

**ECONOMICS AND INDUSTRY
STANDING COMMITTEE**

**INQUIRY INTO SAFETY-RELATED MATTERS
RELATING TO FLNG PROJECTS IN AUSTRALIAN WATERS
OFF THE WESTERN AUSTRALIAN COAST**

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
TUESDAY, 7 APRIL 2015**

Members

**Mr I.C. Blayney(Chair)
Mr F.M. Logan (Deputy Chair)
Mr P.C. Tinley
Mr J. Norberger
Mr R.S. Love**

<001> E/4 [9:45:09 AM](#)

Hearing commenced at 9.45 am

Mr GAVIN GUYAN

Acting Chief Executive Officer, National Offshore Petroleum Safety and Environmental Management Authority, examined:

Mr MATTHEW SMITH

Acting Head of Division, Environment, National Offshore Petroleum Safety and Environmental Management Authority, examined:

Mr JEREMY DUNSTER

Manager, Assessment and Inspection, National Offshore Petroleum Safety and Environmental Management Authority, examined:

The CHAIR: On behalf of the Economics and Industry Standing Committee, I would like to thank you for your appearance before us here today. The purpose of this hearing is to assist the committee in gathering evidence for its inquiry into safety-related matters concerning FLNG projects in Australian waters off the Western Australian coast. You have been provided with a copy of the committee's specific terms of reference. At this stage, I would like to introduce myself and the other members of the committee present today. I am the Chair, Ian Blayney. With me is the Deputy Chair, Hon Fran Logan and I have got Jan Norberger and Peter Tinley with us as well today. The Economics and Industry Standing Committee is a committee of the Legislative Assembly of the Parliament of Western Australia. This hearing is a formal procedure of the Parliament and therefore commands the same respect given to proceedings in the house itself. Even though the committee is not asking witnesses to provide evidence on oath or affirmation, it is important that you understand that any deliberate misleading of the committee may be regarded as a contempt of the Parliament. This is a public hearing and Hansard is making a transcript of the proceedings for the public record. If you refer to any documents during your evidence, it would assist Hansard if you would provide the full title for the record.

Before we proceed to the inquiry-specific questions we have for you today, I need to ask you the following: have you completed the "Details of Witness" form?

The Witnesses: Yes.

The CHAIR: Do you understand the notes at the bottom of the form about giving evidence to a parliamentary committee?

The Witnesses: Yes.

The CHAIR: Did you receive and read the information for witnesses sheet provided with the "Details of Witness" form today?

The Witnesses: Yes.

The CHAIR: Do you have any questions in relation to being a witness at today's hearing?

The Witnesses: No.

The CHAIR: Would you please state your full name and the capacity in which you appear before the committee today?

Mr Guyan: I am Gavin Guyan, general manager of the safety and integrity division and also acting chief executive officer of NOPSEMA here today.

Mr Smith: Mr Matthew Smith, acting head of division, environment.

Mr Dunster: Mr Jeremy Dunster, manager of assessment and inspection of vessels facilities.

The CHAIR: As NOPSEMA was informed prior to today's proceedings, some of our questions will relate to the recent Atwood Osprey incident. The committee does not want to impede NOPSEMA's current investigation, but discussing this incident will improve the committee's understanding of your role. Given this, the committee has authorised me as chairman to declare sections of the hearing closed when it is appropriate to do so. If at any time you would like the committee to consider an answer to a question as closed evidence, please say so prior to answering and explain why you think it should be closed. You will know from the information provided prior to the hearing that evidence taken in a closed hearing is confidential and no-one may publish or disclose any parts of the evidence received by the committee unless the committee itself resolves to make that evidence public. This means that the committee retains control of the publication or use of the closed evidence. However, the committee would like to reassure you that we will exercise this control in a responsible manner. Our aim is simply to gather information to allow us to make findings and recommendations to government based on the evidence provided. I just make it known that closed evidence does not go up on the web, obviously, as transcript.

We have just been joined by the member for Moore, Shane Love, who is the final member of our committee so we have a full house.

I would now invite you if you would like to make a brief opening statement to the committee.

Mr Guyan: No, Mr Chairman, no opening statement.

The CHAIR: No opening statement? Not a problem. Who would like to lead off?

Mr F.M. LOGAN: Shall we just ask about the confidentiality of the inquiry?

The CHAIR: If you want to clarify that.

Mr F.M. LOGAN: In terms of what the Chair has said about the current investigation, at this point in time are you quite comfortable in answering questions in this format or would you prefer to go into closed?

Mr Guyan: I am quite comfortable with this format in part because of the stage that the investigation of the incident is at. There is actually not very much that I would describe as confidential information available to us at this stage.

Mr F.M. LOGAN: Okay.

[9.50 am]

Mr J. NORBERGER: Gentlemen, thanks for that. When did NOPSEMA first become aware of the incident involving tropical cyclone Olwyn and the Atwood Osprey drilling rig? How did NOPSEMA first learn of this incident?

Mr Guyan: We first learnt of the incident through our emergency contact phone number, our number for operators to report accidents and dangerous occurrences that are specified within our determination in the legislation. So that was on the morning—actually, I cannot recall the date, but it would be the same date that it became publicly available. It was reported to us through what I would call the normal channel promptly as required by the legislation.

Mr J. NORBERGER: Just to confirm, notwithstanding the date, I think Friday, 13 March was when tropical cyclone Olwyn developed off the Kimberley coast and travelled across the coastline. I think it became public on 17 March, which would be four days later. Is that when you guys would have found out or pretty much as the incident unfolded?

Mr Guyan: No. We were certainly notified as the incident unfolded.

Mr J. NORBERGER: So the cyclone was developing on the thirteenth. The incident happened between the sixteenth and seventeenth; my apologies.

Mr Guyan: We were certainly informed when the operator became aware of the incident. We were informed promptly.

<002> O/2

Mr P.C. TINLEY: I am just trying get a sense of the potential damage here. We are trying to get it in relative terms. So the Atwood Osprey broke the lines and drifted within 500 metres of infrastructure or within the envelope. In your opinion, did you think it had the potential to cause significant environmental damage given its proximity to the Pluto pipelines relative or—perhaps I will leave it on those questions. Do you think it had the potential to be significant environmental damage?

Mr Guyan: You would have to give some consideration to what you mean by “significant”. Clearly, all of the infrastructure in the area and the Atwood Osprey was on location—particular activity—and then drifted off location during the course of the cyclone and then moved some three nautical miles. Then as the weather abated and other factors were involved, certainly, subject to the investigation that we have not concluded yet, it ceased to move. So it moved a distance, some three nautical miles, and then did not move any further.

