

MINUTES OF MEETING

Chair	Ken Fitzpatrick (Chair)	Minutes	
Participants	Melinda Hodkiewicz (MH); Chris Blackmore (CB); Trish Kerin (TK); Anthea Tinney (AT); Andrew Hopkins (AH); Stuart Smith (CEO)		
Apologies			
In attendance	<p>Agenda Item 8 – Paul Trotman (PT), Head of Division, Offshore Resources; Marie Illman (MI), General Manager, Offshore Resources [Department of Science, Industry, Energy and Resources Observers]</p> <p>Agenda item 9 – Derrick O’Keeffe (DO), Head of Division, Safety and Integrity</p>		
No.	Item		
1.	Welcome and apologies		
	<p>Following some minor technical issues, ██████ commenced the meeting at 9:15am. ██████, ██████ and CEO were present in the meeting room, with ██████ participating via video conference.</p> <p>██████ confirmed ██████ appointment to the role for a term of three years.</p>		
2.	Disclosure of interests / conflict of interest declarations		
	<p>██████ advised of amendments to ██████ interests on 6 September and ██████ advised the register had been updated.</p>		
3.	Confirmation of minutes of Meeting 34		
	<p>██████ advised ██████ had noted a couple of minor typographical errors (at items 11 and 13). The Board agreed that correcting them would not materially alter the minutes and confirmed the changes should be made. There were no other changes or comments and the minutes were accepted.</p>		
4.	Actions and issues arising		
	<p>The action items were reviewed. The majority of items would be addressed at agenda item 9 of this meeting and one would be discussed at the December meeting. The two reports had not been released yet.</p>		
5.	Correspondence for noting		
	<p>Noted.</p>		
6.	For Information: Updates from Board members		
	<ul style="list-style-type: none"> • ██████ advised ██████ continue to offer a wide range of webinars available for no cost. Competency documents were being prepared on the topic of how to review hazard operation activities and how to identify high risk aspects of new projects. • ██████ stated ██████ had been reviewing the Samuel interim report into the review of the EPBC Act. • ██████ stated he had been reviewing the circumstances around the destruction of the Juukan Gorge caves. ██████ added it provided an illustration of the importance of good channels of communication in an organisation up to the CEO and Board and the impact when it fails. • ██████ advised ██████ had taken the opportunity to view some of the IChemE webinars and was following the recent maritime incidents (e.g. the loss of a livestock carrier off Japan) which resulted in multiple loss of lives and appears to have been preventable. 		

