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"We will keep working to identify opportunities and address challenges felt by industry so that we realise our vision of a safe and environmentally responsible offshore petroleum industry."

Jane Cutler, CEO NOPSEMA

From the CEO

The sixth and final issue of *the Regulator* for 2012 heralds the festive break and, for many of us, time for rest and relaxation with family and friends. At NOPSEMA, this issue also marks the end of a year of transition and consolidation.

We have grown to more than 100 staff to maintain our focus on inspections, assessments and enforcement while keeping a busy schedule of stakeholder activities. In doing so, we have adhered to policies and processes that remain within the law and maintain our independence. We will keep working to identify opportunities and address challenges felt by industry so that we realise our vision of a safe and environmentally responsible offshore petroleum industry.

In reviewing 2012, I am reluctant to characterise our first year as NOPSEMA simply as one of success or struggle. Clearly there is more work ahead for all of us. Over a four day period in August, the authority responded to the deaths of two offshore workers on the Stena Clyde MODU facility in the Bass Strait and recorded the successful prosecution of PTTEP AA over the 2009 Montara blowout. We can expect an increasing community focus on offshore activities and the regulator in light of these accidents. Our respective commitments and effort will continue to be measured against offshore safety and environmental performance.

We have been held accountable in addressing the challenges that accompanied NOPSEMA's establishment in 2012 and we will continue to hold industry to account for reducing risks to lives and the environment. This issue of *the Regulator* addresses some myths and misconceptions about NOPSEMA's role and functions and the responsibilities and entitlements of industry, the offshore workforce and other stakeholders. The poem on page two is widely available on the internet. As you read it, I encourage you to reflect, whether you work in an office or on an offshore facility, on any opportunities you may have missed. Use this to build your resolve to keep yourself and others safe. Best wishes for the festive season and 2013.



Jane Cutler, CEO





"I could have saved a life that day"

I could have saved a life that day,
It wasn't that I didn't care,
I had the time, and I was there.

...But I didn't want to seem a fool,
Or argue over a safety rule.

I knew he'd done the job before,
If I called it wrong, he might get sore.
The changes didn't seem that bad,
I've done the same, he knew I had.

So I shook my head and walked on by,
He knew the risks as well as I.

He took the chance, I closed an eye.

And with that act, I let him die.

I could have saved a life that day,
But I chose to look the other way.

Now every time I see his wife,
I'll know I should have saved his life.

That guilt is something I must bear,
But it isn't something you need share.

If you see a risk that others take,
That puts their health or life at stake.

The question asked, or thing you say,
Could help them live another day.

If you see a risk and walk away,
Then hope you never have to say,
I could have saved a life that day,
But I chose to look the other way.

Attributed to Don Merrell





Diving activities

MYTH: *If diving activities are addressed in an approved diving project plan (DPP) and a NOPSEMA accepted Diving safety management system (DSMS), an operator of a facility does not need to address diving-related activities, hazards, risk assessment and control measures in their facility safety case in order to conduct diving activities at or near their facility.*

If an operator of a facility intends to have a diving contractor conduct offshore petroleum diving operations at or near a facility (including a pipeline), the safety case in force for that facility needs to adequately provide for that diving activity. The legislation makes no concessions, with respect to the safety case content requirements, on the basis that some aspects of diving may be addressed in the DPP and/or DSMS.

MYTH: *The operator of a diving project is the operator of the vessel from which diving takes place.*

The operator of a diving project is the operator of the facility being worked on by the divers, irrespective of where the diving is being conducted from. This includes pipelines that are facilities.





Raising the bar?

MISCONCEPTION: *NOPSEMA has unfairly raised the bar on environment plan requirements.*

Since 1 January 2012, NOPSEMA has regulated environmental management of offshore oil and gas activities in Commonwealth waters. NOPSEMA has not been arbitrarily ‘raising the bar’ on requirements for environment plan submissions. We apply a consistent approach to regulation across Commonwealth waters and ensure that operators comply with what the law requires. For some industry stakeholders, this has felt like the rules have changed overnight. In fact, there’s nothing new about industry being made responsible for planning for, and demonstrating, good environmental management in compliance with the law.

