

 <p><b>NOPSEMA</b> Advisory Board</p>	<p><b>MINUTES</b> NOPSEMA Advisory Board Meeting 39 Wednesday 25 August 2021 Tamala Meeting room + Teams Video Meeting</p>
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<b>Participants</b>			
<b>Present</b>	<p>Agenda item 8 – [redacted] [Department of Science, Industry, Energy and Resources]          Agenda item 9 – Representatives from Home Affairs [redacted]          Agenda items 12 and 13 – [redacted]</p>		
<b>Apologies</b>	Nil		
ITEM	TOPIC		
1.	<b>Welcome and apologies</b>		
	[redacted] commenced the meeting at 8:30am. The [redacted] were present in the meeting room, with [redacted] participating via video conference.		
2.	<b>Disclosure of interests / conflict of interest declarations</b>		
	No new items were declared.		
3.	<b>Confirmation of minutes of Meeting 38</b>		
	<p>Following discussion, the Board agreed to the following changes to the minutes of the previous meeting:</p> <ul style="list-style-type: none"> <li>• [redacted] requested an amendment to clarify the item relating to Norway and ISO 55001.</li> <li>• [redacted] the words “..the only position available to” in the fourth paragraph of item 10 be removed.</li> <li>• [redacted]</li> </ul> <p>[redacted] also noted that the representative from the Department of Industry, Energy and Resources was a participant rather than an Observer. [redacted] will make the change for future meetings.</p>		
4.	<b>Actions and issues arising</b>		
	Two of the three actions arising from the previous meeting will be addressed at this meeting. The third item will be carried over for action in June 2022.		
5.	<b>Correspondence for noting</b>		
	[redacted] noted the letter from [redacted] seeking the Board’s advice in relation to process safety and that a response would be prepared.		
6.	<b>For Information: Update from Board members</b>		
	Members provided a brief update of their recent activities.		
7.	<b>For Information: [redacted] Report – including NOPSEMA Quarterly Report and update on recent developments</b>		
	The reports tabled by [redacted] were taken as read. [redacted] provided a verbal update on current developments including:		

- The NOPSEMA 2021-2026 Corporate Plan had been tabled in Parliament by [REDACTED]. The [REDACTED] would seek input from the Board in the preparation of the next Corporate Plan as [REDACTED] most recent letter prevented consultation on the latest version.
- The Sequoia Offshore Project Proposal from ConocoPhillips had attracted significant media and community interest and it was anticipated the OPP for Santos' Dorado development would attract similar levels of attention.
- Enforcement action had been taken against Woodside in relation to an incident during a lifting operation that resulted in an injury to a member of the workforce that could have resulted in a more serious outcome.
- A warning letter had been issued to Jadestone in relation to a diving incident where deviations to the approved Safety Case had not been followed.
- The Court of Appeal (WA) had ruled in favour of Technip in the diving matter, noting that while there may have been a breach of the permissioning documents, it had not resulted in injury to any workers and the operator was not found to have acted recklessly. NOPSEMA were awaiting advice from the Commonwealth Department of Public Prosecutions (CDPP) whether to appeal the decision which would then be heard in the High Court. [REDACTED] [REDACTED] advised NOPSEMA were seeking support for legislative amendments to address similar future occurrences. The Board expressed concern regarding the Court ruling establishing a precedent before the legislative change could occur.
- It was unlikely recommendations from the recent Parliamentary inquiries (Impacts into Seismic testing; Objectives of the OPGGS Act etc) would be implemented.
- A Crane Safety Workshop had been held in July.
- Discussions had commenced with organisations to participate in an environmental reference group with the first meeting anticipated to be held later in 2021.
- A bilateral meeting with the Unions and Industry was scheduled for October 2021 and a Health and Safety Representative (HSR) forum would be convened in Melbourne in 2022.
- Virtual annual general meetings of the International Regulators Forum and International Offshore Petroleum Environment Regulators Forum were scheduled for October. It was likely NOPSEMA would assume the role of Chair of the IRF.
- [REDACTED] had not approved the initial Cost Recovery Impact Statement request for additional funding. A revised proposal had been submitted.
- A submission had been made for information technology funding which is available to regulators who can identify ways to reduce regulatory burden under the Government's Regulator Performance Guide. Should funding be received, it will be used to improve NOPSEMA's capacity in relation to matters such as the electronic lodgement of submissions and remote inspections.
- Deeds of Arrangement had been signed between NOPSEMA and the Department of Agriculture, Water and the Environment (DAWE) to provide advice in relation to matters such as sea dumping and marine spatial planning.
- A project had been commenced with APPEA in relation to decommissioning.
- A letter was being prepared for [REDACTED] the Department of Industry, Science, Energy and Resources (DISER) to document NOPSEMA's approach to the oversight of the Northern Endeavour.

