



Management of Change Standard
Health & Safety

Woodside Energy Ltd.

Doc No: W1000AF2243244

Rev 0

March 2007

Contents

- 1 Introduction 1**
 - 1.1 Purpose.....1
 - 1.2 Scope.....1
 - 1.3 Regulatory Requirements1
 - 1.4 Types of Change.....1
 - 1.5 Woodside’s Golden Safety Rule2
 - 1.6 Behavioural Requirements.....3

- 2 Management of Change Standard 4**

- 3 Requirements to Manage Change 5**
 - Element 1: Management Process5
 - Technical Change.....5
 - Organisational Change5
 - Element 2: Capability.....6
 - Technical Authorities.....6
 - Organisational Authorities6
 - Technical Change.....6
 - Element 3: Change Identification7
 - Training7
 - Technical Change.....7
 - Organisational Change7
 - Element 4: Risk Management.....7
 - Risk Assessment Matrix7
 - Element 5: The Change Plan8
 - Equipment, Facilities and Process.....8
 - Procedures8
 - Communication8
 - Changes to the Plan8
 - Change Plan Sign-Off9
 - Element 6: Documentation9
 - Technical Change.....9
 - Organisational Change9

- 4 Quality Assurance 10**

- 5 User Feedback 10**

- 6 Reviewing This Standard 10**

- 7 Definitions 10**

- 8 Supporting Documentation 11**

- Appendix A Woodside Corporate Risk Matrix 12**

1 Introduction

1.1 Purpose

The purpose of this Standard is to define Woodside's minimum requirements for managing all permanent or temporary changes to organisation, equipment, plant, materials, standards or procedures and changes associated with laws and regulations associated with the activities of Woodside and its Contractors.

1.2 Scope

This Standard shall apply to all activities managed directly by Woodside and all work activities carried out by Woodside employees.

Where a contractor operates a facility dedicated to Woodside then the standard shall apply to:

- All Woodside owned or controlled sites; and
- Non-Woodside owned sites when referenced in the contract.

1.3 Regulatory Requirements

As required by Woodside's Health and Safety Policy, the legal requirements at a specific location shall be met as a minimum. In the case where legal requirements are absent or at a lower level than prescribed in this Standard, the requirements of this Standard shall be met as a minimum.

1.4 Types of Change

Change is not simply about the planned modification of a facility or an organisation. Physical and organisational changes can occur over time without immediate recognition.

To manage the change effectively two definitions of change are defined with clearly differing approval paths based on competence and risk.

- A Technical Change
- An Organisational Change

Technical Change

A Technical Change is an activity that results in the temporary or permanent alteration of a facility of plant. Some examples of technical changes are:

- Any alteration to the original or subsequent design basis of any aspect of a Facility;
- Alteration to the physical configuration and operating conditions of the structure, systems or equipment;
- The physical substitution of any item of equipment by an alternative not identical to the original, i.e. non like-for-like replacement, even though the specification may be the same;
- The amendment of any design parameter, limit or logic other than within the range specified by the design, even though an external physical change is not made;
- The permanent removal from service of any safety system or item of equipment;
- The temporary or permanent addition of any item of structure or equipment;
- Any alteration or addition to the use of structure, Facility or equipment, other than that permitted by design;
- Any alteration of material specification;

-
- Any alteration to Hazardous Area Classification boundaries;
 - Non-routine work on a pipeline that involves breaking the pressure envelope;
 - Addition or removal of well and control equipment;
 - The rectification, repair or correction of any design defect, the presence of which did, or potentially could, affect the integrity of the Facility;

Technical change process shall also be used to assess, the impacts of identified change of states with any potential physical equipment changes required eg:

- Equipment degradation over time; or
- Change of well composition requirements.

Organisational Change

An Organisational Change is defined as any alteration to the organisation or to the organisational activities defined by the applicable process/ sub-process or standards that make up the Woodside Management System (WMS).

An activity that results in the temporary or permanent alteration of the framework or application of the WMS is by definition, an organisational change. The following are some examples:

- Any change to the organisation that changes the resources required to implement the WMS process/ sub-process;
- Any change to key positions as defined by the WMS process/ sub-process;
- Any change to 'safety-critical' positions;
- Any change to WMS process/ sub-process or supporting standards;
- Any change to applicable legislative requirements (e.g. Acts, Regulations, Codes of Practice etc).

