

# Exercise Ningaloo Challenge

2017

Evaluation of the Offshore Petroleum Incident Coordination Committee and the Department of Industry, Innovation and Science during a simulated offshore petroleum incident

July 2018

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## Introduction

The Department of Industry, Innovation and Science’s Offshore Petroleum Incident Coordination Framework is exercised every two years to test procedures, enhance participants’ knowledge of plans, and identify opportunities to improve competency and capability. This is done in preparation for the unlikely event of an offshore petroleum incident occurring in Commonwealth waters.

In September 2017, the Commonwealth Government participated in Exercise Ningaloo Challenge, which was led by the Western Australia Department of Transport (WA DoT).

Exercise Ningaloo Challenge was a real time, strategic level, functional[[1]](#footnote-2) exercise focusing on the practical implementation of Commonwealth, state and industry emergency management arrangements in response to a Level 3 offshore marine oil pollution incident[[2]](#footnote-3).

The Offshore Petroleum Incident Coordination Committee (OPICC)-led component of the exercise was conducted in Canberra, in coordination with Commonwealth participants and state and industry activities across Western Australia in Fremantle, Perth and Exmouth. The exercise was run concurrently over two time zones; Australian Eastern Standard Time (AEST) and Australian Western Standard Time.

Risk Emergency Management (REM) Associates was contracted by the Department of Industry, Innovation and Science (the department) to integrate a sub-exercise into Exercise Ningaloo Challenge. This sub-exercise was designed to evaluate the performance of the OPICC and the department’s Crisis Management Team (CMT).

This report includes the recommendations made by REM Associates after evaluating the performance of the OPICC and the department’s CMT during the exercise. The department’s response to these recommendations and the proposed actions to address the recommendations are provided.

## Background

The Department of Industry, Innovation and Science has responsibility for resources policy matters for the Commonwealth Government, and for the legislation that regulates the environment, safety, and resource management of the offshore petroleum industry within Commonwealth waters[[3]](#footnote-4): the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGS Act) and associated regulations.

The Australian Government Crisis Management Framework designates the Department of Industry, Innovation and Science as the lead Commonwealth agency for incidents involving an offshore petroleum facility in Commonwealth waters. The Minister with responsibility for resources is designated as the lead Commonwealth Minister.

Under the OPGGS, if there is an escape of petroleum in relation to a petroleum activity, the petroleum company involved (the titleholder) bears the responsibility for carrying out the operational response, including stopping and containing the spill, remediating any environmental damage and conducting environmental monitoring.

This approach is common for the global offshore oil and gas industry, but presents a unique situation within Australia, where emergency management processes are usually led by either state or territory governments, or operational agencies within the Commonwealth Government who take responsibility for emergency response and reporting. For offshore petroleum incidents under Commonwealth jurisdiction, the titleholder fills this role.

To ensure that the Commonwealth Government has a clearly articulated and agreed approach to respond to potential future offshore petroleum incidents, the Offshore Petroleum Incident Coordination Framework (the Framework) was developed, and was put in place in January 2015. The Framework sets out the roles and responsibilities of Commonwealth agencies and establishes the OPICC as a central point of coordination to be activated in the event of a significant offshore petroleum incident.

The 2015 [National Plan](https://www.amsa.gov.au/marine-environment/national-plan-maritime-environmental-emergencies)[[4]](#footnote-5) exercise, Exercise Westwind, provided the first opportunity to exercise the Framework and the OPICC. Exercise Westwind reinforced the value of a coordinated approach and showed that the concept of bringing key stakeholders together through the OPICC to facilitate interaction was sound, however there were areas for improvement. The Exercise Westwind Evaluation Report[[5]](#footnote-6) identified three recommendations relating to the OPICC and the Framework:

1. Review the purpose and functions of the Offshore Petroleum Incident Coordination Framework (OPICF), and the role and responsibilities of OPICC and OPICC Secretariat to ensure that the OPICF provides an effective framework for strategic Government leadership in emergency response.
2. Ensure that the OPICF is supported by a formal learning and development and exercise program for OPICC members, and the OPICC Secretariat ensures an ongoing strategic response capability.
3. Seek greater integration between OPICF and the Australian Government capabilities for crisis management, including linkages to crisis communication capabilities within the Australian Government Crisis Coordination Centre of the Attorney-General’s Department.

These recommendations reflected that the OPICC, as a committee, was newly established and was exercising its role for the first time. The exercise showed that there was a need for improved integration with other Commonwealth Government’s capabilities, and for greater preparation through learning and development.