Mr P.C. TINLEY: It stopped.

Mr Guyan: It stopped. That was the situation. It was in the vicinity of, initially, subsea infrastructure in the Chevron project, Wheatstone, and then the rig moved some three nautical miles and became closer to the Pluto pipeline, as you said.

Mr P.C. TINLEY: If it had kept on moving, could it have struck that infrastructure on the information you received, if it had continued —

Mr Guyan: You mean the Pluto pipeline?

Mr P.C. TINLEY: Yes.

Mr Guyan: Given that we are talking about water depth, so certainly it is possible that anchors could have been dragging and impacted on the pipeline. The rig itself would not have struck the pipeline, unless it sank, of course, but it would have to sink exactly over the pipeline for that to happen, so that would be extremely unlikely, but it is possible that anchors could drag across the pipeline.

Mr P.C. TINLEY: If it drags its lines across that pipeline, anything is possible.

Mr F.M. LOGAN: Gavin, can I come back to the emergency contact number and the notification process? In our previous discussions with NOPSEMA and the hearings we have had with NOPSEMA, obviously, we are aware that it is up to the upstream operator to notify NOPSEMA in the first instance when that upstream operator needs assistance, and also if something has occurred, in accordance with the act. There is an obligation on them to notify; that is their responsibility, but also at a point, the time they need assistance, they contact NOPSEMA as well. Yes? No?

Mr Guyan: If I can pause there, I would say no. They are two separate things. NOPSEMA has no role as a combat agency. So, the obligation is on either the operator of the facility or the titleholder in relation to the environmental regulations—and they may be two different entities—have an obligation to report the accident or a dangerous occurrence, so the environmental incident, to NOPSEMA. That is in connection with our powers and obligations to investigate such incidents in relation to compliance with the legislation, not in relation to combatting or responding to providing assistance of any sort to the operator or the titleholder. NOPSEMA does not have that role at all.

Mr F.M. LOGAN: Just clarifying, they are required to notify in any case, regardless of what assistance they need from another resource.

Mr Guyan: Yes.

Mr F.M. LOGAN: In this instance, who made the emergency contact? Was it Atwood Oceanics or Chevron, who is the titleholder of the field and who has driven —

Mr Guyan: The initial notification was from the operator of the drilling rig facility, Atwood. I will not attempt to quote the company name, but Atwood, the operator of the drilling rig. Subsequently, we were also notified by other parties. We certainly had some contact with Chevron and subsequently with Woodside, the titleholder and operator for the Pluto facilities.

Mr F.M. LOGAN: I do not know whether you were involved at the time, Gavin, but if you could cast your mind back to other examples, for example, the *Castoro Otto*, which was that incident in the gulf in the Kimberley, what happened there? Was there a notification—obviously, eventually NOPSEMA were involved.

Mr Guyan: Yes.

Mr F.M. LOGAN: If you can have a look at the two incidents, how long between the time of the two incidents of the drill rig drifting was NOPSEMA contacted by Atwood or Chevron, one of the two, and how long between the incident in the *Castoro Otto*, when a significant serious incident took place, was NOPSEMA notified?

Mr Guyan: Let me try to answer that in two parts. In relation to the Atwood Osprey, certainly at this time I am not aware and I can reasonably confidently say NOPSEMA is not aware of exactly what time the Atwood Osprey drifted off location. We were reported when a vessel in the area recognised that the rig had drifted and that set the chain of communications in play. So, as to exactly when it drifted, it is not clear yet, but certainly when we were advised in relation to when the operator knew—from memory, that was within an hour or so, two hours at most, that sort of time scale. In terms of the *Castoro Otto*, whilst I am familiar with the incident, I cannot advise you of the timing off the top of my head. We would have records of when we were notified. It is a slightly different situation, of course, because the Atwood Osprey was, as I am sure you will appreciate, unmanned; no-one was on board, so that is why there was no clear indication as to exactly when it became adrift. The *Castoro Otto* was not unmanned, as I am sure you are aware, but equally, from memory, I do not believe the *Castoro Otto* was entirely adrift. It had lost power and its anchors, but was not adrift as such. In terms of the timing, I am sorry, I cannot answer that at the moment.

<003> J/4 [9:59:23 AM](#)

[10.00 am]

Mr F.M. LOGAN: Maybe we will go back to the *Castoro Otto* report and have a look at it. If it is not covered in the report, we might contact you in writing.

Mr Guyan: Certainly.

Mr J. NORBERGER: You mentioned earlier that NOPSEMA's role was not to assist in combating an unfolding situation; you are there from a regulatory point of view and to investigate. It would be fair to say that NOPSEMA is the primary point of contact for most of these operators, hence why you were probably, I would imagine, one of the first to be contacted. If an operator contacts you in relation to an incident, something has happened, it is ongoing, it is unfolding, so they are meeting their obligation to let you know, but if they do not stipulate that they need help and that it is beyond them, given that it is not NOPSEMA's role to combat it, how would NOPSEMA deal with that?

Mr Guyan: In relation to any incident we will form a view as to whether or not we think that other interested parties need to be advised, and the legislation allows for us to do that. We will contact other agencies that will have a combat role, a response role. So, for instance, we might well contact other state agencies, and perhaps pre-empting the question, offer that. In relation to the Atwood

Osprey incident, within two to three hours NOPSEMA had contacted and briefed AMSA, certainly, at an operational level in Perth and also at an executive level. We had also contacted the Fire and Emergency Services Authority, the Department of Mines and Petroleum and we had contacted the WA government Department of the Premier and Cabinet. We subsequently had discussions with the Department of Transport and thereafter my memory starts to fade in terms of the number of parties that were involved, but within the first few hours, significant agencies that we considered would have a part to play were duly advised.

Mr J. NORBERGER: Do you then take on a coordination role or, once you have passed that information on, you have done your bit, you have advised, and they need to do their own thing?

Mr Guyan: That is correct. We do not have a coordination role in terms of response.

Mr P.C. TINLEY: Gavin, it appears to me—again, this is probably looking for a professional insight rather than anything legislative or regulatory in relation to the role involved—that there is no lead agency, no coordinating group. The primary, secondary and sometimes tertiary respondent to an incident is the proponent or operator of a particular project, so if an incident occurs, the operator is the lead in fixing it, remedial action and so on. I am not talking about investigative or anything subsequent or post-incident management; I am talking about immediate. Just in our investigations, it appears that everybody has an interest but nobody has a lead coordination role.

