included all current producing operational facilities and activities, with prioritisation given to those entities directly contributing to essential energy supply.

The information gathered was analysed alongside other intelligence streams to inform the identification of medium to longer term compliance focus areas, including deferral of maintenance.

These are areas that NOPSEMA considers require pro-active focus to maintain standards despite current pressures on industry. The areas reflect the lessons and experiences of historic industry downturns.

#### 6. Would you say that NOPSEMA has been successful in this coordination of effort to reduce risks associated with COVID-19?

Yes. NOPSEMA's coordination early on in relation to the immediate health response allowed for a rapid exchange of information and experience which assisted the industry in establishing a set of offshore protocols which support the consistent implementation of effective health management across the industry.

We have also seen increased levels of coordination and collaboration across industry, which has been positive.

#### 7. From your perspective, what are the key learnings from COVID-19?

One of the silver linings of the COVID-19 experience is the way the industry has come together to collaborate to overcome common challenges. This experience has demonstrated that sharing information and experiences results in better outcomes, which can be achieved in shorter timeframes.

COVID-19 has also reinforced the need for constant vigilance and to always be prepared and responsive, as the next major threat or incident is unlikely to occur in the same way as the last.

#### 8. How important has coordination with industry, government and workforce representatives been in responding to the COVID-19 pandemic?

At the global level, NOPSEMA is an active member of the International Regulators Forum and the work done in Australia has been consistent with global practice and has often led the way. This coordination internationally has been extremely valuable in terms of sharing good practice and learnings from others experiences. This also provides a valuable mechanism for benchmarking our practice against others, which is particularly important in unprecedented circumstances.

NOPSEMA has also coordinated closely with Government through the National Coordinating Mechanism and relevant sub-groups. This has ensured that the safety and environmental management implications of the pandemic have featured prominently in these arenas and NOPSEMA has been able to advocate for and support appropriate initiatives to overcome barriers and reduce impacts on these areas.

Industry representative body, the Australian Petroleum Production and Exploration Association (APPEA) should also be recognised for its efforts to coordinate a common industry response. APPEA established suitable mechanisms for the rapid exchange of information and experience and welcomed NOPSEMA participation, providing mutual benefit. APPEA's role in coordinating cooperative working groups has also provided effectiveness and efficiency gains in addressing common problems. In addition, the industry operation/contractor group, Safer Together, has been instrumental in the dissemination of a wide body of information in support of industry workers.

The pandemic has also reinforced the important role of Health and Safety Representatives in representing and voicing the health and safety needs of the offshore workforce.



## 9. Will COVID-19 result in a safer offshore oil and gas sector?

While challenges like COVID-19 can highlight vulnerabilities, they can also demonstrate areas of resilience and strength.

You never know what the next major accident event will look like. In risk management and emergency response, we spend a lot of time thinking about the scenarios that could occur and planning for these. More often than not, the events that do occur still end up surprising us. Building resilience and flexibility into plans is important in ensuring effective responses to different situations.

As a regulator, we also need to maintain constant vigilance. Additional pressures on the industry could present precursors to degradations in performance, or contributors to incidents. The industry and NOPSEMA must be pro-active in protecting against these threats and remain vigilant and focused to ensure standards are maintained.

## 10. What would you rate as the Taskforce's top three achievements to date?

Firstly, to date, there have not been any cases of COVID-19 on offshore facilities regulated by NOPSEMA. The industry has been responsive in implementing protective control measures to effectively minimise transmission risks.

Secondly, there has been great collaboration, which I think in part, is attributable to NOPSEMA's early efforts and ongoing engagement.

And thirdly, impediments to oil pollution emergency response arrangements associated with travel restrictions have been addressed cooperatively. This has also highlighted opportunities to build further resilience in industry oil spill preparedness and response arrangements, relying on national and international cooperation for equipment and resources.

We have been able to consistently and effectively coordinate our regulatory activities despite the pressures placed on NOPSEMA by the COVID-19 pandemic in what has been a fast-paced and challenging period for the offshore petroleum industry.

## 11. What are the next steps for NOPSEMA and the Taskforce in addressing future challenges posed by COVID-19?

As we move forward, the focus for NOPSEMA is working to pro-actively identify threats to environmental management and safety performance to reduce the risk of degradation in standards over time.