The authority continues to inform industry about NOPSEMA’s application of the regulatory requirements and deficiencies that have been identified across environment plan submissions to NOPSEMA. The objective of this engagement is to support industry’s submission of environment plans that comply with the *Offshore Petroleum Greenhouse Gas Storage Act* (Environment) Regulations and deliver responsible environmental outcomes.

Since October 2011, NOPSEMA has been advising operators to make EP submissions to NOPSEMA in a timeframe that allows modification and resubmission. Companies can avoid unnecessary costs and delays by allowing sufficient time for environmental assessment processes, consistent with industry’s planning for safety case submission and acceptance.

NOPSEMA notes comments in recent industry publications regarding assessments by previous regulators taking “only days instead of weeks and even months”. Previous designated authorities have indicated they had advised industry to allow at least 30 days for a seismic EP, 60-90 days for a drilling EP and longer for production activity EPs. This is in line with NOPSEMA’s experience and [assessment timeframes](#) published on the NOPSEMA website.

Self regulation?

MISCONCEPTION: *Objective-based regulation means industry self-regulation.*

The Government response to the Montara Commission of Inquiry refers to the Australian offshore regulatory regime as objective or performance-based, which:

- makes the operator of an offshore facility responsible for the safe and effective operation of that facility
- places the onus on the offshore industry to ensure and demonstrate to regulators that the risks of an incident relating to oil and gas activities are reduced to a level that is ‘as low as reasonably practicable’ (ALARP).

Objective-based (or goal setting) regulation, including the safety case regime administered by NOPSEMA, is based on the principle that the legislation sets the broad safety goals to be attained and the creator of the risk is responsible for managing the risk and develops the most appropriate methods of achieving those goals.

This does not mean industry regulates itself. Rather, industry must demonstrate to NOPSEMA in its submissions – and NOPSEMA must assess and accept or reject – that industry has reduced the risks of an incident to a level that is ALARP in order to conduct petroleum activities. NOPSEMA then inspects facilities for compliance against the commitments in a safety case, environment plan or well operations management plan.



Image courtesy of Maersk



Attitude and safety

MISCONCEPTION: *If only people would have the right attitude, they would always work safely.*

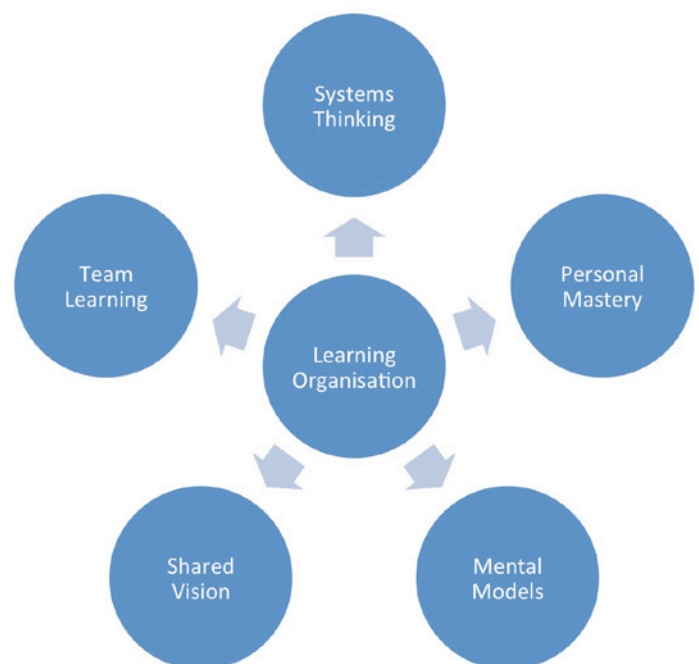
How often, when hearing about an incident or near miss, do we think that the person involved was a bit stupid, or had a poor attitude? This kind of thinking is known as the Fundamental Attribution Error. That is, when explaining the behaviour of others, we tend to overestimate the effect of internal factors, and underestimate the effect of external factors on that behaviour.

