

OHS IMPROVEMENT NOTICE

To: Esso Australia Pty Ltd (“EAPL”)

In conducting an OHS inspection in relation to the Bream B facility, I, [REDACTED], a NOPSEMA inspector appointed under section 602 of the Act, am satisfied on reasonable grounds that the person named above as the responsible person is contravening, or has contravened and is likely to contravene again:

- (a) clause 9(2)(c) of Schedule 3 to the Act at Bream B facility.

The reasons for my opinion are:

NOPSEMA conducted an inspection on the 29 July 2019 on Bream B facility and further enquiries thereafter.

As part of the inspection, NOPSEMA inspectors observed external corrosion on hydrocarbon pressure piping and associated fittings on the facility, the failure of which could lead to a MAE through inability to contain pressure that would otherwise not fail without corrosion. The NOPSEMA inspectors also conducted a review of Offshore Piping Inspection Program (OPIP) summary reports from 2016 through to 2018.

A loss of containment due to external corrosion is identified by EAPL as a MAE in the safety case. The safety case critical preventative control to prevent the failure of external corrosion is the OPIP as defined by the Pressure Equipment Integrity Program Manual (PEIPM). The performance expectations for these controls are described in the Performance Standard 6-2.11 ‘Piping Inspection’.

The accepted safety case (Revision 4.0 dated September 2017) ALARP demonstration includes the statement *‘Risk based inspection techniques are used to select inspection points as it is not feasible to inspect 100% of internal piping for corrosion. The number of points inspected each year, the selection criteria, the number of proactive repairs and their locations are reviewed with the aim of optimising future inspection plans. Over the last 5 years, the number of points inspected each year has increased and is a reflection of the continuous improvement of these programs. Future inspection plans are influenced by the results of previous inspections and enhanced understanding of corrosion mechanisms.’*

Based on the OPIP summary reports NOPSEMA has received since the September 2017 safety case acceptance, there has been an increase in the backlog of uninspected points with a decrease in actual inspected points.

The OPIP summary reports contain a number of statements relating to restricted access to the facility to undertake OPIP inspection measurements; in addition there is a regular carryover of inspection points.

The concern is the large number of planned inspection points selected as part of the program but are not being measured and there is a trend of carrying over these points to the following OPIP campaign, of which a number of these points are potentially not measured at all. The NOPSEMA inspectors have formed the opinion EAPL have not complied with their safety case commitments in relation to inspecting an appropriate number of inspection points to determine hydrocarbon piping remains fit for service and achieving the stated ALARP demonstration statement of increasing the number of inspection points each year reflecting continuous improvement of the OPIP program.

As a result of this failure to take all reasonably practicable steps to ensure that any plant, equipment, materials and substances at the facility are safe and without risk to health, I am satisfied that there is, or may be, the following risk to the health or safety of any person:

A number of OPIP planned inspection points selected as part of the program are not being measured, therefore there are potential areas of unknown risks to hydrocarbon piping due to corrosion that is not being monitored and in accordance with the safety case, this could lead to an MAE.

You are required to take action within **120** days of the date of this notice to prevent or reduce the risk.

The following action must be taken by the responsible person within the period specified above:

Esso Australian Pty Ltd are to ensure the previously identified selected OPIP inspection points (328 in number) are monitored to ensure hydrocarbon piping system remains fit for service and is safe and without risk to health; or

Implement such other controls as required to reduce risk to a level that is as low as reasonably practicable.

Signed: 


NOPSEMA Inspector

Dated: 30 August 2019

NOTES: (Please see back of notice)

When the required improvement has been completed, return this part of the notice to the following person at the address below:

Name: [REDACTED]

Position: Manager Assessment and Inspection

Address: Send in electronic format via email to:
submissions@nopsema.gov.au

Telephone number: +61 8 6188 8700

Specify the action that has been taken to comply with this notice in the space below.

Improvement Notice No. **767** has been complied with by:

Signed: _____ Date: _____

NOTES:

1. Under clause 78 of Schedule 3 to the Act, a person who fails to ensure that this notice is complied with, to the extent that it relates to a matter over which the person has control, may be liable to a penalty of 300 penalty units or a civil penalty of 400 units.
2. This notice must be displayed in a prominent place at or near each workplace at which work affected by the notice is being performed and, must not be tampered with or removed before the notice has ceased to have effect.
3. If the notice is not issued by being given to the operator's representative at the facility, the responsible person (unless the responsible person is the titleholder) must cause a copy of the notice to be given to the operator's representative.
4. If the responsible person is the operator or an employer (other than the operator) of members of the workforce, the operator's representative at the facility must give a copy of the notice to each health and safety representative for a designated work group having group members performing work that is affected by the notice.
5. If the responsible person is the titleholder, as soon as practicable after issuing the notice, the NOPSEMA inspector will take reasonable steps to give a copy of the notice to the operator and, if the NOPSEMA inspector is at the facility when the notice issued, the operator's representative at the facility.
6. If the responsible person is the titleholder, but the inspector is not at the facility when the notice is issued, the operator must give a copy of the notice to the operator's representative at the facility.
7. As soon as practicable after issuing the notice, the NOPSEMA inspector will take reasonable steps to give a copy of the notice to, where applicable:
 - (a) the employer of an employee who is a member of the workforce if the notice is issued to the employee, and in connection with work performed by the employee, and
 - (b) the owner of any workplace plant, substance or thing that the notice relates to, unless the owner is the responsible person or an employer referred to in (a), and
 - (c) if the responsible person is the owner of any workplace, plant, substance or thing because of which the contravention has occurred, or is likely to occur: the operator of the facility, and if the employer of employees who work in that workplace or who use that plant, substance or thing is a person other than the operator—that employer; and
 - (d) the titleholder, if the responsible person is the operator, and the contravention relates, or is likely to relate to, the titleholders' well related obligations.
8. Under item 8 of subclause 80A(1) of Schedule 3 to the Act, any of the following persons may in writing request the reviewing authority to review the NOPSEMA inspector's decision:
 - the operator of the facility
 - the titleholder, if the notice is issued to a titleholder;
 - any other person to whom the notice has been issued;
 - an employer, if affected by the decision;
 - a relevant health and safety representative;
 - a relevant workforce representative, if requested by a member of the workforce affected by the decision;
 - a person who owns any workplace plant, substance or thing to which the NOPSEMA inspector's decision relates.
9. An improvement notice ceases to have effect when the responsible person takes the action specified in the notice.