



INPEX Operations Australia Pty Ltd  
ACN 150 217 262

22/100 St Georges Terrace Perth  
Western Australia 6000

Tel +61 8 6213 6000

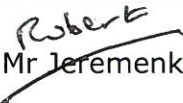
INPEX.com.au

**Ref: C050-IPX-LE-70071**

02 October 2024

Mr Robert Jeremenko  
Head of Division – Oil and Gas  
Department of Industry, Science and Resources  
Industry House, 10 Binara Street  
Canberra ACT 2600

**RE: OPGGSA Safety Regulations remake exposure draft | INPEX Submission**

  
Dear Mr Jeremenko

We welcome the opportunity to participate in the consultation by the Department of Industry, Science and Resources on the 'Offshore Petroleum and Greenhouse Gas Storage Safety Regulations 2009 remake: draft exposure'; and seek to provide feedback and recommendations regarding proposed changes.

INPEX CORPORATION (INPEX) is an international energy company listed on the Tokyo Stock Exchange and 21.19 per cent owned by the Japanese government. We have been an active member of the Australian business community since 1986, and as operator of Ichthys LNG, are the largest Japanese investor in the country.

INPEX strongly supports measures that seek to improve safety. We are committed to the ongoing safety of our workers, contractors, and stakeholders, which is exemplified through our core value of *Anzen dai ichi*- 'Safety number one' – and a guiding principle for all our operations and organisational decisions.

We value the occasion to provide feedback on the exposure draft for these important regulative safety related changes. Our comments and feedback are focussed on those proposed reforms where we seek greater clarity or have comments and suggestions for how to ensure proposed reforms maintain the importance of safety while being fit for purpose with our industry. This written submission is provided in addition to the verbal briefing held with the Department on Friday 27 September.

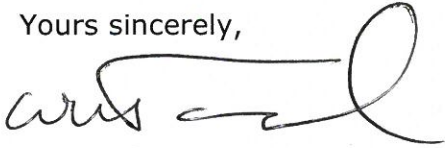
Further, INPEX is a member of the Australian Energy Producers (AEP), the peak national body representing the upstream oil and gas exploration and production industry. The attached submission has been prepared to complement the AEP submission.

INPEX understands the Department is also continuing to consider proposed reforms to consultation requirements concerning the 'Offshore Petroleum and Greenhouse

Gas Storage Safety Regulations 2009 remake.' We look forward to the opportunity to review and provide feedback to the Department once ready.

Thank you for the opportunity to participate in the Government's consultation process. If we can assist further, please contact John Williams, Government Affairs and Approvals Manager, on 0412 422 636 or via email [john.w@inpex.com.au](mailto:john.w@inpex.com.au). INPEX also remains available for further consultation with the Department should this be required.

Yours sincerely,



Bill Townsend  
**Senior Vice President Corporate**  
**INPEX Australia**

Robert -

Thank you for your ongoing support.  
I enjoyed catching up with you  
in Sydney + Darwin. I greatly  
appreciate the opportunity to  
comment on the OPAUSA exposure draft.



## **Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2024 Offshore Safety Reforms – Exposure Draft**

### **INPEX Submission**

#### **Comments regarding proposed reforms to 'Facility Design and Operation'**

##### **Design Notification Scheme (DNS): Introduction of a mandatory Design Notification Scheme (DNS) in the offshore safety regulatory regime to provide the proponents of new production facilities and new greenhouse gas facilities with a robust early engagement mechanism through which industry may undertake meaningful consultation with NOPSEMA on facility design and concept-selection**

INPEX is supportive of the intent of this proposed reform, to introduce earlier formal engagement such as the proposed design notification scheme (DNS). However, we have strong concerns that the defined terms in the current DNS wording as specified in **2.4H ('Requirements of design notification')** and its associated timing and detail requirements are incongruent with the level of details available at the specified stage in the Project lifecycle and as such inconsistent and impractical and would inhibit the ability for the reform to be successfully implemented.

INPEX is of the strong view that the approach proposed in the current Exposure Draft will result in an excessive administrative burden on both industry and NOPSEMA in trying to comply with Regulations that do not align with the practicalities of a typical Project timeline. The result will be an erosion of the original intent of the proposal to ensure that key design concepts are suitable to manage risk to ALARP throughout a Facility's lifecycle.

