

	MINUTES NOPSEMA Advisory Board Meeting 42 Wednesday 20 April 2022 <i>Teams Video Meeting</i>
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Participants	
Attendees	Agenda Item 08 – Agenda Item 09 – Agenda Item 10 – Agenda Items 11 and 12–
Apologies	

ITEM	TOPIC
1.	Welcome and apologies
	<p>commenced the meeting at 8:35am. All participants attended via video conference.</p>
2.	Disclosure of interests / conflict of interest declarations
	<p>The Board noted that had joined the Standards Australia committee EL-069, which represents Australia's interests on a number of ISO committees. advised this had been added to the Register. No other conflicts were declared.</p>
3.	Confirmation of minutes of Meeting 41
	<p>With the exception of some minor typographical errors, the minutes of meeting 41 were accepted.</p>
4.	Actions and issues arising
	<p>The actions items were reviewed and all items are either complete or are scheduled to be addressed at subsequent meetings.</p> <p>The discussion of the four strategic compliance focus areas in meeting 42 is intended to follow on from the discussion on the integrated approach to facility inspections discussed in Meeting 41, item 9. The integrated policy is aimed at making duty holders own and manage the risk gaps identified in inspections.</p> <ul style="list-style-type: none"> • Agenda item 8 Decommissioning and SCFA Responsible Asset Stewardship • Agenda item 9 Well Integrity and SCFA Preventing Loss of Well Control • Agenda item 10 SCFA MAE Prevention • Agenda item 11 Environment and SCFA Effective Oil Pollution Emergency Preparation.
5.	Correspondence for noting
	<p>Noted.</p>
6.	For Information: Update from Board members
	<p>Members provided a brief update of recent activities.</p>
7.	For Information: Update on recent developments
	<p>provided a brief update of recent activities which included:</p> <ul style="list-style-type: none"> • Protocols relating to Caretaker conventions. • Enforcements, advising there had been no enforcements issued since the March meeting.

- A recent inspection of the Northern Endeavour had not identified any substantive problems.
- Upcoming stakeholder engagement activities include the International Regulator’s Forum mid-year meeting (3-4 May) and APPEA Conference in Brisbane (16-19 May).
- NOPSEMA had appeared via video conference for the Senate Estimates Hearings in March.
- Following advice from DISER, NOPSEMA will run a Cost Recovery Impact Statement process in 2022 with the aim to secure funding to resource assessment activities in relation to carbon capture and storage and financial assurance. The existing legislation sets a levy for these activities at zero and a significant number of submissions are anticipated. Amending the legislation will take some time and the CRIS process will assist to address the funding needed in the interim.
- The remake of the safety, well integrity and environment regulations under the *Offshore Petroleum and Greenhouse Gas Storage Regulations Act 2004* have been granted a two year extension.
- The ██████████ had left NOPSEMA in February 2022 to take up a position as ██████████.
- ██████████ also confirmed ██████████ had advised ██████████ ██████████ would not seek an extension to his current term which is due to cease in September 2022.
- ██████████ thanked Board member ██████████ for providing advice in relation to improving information technology capabilities following the receipt of funding under the government’s Deregulation Agenda.

The Board discussed a recent diving incident where the company had breached their diving safety management plan when divers missed two decompression stops. ██████████ advised NOPSEMA were looking at ways to raise the issue more broadly as it appears to be an industry-wide problem. In addition to ongoing discussions with unions, other options were issuing enforcement actions and or convening a workshop to engage directly with the diving community.

██████████ thanked Board members for their participation and comments in relation to NOPSEMA’s strategic planning priorities.

ACTION: ██████████ to provide an update on NOPSEMA’s strategic planning process at the June meeting.

8. For Discussion: Performance Update: Decommissioning and SCFA Responsible Asset Stewardship

██████████ joined the meeting via video conference at 8:40am and provided an update on decommissioning activities and the strategic compliance focus area of responsible asset stewardship. NOPSEMA have issued a Decommissioning Compliance Strategy to communicate to Titleholders the improved regulatory oversight of titleholders’ compliance with their decommissioning obligations.

██████████ advised three key learnings since the commencement of the decommissioning team in 2020 were:

- the importance of partnerships to improve outcomes (ASIC, DISER, DAWE, NOPTA, ANSTO),
- the need to apply a different mindset and approach to address decommissioning challenges,
- clear communication supported by the willingness to follow through, consistency and genuine consultation with stakeholders.

The Board noted

- Multiple causative factors had resulted in limited planning and no material progress in completion of decommissioning activities by Titleholders.
- Delays in decommissioning activities had multiple flow on effects with respect to increased safety and environmental risk; and increased future costs for both Titleholder and the Commonwealth.
- The structure of the current Petroleum Resource Rent Tax regime does not incentivise proactive decommissioning and Titleholders delay decommissioning activities.
- NOPSEMA Compliance Strategy and Plan has been effective in setting the direction for communicating NOPSEMA’s increased regulatory oversight in decommissioning.