	<ul style="list-style-type: none"> • [REDACTED] advised [REDACTED] had been reviewing the Haddon-Cave report into the Royal Air Force Nimrod crash. The report identified the impact of the loss of technical competence in an organisation. [REDACTED] noted this was currently occurring in the oil and gas industry, where many technical roles were being made redundant, which was of concern. • [REDACTED] advised [REDACTED] had met with the [REDACTED], and discussed the role of the NOPSEMA Board and raised the topic of process safety reporting. [REDACTED] had also had a preliminary meeting with Deloitte regarding the Operational Review. [REDACTED] stated Deloitte would contact the [REDACTED] to arrange a meeting with the Board as a group. <p>Discussion took place on the topic of the loss of technical expertise, particularly in safety critical positions across industry as a result of staffing cuts and whether Management of Change (MoC) processes included staff reductions and whether this was reviewed by NOPSEMA. It was noted MoCs for technical change had been standard practice onshore for many years but there was a lack of clarity regarding large scale organisational changes. The CEO advised APPEA were concerned that the current restriction of movement of personnel due to Covid-19 border closures in addition to staffing reductions, presented a significant risk. The CEO added that NOPSEMA had recommenced offshore inspections and MoC for Organisational Change could be included in the inspection scope. It was agreed the matter could be discussed further with DO at agenda item 9.</p>
7.	<p>For Information: CEO Report – including NOPSEMA Quarterly Report</p>
	<p>The reports tabled by the CEO were taken as read. A verbal update was provided on developments from the end of the last quarter to date:</p> <ul style="list-style-type: none"> • Covid-19: Participants wish to continue the weekly forum chaired by NOPSEMA with representation from industry, unions and State regulators. The forum enables the sharing of information that allows industry to be aware of issues early and unions to better understand how concerns are being addressed. An After-Action-Review with APPEA identified collaboration and willingness to listen and adopt leading practice as positive outcomes. The CEO noted that while industry appreciated the sharing of information, the adoption of leading practice is often prevented by companies preferring their own procedures over another's. This was not case with COVID 19 and Operators readily worked together. • Joint Inspections: NOPSEMA policies and procedures had been amended to reflect that inspection scopes may include safety, wells and environment topics. There had been some initial internal misunderstanding that joint inspections mean an inspector from each division should participate in the actual inspection. This had been clarified and it means a safety inspector could review an environment matter (e.g. emissions) during an inspection or vice versa. Some inspections would continue to be specific to a division. • Border closures: As discussed earlier (item 6) APPEA had requested the CEO to raise with the Board their concerns around the difficulties of moving critical personnel between states (and internationally). APPEA believe the movement of personnel has largely been very well managed by industry and some relaxing of the restrictions would be helpful, particularly between WA and Victoria. • Decommissioning: The CEO provided background to the current focus on decommissioning (e.g. issues of orphan wells, Northern Endeavour, amendment to the Ministerial Statement of Expectations etc) and the issuing of updated guidance to industry on the topic. The Board discussed that while it has been a legal obligation to fully remove equipment since the 1960's, industry appears to not have had this as the default consideration in their planning, nor have assets been valued on the basis of full removal. In some instances equipment has not been maintained to enable removal and in one example the resulting technical and safety risks are such that equipment may now have to remain in place. The CEO advised NOPSEMA will use its powers to take action where companies are not making appropriate considerations. • Asset sales: BHP are putting their share of Bass Strait facilities on the market, however not according to the same timeframe as Esso. Esso have significantly reduced staffing numbers (some

due to Covid-19) which was having an impact on the quality, content and timing requests for the submission of some permissioning documents.

- Walker Review: The summary report had been forwarded to the Board. The full report has not been released by the Minister, nor has it been seen by NOPSEMA. The findings reflected NOPSEMA positively as a robust, professional regulator and the three recommendations for NOPSEMA were in hand. An update on progress will be provided at the December meeting.
- The draft decommissioning policy framework had been received by NOPSEMA just prior to the meeting for review prior to going out for public comment.
- [REDACTED]
- NOPSEMA are likely to be confirmed as the offshore renewable regulator and would be given funding for establishment.
- NOPSEMA's role under the EPBC Act Review was being included as part of the Operational Review by Deloitte.
- EPBC Act Review: Regulations were being amended and NOPSEMA was endeavouring to ensure it was involved that process.
- An internal After-Action-Review was being conducted to consider organisation and committee structures, decision making, strategy and governance of the agency. The CEO stated that the delay to the start of the Operational Review meant any findings from that Review would potentially not be available until the first quarter of 2021. Awaiting those findings would mean any potential changes couldn't be implemented until mid-year which was not a preferred option, given that the After-Action-Review had already been deferred for some months to accommodate the Operational Review.

[Note: this item was paused to allow Item 8 to commence at 10:20 which was followed by a 15 minute break for members. It recommenced at 11:05am until 11:20am].

- CGG Seismic Survey: It was noted that CGG had been subject to a General Direction regarding compensation. It had also become apparent a fishing industry body had provided incorrect information to fisherman regarding fishing zones and the survey area which had impacted on some compensation claims.
- Charges had been laid in relation to the DoF Subsea matter. The next hearing was scheduled for 20 November however it was expected to be deferred until 2021.
- The Technip matter had been due to return to the WA Magistrates Court in August, however following an appeal by Technip the matter will now go to the full bench of the WA Supreme Court. NOPSEMA will continue to pursue the matter via the CDPP.
- A small budget surplus was recorded for the 2019-20 financial year. Sufficient cash reserves are available for the 2020-21 financial year but provision for future years mean the request for levy increases will be revisited (postponed due to Covid-19).
- The 2020-25 Corporate Plan had been published.