Mr Guyan: I do not think I would agree with that characterisation. One of the issues to be considered here is that whilst this incident had greater potential than was realised—I think that is clear to all—nevertheless, there was no risk to the health and safety of people because there was nobody there. There was no environmental impact and so, in fact, the actual incident had very little consequence. In the event of a major incident that has a significant consequence, then there are arrangements for coordination roles and going to the national plan and the like. Certainly, Mr Smith will be able to elaborate on that if you would like to go into some of that detail.

Mr P.C. TINLEY: This is an area of interest for me because if we take the same incident on Barrow Island, there is a contention that the company did not act in a coordinated way early enough to avoid the flooding of the airfield, the flooding of the road to the airfield, and getting people of the island in accordance with their own plan. It seems to me that there was no-one over the top of the company, if you like, running a pencil over the actions of the company on an hour-by-hour basis during the incident and saying, “Yes, that’s appropriate, keep moving”, or to actually intervene and say, “You are not moving fast enough.” For example, the floatel could not get away from alongside because it allegedly did not have fuel in enough time to leave and get out of the way. Clearly, it could be seen that the companies in this case apparently did not operate in a timely enough fashion, or the subcontractors. There just seems to be a potential here for a missing link that is an oversight. It is an opinion question.

Mr Guyan: Well, certainly, I will come back to the national plan arrangements, and Mr Smith certainly had involvement in and experience of that and is more able to detail it than I am. However, in terms of NOPSEMA’s role and ability to intervene in any way, there are powers in the act that allow NOPSEMA to intervene by making directions to an operator or a titleholder to do a number of things, but they do have to relate to health and safety or damage to the environment, the potential thereof. So there is that option for NOPSEMA to intervene. Before we would consider doing that, it would have to be a case that NOPSEMA would have to be convinced that, indeed, the titleholder or operator was not acting in accordance with the plan and reasonable contingency arrangements, or managing the risk to the health and safety of people or damage to the environment appropriately.

Mr P.C. TINLEY: So during an incident, how does NOPSEMA inform itself on an hour-by-hour basis to make those choices? Where are the points of information? How are you informed?

Mr Guyan: In terms of an update, it is really a matter of if the circumstances change and we require the operator to notify us. In this particular instance, because of the circumstances, by the time the

incident was notified to NOPSEMA, which was, roughly speaking, the time that the operator was aware of the incident, the incident was essentially stable, so there was no change in the circumstances that required contemplation of any intervention or any other action that the operators could take.

Mr P.C. TINLEY: But you are satisfied that you had the processes in place, that you would be informed in a timely way?

Mr Guyan: Yes.

The CHAIR: What investigative actions would NOPSEMA ordinarily take in response to an incident such as the Atwood Osprey incident, and what actions, if you like, are you up to at this point? What is your chain of investigation and where are you at the moment?

<004> K/4 [10:09:13 AM](#)

[10.10 am]

Mr Guyan: On receipt of the notification, NOPSEMA will make a preliminary assessment of the nature of the incident in the context of our investigative powers and role, and that drives what level of investigative response we are going to undertake. Factors that will influence that will be, first and foremost, whether there has been any loss of life or serious injury, and also whether or not there has been any actual impact on the environment. After that we will go to potential: Was there any potential, and the significance of the potential? What is the gap between the potential consequence versus any likely noncompliance that we would seek to investigate? We form a view on that, and also in looking at the circumstances, clearly given NOPSEMA's role as a non-combat response agency, we will investigate, in relation to noncompliance, any time scale relative to the circumstances. So we will not go out and investigate while there is still a fire burning or while there is any risk of a facility being impaired—foundering et cetera—so of course we will wait. In this case relative to the weather conditions and access and how will we go about the investigation, well, primarily that investigation has been initiated—that is point 1—so there is an investigation underway and it is still underway. That investigation has been primarily office based, looking at processes and procedures that relate to the incident.

The CHAIR: So, is this defined as a reportable incident or a recordable incident, and can you just sort of flesh out a bit the difference between those two, please?

Mr Guyan: Those are differences that go between whether something is an environmental incident versus an accident or dangerous occurrence. In this case the incident is actually primarily a reportable health and safety accident and dangerous occurrence. There is actually a catch-all requirement for an operator to report an incident that a reasonable operator would investigate himself. So, if it does not quite fall into any of the categories of serious injury, loss of life et cetera, then there are other categories; damage to safety-critical equipment is another one. Would you include mooring lines as safety-critical equipment? Generally, yes. So there are other categories that will pick these things up. A practical test for an operator is if they have a major incident happening and they are launching their own investigation and emergency response plan et cetera, then that is already a very clear indication to them that they should be reporting the incident to the regulator.

The CHAIR: With this particular incident, the rig, if you like, was parked there, was it not? It was not operating; it was just sitting?

Mr Guyan: Correct; it was moored, yes.

The CHAIR: Yes, moored.

Mr Guyan: With no petroleum activity ongoing.

The CHAIR: So, I would assume that the number of anchors it had out were what was required. Would the company have submitted to you a case for the number of anchors they had out on that facility at that time?

Mr Guyan: Yes is the short answer to that.

The CHAIR: So what does that say? If it dragged its anchors with a category 3 cyclone, you sort of wonder if it had been a category 5 cyclone where it would have ended up, because it dragged them on a category 3.

Mr Guyan: Well, there are a couple of questions in there. Of course you can speculate on what might have happened had the circumstances been different. In terms of the questions around was the mooring system adequate, well there are a number of factors to that. Clearly, it goes to: was the mooring system as designed and intended, or was it deficient in some way? That is certainly an aspect that an investigation, and our investigation, will look at. Was the mooring system in place as designed and as intended, and therefore was the design questionable? Any of these questions are a matter for the investigation, and certainly there are no answers to those questions at this point.

The CHAIR: How long do you think, ordinarily, you would expect your investigation to take?

Mr Guyan: Well —

The CHAIR: How long is a piece of string?

Mr Guyan: An investigation depends on the purposes. If the investigation was to become a matter of prosecution, then the investigation—the formal taking of statements and evidence under a warrant and all the due process—might be many months. Getting an understanding of, broadly, NOPSEMA's view of the nature of the incident, and therefore what is the line of inquiry in the investigation is likely to be a matter of weeks.