	<ul style="list-style-type: none"> • Progress in NOPSEMA’s increased regulatory oversight as evidenced by issue of seven General Directions and requests for revisions to permissioning documents in all cases for Tier 1 activities; Tier 2 compliance focusing on the assessment of revisions and targeted inspections and Tier 3 compliance addressed on a case-by-case basis. • NOPSEMA are liaising with the Department of Agriculture, Water and the Environment in relation to the <i>Sea Dumping Act</i> where NOPSEMA are providing technical advice to DAWE with regard to requests for permits to leave equipment and investigating potential administrative streamlining opportunities. • The recent focus by the Australian Security and Investments Commission and assistance provided by NOPSEMA regarding transparency and reporting of restoration provisions to shareholders was commended and appears to have increased Titleholder focus on balance sheet provisions for decommissioning. • The publishing of key matters reports provides transparency of decision-making for decommissioning environment plans and potentially influence stakeholders regarding good practice. • NOPSEMA focus on proactive planning for decommissioning through the lifecycle of a petroleum product was noted. Industry could be reminded that ISO standard 55000 provides a framework for assessment management plans, enabling all equipment to have a disposal plan. • It was anticipated NOPSEMA would be given a financial assurance function following the Federal election. NOPSEMA would be required to monitor the finances of companies throughout the life of their activities, including decommissioning. <p>█████ thanked █████ for an informative presentation and █████ left the meeting at 10:21am.</p>
9.	<p>For Discussion: Performance Update: Environment and SCFA Effective Oil Pollution Emergency Preparedness</p>
	<p>█████ joined the meeting via video conference at 10:30am and with █████ provided an update on environment activities, effective oil pollution emergency preparedness and a response to a query on NOPSEMA’s consideration of Scope 3 emissions. The Board noted:</p> <ul style="list-style-type: none"> • Industry are generally performing well in relation to environment matters however reporting can be challenging, particularly in relation to flaring incidents and biological impacts. • NOPSEMA were working to improve relationships with those who prepare permissioning documents and improve understanding of NOPSEMA’s expectations in relation to content. • NOPSEMA’s research strategy has been developed to support a collaborative approach to industry focused research and improvements in industry environmental management by highlighting research priorities. It is also important to clarify NOPSEMA’s role in supporting research that informs impact and risk assessment and regulatory decision-making. The research community and industry are interested in addressing a number of the NOPSEMA identified research priorities and organisations are encouraged to keep NOPSEMA informed of progress. It is also envisaged the Strategy will reduce duplication of effort and more efficiently address key information gaps that are hindering industry progress. • The SCFA relating to effective oil pollution emergency preparedness has involved liaison with industry, DISER, AMSA, AMOSC and other agencies over a period of around eight years. Focus areas have included whether the National Plan worked effectively, identifying efficiencies and cost effectiveness. • NOPSEMA has worked to reinforce Titleholders’ capability requirements for oil spill preparedness through assessment and compliance monitoring in accordance with the priority areas (stop the flow; control the flow; treat at source, protect priority receptors) and to promote effective and efficient collaborative solutions. NOPSEMA’s focus areas are source control; incident management and testing capability. The OSPR framework has been reviewed for the future risk and a comparative good practice review undertaken. • NOPSEMA expects to be reviewing the SCFA and the degree to which key areas of improvement have been addressed through the program. It is likely that residual issues

