

Public-Private Partnership in Oil Spill Response in Malaysia: a Review

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1.0 Introduction

Malaysia's long coastline and large seascape are vulnerable to oil spills from shipping and oil and gas activities especially in the Straits of Malacca and the South China Sea. The first major recorded oil spill in Malaysia was in 1976 when the tanker *Showa Maru* ran aground off Buffalo Rock in the Straits of Singapore and since then a number of large spills involving maritime transportation has occurred in Malaysian waters. Unlike oil spills from shipping, incidents related to the oil and gas industry in Malaysia were smaller and less catastrophic. Notwithstanding this the Government of Malaysia and the oil and gas industry have cooperated to develop a national oil spill response framework based around the Environmental Quality Act, 1974, the Malaysian National Oil Spill Contingency Plan and industry practices benchmarked against international standards such as the tiered emergency response and those established by IPIECA and IMO. Additionally, Malaysia is also a party to international conventions such as OPRC, 1990 and the CLC and Fund Convention, 1992. This paper reviews the relationship between the Government and private sector in oil spill response and looks at three key areas namely laws and policies, oil spill response (OSR) planning and implementation and the role of oil spill response service providers.

2.0 Main Results

A summary of the main topics are provided below as mentioned above are provided below:

2.1 Laws and Policies

Malaysia ratified the International Convention Oil Pollution Preparedness, Response and Cooperation (OPRC) 1990 in 1997 but have had the national laws that protect the marine environment from oil pollution since 1974 in the form of the Environmental Quality Act (EQA). Section 27 of the EQA prohibits the discharge or spill of oil into Malaysian waters while Section 31 of the same Act stipulates that owners or occupiers of vessels or premises are required to install or operate oil spill control equipment or risk a fine or imprisonment if found violating the provisions. In the Exclusive Economic Zone (EEZ) such prohibition and protection of the marine environment from oil pollution is contained in the Exclusive Economic Zone Act, 1984. In addition Malaysia's National Security Council (NSC) has also issued a directive called the NSC Directive No. 20 on National Policy and Mechanism for Disaster Management which provides an overarching framework for the disaster management in Malaysia. Private sector compliance and implementation of these legal and administrative provisions are achieved through internal means in the form of standards and guidance documents as well as through emergency response and oil spill response plans which are described below and in Figure 1.

2.2 National and Private Sector OSR Planning and Implementation

The principal document for oil spill response in Malaysia is the National Oil Spill Contingency Plan (NOSCP). The NOSCP was first published in 1975 and has gone through several iterations, the latest being in 2014. The NOSCP has the following objectives:

- To implement immediate and coordinated response to reduce the impact of oil spills on the environment and economy;
- Enhance oil spill response capability in terms of equipment and personnel; and
- Strengthen cooperation among all concerned parties to ensure effective oil spill response.

The NOSCP also specifies the requirement for the private sector to establish a Tier 1 oil spill response capability to respond to localised spills within the boundaries and capability of private premises such as ports, terminal and refineries. To this end the Department of Environment (DOE) which is the focal point for Malaysia’s oil spill response has published the “Guideline for the Preparation of Tier 1 (Local) Contingency Plans” which specifies the minimum requirement for Tier oil spill response equipment. This and the “Checklist for Tier 1 Oil Spill Response Plan Oil Terminals/Ports/Oil Depots/Jetties/oil Platform/Marine Installations” were used by the DOE for an industry oil spill response self-assessment at selected facilities in 2015 which resulted in enhancement of OSR capabilities at the facilities concerned. Given the significant number of oil and gas related installations as well ports in Malaysia it is worthwhile for the Government to consider expanding the assessment to include all relevant infrastructure. Figure 1 shows the relationship between the NOSCP and a private sector emergency and crisis management tier that encompasses OSR.