[REDACTED]

ACTION: NOPSEMA to provide a progress update on the recommendations of the Walker Review at the December meeting.

ACTION: [REDACTED] to circulate the link to the Corporate Plan and add the topic for discussion at the December meeting.

	<p>ACTION: NOPSEMA to provide comment collated from facility inspections on effectiveness of Operators' management of change process and the assessed risk of any large-scale organisational change on the Operators' ability to maintain and support safe operations consistent with undertakings in the respective Safety Cases at March meeting</p>
<p>8.</p>	<p><i>For Information: Policy Update</i></p>
	<p>MI and PT joined the meeting by video conference at 10:20am. The report was taken as read, and MI provided the following additional comments:</p> <ul style="list-style-type: none"> • The department's focus during the last quarter continues to be on matters around Covid-19 such as workforce issues and border restrictions. The Board advised the current restriction of movement of industry personnel, particularly those with safety critical skills, was a significant concern to industry and NOPSEMA. MI advised the department was engaged with the States and Territories on border crossings and noted it was somewhat easier for international movement to occur than between States at the moment. PT added a Disaster Preparedness Subgroup was working with State counterparts to develop consistency in exemptions. • [REDACTED] • The full report from the Walker Review was the subject of a Freedom of Information request to the Department. The recommendations from the review had been incorporated in the draft decommissioning policy framework and safety review. • It was anticipated the draft decommissioning policy framework would be released for public comment in the next few weeks. • The Operational Review of NOPSEMA (and NOPTA) had commenced, with weekly updates and fortnightly meetings taking place between the department and Deloitte. • The impact of low oil prices on production operations continued to be monitored. • The recent acreage release held via an online webinar attracted approximately 180 participants from 130 companies. There had been a strong campaign to not release acreage around the Ningaloo Reef and Abrolhos Islands in WA, which were excluded from the release. • MI had been invited to present to the Seismic Inquiry on 21 September, as had NOPSEMA. <p>[REDACTED] thanked MI and PT for the comprehensive update and stated progress on the decommissioning policy framework was pleasing.</p> <p>In response to a query, MI and PT advised the FOI request for the full Walker Review was dependent on consideration of commercial-in-confidence information contained in the report and information relating to commercial decisions may be desensitised. It was advised that companies may not have provided the detailed information they had if there had been awareness the information may be made public.</p> <p>The Board reiterated the concerns relating to restrictions on the movement of personnel and the inability to source sufficient expertise which has a significant impact on safety. MI noted this was one of the key elements in the discussions on movement of personnel.</p> <p>MI and PT left the meeting at 10:45am.</p>
<p>9.</p>	<p><i>For Discussion: Update from Head of Division, Safety and Integrity</i></p>
	<p>DO joined the meeting at 11:00am and commenced the presentation at 11:20am. A copy of the presentation had been provided to members prior to the meeting which comprised an overview of</p>

