

A Regulator's Perspective

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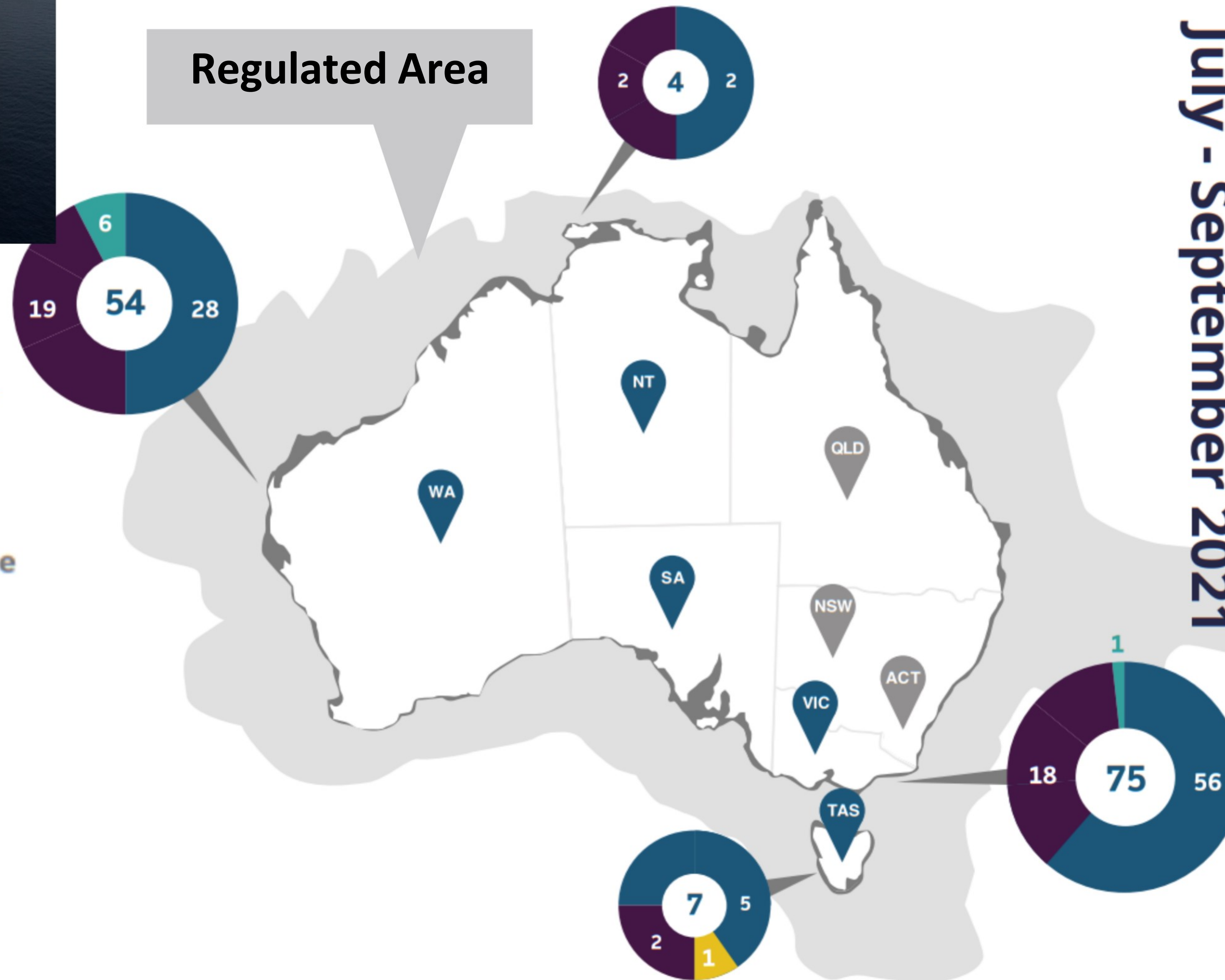
Find Us

Who are we?