Mr J. NORBERGER: Can I just follow up on something Ian said? You mentioned the potential design of the mooring system, and I know that obviously NOPSEMA and our regulatory structure is non-prescriptive. We moved away from a prescriptive environment where we told operators how they had to do things to a point where the ultimate responsibility fell on to the operators and they had to do what was right at any given time, but they obviously still submit safety cases and the like to you. Part of NOPSEMA's role is, in theory, to be an industry expert, so they would have proposed to NOPSEMA, "This is what we're proposing to do from a mooring point of view." It would have been their design, I am assuming, because I do not believe we prescribe to the industry specifically anymore what they need to do; they need to tell us how they intend to do things. They would have come to you and said, "This is how we propose to have the mooring system." What level of scrutiny would NOPSEMA have looked at that with in relation to having been the expert and going, "Yes, look, we're pretty happy with that design and we think that design meets what we would be happy with; we'll sign off on it", or do you just literally go, "You're responsible; we'll just sign off on it"?

Mr Guyan: The level of scrutiny applied to, in this case, the revision to safety case goes to the engineering basis—the standards that have been applied to the mooring system—and how that has been developed in relation to the specific facility. So in this case it was a 12-point mooring system, for example. It is a semisub rig; these things will vary from rig to rig and vessel to vessel. The nature of the mooring system, at least in part from memory, is a pre-laid system, and that is not unusual; it is conventional. But there are a number of checks and balances within the scheme that involve certifying authorities agreeing that this design—this proposal for the mooring—is to normal industry standards and engineering specifications. Those are the levels of checks that NOPSEMA will apply to the circumstances, and we have the in-house capability to do that at that level.

Mr P.C. TINLEY: So somebody in NOPSEMA signed off on the safety case that included the mooring system for the Osprey?

Mr Guyan: Yes is the short answer to that question.

Mr P.C. TINLEY: I know it is part of a wider safety case and all that.

Mr Guyan: Yes is the short answer to that question.

Mr P.C. TINLEY: In the terms of reference for the investigation, is it reviewing that approval? Is NOPSEMA looking at its own processes that approved this mooring system for this drilling rig in these circumstances?

Mr Guyan: There is no reason to include that in the scope of the investigation at this time. The subject of the investigation is to determine the nature of the mooring failure, first and foremost.

Mr P.C. TINLEY: Sure.

Mr Guyan: Might it subsequently lead to that? Perhaps. But certainly bearing in mind that NOPSEMA is not responsible for a particular design or the operation or the maintenance or the techniques used or the actual testing involved at site et cetera—that is very much the responsibility of the operator of the drilling facility—it would not be my immediate first approach. An incident has happened, and NOPSEMA would contemplate reviewing its processes. As an output further down the line, if there was reason to suggest that NOPSEMA processes needed to be reviewed, then of course we would look at that.

<005> S/4 [10:19:21 AM](#)

[10.20 am]

Mr F.M. LOGAN: Can I just ask about the way in which the incident was reported because even though it is a reportable incident, there has to be a report provided to NOPSEMA on this—apart from simply reporting it to you that the incident has occurred—a written report. Who in the first instance provides that, Gavin? Is that provided by the operator of the drill rig or the titleholder?

Mr Guyan: In relation to an accident and dangerous occurrence, it is the operator of the facility—so, the operator of the drilling rig, Atwood—that has to provide that report.

Mr F.M. LOGAN: How long are they given to provide that written report?

Mr Guyan: Three days is the regulated requirement. However, within their reporting requirements there are a number of items that are required to be reported, and they include—at the end of that long list of 21 or 22 items, twenty-something items, there are two items; one goes to the root causes of the incident, and the last item is the remedial actions to be taken. Now, clearly, for an incident of any complexity, those things are not available within three days and NOPSEMA has a default position of allowing 30 days for those items to be addressed. We can specify a different period of time, either shorter or greater, and from time to time we do both, depending upon the specifics of the incident. So there needs to be a written report within three days that will typically cover the first 19 items of the list, which are essentially the bare facts of the incident in terms of the facility, the location—the actual facts of the occurrence. The key elements, the root causes and remedial actions, take longer and, as I say, we typically allow 30 days for that and frequently extend that where, for example, metallurgical analysis is required or some other expert review.

Mr J. NORBERGER: Gavin, can I just ask: is that final report ultimately made public?

Mr Guyan: No, it is not.

Mr J. NORBERGER: I suppose it would be fair to say that, ultimately, when your own investigation is over, when Atwood's investigation is over, whilst we are obviously extremely glad that there apparently were no phenomenally serious outcomes, either way you would imagine there would be some lessons learnt. You would imagine that somewhere along the line, be it for the operator, the companies, even maybe the engineers, someone is going to get a bit of a kernel of wisdom out of this. How would NOPSEMA then go about disseminating those lessons that have been learnt to other people within the industry so that industry as a whole benefits from it, if the reports are not made public?

Mr Guyan: The reports themselves are not made public. That does not prevent NOPSEMA from issuing a safety alert on the topic depending on what the nature of the learning is. If the issues are, perhaps, either more fragmented or broader than the individual incident, then we will tend to

consolidate the lessons learnt and feed that back into industry, typically through peak body groups. For instance, in this case that might be focused on the drilling contractor peak body group, the International Association of Drilling Contractors; it might be though APPEA, the producers' association; it might be collectively, across the board, all of industry. It depends on the nature of the learnings.

Mr F.M. LOGAN: Just on that, about the transparency of these incidents, Gavin, there is an obligation on NOPSEMA to report to Parliament, is there not? No?

Mr Guyan: No.

Mr F.M. LOGAN: No. I thought there was.

Mr Guyan: In relation to a specific incident, no.

Mr F.M. LOGAN: No, overall. Do you provide an annual report to Parliament?

Mr Guyan: We do provide an annual report and it does go to Parliament, yes.

Mr F.M. LOGAN: I would imagine your annual report would refer to the work that you did in the incident.

Mr Guyan: And, indeed, typically there will be a summary of major incidents.

Mr F.M. LOGAN: I think you have also answered the question I was going to ask, though: in terms of specific reports and specific incidents, there is no obligation for NOPSEMA to then provide a copy of that report to Parliament?

Mr Guyan: No direct obligation. I cannot imagine the mechanism, off the top of my head, that would —

Mr F.M. LOGAN: Table a report, normally.

Mr Guyan: For it to be tabled, but it is certainly not a routine requirement, no.

Mr F.M. LOGAN: Is there a requirement to provide a copy of the report to the minister?

Mr Guyan: No.

Mr J. NORBERGER: It was interesting, obviously, the timing of when the Atwood Osprey was in the area. I would just be interested to get your view on how often drilling campaigns involving equipment like the Atwood Osprey are undertaken in the middle of Western Australia's cyclone season. Is that fairly common?

Mr Guyan: I am not sure how you would describe common or uncommon; let me say it is not uncommon.

Mr J. NORBERGER: All right.

