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From the CEO

In the last issue of *the Regulator*, I talked about the importance of collecting and analysing industry performance data to inform decision-making and improve safety and environmental outcomes. Since then, NOPSEMA has published a suite of key industry performance data in its *Annual offshore performance report*. The report is a reflection of the work done so far to improve safety and environmental outcomes of offshore petroleum activities. The report is also a reminder that there is still work to do.



I am encouraged to see in the report that the rate of injuries per million hours worked offshore has continued to decline for the fourth year in a row, with 2014 having the lowest annual rate recorded since the authority's establishment in 2005. We should not forget, however, that workers are still being hurt. Since 2006, the majority of injuries reported to NOPSEMA have typically occurred on mobile offshore drilling units. This finding reinforces the need for duty holders to recognise and address the impact of different circumstances on health and safety outcomes. Duty holders should also be aware that NOPSEMA will continue to challenge you to define and implement procedures and processes that are fit-for-purpose and responsive to change.

I am also very happy to report that there has been a reduction in the total number of reportable incidents; including accidents, dangerous occurrences, and reportable environmental incidents. This finding is especially pleasing given the total number of hours worked offshore increased to 14.3 million in 2014. While the total number of dangerous occurrences has been falling, the story with regard to specific dangerous occurrence categories is mixed. NOPSEMA's findings show that the rate of damage to safety critical equipment and other incidents requiring immediate attention has improved in recent years. However, the rate of unplanned events requiring the implementation of a facility's emergency response plan (ERP) has been trending upward for the last decade. In 2014, a significant number of unplanned events requiring the implementation of an ERP occurred on ageing facilities. This may be a contributing factor in the upward trend as ageing facilities typically require more maintenance and tend to be more vulnerable to unplanned events.

Another relevant finding published in the report identifies that for the past two years the top three basic root causes for accidents and dangerous occurrences were design, preventive maintenance, and procedures. I have mentioned before that anecdotal evidence in other jurisdictions internationally suggests that industry maintenance performance drops around 4-6 months after a large fall in the oil price. I am happy to report that the available data does not suggest a similar correlation in Australia. The continued prevalence of deficient preventive maintenance as a root cause and subdued market conditions mean that NOPSEMA will still monitor this issue as a priority. Duty holders should also keep in mind that their decisions must prioritise protecting the offshore workforce and minimising the environmental impact of their activities over other competing business considerations.

For the second consecutive year, NOPSEMA has included in the report a 'spotlight' on uncontrolled hydrocarbon releases. From 2013 to 2014, uncontrolled hydrocarbon releases increased from 20 to 25 with most releases sitting in a lower category in terms of the quantity of gas or petroleum liquid released. Despite the lower category for most releases, any uncontrolled hydrocarbon release still deserves special attention because of the high risk of ignition and the potential widespread damage and associated threat to lives they could cause. This finding serves as a reminder to us all that we must remain vigilant to ensure safety and environmental risks are identified and managed to levels that are acceptable and as low as reasonably practicable.

The *Annual offshore performance report* is one of many tools NOPSEMA employs to meet its obligations to advise industry and promote compliance with the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*. It provides context for the performance data we publish each quarter on the NOPSEMA website and supplements regulatory guidance and information published throughout the year. I encourage all duty holders to use this report with your own performance data to identify emerging trends and areas where your resources may be best directed to improve safety and environmental outcomes.

Stuart Smith, CEO



NOPSEMA participates in Exercise Westwind

NOPSEMA recently participated in both the strategic and operational phases of the *National Plan for Maritime Environmental Emergencies* annual exercise (Exercise Westwind). The exercise simulated a coordinated response to an offshore petroleum spill scenario by the Australian and Western Australian governments and the offshore petroleum industry.

Exercise Westwind was the first time national maritime environmental emergency response arrangements were tested in response to a level three maritime environmental emergency involving a spill from both a vessel and an offshore petroleum facility.

The exercise was jointly managed by the Australian Maritime Safety Authority (AMSA), the Australian Marine Oil Spill Centre Pty Ltd (AMOSC), the Federal Department

of Industry and Science, the Western Australian Department of Transport, and the Federal Department of Infrastructure and Regional Development. This joint management reflected the National Plan principles of shared responsibility for preparedness and response to oil spills.

