

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry and Science Portfolio
2015-16 Budget Estimates
3 and 4 June 2015

AGENCY/DEPARTMENT: NOPSEMA

TOPIC: Operators under NOPSEMA jurisdiction

REFERENCE: Question on Notice (Hansard, 3 June 2015, page 101)

QUESTION No.: BI-20

Senator KETTER: My next series of questions relates to the offshore performance report. I note that there were zero fatalities in 2014 but there was an increase in the number of injuries on mobile offshore drilling units. Did your investigations point to any particular issues that may impact on safety on these types of facilities as opposed to other facilities?

Senator Ronaldson: If these matters are before courts or are subject to other proceedings, we would need to be a bit careful, I suspect. Perhaps, bearing that in mind, Mr Smith can tailor his evidence accordingly.

Mr Smith: We do have several matters before the courts at the moment. Where we have an upturn in incidents—whether in relation to matters such as drilling rigs or the other issue you will find in that report is an upturn in hydrocarbon releases—we tend to place a particular focus on that in our inspections and assessment. We also typically engage in discussions directly with the operators where the incidents are occurring or where we think there might be increased susceptibility to those things. So that is happening at the moment.

Senator KETTER: What recommendations have you made in response to that issue of the uncontrolled hydrocarbon releases?

Mr Smith: When you say 'recommendations', I am not quite sure what you mean.

Senator KETTER: What is your response in addressing that issue of increased hydrocarbon releases?

Mr Smith: In terms of hydrocarbon releases, we have had an upturn for the last two years. That is certainly of concern. We have highlighted that with the industry and, this year, because of the upturn last year, it has been one of our specific areas of focus for inspections. I have also been in the media talking about this issue and speaking directly with the companies—as recently as yesterday. We have a focus, for instance, on the maintenance programs for the companies. That is partly because of the hydrocarbon releases but it is also due to another issue that we have been highlighting with the industry, and that is the falling oil prices—wanting to make sure that we do not see any drop-off in maintenance performance. That has been the case overseas in the past—not in Australia.

The increased hydrocarbon releases in Australia are actually consistent with the experience overseas, where you have ageing facilities. In our report, for instance, there is a comparison with countries like Norway and the United Kingdom. In recent years they have had upturn in hydrocarbon releases. So we are also working at an international level to see what sort of action regulators should be taking and applying here. The North Sea has more ageing facilities and older facilities. So there are lessons from them that we can apply in Australia, and we have commenced those discussions with our international counterparts.

Senator KETTER: Can you tell us how many operators in 2014 fell under NOPSEMA's jurisdiction?

Mr Smith: I think we have those numbers here. Perhaps if you would like to go onto the next question, Mr Grebe can look up those numbers while we are answering questions.

Senator Ronaldson: Or we could just take it on notice.

Mr Smith: Or I could take it on notice.

Senator KETTER: Yes, you can take it on notice.

ANSWER

The number of active operators under NOPSEMA jurisdiction in 2014 was 35.

The information can be found in the table from Appendix 4 of the Annual Offshore Performance Report which details the number of active duty holders over time (extract below).

1. Industry activity

Figure 2 - Active duty holders

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Facility operators (OHS)	30	30	35	35	40	37	39	36	32	35
Titleholders (WI)							14	27	28	31
Titleholders (EM)								37	43	32