Why do we think this way? It might be that this type of thinking provides us with some form of psychological protection from the threat of a similar incident – “It can’t happen to me because I value safety!” Or at an organisational level, “Our systems are fine. Our workers attitudes are the problem!”

The error is prevalent and often leads to the adoption of attitudes-based safety programs.

Attitudes influence planned behaviour, such as wearing a harness, and should be addressed in safety improvement strategies. The problem with adopting a purely attitudes-based safety approach, however, is that it ignores what we know about the failure mechanisms of the brain. Accepted science tells us that people will experience attention failures, memory lapses, slips of action and mistakes based on incorrect knowledge or experience. None of these failures can be explained by attitudes alone and none of them can be eliminated in the workplace. Attitudes-based safety approaches are unlikely to mitigate most of these failure mechanisms. While they may affect deliberate violations, even these often occur in response to external pressures rather than internal attitudes.

Learning organisations avoid the fundamental attribution error by recognising the range of failure mechanisms of the brain and the role of external factors in those failures. They design error-tolerant systems based on where errors are most likely to occur. Further, they view each incident and near miss as an opportunity to learn something about their systems, assets, or culture, rather than blaming individual attitudes. Finally, they recognise that safety attitudes are most effectively fostered through genuine leadership practices and leading by example at all levels of the organisation, every day.





Inspector medicals

MISCONCEPTION: *NOPSEMA inspectors need to meet all of the operator's medical examination and induction requirements before going offshore to conduct an inspection.*

Inspectors have powers under the OPGGS Act to conduct inspections of facilities and other locations and the operators are legally obliged to provide the inspectors with reasonable assistance, including transport to and from the facility. NOPSEMA arranges for its inspectors to regularly undergo medical examinations to gain assurance for itself that inspectors are fit for work. In relation to inductions, NOPSEMA inspectors, at their discretion will attend operator inductions only for those sessions which are directly relevant to the inspection planned. This typically includes less than half a day of office or computer-based induction and possibly a short facility-based induction upon arrival offshore. The parts of an induction covering, for example, permit to work, lock-out and tag-out and portable gas detection, typically will not be attended by inspectors unless these elements are also scope items of the planned inspection.

Pipeline operators

MYTH: *The nomination of an operator of a pipeline facility can be made before a pipeline licence is issued.*

A pipeline is defined in Schedule 3 of the Act as a facility only if it is subject to a pipeline licence. In order for NOPSEMA to accept a nomination for the operator of a facility that is a pipeline, NOPSEMA would require evidence of a pipeline licence. As such, the pipeline licence must be granted (typically by the joint authority) before an operator for that pipeline facility can be nominated. Note that for the purposes of operator registration of a pipeline facility, the pipeline licence number must be included in the registered facility name.



HSRs and inspections

QUESTION: *How are health and safety representatives (HSRs) involved in NOPSEMA inspections?*

During planned inspections, NOPSEMA OHS inspectors meet with HSRs to discuss how workforce consultation processes are working and to provide guidance on developing productive working relationships between the HSR, the workforce and facility management. During the discussions with an HSR, a NOPSEMA inspector may also provide clarification and advice on OHS matters. Inspectors mostly meet with HSRs on a facility or in an operator's office. (e.g. for inspections of pipelines and not normally manned platforms). NOPSEMA's inspection policy explains the process in more detail.

HSRs may find it useful to prepare for a planned inspection by discussing with other HSRs on the facility any issues to raise with the NOPSEMA inspector. This may include referring to copies of health and safety committee meeting minutes and the close-out status of issues and actions. HSRs may organise time to do a 'walk-around' with the inspector on the facility, as part of their legislated powers (OPGGSA, Schedule 3, Clause 34 (iv)).