The strategic phase on 27 and 28 May exercised high-level communication and coordination between multi-level government organisations and agencies from across Australia, including the recently established Offshore Petroleum Incident Coordination Committee (OPICC) in Canberra, and industry personnel located in a crisis management team in Western Australia. NOPSEMA's participation in the strategic phase gave the authority the opportunity to exercise its core regulatory functions during a marine pollution incident; including the provision of advice to industry and the Australian and state governments.

NOPSEMA also participated in the operational phase of Exercise Westwind from the 9-12 June. This phase combined operational strategy development through an incident management team in Perth with tactical operations carried out in Exmouth. NOPSEMA inspectors exercised the authority's regulatory compliance at both the Perth and Exmouth locations.

Key observations and learning opportunities identified during the exercise will be made available to National Plan stakeholders and industry in due course.

Are you sure your lifeboats are ready to go?

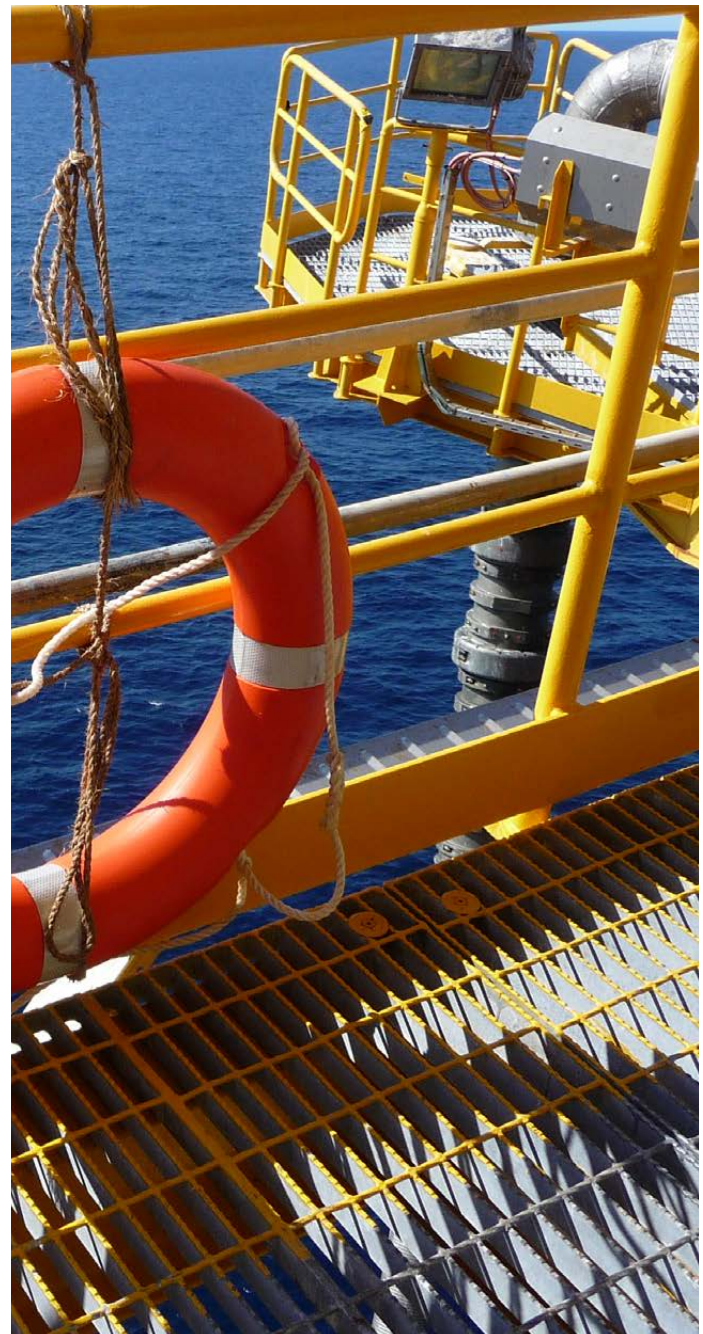
During 2014, almost 8% of notifications to NOPSEMA reporting damage to safety-critical equipment concerned Totally Enclosed Motor Propelled Survival Craft (TEMPSC) lifeboats.

One particular incident recently notified to NOPSEMA exemplifies the vital role of an appropriate program of lifeboat inspection and testing in assuring the effectiveness of emergency preparedness arrangements at a facility. The notification related to a safety drill in which a lifeboat was launched and manoeuvred away from the facility under power. Workers quickly recognised that the lifeboat was taking in seawater through a failed deluge pump fitting on the engine and the boat was safely recovered. NOPSEMA notes that had the lifeboat not been tested in the water this failure may not have been detected until an actual emergency launch. The consequences of such an event could clearly be tragic.