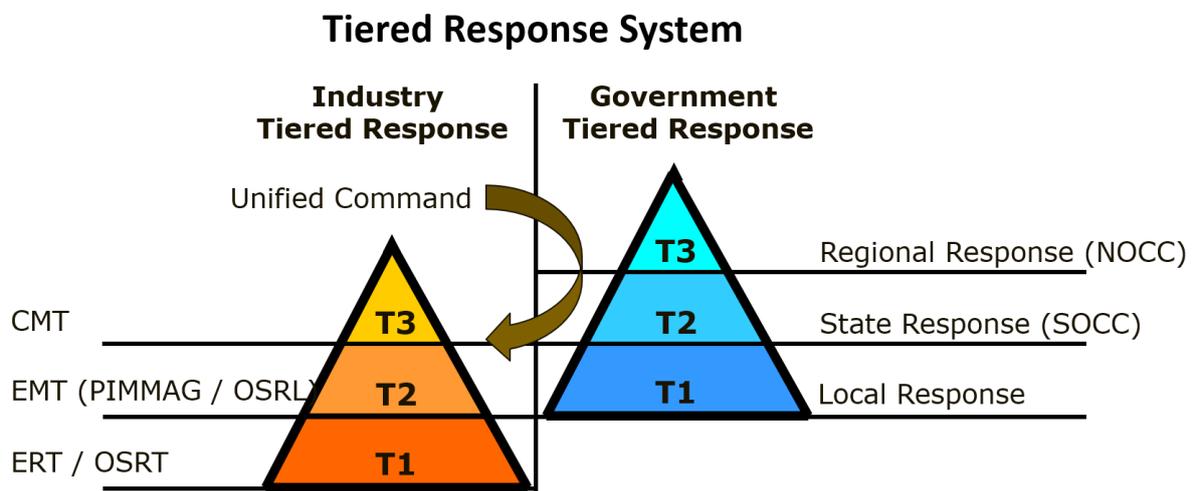


Figure 1. Malaysia: Government and Private Sector Tiered Oil Spill Response
Source: Maarof Sanif, 2016

In theory Government involvement is only expected at the industry Tier 3 level although in practice during actual incidents and exercises Malaysian Government agencies are often present in an advisory or roleplaying capacity as well providing technical support in terms of oil spill trajectory modelling. Conversely large scale Government OSR exercises such as the one organised by the DOE in 2016 also included private sector involvement including the deployment of industry-owned equipment and mobilisation of private sector OSR teams. This has helped to foster close working relationship between the Government and private sector but also highlighted the need for more frequent joint exercises to improve coordination and cooperation.

2.3 The Role of OSR Service Providers

Both the Government and the industry depend on OSR service providers or organisations (OSROs) in ensuring effective oil spill response albeit for different purposes. In the case of the former OSROs are contracted to provide and maintain Government owned OSR equipment while in the case of the latter OSROs provide Tier 2 response capabilities and support and advisory services as and when needed including during Tier 1 incidents. Malaysia’s oil and gas industry primary domestic OSRO is the

Petroleum Industry of Malaysia Mutual Aid Group (PIMMAG) which is an industry established and supported OSRO that has been operational since 1993 and is undergoing its own transformation following a 2017 industry assessment of its operations. Government OSROs on the other hand are essentially private companies contracted for equipment provision and maintenance work. As such industry and government sector OSROs do not have much commonality in terms of standard operating procedures, training and competency, communications and equipment. This means that interoperability between industry and Government OSROs is probably low and is an area for future consideration.

Conclusion

Malaysia's Government and its oil and gas industry have been working together in the area of oil spill response since the inception of the EQA in 1974 and the introduction of the NOSCP for the Straits of Malacca in 1975. The relationship is both regulatory and cooperative in nature as required by the NOSCP. However while the long relationship has yielded positive results there are still areas for improvement in terms of training and coordination as well as the need for a national Government-led OSR review. Additionally there is a need to address commonality and interoperability issues between Government and industry OSROs.

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