National Offshore Petroleum Safety and Environmental Management Authority



Regulated Area

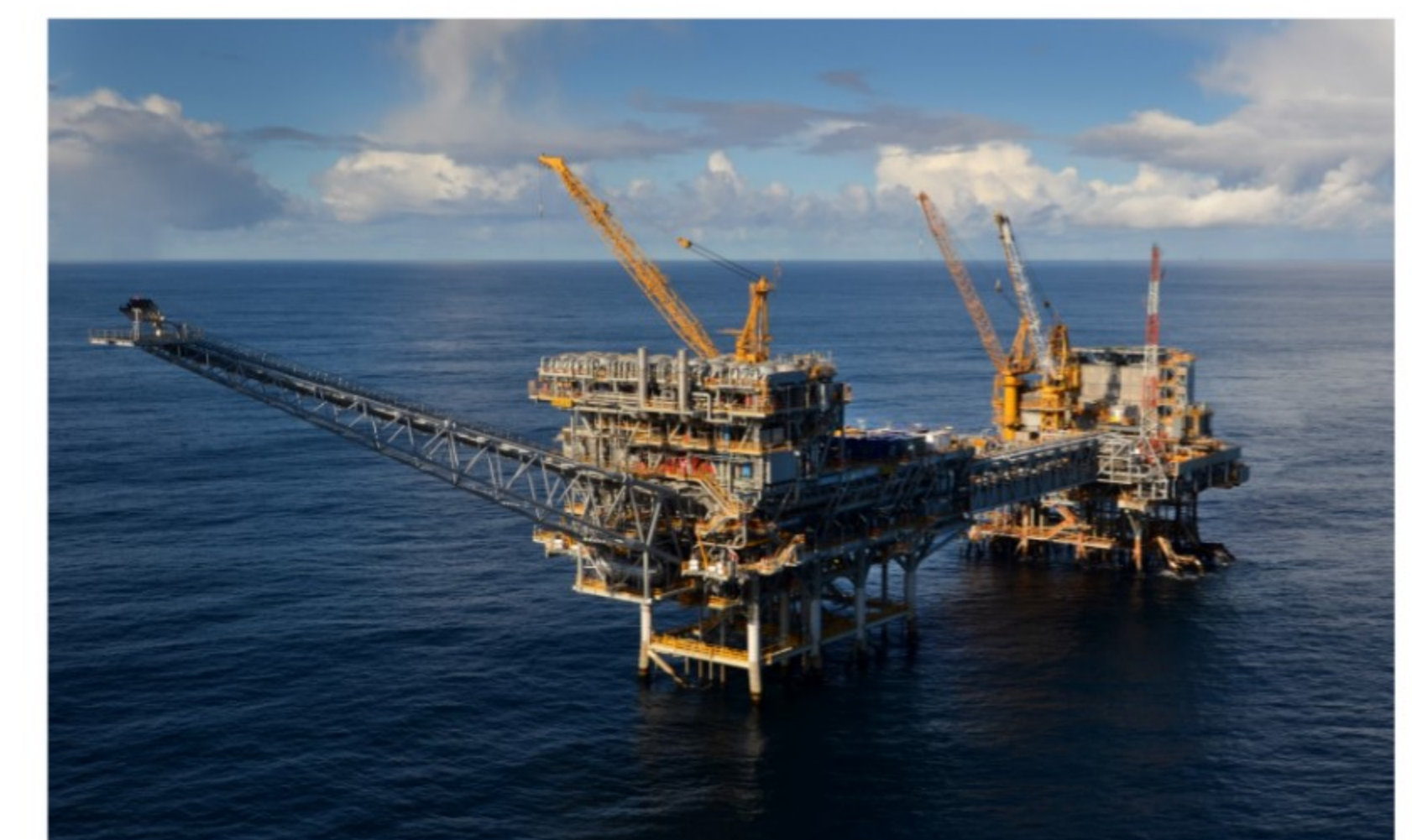
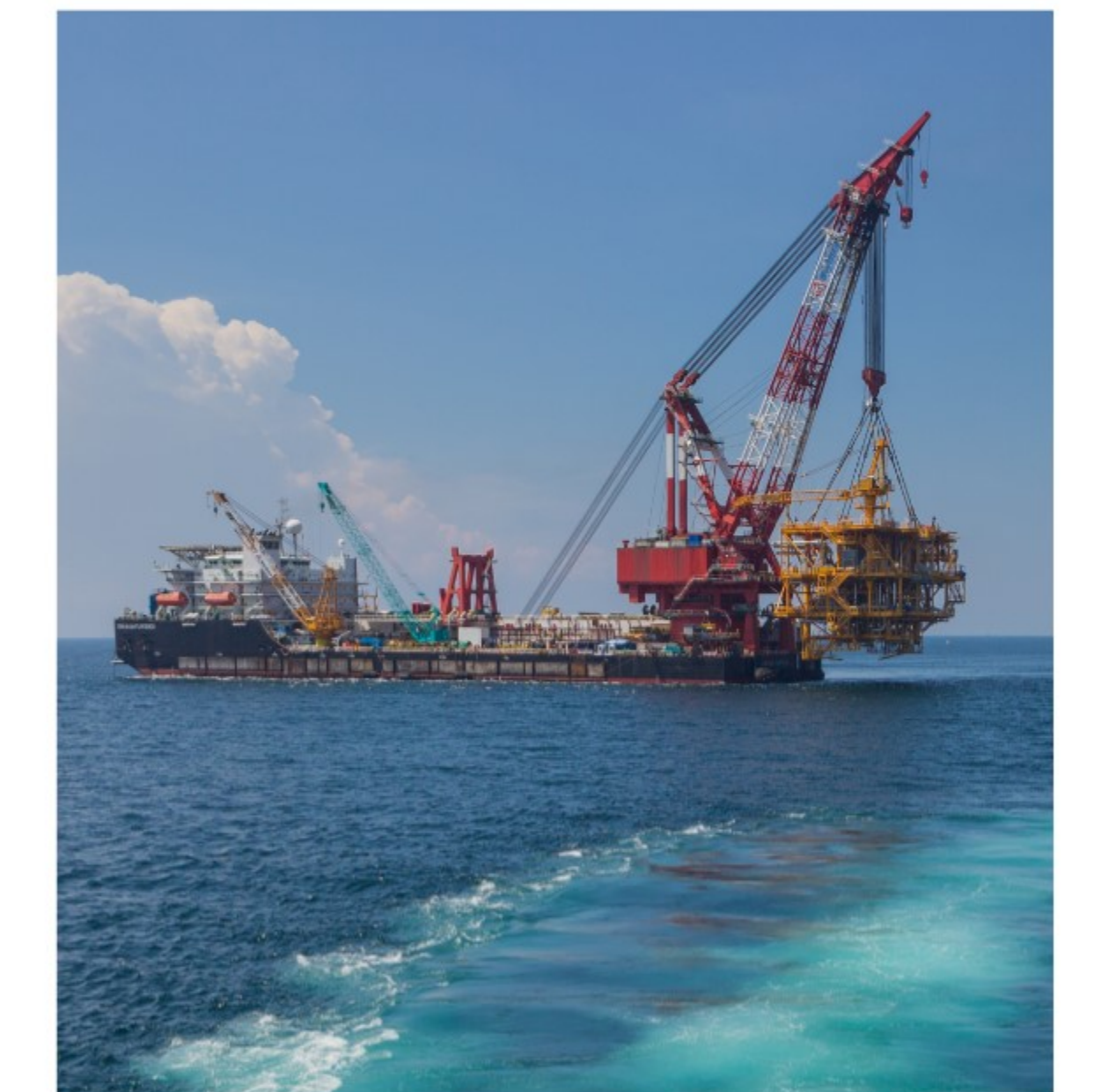


