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“Planning without action is futile, action without planning is fatal”

(Unknown)

From the CEO

Welcome to the first issue of NOPSEMA’s newsletter for 2014, which heralds an important development in the regulation of petroleum activities in Commonwealth waters. I have previously remarked that NOPSEMA is held to the highest levels of accountability and regulatory practice. This has been demonstrated, most recently, in response to the Australian Government’s commitment to reduce duplication in environmental regulation. Following a comprehensive assessment of its authorisation processes, NOPSEMA has been endorsed as the sole regulator for petroleum activities in Commonwealth waters, including those that impact on matters protected under environmental protection laws. I encourage you to read the article and refer to guidance at nopsema.gov.au for more details.



This outcome is important for two reasons. First, the streamlined arrangements are part of broader changes to the Environment Regulations aimed at making regulatory processes more efficient and transparent, and the responsibilities of titleholders clearer. Second, the endorsement of NOPSEMA’s authorisation processes demonstrates the capacity within the authority, as a whole, to regulate with consistency, rigour, independence and expertise across safety, well integrity and environmental management. Reducing unnecessary burden, whilst maintaining high levels of safety and environmental performance will remain a NOPSEMA priority.

NOPSEMA’s regulatory framework combined with our specialists’ experience and expertise is integral to the authority’s ability to plan for, and implement, change. The regulatory regime demands the same capacity of industry. Managing change is integral to successfully mitigating risks and relies on strong identification systems, leadership at all levels of the workforce, and responding safely and responsibly to changed circumstances.

Streamlined Commonwealth environmental approvals will be just one development we will experience this year. I am pleased to see some 3,000 of NOPSEMA’s stakeholders subscribe to this newsletter and our other alerts and I encourage you to keep providing feedback to remain part of the continuous improvements underway.

Jane Cutler, CEO



Clarifying arrangements for environmental regulation of petroleum activities in Commonwealth waters

NOPSEMA has been endorsed as the sole regulator for petroleum activities in Commonwealth waters.

The streamlined arrangements commenced on 28 February 2014. They reflect an Australian Government commitment to increase efficiency and reduce duplication of environmental assessment processes for offshore petroleum activities.

The streamlining of regulation under NOPSEMA coincides with changes to the Environment Regulations following a comprehensive review that began in 2012. The changes to the Regulations have clarified and simplified regulatory requirements and consolidated current industry and regulatory practice.

Streamlining environmental management regulation under NOPSEMA

Before 28 February 2014, some petroleum activities in Commonwealth waters were regulated under two pieces of legislation: the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) and the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act). This created unnecessary duplication of environmental approval processes in Commonwealth waters.

From 28 February 2014, NOPSEMA will be the sole regulator for petroleum activities in Commonwealth waters that relate to matters listed as 'protected' under the EPBC Act. Streamlining reduces duplication in environmental regulation while maintaining strong environmental safeguards. The decision to endorse NOPSEMA follows a detailed and comprehensive assessment of its independent authorisation processes. This assessment is contained in a public [Strategic Assessment Report](#) and the endorsed Program is explained in the [Program Report](#).



Under the streamlined arrangements, impacts on the following matters protected under Part 3 of the EPBC Act will be assessed solely through NOPSEMA:

- World Heritage properties
- National Heritage places
- wetlands of international importance
- listed threatened species and ecological communities
- listed migratory species
- Commonwealth marine area.

If conducted in accordance with the Program, petroleum activities such as seismic, drilling and production accepted under NOPSEMA's processes no longer require assessment and approval under the EPBC Act.

There are some areas or activities that are not included in the streamlined arrangements, including the Great Barrier Reef Marine Park and injection/storage of greenhouse gas.

NOPSEMA will report on its performance in implementing the streamlining arrangements. A review will also be undertaken one year after the endorsement takes effect and every five years after that.

