

Question on notice no. 3

Portfolio question number: BI-3

2020-21 Budget estimates

Economics Committee, Industry, Science, Energy and Resources Portfolio

Senator Carol Brown: asked the National Offshore Petroleum Safety and Environmental Management Authority on 29 October 2020—

(1. Why did NOPSEMA fail to carry out a single in-person inspection of offshore oil and gas facilities between March 2020 and August 2020, despite NOPSEMA deeming the facilities safe for workers to work on in this period? (Note that while some facilities reduced the persons on board during this time, most did not go to the minimum number of persons on board) . 2. Are offshore oil and gas operators required to put workers' rosters in their safety case? If not why not? Does NOPSEMA think the roster proposed by Woodside for offshore workers to spend 2 weeks in isolation and then 12 weeks on their offshore facilities working 12 hours per day is appropriate from a fatigue and safety perspective? 3. Why isn't the Safety Case of offshore facilities available for review by relevant unions? Why isn't the safety case available to employees other than at work where their log-in details are recorded by the Operators? 4. From time to time, unions raise complaints with NOPSEMA about occupational health and safety breaches on offshore oil and gas facilities. Why does NOPSEMA not provide information to unions about their subsequent investigations of such incidents? Does NOPSEMA not see unions as a key stakeholder in the health and safety of workers? 5. Has NOPSEMA identified any shortcomings of operators with respect to how they have managed and supported the mental health of their workforce during Covid-19? For example, how operators have handled roster changes, quarantine arrangements, relocation of employees, redundancies and what steps they have or have not taken to ensure the mental health of workers is at least maintained through these major changes in the sector. 6. Chevron has recently sacked 700 workers, INPEX 65 workers and Woodside 300 workers. Has NOPSEMA been advised by the operators of these redundancies, and reviewed the operations of the Operators to ensure they have not put workers at risk through undermanning of facilities, lack of essential maintenance, or being short of experienced and qualified personnel? 7. Since March 2020, many facilities have reduced the numbers of contractors and maintenance personnel on board, leading to a backlog of regular maintenance that has not been performed. Can NOPSEMA advise of the maintenance backlog on Woodside's Goodwyn Platform, Woodside's North Rankin Platform, Chevron's Wheatstone Platform and INPEX's Central Processing Facility and Floating Production Storage and Offtake facility? 8. Does NOPSEMA believe that operating oil and gas facilities with largely casualised contractor workforces affects safety on board those facilities? 9. Can NOPSEMA advise on the number of Health and Safety Representatives who have been trained during the period March 2020 to September 2020 compared with the number trained in the same March to September period in 2019? 10. In the event of a serious workplace incident or fatality, what steps will NOPSEMA take to facilitate union right of entry to offshore facilities to assist the affected workforce? 11. Since INPEX began operating, three members of its offshore

workforce have died by suicide. What steps has NOPSEMA taken to investigate these fatalities? If an investigation is underway, when will it be publicly released?

12.Jadestone recently reported 74.3 litres of oil were spilt from the leaking of the intake hose from the Stag Platform. Witnesses reported a slick halfway to the horizon and tens of thousands of litres of oil being spilt. This was logged by the officers on the neighbouring Dampier Spirit FPSO. What steps has NOPSEMA taken to investigate this spillage and what resources will NOPSEMA commit to investigate if Jadestone has breached their reporting obligations? 13.In October 2016 NOPSEMA found extensive corrosion throughout the Northern Endeavour FPSO and made recommendations to Upstream Petroleum Solutions to fix it. It appears that that corrosion was never properly fixed until the facility was finally ordered to stop operating in July 2019. Why was the Northern Endeavour allowed to continue operating in a dangerous state for almost three years? Should extensive corrosion be found on a facility today, would NOPSEMA take the same action as it did in 2016?

14.In late 2017 the licence for the Northern Endeavour was up for renewal. The decision to renew the licence rested with Resources Minister Matt Canavan. What advice did NOPSEMA give to Minister Canavan about renewing the Northern Endeavour's licence? Did NOPSEMA address the corrosion found onboard the Northern Endeavour in its correspondence with Minister Canavan? 15.In April 2020 Woodside made an application to NOPSEMA to not remove the subsea infrastructure it installed in the Echo Yodel field off the coast of Dampier. This infrastructure included a 23km pipeline, a parallel 23km umbilical, and two 8m high wellheads and contained hundreds of tonnes of plastics and potentially other chemicals, liquids and metals. Is the default position that an operator must remove the infrastructure it installs? Has NOPSEMA made a decision about Woodside's application? When is a decision expected?

