

Chair	Ken Fitzpatrick	Secretariat / Minute taker	██████████
Participants	Melinda Hodkiewicz (MH); Anthea Tinney (AT); Chris Blackmore (CB); Andrew Hopkins (AH); Stuart Smith (CEO)		
Present	<p>Agenda item 8 –Marie Illman (MI), General Manager, Offshore Resources [Department of Science, Industry, Energy and Resources Observer]</p> <p>Agenda Items 10 and 11 – Cameron Grebe (CG), Head of Division, Environment and Decommissioning</p> <p>Agenda Item 12 – Derrick O’Keeffe (DO), Head of Division, Safety and Integrity</p>		
Apologies	Nil		
ITEM	TOPIC		
1.	Welcome and apologies		
	██████████ commenced the meeting at 8:30am. All participants were present in the meeting room, with the exception of ██████████, who joined via videoconference.		
2.	Disclosure of interests / conflict of interest declarations		
	No new items were declared.		
3.	Confirmation of minutes of Meeting 37		
	It was noted the header of the previous meeting record needed to be amended to reflect they were minutes and not the agenda.		
4.	Actions and issues arising		
	<p>All actions have been completed.</p> <p>██████████ confirmed he had raised the Board’s concerns in relation to process safety lead indicators with APPEA Directors. ██████████ added he had also raised the matter with the ██████████ during the recent APPEA conference. ██████████ both stated the response from APPEA had been somewhat underwhelming.</p>		
5.	Correspondence for noting		
	Noted.		
6.	For Information: Update from Board members		
	<p>Members provided a brief update of recent activities which included:</p> <ul style="list-style-type: none"> • a presentation to Inpex on safety, • liaison with the Queensland Mines Inspectorate following the Brady Review into all fatal accidents in Queensland mines and quarries from 2000 to 2019, • monitoring the ongoing issue with the detention of the crew of the vessel “Ever Given” following the incident in the Suez Canal, • monitoring developments in relation to the review of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>, • reviewing the 2008 Varanus Island incident in relation to process safety issues, • reviewing reports and papers associated with the seismic inquiry, • feedback on NOPSEMA’s presentations at the 2021 APPEA Conference. 		

	<p>█████ stated it was valuable for Board members to engage with industry and when doing so it is helpful to clarify that the Advisory Board does not form part of the NOPSEMA executive and does not have a decision-making role.</p>
7.	<p>For Information: █████ Report – including NOPSEMA Quarterly Report and update on recent developments</p> <p>The reports tabled by █████ were taken as read. █████ provided a verbal update on current developments including:</p> <ul style="list-style-type: none"> • A summary of the recent 2021 APPEA Conference, noting: <ul style="list-style-type: none"> ○ The shift in attitude in attendees and the conference program to ESG (Environmental, Social, and (Corporate) Governance) matters. ○ The focus on gas rather than oil. ○ Various titleholders had sought to discuss topics such as decommissioning, the Northern Oil & Gas Australia (NOGA) levy and trailing liabilities. ○ The presentation to the █████ Safety Forum included the topic of mental health, in addition to outlining NOPSEMA's priorities with a focus on scope 3 emissions and financial assurance. It was noted many of the attendees had not appreciated the extent to which NOPSEMA will soon have to consider financial assurance in the assessment process. The Board discussed that while the obligation had always existed in the legislation, the explanatory memoranda for the Act had referenced financial assurance only in relation to an oil spill response. This remit is to be broadened with NOPSEMA to consider the full cost of decommissioning throughout the life of a facility (excluding the resource in the ground). █████ stated no date had been provided as to when this requirement would commence. The Board noted the significant impact this would have on the industry. • While the Department of Industry, Science and Resources (DISER) had acknowledged NOPSEMA would require additional funding in relation to implementing financial assurance, no funding had been received to date, which was making it difficult for NOPSEMA to resource or prepare for the additional work required. • Funding of \$1.4million had been received to establish and implement NOPSEMA's proposed new functions as the regulator for offshore renewable energy. The funding was for two years only and had enabled NOPSEMA to establish a two-person team to provide assistance to DISER to progress the new legislation (Offshore Electricity Infrastructure Bill) and associated regulatory framework. • It was disappointing that the HSE Forum proposed by SaferTogether for August 2021 will not permit involvement by the Unions, particularly given the successful collaboration and cooperation of the tripartite forums during Covid-19. █████ advised NOPSEMA is proposing to convene a tripartite HSE forum in Melbourne in October. • Recent enforcement actions taken by NOPSEMA were largely in relation to decommissioning matters which has resulted in raising industry's awareness of their obligations to the commitments stated in their environment plans. █████ added this had seen an increase in the number of titleholder CEO's seeking a meeting with █████ to discuss the topic. • Questions to NOPSEMA at the recent Senate Estimates hearings had mainly focused on Northern Endeavour and Lloyd's certification. • NOPSEMA had been requested to attend a Senate hearing in relation to amendments to the OPGGS Act objectives that had been proposed by █████. Participation had been via teleconference. • NOPSEMA's submission to and attendance at the Senate Inquiry into the impacts of seismic testing had been commended by the Committee, industry and other groups. • The report following the five-year Operational Review had not yet been provided to █████ by DISER. • A submission had been prepared for the Government seeking an increase of 20% in NOPSEMA levies via the Cost Recovery Impact Statement process. █████ advised that while it seemed a significant rise, it was necessary to adequately resource the expansion to NOPSEMA's functions

