



Q & A

Varanus Island – NOPSA's role in providing regulatory support

Background on NOPSA

1. Q What is NOPSA's role?

NOPSA is the occupational health and safety (OHS) regulator for the Australian offshore petroleum industry. NOPSA is a Commonwealth statutory agency that regulates under the *Offshore Petroleum Act 2006* in Commonwealth waters and designated coastal waters of the States and Northern Territory, where powers have been conferred to do so.

2. Q How long has NOPSA been in operation?

NOPSA began operating on 1 January 2005 after changes were made to legislation to enhance the occupational health and safety (OHS) regime in Australia.

The Ministerial Council on Mineral and Petroleum Resources (MCMPR), comprising the Commonwealth Minister for Resources and Energy and relevant State and Northern Territory ministers, identified the need for a consistent national approach to safety regulation, and endorsed a 'safety case' approach and a legislative framework that was clear and enforceable – this led to the formation of NOPSA which now regulates occupational health and safety through the safety case regulatory regime on facilities and diving operations in Commonwealth waters.

3. Q What is a safety case and how does this work in relation to health and safety regulation by NOPSA?

The safety case is a regulatory requirement that forms part of the duty of care regime. The safety case documents the operator's commitments to reducing risks to a level that is as low as reasonably practicable. It is a document that describes the facility, provides details on the hazards and risks associated with the facility, the risk controls and the safety management system that will be used to minimise the risks. NOPSA assesses the operator arrangements in its decision to accept or reject the safety case. Once a safety case is accepted by NOPSA, the risk management commitments made by the operator must be complied with. These commitments are then verified by NOPSA during inspections of facilities.

Safety cases have proved effective in regulating safety in many complex, high risk activities, such as hydrocarbon processing facilities.

4. Q What are the powers of NOPSA in carrying out investigations?

The powers of NOPSA’s occupational health and safety (OHS) inspectors are set out in the Offshore Petroleum Act of 2006. Currently they include the powers of entry and search and the inspection and taking of extracts or making copies of documents.

NOPSA has the power to require people at offshore petroleum facilities to answer questions. There are penalty provisions if a person does not comply.

5. Q Does NOPSA have enforcement power?

NOPSA and its inspectors have powers to assess safety cases and similar documents, inspect facilities and undertake investigations of incidents. Inspectors can issue various enforcement notices and institute proceedings with the Director of Public Prosecutions.

6. Q Is it reasonable to expect that planned inspections should prevent major accident events due to equipment failure, corrosion or general lack of facility integrity?

Planned inspections by NOPSA verify the risk management commitments of the operator as specified in its safety case. Planned inspections provide assurance that the operator is discharging its responsibility to manage risks to as low as reasonably practicable, based on the accepted safety case.

NOPSA’s planned inspections do not physically inspect every portion of the facility – rather they operate on a quality assurance basis. Planned inspections are a sampled evaluation of the safety systems used by the operator to manage the risks associated with the facility.

The operator is responsible for ensuring compliance with the safety management systems, including facility integrity, as laid out in its safety case.

Varanus Island Incident Investigation – NOPSA's support to DoIR

1. Q Which agency has regulatory authority over facilities on Varanus Island?

Petroleum activities on Varanus Island are covered by the WA Petroleum Pipelines Act 1969. Responsibility for safety and health regulation under this Act is the responsibility of the WA Department of Industry and Resources (DoIR).

2. Q If DoIR is the regulator for facilities on Varanus Island, why is NOPSA carrying out inspections and investigations there instead of DoIR?

DoIR engaged NOPSA under a services contract to provide contractor services in relation to the regulation of safety and health in relation to the WA Petroleum Act of 1967 and the WA Petroleum Pipelines Act of 1969 (for pipeline licences on Varanus, Thevenard and the Airlie islands).

3. Q What is the connection between the earlier routine facility inspections carried out by NOPSA for DoIR at Varanus Island and the current investigation into the pipeline rupture and fire?

These two activities should not be confused – they are quite separate activities. The earlier routine planned inspections were focused on a sampled evaluation of the operator's systems to manage risks based on the safety case, accepted by DoIR, that cover Varanus Island and associated facilities. The operator is responsible for ensuring compliance with the safety management system laid out in its safety case. NOPSA conducts planned, routine inspections to verify the risk management commitments as specified in the safety case.

The current investigation is a specific investigation into an incident that has taken place on Varanus Island, where responsibility for safety and health regulation remains the responsibility of the regulator, DoIR, which is leading the investigation.

4. Q How long is the investigation expected to take?

It is expected to take about three months.

5. Q Who decides when the investigation is complete?

As the regulatory agency, DoIR is the decision-maker in this instance.

6. Q Does NOPSA have enforcement powers on Varanus Island?

No. In the case of Varanus Island, DoIR is the regulatory agency responsible for initiating any possible enforcement action.

7. Q Who is responsible for health and safety at the facilities on Varanus Island?

The gas plants on Varanus Island are subject to a licence under the WA Petroleum Pipelines Act 1969. Under this Act, a licensee shall secure the safety, health and welfare of persons engaged in operations in connection with the pipeline. The licence requires a safety case.