

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Supplementary Budget Estimates

18 October 2012

**Question:** SR15  
**Topic:** NOPSEMA Advisory Board  
**Proof Hansard Page:** 24-25

**Senator Cameron asked:**

**Senator CAMERON:** Is there a governing body for the NOPSEMA Act?

**Ms Constable:** There is an advisory board to NOPSEMA. There is also another entity that has been established, a tripartite group, that is made up of NOPSEMA, industry and a trade union representative. That is a constructive dialogue that occurs on a quarterly basis.

**Senator CAMERON:** But the advisory group is under the act, is it?

**Ms Constable:** That is correct.

**Senator CAMERON:** Who is the union representative on the-

**Ms Constable:** There is not a union representative.

**Senator CAMERON:** There is not a union representative on that?

**Ms Constable:** No, there is not.

**Senator CAMERON:** Is there any reason for that?

**Ms Constable:** There is not a representative that is nominated on that particular advisory board.

**Senator CAMERON:** Who nominates?

**Ms Constable:** Usually the minister nominates.

**Senator CAMERON:** There is no union representative on this advisory council?

**Ms Cutler:** There is no industry representative.

**Mr Squire:** If I could add to Ms Constables responses: the selection of membership for membership of the NOPSEMA board is on the basis of the skills, knowledge and experience of various individuals. Currently, there are a range of people on the board with industry background. I understand that there is an individual with some workforce representation background. There are also people-

**Senator CAMERON:** What does that mean? Is that a union represented? By the ACTU?

**Mr Squire:** The nomination for that-

**Senator CAMERON:** Can you take it on notice and give me advice as to the make-up of the advisory board, what the process was for the advisory board to be established and what the strengths, weaknesses and qualifications are of each person on that advisory board? Thank you.

**Mr Squire:** Certainly.

**Answer:****Functions of the NOPSEMA Advisory Board**

Section 654 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGSA) sets out the functions of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) Advisory Board. The Board is an advisory Board, rather than a governance Board; day-to-day governance and administration of NOPSEMA is the responsibility of the Chief Executive Officer (CEO).

The NOPSEMA Board provides advice to the Commonwealth Minister and State and Northern Territory Ministers on policy and strategic matters relating to occupational health and safety, structural integrity of facilities, wells and well-related equipment and environmental management of offshore petroleum operations. It also provides advice and recommendations to the CEO of NOPSEMA about operational policies to be followed by NOPSEMA in the performance of its functions. The NOPSEMA Board also actively engages with stakeholders regarding industry trends, issues and leading practice opportunities, and provides advice to Ministers and NOPSEMA on strategies to improve safety and environmental management performance.

**Membership and Appointment Process**

Section 656 the OPGGSA outlines the process for appointing members to the NOPSEMA Advisory Board. Members of the NOPSEMA Board are selected for appointment by the Standing Council on Energy and Resources (SCER) (formerly known as Ministerial Council on Mineral and Petroleum Resources - MCMPR), prior to being formally appointed by the Commonwealth Minister for Resources and Energy.

Nominees for membership on the NOPSEMA Board are appointed on the basis of their expertise, skills and industry experience, rather than representing particular stakeholder interests. Nominees' skills are assessed against the following competencies (which have been agreed to by SCER):

- Detailed knowledge of the offshore petroleum industry
- Extensive legal knowledge related to legislation and the operations of regulatory organisations
- An understanding of the safety case approach in regulating major hazard industries
- Operations/line experience in a major hazard industry (onshore or offshore)
- An understanding of the political environment within which NOPSEMA operates and in particular, the importance of its relationship with SCER
- Experience in organisational development issues, such as structures, management processes, human resource development and corporate planning
- Experience in financial estimates and budgeting for medium size organisations
- Environmental regulatory knowledge and expertise.

The OPGGSA provides that the Board consists of a Chair, and at least five and not more than seven members. NOPSEMA Board Members are appointed on a part-time basis for a maximum of three years.

A list of the current NOPSEMA Board Members, including their qualification and expertise, is provided at **Attachment A**.

## ATTACHMENT A

### **Mr Keith Spence (Chair)**

With more than 30 years' experience in the oil and gas industry, including 18 years working for Shell, Mr Spence has a broad knowledge of the Australian offshore petroleum industry. Mr Spence retired from Woodside Petroleum in 2008 after a 14-year tenure with the company, where he occupied top executive positions.

Mr Spence held many roles during his period with Woodside, including chief operating officer, acting chief executive officer, executive vice president enterprise capability, director oil business unit, director northern business unit and exploration manager North West Shelf.

Mr Spence is a member of the National Carbon Capture and Storage Council. He is a member of the Board of Australian Workforce and Productivity Agency and chairs the Board of the Australian Institute of Management (WA), the State Training Board of Western Australia and the Industry Advisory Board of the Australian Centre for Energy and Process Training. He is a Non- Executive Chairman of Clough Limited and Geodynamics Limited and a Non-Executive Director of Verve Energy and Oil Search Limited.

### **Dr Lynne Chester**

Dr Chester is an economist who currently researches and teaches at the University of Sydney. She was formerly a lecturer at the University of New South Wales and a senior research fellow at the John Curtin Institute of Public Policy at Curtin University. Dr Chester has conducted extensive research and written papers on the electricity sector and energy security in Australia. Her current research focus includes: energy issues and the environment, electricity generation capacity, energy affordability, electricity and carbon derivatives, and the regulation of energy markets. She has taught undergraduate and postgraduate courses in economics, public policy, risk management, infrastructure provision and research methods.

