

Our ref: A395803  
Your ref: A473198



The Hon. Ian Blayney MLA  
Chairman  
Economics and Industry Standing Committee  
Parliament House  
PERTH WA 6000

Dear Mr ~~Blayney~~ *Ian*

**Re: Inquiry into Safety-related matters concerning FLNG facilities – Request for further information**

We refer to your letter of 17 November 2014 and advise that we are pleased to provide the further information requested. Please find our response attached.

We would like to thank the Committee for the opportunity to participate in the Inquiry.

Yours sincerely



Stuart Smith  
Chief Executive Officer

9 November 2014

## WA Economics and Industry Standing Committee – Inquiry into the Safety-related matters concerning FLNG facilities

### *Responses to request for further information*

On 12 November 2014 NOPSEMA appeared before the Western Australian Legislative Assembly Economics and Industry Standing Committee Inquiry into Safety-related matters relating to FLNG projects in Australian waters off the Western Australian coast. Please find response herein to the Committee's written request dated 17 November 2014 for further information.

### *Further information – Topic 1:*

*"During the hearing the Committee raised the issue of Western Australia's capacity to manage a significant offshore incident, and state-federal collaboration in the event of an offshore emergency. The Committee would be pleased if NOPSEMA would elaborate on the information provided at the hearing, particularly in relation to any assessment made on the capacity of the state's onshore facilities (such as firefighting, helicopter, search and rescue, medical and environmental capability) to cope with a significant incident offshore".*

While NOPSEMA does not have a role in assessing the overall capacity of the state's onshore support facilities, the assessment of arrangements for the response to an offshore emergency is undertaken on a case by case basis through assessments of Safety Cases [SC] for facilities and Environment Plans [EP] for petroleum activities.

*Firefighting, helicopter, search and rescue, medical facilities*, to the extent that they relate to the health and safety of personnel at a facility, are matters that are addressed by duties imposed on the *operators of facilities* under the Commonwealth *Offshore Petroleum and Greenhouse Gas Storage Act 2006* [OPGGSA].

In particular the *Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009* [OPGG(Safety) Regs] require that the SC for a facility must contain a detailed description of an 'evacuation, escape and rescue analysis' [EERA], and a 'fire and explosion risk analysis' [FERA] both of which form part of the formal safety assessment for a facility.

The EERA is concerned with:

- Identification of the types of emergencies and fires and explosions that could arise at the facility;
- Consideration of a range of: primary and alternate escape routes, procedures for managing the escape and rescue, means of and equipment for evacuation, escape and rescue, amenities and means of emergency communication to be provided in a temporary refuge, life-saving equipment; and
- Identification, as a result of such considerations, of technical and other control measures necessary to reduce the risks associated with emergencies to a level that is as low as reasonably practicable.

Similarly the FERA is concerned with:

- Identification of the types of fires and explosions that could arise at the facility;



- Consideration of a range of measures: for detecting, eliminating or reducing the risk arising from fires and explosions, incorporation into the facility of automatic and manual systems to detect, control and extinguish fires and leaks or escapes of petroleum, isolation and storing hazardous substances;
- Consideration of the EERA, in so far as it relates to fires and explosions; and
- Identification, as a result of such considerations of technical and other control measures necessary to reduce the risks associated with fires and explosions to a level that is as low as reasonably practicable.

The SC for a facility must also

- Describe a response plan designed to address possible emergencies, the risk of which has been identified in the formal safety assessment for the facility; and provide for the implementation of that plan; and
- Specify the medical and pharmaceutical supplies and services, sufficient for an emergency situation, which must be maintained on, or in respect of, the facility.

In terms of 'environmental capability', the OPGGSA and its Regulations require that the titleholder has adequate arrangements in place to respond to an oil spill event. Accordingly, titleholders cannot carry out an activity without an accepted EP, which must include an Oil Pollution Emergency Plan [OPEP].

Titleholders are responsible for setting out the arrangements and capability that will be in place, for the duration of the activity, to ensure implementation of control measures necessary for a timely response to an oil spill. Typically, this will include a tiered capability which draws upon titleholder, industry association and government resources.

## Further information – Topic 2:

***“The Committee is also interested in better understanding any formal or informal state–federal arrangements in place for inter-jurisdictional responsibility and cooperation in emergency situations”.***

NOPSEMA notes that it is not an emergency or pollution response agency. Rather, NOPSEMA's role in the event of an offshore incident includes monitoring the duty holder's response to the emergency, investigating the causes of the incident and taking appropriate enforcement action to secure compliance as necessary.

The principal formal arrangement for government coordination of a significant offshore petroleum incident is the Australian Government Crisis Management Framework, which identifies the Federal Department of Industry-led Offshore Petroleum Incident Coordination Committee (OPICC).

The Department of Industry [website](#) (at 2/12/2014) provides the following:

*“The Offshore Petroleum Incident Coordination Framework (the Framework) outlines the governance arrangements for the OPICC, including its purpose, membership and key protocols for member agencies.*

*The OPICC's purpose is to effectively coordinate Australian Government efforts and resources, and communicate to the public and affected stakeholders all matters relevant to a significant offshore petroleum incident in Commonwealth waters. The OPICC's roles and responsibilities are:*

- *providing leadership and strategic coordination in response to an incident;*



- developing and communicating a common operating picture on behalf of the Australian Government;
- reporting to relevant Ministers and governments on the conduct and associated risks of emergency and response operations;
- developing and implementing a whole-of-government approach to media management in response to the incident;
- developing and implementing a whole-of-government approach to community engagement in response to the incident; and
- providing support to the Control Agency as required.

The Framework recognises and is intended to interface with other emergency incident response/coordination frameworks, including titleholders' Oil Pollution Emergency Plans, the National Plan for Maritime Environmental Emergencies, the Australian Government Crisis Management Framework and other whole of Australian Government Crisis Management Plans, and State or Northern Territory marine pollution contingency plans as appropriate.

NOPSEMA is also aware of Western Australia's [Westplan](#) arrangements that provide for State-level arrangements, responsibilities and cooperation in emergency situations.

### Further information – Topic 3:

*"In relation to a matter not raised during the hearing, the Committee has received considerable evidence on the safety case regime in place for the Australian oil and gas industry, and on the efforts made to prevent and contain incidents. Evidence was presented that while companies invested considerable resources into preventing and mitigating major accidents and events, there is significantly less invested into managing situations on-board after the event. The Maritime Union of Australia (MUA) advised of a situation where it took 12 days to arrange a discussion around counselling post an event on the Stena Clyde and of a failure to properly clean the blood in a cabin on the Karratha Spirit following an accident and prior to a new staff member taking up his position. Please refer to the transcript of evidence from the MUA hearing of 7 November 2014 for further information. While not asking NOPSEMA to comment specifically on these two incidents, the Committee seeks your advice as to whether, and to what extent, post-event health and safety issues are considered in a project proponent's safety case".*

The provisions in the OPGGS (Safety) Regs regarding the contents of safety cases require the operator of a facility to describe the:

- facility;
- formal safety assessment; and
- safety management system.

The description of these three components collectively 'make the case' for the safety of the facility demonstrating how the facility operator will ensure that the risk of 'major accident events' [MAEs] will be reduced to a level that is as low as reasonably practicable [ALARP] and that there will be systems in place to similarly manage other OH&S risks.