We would further note we have discussed these issues at length with our industry colleagues and Australian Energy Producers (AEP). They agree with our concerns, outlined further below and as discussed in the verbal briefing with the Department of Industry, Science and Resources (the Department) on Friday 27 September.

Under the proposed DNS reform **2.4H** the term 'Concept Select Phase' is defined as the trigger for submission of the DNS and outlines the level of detail required.

While an individual Operating Company will have their own Project development process, lifecycle stages and definitions, the typical objective at the end of the concept select phase of a Project is to have selected a design concept - with a broad understanding of the MAE risks and how the design will manage these risks to ALARP (as low as reasonably practicable). The development of the Basis of Design would commence in the subsequent Project phase, including the detail to support the development of Performance Standards, Project Specifications and selection of industry codes and standards. Many of the details required under **2.4H** would not be developed, available or accurate until the FEED stage of a project is reached. During the concept select phase (as per the currently defined submission trigger), details would be limited, unknown and/or highly subject to change.

To mitigate this misalignment, INPEX suggests that the wording of this proposed reform remove reference to the "Concept Select Phase" and rather emphasise that the timing for a DNS should occur prior to the commitment by a Company Operator to a design concept and commencement of construction works. The 'Explanatory Memorandum' (as defined in the exposure draft) could further clarify the intent of

the DNS - to ensure the Government has the rights and ability to challenge major design concepts and processes whilst the opportunity for change to be made to a project by the Operating Company still exists.

Examples for how the terms and details outlined under proposed reform DNS **2.4H** are impracticable or misaligned with project life cycle timing include:

- **2.4H (c)(ii)** – We note that during the ‘concept select phase’ an initial list of safety critical equipment may be available, with some high-level performance requirements; however, details of their design and performance standards would not be available.
- **2.4H (f)** – INPEX notes it would be unreasonable to expect that design details would be sufficiently mature enough to confirm and report on detail during the concept select phase.
- **2.4H (g)** – During the concept select phase occurs for offshore projects, it is unlikely that a detailed materials selection report would have been completed and is unreasonable to request.
- **2.4H (ha)** – While reasonable to request an initial list of the safety critical elements and their required performance at the design concept stage, the ‘details’ of the SCEs and their performance standards would unlikely be available at the concept select phase.
- **2.4H (j) (i)** – Within the lifecycle of a project, the specific environmental, meteorological and seabed limitations on installation, operations and decommissioning will likely be known at a high level during the concept select stage but not to the level of detail as being requested under this clause; and would unlikely be defined until the design is further developed.

INPEX suggests the Department review the United Kingdom’s “*The Offshore Installations (Offshore Safety Directive) (Safety Case etc.) Regulations 2015, Sections 15, 19 and Schedule 5.*” We consider this an example of a proven approach to implementing a design notification scheme. It is strongly recommended that the Commonwealth’s OPGGS Safety Regulations be cognisant of these, and as far as practical within the constraints of the OPGGS regime, mirror the UK approach for the DNS in terms of the timing, level of detail and assessment processes. A copy of this regulation can be found here: [The Offshore Installations \(Offshore Safety Directive\) \(Safety Case etc.\) Regulations 2015 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukdsi/2015/01/03/51520150001/engandga). We would also recommend the Department review the guidance material provide by the United Kingdom Government’s, *UK HSE Guidance on Regulations*.

We would also outline our concerns with proposed changes **2.4J (NOPSEMA must assess and respond to a design notification)**. The timeline for assessment and response by NOPSEMA is not clearly defined, and more critically there is no requirement for NOPSEMA to formally or informally close the assessment process.

INPEX remains supportive of engaging with NOPSEMA and notes early engagement has occurred in the past. However, we would seek reassurance that following consultation (assessment and response) that a mechanism be considered with which NOPSEMA can advise that, for the time being and dependent on concerns raised being addressed, an Operating Company can consider the design notification assessment closed. It is noted that within existing legislation there remains the requirement for formal assessment by NOPSEMA during the safety case assessment (**2.24 to 2.26**). We recommend the Department consider terminology that defines a closure point to assessment and review, such as “NOPSEMA has no further comments, and the Design Notification assessment has concluded.”

