



## MINUTES OF MEETING

<b>Chair</b>	Erica Smyth (Chair)	<b>Minutes</b>	[REDACTED]
<b>Present</b>	Jim Limerick (JL); Trish Kerin (TK); Ken Fitzpatrick (KF); Tony Evans (TE); Melinda Hodkiewicz (MH); Stuart Smith (CEO); Lisa Schofield (DIIS observer via telephone)		
<b>Apologies</b>	Mike Lawson, Deputy Secretary, Department of Industry, Innovation and Science [REDACTED]		
<b>In attendance</b>	Cameron Grebe, Head of Division, Environment (CG) – items 9, 11 and 12 Derrick O’Keeffe, Head of Division, Safety and Integrity (DOK) – item 13		

No.	Item
1.	<b>Welcome and apologies</b>
	The meeting commenced at 8:25am. The apology of Mike Lawson was noted.
2.	<b>Disclosure of interests/conflict of interest declarations</b>
	[REDACTED] and [REDACTED] advised they each had a minor declaration to note and would email the [REDACTED] with the details. The [REDACTED] will update the register accordingly.
3.	<b>Confirmation of Minutes of Meeting 22</b>
	The minutes of the previous meeting were accepted as circulated. [REDACTED] queried the action recorded at item 8 “DOK to provide a report on offshore cyber security and safety cases”. The CEO advised this could be included as an agenda topic for the November meeting.
4.	<b>Actions Arising – Schedule of Actions Arising</b>
	With the exception of suggestions of names to submit to the Department of Industry, Innovation and Science (DIIS) for future Advisory Board membership, all items noted from Meeting 22 have been completed. [REDACTED] confirmed three individuals had been suggested as possible future members: [REDACTED], [REDACTED] and [REDACTED]. Members agreed [REDACTED] application should be submitted and [REDACTED] would contact [REDACTED] to discuss further. [REDACTED] current involvement with industry was believed to present a conflict of interest at this time. <b>ACTION:</b> [REDACTED] to contact [REDACTED] and advise the [REDACTED] of the outcome. The [REDACTED] to submit the applications for [REDACTED] and [REDACTED] (if she chooses to proceed) to DIIS by 31 August 2017.
5.	<b>Correspondence for Noting</b>
	The Board noted correspondence as circulated.
6.	<b>NOPSEMA Quarterly Report</b>
	Lisa Schofield joined the meeting by telephone at 08:55am. The NOPSEMA Operational Report, National Quarterly Report and Legislative Change Update reports were taken as read.

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	<p>The CEO stated he wished to trial providing a more strategic advice for his verbal report on quarterly trends with a view to providing greater context to the reports. The advice noted that:</p> <ul style="list-style-type: none"> <li>• Industry practices had changed over the past three years due to the downturn in oil and gas price with resulting job and cost reductions. NOPSEMA had also changed to reflect this (i.e. staffing numbers down).</li> <li>• Personal safety measures continued to fall which was a credit to industry, and 2016 was the first time there had been no serious injuries or fatalities recorded. However these are not indicators of major accident event risks.</li> <li>• NOPSEMA inspectors were focussing on deferred maintenance. Discussion followed that while maintenance overall may appear to be holding up, there is some evidence to the contrary such as corrosion performance. Declines in industry competency had also been noted, which could be attributed to the reduction of staff and subsequent loss of expertise.</li> <li>• Dangerous occurrences continued to be hard to measure due to the high number of false alarms. Members agreed that too many false alarms can lead to complacency. The CEO added he would be including the matter of dangerous occurrences in his annual liaison meetings with industry CEOs.</li> <li>• Many projects were moving from exploration to production stages, resulting in less mobile facilities in the regime.</li> <li>• The complexity of facilities has increased significantly. (e.g. Prelude, Ichthys subsea and pipeline), however the time available for considering permissioning documents has not changed. Similarly, the complexity of activities had also increased (e.g. large scale multi-client seismic surveys) however the associated environment plans (EPs) are subject to the same timeframes and levies.</li> <li>• There is an increasing number of new entrants into the industry taking over titles from more established operators, with markedly varying capacities and models of operation which is contributing to a change to the risk profile of the industry.</li> <li>• As a result of the above, NOPSEMA was undertaking to improve performance by introducing initiatives such as the transparency program; the introduction of a compliance and enforcement strategy; operation of the Compliance Committee; and taking a more strategic approach to compliance.</li> <li>• NOPSEMA was also raising compliance actions in international forums where possible. An example was on dynamic positioning systems that the CEO presented in Singapore that will also be presented by Derrick O’Keeffe in Houston. The CEO added he would be proposing at the International Regulator’s Forum in October that a coordinated international compliance action on the matter be pursued in 2018.</li> </ul>
<b>7.</b>	<b><i>For Information: Policy Update</i></b>
	<p>The following matters were discussed during the update:</p> <ul style="list-style-type: none"> <li>• LS agreed with an earlier comment from the CEO that the recent ministerial uncertainty has negatively impacted the likelihood of legislative change priorities being completed this year.</li> <li>• DIIS have scheduled a review of the safety regulations and the <i>Offshore Petroleum and Greenhouse Gas Storage (OPGGS) act framework</i> as it applies to pre-title wells.</li> </ul>