While the pandemic remains a key focus, the industry has been responsive in managing the immediate health risks and must now remain vigilant to prevent future infection.

NOPSEMA will undertake a staged return to physical inspections and will recommence face-to-face office based inspections and offshore inspections, subject to appropriate controls and arrangements being put in place. As part of this planning, NOPSEMA has developed comprehensive health protocols for inspections in consultation with industry.

In the longer term, NOPSEMA will be focused on guarding against deterioration in standards as the industry is subjected to the combined pressures of the ongoing pandemic and extended low oil prices.

As the Taskforce de-escalates in response to the level of support required, these ongoing matters will be driven by NOPSEMA's existing areas of business.

# CASE STUDY:

## Strengthening relationships with Health and Safety Representatives

### Description

To ensure due recognition of the important role of offshore Health and Safety Representatives (HSRs) in the safety of offshore workers, NOPSEMA developed initiatives to improve operator and NOPSEMA engagement with, and support of, HSRs.

### Risk factors

A 2018 Senate Inquiry considered the role of HSRs in offshore safety and their interactions with NOPSEMA. As HSRs are vital in raising reported safety concerns with NOPSEMA, it was considered important that the role of HSRs and that of offshore workers in ensuring a safe and healthy workplace was widely communicated and well understood. Opportunities for improvement were recognised for strengthening channels of communication and the visibility of HSRs.

### Solution

In addition to holding meetings with HSRs, including those employed by contractors, during every OHS inspection, NOPSEMA has updated standard operating procedures to ensure meetings are held with HSRs at the start of every Environment and Well Integrity inspection it conducts. The intent of the meeting is to describe the scope of the inspection and seek information from HSRs that may be relevant.

NOPSEMA inspectors attend accredited HSR training sessions to liaise directly with HSRs, answer any questions they may have, and listen to concerns. NOPSEMA is introducing HSR refresher training, after holding a pilot training day and forum in June 2019, attended by more than 70 HSRs. The initiative has support from industry, unions and government.

NOPSEMA contributed to a review of Safety Regulations undertaken by the federal



Department of Industry, Science, Energy and Resources, providing feedback regarding Commonwealth legislation pertaining to HSRs and suggesting modifications. New guidance notes have been published to address concerns raised during the Senate Inquiry, consolidating elements of the legislation pertaining to HSR powers and highlighting NOPSEMA resources available to HSRs to assist with performing their role.

### Result

Engagement between NOPSEMA inspectors and HSRs has increased. In 2019, 21 meetings with HSRs were held during Well Integrity and Environment inspections following changes to standard operating procedures, in addition to the meetings at each of the 135 OHS inspections for that year. NOPSEMA inspectors continue to attend formal HSR training. HSR Forums with refresher training will be held periodically, supported by industry, unions and government.

HSRs have responded positively to NOPSEMA inspector involvement at HSR training. Feedback from HSRs indicates that it is a valuable part of the training and helps them to better understand the relationship between NOPSEMA and HSRs. Similarly, responses to the HSR Forum were overwhelmingly positive, with HSRs reporting that the event provided a good opportunity to consult with industry peers and share their knowledge and experiences.

### Value

HSRs, including those employed by contractors or through labour hire arrangements, are now better prepared to raise health and safety concerns for their facility, and are better informed about the range of appropriate avenues for support to address these issues, including through NOPSEMA.

## REMAINING VIGILANT:

# MACONDO LEGACY AND COVID-19 REINFORCE DIVERSE THREATS TO SAFETY

Ten years on from the Macondo disaster, which resulted in significant global reforms to improve standards across the offshore oil and gas industry, the COVID-19 pandemic has highlighted the diverse nature of threats to safe operations, serving as a reminder to remain vigilant and responsive to change.

The 2010 BP Macondo blowout claimed 11 lives and spilt an estimated five million barrels of crude oil into the Gulf of Mexico. The disaster was a catalyst for stricter regulations globally and the formation of bodies like NOPSEMA, which is mandated to protect the offshore workforce and ensure responsible environmental management.

Major accident events leave a devastating legacy, with anniversaries serving as harsh reminders of the risks associated with working in high-hazard industries, such as offshore oil and gas.