Following a planned inspection at a facility, NOPSEMA will issue a copy of the inspection report to the operator of the facility and to other persons specified in the legislation. The facility operator is required to provide a copy of the report to safety committees and HSRs at the facility as applicable (OPGGSA, Schedule 3, Clause 80).

EP consultation

QUESTION: *Should operators include NOPSEMA as a "relevant person" in consultation for an environment plan?*

No, as an independent regulator for petroleum activities in Commonwealth waters and in coastal waters where state and Northern Territory functions have been conferred, NOPSEMA should not be considered a relevant person for the purposes of consultation for environment plan preparation.

NOPSEMA will, however, conduct operator liaison meetings with petroleum activity operators. Liaison meetings are an important mechanism for the provision of advice to the operator, particularly in relation to submissions for assessment. Liaison with prospective operators during the early stages of project development is also encouraged. (For further information, refer to NOPSEMA's [Operator liaison policy](#) available from the NOPSEMA website.)

The OPGGS Act Environment Regulations include requirements to consult with Commonwealth and state/ Northern Territory departments to which the activity may be relevant, and with people or organisations whose functions, interests or activities may be affected by the activity. Regulation 11A requires that the operator provides sufficient information and a reasonable period to carry out this consultation.



Regulation 16(b) requires the operator to include within an environment plan:

- a summary of each response made by a relevant person
- an assessment of the merits of any objection or claim about the adverse impact of each activity to which the environment plan relates
- a statement of the operator's response or proposed claim, if any, to each objection or claim
- a copy of the full text of any response by a relevant person.



Activity and performance

As at 18 December 2012

Disclaimer: Data presented here may vary as further information becomes available.

Assessments

The number of assessments submitted in November decreased primarily due to less well activity applications.

SUBMISSIONS		2012		
Assessment type	Submissions subtype	Sep	Oct	Nov
Diving safety management system	New	1	1	0
	Revision	0	1	1
Diving start-up notice	Not applicable	0	1	3
Environment plan	New	13	4	10
	Revision	1	1	1
PSZ Application	New	1	1	1
	Renewal	0	1	0
Safety case	New	1	6	1
	Revision	7	7	6
Scope of validation	Not applicable	2	6	5
Well activity application	Not applicable	11	26	9
Well operations management plan	New	4	3	1
TOTAL		41	58	38

All assessments were notified within regulated timeframes. Four assessments were rejected in November.

		Accepted / agreed / advised			Rejected / refused / not accepted / declined			% Notified within time regulations		
NOTIFICATIONS		2012			2012			2012		
Assessment type	Submissions subtype	Sep	Oct	Nov	Sep	Oct	Nov	Sep	Oct	Nov
Diving safety management system	New	0	1	0	0	1	0	-	100%	100%
	Revision	0	1	0	0	0	0	-	100%	-
Diving start-up notice	Not applicable	0	1	2	0	0	1	-	100%	100%
Environment plan	New	5	4	2	0	0	0	100%	100%	100%
	Revision	0	0	1	1	0	0	100%	-	100%
PSZ application	New	0	1	2	0	0	0	-	100%	100%
	Renewal	0	0	1	0	0	0	-	-	100%
Safety case	New	0	0	0	0	0	0	-	100%	-
	Revision	4	8	7	2	0	2	100%	100%	100%
Scope of validation	Not applicable	2	4	4	0	1	0	100%	100%	100%
Well activity application	Not applicable	20	13	19	0	0	1	100%	100%	100%
Well operations management plan	New	2	5	1	0	0	0	100%	100%	100%
	Variation	1	0	0	0	0	0	100%	-	-
TOTAL		34	38	39	3	2	4	100%	100%	100%

Note : In some instances, a single assessment may be submitted for multiple facilities.

ATBA – area to be avoided

PSZ– petroleum safety zone



Inspections

The number of planned inspections conducted can fluctuate according to operator activities. Multiple pipelines were inspected during three offshore pipeline inspections in November.

