



Government  
of South Australia

Department for  
Energy and Mining

Energy Regulatory  
Guidelines

008

# Fitness-for-purpose assessment reporting



## Department for Energy and Mining

Level 4, 11 Waymouth Street, Adelaide  
GPO Box 618, Adelaide SA 5001

Phone +61 8 8463 3000

Email [DEM.CustomerServices@sa.gov.au](mailto:DEM.CustomerServices@sa.gov.au)

[www.energymining.sa.gov.au/industry/energy-resources](http://www.energymining.sa.gov.au/industry/energy-resources)

South Australian Resources Information Gateway (SARIG)  
[map.sarig.sa.gov.au](http://map.sarig.sa.gov.au)

## Energy Regulatory Guidelines 008



© Government of South Australia 2024

With the exception of the piping shrike emblem and where otherwise noted, this product is provided under a [Creative Commons Attribution 4.0 International Licence](https://creativecommons.org/licenses/by/4.0/).

**Disclaimer.** The contents of this document are for general information only and are not intended as professional advice, and the Department for Energy and Mining (and the Government of South Australia) makes no representation, express or implied, as to the accuracy, reliability or completeness of the information contained in this paper or as to the suitability of the information for any particular purpose. Use of or reliance upon the information contained in this paper is at the sole risk of the user in all things and the Department for Energy and Mining (and the Government of South Australia) disclaim any responsibility for that use or reliance and any liability to the user.

**Preferred way to cite this publication.** Department for Energy and Mining 2024. *Fitness-for-purpose assessment reporting guidelines*, Energy Regulatory Guidelines 008. Department for Energy and Mining, South Australia, Adelaide.



# Contents

Introduction.....4

Scope .....4

Manner and form of the FFP report.....4

DEM review of the FFP report .....5

Close out of the FFP report.....5

APPENDIX Fitness-for-purpose report checklist .....6

Shortened forms.....18

Glossary .....18

# Introduction

Section 86A of the *Energy Resources Act 2000* requires the licensees of a prescribed licence to carry out a fitness-for-purpose (FFP) assessment of their facilities within the area of that licence to assess the risks imposed by the facilities on public health and safety, the environment and the security of production or supply of natural gas (so far as this may be relevant). Section 86A(6) of the Act

requires that any identified risks are eliminated or reduced so far as is reasonably practicable, and any remedial actions identified must be promptly carried out.

Regulation 30 of the *Energy Resources Regulations 2013* outlines the requirements of this five-yearly assessment and associated report.

## Scope

Section 86A(4) requires the licensee to prepare a report on the FFP assessment of facilities in a manner and form determined by the minister. This document outlines the manner and form required, provides guidance to licensees on how the requirements of the regulations can be met, and hence aids the Department for Energy and Mining, in reviewing and validating the submitted report efficiently.

The typical process from submission to close out of the FFP report is also outlined.

Prescribed licence means

- (a) a retention licence
- (b) a production licence
- (c) a pipeline licence
- (d) an associated activities licence
- (e) a special facilities licence.

## Manner and form of the FFP report

A checklist clearly setting out each requirement of regulation 30 and guidance of how each requirement may be satisfied is provided in the appendix as a fillable PDF. It is required that the licensee complete the checklist and submit along with the final FFP report.

The guidance included herein may not be applicable to all facilities, however a variety of situations have been considered.



# DEM review of the FFP report

When reviewing submitted FFP reports, DEM takes into consideration the nature of the operations being assessed and conducts their review in line with DEM's Process safety management framework for assessing compliance, Energy Regulatory Guidelines (ERG) 007 (PDF 1.4 MB).

Where it is not clear that the requirements of the regulations have been satisfied, DEM may request additional information is submitted – this may take the form of correspondence to provide simple clarification, an addendum to the FFP report or a full resubmission.

If resubmission or an addendum to the FFP report is required, and this resubmission occurs after the due date of the FFP report, an extension of time (EOT) must be requested under section 134 of the Act.

Where an EOT is granted for resubmission of a compliant report, a notice of the EOT will be uploaded to the [Licence Register](#) on the DEM website explaining the reason for the EOT.

## Close out of the FFP report

Once DEM is satisfied that the requirements of the regulations have been met, the FFP report will be closed out. At this stage, a formal close-out letter will be sent to the licensee. It is common for it to include a list of items which DEM will monitor as part of their ongoing surveillance. DEM will also follow the process outlined in the Regulations (rr. 30(10-12)) to upload a notice of availability of the FFP report on the [Environmental Register](#) on the DEM website.

