

OHS IMPROVEMENT NOTICE

To: Esso Australia Pty Ltd (“EAPL”)

In conducting an OHS inspection in relation to the Barracouta 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:

Clause 9 (2) (c) of Schedule 3 to the Act

at: Barracouta Offshore Platform Facility

The reasons for my opinion are:

NOPSEMA inspectors with the assistance of the EAPL Platform Electrician (PACMAN) sampled the hazardous area electrical equipment (classified as “Ex”) on the Barracouta Offshore Platform Facility with the intention of determining its internal condition and its expected continued safe operation. Ex electrical equipment is required in hazardous areas where flammable vapours may occasionally be present (e.g. from a gas leak), and is designed to prevent ignition of these flammable vapours, with resultant fire and explosion.

Of 1264 pieces of Ex equipment on the platform, 35 were chosen for internal inspection. Of these:

- 6 pieces had suffered water/moisture ingress leading to internal corrosion; and
- 5 pieces were seized and could not be opened for internal inspection hence the internal condition could not be ascertained.

In total, 11 out of 35 pieces of Ex equipment required maintenance to assure its condition as being fit for purpose, including its continuous safe operation in hazardous areas. A failure to maintain Ex equipment may be expected to lead to a failure of the equipment to perform its intended function, including the prevention of ignition of flammable vapours or the protection of personnel from electrical shock.

EAPL production platforms located in the Bass Strait are subject to a range of external factors that affect the deterioration of Ex equipment such as, but not limited to; weather, vibration, age and risk of mechanical damage. Hence degradation of Ex equipment may be expected over time.

Whilst EAPL carry out external inspections of Ex equipment, they do not have a program to conduct internal inspections. The evidence from the sample of the 35 items inspected demonstrates the requirement for a program to internally inspect Ex equipment to determine its current condition. From this, a remedial maintenance program is also required appropriate to the conditions encountered.

The lack of detailed (internal) inspection of Ex equipment represents a 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.

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 internal condition of 5 items of Ex equipment could not be ascertained and hence their fitness for purpose is unknown and therefore the equipment may have the potential to be an ignition source which could result in fire and/or explosion in the event of a hydrocarbon release.

- The status of all of the uninspected Ex equipment is unknown and hence it's fitness for purpose is unknown and therefore the equipment may have the potential to be an ignition source which could result in fire and/or explosion in the event of a hydrocarbon release.
- Ex equipment on the platform is known to deteriorate over time. EAPL do not have a program of internal inspection of Ex equipment, therefore it's continuous fitness for purpose will be unknown and therefore the equipment may have the potential to be an ignition source which could result in fire and/or explosion in the event of a hydrocarbon release

You are required to take action within **90** 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:

1. Develop and implement an inspection program of detailed (internal) inspection of Ex equipment, including emergency equipment located in "safe" non-hazardous areas, to ensure Ex equipment remains fit for purpose in a manner consistent with AS/NZS 60079 part 17:2009; and
2. During the detailed (internal) inspection of Ex equipment, record the "as-found" condition of the Ex equipment to gather equipment condition history for future integrity assessment and Ex equipment management.

Or

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

Signed:

██████████ ██████████

NOPSEMA Inspector

Dated: 25 May 2017

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: 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. 666 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.