Mr Guyan: Certainly not uncommon, no.

The CHAIR: If I could just follow on there, is the timing of their drilling campaigns included in their safety case and their environmental plan that were submitted?

Mr Guyan: Yes is the short answer to that. A safety case for a drilling rig will typically address contingency measures in relation to cyclones. So that is probably more the issue, rather than the timing. Detailed timing or drilling a particular well is a variable dimension, but if there is any potential for the rig to be in a cyclone area within cyclone season, then the safety case must address contingency measures for that.

Mr P.C. TINLEY: This is about education more than anything—interagency cooperation or collaboration. If there was somebody injured or killed on the Atwood Osprey, who undertakes that investigation? Is that Comcare?

Mr Guyan: No. Well, if the rig was conducting a petroleum activity and was therefore a facility as defined by our act, then the answer to your question would first and foremost be NOPSEMA. If circumstances change, and if the rig was on-towed to a new location, then it would not be NOPSEMA because the rig would not be a facility at that time.

Mr P.C. TINLEY: Okay.

Mr J. NORBERGER: In relation to worker safety, an operator's cyclone procedures would be part of the safety case. Is there a requirement for NOPSEMA to be made aware of an approaching cyclone or that workers are being evacuated and the facility secured; and, if so, is this what happened in relation to cyclone Olwyn's approach to the Atwood Osprey?

Mr Guyan: There is not a requirement for the operator of the facility to notify NOPSEMA of an impending cyclone or their actions in response to it.

Mr J. NORBERGER: So the triggering of any action within their safety case in and of itself does not stipulate that they need to contact you; it is only if the actions have consequences that are reportable?

Mr Guyan: Yes. The only reportable event in this context would be if there was an accident or dangerous occurrence. Alternately, of course, if there was an environmental incident.

Mr F.M. LOGAN: Just with respect to the environmental investigations, Gavin, the operator—I presume in this case it would be Atwood Oceanics—would advise NOPSEMA that the drill dragged its anchors as a result of the cyclone, the anchors dragged, but there has been no environmental damage. Does NOPSEMA take that as simply that is the view of the operator? Is there any follow-up to ensure that there has not been any environmental damage?

<006> B/4 [10:29:19 AM](#)

[10.30 am]

Mr Guyan: Certainly the reporting, of course, is that there has been an event. We are not going to report the absence of an event. In response to: would we follow-up in any shape or form to confirm the absence of anything? No; it is not NOPSEMA's role to do that.

Mr F.M. LOGAN: Not necessarily in this instance, but whose role is it then as an incident occurs? It could be a subsea incident, not necessarily one where you can physically see oil spilling out all over our beaches.

Mr J. NORBERGER: Coral damage.

Mr F.M. LOGAN: Yes, exactly; for example, drilling in the Browse area—Scott Reef, for example, which could be World Heritage listed. All sorts of things could happen to that place and there was a similar incident and there could have been coral damage; we do not know. Who then does follow-up? Whilst NOPSEMA has the environmental regulatory role in the first instance to assess the safety case and the likelihood of anything going wrong, if something does go wrong and there possibly is environmental damage, who does follow that up?

Mr J. NORBERGER: Especially if the operator says, "All is fine, nothing to see here?"

Mr Guyan: I will hand over to Mr Smith in a moment, but the first point to make is that on receiving notification of an incident at the accident incident occurrence level, we will also give some consideration to whether or not we think there may well be environmental damage or the potential for environmental damage here and act accordingly. If need be, we will follow up with an investigation, depending on the nature of the incident, so we will form our own view as to the circumstances of any incident that is reported to us and any implications, in much the same way as we will form a view as to which other government agencies we should inform in relation to this incident. I have listed a number of agencies that we did inform. That is part of a process to consider internally for ourselves: Are there any environmental implications? Are there any well integrity

implications? We have functions and responsibilities in all three areas. We do that routinely. I will let Mr Smith contribute to that.

Mr Smith: I guess to reiterate Gavin's initial point, it is that trigger—somebody knowing something is the first trigger. Once it is known, I suppose, you would look at it as underneath "Reportable Incidents". There are a range of other reporting mechanisms. The titleholder in this case reports on environmental matters. They include monthly and annual reporting and then the activity reporting, so those reports are typically looked at by NOPSEMA and we would form a view and take proportionate action based on the information that was there. An absence of information that nobody knows about, we typically would not respond to.

Mr J. NORBERGER: Let us say you did form a view. In a hypothetical location—it does not need to be this particular location—something has happened and the operator says, "No, there was no environmental damage. Here's your monthly report, all is well." However, being the super sleuth you are, you guys go, "Oh, I don't know, there could be something going on here." Matt, do you don your scuba gear and have a look? You have your doubts: How do you go about satisfying yourself from there? Who does that?

Mr Smith: In terms of the physical, kind of a combat role—who would actually go out and check those things—that will always default to the titleholder or the duty holder. In terms of becoming aware of something that does not quite add up, that goes to Mr Guyan's previous answer around looking at the gap that has been presented from the information and the scale of the noncompliance and making our professional judgement as to whether or not there is something amiss and needs to be followed up and then taking proportionate action based on that gap.

Mr Guyan: Indeed, our powers of inspection and investigation do not require evidence to already exist. Of course, we can ask questions in relation to the activity or the facility and request documentation information. So if a titleholder or operator is making claims that, "Okay, this has happened, but there's no consequence whatsoever", and we have dates, then we will follow-up and ask questions. Our powers allow us to do that in terms of seeking documentation analysis and so on. There, the absence of information does become an issue because if the titleholder or operator wants to suggest to us that despite something having happened, there is no impact, there is no consequence, then we will ask them for evidence to support that conclusion: How did you reach that conclusion? What was your analysis? What work has been done? All of this is material that we can request and review under our powers of inspection.

Mr P.C. TINLEY: This investigation now, whilst it has not concluded yet, do you have an estimate of how much it has cost the agency?

Mr Guyan: How much it has cost NOPSEMA?

Mr P.C. TINLEY: Or will cost, rather—an estimate.

Mr Guyan: In terms of incremental additional cost, it will be very little, almost zero, because we are using our in-house resources. In terms of man-hours, to date, we are currently looking at probably something around 40 or 50 hours.

Mr P.C. TINLEY: Not a massive amount.

Mr Guyan: It is not a massive amount of man-hours.

Mr P.C. TINLEY: Do you recover that? Is there a cost-recovery program? I presume somebody would pay.

Mr Guyan: Only if our costs exceed a threshold amount, which I believe is \$30 000. If our costs go above the \$30 000 threshold, they are recoverable.