### **Changes to control measures Critical to Safety:**

In relation to **2.5 (1A)** "*the safety case for the facility must also identify which of the technical and other control measures mentioned in paragraph (1)(b) are critical to safety;*" it is unclear if the proposed defining of control measures that are 'critical' to safety is intended to introduce a new requirement, or to formalise the existing practices already applied.

Under the current OPGGS (Safety) Regulations, the 'Formal Safety Assessment' is the mechanism to identify these control measures, and these form the basis of the list of Safety Critical Elements / Equipment (SCE).

SCE is a well-known and used term for INPEX and across the industry. NOPSEMA defines SCE as "*the physical parts of the facility associated with the technical and other control measures described in regulation 2.5(2)(c) of the OPGGS(S): a) the failure of which could cause or contribute to a major accident event; or b) the purpose of which is to prevent, or mitigate the effect of, a major accident event.*" <sup>1</sup>

Please clarify the intent of the proposed 2.5(1A) and / or provide a formal definition of SCE in the Regulations.

A suggested example for how SCE could be referenced and then defined is:

- "The safety case must identify which of the technical and other control measures are the 'SCEs' of the facility."
- Proposed SCE definition: *Safety Critical Element (SCE) means such part of a facility and such of its plant (including computer programmes) or any part thereof, the failure of which would cause or contribute substantially to, or a purpose of which is to prevent, or limit the effect of, a major accident.*

### **2.30(1) "the operator of a facility for which a safety case is in force must submit a revised safety case to NOPSEMA as soon as practicable if:**

**(g) if there has been, or will be, a loss or removal of a technical or other control measure identified under subsection 2.5(1A) as being critical to safety."**

The intent of this new requirement is unclear, in definition and on how it differs from the existing requirements under 2.30(1)(b)(c)(d) and 2.30(2); we further seek to understand if this requirement references or distinguishes between temporary or permanent loss or removal.

INPEX recognises the importance of reporting on damage to safety critical equipment (Schedule 3, Clause 3 of the Act) and support that permanent removal of safety critical equipment should be preceded by a safety case revision and acceptance (Regulation 2.30(1)(b) and (c)). However, for 'temporary loss of critical control measures', INPEX note that in most cases these can be adequately managed under the Operator's management of change and risk assessment processes and a safety case revision is impractical in such cases (unless the occurrence also results in a significant increase in the level of risk and hence triggers a requirement under 2.30(2)).

---

<sup>1</sup> Refer [Damage to Safety-Critical Equipment \(nopsema.gov.au\)](https://www.nopsema.gov.au)

## **Comments regarding proposed reforms to 'Jurisdictional Coverage'**

**Vessel Activity Notification Scheme: Introduction of a vessel activity notification scheme to impose an obligation on operators to notify NOPSEMA when commencing or ceasing to be a facility. The changes are intended to improve regulatory clarity and ensure that the Australian Government has visibility of which vessel-facilities are operating within the OPGGS regime at any given time.**

INPEX has considered the Vessel Activity Notification Scheme and would seek to comment on proposed changes regarding **Regulations 1.6(a) and 1.7(a) - Vessels that are not Facilities and Vessels that are not Associated Offshore Places**. We note the Exposure Draft provides some clarity on how to categorise a Vessel as a Facility, an AOP or neither, there remains the potential for discrepancy and misalignment with how vessels are used and classified/categorised by INPEX and across our industry. Key points where this may occur are outlined below.

Currently, the draft Regulations state: "*the vessel is located at a site in Commonwealth waters; and (ii) while located at the site, the vessel is used only for one or more of the purposes mentioned in column 2 of the item.*" INPEX seeks to clarify whether "*site in Commonwealth waters*" is defined by the Facility's petroleum safety zone, or the boundary of the relevant title, or other definition?