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	<ul style="list-style-type: none"> <li>• DIIS was supportive of the inclusion of an environmental non-government organisation being involved in the transparency taskforce.</li> <li>• The Government had finalised its response to the senate inquiries (into exploration in the Great Australian Bight) and the recommendations are currently waiting sign off from Minister Joyce.</li> <li>• DIIS had requested names of potential board members for consideration. ██████████ replied that names will be forwarded to the Department by the due date.</li> </ul> <p>LS left the meeting at 10am and members took a short break.</p>
8.	<p><b><i>For Information: Update on Cooperative Research Centre (CRC)</i></b></p>
	<p>██████████ advised an Expression of Interest (Stage 1) for a Decommissioning Offshore Infrastructure CRC (DOI_CRC) was submitted in mid July. A total of 34 organisations were included in the EOI with 13 at a Tier 1 level of at least \$150,000 /yr for 10 years (7 research and 6 industry organisations). Ten EOIs have been received by the assessment panel. Half are expected to be cut by mid September with the remainder proceeding to Stage 2. All proposed participants have agreed to assume success and are actively preparing the Stage 2 documentation for submission by mid November. The interviews by the panel are expected in early December and a final decision on which EOIs are funded by 31<sup>st</sup> March 2018.</p>
9.	<p><b><i>Presentation: NOPSEMA Data Team and Environment division – in-depth data look at environmental incidents</i></b></p>
	<p>CG joined the meeting at 10:30 and delivered a presentation titled “Environmental Performance Data”.</p> <p>Current environmental management regulations provide for only two sources of performance data – reportable incidents and recordable incidents. While both provide interesting information they are objective-based and do not readily allow for statistical analysis. In comparison, Occupational Health and Safety (OHS) incidents have a more prescriptive threshold for reporting.</p> <p>CG identified that there are a wide range of other environmental performance factors that are reported qualitatively through annual performance reports and end of environment plan notification processes. Other information is also reported via other regulators/processes, including greenhouse and other emissions reporting via the National Pollutant Inventory process. Any changes need to avoid duplicating existing obligations on titleholders while also addressing efforts by the international offshore petroleum regulatory community to coordinate key environmental performance indicator data across jurisdictions.</p> <p>The data limitations have resulted in it being difficult for NOPSEMA to perform multi-functional and multi-dimensional analysis for matters such as loss of containment, process safety and environment reporting, as well as difficulty benchmarking with other jurisdictions.</p> <p>The Board considered that changes could be made to the regulations to:</p> <ul style="list-style-type: none"> <li>• provide a consistent way to describe ‘reportable’ incidents and other performance data (similar to the OHS approach)</li> <li>• clarify the intent of recording and publishing data on ‘recordable’ incidents,</li> <li>• provide updates to enable collation of non-incident performance data for international benchmarking via the International Offshore Petroleum and Environmental Regulator’s forum; and</li> </ul>