Lifeboats are a primary means of abandonment at most manned facilities in the offshore petroleum industry. Facility operators are required, through their safety management system, to provide assurance that lifeboats are at all times ready for safe evacuation of the facility. This assurance, achieved through planned inspections, testing, training, and drills, must extend to the watertight integrity of the lifeboat's hull, the performance of its water deluge system and the performance of the propulsion and steering systems under load. An effective assurance program must credibly test these elements at an appropriate frequency.

Mobile offshore drilling unit (MODU) operators may be aware of the recent publication *Guidelines on alternative methods for lifeboat drills on MODUs* (MSC.1/Circ.1486) issued by the International Maritime Organisation (IMO). The guidelines reinforce the testing and maintenance requirements of earlier IMO circulars and stipulate mandatory training requirements. However, the guidelines also provide an alternative pathway to complying with the existing MODU Code. The MODU Code stipulates three-monthly launching and manoeuvring of the lifeboat in the water. If this alternative pathway is followed a MODU's lifeboats may not be fully tested in the water for a substantial period of time, potentially up to five years.

Facility operators must ultimately ensure that adequate testing of watertight integrity, deluge operations, and



propulsion and steering is undertaken to ensure that evacuation risks are reduced to a level that is as low as reasonably practicable (ALARP). Reliance on the application of *Guidelines on alternative methods for lifeboat drills on MODUs* (MSC.1/Circ.1486) may not achieve this result.

NOPSEMA inspectors monitor operators compliance with the legislation in this area by checking the fitness of facility evacuation equipment during OHS inspections at facilities. NOPSEMA will consider taking enforcement action where operators are unable to demonstrate an adequate assurance program is being implemented.

NOPSEMA is developing guidance on this topic that will be published in due course.



Requirements for five-yearly safety case revisions

NOPSEMA has noted some recent misunderstandings by operators regarding when a five-yearly safety case revision is required to be submitted to NOPSEMA.

Some operators of facilities have mistakenly believed that a five-yearly safety case revision is only required five years from the acceptance of the safety case for the 'operations' stage in the life of their facility; rather than from the acceptance of the initial safety case which often relates to a 'construction or installation' stage in the life of the facility. Other operators have mistakenly believed that if revisions for reasons other than the five-year anniversary are submitted in the interim then this 'resets the clock'.

Operators of facilities for which a safety case is in force are reminded that they must submit a revised safety case to NOPSEMA:

- five years after the date that the safety case was first accepted, and
- five years after the date of each acceptance of a five-yearly safety case revision.

A five-yearly safety case revision must be submitted irrespective of whether another type of safety case revision, such as a change in circumstances or operations (e.g. modification, change in activities, change in safety management system), or a revision requested by NOPSEMA has been accepted within the five year period. This requirement applies to all facilities, including vessels, structures and pipelines (including those safety cases formerly accepted as a Pipeline Management Plan).

In addition, operators are reminded that a five-yearly safety case revision must specifically address the requirements of sub-regulation 2.32(2). That is, it must describe the means by which the operator will ensure the ongoing integrity of technical and other control measures identified by the formal safety assessment for the facility.

NOPSEMA participates at APPEA conference

NOPSEMA recently participated in the Australian Petroleum Production and Exploration Association (APPEA) annual conference and exhibition held in Melbourne from 17-20 May.

Under the Commonwealth government offshore petroleum banner, the authority exhibited alongside the Department of Industry and Science, Geoscience Australia and the National Offshore Petroleum Titles Administrator.

NOPSEMA also used the conference to launch its 2014 *Annual offshore performance report* providing the offshore petroleum industry, workforce, and wider community with key industry performance data. The authority publishes the report to promote a greater understanding of industry risk management performance.

"Understanding industry performance is an essential element in identifying areas for potential improvement," said NOPSEMA's CEO, Mr Stuart Smith.

An online copy of the report can be accessed at nopsema.gov.au. Requests for a hard copy of the report can be made to communications@nopsema.gov.au.