NOPSEMA has published regulatory guidance on the arrangements at nopsema.gov.au

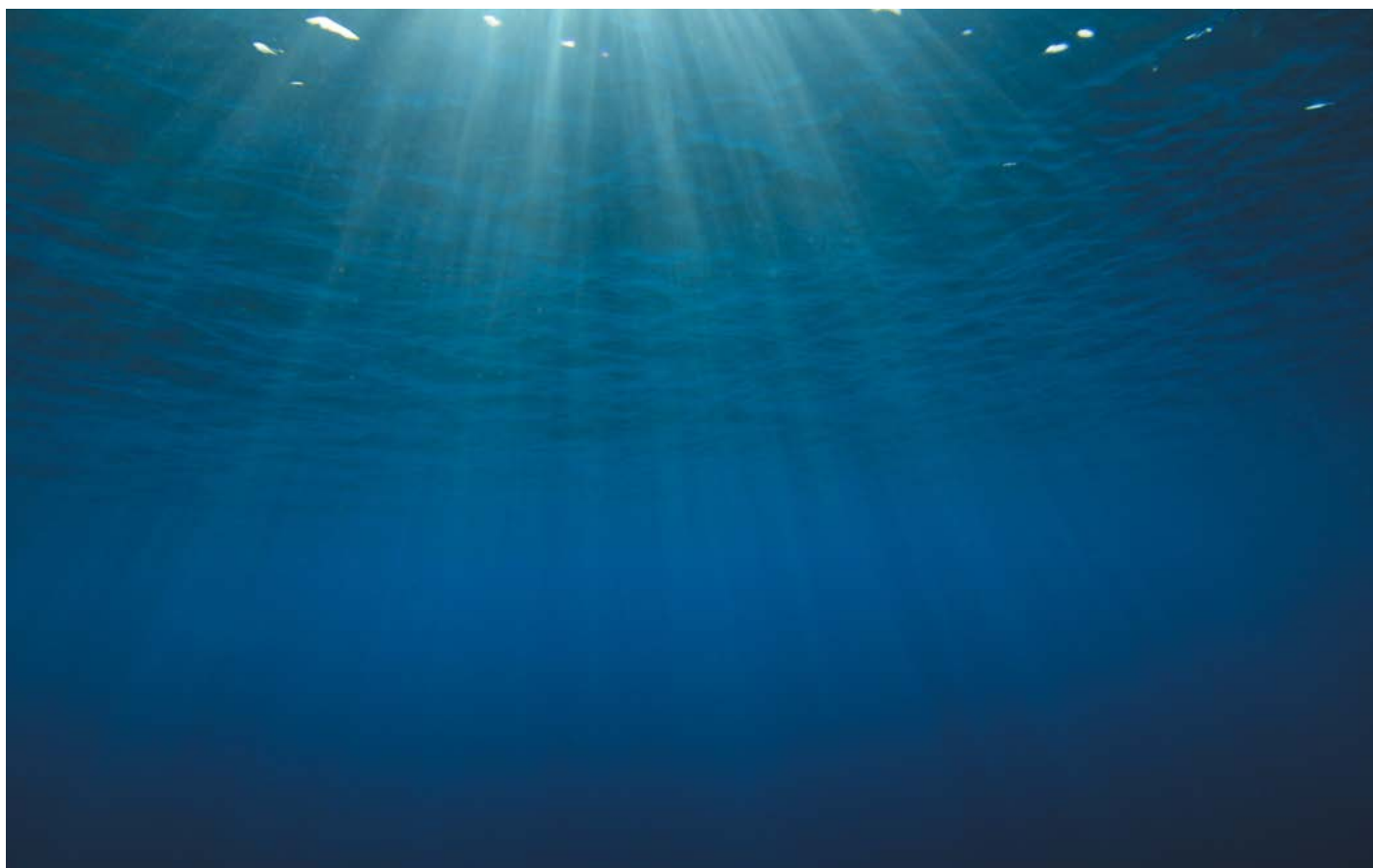
Endorsing NOPSEMA as the sole regulator for petroleum activities in Commonwealth waters

The Productivity Commission report on *Mineral and Energy Resource Exploration* (2009), the *Report of the Montara Commission of Inquiry* (2010), the *Hawke Review of the EPBC Act* (2011) and the *Draft Productivity Commission Report on Non-Financial Barriers to Exploration* (2013) each recommended streamlining of environmental approval processes in a way that maintained strong environmental safeguards.

In October 2013, the Australian Government agreed to prioritise the streamlining of environmental approval processes for petroleum activities in Commonwealth waters. On 25 October 2013, the Minister for Industry, Minister for the Environment and the CEO of NOPSEMA agreed to a strategic assessment of the environmental authorisation processes administered by NOPSEMA to ensure they met all the requirements for endorsement under the EPBC Act.