Mr P.C. TINLEY: If you give an instruction to a titleholder or operator to undertake certain investigations, who pays for that?

Mr Guyan: We would be unlikely to instruct an operator to undertake an investigation. If we were of a mind that an investigation had to be carried out, we would have a purpose in mind in terms of noncompliance and NOPSEMA would conduct that investigation. We might then have costs in doing so, of course, and we are back into the recoverable threshold area. Before we would want such an investigation, we would request information and form a preliminary view: is there something here that warrants a higher level of investigation?

Mr P.C. TINLEY: Is this \$30 000 threshold based on the levies and fees you charge?

Mr Guyan: It is separate.

Mr P.C. TINLEY: Is it an internal accounting threshold?

Mr Guyan: No; it is chargeable to the operator of the facility —

Mr P.C. TINLEY: Got it.

Mr Guyan: — in addition to any levies that that operator has already paid and are due. In terms of NOPSEMA's revenue from levies, it is in addition to levies that go to the safety case levy and the routine regulatory business.

Mr P.C. TINLEY: Can you help me out and tell me how these fees are levied? What is the architecture that gets these fees paid?

Mr Guyan: Within the health and safety function of NOPSEMA, levies are charged to an operator of a facility in relation to the facility itself and in relation to the safety management system—the safety case, if you will. Effectively, there is a safety case levy and a facility levy amount.

Mr P.C. TINLEY: Is that case by case?

<007> M/2 [10:39:03 AM](#)

[10.40 am]

Mr Guyan: It is category by category, so a different levy is charged to the operator of a drilling rig, for example compared to the operator of a production facility—so, a different structure there. There are separate levies on titleholders that are primarily linked to the commissioning document, a well operations management plan that goes to well integrity matters and the environment.

Mr P.C. TINLEY: Could you give me a quantum of those fees? What would somebody like a drilling operator pay?

Mr Guyan: Sorry, I will have to take that on notice.

Mr P.C. TINLEY: I am happy to take it on notice.

Mr F.M. LOGAN: When you have a drill rig out there and a cyclone is approaching and it evacuates its on-board staff and goes into lockdown—for example, it is a semisubmersible like the Atwood Osprey, so it is tethered, it is in lockdown, it is being monitored but it has been evacuated; is it then a petroleum facility or what does it actually physically represent?

Mr Guyan: While it is moored, it would still be a facility.

Mr F.M. LOGAN: What happens if it breaks its line and starts drifting?

Mr Guyan: If it drags its lines and starts drifting, then it becomes a vessel underway.

Mr F.M. LOGAN: So, really, AMSA should be investigating this as well?

Mr Guyan: Possibly.

Mr P.C. TINLEY: At least, if the rig was underway?

Mr Guyan: The rig is indeed underway, but once it is underway, you would have to wonder what would be the issue that they would investigate.

Mr F.M. LOGAN: They would investigate whether it is an unmanned vessel at sea. That is a bit of a problem.

Mr Guyan: Certainly, AMSA are involved. I am clearly not in a position to tell you exactly what they are doing, but they are certainly involved in the incident, including involvement in the remedial work that Atwood is undertaking in relation to the integrity of the rig.

Mr F.M. LOGAN: You can see the issue that I am raising here, which is a jurisdictional one more than anything else; that is, had the rig continued to drag its anchors and interrupt the Pluto pipeline in one way or the other—so drifted over the Pluto pipeline—my understanding is, if it had kept going, it would also have had contact with both the Woodside main trunkline and the BHP Macedon field trunkline as well, possibly from the direction it was heading. This is what people in the industry have told me anyway. That could have had fatal consequences for the state's gas supplies. An operator like Oceanic, given the answer you have just provided the committee, even with the amount of damage that would have been caused, would be able to dance between jurisdictions in terms of who would be investigating the incident.

Mr Guyan: No, there would not be any doubt in terms of investigation over this incident. A number of points: one, as I said, the rig, whilst it was moored at location, was a facility and, clearly, the parting of moorings and failure of anchors—whatever actually has occurred while it was a facility—makes investigation of the incident a matter of NOPSEMA's jurisdiction. Whilst the rig was underway, certainly it can be in AMSA's jurisdiction, and there is nothing to prevent simultaneous investigation of an incident because clearly different legislation is being applied and there are a number of precedents for that.

The CHAIR: What you are saying is that it is still under your jurisdiction even though it might have moved?

Mr Guyan: No; I am saying that at the point of failure of the mooring system, it was a facility and that failure relates to equipment at and belonging to that facility, so the failure of that equipment—or whatever was the deficiency and the nature of the failure are yet to be resolved—and whatever the nature of the incident, it occurred while the rig was a facility and therefore within our jurisdiction to investigate it. It does not preclude the investigation by another agency once the rig has become underway and is a vessel adrift. It does not preclude an investigation by other parties.

The CHAIR: Would you say that is perhaps an ambiguity in the legislation?

Mr Guyan: Absolutely not. I do not think there is anything ambiguous about it. I think the investigation of the incident is firmly in NOPSEMA's jurisdiction at its start point and subsequently other agencies may become involved. If that was to be the case, then I am confident, based on past experience, that there would be an exchange of information and understanding between agencies as to the scope of the investigation and how they were going about it.

Mr F.M. LOGAN: What about consequences in terms of should the NOPSEMA investigation have found that there things were not done properly at the point of mooring and the mooring had come adrift or drifted simply because they were not properly done? There could be a consequence there. I do not know what that consequence may be from NOPSEMA's point of view. If there was damage done after the drill rig was drifting, do we rely simply on the fact that whoever was the party that had the damage done to their infrastructure would take civil action for recompense as the only penalty or would AMSA then have an investigation and penalties apply under that or punishments apply should they be found guilty?

Mr Guyan: I do not think I want to comment on AMSA's legislation or what the penalties might be there. There are other aspects to this. By the time you get to consequences, if the consequences related to another facility such as Pluto pipeline, then that incident itself becomes something that would become within NOPSEMA's jurisdiction because the Pluto pipeline facility would be in NOPSEMA's jurisdiction, so there would be a combination there. There are penalties for

noncompliance if there was such noncompliance in relation to commitments made in a safety case or the duties of the operator of the rig, or indeed duties of the titleholder.

The CHAIR: We have just passed our hour, I see. Are you okay to stay on a little longer?

Mr Guyan: Yes.

The CHAIR: That is much appreciated; thanks for that.

Mr R.S. LOVE: How are the penalties applied? What powers do you have in the way of penalties under your legislation? Do they actually also contain some balance of personal criminality if someone was found to be grossly negligent or anything considered normal practice?