Management System means, unless otherwise specified, the system in place pursuant to section 73A of the Act and [rr 16A guide](#) further guidance can be found at [map.sarig.sa.gov.au](http://map.sarig.sa.gov.au)

**Facility** means–

- (a) a pipeline or flowline; or
- (b) a road or access track; or
- (c) a borrow pit for construction purposes; or
- (d) any equipment to be used in undertaking a regulated activity (including production testing equipment)
- (e) a water disposal pond; or
- (f) a well; or
- (g) an airstrip; or
- (h) a powerline; or
- (i) telecommunications infrastructure, other than mobile telecommunications equipment; or
- (j) permanent fencing; or
- (k) Drilling and well intervention equipment; or
- (l) a camp; or
- (m) any other thing brought within the ambit of this definition by the regulations, but does not include any thing excluded from the ambit of this definition by the regulations



# APPENDIX Fitness-for-purpose report checklist

The intent of this checklist is to aid licensees to ensure compliance with the requirements of regulation 30 of the *Energy Resources Regulations 2013*. This regulation prescribes requirements envisaged by section 86A of the *Energy Resources Act 2000*.

Please complete the 'Licensee FFP report reference' column by noting the specific section(s) of your FFP report which address the subregulation stated and include this checklist with submission of the FFP report.

REGULATION	REQUIREMENT	GUIDANCE	LICENSEE FFP REPORT REFERENCE (e.g. heading, section number, page number)
30(2)	An assessment under this regulation must specifically address—		
30(2)(a)	the physical condition of each facility; and	<p>The physical condition of facilities must be assessed.</p> <p><i>Regulation 30(5)(d)(i) requires the FFP report to include statement of current and future (5 year) FFP and the grounds on which the statement is made, including this assessment.</i></p>	See r. 30(5)(d)(i)
30(2)(b)	the effectiveness of management systems for the operation and maintenance of each facility; and	<p>The effectiveness of management systems in ensuring the safe and effective operation and management of the facility must be assessed.</p> <p>The capability of the management systems to ensure the FFP of the facilities and regulated activities, and hence deliver compliance with the Act (including the statement of environmental objectives) should be the focus of the assessment.</p> <p><i>Regulation 30(5)(d)(ii) requires the FFP report to include statement of current and future (5 year) FFP and the grounds on which the statement is made, including this assessment.</i></p>	See r. 30(5)(d)(ii)



REGULATION	REQUIREMENT	GUIDANCE	LICENSEE FFP REPORT REFERENCE (e.g. heading, section number, page number)
30(2)(ba)	the condition and operation of controls and the elements of the associated management system for maintaining those controls; and	The condition of controls in place to ensure the safe and effective operation facility must be assessed with management systems in place to support the continued operations of those identified controls.	See rr 30(5)(d)(i) rr 30(5)(d)(ii)
30(2)(c)	the potential for the environment to affect the safe and effective operation of each facility; and	<p>The potential for the environment to affect safe and effective operations should be assessed. Where relevant, this should be incorporated into the risk assessment required by r. 30(2)(d).</p> <p>This may include degradation under expected environmental conditions, extreme natural events, external interference, or changes to the environment (natural or public) which increase the risk level of operations.</p> <p><i>Regulation 30(5)(c) requires a summary of the assessment of the risks associated with the operation of the facility to be included within the FFP assessment report.</i></p>	See r. 30(5)(c)
30(2)(d)	the potential for serious incidents to occur at each facility, including the potential for hazardous materials or substances stored at or near the facility to affect the safe or effective operation of the facility; and	<p>The potential for serious incidents to occur at each facility must be assessed. This should take the form of an industry recognised risk assessment process.</p> <p><i>Regulation 30(5)(c) requires a summary of the assessment of the risks associated with the operation of the facility to be included within the FFP assessment report.</i></p>	See r. 30(5)(c)

