

Procedures and criteria for appointment of offshore inspectors (84/1)

This document sets out the broad functions of offshore petroleum inspectorate teams and the basis on which the Commonwealth will consider proposals to appoint inspectors under the Petroleum (Submerged Lands) Act. Its purpose is to clarify and streamline the process of referral of proposals for the appointment of inspectors.

Functions of Offshore Inspectorate Teams

The offshore petroleum inspectorate team has the responsibility for ensuring that all petroleum operations in a permit or licence area are being carried out in accordance with the Act and any Regulations or Directions.

In particular, the Inspectorate is to ensure that operations proceed in a proper and workmanlike manner and in accordance with good oil-field practice, while securing the safety, health and welfare of persons engaged in these operations. It is responsible for ensuring that the prescribed royalty payable by a licensee on recovery of any petroleum is adequately assessed and duly paid.

This means that the Inspectorate must be effective in:

- reviewing the plans and proposals for exploration of the permit area and in monitoring their execution;
- the establishment, where discoveries are made, of the in-place and recoverable quantities (reserves) of petroleum within each accumulation and the disposition of that petroleum within an accumulation;
- ensuring that exploitation of the petroleum resource is suitably planned for optimum recovery and that development drilling fulfils this basic requirement;
- ensuring that the design, construction, operation and maintenance of petroleum production facilities comply with accepted or prescribed standards;
- ensuring that operations are being adequately supervised and that standards are being met with regard to the certification of equipment and systems; and
- seeing established and monitoring the procedures and facilities for suitably determining petroleum quality and quantity as a basis for ascertainment of royalty, and in having appropriate audit of royalty assessment.

Accordingly, the inspectorate team for each adjacent area will need to comprise sufficient members with appropriate skills to carry out the necessary functions in that area. It is recognised that in some circumstances it may be necessary to draw on consultants or the services of other inspectorate teams.

Selection Criteria for Inspectors

A person's suitability for appointment as an inspector will be assessed against the particular functions to be carried out and the following general criteria:

- suitable relevant and recent experience;
- appropriate qualifications in the relevant technical field;
- ability to communicate effectively, both orally and in writing;
- sound knowledge of Directions and Regulations applicable under the Act; and
- no serious physical incapacity.

To assist the Commonwealth in considering proposals to appoint inspectors, supporting information should be provided on all selection criteria. In particular information should be provided on:

- principal functions to be undertaken by the inspector;
- name, age, physical health;
- relevant experience; and
- relevant academic/technical qualifications.