

OHS IMPROVEMENT NOTICE

To: BHP Petroleum Pty Ltd

In conducting an OHS inspection in relation to the BHP Pyrenees FPSO 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:

- (a) clause 9(2)(d) of Schedule 3 to the Act;

at: Pyrenees Facility

The reasons for my opinion are:

During Planned Inspection 1906 conducted at the BHP Pyrenees FPSO facility (offshore segment from 7-9 May 2019) there was found to be inadequate control of maintenance and inspection of third party temporary equipment located at the facility. e.g. air compressor and water blaster, including inspection of Major Accident Event controls such as suitability for use in a hazardous area, and ignition controls on equipment prior to mobilisation to the facility.

The inspectors were provided with the "Management of Temporary Equipment Procedure, Document Number: AO-HSE RM-0034". This procedure defines the requirements for managing the risks associated with the supply and use of temporary equipment at all Australian Petroleum Unit (APU) facilities.

BHP Procedure AO-HSE_RM-0034 Part 5 Performance Standards states the following:

"It is Mandatory that all Temporary Equipment as defined in this procedure and mobilised to any BHP Onshore or Offshore Site must be accompanied by an approved Equipment Specification Sheet (Appendix 1) and a completed Mobilisation Tracking Sheet (Appendix 2). Each location shall maintain a register of all Equipment deliveries and any Non Conformances."

Summary of relevant findings:

- There is no temporary equipment register at the facility.
- No "Mobilization Tracking Sheet", "Equipment Specification Sheet" or equipment assessment checklist was available for the air compressor, the water blaster or any other third party equipment that may be at the facility. The equipment could not be shown to be suitable for safe use on the facility.
- Offshore Management and crew were not aware of this system/procedure.
- BHP were issued with NOPSEMA Direction 691 (dated 19-12-2017) with respect to managing client specific service contractors ('third party contractors') and associated equipment under the provisions and commitments made within their safety cases; the procedures resulting from this direction had not been implemented at the facility.

As a result of the above system failures, BHP have not taken all reasonable practicable steps to ensure that third party equipment is safe and without risk to health at the Pyrenees facility.

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:

BHP's failure to implement and maintain systems of work at the facility that are safe and without risk to health, through its ineffective oversight, governance and control, of the maintenance and inspection of third party equipment could result in a loss of containment or an ignition risk and thus a major accident event (MAE) leading to injury or death to personnel at the facility.

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:

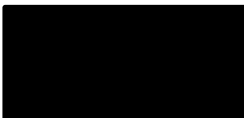
Complete a management review of BHP oversight, governance and audit systems and procedures and address any actions identified from this review to ensure that the systems of work described in the facility safety case are safe and without risk to health.

The review should include the following items:

1. Ensure that BHP senior management conduct a review of their internal systems of governance to ensure that safe systems of work as described in their safety cases are implemented, functional, maintained, and audited, in order to give reasonable assurance that systems are fit for purpose;
2. Investigate how the actions/procedures developed following the issue of NOPSEMA Direction 691 – direction 2 were not fully implemented at the Pyrenees Facility and rectify deficiencies found during the investigation process; and
3. Determine an appropriate schedule of audits of BHP's safety management system procedures to ensure their effectiveness and implementation; or

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

Signed:



NOPSEMA Inspector

Dated: 13/06/2019

NOTES: (Please see back of notice)

The following section is to be completed if serving the notice to the responsible person by giving it to the operator's representative or titleholder's representative at the facility, or the identified responsible person onshore.

This notice was delivered to: [REDACTED]
in the office or position of [REDACTED]
at: [REDACTED] am/pm on [REDACTED] _____

When the required improvement has been completed, return this part of the notice to the following person at the address below:

Name: [REDACTED]
Position: NOPSEMA Inspector
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. **746** 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.