Answer —

Please see attachment.

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science, Energy and Resources
2020 - 2021 Budget Estimates

AGENCY/DEPARTMENT: National Offshore Petroleum Safety and Environmental Management Authority

OUTCOME: Agencies

TOPIC: NOPSEMA facilities and safety

REFERENCE: Written Question – Senator Carol Brown

QUESTION DATE: 28 October 2020

QUESTION No.: BI-3

1. Why did NOPSEMA fail to carry out a single in-person inspection of offshore oil and gas facilities between March 2020 and August 2020, despite NOPSEMA deeming the facilities safe for workers to work on in this period? (Note that while some facilities reduced the persons on board during this time, most did not go to the minimum number of persons on board).
2. Are offshore oil and gas operators required to put workers' rosters in their safety case? If not why not? Does NOPSEMA think the roster proposed by Woodside for offshore workers to spend 2 weeks in isolation and then 12 weeks on their offshore facilities working 12 hours per day is appropriate from a fatigue and safety perspective?
3. Why isn't the Safety Case of offshore facilities available for review by relevant unions? Why isn't the safety case available to employees other than at work where their log-in details are recorded by the Operators?
4. From time to time, unions raise complaints with NOPSEMA about occupational health and safety breaches on offshore oil and gas facilities. Why does NOPSEMA not provide information to unions about their subsequent investigations of such incidents? Does NOPSEMA not see unions as a key stakeholder in the health and safety of workers?
5. Has NOPSEMA identified any shortcomings of operators with respect to how they have managed and supported the mental health of their workforce during Covid-19? For example, how operators have handled roster changes, quarantine arrangements, relocation of employees, redundancies and what steps they have or have not taken to ensure the mental health of workers is at least maintained through these major changes in the sector.
6. Chevron has recently sacked 700 workers, INPEX 65 workers and Woodside 300 workers. Has NOPSEMA been advised by the operators of these redundancies, and reviewed the operations of the Operators to ensure they have not put workers at risk through undermanning of facilities, lack of essential maintenance, or being short of experienced and qualified personnel?
7. Since March 2020, many facilities have reduced the numbers of contractors and maintenance personnel on board, leading to a backlog of regular maintenance that has not been performed. Can NOPSEMA advise of the maintenance backlog on Woodside's Goodwyn Platform, Woodside's North Rankin Platform, Chevron's Wheatstone Platform and INPEX's Central Processing Facility and Floating Production Storage and Offtake facility?

8. Does NOPSEMA believe that operating oil and gas facilities with largely casualised contractor workforces affects safety on board those facilities?
9. Can NOPSEMA advise on the number of Health and Safety Representatives who have been trained during the period March 2020 to September 2020 compared with the number trained in the same March to September period in 2019?
10. In the event of a serious workplace incident or fatality, what steps will NOPSEMA take to facilitate union right of entry to offshore facilities to assist the affected workforce?
11. Since INPEX began operating, three members of its offshore workforce have died by suicide. What steps has NOPSEMA taken to investigate these fatalities? If an investigation is underway, when will it be publicly released?
12. Jadestone recently reported 74.3 litres of oil were spilt from the leaking of the ontake hose from the Stag Platform. Witnesses reported a slick halfway to the horizon and tens of thousands of litres of oil being spilt. This was logged by the officers on the neighbouring Dampier Spirit FPSO. What steps has NOPSEMA taken to investigate this spillage and what resources will NOPSEMA commit to investigate if Jadestone has breached their reporting obligations?
13. In October 2016 NOPSEMA found extensive corrosion throughout the Northern Endeavour FPSO and made recommendations to Upstream Petroleum Solutions to fix it. It appears that that corrosion was never properly fixed until the facility was finally ordered to stop operating in July 2019. Why was the Northern Endeavour allowed to continue operating in a dangerous state for almost three years? Should extensive corrosion be found on a facility today, would NOPSEMA take the same action as it did in 2016?
14. In late 2017 the licence for the Northern Endeavour was up for renewal. The decision to renew the licence rested with Resources Minister Matt Canavan. What advice did NOPSEMA give to Minister Canavan about renewing the Northern Endeavour's licence? Did NOPSEMA address the corrosion found onboard the Northern Endeavour in its correspondence with Minister Canavan?
15. In April 2020 Woodside made an application to NOPSEMA to not remove the subsea infrastructure it installed in the Echo Yodel field off the coast of Dampier. This infrastructure included a 23km pipeline, a parallel 23km umbilical, and two 8m high wellheads and contained hundreds of tonnes of plastics and potentially other chemicals, liquids and metals. Is the default position that an operator must remove the infrastructure it installs? Has NOPSEMA made a decision about Woodside's application? When is a decision expected?

