



Proper application of change management processes

What happened?

Recent inspections conducted by NOPSEMA have raised concerns regarding the proper application of the management of change (MoC) control measure. This has resulted in seven recommendations and one Improvement Notice over the past six months. This is important because it is an offence to act in a manner contrary to the in force environment plan (Regulation 7).

The following is a summary of the deficiencies identified which led to enforcement:

- Failure to submit a proposed revision of an environment plan for a new stage of an activity (extending a seismic survey from 30 days to 55 days).
- Failure to implement a management of change process before a new stage of the activity commenced.
- Inadequate justification for altering or removing an environmental performance standard in the accepted environment plan.
- Failure to properly consider a series of increases, or a series of new environmental impacts and risks arising from changes to the activity made over time.
- Failure to report a breach of an environmental performance standard after realising that the standard does not, or cannot, monitor the level of performance set in the environment plan.
- Increased the volumes and frequencies of planned discharges of production fluids beyond the scope of the activity described in the accepted environment plan.
- Changes to the wording of environmental performance standards in a way that materially degrades or diminishes the level of performance set for control measures that manage environmental impacts and risks.

In most cases, NOPSEMA inspectors found that titleholders manage change through partial or simplistic environmental assessments that are different to the assessments completed for the submission of the environment plan. Critically, MoC procedures do not consider the change in the context of the demonstration of impacts and risks to levels that are acceptable and as low as reasonably practicable (ALARP) in the environment plan in force. Furthermore, they do not consider changes that may alter the basis upon which the environment plan was accepted.

In respect of Regulation 17 which covers revisions to environment plans, NOPSEMA inspectors have found a wide variety of application with a particular failure to distinguish between revision triggers of Regulation 17(5) and Regulation 17(6). This is particularly prevalent for the requirement to have a revised environment plan accepted prior to commencing a significantly modified, or a new stage of an activity (Regulation 17(5)).

What could go wrong?

NOPSEMA is particularly concerned about inadequate or poorly applied MoC procedures which fail to continually identify and reduce environmental impacts and risks to levels that are ALARP. As a result, a titleholder may fail to meet the agreed level of protection afforded to the environment resulting in significant threat to the environment. For example:

- diminishing the timeframes for implementation of control measures necessary for the timely control of a major oil spill
- exposing sensitive environments to levels of sound that may cause lethal or sub-lethal effects
- emitting or discharging harmful substances in excess of permitted quantities which significantly affect sensitive and important marine habitats
- interference or disturbance to other marine users
- being unaware of, or unable to adapt to, dynamic environmental circumstances leading to increased threat to the environment.

Key lessons

- All users of the environment plan need to be aware that the activity description provided in the accepted environment plan is the basis on which NOPSEMA accepted the document.
- The activity description provided in the submission must clearly identify the boundaries and limitations that define the scope of the activity, including the stages of the activity.
- Titleholders should implement the rigorous methods of environmental assessment applied in the accepted environment plan when implementing MoC processes.
- Titleholders should have comprehensive records of their consideration of Regulation 17 for each change.
- Titleholders should demonstrate continuous reduction of impacts and risks to ALARP and acceptable levels by appropriately applying MoC processes to incremental improvements.
- NOPSEMA expects that, where possible, titleholders implement MoC processes prior to a change occurring to allow for exploration of alternative management options.

The legislation

Regulation 17(5) requires that a titleholder must submit a proposed revision of the environment plan before the commencement of any significant modification or new stage of the activity that is not provided for in the environment plan currently in force.

Regulation 17(6) requires that a titleholder must submit a proposed revision of the environment plan for an activity before, or as soon as practicable after:

- (a) The occurrence of any significant new environmental impact or risk, or significant increase in an existing environmental impact or risk, not provided for in the environment plan in force for the activity; or
- (b) The occurrence of a series of new environmental impacts of risks, or a series of increases in existing environmental impacts of risks, which, taken together, amount of the occurrence of:
 - i. A significant new environmental impact or risk; or
 - ii. A significant increase in an existing environmental impact or risk;

that is not provided for in the environment plan in force for the activity.

References

NOPSEMA Environment Plan Assessment Policy – Section 6

<http://www.nopsema.gov.au/assets/Policies/N-04750-PL1347-Environment-Pan-Assessment-Policy-Rev-4-October-2015.pdf>

Contact

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