NOPSEMA CEO Stuart Smith affirms that the Macondo disaster delivered a multitude of lessons for the industry. But he says that these lessons are revisited and considered perennially, to promote a culture of vigilance and responsiveness to changes and telltale indicators of bigger problems.

“From the regulator’s perspective, the Macondo incident brought into stark reality the importance of focusing on maintaining critical controls to prevent major accident events. Even when other indicators might suggest that things are going well, other information may tell a very different story. In the case of Macondo, I understand the Deepwater Horizon drilling rig was receiving an award at the time for the number of days without accidents on the scale of slips and trips. Clearly they were doing some things well but at the same time, those sorts of indicators don’t provide warning of the risk of a major accident event. This attests that regulators and industry can lose sight of those bigger risks if other indicators are pointing to positive outcomes. I think Macondo is a particularly good example of that, reminding us to stay focused on the big risks that really threaten the lives of workers and the environment,” Mr Smith said.

In light of the need to remain alert and aware of various, evolving risks and how they affect the overall risk picture, NOPSEMA is considering broadening its scope of investigations to take into consideration a company’s culture and how it balances performance expectations against safety priorities.

“As a regulator, there is opportunity for us to provide additional value and perspective to the industry through other approaches such as management inspections. These inspections could focus on leadership and oversight of an organisation’s management of risks and assess whether senior management have adequate visibility of the working environment and

suitable reporting arrangements from an operational site to the Executive. Information from these inspections could add significant value to the understanding of a company’s leadership and their systems for providing and receiving information from the bottom up and vice versa.”

Just as the Macondo crisis influenced change on a global scale, the COVID-19 pandemic has forced NOPSEMA as well as the offshore oil and gas sector to adapt and evolve.

Like many industries, the offshore energy sector has responded to COVID-19 by applying new approaches to ensure critical business continuity and the health of its people under unprecedented and challenging circumstances.



NOPSEMA has also responded to the threat by drawing on latest techniques and the collective efforts of industry and its workforce to diversify the way it does compliance monitoring.

Mr Smith says the pandemic has resulted in a greater willingness for stakeholders, including industry, government, workplace representatives and regulatory bodies in Australia and overseas, to share information to deal with problems collectively, leading to faster and improved results.



**“The cooperation we have had from all groups has been excellent. There’s been a greater level of collaboration than traditionally occurs across the industry and the experience we’ve had with COVID-19 in that regard has been of benefit to everyone,” Mr Smith said.**

“For example, there has been greater collaboration and interaction between industry players, as in operators of offshore facilities, the Health and Safety Representatives (HSR), and the union movement, so workplace concerns are being picked up earlier and addressed earlier. Further, interaction between the operators and regulators has been occurring more frequently, and that’s enabled issues to be dealt with quickly and flexibly.”

In addition to increased interaction and stronger collaboration, NOPSEMA’s Head of Safety and Integrity, Derrick O’Keeffe believes the lessons learned from disasters like Macondo and pandemics like COVID-19 can be used to bolster industry’s capabilities to deal with threats, leading to better practices and safer outcomes.

“The 1988 Piper Alpha disaster in the North Sea and the 2010 Macondo both contributed to radical change in safety world-wide with significant improvements in risks assessment and their management. So while no one saw COVID-19 coming and the risks this meant to the workforce, the mechanisms were already in place for dealing with infectious diseases such as Chickenpox, Whooping Cough and Measles. This meant that there were processes for operators of offshore facilities to quickly build upon and ensure the protection of their workforce,” Mr O’Keeffe said.

“COVID-19 has reminded regulators and industry to expect the unexpected. We all have to be alert to changes in risk, and the emergence of new risks. This thinking will allow us to quickly adapt new processes to the existing, established systems that have been created to date.”

**It’s anticipated that in due course, COVID-19 will contribute to a safer and more environmentally responsible offshore oil and gas sector.**

“The lessons from COVID-19 will add to the existing base of industry knowledge and systems. There’s nothing dramatically new about an infectious disease being a risk. It’s the specific risks associated with COVID-19 that emerged and the required responses needed to deal with those specific risks that are valuable to our knowledge base. Each step in the learning process provides a contribution to improve industry. Each step provides a continual reminder that the threats are there even if we can’t see them – we all must be ready for them,” Mr O’Keeffe said.