As a result of streamlining, duty holders will have clarity, certainty and consistency in their engagement with the sole Commonwealth regulator for petroleum activities, NOPSEMA.

More information about the Strategic Assessment is published at industry.gov.au



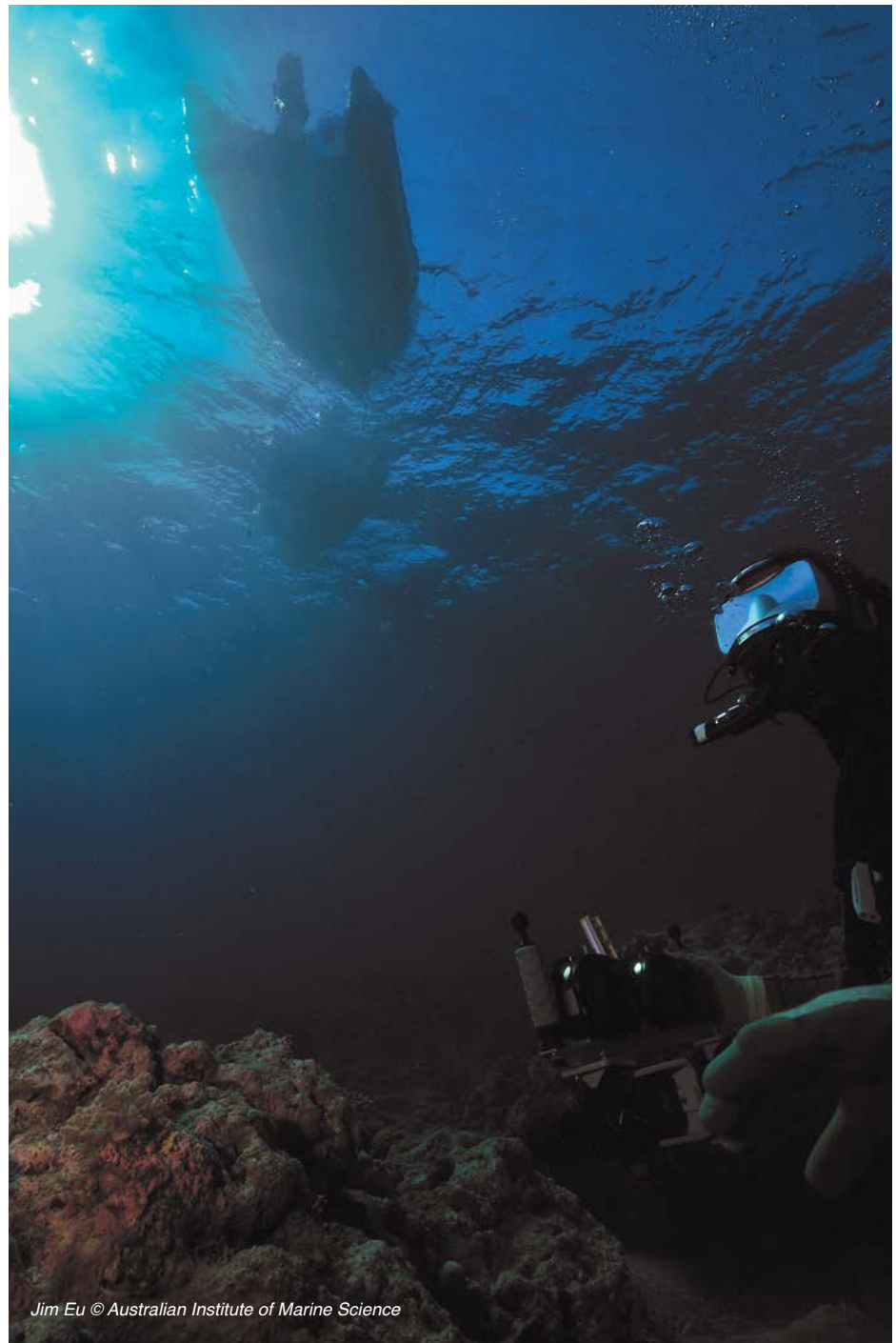


Amendments to the Environment Regulations

The OPGGS (Environment) Regulations 2009 have been amended in order to deliver streamlining and implement the outcomes of a comprehensive review of the Regulations that commenced in 2012. The changes simplify and clarify regulatory requirements and the duties and responsibilities of titleholders.