1.5 Woodside's Golden Safety Rule

The following key requirements are set out in Woodside Golden Safety Rule for Management of Change.

Permanent or temporary changes to organisation, equipment, plant, standards or procedures and changes associated with laws and regulations shall only proceed if:

- A risk assessment is undertaken to assess potential impacts of the change
- A plan that clearly specifies the timescale for the change and any control measures to be implemented from design to operate regarding:
 - Equipment, facilities and process
 - Procedures
 - Personnel competency, accountabilities and responsibilities
 - Documentation
 - Communication
- There is authorisation of the plan by a person responsible for conception to completion
- The situation is re-assessed if circumstances change

1.6 Behavioural Requirements

For the mandatory requirements listed in this Standard to be effective there are critical behaviours that personnel must adhere to. These behaviours are divided into 3 areas of responsibility:

- Everyone must learn and use the standards, procedures and rules which apply to them.
- Supervisors must visit the worksite regularly to check conformance with the standards and ensure that their team has the skills, experience and training (competence) to complete their tasks.
- Managers must demonstrate through their actions their commitment to a safe work place. They must regularly explain safety expectations and ensure that their personnel understand and conform with the standards.

2 Management of Change Standard

The Standard for the management of change incorporates the Golden Safety Rule and includes greater detail on the management of change process.

The Management of Change Standard has six (6) elements:

Element 1: Management Process

A management process shall be in place to ensure the effective control of change.

Element 2: Capability

The capability of the organisation shall be structured and deployed so that roles, responsibilities and technical/ management authorities are clearly defined and resources available to ensure effective change management.

Element 3: Change Identification

All Woodside personnel shall identify change and the requirement to apply the applicable change management process.

Element 4: Risk Management

A risk assessment shall be undertaken to assess the potential impacts of the change.

Element 5: The Change Plan

A plan shall be in place that specifies the controls to minimise risk, the resources required and the timescale for the change from design to operate.

Element 6: Documentation

Records shall be kept to demonstrate full compliance with this Standard.

3 Requirements to Manage Change

Element 1: Management Process

A management process shall be in place to ensure the effective control of change.

Technical Change

Mandatory Requirements

- 1.1 The management system shall:
 - i Contain a documented process for the management of technical change, deviations and temporary operating procedures;
 - ii Include reference to a technical authority system and assign responsibility to an authorised person, the Engineering Authority;
Record the change and assess the risk of change in accordance with Element 4: Risk Management;
 - iii Define the necessary evaluation and assurance required prior to implementing the Change Plan (refer "5. Change Plan");
 - iv Define key interface requirements between functional divisions, and contractors; and
 - v Define the auditing and review requirements for the change management system based on the risks of the proposed change.

Organisational Change

Mandatory Requirements

- 1.2 The process for the systematic management of organizational change shall include the following:
 - i Implementation criteria and guidelines for the management of changes to personnel to help ensure that minimum levels of experience, knowledge and skill are maintained;
 - ii Communication requirements for the proposed change;
 - iii Reference to the management system;
 - iv Assigning a responsible person for approval of the organisational change;
 - v Assessment of the risk of the change, particularly the changing of competencies and positions against the requirements of Corporate processes and sub-processes; and
 - vi A process for recording the change.

Element 2: Capability

The capability of the organisation shall be structured and deployed so that roles, responsibilities and technical/ management authorities are clearly defined and resources available to ensure effective change management.

Technical Authorities

Mandatory Requirements

- 2.1 There shall be a technical authority system in place that assigns technical authority to individuals on the basis of competence.
- 2.2 The technical authority system shall define:
 - i The technical authorities required for the approval and deviation of technical changes;
 - ii Supporting standards; and
 - iii Mandatory practices.
- 2.3 For sites and contracts under Woodside management control, the technical authority system shall be in accordance with the “*Woodside Standard: Technical Authority*”.
- 2.4 The technical authority system shall have an owner or custodian who is accountable for the maintenance and effectiveness of the system.

Organisational Authorities

Mandatory Requirements

- 2.5 Accountabilities and responsibilities for the management of organisational change shall be defined in all Woodside Management System processes and sub processes as well as the management systems of contractors operating facilities on Woodside’s behalf.