The COVID-19 experience is also expected to result in cultural changes across the offshore industry.

“Instead of being constrained by the way things have always been done, it’s evident that members of the offshore oil and gas sector are willing to consider different approaches to solving problems. That’s been a useful cultural change and it’s a change that I, and others across industry, would like to see continue,” Mr Smith said.

Internationally, there is recognition that the pandemic has influenced global practices in positive ways.

“At NOPSEMA, we have really valued the input we have received from other members from the International Regulators’ Forum (IRF). We have certainly shared our experiences with other jurisdictions within the IRF and they have certainly been happy to share their experiences and that’s given us the opportunity to test whether or not what we’re doing is amongst leading practice or not.

**“ COVID-19 has reminded regulators and industry to expect the unexpected.**

“Whether there are any lessons in other jurisdictions, we have sought to apply them in Australia and that’s particularly important for the oil and gas industry and for operators internationally. They want to know that whatever systems are being put in place in Australia are among the leading practices globally. This creates the opportunity to apply the best practices elsewhere, reducing risks for the workforce.

“The IRF has been a mechanism for us to coordinate responses even though individual jurisdictions are responsible for their own jurisdiction. We’ve been able to share experiences and that’s led to a more consistent approach internationally and I think a better approach internationally.”



# SUPPORTING THE OFFSHORE WORKFORCE THROUGH COVID-19

**In early March, NOPSEMA wrote to offshore petroleum industry operators regarding COVID-19, asking them to review their infectious disease management plans to ensure they had arrangements in place for reducing health risks to the workforce. This correspondence was followed by a survey, which aimed to gain assurance that the industry had systems in place, and had commenced implementing arrangements, to manage health risks to their workforce and reduce those risks to as low as reasonably practicable.**

NOPSEMA then conducted inspections of each of Australia's active facility operators to review their survey responses in greater detail. Each inspection was conducted remotely in recognition of the need to reduce the risk of transmission, and included a teleconference

between inspectors and facility Health and Safety Representatives (HSRs). During the teleconference, HSRs were able to describe to the inspectors what they were seeing and experiencing with respect to how the operators had implemented COVID-19 management systems and procedures, whether operators had provided useful guidance, and the quality and frequency of communication between the operator and the workforce. These teleconferences helped inspectors to determine whether the strategies described by the operators were being implemented, and to identify areas requiring improvement. For the facilities inspected, all facility HSRs were provided a copy of the inspection exit brief, allowing them to see both the positive findings as well as the improvements required so they could follow up with facility management, if necessary. Where significant deficiencies were identified, NOPSEMA held follow-up meetings with HSRs to verify that the improvements described by the operator had been implemented and were having the desired effect.

Better practice examples identified through these inspections have been collated and shared with Australian offshore facility operators, state regulators, international regulators (IRF), health and safety representatives, and members of the Australian offshore petroleum industry workforce. This is available on NOPSEMA's website at: <https://www.nopsema.gov.au/assets/COVID-19/A721187.3.pdf>

## OUTCOMES OF NOPSEMA'S INSPECTION OF OPERATOR ARRANGEMENTS FOR COVID-19

Based on our initial inspections of the operator's arrangements for COVID-19, NOPSEMA considered that the vast majority of operators had appropriate and reasonable arrangements in place for managing the health risks to personnel. Where opportunities for improvements were identified, operators were generally quick to respond, which is important given the rapidly changing circumstances.

Common good practices include adopting enhanced cleaning protocols and limiting personnel on board to minimum manning levels. Importantly, these minimum manning levels took into account the need for ongoing safety-critical inspection and maintenance activities. As the manning levels decreased, operators were able to ensure appropriate physical distancing requirements, particularly in relation to accommodation. Meal times were staggered with consideration given to how food is served to reduce contact between people and with surfaces. In addition, many operators introduced a 14-day monitored isolation/quarantine period prior to workers going offshore, with associated screening and testing during that period.

Findings from these COVID-19 inspections suggest that there are some common areas for improvement in relation to operators demonstrating that their systems have been implemented and are effective, by way of auditing and conducting desktop drills. Many operators have now conducted audits and drills with learnings being built back into their systems quickly. Another area for attention is in relation to workforce engagement, particularly in relation to proposed roster changes.