Importantly, Exercise Westwind showed that the OPICC needed to take a leading role in driving the Commonwealth’s strategic response, rather than focusing only on coordination and information-sharing.

The department collaborated with stakeholders during 2016 and early 2017 to undertake a significant revision of the Framework and implement those recommendations. Key changes to the Framework included:

* Bolstering the role of the OPICC to reflect the need for overt strategic leadership on the part of the Commonwealth Government in the event of an offshore petroleum incident.
* Clarifying how the Framework and the OPICC integrate and operate within the whole-of-government crisis management approach through the AGCMF.
* Bolstering the role of liaison officers and their role in facilitating communication between OPICC agencies, between different levels of government and with the petroleum titleholder.
* Providing more detail on the management of cross-jurisdictional incidents to clarify the roles of the Commonwealth and State/NT Governments and the titleholder, and how these roles interface and work together.

This collaborative effort provided the opportunity to further improve and promote productive working relationships across government, and to more fully understand the roles that different agencies may play. Rather than distinctly separate responsibilities, this type of incident will require an approach of layered responsibilities, capabilities and expertise.

The revision of the Framework was supported by the department’s development of a communications strategy, improved set of internal processes, guidance, and organisational structures for use during an offshore petroleum incident, and resilience training for relevant departmental staff.

In accordance with the department’s commitment to exercise these arrangements every two years, the revised Framework was tested through Exercise Ningaloo Challenge.

## Aim and objectives

The aim of the OPICC-led sub-exercise was to test and evaluate the current plans, processes and capabilities of the OPICC and the department’s CMT by simulating a coordinated response by the Commonwealth Government, Western Australian Government and offshore petroleum industry to an offshore petroleum incident.

The department set the following objectives for the sub-exercise, against which the performance of the OPICC and the department’s CMT was assessed:

1. Test the OPICC’s and the CMT’s ability to demonstrate effective leadership in managing and coordinating the Commonwealth Government’s response to the incident
2. Test the OPICC’s ability to use relevant information from a variety of sources to deliver targeted key messages to appropriate stakeholders through effective methods of communication
3. Evaluate the CMT’s internal capacity and resilience to manage the incident
4. Test the effectiveness of the OPICC’s and the CMT’s communication and media management with: NOPSEMA; other Commonwealth agencies; WA State Government; Titleholder
5. Test the ability of the OPICC and the CMT to deal with conflicting expert sources of information during an incident

## Exercise governance

The exercise was managed by the Exercise Steering Committee, which was responsible for high level planning and coordination. The Exercise Writing Team was responsible for the development and coordination of exercise documentation.

Table 1 Membership of Steering Committee and Writing Coordination Teams

|  |  |
| --- | --- |
| **Steering Committee** | **Writing Team** |
| * WA Department of Transport – Marine Safety * WA Office of Emergency Management and State Security * WA Department of Biodiversity Conservation and Attractions * Commonwealth Department of Industry, Innovation and Science * National Offshore Petroleum and Environmental Management Authority * Australian Marine Oil Spill Centre * Petroleum Titleholder * REM Associates | * WA Department of Transport – Marine Safety * WA Department of Biodiversity, Conservation and Attractions * Commonwealth Department of Industry, Innovation and Science * National Offshore Petroleum and Environmental Management Authority * Petroleum Titleholder * REM Associates |

## Overview of the exercise

Exercise Ningaloo Challenge was conducted from 11 to 14 September 2017 and simulated a Level 3 oil spill incident occurring in Commonwealth waters, with the oil spill spreading into Western Australian coastal waters. Incidents at this level are complex in size, duration, resource management and risk, and require deployment of jurisdictional resources beyond the initial response.

### Day one

The exercise commenced at 1200 AEST on 11 September 2017. Notification of a reported loss of well control and failed attempts to shut in the well were received by the Titleholder’s Duty Manager. The incident was reported to the appropriate agencies, including the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), the Australian Maritime Safety Authority (AMSA) and WA DoT. The Titleholder commenced simulated first response actions in accordance with its Oil Pollution Emergency Plan (OPEP).

The WA DoT Maritime Environmental Emergency Coordination Centre was established and a State Marine Pollution Coordinator Liaison Officer was deployed to the Titleholder.

In Canberra, following NOPSEMA’s confirmation that an incident had occurred, the department’s Crisis Manager (General Manager, Offshore Resources Branch) established the department’s CMT and OPICC members were notified of the incident. Contact was established with the Titleholder, NOPSEMA and WA DoT to seek information and set up communication channels to develop and maintain situational awareness during the incident.