INPEX regularly has vessels engaged to support our offshore operations. These vessels will come and go from INPEX's Ichthys Field, at times conducting activities that would result in its classification as a Facility, but at other times they could be conducting activities that fall under Regulation 1.6 (i.e. as an AOP) or Regulation 1.7 (not a Facility or AOP). This is a practice we believe would be common across our industry. Given this, is the intent that "*while located at the site, the vessel is only used for...*" would apply to each discrete visit to the site or anytime it visits the site in any given period (i.e., month, year, contracted period, campaign, 5-year period?).

As an example for how this may cause confusion or arduous administration, currently an operator may engage a vessel to conduct a broad range of activities under a single "Inspection, Maintenance and Repair" contract. This contract may span multiple years and involve multiple campaigns, with each campaign involving multiple visits to the "Site". The scope of the contract may include activities that result in the Vessel being a Facility, an AOP or remain a Vessel. In consideration of this under the proposed reform, would the determination that this Vessel is a Facility as it is not ONLY used for the 1.6 / 1.7 'exclusions' over the 5-year contracted period? Or is it only a Facility on the visit to the Site in which it conducts the activities that make it a Facility?

INPEX suggests that further consideration and clarification around this would assist in understanding how these arrangements should be applied. It would also assist NOPSEMA in developing guidelines for the practical implementation of the proposed Vessel Activity Notification.

### **2.42B Vessel activity notification scheme**

INPEX seeks clarification on, "*if a vessel becomes a Facility (and ceases to be a Facility) it is the duty of the Vessel (Facility) Operator to submit the Vessel Activity*

*Notification* and if a Vessel is utilised under the category of being an Associated Offshore Place – whether it is the duty of the Vessel Master, Owner, Operator or the “Host” Facility Operator to submit the notification? We raise that there can be confusion between production facility operators and vessel operators as to the determination of a vessel’s status. We encourage that consideration is given to this and clear guidelines provided so that industry and the operators within can understand and adhere to where the responsibility lies.

### **Regarding 2.42A Monthly reporting of operational activities**

We seek clarity for the intent and required outcome from these proposed changes and would note there is a risk of significant levels of administration being requested as currently proposed. Greater detail on the intent and requirements would support ensuring that the appropriate approach applied and ensuring that terms used are defined and / or consistent with use in the Act.

*Comments regarding specific proposed reforms:*

- **2.42A(3)(a) and (b)** - *the details of the CEO or person who has executive oversight etc.*

It is unclear why this information is required in the context of **Clause 83A** of the Act, and if this is different from the requirements in **2.1(2)** to nominate an Operator’s contact. Further clarification is also requested for what is meant by “assets at the facility,” noting that ‘assets’ is not used elsewhere or defined in the Regulations.

- **2.42A(3)(c)** - *details of person in charge of the day-to-day management at the facility.*

INPEX seeks clarity on the request for “details of the person” on whether the position title or an individual’s name is required to be provided? In Regulation **2.8**, “office or position” is referenced and is consequently already provided within the facility safety case (as required in **2.8(1)**).

Given this information is already provided for already within the Regulations, it is questioned for the need to repeat this at a monthly reporting level. Further, should the request seen an individual’s name, INPEX encourages that consideration be given to the likelihood the role is rostered, and hence the assigned individual will change throughout the course of any given month. We further seek to understand why this information is required in the context of **Clause 83A** of the Act.

- **2.42A (3)(d)** *details of the titleholder’s or licensee’s representative*

It is not clear why this information is required on a monthly basis in the context of **Clause 83A** of the Act.

- **2.42A (3) (e) and (o)** 24/7 emergency contact details and email addresses for the persons mentioned in paragraphs **(a)** to **(d)**.

Given that NOPSEMA do not have a defined role in the management of emergencies at the facility, and in most cases the individuals mentioned in paragraphs **(a)** **(b)** and **(d)** may not have any direct emergency response roles, it is not clear why this information is required in the context of **Clause 83A** of the Act.

- **2.42A(3)(f)** the number of workers (including contractors) at the facility during the month.

Seeking clarification for how the number of workers at the facility would relate to the requirement of **Clause 83A** of the Act, noting that the number of hours worked is to be provided per **2.43(g)** requirement. INPEX notes that 'the number of workers' present at our Facilities will vary on a daily basis. We seek to clarify whether the expectation for this proposal is to provide the average number for the month, the total number of individuals that have visited during the month, or is another metric?