Mr Guyan: There are penalties. Let us go back to charges. Charges can be laid on individuals as well as corporate entities, and certainly the legislation is primarily focused on duties of operators and titleholders.

Mr R.S. LOVE: You have sole charge of deciding who should be prosecuted and what those charges would be? How does it actually work?

Mr Guyan: Ultimately, charges that are laid are the domain of the CDPP, the public prosecutor.

Mr P.C. TINLEY: So, you just brief them?

Mr Guyan: That is right. We prepare a brief of evidence that is submitted to the CDPP and ultimately they will lay charges or not.

Mr P.C. TINLEY: In the history of NOPSEMA have there been charges laid?

Mr Guyan: Yes.

Mr P.C. TINLEY: How many?

Mr Guyan: I will have to take that on notice, but it is a fairly small number for sure.

Mr P.C. TINLEY: What is the range of penalties?

Mr Guyan: More significant penalties would be in relation to the Montara platform blowout. I do not want to speculate on the number. It is probably available.

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[10.50 am]

The CHAIR: Perhaps if you could give us a brief outline of prosecutions and penalties, that would be useful.

Mr Guyan: We can do that, certainly.

Mr J. NORBERGER: NOPSEMA is resourced to perform the role of expert regulator in respect to Australia's offshore petroleum activities. In performing that role for operations in the Carnarvon basin, how important is NOPSEMA's knowledge of the specific operations and working environment in that area?

Mr Guyan: I am not entirely sure I have got the gist of the question. Do you mean our knowledge of the particular location or do you mean the knowledge of the activities being undertaken?

Mr J. NORBERGER: I think it would be a mixture of both, because if you are regulating it, and you are obviously the expert regulator, I am assuming that you would need to know the environment and the area that the operations are taking place in and what type of operations are taking place. How do you acquaint yourself with that information to be best informed to undertake your duties as a regulator?

Mr Guyan: We primarily rely on the permissioning documents submitted at the assessment stage of work. The operators and titleholders are required to describe the activities, how they will be carried out, with what type of facility and hardware equipment and, from a health and safety point of view,

describe the risks and controls in relation to those risks. In terms of the environment, they are required to describe, for example, the potential environmental impacts of the activities being undertaken and contingency arrangements in relation to those consequences. Mr Smith can certainly elaborate. In relation to sub-surface aspects of the area involved, that comes under the well integrity functions, and the well operations management plan regulations define a list of contents that go to the sub-surface geology and lithology.

Mr R.S. LOVE: In terms of assessing whether or not those safety cases or environmental plans that are put in place in the first instance are appropriate, you have to have some knowledge of the risks yourself, or do you not bother to actually check to see that the operator is describing all of the risks that are readily apparent or maybe not readily apparent? One of the things that I notice is that there is not much in the way of public disclosure of these plans for either the safety case or the environmental plan beyond the fact that you have a description of them, I think, on the website. So there is not really a public consultation process as you might find in some of the environmental plans that happen onshore. The operator is also responsible, I think, to collate and analyse any public responses that they do get in response to your publication on the website. Firstly, how do you know that the operator is actually reporting back to you properly on what the public feedback is; and, secondly, how do you satisfy yourself that they are actually acquainting themselves with all of the relevant risks, especially when you come into a new greenfield area or an area that has not seen any involvement either from the operators or from yourself before?

Mr Guyan: There are two aspects to that question, I think. With respect to the first part of your question in relation to do we have the in-house knowledge to assess the risks and consider the risks that are being presented by the operator, the answer to that is most certainly yes. The model that NOPSEMA is built on is exactly that—having in-house expertise and experience across the disciplines of drilling, production and marine environment necessary to be able to undertake our functions.

Mr R.S. LOVE: Do you think there is a risk, though, that you have got a closed loop here where you have got industry experts assessing industry experts? The local knowledge may not necessarily be coming through into what might be a particular risk in that area. It might be that there is a local fishing industry that people have not taken account of. I do not know; there could be a variety of things.

Mr Guyan: There are two aspects to that. I have answered the first part of the question, I think, in terms that the in-house expertise is there and the regulator is competent to understand what is being presented and is it a reasonable presentation of the risks. The second part of the question on consultation, I think, is mainly going to aspects of the environmental plan and consultation, and I will ask Mr Smith to give some comment on that consultation process.

Mr Smith: Certainly. Just to outline our processes, it is not public consultation as per what you would be familiar with under the EPBC act, but it is trying to meet the same intent of providing natural justice to stakeholders that may be affected. On the way the regulations are constructed, prior to an activity commencing a titleholder is required to demonstrate they have undertaken all appropriate consultations. They are actually quite prescriptive requirements in the regulations for titleholders to provide sufficient information to relevant persons, including all state agencies, and a reasonable period for which that stakeholder can consider that information and make an informed assessment of the possible consequences on the stakeholder's functions, interests or activities. Within the permissioning document itself within the environment plan, the titleholder is required to submit a report on those consultations that have been undertaken. That includes a copy of all correspondence from both parties—the titleholder and the stakeholder—and in that report they are to include an assessment of the merits of any claims or objections made by a relevant person. What that allows NOPSEMA to do is to make a fully informed assessment of all the information that has been provided by both the titleholder and the stakeholder and analyse the assessment and

merits undertaken by the titleholder and make a judgement based on its expertise about whether or not the consultation has been appropriate and met the other criteria for acceptance in the regulations.

Mr R.S. LOVE: I think the other point—I assume this is all about the environment—is also the matter, I guess, of the safety case and the requirement to talk to the workforce about whether or not they are happy or they are feeling that they have been adequately consulted about the safety case. We looked specifically at Shell's discussions with the FLNG. It appears to me, at least, that there is ongoing discussion with elements of their workforce—those that they have actually selected—with certainly groups which normally represent the workforce in the Australian industrial landscape—that is, the union movement—claiming that they have not been properly consulted. What level of consultation would you expect to see with trade union members in regards to the development of a safety case?

Mr Guyan: The relevant legislation—the safety regulations under the act—specifies, as you say, a level of workforce consultation in relation to the development of a safety case or the revision of a safety case. It does not specify anything beyond workforce involvement. It does not specify unions, and so acceptance or rejection of a safety case by NOPSEMA is done in accordance with the regulations. The legislation simply does not go to that issue.

The CHAIR: Specifically, obviously the industry has been in the Carnarvon basin for quite a long time and has quite a lot of knowledge about the whole area, whereas of course the Browse is new. Is NOPSEMA doing some work to build up its knowledge of the Browse Basin and the adjacent coastal areas and what facilities or infrastructure are available?