[REDACTED] sought advice from the Board whether a formal referral would be likely to produce beneficial insights regarding the ramifications of industry rationalisation, such as is occurring with BHP and Woodside. The Board agreed it was appropriate that NOPSEMA was concerned, however did not believe they could add any additional insight or information to what is already known. The Board recommended that NOPSEMA continue executive level discussions on matters such as organisational capability, ensuring decommissioning compliance plans were in place and that proper consideration was given to the transfer of permissioning documents.

**ACTION:** The [REDACTED] to forward an electronic copy of the Corporate Plan to members.

8.	<p><b>For Information: Policy Update</b></p>
	<p>█ joined the meeting via video conference at 9:58am. The report tabled was taken as read and the following items were highlighted:</p> <ul style="list-style-type: none"> <li>• Industry is working with the Covid-19 vaccine roll-out taskforce to identify opportunities to assist, particularly in remote/regional areas and to Indigenous communities.</li> <li>• The Expression of Interest for the decommissioning of the Northern Endeavour had closed and the Department were reviewing submissions.</li> <li>• Legislation associated with the Offshore Petroleum Levy was being prepared by Treasury. A discussion paper had been published seeking input from industry for data and operational processes to ensure the levy would be straightforward to administer.</li> <li>• OPGGS Amendment (Titles Administration and Other Measures) Bill 2021 amendments in relation to trailing liabilities had passed the Senate and a commencement date of late February 2022 was anticipated. The Department was working with NOPSEMA to develop policies and guidance for industry.</li> <li>• Work had commenced with the Department of Infrastructure, Transport, Regional Development and Communication (DOITRC) and the Australian Maritime Safety Authority (AMSA) on seaworthiness/safety certification and insurance coverage for floating production storage and offloading (FPSO) vessels.</li> <li>• Work had commenced on the Government’s response to the 2020 Operational Review which was hoped to be completed by the end of 2021.</li> <li>• █ was currently reviewing NOPSEMA’s Statement of Expectations.</li> <li>• There had been significant interest in the acreage release for Offshore Greenhouse Gas Exploration. Public consultation would commence in September 2021</li> </ul> <p>█ stated █ was pleased to see discussions were taking place with AMSA and DOITRC in relation to elements of the Navigation Act, which had been a long-running issue.</p> <p>█ also wished to clarify the Legislative Change Update included as Attachment A of the NOPSEMA Operational Report that outlines policy priorities, is not indicative of DISER effort on policy matters. NOPSEMA’s report is intended to indicate where items sit in relative priority for legislative change proposals. NOPSEMA has advised it is aware of DISER’s significant efforts to progress policy development in relation to pre-title wells, disconnection voyages and financial assurance however as NOPSEMA has not received an indication that a policy position is intended to be supported by legislative change, these items are currently marked as ‘not prioritised’ in the legislative change tracking table.</p> <p>█ thanked █ for the update, and █ left the meeting at 10.20am.</p>
9.	<p><b>Presentation: Cyber Security issues in the offshore oil and gas sector</b></p>
	<p>Representatives from the Department of Home Affairs joined the meeting by telephone at 10.40am. A paper from NOPSEMA had been included with the meeting papers to provide background on cyber security and critical infrastructure for Board members.</p> <p>█ delivered a verbal presentation that included information on the critical infrastructure resilience strategy (last updated in 2015), enhancements to the Trusted Information Sharing Network (established in 2002/2003), changes to the <i>Security of Critical Infrastructure Act 2018</i> and a summary of critical infrastructure reforms to date.</p> <p>The Board agreed that it was not necessary to duplicate reference to cyber security risks in safety cases or hazard registers as operators / regulated entities are required to have a separate security plan that includes cyber security registered with the Critical Infrastructure Centre (CIC).</p> <p>█ advised in the event of a cyber security incident it is the intent of the CIC to operate with other regulators as required and that a core function of TISM was to share learnings across industries. The █ commented that information sharing arrangements already existed so that should NOPSEMA be</p>