## ROSTER CHANGES IMPLEMENTED BY SOME OPERATORS

As mentioned, some operators have introduced pre-mobilisation quarantine/isolation and monitoring periods prior to travelling offshore to reduce the risks of transmission of COVID-19. Several different roster patterns have been considered, including rosters that involve various lengths of extended periods offshore. While NOPSEMA acknowledges that changes to roster arrangements are an important consideration in managing the risks of COVID-19, NOPSEMA notes that operators need to ensure that the associated impacts on fatigue and psychological hazards are taken into account, are documented, and involve extensive workforce consultation including HSRs and other workforce representatives. To highlight this as an emerging issue, NOPSEMA published a safety alert on COVID-19 Roster Changes on its website at <https://www.nopsema.gov.au/resources/regulatory-alerts/covid-19-roster-changes/>

This safety alert was updated to provide reference to a wellbeing framework jointly developed by APPEA and Safer Together.

NOPSEMA has responded to concerns from workers in relation to proposed roster changes and encourages operators to engage with worker groups and unions early in the process so that all parties have clarity around the changes being proposed and the additional controls to be implemented to reduce fatigue and psychological risks. Notwithstanding the above, NOPSEMA considers that extending periods offshore significantly, particularly in these challenging times where members of the workforce are concerned about the wellbeing of family members, may pose other risks that also require careful management.

NOPSEMA is impressed with the collaborative approach taken by regulators, industry and unions in addressing the challenges of COVID-19, with the common goal of ensuring the health and safety of the offshore workforce.



# MAINTENANCE IS STILL A MUST

Since the onset of the COVID-19 pandemic the offshore oil and gas sector, like many businesses and the community, is also operating under unprecedented and challenging circumstances. As an example of the significant changes, operators reported offshore hours worked in April 2020 as 56 per cent lower than the average monthly total between November 2019 and March 2020.

In addition to managing risks and concerns associated with the COVID-19 pandemic, the offshore sector has been further challenged by the impacts of historically low oil prices.

NOPSEMA was concerned that the effects of reduced cash flow, compounded by operators de-manning facilities to include only essential crew in response to COVID-19, could result in less attention being given to areas of work necessary to control risks. To address these concerns, NOPSEMA conducted broadly scoped COVID-19 “consequence inspections” to monitor how flow-on consequences of the pandemic had influenced management of offshore petroleum activities. This approach considered a range of work streams that may be affected, including planned and corrective maintenance and integrity-related inspections undertaken on offshore facilities.

Ongoing maintenance, particularly for safety-critical equipment, is vitally important in reducing risks to the offshore workforce and the protection of the environment. Given that more than half of all offshore production facilities in Australian waters currently

regulated by NOPSEMA are more than 20 years old, and some exceed 50 years, routine inspection, maintenance and repair are necessary to control risks and ensure asset integrity.

NOPSEMA’s consequence inspections found that about a third of facilities had changed or deferred their routine maintenance processes in response to pressures related to COVID-19 and low oil prices.

“ the offshore sector has been further challenged by the impacts of historically low oil prices

NOPSEMA has responded by working with facility operators to closely monitor their application of maintenance management to ensure planned maintenance is carried out within an acceptable timeframe. To this end, NOPSEMA has identified that deferral of maintenance and integrity-related inspections is a key compliance issue.



NOPSEMA considers inspection, maintenance and repair as activities requiring proactive focus to ensure there is no degradation in standards despite current pressures on industry.

Under existing legislation, it is a requirement for offshore petroleum companies to maintain all property and equipment so that it remains in good condition and repair until such time that it is no longer required, and then it must be removed from the offshore environment.

In line with legislation, NOPSEMA’s expectation is that property and equipment will not be permitted to deteriorate to a point where it becomes a risk to the safety of the workforce, hazardous to the environment or becomes degraded to such an extent that it can no longer be safely removed.

To assist petroleum companies in achieving compliance with the long-term, pre-existing legislative requirement to maintain and remove property, NOPSEMA recently released a draft

policy – Section 572 maintenance and removal of property – for the review and input of stakeholders.