Commonwealth marine reserves and petroleum activities

Titleholders should be aware of management arrangements for petroleum activities conducted in Commonwealth Marine Reserves (CMRs) as these arrangements form legislative requirements that must be complied with. These arrangements may change subject to the outcomes of the Australian Government's independent CMR Review.

When a titleholder is planning and/or undertaking a petroleum activity, they must consider the relevant legislative and other requirements that apply to the environmental management of that activity. This includes requirements applied through various Acts and regulations, as well as management plans for threatened species and protected areas that have statutory effect through legislation such as the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

For a number of CMRs that were proclaimed in 2012, the Australian Government has commissioned an independent review to consider what management arrangements will best protect the marine environment and accommodate activities conducted in those reserves. Management plans which were scheduled to come into effect in July 2014 for the South-west, North-west, North and Temperate East Commonwealth Marine Reserves Networks and the Coral Sea Commonwealth Marine Reserve have been set aside to allow the review to proceed. Transitional arrangements apply to these areas until new statutory plans of management are in place. These transitional arrangements are relevant for the conduct of petroleum activities and affect NOPSEMA decision-making; including the acceptance of environment plans (EPs).

The transitional arrangements provide that reserves proclaimed before 2012 are still subject to the restrictions and requirements that applied prior to 2012 (e.g. Mermaid Reef National Nature Reserve). Similarly, CMRs in the South-East Network are not subject to review and a management plan detailing restrictions and requirements for this network of reserves came into effect in 2013. Titleholders should consult with the Director of National Parks if planning operations in or in proximity to either of the above two categories of reserves. For all other CMRs (e.g. Abrolhos CMR), a general approval issued by the Director of National Parks is in place under the EPBC Act that permits petroleum activities while the independent review is underway and until new management plans come into effect.

In all circumstances, the law prevents NOPSEMA from accepting an EP that is inconsistent with a current or prior plan of management or where the EP is inconsistent with

the Australian International Union for the Conservation of Nature (IUCN) reserve management principles.

For more information about CMRs, visit environment.gov.au/marinereserves.

Further details on how the EP authorisation process considers and manages impacts on CMRs are provided in the *Streamlining Offshore Petroleum Environmental Approvals Program Report* and clarified in NOPSEMA's *Streamlining environmental regulation of petroleum activities in Commonwealth waters information paper* (IP1382); both documents are available at nopsema.gov.au.

The responsibility remains with the titleholder to adhere to the requirements that apply to petroleum activities throughout the life of the activity, including any changes to arrangements that apply to ongoing activities. Titleholders are encouraged to monitor the progress of the Commonwealth Marine Reserves Review and be prepared to ensure that any changes to management arrangements are reflected in management of the activity. Further information about the status of the review can be found at environment.gov.au/marinereservesreview.



Regulating FLNG

There is significant interest within the petroleum industry of using FLNG technology to develop oil and gas reserves in Australian waters. The development of this technology, in particular Shell's planned *Prelude* FLNG facility, has attracted community interest around the risks it presents to the safety of the offshore workforce and its potential impact on the environment.

The Western Australian Legislative Assembly's Economics and Industry Standing Committee recently released its *FLNG Safety Matters* report following extensive public hearings and submissions from industry, government and other interested parties on the safety of FLNG technology. NOPSEMA appeared before the committee on two separate occasions and is pleased to see that the report's findings are favourable towards NOPSEMA's administration of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* and the authority's ability to assess and monitor the risks associated with FLNG technology. The report also noted that the offshore petroleum industry regards the safety case regime as world's best practice.

The risk profile of any offshore petroleum operation will depend on the design and location of the facility and the type of activities to be undertaken. In general terms, the risks associated with the operation of an FLNG facility will encompass a combination or risks similar to those that already exist at conventional floating production, storage and offloading (FPSO) facilities and onshore LNG facilities. Whilst FLNG is a new technology, NOPSEMA has the relevant expertise to assess the risk it

presents to the safety of the workforce and its potential environmental impacts. Through the exercise of its regulatory functions NOPSEMA will play an important role in ensuring duty holders meet their responsibility to have measures in place to manage those safety risks to a level that is as low as reasonably practicable (ALARP) and environmental risks to a level that is ALARP and acceptable. To ensure this, NOPSEMA employs an 'expert regulator model' whereby our inspectors typically have many years' industry experience and technical expertise across multiple facility types and in a diverse range of roles. NOPSEMA inspectors are typically former masters of FPSOs, chief engineers of tankers and FPSOs, naval architects and so on across the board. Crucially, they understand the risks and know what ALARP looks like in reality.