 **7**
Mobile offshore drilling units

 **6**
Vessels

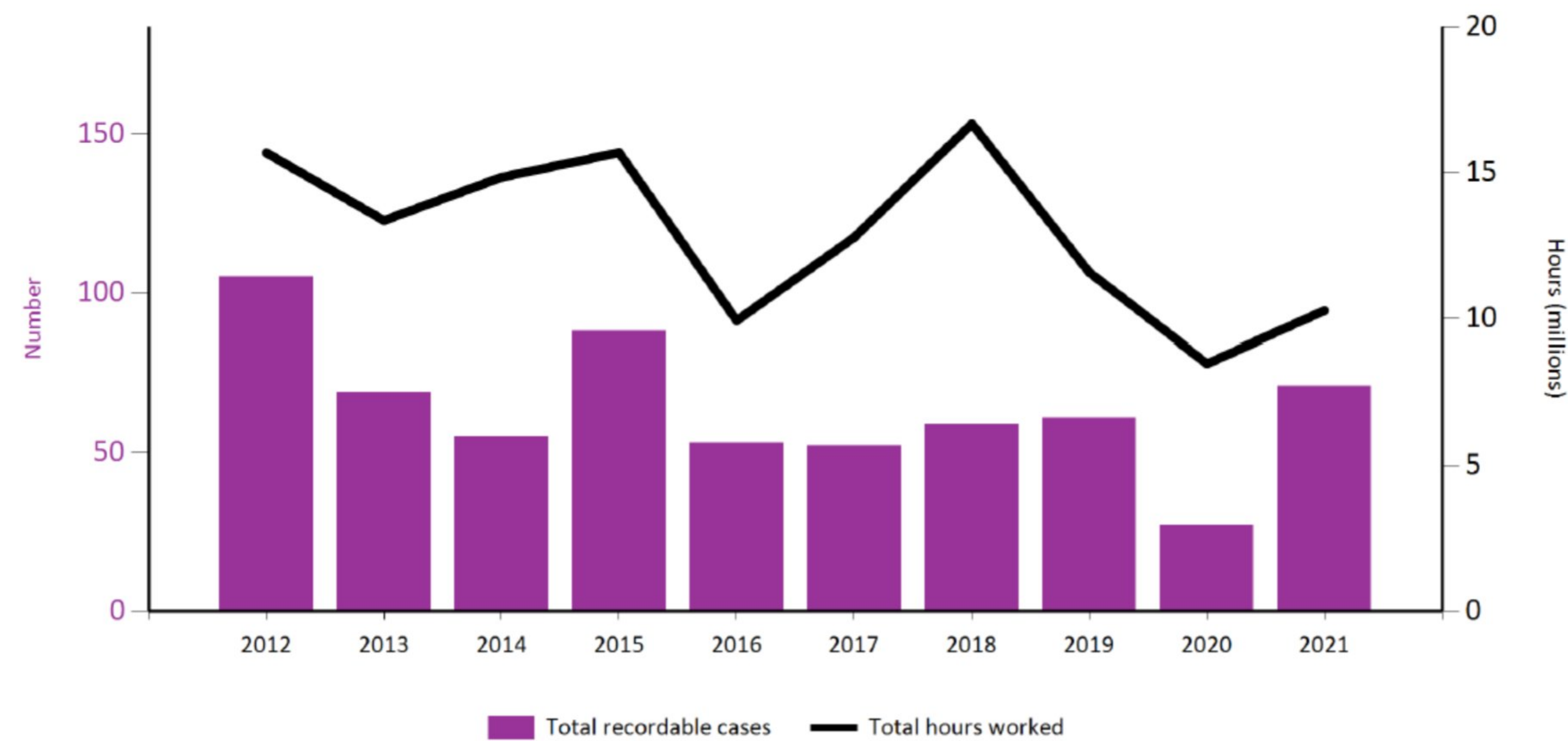
 **869**
Wells

July - September 2021



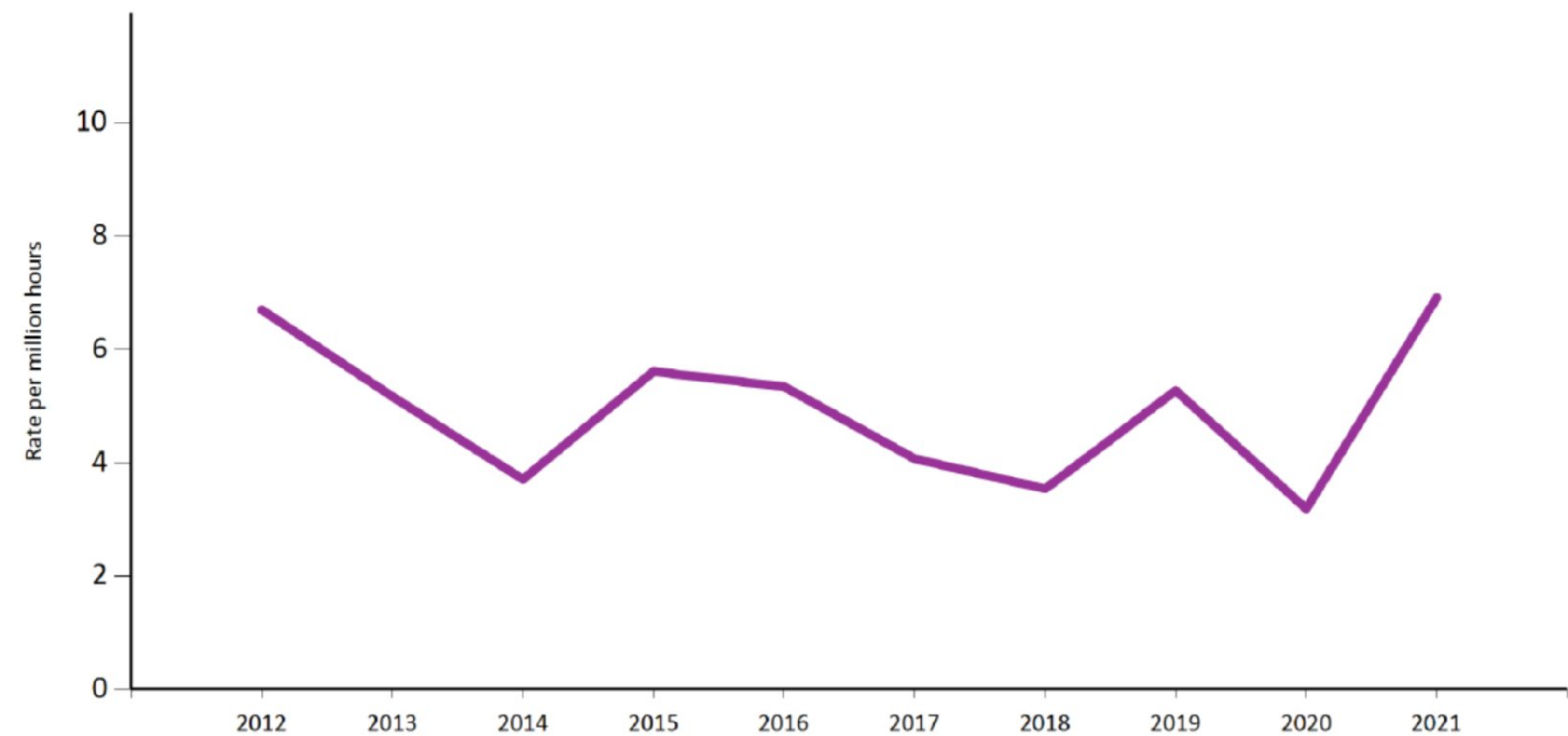
Metrics

Injuries - Total recordable cases (TRCs)



Note: Total recordable cases is the sum of fatalities, major injuries, LTIs (lost time injuries), ADIs (alternative duties injuries) and MTIs (medical treatment injuries)

Total recordable cases (TRCs) - injury rates



Note: Total recordable cases is the sum of fatalities, major injuries, LTIs (lost time injuries), ADIs (alternative duties injuries) and MTIs (medical treatment injuries)

Beyond Compliance Activities


Strategic
compliance
focus areas for



**PREVENTING MAJOR
ACCIDENT EVENTS**



**PREVENTING LOSS OF WELL
CONTROL**



**EFFECTIVE OIL POLLUTION
EMERGENCY PREPAREDNESS**



**RESPONSIBLE ASSET
STEWARDSHIP**

Future Focus Areas

PREVENTING MAJOR
ACCIDENT EVENTS

Leadership, commitment, and responsibility

NOPSEMA is implementing a program where we collect and review information relating to the degree to which senior executives and boards have sufficient oversight of, and accountability for, the control of major accident hazards.