REGULATION	REQUIREMENT	GUIDANCE	LICENSEE FFP REPORT REFERENCE (e.g. heading, section number, page number)
30(2)(e)	the adequacy and reliability of the utilities required in order to enable the effective operation of each facility (so far as this may be relevant).	<p>The adequacy and reliability of the utilities required in order to enable the effective operation of each facility should be assessed (so far as this may be relevant).</p> <p>Utilities may include power supply, power generation, water supply, instrument air and access (roads, walkways, stairs, platforms etc.).</p> <p>The criticality of utilities (to ensure process safety and security of supply) should be incorporated into the risk assessment required by r. 30(2)(d).</p> <p><i>Regulation 30(5)(c) requires a summary of the assessment of the risks associated with the operation of the facility to be included within the FFP assessment report.</i></p>	See r. 30(5)(c)
30(3)	For the purposes of section 86A(2) of the Act, the following intervals are prescribed:	Dates of assessments and report submission to be clearly stated.	
30(3)(a)	The first assessment must be carried out within—		
30(3)(a)(i)	in the case of a report that relates to a production facility or pipeline—within 5 years after commissioning; or		






REGULATION	REQUIREMENT	GUIDANCE	LICENSEE FFP REPORT REFERENCE (e.g. heading, section number, page number)
30(3)(a)(ii)	in any other case—within 5 years after the completion of a statement of environmental objectives under the Act, or an environmental impact statement or public environmental report under the <i>Development Act 1993</i> (as the case may be).		
30(3)(b)	Each subsequent assessment must be carried out within 5 years after the completion of the previous assessment.		
30(4)	For the purposes of section 86A(4) of the Act, a report must be furnished to the minister within 2 months after the completion of the assessment.	Dates of assessments and report submission to be clearly stated.	
30(5)	A report must include, in relation to each facility to which the report relates—		

REGULATION	REQUIREMENT	GUIDANCE	LICENSEE FFP REPORT REFERENCE (e.g. heading, section number, page number)
30(5)(a)	a name and description of the facility; and	<p>Report should include comprehensive description of the facility. Depending on the complexity of the facility being assessed, this should include:</p> <ul style="list-style-type: none"> <li>• licence details</li> <li>• history (including commissioning dates, major upgrades/modifications and incidents as relevant)</li> <li>• function/process description</li> <li>• supply rates and sources</li> <li>• approximate storage or process capacities</li> <li>• key materials, design standards and critical operating parameters</li> <li>• associated utilities</li> <li>• production rates and any security of supply considerations.</li> </ul> <p>Appropriate diagrams that allow the reader to understand the process and potential threats should be included. This may take the form of a map, a pipeline route map, process or block flow diagram, or piping and instrumentation diagram.</p>	
30(5)(b)	the date on which the assessment occurred, or was completed (as the case may be); and	Dates of assessments and report submission to be clearly stated.	



REGULATION	REQUIREMENT	GUIDANCE	LICENSEE FFP REPORT REFERENCE (e.g. heading, section number, page number)
30(5)(c)	a summary of the assessment of the risks associated with the operation of the facility; and	<p>The report must provide detail of the assessment undertaken to satisfy:</p> <ul style="list-style-type: none"><li>• r. 30(2)(c)</li><li>• r. 30(2)(d)</li><li>• r. 30(2)(e).</li></ul> <p>The FFP report should provide enough detail to outline the key threats to the safe and effective operation of the facility, the major accident events that these threats could lead to, the consequences that could eventuate and the critical controls in place to prevent the event/consequence from occurring, or reduce the risk so far as is reasonably practicable.</p> <p>Commentary should outline the methodology of the assessment which was undertaken. It should be clear to the assessor how you have ensured that the risk assessment(s) have identified all reasonable threats that could lead to a serious incident and have identified and implemented adequate risk reduction measures.</p> <p>While there are no requirements for the method of risk assessment used for the FFP assessment, DEM has provided guidance on how a bowtie model can be used to achieve compliance with the Act and Regulations (see <a href="#">Process safety management framework for assessing compliance</a>, Energy Regulatory Guidelines 007 PDF 1.4 MB).</p>	

REGULATION	REQUIREMENT	GUIDANCE	LICENSEE FFP REPORT REFERENCE (e.g. heading, section number, page number)
30(5)(d)	a statement of the state of the current, and expected (over an ensuing 5-year period), FFP of the facility, setting out the grounds on which the statement is made and including—	Explicit <b>statement</b> is required in FFP report.	
30(5)(d)(i)	an assessment of the physical condition of the facility; and	<p>The report must provide detail of the assessment of the physical condition of the facility which was undertaken in support of the current FFP assessment (see r. 30(2)(a)).</p> <p>The FFP report should include sufficient detail to allow the assessor to confirm:</p> <ul style="list-style-type: none"> <li>the required performance has been defined (such as a series of performance standards or basis of design, as appropriate), and is in line with good industry practice</li> <li>appropriate monitoring, mitigation, inspections, testing and maintenance activities are in place, and are undertaken as required to ensure the facilities perform as defined</li> <li>the current and expected physical condition meets the defined standard, or an action plan is in place to correct any deficiencies.</li> </ul>	



