

OHS Improvement Notice

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

Notice No: 1915

Date: 19/07/2023

To: Shell Australia Pty Ltd

In conducting an OHS inspection in relation to the Prelude FLNG 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 Shell Australia Pty Ltd (Shell) has contravened a provision of a listed OHS law and is likely to contravene that provision again

AND

As a result, there is, or may be, a risk to the health or safety of a person at the Prelude FLNG facility (the Facility).

I am satisfied that Shell has contravened a provision of a listed OHS law (and is likely to contravene that provision again), being clause 9(2)(d) of Schedule 3 of the Act, that the operator of a facility must take all reasonably practicable steps to implement and maintain systems of work at the facility that are safe and without risk to health.

The reasons for my opinion are:

During planned inspection 4830, inspectors found that work to remove the off-specification condensate Tank A pressure relief and vacuum relief valve was completed without implementing appropriate controls to mitigate risk. This potentially exposed workers to unacceptable levels of Benzene, Toluene, Ethylbenzene and Xylene (BTEX), and to hydrocarbon gas fire or explosion. An explosive atmosphere could have also resulted in a major accident event.

The Inspectors identified that:

- Shell's permit to work and isolation management systems, as set out in Permit to Work Procedure HSE_PRE_004404 and Safe Isolation Procedure HSE_PRE_004405 were not followed to drain the bulk hydrocarbon liquid from Tank A and to correctly isolate the tank prior to undertaking the task.
- Shell did not follow their own documented requirements for continuous measurement and management of BTEX, BTEX Management Procedure HSE_GEN_013196.
- Subsequent to the work being carried out, members of the workforce complained to NOPSEMA that the work had been carried out unsafely. NOPSEMA validated this concern.

The Inspectors noted that a procedure was later developed and used to safely complete the same work on a similar tank (Tank B).

Shell's preliminary internal investigation into the incident identified the failure to remove the bulk hydrocarbons and isolate the equipment appropriately, however, as yet the investigation has not identified actions for Shell to implement that will reduce the risk of recurrence. The Inspectors therefore conclude that until such times as effective remedial measures have been put in place, Shell is likely to contravene again.

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. Take steps to ensure that the Permit to Work Procedure HSE_PRE_004404, Safe Isolation Procedure HSE_PRE_004405 and BTEX Management Procedure HSE_GEN_013196 are followed; or
2. Implement other controls to mitigate failings found by the inspectors that lead to execution of work outside Shell's own procedures.

Shell is required to complete Action 1 or 2 within 30 days of the date of this notice.

Yours sincerely


NOPSEMA INSPECTOR


19 July 2023

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 8, 58 Mounts Bay Road
Perth WA 6000

Email: submissions@nopsema.gov.au

Name: [REDACTED]
Position: **NOPSEMA INSPECTOR**
Contact number: [REDACTED]

By signing below, I confirm on behalf of Shell Australia Pty Ltd that the specified action described in Improvement Notice No. 1915 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 where 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.