ANSWER

1. In the period from 18 March to 30 June 2020, NOPSEMA staff transitioned to work from home arrangements in compliance with COVID-19 restrictions. While NOPSEMA's inspections have continued throughout the pandemic, they have been conducted remotely in order to comply with physical distancing, health and safety requirements. The primary rationale behind this decision was the recognition that NOPSEMA inspectors represented a disease transmission risk to the offshore workforce. As such, NOPSEMA determined that inspections would be conducted remotely to reduce offshore disease transmission risk to as low as reasonably practicable, while remaining prepared to travel offshore in response to a serious incident.

It should be noted that offshore workers employed by oil and companies follow specific quarantine requirements to reduce the risk of transmitting COVID-19 among the offshore workforce. Arrangements in place to ensure a safe working environment have contributed to there being no recorded cases of COVID-19 offshore.

2. The Offshore Petroleum and Greenhouse Gas Storage (OPGGS) Safety Regulations define the safety case content requirements. The current Regulations do not identify roster arrangements as a safety case content requirement.

While Woodside may have proposed certain roster arrangements, these proposed arrangements were never implemented to NOPSEMA's knowledge. NOPSEMA met with Woodside in response to their proposed roster arrangements and, subsequent to that meeting, Woodside implemented a different rostering plan.

3. There are no provisions within the OPGGS Act or OPGGS Safety Regulations relating to the dissemination of the safety case. NOPSEMA has published Guidance stating the following:

"The operator must take all reasonably practicable steps to provide all members of the workforce with the information, instruction, training and supervision necessary for them to carry out their work safely. This should include access to the safety case and related documents" (GN1054 – Involving the Workforce, Core concepts).

"Provision of facilities that are necessary for exercising HSR powers generally include permission to use a private office or conference room, a computer with internet connection and access to local networks, the company intranet, and relevant safety documents (e.g. facility safety case, policies, procedures, etc.)." (GN1783 – Workplace arrangements, Section 5)

In practice, most facilities have a hard copy of the safety case available in a number of unmonitored locations. NOPSEMA notes that the Department has proposed amendments to the legislation to make explicit the requirements of operators to provide members of the workforce with unmonitored access to the safety case.

4. NOPSEMA meets fortnightly with unions, state-based regulators, and industry representatives as part of a forum to provide opportunities to discuss current issues and share information. In addition, NOPSEMA and representatives from various unions hold a bi-lateral forum approximately twice per year.

In response to complaints received from unions in relation to safety concerns offshore, NOPSEMA investigates complaints and advises the union of the response taken.

Schedule 3, Clause 80 of the OPGGS Act stipulates the process by which NOPSEMA reports are disseminated, as follows:

Cl.80(3) As soon as reasonably practicable after receiving the report, NOPSEMA must give a copy of the report, together with any written comments that it wishes to make:

- (a) if the report relates to a facility - to the operator of the facility; and
- (aa) if the report relates to a contravention or possible contravention of clause 13A by the registered holder of a petroleum title – to that registered holder; and
- (ab) if the report relates to a contravention or possible contravention of clause 13B by the registered holder of a greenhouse gas title – to that registered holder; and
- (b) if the report relates to activities performed by an employee of another person – to that other person; and

(c) if the report relates to any plant, substance or thing owned by another person – to that other person.