Research in high hazard industries such as oil and gas reinforce the substantial influence incentivised target-setting and organisational reporting lines have on the proper identification, reporting and oversight of safety and environmental risks.

NOPSEMA expects senior executives and, where relevant, their boards to have oversight of the safety and environmental risks to their facilities and activities, to be capable of understanding the risks and to be accountable for ensuring controls are in place to effectively manage the risks.

Most importantly, NOPSEMA expects senior executives to manage the long-term low-likelihood, but high consequence risks to their facilities, in addition to any other operating or financial performance required.

Through its compliance monitoring activities, NOPSEMA has identified issues within the industry at an operational level that may have roots at the executive level. For example

- decisions made prioritising projects that will increase production over routine or campaign maintenance activities leading to unacceptable levels of corrosion and degradation

- workforce reluctance to raise safety issues or 'stop the job' over safety concerns
- management of change processes routinely misused to manage risks to the company rather than risks to the workforce and environment
- failure to address NOPSEMA's inspection findings until faced with the prospect of escalated enforcement action
- significant job or operating budget cuts without due regard for work re-prioritisation, deferred maintenance, OHS and process safety
- lack of support for the Health and Safety Representative role.

The examples above are potential symptoms of organisational structures and incentive systems that prioritise the mitigation of financial risk over safety and environmental risk.

NOPSEMA plans to review corporate scorecards and target setting for key personnel, transparency and visibility to senior management of relevant performance indicators, and the status of internal governance and oversight of operations responsible for safety and environmental management. Results from these reviews will be shared with company Chief Executives or equivalents and responses sought.