While NOPSEMA has always required petroleum companies to demonstrate how they will maintain and remove all property and equipment, the then federal Minister for Resources issued NOPSEMA with a Statement of Expectations in late 2019 in which he made clear his expectation that NOPSEMA would heighten its focus on the existing legislative requirement for offshore petroleum companies to maintain and remove all property and equipment.

To ensure maximum reach in awareness and engagement with the petroleum industry, maintenance of property has been the focus of recent assessments and inspections. NOPSEMA has reinforced that investigation and enforcement will be taken where there is a gross violation or failure to comply with the legislative requirements.



# VERIFYING OIL SPILL EMERGENCY RESPONSE MEASURES

Throughout the pandemic, NOPSEMA has been working with industry and government to ensure the offshore oil and gas sector can respond quickly and effectively in the event of an oil spill emergency, despite the many challenges associated with COVID-19. In particular, the restrictions on the movement of specialist personnel and equipment both internationally and domestically raised concerns about access to adequate resources in the event of an emergency.

Joint exercises involving industry and NOPSEMA were undertaken in April 2020 to test capabilities and emergency response procedures, identifying problem scenarios, specific needs and possible solutions. This involved testing oil spill response arrangements through workshops as part of NOPSEMA's work with the Australian Petroleum Production and Exploration Association (APPEA) Oil Spill Preparedness and Response Working Group and the Drilling Industry Steering Committee Source Control Working Group.

To support industry in light of the significant impacts of COVID-19, NOPSEMA introduced a Compliance Strategy to ensure it effectively and efficiently regulates the offshore industry during the COVID-19 pandemic.

In parallel, industry developed protocols specific to the offshore oil and gas industry designed to protect workers and the community while maintaining operations, business continuity and production. These protocols include measures such as establishing minimum safe manning levels, undertaking regular temperature checks across the workforce, and applying exemptions to some restrictions to allow movement of personnel and logistics capabilities.

NOPSEMA continues to facilitate consultations with industry and government regarding the ramifications of government policy decisions in response to COVID-19, such as international and domestic travel restrictions and the subsequent effects on offshore resourcing.

As the regulatory body responsible for ensuring oil and gas companies and facility operators can adequately respond to an emergency in a capable manner, NOPSEMA's role is focused on evaluating the proposed options and response plans and making sure industry is compliant with latest standards. This reflects recent amendments to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, providing NOPSEMA with clear regulatory powers to ensure compliance in any state or territory jurisdiction during an emergency.

This coordinated approach to problem-solving has been of great value in developing and testing a single national capability to respond to an emergency event, such as an oil spill, during a pandemic.

The outcomes of the workshops and joint exercises confirm that the industry is capable of managing potential risks and impacts to as low as reasonably practicable. The activities have reinforced the effectiveness of applying and testing a single national capability on behalf of all offshore petroleum companies. Learnings from the experience have assisted in defining common, robust arrangements, accessible and applicable across the industry.

This unified, national approach will continue to be developed and strengthened to improve resilience and preparedness in the face of threats such as pandemics.