	(e.g. decommissioning, financial assurance, support to the Northern Endeavour taskforce) and would only be the second increase in ten years. Briefings had been held with Woodside having expressed concern about additional financial imposts on top of the NOGA levy.
8.	<i>For Information: Policy Update</i>
	<p>■ joined the meeting via video conference at 9:55am and provided apologies on behalf of ■. The report tabled was taken as read and the following items were highlighted:</p> <ul style="list-style-type: none"> • A global open tender would be released to engage a lead contractor to decommission the Northern Endeavour and remediate the associated oil fields. This would be one of the largest projects ever conducted by the Commonwealth. • Consultation had taken place with industry in relation to the NOGA Levy. The temporary levy would be applied to those companies with offshore petroleum production and continue until all costs associated with decommissioning and remediation in relation to the Northern Endeavour had been recovered. The levy would be implemented by Treasury. • Debate on amendments to the OPGGS Act in relation to decommissioning and recommendations from the Walker Review was expected on 24 June. ■ noted this was a very complex piece of legislation. • The final report of the five-year operational review of NOPSEMA was likely to be tabled following the Winter recess (i.e. August). • Policy authority had been provided for DISER to proceed with making amendments to the OPGGS Act following the offshore safety review. It was noted the expected date for the Bill to be introduced to Parliament was Spring 2022, not 2021. • A response to the report following the Senate Inquiry into the impacts of seismic testing was due within three months. • NOPSEMA were commended for initiating the workshops in relation to managing interactions between seismic operators and fisheries and enable a collaborative sharing of the marine space. DISER would manage and facilitate future liaison. • A review of offshore petroleum oil spill preparedness and response arrangement has commenced. The initial phase will examine risk landscape and comparative analysis with international practice. The project is being undertaken jointly with NOPSEMA and phase 1 expected to be completed in March 2022. <p>■ thanked ■ for the update and ■ left the meeting at 10.25am.</p>
9.	<i>For Discussion: Northern Endeavour, Questions on Notice and FOI requests</i>
	<p>■ advised there had been a number of requests for responses to Questions on Notice (QoNs) over the past few months in addition to Freedom of Information requests for copies of the minutes of Board meetings. ■ stated the QoNs were predominantly in relation to the Northern Endeavour, Lloyd's certification and NOPSEMA's review of third-party certifiers.</p> <p>■ advised certification is only one of a range of safety control measures on an oil and gas facility to consider to manage risk. The assurance of third party marine certification agencies in Australia rests with Australian Maritime Safety Authority and NOPSEMA's earlier concerns regarding Lloyds had been raised with AMSA. ■</p> <p>■</p> <p>The Board noted that there is an ISO (International Organization for Standardization) linked standard for certifiers that includes competency provisions for certifiers available in JAS-ANZ (Joint Accreditation System of Australia and New Zealand).</p>
10.	<i>Strategic Discussion Topic 1: Ministerial views of scope 3 emissions</i>
	<p>■ joined the meeting at 10:20am.</p> <p>■ provided the Board with an outline of the current issues relating to scope 3 emissions and advised that the lack of an agreed Government policy on the topic was presenting difficulties to both</p>

