



PIPELINE SAFETY MANAGEMENT PLAN (PSMP) ASSESSMENT

POLICY

Approved for
Publication

1. Purpose

This policy relates to Pipeline Safety Management Plan (PSMP) assessment and should be read in conjunction with N-04400-SOP0223 – Pipeline Safety Management Plan (PSMP) Assessment.

This policy document provides an overview of the general principles the National Offshore Petroleum Safety Authority (NOPSA) applies when undertaking an assessment of a Pipeline Safety Management Plan. This policy has been drafted with consideration of the relevant legislation. The purpose of this policy is to provide a documented, systematic and consistent approach for the conduct of an assessment of a Pipeline Safety Management Plan.

2. Scope

This policy applies to the assessment by NOPSA of the safety aspects of Pipeline Management Plans (PMP) submitted to the Minister (i.e. the relevant Designated Authority) by licensees of pipelines located in designated coastal waters, and subsequently passed to NOPSA, as required by relevant State legislation.

Definitions and abbreviations used in this document can be found in NOPSA's Glossary of terms for Regulatory Operations (N-09000-GL0326 Glossary – Regulatory Operations).

3. Relevant Legislation

Western Australian Petroleum (Submerged Lands) (Pipelines) Regulations 2007

Victorian Petroleum (Submerged Lands) Regulations 2004

It should be noted that dependant on the location of a pipeline, State or Territory legislation may apply which may or may not mirror the Commonwealth legislation.

The Commonwealth *Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009* require a safety case for a facility that is a pipeline located in Commonwealth waters, to be submitted by the operator to NOPSA for review.

The legislation currently applicable in Victorian and Western Australian designated coastal waters requires that a PMP be submitted by the licensee to the Minister for review. The Minister must in turn pass the PMP to NOPSA for review of the safety aspects of that plan (the PSMP). Since this policy is applicable to Pipeline Safety Management Plan assessment and the Northern Territory legislation applies Commonwealth legislation as if it were the legislation of the Northern Territory, the policy will only reference relevant State legislation.

4. PSMP Assessment Policy

The objective of the Western Australian *Petroleum (Submerged Lands) (Pipelines) Regulations 2007*, and the Victorian *Petroleum (Submerged Lands) Regulations 2004* is to ensure that over the operating life of offshore pipelines that are for use in conveying petroleum, licensees for the pipelines use systems, work practices and procedures to ensure that:

- the pipelines are designed, constructed, operated and modified in ways that are suitable for the purposes for which the pipelines are to be used;
- proposals for decommissioning pipelines are suitable for the purposes for which they are made; and
- the risks of significant pipeline accident events (SPAЕ) and the risks to the integrity of the pipelines are reduced to levels as low as reasonably practicable.

PSMP assessment forms one part of NOPSA's overall strategy for ensuring compliance with the legislation and promoting health and safety in relation to offshore petroleum related activities. In addition, information gained from inspection, audit and investigation may be used to support assessment. NOPSA will continue to build on its knowledge and experience of dealing with the pipeline licensees in order to help it assess each subsequent PSMP. PSMP assessment is not an isolated or "one-off" process, but forms part of an on-going compliance strategy.

4.1 For the purposes of assessment, NOPSA will assume that information submitted by the pipeline licensee in the PMP is correct

In general, a fundamental assumption will be made that the information provided by the pipeline licensee in the PMP is correct. However, the correctness of the information may be questioned, and the information verified either by a facility visit or by review of further information, if there are doubts or concerns as to its accuracy. Information will be verified during subsequent inspection processes, for example, if it describes non-standard practices, if it conflicts with other information, or if the veracity of the information is critical to control of risk.

4.2 The adequacy of the PSMP will be assessed based on the content of the submission, supplementary information, investigations and information from previous facility inspections, audits and assessments

The Lead Assessor will, during PSMP assessment, take into account any site inspection activities, prior observations, and information from previous relevant assessments.

The Lead Assessor may request additional information from the pipeline licensee via the Minister (the relevant Designated Authority) to assist with the assessment.

4.3 The basis of NOPSA's assessment

NOPSA's acceptance decision will be based on an assessment of whether the PSMP is appropriate for the pipeline and the activities conducted on the pipeline, and that it appropriately and adequately provides for the health and safety of persons at or near the pipeline.

4.4 The PSMP must demonstrate that risks are reduced as low as reasonably practicable

The conclusion of the PSMP must be that the health and safety risk to people at or near the facility is as low as reasonably practicable (ALARP).

The demonstration that all health and safety risks associated with significant pipeline accident events and other risks to the integrity of the pipeline are ALARP, lies with the PMP as a whole. NOPSA will review the management of pipeline integrity where it considers there to be a health and safety risk to persons arising from a significant pipeline failure event. NOPSA will work closely with the relevant Minister (or the relevant Designated Authority) that has the general pipeline integrity responsibility. There needs to be a clear linkage between the hazard identification, the evaluation of the risks, the assumptions, the control measures in place or proposed, and the ALARP demonstration. The PSMP should detail the range of additional risk control measures considered and the reasons for implementation or rejection of each.

4.5 The PSMP must demonstrate that the Safety Management System is comprehensive and integrated

The “case for safety” for the pipeline should include a demonstration that the SMS is comprehensive and integrated in the sense that it:

- covers all activities on the pipeline as defined by the description of the pipeline
- has the appropriate structure and processes to foster continual improvement on safety performance; and
- covers the management of critical risk control measures.

4.6 PSMP assessments may be subjected to technical review

NOPSA may conduct a technical review of aspects of the PSMP to assist in managing risk of inappropriate assessment findings or recommendations. Technical review would:

- confirm sound technical judgement has been used during the assessment process;
- assist in ensuring consistency of technical judgement within and between assessments; and
- ensure NOPSA processes and guidance has been followed.

4.7 Revisions to an existing PSMP

Assessments of revisions to the PMP/PSMP will focus primarily on the changes from the previous PMP/PSMP. However, if shortcomings (e.g. performance standards) come to light in the assessment they will also be addressed.

4.8 Scope of Validation

The Regulations require a validation of the pipeline proposal before the consent to construct and operate can be given by the Minister and require the pipeline licensee to agree the Scope of Validation with the Minister prior to making the application to construct and operate.

While the Minister has primary responsibility for the Scope of Validation, the Lead Assessor may wish to be satisfied that validations exist for any aspects where NOPSA has concerns regarding the health and safety of persons at or near the pipeline.

4.9 Negative Decisions

NOPSA may accept, refuse to accept, partially accept, or notify the Minister that it is unable to make a decision. NOPSA is required to notify the Minister in writing of its decision, and the reasons for any refusal.

If NOPSA is unable to make a decision on the PSMP, NOPSA must, under the notice given to the Minister, propose a timetable for consideration of the PSMP and provide a description any further information it requires in order to further consider the PSMP.