	<ul style="list-style-type: none"> • how future facility inspections will address potential latent hazards arising from risk mitigation assessments carried out in 1Q 2020 resulting in deferred maintenance activities during the response to COVID 19 pandemic; • the 30% reduction in offshore hours in last 4 months due to impact of COVID 19; • the general practice of Operators to use Technical Authorities to assess risk mitigation assessments per the respective safety management system (and each Operator uses different definitions to cover Technical Authority role). NOPSEMA has two members of staff with particular expertise in SIL and LOPA; • the general practice by Operators to escalate approval of risk mitigation assessments to appropriate levels as per the respective safety management system. Change management processes including ORA and maintenance deviations are subject to NOPSEMA inspections; • remote inspections, and • recent physical inspections. <p>The following additional points were noted and discussed:</p> <ul style="list-style-type: none"> • It was important that personnel who approve changes to MoCs have the requisite competence to do so. The reporting lines were also important to ensure the person making the change isn't also the person approving it. • Industry were not as well prepared to facilitate remote inspections or the use of new technologies (e.g. drones, body cameras) as had been thought. • The recommencing of physical inspections by NOPSEMA had highlighted the concerns relating to the well-being of personnel, where some had not been able to see families for more than six months. Some personnel were resigning their jobs due to Covid-19 related pressures (e.g. so they could remain with their families) and this was impacting on the pool of sufficiently qualified and experienced personnel available both in Australia and internationally. • The matter of how the equipment damage to critical process equipment at the Gorgon facility on Barrow Island was discovered by the State Regulators in the media and not reported immediately as a dangerous occurrence by the Operator. NOPSEMA has advised the Operator that it intends to commence an inspection to review the technical and quality assurance processes for offshore facilities and pipelines as soon as practical. The matter of identifying common inspection themes and topics remained a challenge, particularly in a bespoke industry with a range of 50+ year old facilities to one-off unique facilities such as Prelude. DO advised NOPSEMA sourced information from unions, personnel and incident notifications, and added that the Covid-19 industry forum had been a very useful source of information. <p>██████████ thanked DO for an informative presentation and DO left the meeting at 12:05.</p>
10.	<i>For Discussion: Operational Review</i>
	<p>The Board discussed the progress of the Review and the CEO advised he had participated in three meetings to date. The CEO stated Deloitte had allocated a team to each of the Terms of Reference and it appeared that information provided by NOPSEMA was not always being shared across all the teams, resulting in multiple requests for information that had already been provided. The Board noted the considerable time required by NOPSEMA personnel to participate in this and other reviews currently underway that diverted significant resources away from core business. The CEO stated he had advised Deloitte of the many recent reviews into NOPSEMA and they would be valuable references.</p> <p>██████████ advised ██████████ had compiled a list of topics that could be used for discussions with Deloitte and would circulate to members for consideration and any additional input. The Board confirmed their preference that the meeting with Deloitte should be undertaken as a group and that it would be useful to obtain a list of proposed questions from Deloitte prior to the meeting.</p>
11.	Any Other Business

	<p>██████████ tabled proposed 2021 meeting dates for consideration. It was requested the March date be brought forward to the end of February or earlier in March.</p> <p>██████████ requested discussion in the March meeting to include a discussion on standardised reporting on leading indicators to improve safety and environment monitoring. ██████████ and ██████████ agreed to form a working group and would review the prior referral into process safety. Other matters to be considered include:</p> <p style="padding-left: 40px;">should the language associated with incident statistics be changed from “leading/lagging; the appropriateness of the definition of dangerous occurrence and where the reported information is, or could be, held.</p> <p>The working group agreed to provide an interim report at the December meeting. It was noted the Board should have a consensus position on process safety reporting and that the Minister has a role in encouraging voluntary reporting by industry.</p> <p>██████████ sought input into the matters to be included in the letter to the Minister. These were:</p> <ul style="list-style-type: none"> • The positive reflection of NOPSEMA’s actions noted in the Walker Review • Progress on the decommissioning review and impending release of draft policy framework • Northern Endeavour developments • The confluence of the Covid-19 pandemic and low commodity prices impacting operators’ ability to undertake offshore activities. This has been evidenced by a significant decrease in the number of hours logged offshore which may result in deferred maintenance and hence an increased risk from latent hazards. Also to note that the impact of State Border restrictions limits the movement of specialists technicians • The industry OHS forum conducted between NOPSEMA, the unions, industry and State regulators has proven to be a useful tripartite communications forum. <p>ACTION: ██████████ to arrange for a Connect Share Workspace to be established for the working group to review standardised reporting on leading indicators. The previous referral documents should be added for reference.</p> <p>ACTION: ██████████ and ██████████ to provide an interim report at the December meeting.</p>
12.	Board only discussion
	The CEO and ██████████ left the meeting at 12:45.
	Close
	<p>██████████ thanked members for their participation and closed the meeting at 13:00. The CEO and ██████████ returned at 13:10 and ██████████ provided feedback on the Board’s discussions.</p> <p>Next Meeting – Wednesday 2 December</p>