



MINUTES
NOPSEMA Advisory Board Meeting 41
Wednesday 9 March 2022
Microsoft Teams Meeting

Participants			
Attendees	Agenda Item 10 –		
Apologies			
ITEM	TOPIC		
1.	Welcome and apologies		
	<p>commenced the meeting at 8:35am and extended a welcome to new members. All participants joined the meeting via video conference.</p>		
2.	Disclosure of interests / conflict of interest declarations		
	<p>noted that had been appointed as a Special Envoy by Deloitte (acting for the Commonwealth Environment Portfolio) to commence discussions with various industry organisations on the Burrup Peninsula (including Woodside). The intention is to scope out cooperative management agreements between industry and the Traditional Owners. The role was for a period of approximately six weeks. advised this had been added to the Register. No other conflicts were declared.</p>		
3.	Confirmation of minutes of Meetings 40a and 40b		
	<p>advised she had found some minor typographical errors in the minutes of meeting 40a. The Board agreed the corrections should be made and as there were no other amendments advised, the minutes of meetings 40a and 40b were accepted as final.</p>		
4.	Actions and issues arising		
	<p>The actions items were reviewed, and all items are either complete, in hand or will be discussed at this meeting.</p>		
5.	Correspondence for noting		
	<p>advised that NOPSMA had prepared a response to a Question on Notice following the Senate Estimates hearings in March. The questions related to remuneration, location of members and whether a conflict-of-interest register was kept.</p>		
6.	For Information: Introduction to Board Members and update on recent activity		
	<p>For the benefit of the new members, each meeting participant provided a brief summary of their background.</p>		
7.	Part A: For Information: Report – including NOPSEMA Quarterly Report and update on recent developments and new NOPSEMA Statement of Expectations		
	<p>joined the meeting by video conference at 9:10am. The reports tabled by were taken as read. provided a verbal update on current developments including:</p> <ul style="list-style-type: none"> The DoF Subsea matter was scheduled to have five days of hearings commencing 28 March. Shell Australia are required to report to NOPSEMA on a monthly basis regarding progress under the General Direction issued in December 2021. Shell must demonstrate to NOPSEMA that the facility can be operated safely before it can be re-started. NOPSEMA and the Department of Industry, Science and Resources were monitoring Triangle Energy following the recent change of its Board and the appointment of a new CEO. 		

- NOPSEMA had been contacted by the Australian Securities and Investment Commission (ASIC) in relation to the provision for decommissioning liabilities reported by an oil and gas operator. ██████ advised NOPSEMA had not been informed of which company the query related to and commented it was encouraging that ASIC were monitoring organisations to ensure provisioning for decommissioning liabilities in their statutory accounts was appropriate.
- ██████ noted that the industry safety performance in 2021 indicated a significant increase in injury rates, returning to 2015 levels. These negative changes to the lagging safety performance were a concern. NOPSEMA is looking into the possible causes of the increase in the number of safety incidents and dangerous occurrences being reported. ██████ stated the topic has been raised with industry, discussed by the APPEA Board and raised at industry forums such as Drillsafe. The increase has not translated into higher statistics for more serious incidents but is considered a red flag. A review of the incidents suggests possible factors may include:
 1. Covid-19 related illness
 2. Isolation requirements due to being a Covid-19 close contact
 3. Border controls and unavailability of personnel
 4. Fatigue resulting from extended rosters
 5. Mental health due to family separation or isolation
 6. Workforce churn due to the 2020 oil price crash
 7. Ageing workforce, low experience and personnel competency.
- The ongoing bilateral meetings with the ACTU were beneficial to both parties as they provide an opportunity for NOPSEMA to hear directly from workforce representatives and for the workforce representatives to hear about NOPSEMA's activities in relation to various compliance matters in the industry. ██████ advised the wording for a Memorandum of Understanding has been agreed however the MOU has not yet been signed. ██████ stated this forum was commendable and noted the improvement in the relationship between NOPSEMA and unions from prior years.
- NOPSEMA would provide an incoming ministerial brief which would be aligned with that of DISER and the Operational Review.
- Briefings had been provided to various Members of Parliament and NOPSEMA had appeared at the Senate Estimates hearing in March. ██████ stated ██████ had asked about Indigenous input, ██████ had raised questions about disapplication of the Navigation Act and ██████ had again asked about sexual harassment in the offshore industry and had commended NOPSEMA's actions to investigate further to ensure incidents were not going unreported.
- NOPSEMA will still host the International Regulator Forum annual general meeting and conference but the date has been deferred by one year to October 2023.
- NOPSEMA had been granted \$10million in funding as part of the Federal Government's Regulatory Reform Agenda. The funding will enable NOPSEMA to replace its Regulatory Management System and digitise a significant amount of information.
- The Board noted the Directions issued to Esso Australia in relation to the Kingfish B facility were well written and it would be interested in updates as progress is made, including advice on which organisation is commissioned by Esso Australia to undertake the survey.

The Board were advised of the recent publication of a report into the Covid-19 impacts on mental health in the offshore industry that had been commissioned by NOPSEMA. This report is publicly available on the NOPSEMA website for industry to consider.