TYPE	2011			2012										
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Facilities/activities inspected	12	11	6	5	7	11	7	13	19	5	50	5	10	20

Complaints

TYPE	2011			2012										
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
OHS complaints	0	2	0	1	2	0	1	2	1	2	0	0	0	0

Injuries

None of the injuries reported in November was a lost time injury.

TYPE	2011			2012										
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
INJURIES														
Lost time injuries (LTI >1 day)*	2	4	2	0	0	1	3	1	2	2	6	2	1	0
Alternative duties injuries (ADI)	2	2	3	1	2	6	4	2	4	2	1	3	1	3
Medical treatment injuries (MTI)	4	7	3	4	5	2	1	4	4	2	0	4	4	6
Total recordable cases (TRC)	8	13	8	5	7	9	8	7	10	6	7	9	6	9
* LTI incl. lost time injuries less than 3 days														

As reported under OPGGS(S) Regulation 2.42. (injury summaries submitted not less than 15 days after the end of each month)

Enforcements

Five enforcement actions were taken against three operators in November; three improvement notices were issued for safety issues with electrical equipment in hazardous areas and two written warnings were issued for failure to notify NOPSEMA of a reportable environmental incident.

ENFORCEMENT ACTION TYPES	2011			2012										
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Direction – general	0	0	0	0	0	4	0	0	0	0	0	0	0	0
Do not disturb notice	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Improvement notice	5	1	11	4	2	1	2	6	3	0	1	5	23	3
Intent to withdraw SC acceptance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prohibition notice	3	0	0	0	0	1	0	0	0	0	0	0	0	0
Request for revised SC	0	0	0	0	0	0	0	0	0	1	0	0	0	0
Request for revised EP	0	0	0	0	2	0	0	0	0	1	0	0	0	0
Verbal advice / warning	0	0	0	0	0	0	1	0	0	0	0	0	0	0
Withdrawal of acceptance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Written advice / warning	0	0	1	1	1	3	2	1	0	1	1	0	2	2
TOTAL	8	1	12	5	5	9	5	7	3	3	3	5	25	5

