

## General Direction – section 574

*Offshore Petroleum and Greenhouse Gas Storage Act 2006*

**Direction number: 823**

To: Esso Australia Resources Pty Ltd  
BHP Billiton Petroleum (Bass Strait) Pty Ltd

### **Issue of Direction – section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006***

Attached is a written notice of a General direction made under section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

Please provide written acknowledgement of receipt of this direction within 7 days of this notice.

A person commits an offence if:

- (a) the person is subject to a direction under section 574; and
- (b) the person engages in conduct; and
- (c) the person's conduct breaches the direction.<sup>1</sup>

Please provide this office with documented evidence of your compliance with the notice of Direction/s within one month of completion of each Direction.

If you have any questions relating to the content of this Direction, please contact me on 08 6188 8920.

Yours sincerely



Derrick O'Keeffe  
**Head of Division – Safety & Integrity**

**Dated: 20 May 2021**

NOTES: (Please see explanatory statement)

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<sup>1</sup> Section 576 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth).

Direction number: 823

I, Derrick O’Keeffe, of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), make this direction under section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act) pursuant to a delegation dated 14 May 2021.



**Derrick O’Keeffe**  
**Head of Division, Safety & Integrity**  
**National Offshore Petroleum Safety and Environmental Management Authority**

**Dated: 20 May 2021**

## **DIRECTION**

### **1. Commencement**

This General Direction takes effect on the date of signature.

### **2. Application**

This General Direction applies to Esso Australia Resources Pty Ltd (ACN091 829 819) and BHP Billiton Petroleum (Bass Strait) Pty Ltd (ACN 004 228 004), the registered holders of the titles listed in Schedule 2.

### **3. Extended Application**

Pursuant to subsection 574(3)(a) of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, this instrument also applies to a specified class of persons, being the operator of the facilities associated with the titles listed in Schedule 2; Esso Australia Pty Ltd (ACN 000 018 566).

### **4. Direction**

- (1) The registered titleholders are given the Directions contained in Schedule 1.
- (2) Each direction in Schedule 1 is a separate Direction.

## Schedule 1 – Directions

The registered titleholders (and where applicable, the registered operator) is directed to take the following actions:

### Direction 1:

- a. Conduct a validation of fitness for service integrity assessments of all Platform Above Water Survey (PAWS) inspection report anomalies that are beyond the initial Latest Acceptable Completion Date (LACD) at each of the facilities listed in Schedule 2 by a suitable qualified personnel within 90 days from the date this direction is signed.
- b. Immediately implement interim control measures if risk gaps are identified.

### Direction 2:

- a. Submit to NOPSEMA evidence of completion of Direction 1(a) and 1(b).

## Schedule 2 – Gippsland Basin Facilities and associated titles

Title ID #	Facility
VIC/L2	Barracouta
VIC/L3	Marlin A, Marlin B
VIC/L4	West Tuna
VIC/L5	Halibut, Cobia
VIC/L7	West Kingfish
VIC/L9	Tuna
VIC/L10	Snapper



**Explanatory Statement - Direction number: 823****Background**

This General Direction applies to all producing facilities associated with the relevant registered titles listed in Schedule 2 pertaining to Bass Strait offshore operations in the Gippsland basin.

In a planned inspection of the Tuna and West Tuna facilities from 30 March to 1 April 2021 (Inspection ID #2269) NOPSEMA inspectors concluded that the operator's facility integrity programmes are only partially compliant with the duty to maintain a physical environment at the facility that is safe and without risk to health. In particular, although the facility integrity programmes to visually inspect structural integrity components was implemented and functional, timely execution of the rectification work order activity based on the information provided and observations made during the inspection could not be demonstrated.

Three discrete corrosion anomalies sampled resulted in three Improvement Notices to the registered operator for West Tuna (0820 – helideck) and Tuna (0821 – walkway grating) facilities on 4<sup>th</sup> and 11<sup>th</sup> May 2021. In all cases, visible corrosion defects had been identified by PAWS but were not addressed in a timely manner.

Further structural integrity risks may exist elsewhere on the facilities inspected (Tuna and West Tuna) but also on other producing facilities currently operating under the titleholders' various registered titles. A thorough fitness for service integrity assessment of all PAWS inspection report identified anomalies beyond the initial LACD would ensure the physical risks are fully understood and correctly risk assessed and target dates updated accordingly.

**Reporting**

Given the extent of structural integrity anomalies identified in the associated PAWS inspection reports, increased oversight of the approach to facility integrity and progress for implementation of recommended remedial works is warranted.

**Breach of a direction**

Pursuant to section 576 of the Act, if a person is subject to a General Direction under section 574 and the person engages in conduct that breaches that Direction, the person commits an offence or contravention:

- **Fault-based offence** – 5 years imprisonment or 2,000 penalty units, or both (10,000 penalty units for a body corporate).
- **Strict liability offence** – 100 penalty units (500 penalty units for a body corporate).
- **Civil penalty provision** – 525 penalty units (2,625 penalty units for a body corporate).
- **Continuing offences** – a person who commits a fault-based or strict liability offence commits a separate offence in respect for each day during which the offence continues. The maximum penalty for each day that the offence continues is 10% of the maximum penalty that can be imposed in respect to that offence.
- **Continuing contraventions of civil penalty provisions** – a person who contravenes the civil penalty provision commits a separate contravention in respect for each day during which the contravention continues. The maximum civil penalty for each day that the contravention continues is 10% of the maximum civil penalty that can be imposed in respect to that contravention.