NOPSEMA recognises that one of the best ways to reduce risks to people is through safety in design. Under the early engagement safety case assessment mechanism in the regulations, a duty holder proposing a new technology facility may engage with NOPSEMA during their design stage. This allows NOPSEMA to provide regulatory advice to duty holders on matters that should be considered to meet the OPGGS (Safety) Regulations 2009 and contribute to a safer design of the proposed facility. Shell engaged NOPSEMA in this manner regarding the *Prelude* FLNG facility. The Department of Industry and Science are currently pursuing a legislative change proposal that is intended to further strengthen the regulatory mechanism regarding early engagement with NOPSEMA.

NOPSEMA is confident that the principles of ALARP embodied in the regulations and the level of expertise within the authority to assess FLNG risks and impacts will ensure the effective regulation of this emerging technology.

Environmental program review

An independent review of NOPSEMA's environmental management authorisation process (the Program) that was endorsed under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act) is currently underway.

An independent reviewer is interviewing relevant stakeholders to gain feedback and examining NOPSEMA's performance in meeting the objectives of the Program following the first 12 months of its operation.

The program review is expected to be completed in August, at which time the findings will be made available on NOPSEMA's website. Further information is available on the Environment page at nopsema.gov.au.



NOPSEMA delivers enhanced EP submissions web page

On 30 March 2015, NOPSEMA launched its enhanced environment plan (EP) submissions and summaries web page. In response to stakeholder feedback, the update seeks to increase the accessibility and transparency of information about petroleum activities in Commonwealth waters.

The key changes to the web page include:

- the ability for stakeholders to search and filter on a range of fields to access information on EP submissions and summaries with greater efficiency
- the enhancement of information about EP submissions, including expanded activity description and a location map
- a subscription function that generates email notifications when new submissions are received or updates are made to an EP submission record, such as a change to the assessment status or the publication of an EP Summary.

These changes better inform stakeholders about titleholder submissions and provide improved opportunities for stakeholders to identify where their consultation expectations may not have been met by titleholders and/or NOPSEMA.

The web page provides users with comprehensive instructions on how to search for EP submissions and summaries and subscribe to receive tailored email alerts. NOPSEMA has also updated its *Making Submissions to NOPSEMA Guideline* (GL0225) and *EP Submission Cover Sheet* (FM1257) enabling a streamlined approach for titleholders in the provision of information to facilitate the ongoing implementation of these enhancements.

The new search and subscription features are available on the Submissions and Summaries web page under the Environment tab at nopsema.gov.au. NOPSEMA encourages those interested to take advantage of the web page enhancements and welcomes any feedback directed to feedback@nopsema.gov.au.

Revised diving air and gas purity standards

NOPSEMA has observed that some diving contractors Diving Safety Management Systems (DSMS), accepted by NOPSEMA some years ago, reference *AS/NZS 2299.1:2007 Occupational diving operations — Standard operational practice when setting out the maximum levels of contaminants in compressed air for breathing*. However, more up-to-date standards for compressed air and gas purity are set out in the recently revised British and European standard *BS EN 12021: 2014 Respiratory equipment — Compressed gases for breathing apparatus*.

Noting the objects of the OPGGS (Safety) Regulations 2009 regarding continuous improvement and managing risks to the health and safety of people to as low as reasonably practicable (ALARP), NOPSEMA recommends that diving contractors consider the information provided in BS EN 12021: 2014. This recommendation is intended to ensure diving contractors maintain compliance with Regulation 4.19(1) of the Safety Regulations “to provide and maintain a working environment (including equipment and systems of work) that reduces the risks to the safety and health of divers and other members of the workforce to as low as reasonably practicable”.

The International Marine Contractors Association (IMCA) has also issued an information note (IMCA D 08/15) highlighting a minor revision of IMCA D 022 *Guidance for Diving Supervisors* in light of the release of BS EN 12021: 2014. This information note is available at imca-int.com.





Consultation for larger scale seismic surveys

NOPSEMA is receiving an increasing number of seismic survey environment plans (EPs) in which titleholders propose multiple seismic activities across a broad geographical area, with limited information on specific survey location and timing. By taking this approach, titleholders are seeking greater flexibility to leverage commercial opportunities. It has come to NOPSEMA's attention that this approach presents challenges to meeting the regulatory requirements of effective and transparent consultation with relevant persons.