	<p>investigating an incident at a facility that included cybersecurity/technological impacts, that element would be referred to the CIC to investigate as NOPSEMA did not have technical capability in that area. ■■■■■ thanked Home Affairs for the interesting discussion and the representatives left the meeting at 11:20am.</p> <p><b>ACTION:</b> ■■■■■ to send the link to the discussion paper once received from Home Affairs.</p>
<b>10.</b>	<p><b><i>Strategic Discussion Topic Part A: Operational Review Report - Board</i></b></p> <p>The Board discussed the recommendations and agreed:</p> <ul style="list-style-type: none"> <li>• The existing Board policy document could be repurposed as a Terms of Reference/Charter.</li> <li>• To continue to provide input to NOPSEMA's strategic direction and corporate plan.</li> <li>• A self-evaluation may be beneficial and could be used as part of the on-boarding process for new members.</li> <li>• Changing from an Advisory to a Governing Board would have a variety of implications including the perception of independence of NOPSEMA; meetings would need to be more frequent; determining who would be the Accountable Authority under the <i>Public Governance, Performance and Accountability Act 2013</i>, and there may be a need for members with expertise in fields such as accountancy and audit in addition to technical, industry and government expertise in relation to the offshore oil and gas industry.</li> </ul> <p>The Board also discussed the current arrangements for independence of ■■■■■ and the potential risks associated with vesting so much authority in one individual.</p> <p><b>ACTION:</b> ■■■■■ and ■■■■■ to review the currency of the current Board policy document and recommend any changes.</p> <p><b>ACTION:</b> ■■■■■ and ■■■■■ prepare a self-evaluation of the Advisory Board based on the ANAO board governance insights.</p> <p><b>ACTION:</b> ■■■■■ ■■■■■ to update the Advisory Board section on the NOPSEMA website to include the Board's focus areas for the year ahead (as detailed in the annual report content).</p>
<b>11.</b>	<p><b><i>Strategic Discussion Topic Part B: Operational Review Report - NOPSEMA</i></b></p> <p>The report documented a variety of perspectives from NOPSEMA's stakeholders which highlighted the challenge for NOPSEMA to address the needs of many diverse groups. ■■■■■ added that ■■■■■ had requested NOPSEMA not to implement any recommendations until the findings had been considered by Government.</p> <p>The Board and ■■■■■ reviewed the recommendations, and the Board was pleased the report found NOPSEMA to be a professional organisation, with good capability and a positive safety culture. The Board recommended a panel that included individuals with offshore oil and gas experience would be the preferred approach for the next five yearly operational review.</p>
<b>12.</b>	<p><b><i>For Discussion: Update on the executive accountability and oversight project</i></b></p> <p>The ■■■■■ joined the meeting at 1:45pm and provided an update on progress of the executive accountability and oversight project since December 2019. The following points were noted:</p> <ul style="list-style-type: none"> <li>• Meetings with ■■■■■ are often held following incidents and supplement other high level meetings (e.g. annual ■■■■■ liaison, quarterly ■■■■■ liaison meetings etc).</li> <li>• NOPSEMA also continues to maintain visibility of issues and incidents through forums such APPEA conferences, the Regulator magazine, podcasts, SaferTogether etc.</li> <li>• Discussions at executive level are typically frank and open exchange, feedback has been positive and the early engagement for live incidents was having an impact.</li> <li>• ■■■■■ are also queried on outcomes from inspections to ensure they are across what's going on in their business.</li> </ul> <p>■■■■■ thanked ■■■■■ for the update.</p>