REGULATION	REQUIREMENT	GUIDANCE	LICENSEE FFP REPORT REFERENCE (e.g. heading, section number, page number)
30(5)(d)(ii)	an assessment of the effectiveness of management systems for the operation and management of the facility; and	<p>The report must provide detail of the assessment of the effectiveness of management systems that was undertaken in support of the current FFP assessment (see r. 30(2)(b)).</p> <p>The FFP report should focus on the capability of the management systems to ensure the FFP of the facilities and regulated activities, and hence deliver compliance with the Act, including the statement of environmental objectives (e.g. risk management, asset integrity management, competency, management of change).</p> <p>It should include a high-level summary of the management system framework (a diagram is useful), and sufficient detail to allow the assessor to confirm that the sophistication of the management system in place is appropriate to the level of risk and complexity of the facility/regulated activities being undertaken.</p> <p>Specifically, demonstrate that there are appropriate systems in place for:</p> <ul style="list-style-type: none"> <li>ensuring reliability and performance of critical controls (e.g. performance standards).</li> <li>managing the effectiveness of procedural controls (such as permit to work, management of change, competency, landowner liaison etc.)</li> <li>monitoring and auditing the management system to ensure it is achieving the desired outcome</li> <li>ensuring effective communication and consultation between different levels and groups within the organisation of the risks associated with the activities and the requirements to achieve compliance with the statement of environmental objectives.</li> </ul>	

REGULATION	REQUIREMENT	GUIDANCE	LICENSEE FFP REPORT REFERENCE (e.g. heading, section number, page number)
30(5)(d)(iii)	information on any other factor that may adversely affect or compromise the FFP of the facility; and	Provide additional information where relevant.	
30(5)(e)	any other information requested by the minister,	DEM may request additional information, and specific details of what is required will be provided in this request.  After report submission and prior to close out, DEM may request clarification on specific inclusions/exclusions in the FFP report.	
30(5)	and a report may include other information thought to be relevant by the licensee.	Provide additional information where relevant.	
30(6)	A licensee may, with the approval of the minister, group various facilities for the purposes of an assessment or report under this subregulation.	A licensee may group facilities but must seek approval to do so.  If this approval has been granted, it should be referenced in the FFP report.	
30(7)	Information provided in a report must—		
30(7)(a)	be balanced, objective and concise; and	Avoid including information which is not relevant to the FFP of the facilities.  Sufficient detail should be included in the report to enable assessment as described in the preceding sections. Consider the use of appendixes or references to other documents to substantiate conclusions.	





REGULATION	REQUIREMENT	GUIDANCE	LICENSEE FFP REPORT REFERENCE (e.g. heading, section number, page number)
30(7)(b)	state any limitations that apply, or should apply, to the use of the information; and	Clarify in the FFP report where there is a lack of or limited information to make assessments and/or whether there is significant uncertainty in any data used in making the FFP statement.  It may be relevant to discuss limitations in testing methods/ tool tolerances where these may affect the outcome of assessments.	
30(7)(c)	identify any matter in relation to which there is a significant lack of relevant information or a significant degree of uncertainty; and	Note that these statements are only required where relevant or where the regulator identifies a critical uncertainty in the FFP assessment.	
30(7)(d)	so far as is relevant, identify the sensitivity to change of any assumption that has been made and any significant risks that may arise if an assumption is later found to be incorrect; and	Clarify in the FFP report if critical assumptions (e.g. where the assumption relates to high risk or reduces the risk into a tolerable range) have been made during any assessments (risk or engineering) and how changes to these may affect the validity of the FFP statement.  If additional information/assessment is required to confirm the FFP statement at the time of submission of the report, this should be clearly stated and an action plan in place to source this information or undertake any required assessments.	
30(7)(e)	so far as is reasonably practicable, be presented in a way that allows a person assessing the information to understand how conclusions have been reached.		