NOPSEMA has continually reiterated in *the Regulator* the regulatory requirements for consultation during the preparation of an EP as well as ongoing throughout the life of the EP. Effective and transparent consultation is only possible when sufficient information is provided to relevant persons so they can understand how they may be affected by the titleholder's proposed activities. In the absence of specific seismic activity information, titleholders with broadly scoped EPs are advised to adjust their approach to consultation or risk having their environment plan refused.

During the preparation of an EP with limited information on activity specifics, in line with existing guidance, NOPSEMA recommends titleholders:

- broaden criteria of who may be a relevant person and weaken criteria for determining a stakeholder is no longer a relevant person
- allow relevant persons more time to consider the information
- engage relevant persons earlier to determine what sufficient information they may require
- share information with relevant persons before impact and risk assessments and ensure there is a common understanding of the assessment methods
- when available, provide relevant impact and risk assessment information to demonstrate impacts and risks have been reduced as low as reasonably practicable and is acceptable
- agree with relevant persons the methods, timing and processes for future engagement that includes clear decision-making criteria and conflict management mechanisms.

The Environment Regulations also require titleholders to conduct ongoing consultation with relevant persons in a manner demonstrated to be appropriate in a plan for ongoing consultation, as part of the implementation

strategy of their submitted EP. Given that limited information may be available on activity specifics during preparation of an EP, NOPSEMA places greater importance on the ongoing consultation process. This is to provide an appropriate means of consultation with relevant persons on the specifics of the activity and the management of environmental impacts and risks as they relate to the functions, activities, or interests of relevant persons.

To facilitate appropriate ongoing consultation when specific activity information is unavailable during the preparation of an EP, in addition to existing guidance, NOPSEMA recommends that titleholders:

- broaden, and increase frequencies of, searches for relevant persons prior to activities commencing and during the activity
- reflect the requirements for initial consultation in the process for ongoing consultation as described under Environment Regulations 11A and 16(b), i.e. providing relevant persons with sufficient information and enough time to make an informed assessment
- implement effective mechanisms so that objections and claims raised by relevant persons in relation to specific activities can be transparently and fairly assessed
- improve consultation monitoring mechanisms to ensure consultation has been undertaken in accordance with the timeframes specified in the accepted EP
- treat consultation plans as critical control measures, including having unambiguous environmental performance standards that stipulate the planned effectiveness of the controls
- strengthen Management of Change procedures that feature information needs, assessment methods, decision-making criteria and implications for consultation requirements.



NOPSEMA will challenge titleholders to ensure that where the nature and scale of the petroleum activity proposed is broader, commensurate increased efforts and mechanisms to reduce uncertainty for relevant persons during the consultation process is reflected in EPs. Titleholders should employ open and respectful communication techniques to assist in the effective engagement of relevant persons, which will ultimately increase the likelihood of meeting the consultation requirements of the Environment Regulations. For further information about consultation, see NOPSEMA's information paper on *Consultation requirements under the OPGGS (Environment) Regulations 2009* (IP1411) on the Environment Resources page under the Environment tab at nopsema.gov.au.

Relevant persons engaged and concerned about consultation processes in relation to environment plans with limited information on activity specifics are advised to engage with titleholders to formally seek clarity about how your objections and claims will be assessed and the methods of engagement. If you are dissatisfied with a titleholder's proposals for managing ongoing consultation, a clear and reasoned argument about your objections or claims in relation to the activities proposed should be submitted to the titleholder. NOPSEMA encourages stakeholders to read the consultation guidance published by NOPSEMA as it is equally applicable to your engagement in the consultation process under the Environment Regulations.

NOPSEMA's *Regulatory Service Charter* identifies how you may raise any concern or complaint with NOPSEMA.

NOPSEMA triennial operational review

The NOPSEMA triennial operational review is currently underway in accordance with section 695(2) of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

The review is considering the effectiveness of bringing about improvements in occupational health and safety, environmental management and well integrity.

A panel of subject-matter experts selected by the Minister for Industry and Science, supported by an independent consultancy, are conducting the review.

The review is scheduled to report to the Minister for Industry and Science by 30 June 2015. Further information is available on the Department of Industry and Science's website at industry.gov.au.





