



Guideline

Replacement of a Registered Operator for a Facility or Pipeline

1 Introduction

This guideline is directed to owners and operators contemplating a replacement of an operator at an operating facility to ensure practical resolution of issues associated with both meeting and transferring of the statutory obligations. Such a replacement might arise from a transfer of ownership of the facility.

2 Scope of this Guideline

All owners and operators need to be aware and have an understanding of what their roles and responsibilities are in relation to replacing a registered operator of a facility.

The guideline addresses the removal of the existing operator from NOPSA's Operator Register and the nomination and registration of a replacement operator. It also addresses the likely requirement for a Safety Case (SC) revision due to the introduction of a new Safety Management System (SMS) to be utilised by the replacement operator.

The Guideline considers the requirements for facilities under the *Offshore Petroleum (Safety) Regulations 2009 (OPS Regulations)* made under the Commonwealth's Offshore Petroleum and Greenhouse Gas Storage Act 2006 (OPGGSA) and for similar regulations made under the relevant legislation applicable to the States and Northern Territory.

3 Key Principles

The following regulatory requirements form the key principals for this guideline.

- **There can be only one operator at any point in time.**
[Both the OPGGSA Schedule 3 and the associated Regulations place OHS obligations on 'the operator'. There is no contemplation of a situation where more than one operator can operate a facility at any one time.]
- **Only the current facility owner or titleholder may nominate a person to be the operator for a facility.**
[OPS Regulation 2.1.]
- **Only the current operator of the facility may submit the SC or revised SC to the Authority for that facility.**
[OPS Regulations 2.24 and 2.30]
- **A revision of the SC for the facility is required if the replacement operator proposes a new SMS**
[OPS Regulation 2.30 (1)(d).]

4 Removal of Existing Operator and Registration of the New Operator

The management of the removal of the existing operator and the registration of a new operator requires an agreed time for the replacement such that there is no period where there is neither no registered operator nor more than one registered operator. The recommended procedure is as follows:

- (i) The existing operator/titleholder/facility owner requests that the existing operator be removed from the register at a specified future date, and

- (ii) The existing titleholder/facility owner nominates the replacement operator and requests registration to occur at the same specified future date.

This arrangement can be facilitated by the involved parties utilising the combined request for removal and operator nomination form which provides for a specified date for the operator replacement to occur. That agreement would involve the titleholders or facility owner and the nominated replacement operator. (See attached Form.)

5 Revision to the Facility Safety Case

There would normally be a requirement to revise the SC applicable to the facility when the registered operator is to be replaced. This is likely to be due to a change in the Safety Management System (SMS) which would apply to the facility [*OPS Regulation 2.30 (1)(d)*].

NOPSA recommends the following procedure be applied to effect a timely and effective revision to the SC for the facility.

- (i) The existing operator and the replacement operator should agree on any transitional arrangements to address changes in the operation which may impact the safe operation of the facility.
(For instance these might describe the change in the organisation arrangements and how the new operator's SMS will be introduced. These transitional arrangements might also provide for some additional safeguards to apply during the transition period.)
- (ii) It is recommended that these transitional arrangements be addressed in the revision to the SC.
- (iii) The existing operator of the facility makes the submission of a revised safety case (i.e. the existing operator makes the submission for, or on behalf of, the replacement operator). The submission should specify that the revised SC is to apply once the existing operator is removed from the register.
- (iv) The revised SC would need to be submitted with sufficient time, at least 30 days prior to the date for the replacement of the operator so that the SC can be in force (i.e. accepted by the Safety Authority) at time that the replacement operator commences day to day management and control.
(This is to ensure that the operator does not commit an offence under *OPS Regulation 2.45*. This regulation requires that a person must not operate a facility 'in a manner that is contrary to ... the safety case in force for the relevant stage in the life of the facility'.)

- (v) The Safety Authority can accept the revised SC with the condition that it does not take effect until an agreed future date. (This could be the same date on which the replacement operator assumes day to day management and control of the facility.)

6 Related Documents

N-01000-FM0617 – Removal of Existing Operator and Replacement Registration: Facility Application

N-01000-FM0618 - Removal of Existing Operator and Replacement Registration: Pipeline Application