<009> O/4 [10:59:12 AM](#)

[11.00 am]

Mr Guyan: With respect to any submissions that we receive for assessment in that area, the principles of our assessment process do not change from one location to another. The case has to be made by the operator and the titleholder that they have addressed the risks of operating in that area wherever that may be. That is the mechanism that we do that. Have we got a campaign of looking at a new area and assessing the circumstances of a particular geographical area before receiving submissions? No, we would not do that. In terms of building up knowledge in a particular area, then that knowledge will build up over time, but in the first instance if we look at a greenfield area, then it is certainly for the operator or titleholder, depending on the submission, to make the case and describe the areas and the risks involved in operating in that area.

Mr F.M. LOGAN: Just following up from Ian's question on that, it was in answer to NOPSEMA's answer to a question from the committee, I think in writing, about whether NOPSEMA as part of the safety case plan for Prelude, the Prelude field, looked at the infrastructure and time taken to evacuate people from the Prelude operation through Cape Leveque through to somewhere like Broome Hospital before whatever happens after that. I think the response from NOPSEMA was that that is not the sort of thing that you look into. You would, basically, work on whatever advice you would receive from the operator themselves, from Shell themselves.

The CHAIR: It was a phone conversation.

Mr F.M. LOGAN: I think it was a phone conversation with Loraine or Mike. If that is the case, if that is the way in which NOPSEMA goes about assessing its safety plan and relying on the applicant in the safety case plan to provide that information, how confident would you be of Shell being aware of the capacity of state infrastructure; for example, the road between Cape Leveque and Broome, through all seasons, and its capacity to transport people and Shell's knowledge and capacity of Broome Hospital's infrastructure and capacity to deal with an incident that would involve a significant number of people arriving as a result of something happening on Prelude?

I cannot see how NOPSEMA can actually expect an operator to provide that type of information in a safety case plan. How is Shell supposed to know about that?

Mr Guyan: The aspect of this that is covered within the safety case is around the description of “emergency response plan”, so that is the element that is covered in the safety case and that will typically describe performance standards in terms of the time it takes to deal with the casualty, and that might be at the facility in terms of first aid and immediate response and then thereafter transit time ashore. That aspect of it is what we will look at and consider in terms of claims made by the operator. Thereafter, if there is an assumption—let us say it is four hours from time of incident to hospital treatment, that would be something that we can approach from the point of view of: have you tested your emergency response plan arrangements? So it is a matter of inspection, rather than assessment and safety case. So, to an extent, yes, we will take that description of the emergency response plan as written and as committed. It becomes legal binding as part of the safety case that these arrangements are viable and then by inspection we can test, and in this sort of arena then we would potentially be asking questions around: What level of drills and exercises have you undertaken? How have you tested the functionality of these emergency response plan arrangements? That is how we are approaching it. Certainly, no doubt NOPSEMA does not inspect onshore hospital facilities or, indeed, the condition of roads onshore. We would not do that, no.

Mr F.M. LOGAN: But that comes to the point of the question that the chairman raised about your knowledge of the area and the fact that Browse is more of a frontier area for oil and gas production compared to, say, the Carnarvon basin, and it has significant logistical issues involved in it, given the depth of water and how far offshore. The fact that even the new helicopter that was proudly announced by Shell in the media the other day still has to refuel at Cape Leveque, especially if it is carrying a number of people to get back to Broome, and the local issues around the infrastructure and the safety infrastructure that Shell will be relying upon, you certainly could not perform a drill before signing off on the safety plan because Prelude is not there. They are not going to go all the way out there by helicopter and come all the way back for a drill. There is no way they can perform a drill. It seems to me that NOPSEMA is simply going to take the view of Shell as the operator and their supposed experience, of which they have, virtually, in terms of production operation, none in this area, but you are going to take their advice and their view and sign off on their safety case and then when Prelude is in operation, you may ask them or expect them to undertake an exercise to prove their safety case up, but that is after the event.

Mr Guyan: The description of their emergency response plan as required by the safety case content requires some analyses by them as to how these things will work. You are quite right, of course, Prelude is not there, but not only is Prelude not there, nor does it have an accepted safety case yet. A safety case has not been submitted for Prelude at this point.

Mr F.M. LOGAN: The point I am putting to you though, Gavin, is a fairly fundamental one. It goes to an incident occurs, which should be the fundamental part of the safety case, on Prelude and Shell, not NOPSEMA, are relying on the state infrastructure to respond to that, and that is not included in the safety case. That is a big hole. That is a huge hole. What is the capacity of the state infrastructure to deal with an incident that might involve multiple casualties? They do not provide that in the safety case. That is unacceptable.

Mr Guyan: I do not think I can agree that it is not at all provided for in the safety case. To make a commitment that a casualty will reach a hospital within a period of time is the type of information that is included in the safety case and support for that—and certainly in terms of the geography of the area, does NOPSEMA have any of that? Well, actually already, yes, certainly, because there has been drilling in the area. We have conducted inspections at those facilities. We have travelled through Cape Leveque. I have travelled through Cape Leveque.

Mr F.M. LOGAN: By road?

Mr Guyan: Yes.

Mr F.M. LOGAN: Now you understand what we are talking about.

Mr Guyan: Absolutely. We are familiar with those aspects of the area and that provides a basis for a challenge at assessment stage in terms of: Are the claims being made reasonable? Is there an analysis there that is required by the safety case contents requirements? I am simply saying that in practice—and I do not think I want to discuss any further than that. Certainly, our practice is not to assess onshore facilities in relation to hospitals or roads or any other infrastructure. That is not within NOPSEMA's remit.

Mr R.S. LOVE: I just take you back to the point about the development of the safety case and the consultation. I think if you could just tell me again you said that the safety case does not require any workforce consultation; is that right?

Mr Guyan: No, I did not say that.

Mr R.S. LOVE: The acceptance of it, no?

Mr Guyan: Regulations do require consultation with the workforce. The regulations do not specify anything in relation to unions.

Mr R.S. LOVE: Okay. That was a misunderstanding of the answer. Thank you.

The CHAIR: I would like to thank you for your evidence before the committee today. A transcript of this hearing will be forwarded to you for correction of minor errors. Any such corrections must be made and the transcript returned within 10 days from the date of the letter attached to the transcript. If the transcript is not returned within this period, it will be deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence. I genuinely appreciate that you were able to stay a bit longer today and the openness with which you answered our questions is really appreciated.

Hearing concluded at 11.10 am