	<p>through 2023 will be capable of being addressed through routine management and may not require highlighting and focus provided by the SCFA process.</p> <ul style="list-style-type: none"> • The <i>Offshore Electricity Infrastructure Act 2021</i> comes into force on 2 June 2022, whereby NOPSEMA will become the offshore infrastructure regulator. • The <i>Environment Protection and Biodiversity Conservation Act 1999</i> Section 527E Indirect Consequences Policy requires NOPSEMA to have consideration of indirect consequences for greenhouse gas emissions in environment plans and offshore project proposals. This requirement does not apply to all projects. Where it does apply, NOPSEMA provides advice to proponents on the information that should be included in the environment plan or offshore project proposal. <p>The Board discussed the difficult position in which NOPSEMA had been placed under existing legislation following ██████ recent Statement of Expectations in relation to Scope 3 emissions (dated 17 February 2022).</p> <p>The Board supports the approach taken by NOPSEMA to give effect to the SoE to the extent permissible under the legislation and requested to be kept informed on developments in relation to the Statement of Intent.</p>
10.	<i>For Discussion: Performance Update: Well Integrity and SCFA Preventing Loss of Well Control</i>
	<p>█████ joined the meeting via video conference at 11:20am. ██████ delivered a presentation on well integrity and the SCFA Preventing Loss of Well Control.</p> <p>The Board noted the key initiatives and activities in the Well Integrity Strategic Plan:</p> <ol style="list-style-type: none"> 1. Strengthen core processes to regulate effectively to reduce the risk of loss of well control; 2. Extend industry influence and drive further risk reduction; 3. Centralise well integrity data to make it easily accessible. <p>Data presented highlighted the scope and complexity of the well decommissioning activities over the next 10 years:</p> <ul style="list-style-type: none"> • 878 wells on active WOMPs were included in the NOPSEMA database, • 457 wells classed as operational, • 421 wells classed as non-operational, • 255 wells under a General Direction to be abandoned by Sept 2027, • 233 wells had been abandoned since April 2011. <p>█████ advised that a key component of a new digitisation project is requesting companies to provide data in Excel format which is then used to generate accurate diagrams with considerably more detail and accuracy than is currently available in documents that have been provided in pdf format.</p> <p>█████ thanked ██████ for an informative presentation and ██████ left the meeting.</p>
11.	<i>For Discussion: Update on SCFA – MAE Prevention</i>
	<p>█████ provided an overview of the strategic plan over the next five years of Preventing Major Accident Events including the role of Executive Accountability and Oversight, Asset Integrity and Maintenance, and Human Factors in preventing MAEs. The key areas of strategic focus were:</p> <ol style="list-style-type: none"> 1. Improving core processes (Assessment, Acceptance, Inspection, Investigation, Enforcement, Promotion and Advisory), and 2. Problem focused (strategic compliance, dedicated duty holder compliance teams, risk-based inspections, improved data collection, analysis, improved collaboration) <p>The Board noted that facilities of the scale and complexity as Prelude, Ichthys and Wheatstone had significantly increased the workload of NOPSEMA and required a more strategic approach to ensuring compliance could be managed to as low as reasonably practical.</p>
12.	<i>For Discussion: Update on 2021 Safety Performance</i>

	<p>██████████ stated this item had been included following a request for more detail in relation to the number of unplanned events requiring implementation of emergency response plans stated in the previous quarterly operational report (Q4 2021).</p> <p>██████████ advised that the total number of incidents recorded will depend on contributions from a variety of duty holders and their respective facilities. Reporting will vary from duty holder to duty holder and it is important to take into consideration factors such as the size and scope of operations (e.g. one operator has half of all facilities and employs approximately one quarter of the offshore workforce) and that not all operators report incidents in the same way.</p> <p>Analysis showed that the majority of the unplanned emergency response incidents were a result of false alarms arising from human error, maintenance, weather and other factors. Caution was required when looking at only a total number of incidents forming a trend, as without further context the true nature of the incident, or trend is not evident.</p> <p>Similarly, ██████████ stated that while there has been an increase in the total number of injuries, these have been minor in nature and NOPSEMA has not observed an increase in risk in relation to serious injuries, or MAEs. Most injuries in the reporting period under discussion have been soft tissue injuries. NOPSEMA will continue to monitor reported incidents and will raise the statistics with industry to ensure that the current run of minor injuries do not lead to complacency and the potential for serious harm in the future.</p> <p>The Board were shown an example of a performance dashboard that had been developed by NOPSEMA and now enables inspectors to delve deeper into the data relating to incidents.</p> <p>It was noted that the number of incidents reported will not necessarily reflect whether maintenance has been deferred, or corrosion is accelerating which may then lead to an increased latent risk to the safety of personnel and the environment. These types of issues can only be assessed by on-site inspection.</p> <p>██████████ were thanked for informative presentations and they left the meeting at 12:30pm</p> <p>ACTION: ██████████ to coordinate a presentation of the NOPSEMA performance dashboards to Board members around the time of the June meeting.</p>
13.	Any Other Business
	<ul style="list-style-type: none"> • The Board were asked if meeting 44 currently scheduled for 7 September could be a day earlier on Tuesday 6 September. • ██████████ requested that ██████████ thank the NOPSEMA executive members for the presentations, which had met the level of information sought by the Board and had been very informative. <p>ACTION: Board members to consider the request to amend the date of meeting 44 to Tuesday 6 September and advise at the next meeting.</p>
14.	Review of action items and items for letter to ██████████
	<p>██████████ provided a summary of the action items arising from the meeting.</p> <p>Board members noted that as the Government is prorogued until the Federal Election in May, it would be appropriate to provide a letter of welcome to an incoming ██████████ that included a summary of this meeting, along with a summary of the June meeting. Topics from this meeting to be included were:</p> <ul style="list-style-type: none"> • The Board’s attention to NOPSEMA’s strategic focus areas, research strategy and transparency in relation to decisions in the form of key matters reports and statements of reasons. • NOPSEMA’s increased collaboration with other Federal agencies such as the Australian Security and Investments Commission. • Decommissioning and how the taxation regime can be a disincentive for companies to appropriately address decommissioning activities.

	<ul style="list-style-type: none">• The digitisation of data relating to well barriers and how this project will yield valuable and positive information for both industry and NOPSEMA.
	Formal Close
	<p>██████ thanked members for their participation and closed the meeting at 12:47pm.</p> <p>Next Meeting – Wednesday 8 June</p>