Key amendments include:

- reinforcement of the 'polluter pays' principle by making the titleholder responsible for all environmental compliance
- greater transparency of NOPSEMA's environmental management assessment processes
- the ability for NOPSEMA to request further written information from a titleholder in relation to an environment plan submission
- an Offshore Project Proposal for new development activities, including a mandatory minimum public comment period of four weeks
- clarified and strengthened environmental performance and incident reporting requirements.



Jim Eu © Australian Institute of Marine Science

Offshore project proposals

Proponents of new large scale petroleum development projects in Commonwealth waters are now required to submit an offshore project proposal (OPP) to NOPSEMA for assessment.

An OPP that has been assessed and accepted by NOPSEMA provides confidence to the proponent, stakeholders and the wider community that the project has been thoroughly assessed against clear criteria and found to be environmentally acceptable.

OPPs are subject to a mandatory period of public comment as part of the assessment process, providing

transparency and an opportunity for interested parties to comment on the proposed development.

Those who may be planning new petroleum developments in Commonwealth waters are encouraged to contact NOPSEMA to discuss the application of OPP requirements specific to their circumstances.



Environment plans and transitional arrangements

Environment plans that have already been assessed and accepted by NOPSEMA remain in force. From 28 February 2014, the titleholder is responsible for complying with any 'in force' environment plans for petroleum activities conducted under their titles.

Environment plans submitted to NOPSEMA before 28 February 2014 will be assessed against the requirements of the previous Regulations.

Environment plans for all petroleum activities that are submitted to NOPSEMA on or after 28 February 2014 will be assessed against the requirements of the amended Environment Regulations.

NOPSEMA has published guidance on the transitional arrangements at nopsema.gov.au

Enquiries relating to existing proposals submitted for approval under the EPBC Act should be referred to the Commonwealth Department of the Environment.

Further information

The amended Regulations are available in full at comlaw.gov.au

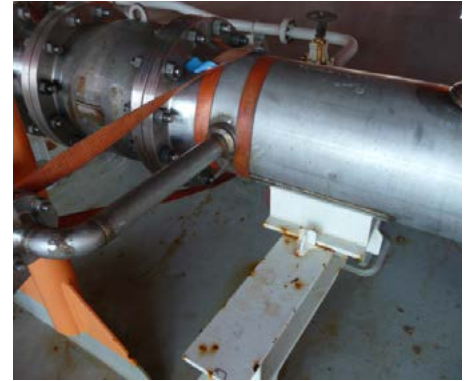
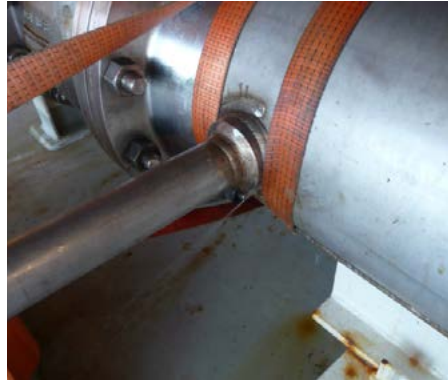
NOPSEMA's [website](http://nopsema.gov.au) has been updated to reflect the changes to the Environment Regulations. NOPSEMA encourages operators to familiarise themselves with the revised environmental management section of the site. Key changes include:

- a new page on offshore project proposals where submissions will be listed along with details on public consultation
- an amalgamated list of environment plan submissions and summaries incorporating fields for additional information that must be published under the new Regulations
- a suite of newly published resources policies, guidance notes and information papers pertaining to the new regime and transitional arrangements.





Safety Alert #58: Vibration-induced fatigue on process pipework



What happened?

During a recent inspection at a facility, a NOPSEMA inspector observed vibration-induced fatigue cracking and evidence of rectification work carried out on several small bore connections on seawater cooling pipes. On further investigation, it was discovered that there had also been a recent fatigue failure on the hydrocarbon test separator header. Fortunately, the operator had detected hydrocarbon leaking out of the crack and the line was repaired without any major release of hydrocarbons.

The operator of the facility initially did not report the incident as a dangerous occurrence (damage to safety critical equipment), as it was considered only a “minor weep”.

What could go wrong?

In certain situations, vibration-induced fatigue could lead to a loss of containment of a significant quantity of hydrocarbons, which if ignited could result in a major accident event involving multiple fatalities.