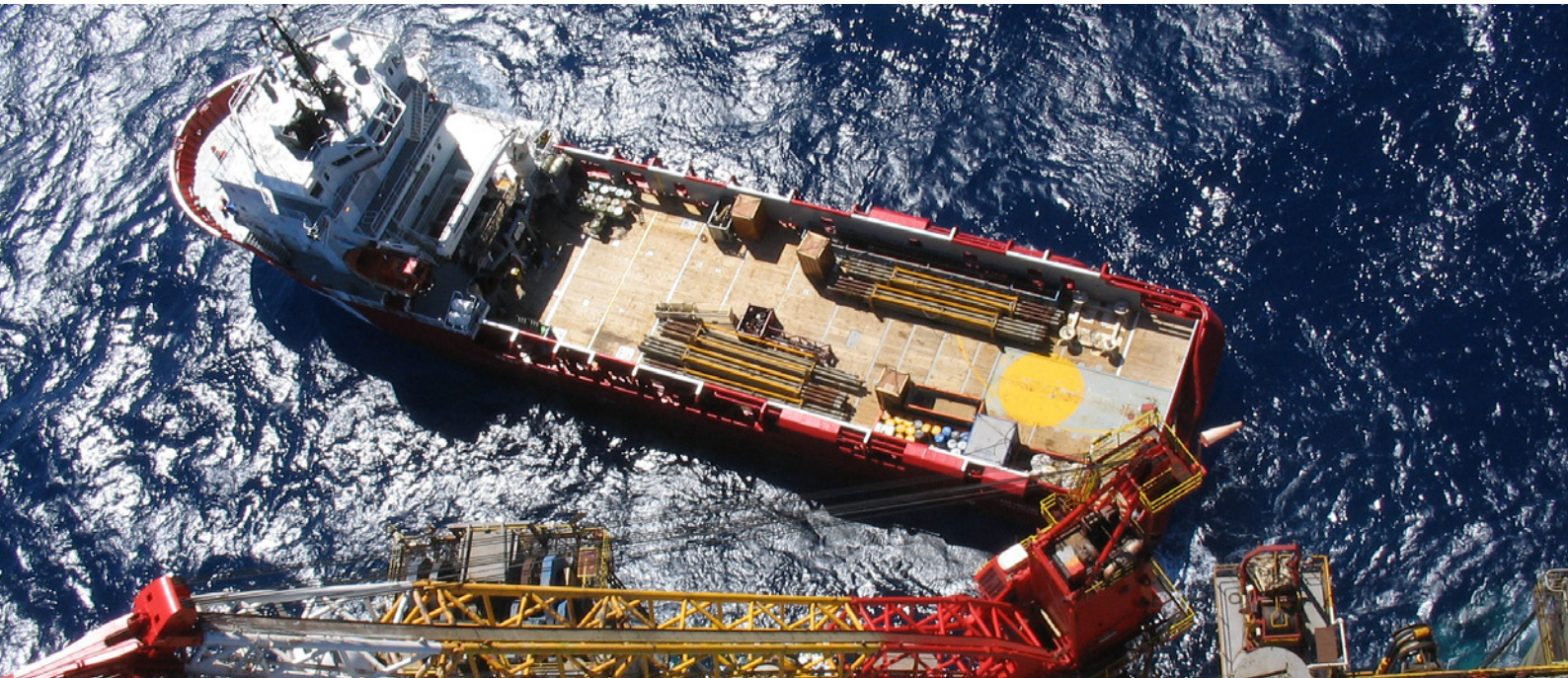
SC – safety case
EP – environment plan



Notifications received

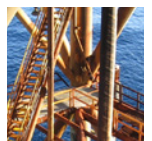
INCIDENT TYPE		2012		
		Sept	Oct	Nov
Accidents and dangerous occurrences	Death or serious injury	1	0	0
	Incapacitation >= 3 days LTI	0	1	0
	Accidents Total	1	1	0
	Could have caused death or serious injury	6	3	3
	Could have caused incapacitation >= 3 days LTI	2	2	2
	Fire or explosion	0	1	0
	Collision marine vessel and facility	0	0	1
	Uncontrolled HC release >1 - 300 kg	0	1	2
	Uncontrolled HC release >300 kg	0	0	0
	Uncontrolled PL release >80 - 12 500 L	0	0	0
	Unplanned event - implement emergency response plan	1	2	7
	Damage to safety-critical equipment	6	9	11
	Other kind needing immediate investigation	15	12	3
	Pipeline - kind needing immediate investigation	0	0	0
	Dangerous occurrences total	30	30	29
Accidents and dangerous occurrences total		31	31	29
Reportable environmental incidents	Hydrocarbon / petroleum fluid release	1	1	0
	Chemical release	0	0	1
	Drilling fluid / mud release	1	0	0
	Fauna incident	0	1	0
	Other	1	0	0
Reportable environmental incidents total		3	2	1
Not reportable incidents	A&DO - not notifiable	6	3	5
	A&DO - exercise	0	0	0
	EM - not notifiable	0	0	1
	EM - exercise	0	1	0
	Other non reportable	0	0	1
Not reportables total		6	4	7
GRAND TOTAL		40	37	37

HC – hydrocarbon
 PL - petroleum liquid
 EM – environmental management
 A&DO - accidents and dangerous occurrences



Upcoming events

- February 2013 Environmental management workshop, Perth
- 6 - 7 February 2013 IChemE Human factors in health and safety professional development programme, Perth
- 6 March 2013 Marine safe forum, Perth
- 7 March 2013 DrillSafe forum, Perth
- 8 - 12 April 2013 SPILLCON conference and offshore petroleum oil spill preparedness forum, Cairns



Feedback

NOPSEMA welcomes your comments and ideas on offshore health and safety regulation, NOPSEMA's role and your preferred communication methods and publications. 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 from NOPSEMA's website at nopsema.gov.au.

NOPSEMA's subscription service

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.

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