# 2019 KEY PERFORMANCE DATA



**192**  
INSPECTIONS

135 OHS  
10 well integrity  
47 environmental management  
1,007 recommendations

An increase of 18  
from 2018

**0 FATALITIES**



**2 SERIOUS INJURIES**  
A decrease of 6 serious injuries  
from 2018



**30 ENFORCEMENT ACTIONS**

A decrease of 5 from 2018  
The actions were issued to 18 duty holders



**1067 STAKEHOLDER LIAISON ENGAGEMENTS**

An increase of 265 from 2018



**61 INJURIES**  
An increase  
of 2 from  
2018



**9 ACCIDENTS**  
A decrease of 6  
from 2018



**11.6million**  
TOTAL HOURS WORKED  
OFFSHORE  
A decrease of 5.3 million from  
2018



**412 DANGEROUS OCCURENCES**  
An increase of 27 from 2018



**71 WELL INTEGRITY INCIDENTS**  
An increase of 11  
from 2018

**14 ENVIRONMENTAL MANAGEMENT INCIDENTS**  
A decrease of 2 from 2018



**355 ASSESSMENTS SUBMITTED**

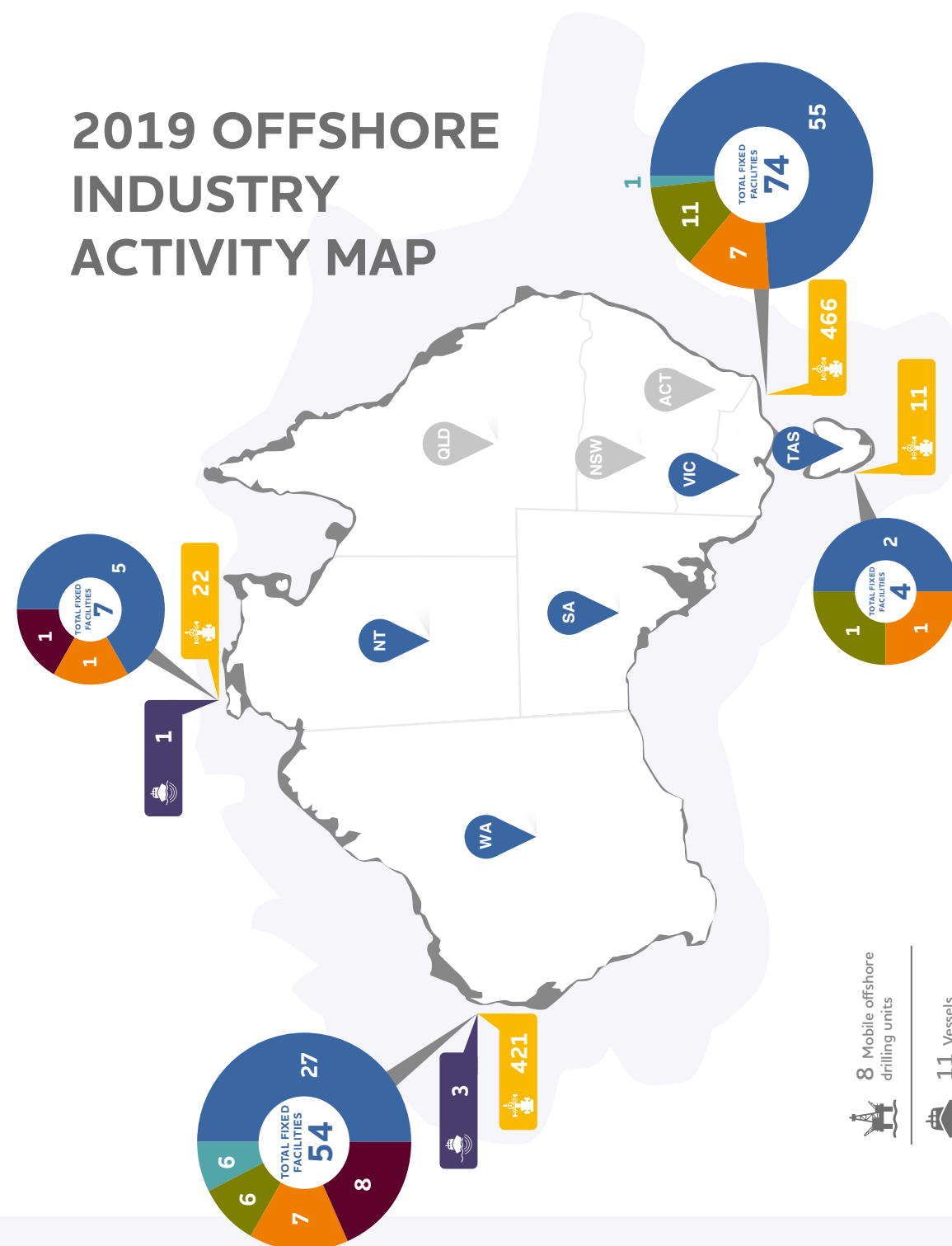
76 safety cases & diving safety  
management systems  
28 well operations management plans  
4 offshore project proposals  
41 environment plans

**13 COMPLAINTS**

An increase of 4 from 2018

All complaints related to the OHS and  
environmental management performance of  
dutyholders.

