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## **Education and Employment References Committee**

### **Inquiry into the work, health and safety of workers in the offshore petroleum industry**

Submission from the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) Board



## **Introduction and structure of submission**

This submission to the Senate Education and Employment References Committee has been prepared by the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) Board.

The submission provides information to address the specific terms of reference provided by the Committee, in particular terms of reference (4) on the role and structure of the NOPSEMA Board and options for improving the effectiveness of their stakeholder engagement.

Any questions from the Committee regarding the submission or any other matters should be directed to:

**Ms Liz Houston**

Secretariat, NOPSEMA Board

**Mr Nicholas Page**

Manager, Legislative Change, Communications and Stakeholder Relations (NOPSEMA)



## **Term of Reference (4): the role and structure of the NOPSEMA Board and options for improving the effectiveness of their stakeholder engagement**

### **Purpose and functions**

1. The NOPSEMA Board (the Board) is an advisory board of six (6) persons with specific functions prescribed under section 654 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGGS Act). The Act lists the following functions of the Board:
  - advise and make recommendations to the CEO of NOPSEMA about the operational policies and strategies to be followed by NOPSEMA in the performance of its functions
  - advise and make recommendations to the Commonwealth, state and territory petroleum ministers, and to the Council of Australian Governments (COAG) Energy Council, on the occupational health and safety of persons in offshore petroleum operations, the integrity of facilities and wells, environmental management and on NOPSEMA's performance.
2. The NOPSEMA CEO may make requests to the Board to provide advice on specific issues.
3. The Act provides for individual members to be appointed by the Commonwealth Minister and makes no provision for stakeholder representation on the Board. Board members are not intended to represent any particular stakeholder group or interest, they are appointed for their extensive industry and Government expertise so they may provide advice to the Government on strategies to improve safety and environmental management performance of the industry.

### **Stakeholder engagement and information sharing**

4. Board members individually and collectively interact with a range of national and international stakeholders on a continuous basis. This engagement ensures members keep abreast of industry developments and understand a range of stakeholder views. For instance, in 2017, this included:
  - Minister: the Board met with the Hon. Matthew Canavan MP, Minister for Resources and Northern Australia and briefed the Minister on a number of industry issues including conferral of powers, transparency and decommissioning. The Board provides a letter to the Minister after each meeting which summarises the main issues discussed and brings to his attention any relevant industry matters.
  - Unions: attended two Union bilateral meetings at the request of the unions.
  - Australian Petroleum Production and Exploration Association (APPEA): exchanged views with senior APPEA executives on upcoming safety and environmental issues. This engagement demonstrates the Board's proactive approach to sharing insights with industry bodies.
  - NOPSEMA CEO: meet with the CEO at each Board meeting and responded to one CEO referral regarding raising the bar on process safety. In addition the Board and the CEO discussed issues such as industry trends, performance and capability, the use of big data, legislative change, transparency and decommissioning.
  - International engagement: International Association of Oil & Gas Producers (IOGP), Institute of Asset Management (IAM) and the United Kingdom's Health and Safety Executive (HSE).
5. While advice to Ministers and the NOPSEMA CEO is not released publically, the Board publishes an annual report that is included in the NOPSEMA Annual Report. The Board report highlights those focus areas and strategic themes to be considered by Government and industry.



### **Work program**

6. The Board's work program will provide advice to Government and NOPSEMA's CEO on matters relevant to:
  - industry performance, including analysis of available data to encourage better leading indicators and increased transparency in relation to process safety, safety culture, environmental management and hydrocarbon releases
  - efficiency of the regulatory regime, including simplifying the OPGGS Act, improving approval timelines, improving NOPSEMA's interactions with operators and reducing duplication
  - encouraging legislative action needed from the states and the Northern Territory in relation to the ongoing conferral of functions to NOPSEMA, thus reducing 'red and green tape' and the regulatory burden on the industry
  - safety case and environmental regime, including promotion of inherent safety in design and early engagement with operators, and reducing unnecessary differences between safety and environmental legislative instruments
  - supporting NOPSEMA's drive for greater transparency in the regulatory regime, particularly for environmental approvals
  - clarification of NOPSEMA's expectations of industry during the stakeholder engagement process for environmental approvals

### **Board Membership**

7. Members of the Board are appointed by the responsible Commonwealth Minister (currently the for Resources and Northern Australia), in consultation with relevant State and Territory Ministers. Members may be nominated for appointment by relevant State and Territory Ministers and each person appointed is formally approved by the COAG Energy Council. NOPSEMA has no role in the decision making of appointing Board Members. Up to eight (8) persons may be appointed.
8. The Board serves in a part-time capacity and meets at least four times a year. Members are appointed for terms of up to three (3) years. Extensions may be granted by the relevant Commonwealth Minister through the COAG Energy Council.

### **Board competencies and expertise**

9. Current Board members demonstrate a broad mix of competencies including:
  - detailed knowledge of the petroleum industry
  - extensive legal knowledge of legislation and the operations of regulatory organisations
  - an understanding of the safety case approach in regulating major hazard industries
  - senior operational experience in a major hazard industry (onshore or offshore)
  - an understanding of the political environment within which NOPSEMA operates, in particular the importance of its relationship with the COAG Energy Council



| <b>Member</b>             | <b>End of Term</b> | <b>Experience</b>   |
|---------------------------|--------------------|---|
| Ms Erica Smyth (Chair)    | 17-Mar-2020        | Board member: National Energy Resources Australia (NERA); International Centre for Radio Astronomy Research (ICRAR).<br>Recent past Board roles: Deputy Chair Australian Nuclear Science and Technology Organisation (ANSTO); NED Deep Exploration Technologies Cooperative Research Centre (DET CRC)<br>Past senior executive positions: Woodside and BHP Petroleum & Minerals |
| Dr James (Jim) Limerick   | 30-Jun-2020        | Chair, Fremantle Ports<br>Past senior positions: former Director General, WA Department of Industry & Resources (now Department of Mines, Industry Regulation and Safety)   |
| Ms Patricia (Trish) Kerin | 10-May-2018        | Director IChemE safety centre, Institution of Chemical Engineers' Safety Centre<br>Past positions: Australian Chamber of Commerce and Industry (ACCI) on Safe Work Australia Advisory Group for drafting major hazard facility model law.   |
| Mr Ken Fitzpatrick        | 14 Mar-2019        | Chair of the Oil, Gas and Energy Resources Growth Centre DIIS.<br>Past senior positions: CEO of PTTEP Australasia, senior positions in Ampolex, Mobil, Nexen and Woodside and WA State Chairman for APPEA, APPEA Montara/Macondo task force steering committee.   |
| Mr Anthony (Tony) Evans   | 17-Mar-2020        | President, RAC;<br>Board/Committee member: Ningaloo Coast World Heritage Advisory Committee (NCWHAC), Australasian College for Emergency Medicine (ACEM), Australian Dental Council (ADC)<br>Past senior positions: WA Petroleum Pty LTD (WAPET), WANG, Iluka and Chevron.  |
| Prof Melinda Hodkiewicz   | 17-Mar-2020        | Professor and BHP Billiton Fellow for Engineering for Remote Operations, University Western Australia.<br>Australia's nominated representative on the ISO 55000 Standard for Asset Management and Chair of the Australian Mirror committee MB19   |

15 March 2018