Technical Change

Mandatory Requirements

- 2.6 The Engineering Authority, shall define the required approval level for any change that:
 - i Is new or unusual;
 - ii Is not an established practice;
 - iii Has a major (Category B+) risk implication for the Company;
 - iv Has a potential implication to any stakeholder; and
 - v Has a potentially significant economic implication.

Element 3: Change Identification

All Woodside personnel shall identify change and the requirement to apply the applicable change management process.

Training

Mandatory Requirements

3.1 Appropriate personnel shall be provided with training or instruction so that they can identify change and apply the applicable change management process.

Technical Change

Mandatory Requirements

3.2 Woodside and contractor processes shall include the ability for all personnel to be able to:

- i Notify line management of an identified requirement for a change or a change to the documented technical status of a facility;
- ii Give feedback in all cases to the person who initiated the change proposal.

Organisational Change

Mandatory Requirements

3.3 Managers shall evaluate and effectively implement all personnel changes to ensure that appropriate levels of experience and competency are maintained. These shall include:

- i Transfers;
- ii Promotions;
- iii Retirements;
- iv Delegations; and
- v Job assignment or re-assignment.

Element 4: Risk Management

A risk assessment shall be undertaken to assess the potential impacts of the change.

Risk Assessment Matrix

Mandatory Requirements

4.1 All changes shall be assessed and ranked in accordance with the Woodside Corporate Risk Matrix.

4.2 For technical changes with a consequence rating of B or higher, all activities and schedules shall be approved by a Technical Authority.

4.3 All changes with a consequence rating of B or higher, shall be recorded and reported.

Guidance

The Woodside Corporate Risk Matrix is shown in Appendix A.

Element 5: The Change Plan

A plan shall be in place that specifies the controls to minimise risk, the resources required and the timescale for the change from design to operate.

Mandatory Requirements

Equipment, Facilities and Process

- 5.1 For change to equipment, facilities and process the following key elements shall be included in the Change Plan:
- i Change Description;
 - ii Objective of Change;
 - iii Drivers for the change, Health, Safety, Production, or the Environment;
 - iv Resource requirements including competency;
 - v Statutory clearance requirements. Identification of any safety and environment approvals.
 - vi Capital and revenue costs;
 - vii Hazard and Risk Identification and assessment to determine the risk rating and potential mitigation strategies;
 - viii Requirements for closeout including update of integrity critical documentation; and
 - ix Closeout assurance requirements.

Procedures

- 5.2 For a proposed procedure change, the following key requirements shall be included in the Change Plan:
- i Change Description;
 - ii Objective of change;
 - iii Date for implementation of revised procedure;
 - iv Identification of Woodside Management System (WMS) documentation referencing the procedure; and
 - v Identification of the user/s of the procedure.

Communication

- 5.3 For all changes, a communication plan shall be prepared that ensures the following requirements:
- i. All stakeholders are aware of the change and the Change Plan; and
 - ii. Be designed to ensure adequate time for the management of related activities that impact on the Change Plan.

Changes to the Plan

Mandatory Requirements

- 5.4 Implementation of the change process shall include monitoring for the impact of any changes in circumstances.
- 5.5 If circumstances change and modify the validity of the original Change Plan, a formal review shall be conducted that involves the approving authority and the change initiator.

Change Plan Sign-Off

Mandatory Requirements

- 5.6 Prior to signing-off the change initiative, the approving authority shall be satisfied that all activities outlined in the approved Change Plan have been satisfactorily completed and that the primary stakeholder/s has formally accepted the change.

Element 6: Documentation

Records shall be kept to demonstrate full compliance with this Standard.

Technical Change

Mandatory Requirements

- 6.1 Management of Technical Change process performance indicators shall be measured, recorded and reported at frequencies defined by the Engineering Authorities.
- 6.2 Management of Technical Change monitoring shall be undertaken, as required, to demonstrate compliance with applicable legislative obligations (eg regulations and permits).
- 6.3 Records shall be kept on:
- i Risk level of change;
 - ii Information to be updated;
 - iii Location of change, Facility, and system description;
 - iv Time period for closeout of change; and
 - v Technical Authority(s) who approved change.

Guidance

- Management of Technical Change Performance indicators should include.
- i Risk level of current changes in the system;
 - ii Timeliness of the closeout of technical changes;
 - iii Competence of the technical authority system; and
 - iv Compliance with the Technical Change Processes.