13.	<b>For Discussion: Final report: Board review of process safety report</b>
	<p>█ provided an outline of NOPSEMA’s planned actions in response to the Board’s letter and advised that the five points listed in the paper were all in progress.</p> <p>The Board were informed that discussions had taken place with some titleholders in relation to safety measures in executive performance agreements and hoped those conversations would occur with more companies.</p> <p>The Board noted the 2020 Norwegian report “Trends in risk level in the petroleum activity” captured the Board’s thoughts in relation to process safety. █ advised process safety would be a topic at a workshop with the Norwegian regulator (Petroleum Safety Authority) later in 2021.</p> <p>█ thanked █ for the advice. █ left the meeting at 2:23pm.</p> <p><b>ACTION:</b> █ to meet with █ to review NOPSEMA’s feedback on the Board paper.</p>
14.	<b>Any Other Business</b>
	<ul style="list-style-type: none"> <li>• █ provided an overview of the research █ had undertaken in relation to Lloyd’s Register and the accreditation/assurance process for similar certifying organisations. █ advised █ was scheduled to meet with the Australian Maritime Safety Authority (AMSA) and the Board agreed it would be beneficial to table the report at that meeting. █ would also send the report to DISER. The Board noted issues relating to Lloyd’s Register accreditation were a matter for AMSA and/or the International Maritime Organisation.</li> <li>• █ stated the report circulated to members in relation to consideration of scope 3 emissions was very interesting. The Board noted that NOPSEMA’s role was very difficult and discussed what more it could do and that no clear policy position or advice had been provided by the Federal Government. The Board agreed it was an increasing challenge for industry to adequately address requirements in relation to indirect consequences and observed it would be challenging for NOPSEMA to verify the efficacy of those actions.</li> <li>• █ requested members to advise the █ if there were any concerns with the proposed 2022 meeting dates of: <ul style="list-style-type: none"> <li>○ Wednesday 9 March</li> <li>○ Wednesday 8 June</li> <li>○ Wednesday 7 September</li> <li>○ Wednesday 7 December</li> </ul> </li> </ul> <p><b>ACTION:</b> █ to circulate the paper on Lloyd’s Register to Board members.</p> <p><b>ACTION:</b> NOPSEMA █ to share the Lloyd’s Register paper with AMSA.</p> <p><b>ACTION:</b> █ to share the Lloyd’s Register paper with DISER.</p> <p><b>ACTION:</b> Board members to confirm proposed meeting dates for 2022.</p>
15.	<b>Review of action items and items for letter to █</b>
	<p>Proposed topics for inclusion in the letter to █ were:</p> <ul style="list-style-type: none"> <li>• Acknowledging receipt of █ request for advice to encourage the proactive management of process safety in the offshore oil and gas industry.</li> <li>• The implications of the Court’s decision on the Technip matter.</li> <li>• Support for an increase to CRIS levies.</li> <li>• Progress on executive oversight and accountability.</li> <li>• The briefing from Home Affairs on cybersecurity.</li> <li>• Inviting █ to participate in the November meeting by video conference.</li> </ul>
16.	<b>Board only discussion</b>
	<p>█ and █ left the meeting at 2:30pm and the █ closed the formal part of the meeting.</p>

	<b>Close</b>
	<b>Next Meeting – Wednesday 24 November 2021</b>