International Regulators' Forum meeting

In May 2015, NOPSEMA participated in the International Regulators' Forum (IRF) mid-year meeting in Houston, Texas. The IRF comprises the eleven leading independent national offshore petroleum regulators, including NOPSEMA, and exists to drive forward improvements in health and safety in the oil and gas industry through collaboration in joint programs and information sharing.

Member organisations shared insights into identified trends in their respective jurisdictions and discussed the status of priority programs and progress made towards consistent international approaches to offshore safety, together with the implications for safety outcomes of developments such as falling oil and gas prices and the growing use of FLNG technology.

At the meeting, Mexico delivered a presentation regarding the development of a regulatory model for their Agency for Safety, Energy and Environment (ASEA) and the International Association of Drilling Contractors (IADC) updated IRF members on projects relating to improving blow out preventer (BOP) reliability and well control competency. Brazil also outlined an international benchmarking project being undertaken by the Agência Nacional do Petróleo (ANP) to guide their regulation of offshore oil and gas. NOPSEMA has accepted a request to participate in this project.

The meeting also included a briefing to the IRF on preparations for the 6th International Regulators' Forum Offshore Safety Conference. This conference is to be hosted by the US regulator, the Bureau of Safety and Environmental Enforcement (BSEE), in Washington, D.C. from 19-20 October 2015.

NOPSEMA is committed to open dialogue, sharing expertise and insights, and collaborating with its international regulatory counterparts and industry participants in developing regulatory good practice for Australia. The 2015 conference in Washington will provide another opportunity to progress this commitment at an international level and NOPSEMA encourages interested parties to consider registration. More information is expected to be posted by BSEE on the IRF website in June at irfoffshoresafety.org.

International Offshore Petroleum Environment Regulators' meeting

In March 2015, NOPSEMA continued its involvement as an active member of the International Offshore Petroleum Environment Regulators (IOPER) group by participating in the mid-year meeting in Washington D.C.

The IOPER is a collaborative group of national regulators whose members share a common goal of raising environmental performance standards within the offshore petroleum exploration and production industry, including standards applicable to the industry's normal operations, as well as environmental emergency prevention, preparedness and response.

NOPSEMA has worked closely with member countries to develop a set of guiding principles that aim to ensure proper and systematic risk identification and management processes; and drive identification, implementation and maintenance of spill planning, preparedness and response arrangements. The guiding principles are now published on the IOPER website (www.ioper.org) and were presented at the recent Interspill conference in Amsterdam (see article on page 11).

Other issues being considered by IOPER included:

- environment performance indicators
- public consultation and decision making
- environmental impact research collaboration opportunities
- enforcement tool research
- regulating financial responsibility
- safety and environment regulation on both sides of the hazard 'bow-tie'
- decommissioning.

The 2015 AGM will be held in Washington D.C between October 21 and 23 at The Liaison Capitol Hill, and will be co-located with the biennial International Regulators Forum Conference.



Investigation into the Atwood Osprey incident

NOPSEMA is conducting an investigation into the *Atwood Osprey* incident that occurred on 12 March 2015 approximately 180km north-west of Dampier where the semi-submersible drilling unit was blown approximately three nautical miles off location during Cyclone Olwyn. Upon conclusion of the investigation, NOPSEMA will share lessons learned with duty holders and the wider community.

NOPSEMA engages with unions on safety matters

In February, NOPSEMA's Head of Division for Safety and Integrity, Mr Gavin Guyan, delivered a keynote presentation at the Maritime Union of Australia's Floating Production, Storage and Offloading (FPSO) Conference and participated in a panel discussion at the Australian Council of Trade Unions (ACTU) Conference. Those contributions were followed up with meetings between NOPSEMA, the ACTU, and various unions and agreement to conduct regular meetings. NOPSEMA welcomes this bilateral engagement with unions to enable safety matters to be addressed effectively.

NOPSEMA participates at Interspill

In March 2015, NOPSEMA participated in Europe's leading oil spill conference, Interspill, which took place in Amsterdam. Dr Michael O'Brien, NOPSEMA Environment Specialist, spoke on a plenary panel formed to discuss the topic of 'Regulating Oil Spill Preparedness and Response'.

Together with the UK Department of Energy & Climate Change (DECC), Dr O'Brien explained recent work by the International Offshore Petroleum Environmental Regulators (IOPER) to improve and harmonise the regulation of exploration and production activities across regions. In particular, reference was made to a recently published IOPER paper on *Guiding Principles for Regulating Oil Spill Response Preparedness for Offshore Petroleum* (available online at www.ioper.org). These guiding principles aim, from a regulator's perspective, to help the offshore petroleum sector ensure proper and systematic risk identification, spill response and appropriate preparedness.