	<p>NOPSEMA and industry. [REDACTED]</p> <p>The Board noted that the [REDACTED] have differing perspectives on the topic and do not agree on whether legislative amendments is the best way to address the issue. This limits the capacity of NOPSEMA to provide or publish guidance to industry.</p> <p>The Board agreed NOPSEMA was to follow the existing legislation and that industry could only be advised they needed to make themselves familiar with the policy and seek their own legal advice. [REDACTED] advised the matter was being raised in discussions with industry CEOs and had been included in a recent briefing to the APPEA Board.</p>
11.	<p>For Discussion: Standing Agenda Item - Environmental Performance Update. Topics to include: Responsible coexistence of seismic surveys and commercial fisheries and Decommissioning / s572 property and equipment removal</p>
	<p>[REDACTED] provided a verbal overview of a range of topics with discussion summarised below:</p> <ul style="list-style-type: none"> • Environmental Performance: Generally, Titleholders' environmental performance has been good but it was not currently possible for NOPSEMA to release the environmental performance reports submitted by titleholders at the end of an activity as this information is deemed "commercial in confidence", however it had been recommended to DISER that any future policy changes include this provision. • Seismic surveys and commercial fisheries: The Board acknowledged the efforts by NOPSEMA to initiate dialogue between policy agencies, seismic survey companies and the fishing industry. The Board noted that the NOPSEMA (and DISER, DAWE) input into the first half of the draft policy framework has now been completed. The Board agreed that progress to complete the policy framework can continue to be facilitated by DISER and DAWE, with NOPSEMA's involvement being that of a participant and to redirect resources to higher priority matters. • Decommissioning: It was noted the requirement for NOPSEMA to give greater focus to decommissioning matters in [REDACTED] Statement of Expectations was a considerable change for both industry and NOPSEMA. The Board agreed NOPSEMA was in a difficult position in its ability to appropriately resource this function in the absence of supplementary funding from DISER. <p>Industry is seeking clarification on the circumstances in which equipment may remain insitu on the seafloor. NOPSEMA should establish clarity on its roles and responsibilities and avoid transferring risk inadvertently from titleholders to NOPSEMA. The Board discussed the application of ISO 55001:2014 to define specific asset classes to be considered in the context of decommissioning offshore oil and gas infrastructure. The standard can be applied to all sizes and types of organisations, and all types of assets, and may assist NOPSEMA and industry clarify the circumstances in which particular assets may remain insitu during field decommissioning. [REDACTED]</p> <p>[REDACTED]</p> <ul style="list-style-type: none"> • The Board agreed industry should meet their obligation to comply with s572 of the Act in relation to decommissioning property and equipment removal rather than pursue deviations from the Act. • Industry is seeking a cooperative approach to developing Financial Assurance guidelines. • EPBC Act Review: The proposed amendments to the EPBC Act were unlikely to progress through the Senate. • Offshore Renewables: a short PowerPoint was presented that provided an overview of recent technological advancements; benefits of offshore vs onshore facilities; progress of relevant

	<p>legislation and the work and role to date of the small team in NOPSEMA to support the function.</p> <p>█████ thanked █████ for an interesting update and discussion. █████ left the meeting at 12:40pm.</p>
12.	<p>Strategic Discussion Topic 2: NOPSEMA feedback on standardised lead process safety indicator reporting to improve industry performance over medium term</p> <p>█████ joined the meeting via video conference at 1pm.</p> <p>█████ thanked the Board for the revised Process Safety Indicator report and the feedback provided at the previous meeting. A PowerPoint presentation had been circulated to members prior to the meeting and the following comments were noted:</p> <ul style="list-style-type: none"> • NOPSEMA agreed that industry could do more to improve process safety performance and the proposed strategic plan would help drive this improvement. • NOPSEMA indicated additional regulation to mandate process safety reporting is not required at this stage because inspection powers already allow for the collection of data as required (and in a format that suits NOPSEMA) but included the option in Phase 2 of the strategic plan. The Safety Case regime can be used to drive change and improvement. • NOPSEMA noted that the onus is on a competent operator to prepare a Safety Case that demonstrates that their process safety management system reduces risk to ALARP. The regulator's role is one of assessing, approving, inspecting, and auditing continued compliance with the approved safety case. NOPSEMA indicated it would use its influence to guide the Duty Holder /Operator towards best practice rather than be prescriptive about specific process safety indicators. • NOPSEMA noted in the presentation that inspections were risk based and organisationally driven, flexible, adapted to circumstances and compliance monitoring is probably the most important activity undertaken. NOPSEMA indicated it would develop compliance indicators based on quality inspections of specific facilities. • NOPSEMA highlighted that its engagement with industry on process safety is multi-tiered including executive meetings at APPEA Board and █████ level on strategic issues, operational meetings, inspections, industry fora and the "Regulator". • NOPSEMA stated its expectation is Duty Holders' process safety systems will be aligned to industry best practice and it will use benchmarking and industry briefings to influence Duty Holders to adopt best practices. • The NOPSEMA view is that facilities must develop their own list of process safety indicators and that once these are embedded in the safety case, they can be used to promote process safety. In short, NOPSEMA does not wish to prescribe the APPEA indicators but expects that Duty Holders' process safety systems are aligned to industry best practice. Benchmarking existing Duty Holders practices in the use of process safety indicators can assist in determining best practice to set expectations for all of industry and is included in Phase 1 of the strategic plan. • NOPSEMA noted risks are increasing over time due to the conflation of commodity price movement, workforce reductions, ageing equipment and decommissioning activities. • The annual strategic focus areas guide NOPSEMA's activities to mitigate the highest perceived risk factors affecting industry-preventing MAE and loss of well control, effective oil spill preparedness and responsible asset stewardship. <p>The following points were noted during the discussion:</p> <ul style="list-style-type: none"> • NOPSEMA receives large amounts of data from a variety of different sources and in multiple formats that collectively assist to build insights, however this is a very human-centred and resource intensive process. • A major change is currently underway to the inspection process to move from a prescriptive to a more risk-based process, utilising cross-divisional compliance teams. The aim is to develop a risk-rated compliance plan for each titleholder/facility which would inform the inspection program for each year. The Board supported the introduction of the multi-disciplinary compliance team approach.