5. In April 2020, NOPSEMA issued a Safety Alert specific to operators introducing modified roster arrangements to reduce the risk of COVID-19 transmission among members of the offshore workforce. The Safety Alert highlighted concerns received by NOPSEMA in relation to changes to roster arrangements and provided key lessons for managing risks specific to fatigue and psychological hazards.

NOPSEMA then conducted a survey of operators to ascertain what, if any, changes had been made to their working arrangements, and how they had approached the fatigue and psychosocial risks associated with those changes. NOPSEMA published a summary of better practice responses which was shared with operators, contractors, HSRs, unions, industry representative bodies, and other safety regulators as a means of encouraging improving practice.

While NOPSEMA's inspections of operators' arrangements for dealing with COVID-19 indicate the vast majority of duty holders have appropriate and reasonable arrangements in place for transmission risks among personnel, NOPSEMA is concerned about the longer-term mental health effects of the pandemic. NOPSEMA has conducted inspections on topics including fatigue management and psychological hazards management, and will continue to do so in line with its published compliance strategy.

6. Ongoing maintenance requirements, particularly of safety-critical equipment, is one area prompting increased attention from NOPSEMA during offshore inspection. Other areas of consideration include reduced capacity and capability of the workforce if and where staff and contractor numbers are cut, and increased fatigue and psychological stress amongst the workforce due to COVID-19 and job security concerns.

NOPSEMA continues to implement and inspect against its COVID-19 Compliance Strategy, with its emphasis on promotion and advice and working with duty holders to allow for adjustments in the way offshore work must be conducted, while still retaining safeguards and controls. NOPSEMA will continue to enforce compliance, where required, to reduce risks.

NOPSEMA remains apprised of redundancies through a number of channels including direct communications from operators, regular meetings with the industry and other stakeholders, and monitoring of media and ASX announcements. NOPSEMA has initiated a review of the potential consequences of such decisions on safety, integrity, and environment outcomes.

7. Results of inspections specific to COVID-19 undertaken by NOPSEMA indicate that about a third of facilities had changed or deferred their routine maintenance processes in response to pressures related to COVID-19 and low oil prices.

There has been a reduction in hours worked offshore, with impacts on maintenance work being undertaken. Ongoing maintenance requirements, particularly of safety-critical equipment, is one area prompting increased attention from NOPSEMA.

Since August NOPSEMA has conducted, and plans to conduct before the end of the year, inspections of maintenance management on each of the facilities in question. NOPSEMA continues to apply its enforcement management model to issues identified during inspections.

8. NOPSEMA understands that there are numerous moderating and mitigating variables, including employment status, which influence safety outcomes. NOPSEMA is currently collaborating with Curtin University and the University of Western Australia on research projects which aim to explore these variables in greater detail.
9. For the period of March to September inclusive, participant numbers reported from the three accredited training providers is as follows:
2019 – 60 HSRs trained
2020 – 34 HSRs trained

As a consequence of the COVID-19 pandemic and associated public health measures, no HSR training was delivered across Australia between the months of March and July 2020. In anticipation of ongoing COVID-19 interruptions to classroom-based training provisions, NOPSEMA believes it is prudent to consider how HSR training might be delivered via remote learning during periods when governments have implemented restrictions that prohibit traditional classroom-based learning.

NOPSEMA has written to accredited providers of HSR training and invited them to submit for accreditation a restructured training package supporting provision of remote HSR training.

10. Schedule 3, Clause 35 of the *Offshore Petroleum Greenhouse Gas and Storage Act 2006* (OPGGs Act) entitles HSRs to assistance by a consultant in the exercise of their powers, in the event that either the operator or NOPSEMA has agreed in writing to the provision of the assistance. As such, a HSR can make a written request to NOPSEMA for assistance by a consultant. That consultant may also be a union representative.

NOPSEMA's published policy (PL1068 – Consideration of HSR requests for consultant advice) defines the items against which NOPSEMA will consider such a request, as follows:
The HSR making the request is an HSR for a designated workgroup at the facility; and
The request is being made with respect to the exercising of one or more powers under Clause 34; and

The matter for which the assistance requested is a health and safety matter and;
The consultant whose assistance is requested from, or to whom it is requested to provide information, is competent to assist the HSR in the exercise of his or her powers in relation to the particular matter; and

That the workplaces are appropriately related to the exercising of specified powers and to the specified health and safety matter and

The duration of that assistance at the facility is reasonable.