NOPSEMA takes on new role



Guidance available for hazard identification and risk assessment

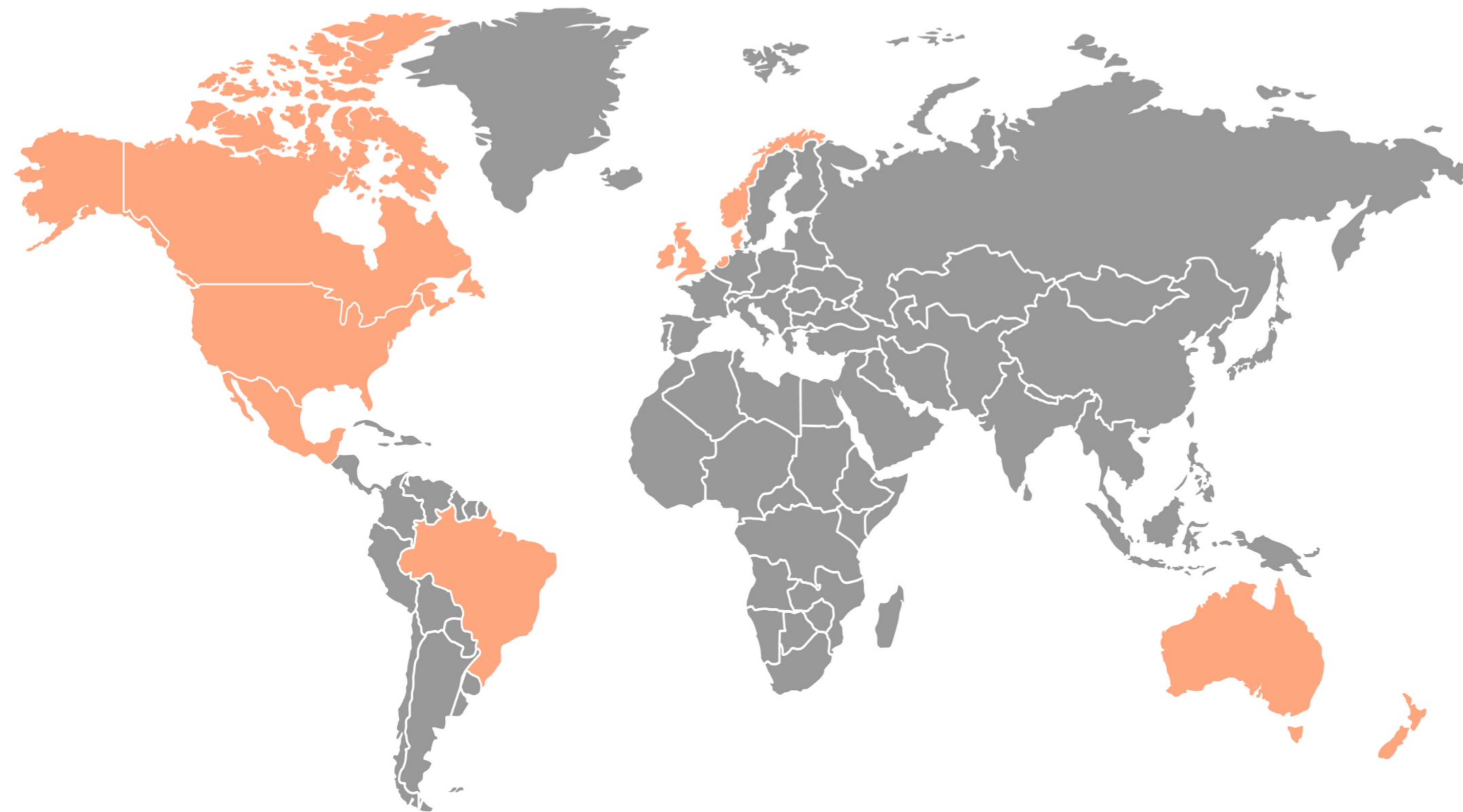


Living with COVID-19
Adapting to a new normal while remaining vigilant



Securing approvals for end states

Improved Engagement



Canada Energy Regulator

Régie de l'énergie du Canada



CNSOPB



IRF Background



Regulators of petroleum activities are well-positioned to identify risks across the industry.

IRF has developed a “Problem Statement” initiative as a method of highlighting significant issues and encouraging industry to address them collectively.

The purpose of this briefing pack is to share information about the Problem Statement initiative to support the continued reduction of key industry risks.