Organisational Change

Mandatory Requirements

- 6.4 Monitoring and reporting of organisational change is a line responsibility of the relevant Functional Director.
- 6.5 Records shall be kept for each Business Unit on:
- i The risk level of change;
 - ii The WMS processes assessed as affected by the change;
 - iii The approver of the change; and
 - iv The sign off of process owners affected by the change.

4 Quality Assurance

Quality Assurance activities of this standard shall be implemented through the Technical Integrity Sub-Process Assurance processes.

5 User Feedback

Users of the Standard are encouraged to report any mistakes or confusing entries, or to provide suggestions for improvement by contacting the Technical Integrity Sub-Process Owner.

6 Reviewing This Standard

This standard shall be reviewed by the Technical Integrity Sub-Process Owner at a minimum on a 3 yearly basis.

7 Definitions

Definitions that are critical to the understanding of this Standard are provided in the table below.

Term	Meaning
Competent person	A person who has, through a combination of training, education and experience, acquired knowledge and skills enabling that person to perform correctly a specified task.

8 Supporting Documentation

Type	Title	Location (CDC No. or reference)
Process	Woodside Technical Integrity Sub-Process Description	W1000AG3184953
Standard	Woodside Standard: Technical Authorities	W1000AG2421849
	Woodside Standard: Technical Integrity Management	W1000AG3184912
Procedure	Woodside Procedure: Technical Authority Matrix	W1000MF2581904
	Woodside Procedure: Technical Interaction between Functional Divisions	W1000AG3222084
	Woodside Procedure: Management of Engineering/Technical Standards	W1000AG3222413
Guideline	Woodside Guideline: Integrity Assurance	W1000MG3222487

Appendix A Woodside Corporate Risk Matrix

WOODSIDE CORPORATE RISK MATRIX

		LIKELIHOOD							
		0	1	2	3	4	5		
		Remote	Highly Unlikely	Unlikely	Possible	Quite Likely	Likely		
Historical:		Once every 10,000-100,000* years at location	Once every 1,000-10,000 years at location	Once every 100-1,000 years at location	Once every 10-100 years at location	Once every 1-10 years at location	"Has occurred frequently at the location"		
Frequency: (Continuous Operation)		1 in 100,000-1,000,000*	1 in 10,000-100,000	1 in 1,000-10,000	1 in 100-1,000	1 in 10-100	More than once a year at location or continuously		
Probability: (Single activity)							>1 in 10		
People	Environment	Value	Reputation	A+	A	B	C	D	E
>20 Fatalities (or Permanent Total Disabilities (PTD))	Regional scale (>100 km ²) Long term/permanent impact	>A\$1000M	International concern. Major ventures terminated. Company at stake.	Catastrophic	Massive	Major	Moderate	Minor	Slight
4-20 Fatalities (or PTD)	Large scale (10-100 km ²) Long term (decades) impact	A\$100M- A\$1000M	Persistent national concern. Long term 'brand' impact. Major venture/asset operations severely restricted.						
1-3 Fatalities (or PTD)	Medium scale (1-10 km ²) Medium term (years) impact	A\$10M- A\$100M	Medium term national concern. Minor venture or minor asset operations restricted or curtailed.						
Major Injury/illness, Permanent Partial Disability (PPD) or Lost Workday Case LWC>4days	Medium scale (1-10 km ²) Short term (months) impact	A\$1M- A\$10M	National bad mention. Short term regional concern. Close scrutiny of Asset level operations/future proposals.						
Minor Injury/illness, Restricted Workday Case (RWC) or LWC<4 days.	Localised (<1 km ²) Short term (weeks) impact	A\$100k- A\$1M	Short term local concern. Some impact on asset level non-production activities.						
Slight Injury/illness or First Aid Case (FAC) not affecting work performance.	Localised (Immediate area) Temporary impact (days)	<A\$100k	Local mention only. Quickly forgotten. Freedom to operate unaffected.						

* Incidents with a frequency of less than once every 100,000 years (continuous operation) or a probability of less than 1E-6 (single activity) can reasonably be screened out on the basis of low likelihood.

For more detailed definition of consequences, refer to the appropriate detailed methodologies.