# 2019 OFFSHORE INDUSTRY ACTIVITY MAP



8 Mobile offshore  
drilling units

11 Vessels

**Facility types**

Fixed facilities

Pipeline

FPSO

Floating facility

Platform NMM

Normally manned

Platform NM

Not normally manned

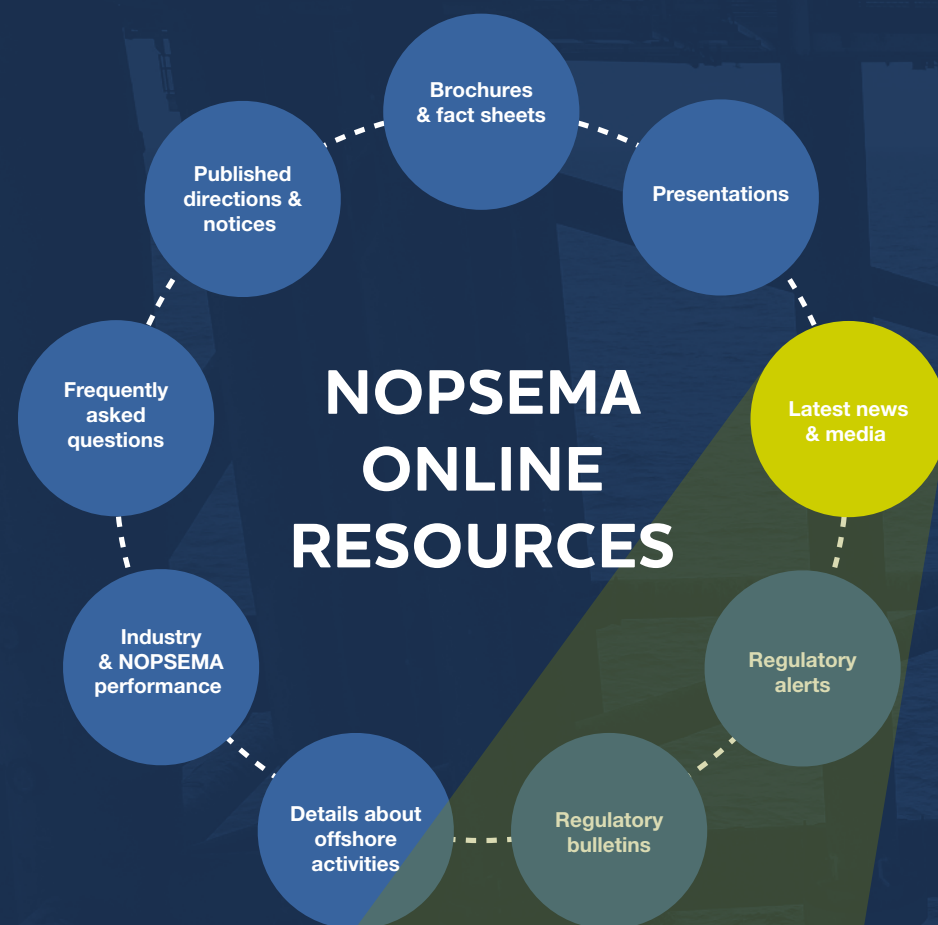
Subsea

Infrastructure

Seismic activity

Wells

Note: there was no greenhouse gas activity in  
NOPSEMA's jurisdiction in 2019.



## NOPSEMA ONLINE RESOURCES

Latest news  
& media

Regulatory  
alerts

Regulatory  
bulletins

Details about  
offshore  
activities

Industry  
& NOPSEMA  
performance

Frequently  
asked  
questions

**Latest news & media**

NOPSEMA seeks to engage with stakeholders, including international regulatory counterparts, through a variety of mechanisms including the provision of latest news and media. Latest news and media items cover the regulation of health and safety, well integrity, environmental management and emerging topics and issues relevant to the offshore petroleum industry. Latest news and media items can be viewed on the NOPSEMA website. Members of the public can subscribe to receive regular latest news updates via [nopsema.gov.au/subscribe](http://nopsema.gov.au/subscribe)

### “ Report an incident

To notify NOPSEMA of  
an accident, dangerous  
occurrence, environmental  
or well integrity incident call:

**1300 674 472**





**NOPSEMA**

Australia's offshore  
energy regulator

[nopsema.gov.au](http://nopsema.gov.au)

**National Offshore Petroleum Safety and  
Environmental Management Authority (NOPSEMA)**

ABN 22 385 178 289