The department’s CMT provided briefing to the Minister for Resources and Northern Australia, drafted a ministerial media release, developed ministerial talking points, commenced media monitoring and prepared for an OPICC meeting on the following day.

The first department incident brief was prepared and distributed to OPICC members late in the afternoon.

### Day two

During day two, the first OPICC meeting of the exercise was held, attended by:

* Department of Industry, Innovation and Science, including the National Offshore Petroleum Titles Administrator
* AMSA
* NOPSEMA
* Department of the Prime Minister and Cabinet
* Emergency Management Australia, Attorney-General’s Department
* Department of Immigration and Border Protection
* Department of Foreign Affairs and Trade
* Department of Agriculture and Water Resources
* Australian Fisheries Management Authority
* Department of Infrastructure and Regional Development
* Department of the Environment and Energy
* Geoscience Australia
* WA DoT
* Titleholder

Attendees received situation reports from the titleholder, WA DoT and NOPSEMA and the issues around this information were discussed. The Titleholder made six requests for Commonwealth Government assistance, relating to aviation (civil and defence) flight coordination; customs and biosecurity clearance advice; visa facilitation and expedited processing; access to Bureau of Meteorology information and imaging tools; and NOPSEMA assistance with reviewing revised safety cases and permissioning documents. These requests were agreed to, pending written request from the Titleholder.

OPICC members asked for information on the safety of personnel, potential impacts of the incident, potential control measures, and discussed the Commonwealth resources that were available to assist the operational response.

The OPICC meeting did not address all agenda items, and most notably the approach to coordinated communications was not adequately discussed. This highlighted the need for the OPICC to have a more focused mission statement, rather than attempting to address all issues related to the incident.

The department’s CMT produced a morning and an afternoon incident brief (incident briefs #2 and #3), which were provided to OPICC members.

In Fremantle, WA DoT established an Incident Management Team and in Exmouth WA DoT Strike Teams were deployed to the Forward Operating Base established there. The Titleholder commenced mobilisation of Strike Teams to Exmouth. To facilitate effective coordination between the Titleholder and WA DoT, the State Marine Pollution Coordinator convened the inaugural meeting of the Joint Strategic Coordination Committee (JSCC).

The WA Government and the Titleholder conducted a joint media conference in WA and the Prime Minister held a media conference in Canberra.

Oil escaping from the well entered WA coastal waters late in the night on day two.

### Day three

Geoscience Australia provided the OPICC with satellite and ocean current data that had been requested on day two.

Strike teams from both WA DoT and the Titleholder arrived in Exmouth and initial site reconnaissance in the operational areas was conducted. A WA DoT team was also deployed to nearby islands. The JSCC was convened again.

Oil began to reach land around 1200 AEST.

The OPICC held a second meeting at 1400 AEST and received situation reports from the Titleholder, WA DoT and NOPSEMA. OPICC members discussed the process of external communication by the various stakeholders, the circumstances under which the Australian Government National Crisis Committee would be activated, the role of the Australian Government Crisis Coordination Centre (CCC) and the progress of action items from the previous meeting.

The department’s CMT produced a morning and an afternoon incident brief (incident briefs #4 and #5).

This was the final day of the exercise for the OPICC and the department’s CMT.

### Day four

Oil reached additional areas of the WA coast early on day four. WA DoT and the Titleholder continued the operational response with strike teams deployed in accordance with Incident Action Plans, and a third JSCC meeting was conducted.

This was the final day of the exercise for WA DoT and the Titleholder.

## Exercise evaluation

Data was collected by REM Associates from each functional area via the following methods:

* Direct observation (through the completion of individual evaluator reports)
* Outcomes of debriefs
* Reviews of documentation from observers

Observations were analysed by the REM Associates Evaluation Coordinator and categorised based on exercise objectives and key performance indicators. REM Associates provided recommendations based on the performance of the OPICC and the department’s CMT in relation to the exercise objectives.

## Recommendations

The exercise contractor, REM Associates, made eight recommendations to improve the operation of the OPICC and the department’s CMT, grouped by priority for implementation. The department has accepted all recommendations. Table 2 presents the recommendations and the department’s response. The implementation of all recommendations is the responsibility of the Department of Industry, Innovation and Science.