Key lessons:

- The risk of vibration-induced fatigue on hydrocarbon facilities must be thoroughly assessed. All types of excitation should be considered, including:
 - flow induced turbulence
 - mechanical excitation
 - pulsation from reciprocating and positive displacement pumps and compressors, rotational stall and flow induced excitation
 - high frequency acoustic fatigue
 - surge/momentum changes due to valve operations
 - cavitation and flashing.

- The Energy Institute, based in the United Kingdom, has developed guidelines for the avoidance of vibration-induced fatigue failure in process pipework. The guidelines can be used from the design stage through to the operational stage in the life of a facility to identify and address pipework at risk of vibration-induced fatigue.
- It is a requirement to report any dangerous occurrence on a facility to NOPSEMA under Clause 82 of Schedule 3 to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. Regulation 2.41 of the *Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009*, defines a dangerous occurrence as:
 - An occurrence that did not cause, but could reasonably have caused:
 - a. the death of, or serious personal injury to, a person; or
 - b. a member of the workforce to be incapacitated from performing work for a period of at least 3 days.
 - A fire or explosion
 - A collision of a marine vessel with the facility
 - An uncontrolled release of hydrocarbon vapour exceeding 1 kilogram
 - An uncontrolled release of petroleum liquids exceeding 80 litres
 - A well kick exceeding 8 cubic metres (or 50 barrels)
 - An unplanned event that required the emergency response plan to be implemented
 - Damage to safety-critical equipment.

For further information email alerts@nopsema.gov.au and quote Alert 58. To sign up to Safety Alerts, go to ‘Subscriptions’ on the home page at nopsema.gov.au

Senior management importance in managing change

Following serious incidents at the BP Texas City refinery in the United States and the Buncefield storage terminal in the United Kingdom, both in 2005, a number of major hazard regulators have turned their attention to the role of process safety leadership within organisations in preventing major accident events (MAEs). NOPSEMA also strongly supports the view that top level commitment and leadership make a difference to securing the positive process safety cultures that are important for the prevention of MAEs.

Investigations into major incidents in high-hazard industries have identified how failure to properly manage change significantly increases the risk of a major accident event occurring. This is illustrated by the findings of investigations into the chemical plant disasters at Flixborough, England in June 1974 and Bhopal, India in December 1984, which resulted in multiple civilian fatalities and casualties.

Management of Change (MoC) is an essential element of a robust safety management system, as changes can introduce new MAE hazards, or impact on risk control measures for existing MAEs. There needs to be effective management of all changes to the facility, including operational, organisational, procedural and equipment changes.

Senior management should maintain a visible presence within their organisation, championing and reinforcing the importance of the MoC process and that any deviation is unacceptable. Their influence on the organisation's culture when it comes to MoC should not be underestimated.

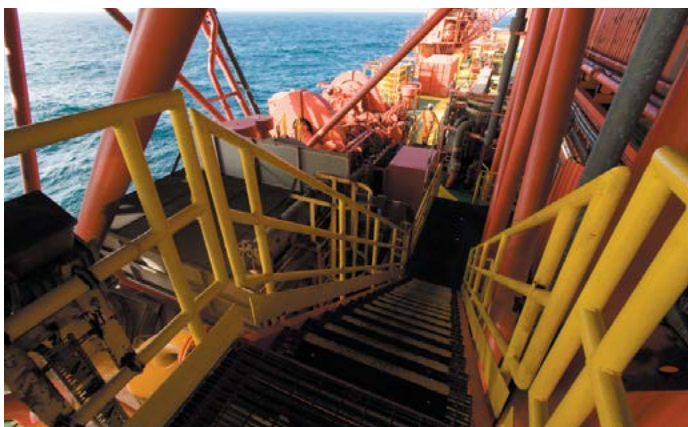
“Good process safety management needs active involvement of senior leaders, and it is important that they are visible within their organisation, because of the influence they have on the overall safety and organisational culture”

(Corporate Governance for Process Safety – Guidance for senior leaders in high hazard industries: OECD Environment, Health and Safety Chemicals Accidents Programme, June 2012)

For the majority of operators in the offshore petroleum industry, senior leaders play a critical role in ensuring the MoC procedures and organisational safety culture is comprehensive and diligently implemented. Although senior leaders may not be involved in the procedural aspects associated with managing change, they have the capacity to influence positive outcomes by ensuring:

- there are clear procedures in place for the effective management of all changes to the facility, including operational, organisational, procedural and equipment changes
- that competing business considerations, including cost factors, do not impair the MOC process
- that MoC performance standards are reviewed and monitored, and system audits are conducted on a regular basis to ensure compliance and continuous improvement
- that employees are competent – they have the right knowledge, skills and experience – to effectively implement the MoC process.

