

Safety Case Levies

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1. Purpose

The purpose of this policy is to provide a documented, systematic, and consistent approach to the application of safety case levies.

2. Scope

This policy applies to the safety case as provided for in the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003* and in accordance with the *Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2022*.

3. Relevant legislation

Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Act 2003 (Levies Act)

Offshore Petroleum and Greenhouse Gas Storage Act 2006 (OPGGs Act)

Offshore Petroleum and Greenhouse Gas Storage (Regulatory Levies) Regulations 2022 (Levies Regulations)

Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009 (Safety Regulations).

It should be noted that dependant on the location of a facility, State or Northern Territory legislation may apply which may or may not mirror the Commonwealth legislation. For simplicity, this policy only makes explicit reference to the Commonwealth legislation; however, the policy will be applied to each jurisdiction where powers have been conferred on NOPSEMA.

4. Ratings

4.1. All facilities

NOPSEMA utilises information submitted on the operator nomination form (N-01000-FM0008) for the facility, the operator registration worksheet for analysis of operator status form (N-01000-FM0065) and, where applicable, information in subsequent safety cases submitted to NOPSEMA, to determine the appropriate:

- facility rating (regulation 19 of the Levies Regulations), or
- pipeline rating (regulation 19A of the Levies Regulations).

NOPSEMA will notify operators in writing regarding the instalments payable for the facilities related to that safety case (noting that a safety case can cover multiple facilities).

4.2. Facilities other than pipelines

4.2.1. Stages in the life of a facility

NOPSEMA will generally maintain the same facility rating across the construction, installation, operation, modification and decommissioning stages in the life of the facility. For the purposes of regulation 19(2) of the Levies Regulations, NOPSEMA does not consider progression through the stages in the life of the facility alone to constitute changes to the description of the facility. Noting that under regulation 20B, the operator of a facility must inform NOPSEMA about any change between items 3 and 4 in relation to the facility.

4.2.2. Activities and facility ratings

In determining the most appropriate facility rating, NOPSEMA will consider the scope of the safety case in terms of the description in the facility safety case of the activities that will, or are likely to, take place at, or in connection with, the facility¹ and not any description of the vessel or structure's *capabilities* that may also be described in the facility's safety case. NOPSEMA also considers the types of activities set out in the facility definition in clause 4, Schedule 3 to the OPGGS Act as they relate to the categories of facilities or proposed facilities contained in regulation 19 of the Levies Regulations collectively represented in Table 1 below.

Where a facility safety case covers a range of activities, NOPSEMA will apply the facility rating that most accurately describes the facility.

To determine the most accurate facility rating, NOPSEMA will consider:

- i. servicing a well or doing work associated with the servicing process to include well intervention activities would attract the facility rating associated with item 6 in Table 1 below);
- ii. flexible flowlines used to convey petroleum to be pipes (where petroleum is defined in section 7 of the OPGGS Act), and therefore would attract the facility rating associated with item 7 or 8(a), as appropriate in Table 1 below;
- iii. a subsea development where the associated vessel(s) and/or platform(s) have been permanently removed to be a structure not otherwise listed and hence would attract a facility rating associated with item 11 in Table 1 below.

¹ As required by Regulation 2.5(1)(c) of the Safety Regulations.

Table 1- Facility activities, facilities and proposed facilities

The table below provides some guidance on how the facilities described in the Levies Regulations can be categorised by activity undertaken by the facility.

Activities (Clause 4, Schedule 3 to the OPGGS Act)		Facilities (regulation 19 of the Levies Regulations)	
Clause 4(1)(b)	Vessels or structures being used or prepared for use for:	Item	Facility or proposed facility
(i)	the recovery of petroleum, for the processing of petroleum, or for the storage and offloading of petroleum, or for any combination of those activities;	1	Floating liquefied natural gas facility
		2	Large platform with drilling or workover capability
		3	Platform, other than a platform mentioned in item 2, with accommodation facilities when drilling or workover facilities are in commission
		4	Platform, other than a platform mentioned in item 2, with accommodation facilities when drilling or workover facilities are not in commission
		5	Floating production storage and offloading facility
		9	Floating storage unit linked to a production platform
		10	Monopod, well head platform or other small production or injection facility with no accommodation
(iii)	drilling or servicing a well for petroleum or doing work associated with the drilling or servicing process;	6	Mobile offshore drilling unit or drill-ship
(iv)	laying pipes for petroleum, including any manufacturing of such pipes, or for doing work on an existing pipe;	7	Vessel for laying pipes for a petroleum or a greenhouse gas substance
		8(a)	Vessel or structure used for doing work on an existing pipe
(v)	the erection, dismantling or decommissioning of a vessel or structure referred to in a previous subparagraph of this paragraph;	8(b)	Vessel or structure used for the erection, dismantling, or decommissioning of a facility; or
(ii)	the provision of accommodation for persons working on another facility, whether connected by a walkway to that other facility or not;	8(c)	Vessel or structure used for the provision of accommodation for persons working on another facility
(vi)	For any other purpose related to offshore petroleum operations that is prescribed for the purposes of this subparagraph.	11	Vessel or structure not otherwise listed in any of the items 1 to 10 of this table

Where the description in a facility safety case of the activities that will, or are likely to, take place at, or in connection with the facility span more than one item [e.g., items 7 and 8(a)] NOPSEMA will use the most accurate rating when calculating the facility amount of a safety case levy.

