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“Any intelligent fool can make things bigger, more complex, and more violent. It takes a touch of genius – and a lot of courage – to move in the opposite direction.”

(E.F. Schumacher)

From the CEO

Recently, NOPSEMA published its 2013 *Annual offshore performance report*. This report presents data and information collected by the authority on injuries and fatalities, incidents, inspections, assessments, investigations and enforcements from offshore petroleum operations in NOPSEMA's jurisdiction.

Encouragingly, the report shows that injury rates continue to fall across all categories. Lower injury rates represent *actual harm avoided* and should be commended as it demonstrates continuing efforts by organisations to prevent further injuries and fatalities.

The decline in injuries is countered to some extent by an increase in the number of uncontrolled hydrocarbon releases. This is a potential indicator for more severe events and is particularly disappointing following a considerable reduction reported in 2012. The prevalence of inadequate design specifications and preventive maintenance among incident root causes is an opportunity for improved performance.

At the recent APPEA conference I was particularly struck by comments made by the Hon Sir Justice Haddon-Cave's in his plenary speech. From a distinguished career in litigation following major disasters in the UK, in particular his appointment to conduct the Nimrod Review into the loss of an RAF aircraft in Afghanistan in 2006, Sir Charles talked about the principles of leadership, independence, people and simplicity being of paradigm importance in safety.

He went on to describe 'Heinrich's Triangle' and the relationship between low level deviations and accidents. Sir Charles commented that the key point in prevention is to firstly capture and understand these low level errors and deviations. This relies on data and information being collected and analysed in the most accurate way possible. Recent reports to NOPSEMA have highlighted a need for more accurate data collection and improved analysis. Meaningful lessons and improved performance can only be drawn from accurate data.

NOPSEMA is also striving for improved performance. Many of our recent stakeholder interactions involved discussions about the amended Environment Regulations that came into force on 28 February 2014. The streamlined arrangements not only reduce regulatory burden on industry but also maintain the highest environmental safeguards.

I encourage you to read our *Annual offshore performance report* and to make your own conclusions on how data and information can be used to help drive continuous improvement in protecting the health and safety of offshore workers and reducing environmental impacts.



Jane Cutler, CEO





Report highlights important lessons for industry

NOPSEMA recently launched its 2013 *Annual offshore performance report* – the authority’s yearly stocktake of risk management by the Australian offshore petroleum industry. It includes data and information collected by the authority up to 31 December 2013.



Under NOPSEMA’s regulation, the offshore petroleum industry has made significant progress in improving safety and environmental management outcomes. In 2013, the rate of accidents and injuries requiring three or more days off work reached the lowest level recorded since the authority commenced operations in 2005.

Even with the decline in accidents and injuries, offshore workers are still being hurt. Insights from data show that mobile facilities continue to account for the highest number of injuries, reinforcing the need for industry to recognise and address the impact of different circumstances on health and safety.

The report includes a ‘spotlight’ on hydrocarbon releases, which are a potential indicator for more severe events due to their potential for ignition. In 2013, the number of hydrocarbon releases increased to 20 after reaching a seven year low of 17 in 2012. The top three basic root causes for OHS hydrocarbon releases are identified in the report as design, preventive maintenance and management systems (people) and highlight where industry should be focusing their efforts.

The onus is on industry to implement comprehensive and expert processes to identify and manage safety and environmental risks to levels that are as low as reasonably practical. In response, NOPSEMA will consistently challenge industry to secure compliance with the legislation and drive improved outcomes.

The 2013 *Annual offshore performance report* can be accessed at nopsema.gov.au

NOPSEMA participates at APPEA conference

The Australian Petroleum Production and Exploration Association (APPEA) held its annual conference and exhibition in Perth between 6-9 April. NOPSEMA exhibited alongside the Department of Industry, Geoscience Australia and the National Offshore Petroleum Titles Administrator under the Commonwealth government offshore petroleum banner.

The conference provided an opportunity for the petroleum industry to share best practice and discuss common challenges – namely how to improve productivity and reduce costs. The recent streamlining of the offshore petroleum environmental approvals process was discussed. In his plenary address, the Hon Ian Macfarlane MP, Minister for Industry, quantified the resulting saving for industry at \$120 million a year,

saying, “ultimately, I want to see NOPSEMA as the single regulator for all petroleum activities in Commonwealth and coastal waters, to create a true one-stop shop.”

Rob Cole, APPEA Chairman, said that “among other things, these changes will strengthen the capacity of industry to tailor environmental protection measures to their specific circumstances, while ensuring strong environmental outcomes for the Australian community.” Michael Chaney, Woodside chairman, commented that “the proposed ‘one-stop-shop’ will facilitate objective-based, efficient regulation of environmental management and we look forward to continued industry engagement and guidance to assist in understanding the new requirements.”

Reflecting this level of interest, the majority of questions asked by conference delegates visiting NOPSEMA’s stand focussed on streamlining and the recent changes to the Environment Regulations. NOPSEMA’s safety and environment specialists, who were on hand to talk with delegates, also answered questions on NOPSEMA’s jurisdiction, legislative framework and regulatory approach, financial assurance requirements, arrangements for oil spill conferral in state waters, and safety case contents.

NOPSEMA used the conference as an opportunity to launch the 2013 *Annual offshore performance report*. Copies were available on the stand for delegates to take away.