For further information, see NOPSEMA's guidance note on *Safety Management Systems* at nopsema.gov.au



Review of Part 5 of the Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011

The Department of Industry is currently undertaking a review of Part 5 of the Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011. The aim of this review is to ensure that the Regulations meet and represent leading practice for objective-based regulation of the structural integrity of wells and well activities.

For more information [click here](#).

Activity and performance

As at 4 March 2014

NOPSEMA is currently reviewing the way it presents data in the Regulator; this review will consider the reporting of data quarterly. If you have any feedback or suggestions email communications@nopsema.gov.au

Disclaimer: Data presented here may vary as further information becomes available.

Assessments

ASSESSMENTS SUBMITTED		2013-14		
Assessment type	Subtype	Dec	Jan	Feb
Diving start up notice	Not applicable	0	2	0
Environment plan	New	11	2	6
	Revision	2	1	2
PSZ application	New	0	0	1
Safety case	New	1	1	1
	Revision	8	6	6
Scope of validation	Not applicable	3	1	5
Well activity application	Not applicable	7	7	9
Well operations management plan	New	1	2	2
	Variation	0	1	0
TOTAL		33	23	32

ASSESSMENTS NOTIFIED AND COMPLETED		Accepted/agreed/ advised			Rejected/refused/ not accepted/declined/ recalled/returned			% Notified within specified timeframes		
		2013–2014			2013–2014			2013–2014		
Assessment type	Subtype	Dec	Jan	Feb	Dec	Jan	Feb	Dec	Jan	Feb
Diving start-up notice	Not applicable	0	2	0	0	0	0	N/A	100%	N/A
Environment plan	New	7	2	1	0	0	0	100%	100%	0%
	Revision	0	1	0	0	0	0	N/A	100%	N/A
PSZ application	New	1	1	0	0	0	0	100%	N/A	N/A
Safety case	New	1	1	0	0	0	1	100%	0%	100%
	Revision	8	2	4	0	1	1	100%	100%	100%
Scope of validation	Not applicable	4	2	2	0	0	1	100%	33%	100%
Well activity application	Not applicable	9	2	11	0	0	0	100%	100%	100%
Well operations management plan	New	2	1	0	0	0	0	100%	100%	N/A
	Variation	1	0	0	0	0	0	100%	N/A	N/A
TOTAL		33	13	18	0	1	3			

*Note: In some instances, a single assessment may be submitted for multiple facilities
Assessments still in progress are not included.*

Inspections

Type	2013										2014	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Facilities /wells /activities inspected*	15	15	17	17	8	3	12	10	18	9	8	10

* Note: A single inspection can comprise multiple facilities, wells or activities.

Complaints

Type	2013										2014	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
OHS complaints	2	0	0	0	0	0	1	0	0	0	1	0
EM complaints	1	0	0	0	0	0	0	2	1	0	0	0

Note: A number of complaints were re-categorised as 'information only'.

Injuries

Type	2013										2014	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Lost time injuries (LTI >1 day)*	3	1	2	0	0	1	2	2	1	0	0	Data not available
Alternative duties injuries (ADI)	3	5	5	0	3	2	4	0	0	2	1	
Medical treatment injuries (MTI)	5	5	2	2	2	1	3	1	1	2	3	
Total recordable cases (TRC)	11	11	9	2	5	4	9	3	2	4	4	

*LTI incl. lost time injuries less than 3 days

Note: As reported under OPGGS(S) Regulation 2.42. (injury summaries submitted not less than 15 days after the end of each month)
Some operator reports were outstanding at the time of this publication