REGULATION	REQUIREMENT	GUIDANCE	LICENSEE FFP REPORT REFERENCE (e.g. heading, section number, page number)
30(8)	A report under this regulation—		
30(8)(a)	must be provided by the licensee or a person specifically authorised to provide the report for the purposes of this regulation; and	The report must be provided by the licensee or authorised person.	
30(8)(b)	must contain a declaration signed or executed by the person providing the report that he or she has taken reasonable steps to review the report in order to ensure the accuracy of the information contained in the report.	Declaration to satisfy r. 30(8)(b) must be present either in the report or an accompanying cover letter.	
30(9)	A licensee must promptly carry out any remedial action that is necessary or appropriate in view of a report under this regulation (and, in particular, must ensure that any identified risks are eliminated or reduced so far as is reasonably practicable).	<p>The report should include any remedial actions that have been identified as necessary to ensure the FFP of the facilities or otherwise state that there are none.</p> <p>The report should clearly state which actions have been completed or provide details of the plan for closing outstanding items.</p> <p>A licensee who fails to comply with a requirement under s. 86A of the Act, including promptly carrying out remedial actions, is guilty of an offence.</p>	
30(10)	Subject to r. 30(11), a copy of a report provided under this regulation may be made available to members of the public with the approval of the minister (and the minister must consult with the relevant licensee before giving an approval under this subregulation).	A notice of availability of the FFP assessment report will be made available on the DEM website after consultation with the licensee and ministerial approval. Requests must be made to DEM for access to the report.	



REGULATION	REQUIREMENT	GUIDANCE	LICENSEE FFP REPORT REFERENCE (e.g. heading, section number, page number)
30(11)	The minister may, before giving an approval under r. 30(10), take steps to ensure that commercially sensitive information is not publicly disclosed.	<p>During drafting of this report, consideration could be given to having commercially sensitive information in appendixes that could then easily be omitted in public version.</p> <p>Following submission and close out of FFP report, DEM will ask operator whether there is commercially sensitive information in this report that would inhibit public disclosure of this report.</p> <p>If there is such information, operator to supply alternative version of report with commercially sensitive information redacted/deleted and confirm there is no objection to posting a notice of availability of the FFP report on the <a href="#">Environmental Register</a>.</p>	
30(12)	An appropriate note relating to the availability of a report under r. 30(10) must be included on the <a href="#">Environmental Register</a> .	With confirmation from the operator, in accordance with rr. 30(10–11) a notice will be placed on the Environmental Register that the FFP report is available upon request.	

# Shortened forms

DEM	Department for Energy and Mining
EOT	Extension of time
FFP	Fitness for purpose

## Glossary

Definitions of key terms for the purpose of this document (from the *Energy Resources Act 2000* and *Energy Resources Regulations 2013*).

**Facility** means–

- (n) a pipeline or flowline; or
- (o) a road or access track; or
- (p) a borrow pit for construction purposes; or
- (q) any equipment to be used in undertaking a regulated activity (including production testing equipment)
- (r) a water disposal pond; or
- (s) a well ; or
- (t) an airstrip; or
- (u) a powerline; or
- (v) telecommunications infrastructure, other than mobile telecommunications equipment; or
- (w) permanent fencing; or
- (x) Drilling and well intervention equipment; or
- (y) a camp; or
- (z) any other thing brought within the ambit of this definition by the regulations

Does not include any thing excluded from the ambit of this definition by the regulations

**Prescribed licence** means–

- (a) a retention licence; or
- (b) a production licence; or
- (c) a pipeline licence; or
- (d) an associated activities licence; or
- (e) a special facilities licence.

## ACKNOWLEDGEMENT OF COUNTRY

---

As guests on Aboriginal land, the Department for Energy and Mining (DEM) acknowledges everything this department does impacts on Aboriginal country, the sea, the sky, its people, and the spiritual and cultural connections which have existed since the first sunrise. Our responsibility is to share our collective knowledge, recognise a difficult history, respect the relationships made over time, and create a stronger future. We are ready to walk, learn and work together.

## FURTHER INFORMATION

---

**Department for Energy and Mining**  
Level 4, 11 Waymouth Street, Adelaide  
GPO Box 618, Adelaide SA 5001  
T +61 8 8463 3000  
E [DEM.Engineering@sa.gov.au](mailto:DEM.Engineering@sa.gov.au)  
[www.energymining.sa.gov.au](http://www.energymining.sa.gov.au)

