

General Direction – s 574

Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth)

Direction No: 1910

To Woodside Energy Ltd:

Issue of Direction/s - section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*

I, Derrick O'Keeffe of the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA), make this instrument under section 574 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (the Act) pursuant to a delegation dated 13 June 2023.

Derrick O'Keeffe
Head of Division – Safety & Integrity
wA725492

21 July 2023

1. Commencement

This direction takes effect on the date of signature.

2. Application

This direction applies to Woodside Energy Limited ACN 005482986 as a registered holder of Production Licence WA- 1-L.

3. Extended Application

Pursuant to subsection 574(3)(a) of the Act, this instrument also applies to Woodside Energy Limited ACN 005482986, as the registered operator of the North Rankin Complex Facility.

4. Direction

- a. Woodside Energy Ltd is given the directions contained in Schedule 1.
- b. Each direction in Schedule 1 is a separate direction.

Schedule 1

Direction 1

Ensure that the current condition and integrity of the Flare Bridge and Flare Support Structure (including Guy Wires) at the North Rankin Complex facility do not present a risk to the safety of personnel on the facility.

Direction 2

As soon as reasonably practicable, conduct an independent Review of the current condition, inspection, maintenance, remediation, and governance program that relate to the Flare Bridge and Flare Support Structure (including Guy Wires) at the North Rankin Complex facility to assist in ensuring the safety of personnel involved or affected by the operation and maintenance of the Flare Bridge and Flare Support Structure (including Guy Wires). The Review is to be led by a sufficiently independent person (with respect to Woodside Energy Ltd or its existing contractors and as agreed by NOPSEMA) supported by suitably qualified personnel and will include but not be limited to the following:

- a. terms of Reference which are to be provided to NOPSEMA for comment prior to undertaking the Review;
- b. Producing a report based on the review which includes:
 - i. information that describes the current condition and causes of any deficiencies identified of the Flare Bridge and Flare Support Structure (including Guy Wires);
 - ii. compare industry best practices with Woodside's planned inspection, maintenance, remediation and governance program to identify gaps for the Flare Bridge and Flare Support Structure (including Guy Wires);
 - iii. the role and effectiveness of executive oversight to ensure management of ongoing asset integrity including audit and review, budgeting provisions and technical program delivery; and
 - iv. recommendations for remedial actions for implementation, which address the gaps identified in the review.

A copy of the draft Report must be provided to NOPSEMA for comment.

A copy of the final Report is to be provided to all titleholders of WA-1-L.

Direction 3

Implementation of additional risk reduction control measures from Direction 1 are to continue until the remedial actions identified in Direction 2(b) are implemented to NOPSEMA's satisfaction.

Direction 4

Until the remedial actions identified in Direction 2(b) are implemented to NOPSEMA's satisfaction, submit a written report by close of business every 2nd Wednesday or other intervals agreed to by NOPSEMA, describing the details of:

- (i) all implemented risk reduction control measures and a justification for the adequacy of those controls to provide for safe work in response to Direction 1; and
- (ii) progress against requirements in response to Direction 2.

NOPSEMA will use this report as part of its compliance monitoring process.

Explanatory Statement

NOPSEMA conducted a planned inspection in May and June 2023, which included both offshore and onshore components. The inspection was focussed on the structural integrity of the Flare Bridge and the Flare Support Structure, Emergency Systems and Caisson Remediation (for reference see General Direction 837), as part of NOPSEMA's compliance monitoring program.

The inspection found the Flare Bridge and Flare Support Structure (including Guy Wires) to be defective in many places as a consequence of inadequate maintenance.

The Flare Bridge is affected by severe corrosion to several safety and integrity related structures, including handrails, kickboards, gratings, ladder cages and safety chain, cable tray, earth bonding, electrical fitting supports, primary, secondary, and tertiary structural members. Whilst personnel access has been restricted to certain areas of the Flare Bridge, there remains risk to the integrity of the structures that could result in failures, e.g. dropped objects and associated consequences.

Also, the effective integrity of the Flare Support Structure (including Guy Wires), required to restrain the Flare Support Structure in the east-west direction was not demonstrated. For several years Woodside integrity reports have identified significant guy wire defects, without demonstrating to NOPSEMA that effective engineering assessment, remediation plans or remediations being implemented.

For example, from information provided by Woodside to NOPSEMA the following was noted:

- Guy wire B1 has potential broken strands and is corroded.
- Silicon oil (corrosion protection) was lost for guy wire B1 in July 2019 and guy wire B2 in 2022. The repair method is still to be determined.
- 2018 and 2019 inspection reports identified the silicon oil system was in poor condition and personnel were unable to top up the oil due to seized valves. Both refurbishment requests were cancelled by Woodside.
- Significant material loss on all guy wire bend shoe locations with up to 50% loss noted on the horizontal stiffener. The inspection report noted that more severe areas of material loss may not have been identified due to test restrictions resulting from extensive corrosion and scale.
- All anodes at all four guy connectors were 100% depleted. Retrofit anodes which were fitted in 2001 and had not been replaced since were also 100% depleted.

Note, NOPSEMA was not notified about this damage to safety critical equipment as required by Clause 82 of Schedule 3 of the Act and Regulation 2.42 of the Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009. The engineering assessment and wire acceptance criteria has not been provided.

Flare Support Structure inspection and maintenance activities scheduled in the Master In-Service Inspection Program to ensure ongoing integrity have not been fully completed.

NOPSEMA noted that Woodside has been conducting maintenance on some of the above structures and that the original schedule to complete the works extends to December 2024. The NOPSEMA inspectors consider the completion date to be unrealistic, given that the project was scheduled to commence in September 2022 but did not commence until March 2023, the first of 15 modules to be remediated took longer than anticipated. Woodside has indicated new target completion of the remediation program within 2025.

Notes

Notification of a direction has an extended application

Pursuant to s 575 of the Act, as the direction(s) above apply to:

- a) the registered holder; and
- b) a specified person under 574(3)(a)

the registered holder must cause a copy of the notice by which the direction was given to be:

- c) given to that other person; or
- d) displayed at a prominent position at a place in the offshore area frequented by that other person.

OR

Pursuant to s 575 of the Act, as the direction(s) above apply to:

- a) a registered holder; and
- b) a person referred to in paragraph 574(3)(b);

the registered holder must cause a copy of the notice by which the direction was given to be displayed at a prominent position at a place in the offshore area.

Breach of a direction

Under sub section 576(1) 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:

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.