- To complement the comment above, NOPSEMA's current strategic workforce planning model is reviewing the tasks and processes required for inspections and adjusting as needed to ensure the right expertise is being used for the right function.
- All facilities have unique permissioning documents which means safety management systems are unique to each facility.
- The goals listed in the Board's paper are in line with NOPSEMA's current approach.

Goal	Status
Goal 1 Identify risk trends over time in the industry as a whole	Existing, can be enhanced
Goal 2 - Identify facilities most at risk, so that these can be targeted	Existing, can be enhanced
Goal 3 - Promote indicators that enable individual facilities to monitor their own process safety	Can be enhanced
Goal 4 – Identify hazards that are not adequately controlled across industry, and which can be targeted in inspections	Existing, can be enhanced

- The data-sets listed in the Board's paper can form part of NOPSEMA's overall intelligence gathering. The promotion of the use of specific indicators (such as the indicators in the APPEA guideline) would be seen as too prescriptive by industry and may not reflect the true status of compliance or risk.

Data Source	Status
Economic and Employment data	Maintain oversight
Mandatory incident reports	Maintain oversight.
APPEA process safety indicators	Establish industry standards, influence best practice
Information on organisational prominence of process safety	Maintain oversight
Process safety culture survey results-new data based on Baker panel survey	Existing targeted surveys, opportunity to expand

- Process safety indicator information acquired during inspections is compared over time on a facility-by-facility basis.
- Inspectors should be encouraged to consider whether the right control is being used for risks.
- The Strategic Plan on a Page was commended.

█████ thanked █████ for the significant amount of work undertaken by █████ and his team in preparing the response. █████ left the meeting at 2:15pm.

The Board discussed the response and noted:

- while obtaining qualitative data was extremely valuable, the inability to easily collect, store and retrieve the information presented significant challenges.
- the use of standardised and machine-readable forms when submitting data reports to NOPSEMA would be beneficial.
- companies should be encouraged to develop their own data sets over time that can be reviewed by inspectors upon request.
- the Board also supports additional funding for NOPSEMA to update its IT systems and regulatory interfaces to allow for electronic submission of permissioning documents, notifications and improved data management.

The Board agreed a written response to NOPSEMA would be prepared.

ACTION: NOPSEMA to provide a status update on the Phase 1 of the Strategic Plan on a Page after 12 months.

	ACTION: The Board will prepare a written response to NOPSEMA.
13.	Any Other Business
	<ul style="list-style-type: none"> • [REDACTED] queried the progress on the executive accountability and oversight project. [REDACTED] advised they were continuing and could provide an update at the next meeting. • [REDACTED] would discuss offline what background material could be requested for the cyber-security briefing from Home Affairs scheduled for the next meeting. <p>ACTION: [REDACTED] to provide an update on the executive accountability and oversight project at the next meeting.</p>
14.	Review of action items and items for letter to [REDACTED]
	<p>Proposed topics for inclusion in the letter to [REDACTED] were:</p> <ul style="list-style-type: none"> • Funding in relation to offshore renewables and financial assurance. • The proposed CRIS increase of 20% was supported by the Board. • [REDACTED] • The importance of the independence of NOPSEMA, particularly in relation to matters associated with Northern Endeavour. • Offshore safety review process.
15.	Board only discussion
	[REDACTED] left the meeting at 3pm and [REDACTED] closed the formal part of the meeting.
	Close
	Next Meeting – Wednesday 25 August 2021