Enforcements

Enforcement action types*	2013										2014	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Improvement notice	0	2	9	4	2	3	1	2	1	2	1	0
Intent to withdraw WOMP acceptance	0	0	0	0	0	0	0	0	0	0	0	0
Prohibition notice	1	0	0	0	0	0	0	0	0	0	1	1
Request for revised SC	1	0	1	0	0	0	0	0	0	0	0	0
Request for revised EP	4	6	5	0	0	1	0	0	0	0	0	0
Intent to withdraw EP acceptance	0	0	0	0	0	0	1	0	0	0	0	0
Written advice/warning	1	2	2	4	0	1	0	0	0	1	0	1
TOTAL	7	10	17	8	2	5	2	2	1	3	2	2

*Does not include directions, verbal advice/warnings or investigation-related notices (do not disturb notice or removal of plant or sample)

Note: 'Request for revised EP' data includes one request in Oct-Dec 2012 and 20 requests in Jan-March 2013 for revision to an environment plan transitioned from the former designated authorities.

Incident notifications

INCIDENT TYPE		2013	2014		
		Dec	Jan	Feb	
Accidents and dangerous occurrences	Death or serious injury	0	0	0	
	Incapacitation ≥ 3 days LTI	0	0	0	
	Accidents total		0	0	0
	Could have caused death or serious injury	4	3	4	
	Could have caused incapacitation ≥ 3 days LTI	0	0	0	
	Fire or explosion	0	0	0	
	Collision marine vessel and facility	0	0	1	
	Uncontrolled HC release >1 300 kg	1	4	3	
	Uncontrolled HC release >300 kg	0	0	0	
	Uncontrolled PL release >80 12 500 L	0	0	0	
	Uncontrolled PL release >12 500 L	0	0	0	
	Unplanned event implement emergency response plan	21	16	19	
	Damage to safety-critical equipment	10	10	9	
	Other kind needing immediate investigation	2	1	2	
	Well kick >50 barrels	0	0	0	
	Pipeline – substantial risk of accident	0	0	0	
	Pipeline – kind needing immediate investigation	0	0	0	
	Pipeline – significant damage	0	0	0	
Dangerous occurrences total		38	34	38	
Accidents and dangerous occurrences total		38	34	38	
Reportable environmental incidents	Hydrocarbon/petroleum fluid release	2	1	1	
	Chemical release	2	3	0	
	Drilling fluid/mud release	0	0	0	
	Fauna incident	0	0	0	
Reportable EM incidents total		4	4	1	
Recordable environmental incidents	Non HC air emissions	0	1	Data not available	
	Breach of procedural control	3	1		
	Chemical spill	6	1		
	Hydrocarbon gas release/air emissions	1	7		
	Hydrocarbon spill (<80 L)	1	3		
	Solid waste discharge/dropped object	2	0		
	Other unplanned liquid discharge	1	1		
	Spill - no discharge to marine environment	0	0		
	Equipment not functioning	0	0		
	Other	0	2		
Recordable EM incidents total		14	16		
EM incidents total		18	20	1	
Not reportable incidents	OHS not notifiable	1	0	0	
	EM not notifiable	0	0	0	
	Recordable environmental incident	0	0	0	
	Information provide to NOPSEMA	0	1	0	
	Other non reportable	0	1	0	
Not reportables total		1	2	0	
GRAND TOTAL		57	56	38	

Note: As notified under OPGGS(S) Regulation 2.41 and OPGGS(E) Regulation 26.

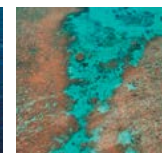
GLOSSARY OF ACRONYMS					
ATBA	Area to be avoided	HC	Hydrocarbon	PSZ	Petroleum safety zone
EM	Environmental management	OHS	Occupational health and safety	SC	Safety case
EP	Environment plan	PL	Petroleum liquid		

Schedule of events

Events listed below are those at which NOPSEMA is presenting, exhibiting or has an organisational role

- 11 March 2014 Information Session – Clarifying arrangements for environmental regulation of petroleum activities in Commonwealth waters, Melbourne
- 12 March 2014 Information Session – Clarifying arrangements for environmental regulation of petroleum activities in Commonwealth waters, Adelaide
- 14 March 2014 Information Session – Clarifying arrangements for environmental regulation of petroleum activities in Commonwealth waters, Perth
- 19 March 2014 MarineSafe Forum, Perth
- 6-9 April 2014 APPEA conference and exhibition, Perth
- 5-8 May 2014 International oil spill conference, Savannah

To register to attend the information sessions, or to view presentations given at previous events, please visit nopsema.gov.au



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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