This year's event was the seventh Interspill conference. It is now held every three years, in rotation with the USA's International Oil Spill Conference and Australia's Spillcon. Interspill typically draws over 1000 delegates, visitors, and exhibitors from countries across the globe. The event provides industry, regulators, and service providers an opportunity to share information, learn the latest trends, and better understand lessons drawn from incidents and response around the world. NOPSEMA will play a key role in supporting Spillcon 2016. For more information see spillcon.com.





Separation of titles administration and the regulation of offshore petroleum activities

Under the Offshore Petroleum and Greenhouse Gas Storage Act 2006, petroleum titles issued by the National Offshore Petroleum Titles Administrator (NOPTA) can provide titleholders with the rights to explore, appraise, and produce petroleum or to construct and operate a pipeline or other infrastructure within the title area. A petroleum title in itself, however, doesn't allow a petroleum activity to commence. A titleholder must also submit regulatory permissioning documents to NOPSEMA for assessment and acceptance. The granting of a title and the acceptance of regulatory permissioning documents are both required before any petroleum activity can commence.

In 2011, during the offshore petroleum regulatory reform process, the Australian Government ensured the separation of the regulation of offshore petroleum activities and offshore petroleum titles administration to avoid any conflict of objectives. Today, NOPSEMA is the independent regulator of health and safety, well integrity and environmental management of offshore petroleum activities in Commonwealth waters and NOPTA undertakes a range of functions related to the administration of petroleum titles.

Under the OPPGS Act, there are a range of petroleum titles issued by NOPTA that allow for certain types of activities to be conducted within a title. Exploration permits and retention leases provide exploration and appraisal rights whilst under a production licence, a titleholder can also undertake petroleum recovery operations. Other petroleum titles include special prospecting authorities and access authorities, which can provide certain rights to conduct exploration activities, and pipeline and infrastructure licences, which provide rights in relation to the construction and operation of a pipeline and other infrastructure.

Whilst rights are provided through the grant of a title, this does not mean that the titleholder can automatically proceed with undertaking petroleum activities within the title. By law, before any petroleum activity can commence the relevant regulatory permissioning documents must be assessed and accepted by NOPSEMA. There is no

direct correlation between the granting of a title, which authorises a type of activity to be undertaken, and the acceptability of the applicable safety, well integrity, and environmental management permissioning documents.

The following are key regulatory permissioning documents that may be required to be accepted by NOPSEMA before a petroleum activity can commence:

- **Environment Plan:** For all petroleum activities, the titleholder must have an accepted environment plan that demonstrates that the risks and impacts of the petroleum activity will be reduced to as low as is reasonably practicable (ALARP) and acceptable levels.
- **Safety Case:** The operator of the facility (e.g. drilling rig, FPSO, production platform, licensed pipeline, etc.) must have an accepted safety case that demonstrates that the risks to the health and safety of people at or near the facility will be reduced to ALARP.
- **Diving Safety Management System:** To conduct offshore petroleum diving work that forms part of a diving project, a diving contractor must have an accepted diving safety management system that, amongst other things, demonstrates that the risks to the health and safety of persons who carry out diving activities will be reduced to ALARP.
- **Well Operations Management Plan:** For all well activities, the titleholder must have an accepted well operations management plan that shows that the risks will be managed in accordance with sound engineering principles, standards, specifications, and good oil field practice.

NOPSEMA assesses each permissioning document on its merits against the provisions of the relevant regulations and must be satisfied that the document meets the criteria for acceptance. If the submission does not meet the criteria for acceptance, depending on the type of permissioning document, NOPSEMA may request further information, provide the duty holder an opportunity to modify and resubmit, accept the document in whole or in part, or refuse to accept the document.

For more information about the regulatory functions of NOPSEMA and NOPTA see nopsema.gov.au and noppta.gov.au.

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

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

- 23-24 June 2015 Offshore Support Vessels Conference, Perth
- 2-4 July 2015 Australian Psychological Society – 11th Industrial and Organisational Psychology Conference, Melbourne
- 7-9 September 2015 APPEA Health, Safety and Environment Conference and HSR Forum and OSR Forum, Perth



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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