Under regulation 20B, the operator of a facility must inform NOPSEMA about any change between items 3 and 4 in relation to the facility.

4.3. Pipeline facilities

4.3.1. Pipeline ratings

For the purposes of regulation 19A of the Levies Regulations NOPSEMA will consider a sub-sea development to comprise of one or more wells associated with a single field tied back to a pipeline.

For the purposes of determining the applicable facility rating for a pipeline in accordance with the descriptions and base ratings set out in the table in regulation 19A, NOPSEMA will consider the greater number of either:

- the number of sub-sea developments connected to the pipeline; or
- the number of manifolds connected to the pipeline (which could be 0, 1 or more).

4.3.2. Pipeline located in both Commonwealth waters and designated coastal waters

If a single continuous pipeline is located in Commonwealth waters and state/NT designated coastal waters where powers have been conferred on NOPSEMA (i.e. under separate licences), NOPSEMA will only notify levies in relation to the waters which have the segment(s) of the pipeline of greater length (or total length of segments). No pipeline safety case levy is payable in relation to any segment(s) of that pipeline located in waters where the segment, or segments, are of a lesser length than in the other waters (regulation 29A(5), Levies Regulations).

4.4. Remitting part of safety case levy (mobile facilities)

4.4.1. Remittal and operational status

For mobile facilities that operate on an intermittent basis, regulation 33 of the Levies Regulations provides for NOPSEMA to remit or refund of part of a safety case levy in respect of number of days in a relevant quarter that the facility did not operate in NOPSEMA waters.

For the purposes of levies regulation 33(2), NOPSEMA considers that a mobile facility is 'operating' from:

- the time it arrives at a site in NOPSEMA waters, and is preparing for use for one or more activities described in sub-clause 4(1) paragraph (b) of Schedule 3 to the OPGGS Act; and until
- it ceases such activities and is prepared to leave the site (i.e. returns to its navigable form or to a form in which it can be towed to another place).

A 'site' is a collective term encompassing the location(s) associated with a facility, or proposed facility, inclusive of: any wells and associated plant and equipment, pipes or systems of pipes and secondary lines.

A mobile facility is not 'operating' if it is at a site in NOPSEMA waters only for the purpose of undertaking one or more of the activities listed in regulation 1.6 of the Safety Regulations.

4.4.2. Basis for considering remittal

NOPSEMA will only remit part of a mobile facility safety case levy for the relevant quarter based on sufficient information provided by an operator within seven days of the end of the relevant quarter. The Safety case levy remittal form (N-11200-FM0648) may be used for this purpose.

4.4.3. Adjustment of amount of instalments

Under regulation 34 of the Levies Regulations, NOPSEMA is permitted to adjust levy instalments where it is satisfied that a facility is operating in a particular way and the nature of the operation would change a levy amount, where that levy amount has already been calculated but not yet paid. This is the case whether or not an operator has previously informed NOPSEMA about the operation of the facility.

In order to be satisfied that such adjustments are to be made, NOPSEMA will have regard to information submitted to NOPSEMA about the facility, such as a submission of a safety case or revised safety case under the Safety Regulations (if activities to be carried out at the facility are different from the activities in the safety case).

For example, if an operator proposes not to conduct a particular activity which is provided for in their accepted facility safety case e.g. pipelay activities (Facility Rating = 5), and restrict their activities to provision of accommodation for persons working on another facility (Facility Rating = 3), and informs NOPSEMA so the necessary adjustments to the levy instalments can be made.

Where NOPSEMA considers the facility rating to have changed, it will notify the operator at least 14 days prior to the date on which the next instalment is due and payable for the facilities related to that safety case (noting that a safety case can cover multiple facilities).

4.5. Safety cases that include multiple facilities

Notwithstanding that a safety case can address one or more facilities (including one or more *facilities* or *pipeline facilities*), NOPSEMA will notify levies as due and payable to:

- Operators of facilities, on the basis of the number and associated ratings of facilities (other than pipeline facilities) they are the registered operator of, plus no more than one facility SMS amount; and
- Pipeline licensees, on the basis of the number and associated ratings of pipelines they are the licensee of, plus no more than one pipeline SMS amount.