

OHS IMPROVEMENT NOTICE

To: Beach Energy (Operations) Limited

In conducting an OHS inspection in relation to the Yolla-A facility, I, [REDACTED], a NOPSEMA inspector appointed under section 602 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act), am satisfied on reasonable grounds that the person named above as the responsible person has contravened and is likely to contravene again clause:

(a) 9(2)(c) of Schedule 3 to the Act at the Yolla-A facility.

And as a result, there is, or may be, a risk to the health or safety of a person at the Yolla-A facility.

The reasons for my opinion are:

NOPSEMA commenced an inspection on 15 September 2020 of the Yolla-A facility and made further enquiries thereafter.

During the inspection, NOPSEMA inspectors found that:

- A third party annual crane inspection was conducted on Yolla-A's facility crane in December 2018 by a specialist crane contractor in accordance with the requirements of a recognised standard i.e. API RP 2D. This inspection identified structural corrosion issues to be investigated and remediated.
- After the inspection in December 2018, additional structural inspections of the crane were conducted by a specialist inspection contractor in March 2019. Following review of the inspection results, the crane was removed from service on 14 March 2019 due to corrosion of critical structural elements of the crane.
- Based on the findings of the structural inspections, a de-rating assessment was completed by the crane's manufacturer, and the crane was returned to service at a de-rated capacity of 6t on 20 March 2019.
- Some repairs were completed on the crane. An additional re-rating assessment was completed by the crane's manufacturer up to 7.5t capacity. Beach Energy (Operations) Limited conducted a load test on the crane on 28 June 2019, before increasing the rated capacity to 7.5t from 3 July 2019.
- According to the safety case (Part 2, sections 7.9.5 / 9.9), this is the only crane on the facility. It is operationally required to be used for vessel transfers onto the facility.

Reasonably practicable steps that Beach Energy (Operations) Limited have failed to take include:

- Prior to returning the crane to service at a de-rated capacity of 6t on 20 March 2019, and when re-rated to 7.5t on 3 July 2019, Beach Energy (Operations) Limited did not assess the risk of operating the crane in accordance with the Management of Change procedures required by Part 3, section 4.11 of the facility safety case.
- Although Beach Energy (Operations) Limited conducted a load test on the crane (28 June 2019), it was not completed in accordance with any recognised standard (e.g. API RP 2D or EN13852-1), as there was no qualified/accredited inspector present, and there was no post-load test examination. In addition to failing to apply the standard, damage may have been incurred in the process of load testing, which Beach Energy (Operations) Limited cannot determine as a result of failing to examine the crane post-load test. The crane may have been put into service with unknown defects created during the load test.

- A third party annual crane inspection was not carried out in 2019 or subsequently, resulting in the crane being without an inspection completed in accordance with a recognised standard since December 2019.
- No Operational Risk Assessment has been conducted to assess the risk associated with the overdue inspection (due in December 2019), as per the requirements of the Beach Safety Critical Element Management Manual (safety case Part 3, section 4.10.5).

Based on the above findings including that the crane was operated in a condition that increased the potential for failure, I am satisfied that Beach Energy (Operations) Limited did not take all reasonably practicable steps to ensure that the crane was safe and without risk to health of persons at or near the facility and that it is likely that the crane will be used again in contravention of above-mentioned OHS law.

You are required to take the actions listed below within **60** days of the date of this notice to prevent or reduce the risk.

I am satisfied on reasonable grounds that the following actions must be taken by the responsible person within the period specified above:

1. Undertake the annual crane inspection as per the requirement of section 5.1.3.6 of API RP 2D 7th Edition; and
2. Complete a Management of change (as required by safety case Part 3, section 4.11 of the facility safety case) which assesses the risks of operating the crane in a de-rated capacity and implements suitable hazard mitigation controls to reduce risk to a level that is as low as reasonably practicable; and
3. Update maintenance process to ensure crane load testing is conducted to appropriate Standards. This process must, as a minimum, ensure the fitness for service of the crane at all times when in operation; and
4. Update Management of change process to ensure all de-rating activities are managed via Management of Change process. This process must, as a minimum, ensure the fitness for service of the crane at all times when in operation; and
5. Implement such other controls as required to reduce risk to a level that is as low as reasonably practicable.

Signed:



NOPSEMA Inspector

Dated: 24/11/2020

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:



Position:

OHS Regulatory Specialist (Melbourne)

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. **802** 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.