Dr Chester has been a consultant to the Asian Development Bank, a senior executive with two of Australia's largest utility organisations - Energy Australia and Sydney Water - chief of staff to federal government ministers, and an economic adviser to the South Australian Premier. With more than 25 years' experience in the public sector, her expertise includes the process of decision-making and policy implementation, accountability, governance and regulatory regimes.

She was an independent member of the federal government's 2011-12 Energy White Paper Reference Group, and is currently a member of the Advisory Board for the Bureau of Resources and Energy Economics and Chair of AGL's Customer Council.

### **Mr Anthony (Tony) Pooley**

Tony Pooley is recognised as one of Australia's most respected risk management specialists. He is a Director of the risk consulting firm, Principle Seven and an adjunct Associate Professor on risk management in the Human Factors and Safety Management Systems masters course at the University of South Australia.

Mr Pooley has been an advisor to a portfolio of resource companies including BHP Billiton, Exxon-Mobil, Rio Tinto and Santos and was a member of the Newcrest Mining Executive Committee until the end of 2008. In 1992 he formed the Qest Consulting Group, Australia's first local consultancy providing quantified risk assessment services; in this capacity he was involved in assisting BHP Petroleum complete Australia's first offshore safety case, as well as leading teams working on three early onshore safety cases undertaken in Victoria.

**Dr Michael (Mike) Ollis**

Until his 2008 retirement from the role of Vice President Asset Team Leader, Australia Operated, Dr Michael Ollis was responsible for all of BHP Billiton Petroleum's operated exploration, appraisal, production and project development in Australia, including the FPSO Griffin Venture (WA), Buffalo Venture (NT), the Minerva Gas plant (VIC) and the Stybarrow FPSO development (WA).

He has extensive experience in the offshore petroleum industry internationally, having worked in the USA, UK, Brunei, Tunisia and the Netherlands in both management and operational positions. He spent 10 years working for Shell International before commencing a 17-year tenure with BHP Petroleum. Dr Ollis is also a Non-Executive Director of Nido Petroleum.

**Mr Kym Bills**

Kym Bills is the CEO of WA: ERA, an energy and CO2 geosequestration research alliance between the CSIRO, the University of Western Australia and Curtin University. He is also the Independent Chair of the Australian Centre for Natural Gas Management. Mr Bills was foundation executive director of the Australian Transport Safety Bureau from 1999 to 2009. Prior to this, he was the head of the Commonwealth Maritime Division for five years, and a member of the board of Australian National Line Limited and AMSA.

In July 2009, Mr Bills completed several major reports as the Commonwealth's expert panel member for the Inquiry into Offshore Petroleum Safety Regulation and was appointed under WA legislation as an inspector to investigate the Varanus Island gas explosion. He subsequently spent 21 months as project director for the National Mine Safety Framework, tasked by Commonwealth and state ministers to develop nationally consistent mine safety legislation and regulation. Mr Bills is a fellow of the Australian Institute of Energy, the Safety Institute of Australia, the Chartered Institute of Logistics and Transport, the Australian Institute of Management, and the Australian Institute of Company Directors.

**Dr Jan Hayes**

Dr Hayes has 25 years' experience in safety and risk management. Her experience covers a range of industries including offshore oil and gas, onshore petrochemicals, gas pipelines, mining, manufacturing and transportation, and air traffic control. She began her career in 1983 in oil and gas process plant operations, and then moved into detailed design. She has been involved in the initial Australian oil industry response to the Piper Alpha incident in 1998 and has worked almost exclusively in the field of industrial safety since then.

Between 1991 and 2004, Dr Hayes was a director and part owner of Qest Consulting Pty Ltd, one of Australia's best known industrial risk and safety consultancies. Holding a number of operational roles, she managed up to 50 staff and was personally responsible for projects ranging from technical safety studies such as: safety cases, HAZOP studies, quantified risk assessments and reliability studies, to organisational psychology reviews and human factors studies. She now holds a Senior Research Fellow appointment at the Australian National University where she is Program Leader for research on public safety for the Energy Pipelines Co-operative Research Centre. Her research interests include operational decision making, safety in design, engineering professionalism, use of standards and safety indicators.

**Mr Michael Large**

Mr Large has more than 50 years' experience as an engineer. From 1986 he served as chief engineer for a number of companies across the maritime and offshore petroleum industry. Over this period, he spent time on diving and trenching projects, pipe lay/ transportation vessels, dynamic positioning, and supply and anchor handling vessels. He was also closely involved in the successful installation of outlets for the Sydney Outfalls (sewerage) Project.

Throughout his years of experience in the maritime and offshore petroleum industry, Mr Large has maintained and encouraged a culture of safety in the workplace and was instrumental in the production of the Port Lincoln Ship Yard Safety Policy and Procedures Manual. Mr Large retired from full-time seagoing duties in November 2006, but remains active in the industry.

**Mr Gerard Early**

Mr Early is an environmental consultant with more than 30 years' experience in government policies, programs and regulation of Australia's terrestrial and marine biodiversity.

He retired as deputy secretary of the Commonwealth Environment Department in October 2010, having acted for extensive periods as secretary of the department. Previous Commonwealth appointments include: deputy chief executive of the Australian Nature Conservation Agency, deputy director of the Australian Heritage Commission, Commonwealth Deputy Commissioner on the Murray-Darling Basin Commission and member of the Environment Committee of the Australian Fisheries Management Authority. He also served on the board of trustees of the Japan-based Institute for Global Environmental Strategies.

Mr Early has led Australian delegations and represented Australia at the UN, the Organisation for Economic Cooperation and Development and other international, regional and national forums. In 2007, he was awarded the Public Service Medal for outstanding public service in the protection and conservation of Australia's natural and cultural heritage.