Accuracy in oil spill calculations

In two recent minor oil pollution incidents, NOPSEMA examined data provided by the titleholder in the subsequent written environmental incident report and was unable to replicate calculations concerning the volume of oil released. In both incidents, the data provided and methodology used indicates that the volume released may not have been calculated correctly and therefore under-reporting may have occurred.

If more accurate methods of quantifying the spilt volume are not available, there are internationally accepted aerial observation standards that can be used. The accuracy of aerial observation is optimal when it is conducted within hours of the oil spill occurring. Over time weathering processes will reduce the volume of oil observed on water. In the incidents examined, neither the time elapsed between the spill and the aerial observation nor the weathering processes were factored into the calculation. This resulted in the release volumes being under-reported.

The OPGGS regime requires that industry take all reasonably practicable steps to accurately report spill volumes. NOPSEMA tests information provided in statutory reports and undertakes appropriate regulatory action to achieve accurate reports from titleholders. NOPSEMA appreciates that in the early stages of an incident information can be unreliable and accepts that initial estimates reported may require subsequent adjustment. Accurate reporting enables response actions commensurate with the situation and remedial action to be taken to prevent reoccurrence. In addition, it supports meaningful learning and industry-wide continuous improvement.



New National Plan for Maritime Environmental Emergencies

The Commonwealth, state and the Northern Territory governments and industry have endorsed a revised 'National Plan for Maritime Environmental Emergencies'. Under the plan, NOPSEMA is responsible for the oversight of actions taken in response to oil pollution incidents from offshore petroleum operations in Commonwealth waters.

The plan was reviewed with extensive input from key stakeholders from both industry and government, drawing on their experience of maritime emergencies both domestically and internationally since the last plan was put in place in 2001. The new plan reinforces cooperative arrangements between all National Plan stakeholders and incorporates lessons learnt from the marine pollution response to the Montara environmental

incident in 2009. Additional clarity about the roles and responsibilities of industry and government means the new plan improves Australia's preparedness for a future major oil pollution event.

The revised plan also reflects the responsibilities of titleholders in relation to oil pollution incidents under the recently amended Environment Regulations. Titleholders must identify and detail the specific oil pollution risks relevant to their activity, set appropriate environmental performance standards, demonstrate their level of preparedness in reducing identified risks to as low as reasonably practicable and adequately test their emergency response arrangements.

NOPSEMA's guidance on oil spill contingency planning is being updated to reflect recent changes to the Environment Regulations. The National Plan is managed by the Australian Maritime Safety Authority (AMSA) and is available at www.amsa.gov.au



New safety case guidance note published

NOPSEMA has published an additional guidance note in its safety case series.

The 'Supporting Safety Studies' guidance note explains the requirements for supporting safety studies to be carried out as part of a formal safety assessment in a facility safety case. In particular, the guidance note provides information and direction regarding approaches for Fire and Explosion Risk Analysis (FERA) and Evacuation, Escape and Rescue Risk Analysis (EERA). Both of these studies are explicitly required under the Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009 to be described in detail within a facility safety case.

This guidance note will be of use to those with responsibility for planning and developing a facility safety case, and those involved in safety case implementation, maintenance, and ongoing risk management. The guidance note can be downloaded from the 'Safety case guidance' page at nopsema.gov.au



Information sessions: Streamlining offshore petroleum environment regulation

On 28 February 2014, amendments to the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009 (Environment Regulations) came into force to clarify, simplify and strengthen regulatory requirements. Under these streamlined arrangements, NOPSEMA became the sole regulator for petroleum activities in Commonwealth waters.

In early March, NOPSEMA held a series of information sessions in Melbourne, Adelaide, Canberra and Perth to explain the changes and answer questions from stakeholders. The sessions were attended by around 200 interested parties, including Commonwealth and state government agencies and industry. Feedback indicates that the sessions were well received: attendees appreciated the proactive engagement and transparency when answering questions posed by members of the audience. The presentations given at the sessions are available under the 'Resources' tab at nopsema.gov.au

Questions at the information sessions fell into a number of recurring themes surrounding the changes to the Environment Regulations, including offshore project proposals, changes to titleholder responsibilities and how state and Commonwealth agencies will interact under the new arrangements. In response, NOPSEMA is developing further guidance to inform and assist the offshore petroleum industry.

One of the key areas identified as requiring clarification is the new notification requirements for accepted environment plans under Regulations 25A and 29. Under Regulation 29, titleholders must notify NOPSEMA on the commencement and completion of petroleum activities described in the environment plan. A guidance note, which will be published in the coming weeks, aims to provide clarification on the different activities, or stages of activities, that may require separate notifications and will provide guidance of particular relevance to seismic activities and drilling campaigns that span multiple titles. It will also clarify reporting requirements surrounding the end of operation of an environment plan under Regulation 25A.

Forthcoming guidance notes will be available on the 'Environmental Resources' page at nopsema.gov.au





Activity and performance

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, exhibiting or has an organisational role

- 5-8 May 2014 International oil spill conference, Savannah
- 3 July 2014 Offshore safety ministerial forum, Perth
- 1-3 September 2014 APPEA National health, safety and environment conference and HSR forum, Perth

To register to attend the information sessions, or to view presentations given at previous events, 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

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