No.	Item
	<ul style="list-style-type: none"> <li>• address any overlap or duplication of NOPSEMA OHS reporting.</li> </ul> <p>Any such changes would be done in consultation with relevant stakeholders.</p> <p>█ advised that she had recently completed a paper on natural language processing and members discussed how this type of approach could be used by NOPSEMA. CG agreed the ability to process the information gathered using a big data type machine could be a good starting point for a research project.</p> <p>Members discussed how NOPSEMA can better demonstrate its social license to regulate and how it is adding value to the offshore oil and gas environmental arena through consistency in reporting, which may require greater use of qualitative ‘success stories’ rather than relying solely on incident data. CG used the example of placing more qualitative stories in mediums such as The Regulator magazine. Members also noted that NOPSEMA should be involved in partnering opportunities with other agencies and involvement in projects such as the marine biodiversity database.</p> <p><b>ACTIONS:</b> █ to circulate the paper on natural language processing. HoD-E to prepare a discussion paper on how NOPSEMA could make better use of environmental reportable and recordable information. █ to circulate the presentation after the meeting.</p>
10.	<p><b><i>For Information: Overview of NOPSEMA’s Compliance Committee</i></b></p>
	<p>This item was brought forward to 08:40am.</p> <p>The CEO provided background to the establishment of the Compliance Committee, explaining it is an advisory body to the CEO.</p> <p>The primary function of the Committee is to consider information arising from monitoring, assessment, enforcement and promotion activities to assure the effectiveness and efficiency of NOPSEMA’s compliance strategies and methodologies. The Committee enables a more strategic and ‘whole of agency’ perspective to be taken on compliance activities. Membership comprises each Head of Division, the General Counsel and the CEO.</p>
11.	<p><b><i>For Discussion: Environment Transparency Update (including reference cases)</i></b></p>
	<p>CG apologised on behalf of █ for being unable to attend the meeting.</p> <p>CG delivered a presentation that explained the background and overview of the transparency taskforce, the reference case concept and the role of the National Energy Resources Australia (NERA) in the project.</p> <p>The transparency project aims to improve the consistency and transparency of EPs, smooth the transition to increased transparency and deliver significant efficiencies to industry, government and stakeholders.</p> <p>The reference case concept is a new proposal whereby templates are developed that remove typical content and common practices from an EP that can then be published by other means. NOPSEMA is anticipating having 4 reference cases available by the end of 2017.</p> <p><b>ACTION:</b> █ to circulate the presentation after the meeting.</p>
12.	<p><b><i>For Discussion: Industry capability - the role of NOPSEMA initiating training to improve environment plan content quality</i></b></p>
	<p>Discussion on this item continued from item 11, as the two topics are closely aligned.</p>

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	<p>CG stated that while NOPSEMA does not have a specific legislated function to provide training to industry, it is proposing to facilitate the provision of clinics for industry and interested persons to improve capacity in environmental risk assessment and management.</p> <p>█ commented that there was value in NOPSEMA being involved in delivering the training as it provided an opportunity to receive useful feedback. █ added that training should be presented in a buddy system, whereby one person delivers the training and the other watches and/or records the session. This would also allow alternating presenters.</p> <p>CG clarified that the clinics would be justified on the basis that it forms part of NOPSEMA's role to advise on environmental management, be a source of feedback to NOPSEMA. Consideration for the clinics includes ensuring a competency based approach, and may take the form of a six week course, with one module delivered each week using case studies to re-inforce the EP process.</p>
13.	<p><b><i>For Information: Feedback from Industry regarding stories in The Regulator</i></b></p>
	<p>DOK joined the meeting at 12:45 and delivered a presentation titled 'The Regulator – Communicating Best Practice'.</p> <p>The presentation explained the history, aims and proposed future direction for the magazine which is to align NOPSEMA's strategic compliance focus areas to influence industry action. The objective for future issues is to ensure it is considered a leading industry publication that promotes and showcases effective, efficient, progressive and world class regulation.</p> <p>█ commented that the wording of hyperlink at the end of the presentation was not particularly meaningful and suggested that NOPSEMA purchase the domain name (i.e. theregulator).</p> <p>It was also suggested that each article in the online version have a link that could be easily 'tweeted' and distributed.</p> <p>█ noted it was important to consider the audience and maintain NOPSEMA's community respect and social license to regulate.</p> <p><b>ACTION:</b> █ to circulate the presentation after the meeting.</p>
14.	<p><b>Any Other Business</b></p> <p>█ requested input from members on any other matters they wished to raise.</p>
14.1	<p>The CEO advised he would be travelling to the UK in October to hold meetings with the UK HSE and attend the SPE Offshore Europe and International Upstream Forum conferences. He will also attend the International Regulator's Forum meeting with the HoD-S&amp;I in Copenhagen in October and would provide an update of the events at the next meeting.</p>
14.2	<p>█ stated he would be interested in more discussion on environmental matters i.e. how does the community have confidence that NOPSEMA is looking after the environment?</p>
	<p><b>Meeting closed at 14:00</b></p> <p><b>Next Meeting: Wednesday 29 November 2017</b></p> <p>█ will be in the UK for the next meeting. █ will liaise with █ and advise a revised time as soon as possible.</p> <p>The CEO added he would be on leave for the next meeting, with the HoD-S&amp;I likely to attend as acting CEO.</p>