

OHS Improvement Notice

Offshore Petroleum and Greenhouse Gas Storage Act 2006, Schedule 3 clauses 78, 78A and 78B

Notice No: 1943

Date: 21/05/2024

To: Saipem Australia Pty Ltd

In conducting an OHS inspection in relation to the Castorone 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:

Saipem Australia Pty Ltd (Saipem) is contravening a provision of a listed OHS law

AND

As a result, there is, or may be, a risk to the health or safety of a person at the Castorone facility.

I am satisfied Saipem Australia Pty Ltd is contravening a provision of a listed OHS law. The listed OHS law that has been contravened and is likely to be contravened again is Schedule 3, Clause 9 (2), (a)(c) and (d) of the Act.

The reasons for my opinion are:

Welding fumes and gases (hazardous chemicals) and ultraviolet radiation from welding are not controlled by engineering controls, thereby relying on lower order controls such as personal protective equipment to limit exposure of members of the workforce to serious occupational health risks.

As a result of this contravention, I am satisfied that there is, or may be, the following risk to the health or safety of any person:

- The safety data sheet for the welding consumables indicates that the exhaust system is to be local, to keep welding fumes and gases from being present in the breathing zone and general area. Saipem's industrial hygiene documentation states that local exhaust ventilation engineering controls should be present to extract contaminants in the immediate vicinity of the source generating them. The ducted extraction system in the ceiling above the firing line welding stations is not localised to the welding point to effectively capture welding fumes. The prefabrication welding stations do not have an extraction system. Therefore, engineering control measures at the welding workstations are either absent and/or do not align with the safety data sheets and Saipem's procedures, thereby creating a risk of welding fumes and gases in the breathing zone and general area, exposing workers to this hazard.
- The safety data sheet for the welding consumables currently used on the Castorone outlines the serious health effects from inhalation of welding fumes and radiation exposure. The International Agency for Research on Cancer (IARC) has determined welding fumes and ultraviolet radiation are carcinogenic to humans (Group 1). According to IARC, welding fumes cause cancer of the lung and ultraviolet radiation from welding can cause ocular melanoma welders flash and or arc eye. I reviewed the hazardous chemical monitoring results (preliminary results provided onboard during the inspection) conducted by a third party in March 2024. These results indicate that welders, trade assistants and other personnel


who spend large amounts of time in this area are exposed to hazardous chemicals above the time-weighted exposure standard on the Castorone.

- There is a risk of serious occupational health effects that could occur that lead to permanent, progressive or irreversible damage, if the workforce is exposed to airborne hazardous chemicals and ultraviolet radiation during welding activities.

I am satisfied on reasonable grounds that the following action(s) must be taken by the responsible person to reduce or prevent the risk:

1. Monitor and determine the levels of air contaminants in the firing line and prefabrication area welding stations, and any other areas where welding fume-containing air is produced.
2. If the monitoring results highlight a deviation from the exposure limits, a specific improvement action must be identified to prevent or reduce the exposure as per the requirements of the Saipem safety management system document Industrial Hygiene Monitoring, document number CR_GR-GROUP-HSE-005E, section 3.4.
3. Implement local exhaust ventilation engineering controls to extract the welding fumes in the immediate vicinity of the source generating them, as stated in Saipem's Offshore Construction Vessels HSE Procedures Manual, document number STD_OF-SCTOF-HSE-004-E, dated 30 December 2019, section 2.16.4; or otherwise implement control measures considering the hierarchy of controls, to reduce exposure to airborne chemicals to a level that is as low as is reasonably practicable.
4. Identify the actions to be taken, to adequately address and manage the threat to health or safety of the workforce relating to the welding fumes and gases and ultraviolet radiation from welding.
5. Provide a written update on the aforementioned actions to the undersigned on a weekly basis, day to be agreed, until this notice is closed.

You are required to take action to reduce or prevent the risk within 90 days from the date of this notice.


NOPSEMA INSPECTOR
wA829444

21 May 2024

When the required action(s) has been completed, the Responsible Person is to submit this part of the notice to the following person via:

Post: Level 10, 58 Mounts Bay Rd
PERTH WA 6000

Email: submissions@nopsema.gov.au

Name:

██████████

Position:

NOPSEMA INSPECTOR

Contact number:

+61 8 6188 8700

By signing below, I confirm on behalf of Saipem Australia Pty Ltd that the specified action described in Improvement Notice No. 1943 has been undertaken within the period specified.

Signed:

Date:

(to be signed by responsible person only when the notice has been complied with)

Notes

1. Under clause 78A of Schedule 3 to the Act, a responsible person who fails to ensure that this notice is complied with, to the extent that it relates to any matter over which the responsible person has control:
 - a. commits an offence and may be liable to a penalty of 300 penalty units for the offence; or
 - b. contravenes a civil penalty provision and may be liable to a civil penalty of 400 penalty units.
2. For every day proceeding the initial offence or contravention the notice is not complied with, the responsible person commits an offence or contravention in respect of each day (including a day of a conviction under this clause or any later day) during which the offence or contravention continues.
3. A copy of this notice must be displayed in a prominent place at or near each workplace which work affected by the notice is being performed. It is an offence to tamper with or remove it until the notice has ceased to have effect.
4. The recipient of this notice must ensure that all relevant requirements for giving copies of the notice to certain persons and representatives are complied with in accordance with cl 78b to Schedule 3 to the Act.
5. Under clause 80A of Schedule 3 to the Act, any of the following persons may request the reviewing authority in writing to review the NOPSEMA inspector's decision:
 - the operator of the facility;
 - the titleholder, if the notice is issued to a titleholder;
 - any person to whom an improvement 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.