Table 2 Recommendations for the OPICC and the department’s CMT

|  |  |
| --- | --- |
| **Priority 1 – For implementation within 12 months** | |
| **Recommendation** | **Department of Industry, Innovation and Science response** |
| 1. Review current Crisis Management System (CMS) to align with Australian Government Crisis Management Framework arrangements.  Align processes and forms to Australian Government Crisis Coordination Centre and implement procedures to track and maintain situational awareness including designated room/facility.  Consider deploying liaison officers to Petroleum Titleholder and other response agencies upon notification and ensure they are trained and understand role. | Agreed. The department will undertake a thorough evaluation of its offshore incident response plans and processes. This includes ensuring that the department’s internal policies and plans better align with the Australian Government Crisis Management Framework through collaboration with the Department of the Prime Minister and Cabinet and the Australian Government Crisis Coordination Centre. The department will work directly with the Crisis Coordination Centre to ensure that the processes and functions of each agency are appropriately integrated.  While liaison officers were not deployed to Western Australia during Exercise Ningaloo Challenge due to exercise constraints, the use of liaison officers forms part of the department’s existing Offshore Petroleum Incident Coordination Framework. To support this framework, specific guidance will be developed to outline the role and responsibilities of liaison officers. |
| 2. Implement regular training and exercise program to instruct the department’s CMT personnel on crisis management fundamentals.  Include smaller, regular exercises to validate critical components of the CMS. Integrate training and exercises with Petroleum Titleholders and other Commonwealth Agencies.  Align training and competencies for the department’s CMT and OPICC personnel to Australian Government Crisis Management practices. | Agreed. The Offshore Petroleum Incident Coordination Framework currently outlines a learning and development program to assist in building and maintaining the crisis management capability of OPICC member agencies and the department’s CMT. The department will reconsider these arrangements to ensure that appropriate training is conducted, and where possible in alignment with Australian Government crisis management practices, and the procedures to be implemented during an offshore incident are understood by all relevant staff.  The department supports the approach of conducting smaller, more regular exercises to increase the retention of information, improve competency and reduce costs. |
| 3. Develop and implement Crisis Management Handbook for the department’s CMT outlining roles, responsibilities of key positions and processes to track and manage requests for support. | Agreed. Following the review and revision of the department’s offshore incident response plans, these plans and procedures will be compiled into a Crisis Management Handbook. This handbook will assist the operation of the department’s CMT during an incident by outlining key roles, key responsibilities, and processes that should be undertaken. |
| **Priority 2 – implementation within 13-24 months** | |
| **Recommendation** | **Department of Industry, Innovation and Science response** |
| 4. Clearly define and document organisational roles and responsibilities of the department’s CMT, OPICC and relation to Australian Government Crisis Management Framework arrangements. | Agreed. The department will work with the Department of the Prime Minister and Cabinet and the Australian Government Crisis Coordination Centre to clearly define the role and responsibilities of the department and the OPICC in relation to whole-of-government crisis arrangements. The outcomes of this collaboration will be clearly reflected in an update of the Offshore Petroleum Incident Coordination Framework, and supporting plans within the CMT’s Crisis Management System. The department will consult with relevant external agencies and stakeholders on the draft amendments to the framework. |
| 5. Develop and implement Situation Appreciation / Business Impact Assessment to ensure understanding of size and complexity of incident for the department’s CMT and OPICC.  Train the department’s CMT and OPICC personnel in use of Strategic Incident Potential Assessment / Business Impact Assessment. | Agreed. The department recognises the value in a clearly articulated situation appreciation process, to understand the scope and severity of the incident to inform strategic decision making.  The department views this as a priority, and it will be incorporated in the further development and improvement of the current Crisis Management System. |
| 6. Develop and implement a strategic communications process that identifies key stakeholders, frequency and mechanism of communication within Commonwealth Government and external interested parties.  Review integration of the department’s communications into Australian Government communications arrangements. | Agreed. The department will consult with relevant Commonwealth agencies, in particular the Department of the Prime Minister and Cabinet, the Australian Government Crisis Coordination Centre and NOPSEMA, to develop a clear and integrated communications process for use within the Commonwealth Government. The department will also review, and revise where necessary, its communication process with external parties, such as the Titleholder and state/territory governments. |
| **Priority 3 – as resources are available to implement** | |
| **Recommendation** | **Department of Industry, Innovation and Science response** |
| 7. Identify suitable room and facilities for the department’s CMT including room layout, communications requirements, situation display and key personnel locations. | Agreed. Following the development of new arrangements and procedures identified through implementing recommendations 1, 3, 4, 5 and 6, the department will consider the facilities required to support these arrangements.  The facilities required will be documented in the department’s Crisis Management System. |
| 8. The department to identify, understand and leverage capabilities from other Commonwealth Agencies (AMSA, Australian Border Force Maritime Border Command) and opportunities to leverage subject matter expertise to support response operations and maintain situational awareness. | Agreed. The update of the Offshore Petroleum Incident Coordination Framework will include clear descriptions of the capabilities of relevant Commonwealth agencies that are available during an offshore petroleum incident, to ensure the expertise and resources of agencies are appropriately recognised and utilised. Additional specific information about Commonwealth capabilities will be incorporated into the department’s internal planning documents. |

## Department’s analysis of performance

The department agrees with all recommendations made by REM Associates and is committed to improving current procedures and processes outlined in the Offshore Petroleum Incident Coordination Framework and the department’s Crisis Management System.

