

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation and Science Portfolio
2016-17 Supplementary Budget Estimates
20 October 2016

AGENCY: NOPSEMA

TOPIC: Drilling in the Great Australian Bight

REFERENCE: Written Question – Senator McAllister

QUESTION No.: SI-144

1. What are the main issues that need to be considered in relation to drilling in the Great Australian Bight?
 - a. Which of these does NOPSEMA see as being problematic?
 - b. How are they managed?
2. Does NOPSEMA see any specific issues that arise when drilling is beyond a certain depth? Are there risk differences? Ranges for certain depths? What about the depths in the GAB?
3. What is the process undertaken by NOPSEMA for strategic assessment, including explanations of and copies or links to relevant policies or other documentation that shape the assessment process?
4. What is the process for delegation of approval authority to NOPSEMA? Please include all details of the terms on which that delegation takes place.

ANSWER

1. Risks associated with drilling in the Great Australian Bight, as with risks associated with other offshore drilling activities, can be broadly categorised into three areas.

These are:

- risks to the health and safety of the offshore workforce
- risks associated with the structural integrity of facilities, wells and well related equipment
- risks and impacts to the environment.

The Offshore Petroleum and Greenhouse Gas Storage Act 2006 (OPGGS Act) and associated regulations provide that it is an offence to carry out an offshore petroleum activity without having appropriate risk management plans accepted by NOPSEMA.

For exploration drilling activities these plans include:

- A facility safety case – which details how risks to the offshore workforce and risks associated with the structural integrity of facilities will be managed.
 - A well operations management plan – which details how risks associated with the structural integrity of wells and well related equipment will be managed.
 - An environment plan – which details how impacts and risks to the environment, including the socioeconomic environment will be managed.
- a. In the context of global offshore petroleum drilling activities, the proposed exploration drilling activities in the Great Australian Bight do not present any risks that are outside the usual range of assessment from NOPSEMA’s perspective.

- b. Once accepted by NOPSEMA, risks associated with offshore drilling activities are managed in accordance the performance standards set out in the three documents mentioned at 1 above. The way in which these risks are managed varies by activity to ensure that it is appropriate for the specifics of the activity. The objective based regulatory regime administered by NOPSEMA ensures that the specific risks of each activity are thoroughly identified and that control measures appropriate to the activity are implemented to reduce those risks.
2. NOPSEMA does not consider that proposed exploration drilling in the Great Australian Bight presents any risks that are outside the usual range of assessment in the context of global offshore petroleum drilling activity. Both domestically and internationally a number of drilling activities have been undertaken in analogous conditions at similar or greater depths.
3. NOPSEMA undertakes assessments against the requirements of relevant regulations under the OPGGS Act and in accordance with published policies.

Relevant regulations include:

- For health and safety and the structural integrity of facilities– The Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009.
- For structural integrity of wells and well related equipment – Part 5 of The Offshore Petroleum and Greenhouse Gas Storage (Resource Management and Administration) Regulations 2011.
- For environmental management - The Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009.

Relevant NOPSEMA assessment policies include:

- PL0050 – Assessment
- PL0052 – Safety case assessment
- PL0842 – Well operations management and activity application assessment
- PL1347 – Environment plan assessment.

These policies and supporting documentation are available on NOPSEMA's website at www.nopsema.gov.au

4. NOPSEMA does not make decisions on the acceptability of risk management plans for offshore petroleum drilling activities under delegation. The OPGGS Act establishes NOPSEMA and details its functions, powers, limitations and other matters about the operation of NOPSEMA (Part 6.1, Division 2). Subordinate regulations to the OPGGS Act further detail the powers and decision-making authority of NOPSEMA in relation to health and safety, structural integrity and environmental management.