- **2.42A(3)(h)** a record of all incidents occurring at the facility during the month where a breach of performance standards has occurred.

Whilst the definition of a performance standard is provided, we seek further clarification on the intent and requirement for reporting of a "breach" of a performance standard.

Currently, **(2.41)** provide the interpretation of a reportable dangerous occurrence as including 'damage to safety critical equipment'. NOPSEMA guidance further interprets this to include "an acute or chronic occurrence resulting in the inability of a control measure (identified as being necessary to reduce the risk of one or more MAEs to ALARP) to meet its performance standard (damage to safety critical equipment)" On this basis, it is understood that INPEX is required (as we are currently doing) to notify 'breaches of performance standards' as dangerous occurrences, with the details provided in written reports per **Section 2.42**.

However, it is unclear if the requirements of the draft proposed **Regulations 2.42A(3)(h)** through **(i)** are the same as the requirements stipulated in **Regulation 2.41** and **2.42 (as per Clause 82 of the Act)**, and if so we would seek to understand why this information requires resubmission in a different format in a monthly report. Should 'breach of a performance standard' have a different meaning to that understood from the existing definitions, INPEX seeks guidance on what this definition and requirements are.

**2.46A Access to safety case** – INPEX requests that guidance be provided in the Regulations on whether that this may be either Hard Copy or Electronic and would seek for the inclusion of either being acceptable in application.



## Other Comments - Associated Offshore Places

Within the existing OPGGSA Regulations, marine vessels when undertaking certain activities are classified as an Associated Offshore Place (AOP) (**Act, Schedule 3, Cl 4**). However, this classification and associated duties and obligations are further defined by NOPSEMA: <sup>2</sup>

*"If a vessel or structure is an associated offshore place it, together with its associated facility, is subject to the requirements of **Schedule 3 to the OPGGS Act** and the associated regulations, including the existing (host) facility safety case. If the activities conducted by the vessel in relation to the host facility are not covered by the existing safety case, a revision to the host facility safety case will be required."*

NOPSEMA defining the duties and obligations for an AOP according to the legislation would be:

- to ensure that the facility is safe, work is safe, etc. [**Schedule 3, Clause 9**]
- to facilitate designated work groups, health and safety committees and health and safety representatives (HSRs), etc. [**Schedule 3, Part 3**]
- to provide a NOPSEMA inspector with transport, accommodation and subsistence. [**Schedule 3, Clause 73**]
- to notify NOPSEMA of accidents and dangerous occurrences at or near the facility, including those involving an associated offshore place. [**Schedule 3, Clause 82**]
- to keep records of accidents, etc. [**Schedule 3, Clause 83**]."

Whilst the interpretation and guidance provided by NOPSEMA is relatively clear, the operational implementation can be difficult to deliver or adhere to. INPEX understands the intent for defining an AOP is to ensure that the risk associated with the 'activities' carried out by the vessel in the context of petroleum operations and risks are managed. We would seek clarification if this an accurate assessment; but would also note the wording in the legislation and guidance imply that the 'host facility' operator is responsible for managing the ordinary marine and occupational risks on the vessel. INPEX would raise that it is unlikely to be practical to expect that the Host Facility operator be responsible for this. As an example, for the 'Host Facility Operator to be responsible to facilitate designated work groups, health and safety committees and Health and Safety Representative (HSRs) on a marine vessel (classified as operating as an AOP) for what may be short duration campaigns to execute discrete tasks.

INPEX would also note the importance of ensuring that Government and Industry Operators are clear in how the above should be understood, and further that these legislative requirements are understood and shared by marine crews. A discrepancy in this could cause challenges or duplication. INPEX notes there is no material change to the management system or ways of working on board the vessel (in relation to 'ordinary marine' activities and operations). We encourage the Department to consider providing greater clarity within the proposed Explanatory Memorandum to accompany OPGGSA Act on its definition, intent and associated duties and obligations.

---

<sup>2</sup> Facility definition includes an associated offshore place (nopsema.gov.au)

---

<sup>i</sup> [nopsema.gov.au](http://nopsema.gov.au)