



## From CEO John Clegg

This month we highlight a number of specific incidents and threats emerging from offshore operations. We cannot afford to lose sight of the continuing risks associated with complex operations in remote locations. From our vantage point at NOPSA we are seeing a lot of repetition occurring – these are ‘old’ accidents that are reappearing rather than any new set of circumstances.

Building, implementing and maintaining effective safety management systems is the key to managing safe operations. In times when we are faced with many challenges, most significantly the number of new hires and the number of recently promoted supervisors, operators must ensure that their safety management systems are reliable and that they are insisting on compliance with their systems.

In this month's newsletter you will find an item about the development of safety cases and the importance of recognising the requirements of the regulations. The safety case is the cornerstone of the management of safety offshore. I trust this guidance will be useful to you.

## Industry matters

### Successful prosecution after worker crushed on MODU

The Melbourne Magistrates Court has awarded fines totalling \$150 000 after an employer pleaded guilty to occupational health and safety charges following serious injuries to a rig worker. Sedco Forex International Inc was charged with two breaches of section 21, “Duties of employers”, of the Victoria OHS Act 1985, was fined \$75 000 on each count, and was ordered to pay \$25 000 costs.

The incident occurred on the Jack Bates MODU in November 2004 while it was operating in the Otway Basin. In the incident, a diverter running tool was struck by the moving gantry crane, leading to injuries to two persons who were working nearby. One person suffered injuries that were very serious and disabling. A [prosecution summary](#)<sup>1</sup> prepared by Victorian Dept of Primary Industries is available on the NOPSA web-site, whilst a description of the [incident](#)<sup>2</sup> prepared by the MODU operator is available through the Drillsafe website.

### Safety leadership initiative applauded

A recent initiative by an offshore drilling company to adopt mandatory Safety Leadership training echoes calls by NOPSA for industry participants to ensure high quality safety leadership at all levels within an organisation. The drilling company had recognised that promotion to its supervisory positions was based mainly on assessment of a candidate's technical ability with no regard to their people management skills.

In a trial programme, the company initiated Safety Leadership training for managers and supervisors on two of its rigs. Immediate results included a reduced significant accident frequency and improved performance while offshore personnel retention improved in the medium term. This all took place in a volatile recruitment marketplace where retention of experienced and competent personnel is still a major issue facing all operators. The corporate management of the company subsequently decided to adopt mandatory Safety Leadership training for all of its personnel worldwide

### **Cyclone response capability discussed**

NOPSA recently participated in an Industry Working Group meeting to discuss Improvement of Cyclone Evacuation Capability in the Timor Sea.

The meeting was well attended and discussed a broad range of significant aviation issues. The Bureau of Meteorology provided some very useful information on cyclone forecasting techniques and options for improving their capability to forecast. Overall the group was willing to consider all of the significant issues in managing these complex operations.

### **Contractor in dangerous incident**

A recent dangerous occurrence reported to NOPSA highlights the problems of third-party contractors using generic procedures to test critical equipment. A surface BOP stack was being pressure tested onboard a MODU. While pressure was being applied, one of the locking pins securing the wear bushing was ejected, with sudden loss of test pressure. An investigation showed that no task specific JSA had been conducted and the service representative was not aware of the hazard

Operators of all types of facilities are reminded that they should be ensuring that service company personnel are competent with the equipment they are being asked to work with. Service companies and contractors must ensure their personnel are properly trained, have adequate information, are capable of performing site-specific risk assessments and are confident to call a halt to the work if they are asked to perform tasks they are not familiar with.

### **Developing safety cases**

The Safety Case is a key document in managing safety offshore. In addition to securing acceptance

of the safety case from NOPSA, each operator will have their own thoughts about what will make their Safety Case acceptable and useful to their workforce, and these considerations should get high priority. For acceptance by NOPSA the criteria are defined in Australian law. Anyone developing a Safety Case should have a thorough understanding of the [MoSOF regulations](#)<sup>3</sup> in general and regulations 9 - 27 in particular. These regulations specify what must be included in the Safety Case. The criteria NOPSA uses for Safety Case acceptance or rejection are those found in MoSOF regulation 30.