The need for open and effective communication and coordination between stakeholders in the event of an offshore petroleum incident should not be underestimated, and as such the department will work to:

* Improve the clarity of the role and function of the OPICC in relation to the Australian Government Crisis Management Framework to prevent duplication of roles and responsibilities.
* Clearly identify the capabilities and expertise offered by OPICC member agencies to ensure all available resources are fully utilised.
* Review processes for escalation and de-escalation to ensure an appropriate, scalable response to an offshore incident.
* Improve processes that ensure effective flow of information between the various stakeholders during an incident, including the Titleholder, the state/territory government, the OPICC and other relevant agencies.
* Improve capability and the processes in place to rapidly establish situational awareness and a common operating picture to enable strategic decision-making.
* Review the current communications strategy and develop processes to manage whole-of-government communication ensuring appropriate media management and coordinated messaging to the public and relevant stakeholders.
* Maintain ongoing engagement with the offshore petroleum industry to ensure a common understanding of expertise, responsibilities, coordination arrangements and media management.
* Promote the role of the OPICC among all relevant stakeholders to ensure that its function and merits are well understood and utilised effectively during future exercises or in the event of a real incident.

The department also recognises the need for ongoing crisis management training to ensure that those involved in a departmental response to an offshore incident understand their role and how that relates to the desired outcomes, and can adequately undertake their role. Existing capabilities and opportunities within the Australian Government will be leveraged where possible to streamline training effort.

The department recognises the importance of strengthened engagement with relevant government agencies and the offshore petroleum industry to increase their awareness and understanding of the Offshore Petroleum Incident Coordination Framework and the role of the Commonwealth during an offshore petroleum incident. The rarity of this type of incident poses difficulties for the department in ensuring continued stakeholder awareness and familiarity, however the implementation of more regular smaller exercises and ongoing engagement with stakeholders will seek to address this.

## Conclusion

Exercise Ningaloo Challenge provided the opportunity to examine the execution of the current Offshore Petroleum Incident Coordination Framework, and the operation of the OPICC and the department’s CMT during an offshore incident. It successfully assisted the department to identify specific areas for improvement in the current arrangements and provided direction on how more effective outcomes can be achieved.

The department would support future simulated exercises to ensure the Commonwealth Government, with industry and state and territory governments, is ready and capable to respond to an offshore petroleum incident.

The department would like to extend thanks to OPICC member agencies, WA DoT and Quadrant Energy for their participation in Exercise Ningaloo Challenge, and their continued efforts and ongoing collaboration with the department. The department would like to acknowledge and thank REM Associates for the development of the sub-exercise and the resulting recommendations, which will be used to assist in the ongoing improvement of the Commonwealth Government’s response to an offshore petroleum incident.

1. The Homeland Security Exercise Evaluation Program describes a functional exercise as one designed to examine and/or validate the plans and staff members involved in coordination, command and control functions across multi-agency coordination centres.

   <https://www.fema.gov/media-library/assets/documents/32326> [↑](#footnote-ref-2)
2. Level 3 incidents are characterised by a degree of complexity that requires strong strategic leadership and coordination, and may be supported by national and international resources and capability. <https://www.amsa.gov.au/marine-environment/national-plan-maritime-environmental-emergencies/national-plan-maritime>. [↑](#footnote-ref-3)
3. Commonwealth waters extend seaward of 3 nautical miles from the territorial sea baseline (also referred to as the low tide mark) to 200 nautical miles (the limit of Australia’s Exclusive Economic Zone). [↑](#footnote-ref-4)
4. National Plan Maritime Environmental Emergencies, URL: <https://www.amsa.gov.au/marine-environment/national-plan-maritime-environmental-emergencies> [↑](#footnote-ref-5)
5. Exercise Westwind 2015 Evaluation Report, URL: <https://www.amsa.gov.au/marine-environment/national-plan-maritime-environmental-emergencies/exercise-westwind-2015> [↑](#footnote-ref-6)