██████ provided a summary of the new Statement of Expectations issued to NOPSEMA by ██████ and advised that NOPSEMA was bound to comply with it as soon as it was issued. NOPSEMA is also required to provide a draft Statement of Intent to DISER by 18 March. The Board noted the specific direction that NOPSEMA to consider scope1 and scope 2 emissions only and not have regard to Scope 3 emissions, and the potential for legal challenge to permissioning documents. The Board

	<p>noted the direction for the Board to work with [REDACTED] to develop the corporate plan, and to review operational policies, procedures and strategies to identify areas for improve and efficiencies.</p> <p>[REDACTED] left the meeting at 10:30am.</p> <p>ACTION: [REDACTED] to circulate the report into “Offshore Personnel Mental Health and Wellbeing during Covid-19”.</p>
8.	<p><i>For Discussion: 2021 Board self-reflection and 2022 priorities</i></p>
	<p>The Board noted the summary of the self-assessment questionnaire and the areas of interest for 2022 as tabled.</p> <p>It was agreed a self-assessment would be undertaken on an annual basis.</p> <p>The Board discussed its areas of focus in 2022. The Board agreed to include the greater use of data and technology, the expansion to NOPSEMA’s functions, and to encourage NOPSEMA to utilise the expertise of the Board where possible.</p> <p>[REDACTED] advised the areas of interest list would be used to assist to plan future meeting agendas.</p> <p>As per meeting 40b, Item 3, the Board’s focus in 2022 includes monitoring and advice on the following:</p> <ul style="list-style-type: none"> • Seeking opportunities to improve the transparency of the regulatory approvals process and stakeholder engagement • Monitoring programs arising from the review into decommissioning, late life asset transfers and cross-over alignment with other agencies and regulators • Active engagement with stakeholders regarding trends, issues and leading practice opportunities, and provide advice to Ministers and NOPSEMA on strategies to improve safety, well integrity and environmental performance in Australia's offshore petroleum industry. • Monitoring industry performance in: <ul style="list-style-type: none"> ○ the four strategic compliance areas of preventing major accident events, preventing loss of well control, effective oil pollution emergency preparedness and responsible asset stewardship ○ process safety, environmental management and EPBC Act, executive accountability and maintenance and removal of property. <p>Meeting 41 Indicative areas of interest for 2022 include:</p> <ul style="list-style-type: none"> • General industry activities and interaction with NOPSEMA per CEO report. • Feedback from inspections including interviews with regulated entities’ [REDACTED] on process safety accountability and performance. • Expansion of NOPSEMA’s functions • Implementation of Financial Assurance for late field life transfers and decommissioning. • Organisational change. • Decommissioning Activities-maintenance and removal of property. • Environmental Approvals and activities. • EPBC Act approvals. • Safety and Integrity activities. • Wells and integrity activities. • Risk and Assurance Committee determinations. • Marine Spatial Planning. • Effective use of data and technology. • Utilise Board expertise where appropriate.
9.	<p><i>For Discussion: Safety Integrity: New inspection regime:</i></p>
	<p>[REDACTED] joined the meeting via video conference at 10:40am and delivered a presentation on the recent change to NOPSEMA’s inspection process, policy and program arising from the inspection process</p>

	<p>improvement taskforce in 2021. The new inspection process considers bespoke risk factors and baseline inspection frequencies for each duty holder and future inspections are to be focused on conclusions to encourage duty holders to establish for themselves how and why they were non-compliant. NOPSEMA will prepare a documented Compliance Plan for each dutyholder.</p> <p>The changes will</p> <ul style="list-style-type: none"> • improve the effectiveness and efficiency of inspections • establish an agency-wide programming function and inspection process • ensure duty holders own and manage the risk gaps identified in inspections. <p>The Board noted this was a significant change to NOPSEMA's inspection process and commended the work undertaken to achieve this outcome. The integrated approach will establish a consistent and streamlined agency wide inspections program. It is integral to a policy aimed at making duty holders own and manage the risk gaps identified in inspections. This new approach provides consistent structured advice for duty holders (conclusions not recommendations), support for enforcement actions by NOPSEMA and will improve the effectiveness and efficiency of NOPSEMA's annual inspection program.</p> <p>The Board stated it would like to have an update on the inspection program in 1H 2023.</p> <p>■ was thanked for an informative presentation and ■ left the meeting at 11:30am.</p> <p>ACTION: ■ to circulate a copy of the presentation, policy and procedure to Board members.</p> <p>ACTION: NOPSEMA to provide an update on the inspection policy and processes in early 2023.</p>
10.	<i>For Discussion: 2022 Election and potential Board incoming Ministerial Brief</i>
	<p>The Board noted that incoming Ministerial Briefs would be provided by NOPSEMA and DISER and it would not be necessary to provide additional information.</p>
11.	Any Other Business
	<p>■ reiterated the change to the way in which NOPSEMA were writing Improvement Notices and General Directions is resulting in information being much clearer and enabling a better understanding of the core issue.</p> <p>The Board discussed participation in NOPSEMA's Audit and Risk Committee meetings and noted that Committee members are required to be independent. ■ agreed to provide an update on changes to risk as needed. An item allowing for an update on audit and risk would be included as a standing annual agenda item.</p> <p>■ noted the significant increase in the price of oil combined with ongoing Covid-19 restrictions and a shortage of skilled personnel, had the potential to have an adverse effect on safety and environmental outcomes in the offshore industry.</p>
12.	Review of action items and items for letter to ■
	<p>■ provided a summary of the action items arising from the meeting.</p> <p>The proposed topics for inclusion in the letter to ■ were:</p> <ul style="list-style-type: none"> • Acknowledging NOPSEMA's new Statement of Expectation • The recent increase in injury rates and the importance of NOPSEMA continuing to focus on prevention of major accident events and executive accountability for process safety • The change to NOPSEMA's inspection policy and program • The addition of ■ to the Board • The need for continued funding and resourcing of NOPSEMA with the expansion of its functions and responsibilities until it is able to generate sufficient revenue via full cost recovery.
	Meeting Close

	<p>██████████ thanked members for their participation and closed the meeting at 12:10pm.</p>
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	<p>Next Meeting – Wednesday 20 April</p>
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