The policy further states that NOPSEMA shall notify the HSR of a decision within seven days of receipt of a request. If the request is agreed NOPSEMA shall notify the HSR in writing and provide a copy of the agreement to the operator of the facility. If the request is not agreed, the reasons shall be included in a written response to the HSR.

NOPSEMA has published a form (Request for NOPSEMA agreement to HSR assistance by consultant) to assist HSRs in ensuring that their request contains all of the information necessary for NOPSEMA to make a decision.

The Policy and Form are both published on NOPSEMA's HSR webpage. The HSR Handbook directs HSRs requesting consultant assistance to these documents on our webpage (p.23). Similarly, links to both documents are provided in NOPSEMA's HSR Powers Guidance Note (p.7).

11. Schedule 3, Clause 82(1) of the OPGGS Act states the following:

If, at or near a facility, there is (a) an accident that causes the death of, or serious injury to, any individual; the operator must, in accordance with the regulations, give NOPSEMA notice of the accident or dangerous occurrence.

NOPSEMA has not received any such notice of deaths by suicide occurring at or near an offshore facility. NOPSEMA understands that deaths by suicide occurring onshore are investigated by police and may be referred to the coroner.

12. NOPSEMA initiated an investigation following notification of a leak from the offtake hose at Jadestone's Stag facility. The investigation's scope includes determining whether Jadestone complied with the reporting requirements, among other matters such as the volume spilled, and is still in progress.

NOPSEMA is considering appropriate enforcement action in relation to this matter. As the investigation into the incident is ongoing, NOPSEMA is limited in the level of detail it can provide, including specifics regarding the size of the release.

13. This matter has been the subject of a comprehensive independent review undertaken by Steve Walker. The findings of the Walker Review concluded that NOPSEMA is "a robust, professional and independent regulator that had significant concerns right from the start of the change of operator/titleholder for the Northern Endeavour". In addition, the Review concluded: "As fears about the cumulative impact of the individual concerns increased, the decisions on the appropriate course of action to take were well informed."

NOPSEMA notes the report recommendations. Those matters relevant to NOPSEMA are being reviewed to determine whether changes to compliance processes are warranted in future. Where recommendations go to matters of legislation or policy, they are for consideration by the government, and it would not be appropriate for NOPSEMA to comment on such matters.

NOPSEMA's priority has always been ensuring that the workforce and the environment are safe.

14. NOPSEMA is not responsible for title transfers. Instead, advice regarding title transfers is provided to the Minister for Resources by the National Offshore Petroleum Titles Administrator.
15. The titleholder has obligations under section 572 of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (OPGGS Act) to maintain all structures, equipment and property in a title area in good condition and repair and to remove all structures, equipment and property when it is neither used nor to be used in connection with the operations authorised by the title. However, under section 572(7), the requirements of section 572(2) and 572(3) are subject to other provisions of the OPGGS Act and regulations, directions given by NOPSEMA or the responsible Commonwealth Minister, and other applicable laws. This means that options other than complete removal can be considered, titleholders can make a case for options other than complete removal of property and equipment by submitting permissioning documents to NOPSEMA for approval. The permissioning documents must meet the acceptance criteria under the relevant regulations to obtain NOPSEMA approval.

NOPSEMA is currently assessing an environment plan (EP) submitted by Woodside relating to the cessation of activities including the plugging and abandoning of three wells in the offshore Echo Yodel field. Following a request for further written information from NOPSEMA, the EP was resubmitted by Woodside on the 16th of October 2020. Under the

Commonwealth Environment Regulations, NOPSEMA has 30 days from the resubmission date to determine whether the EP meets the acceptance criteria. After the 30 days, NOPSEMA can decide whether it is reasonably satisfied that the EP meets the acceptance criteria, or if it is determined that it does not, provide Woodside with an opportunity to modify and resubmit the plan. This is a normal part of NOPSEMA's iterative process for the assessment of environment plans.