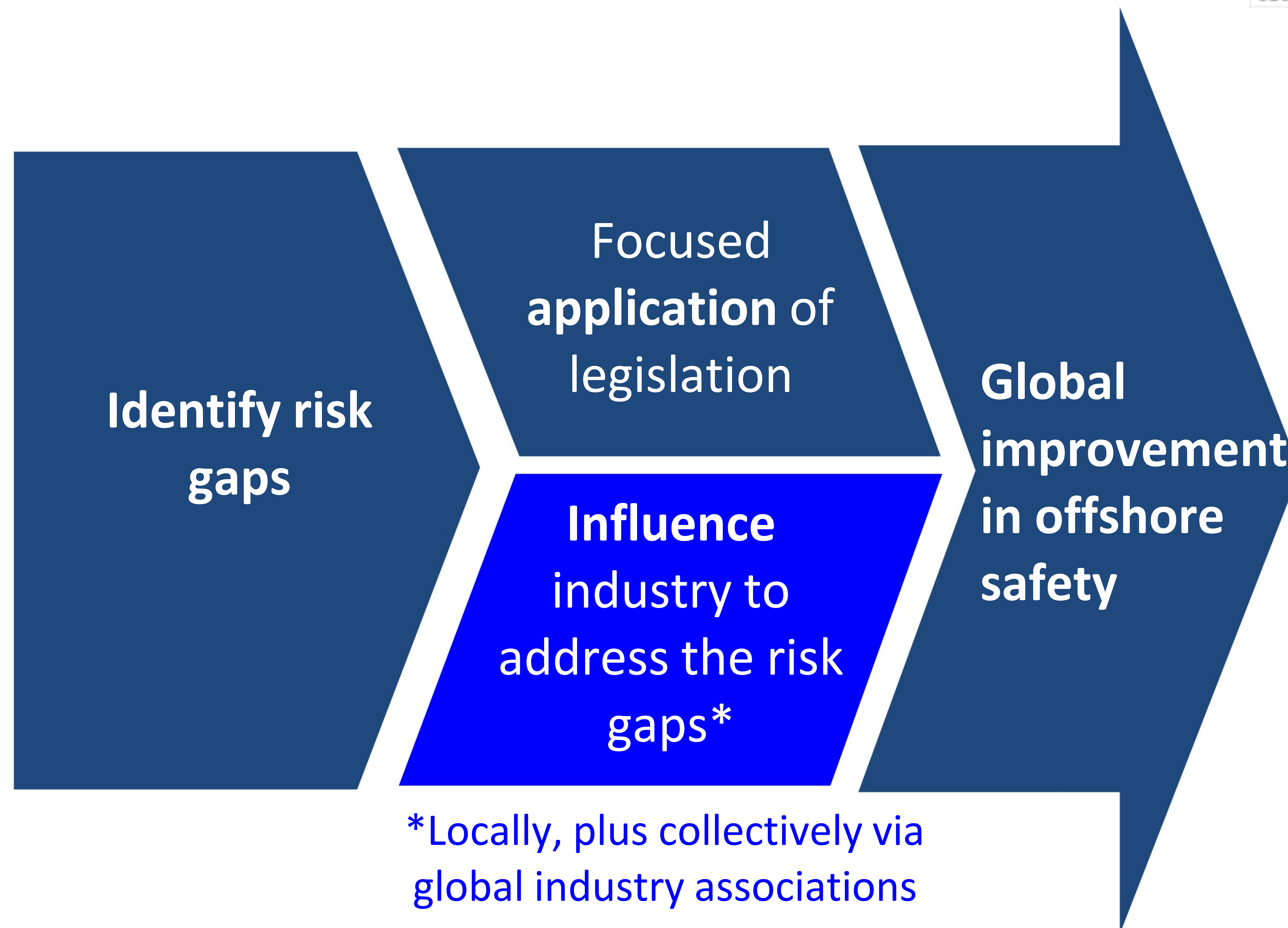
Strategy

Highlight high priority risk topics to industry and support industry's focus on developing solutions.

1. Identify common risks and describe them in a Problem Statement
2. Engage industry associations to develop solutions
3. Assess solutions and support implementation



Strategy (continued)



Why IRF?

IRF is ideally positioned to drive safety improvement in the upstream oil & gas industry:

- Privileged access to information
- Global perspective
- Safety focus, often linked to protection of the environment
- Legal powers to enact change
- Influence at many levels

1. Identify common risks and describe in a Problem Statement



IRF and industry have prepared the following 3 problem statements to be addressed collaboratively

Prevention of well control incidents

- Greater emphasis on “left hand side” of well control bow-tie, particularly with regards to PPFG prediction and monitoring
- IRF contact: NOPSEMA (Australia)

Investigation quality / sharing & application of learnings

- Improve investigation quality and improve ways to embed learnings
- IRF contact: ANP (Brazil)

Digitalisation

- Reducing risks from automated systems with a human-centered design approach
- IRF contact: PSA (Norway)

2. Engage industry to develop solutions

- IRF invite relevant industry organisations (e.g. IOGP/IADC) to develop solutions to the Problem Statements
- IRF “holds the pen” on the Problem Statement
- Industry “holds the pen” on the solutions, and implements desired changes globally



3. Assess solutions and support implementation

- IRF members will assess the proposed solutions, taking into account applicability within their respective jurisdictions
- IRF and international industry associations (e.g. IOGP, IADC) can participate in joint communications to encourage uptake of best practices
- IRF members will seek ways to reinforce the application of solutions by industry within their respective jurisdictions to improve regulatory outcomes

Questions?

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