One of the specific requirements is an obligation under MoSOF Regulation 15 to involve, and to document the involvement, of members of the workforce in the development or revision of a safety case. NOPSA has in the past rejected safety cases for failing to meet the requirement of this regulation.

A good example of workforce consultation was contained in a safety case revision recently submitted to NOPSA for a drilling operation. This safety case considered significant changes to the emergency response arrangements. The operator of the facility and its client were able to demonstrate a high level of consultation undertaken with the crew regarding the management of the risks.

### **Consider safer options to 240V hand tools**

240V hand tools can often be replaced by air tools which eliminate the risk of electrocution, and which makes these tools a viable alternative whenever the use of [powered hand tools](#)<sup>4</sup> is required.

If the use of air tools is not possible, then another substitution for 240V hand tools should be considered. Options under this category include battery powered hand tools, or tools powered by an isolated 110V centre-tapped earth transformer.

NOPSA advises that facility operators, employers, and persons in charge of work activities on facilities should review their practices for the use of powered hand tools and use other alternatives instead of 240V tools. As there are a range of substitute tools available this is seen as a practical and achievable action.

## **Stakeholder relations**

### **Training/competency and noise a focus for workshops**

NOPSA organised well attended industry workshops in Perth and Melbourne on the dual topics of

training/competency and noise.

On the training/competency topic, NOPSA made a presentation highlighting trends in industry workforce levels and incident rates. The trends showed emerging evidence from incident reports and offshore inspections that workforce competence levels are falling below the operators' set standards and that training and competency issues contribute to a significant proportion of reported incidents.

Presentations were made by Esso Australia and by Nabors Drilling, on their systems for managing workforce competency in their operations. A presentation was also made by the Maritime Union of Australia highlighting their concerns about competency levels in the offshore industry.

On the noise topic, NOPSA launched new guidance for noise management designed to help operators to understand their responsibilities for regulating workers' exposure to noise. The guidance does not introduce any new obligations but seeks to assist operators in meeting existing regulatory requirements.

Presentations were made by Woodside Energy and by Esso Australia, on their approach to noise management offshore. As noted at previous workshops, all of the industry contributions were well received by the audience.

### **APPEA National Safety Conference**

This year's National Oil & Gas Safety Conference is to be held at the Burswood Convention Centre on August 6 and 7. Topics to be covered by presentations will include "Lessons Learnt", Leadership and Culture, Health and Well-being, Working Together for Safety, Human Factors, Managing Safety in Skills Shortages and Sharing Good Practices. For more information contact Miranda Taylor at APPEA: [mtaylor@appea.com.au](mailto:mtaylor@appea.com.au)

### **HSR Forum**

This year's HSR Forum, also at the Burswood Convention Centre, is being held on August 5.

APPEA is seeking nominations for the 2007 Offshore HSR Award which will be presented at the Forum. Any person who was an HSR in Australia's offshore petroleum industry during 2007 may be nominated. Details of the HSR's contribution to offshore safety during this period should be submitted by email, along with contact details of at least one referee, to [mtaylor@appea.com.au](mailto:mtaylor@appea.com.au), before Tuesday July 22.

### **Accommodation guidelines**

NOPSA has issued invitations seeking working group members for the development of industry guidelines in relation to accommodation. This process has developed out of a review of

accommodation standards conducted on behalf of NOPSA.

## Website

### Validation policy and guidelines

Questions have been raised by industry representatives on the independent validation required for proposed or changing offshore facilities. In response, NOPSA developed a [draft policy and guideline](#)<sup>5</sup> which has been available for comment on the NOPSA website. The comment period closes on June 6.

### Facility integrity findings

A presentation delivering findings from reported incidents within the [Facility Integrity](#)<sup>6</sup> portion of the National Programmes is now available on the NOPSA website.

### Electrical incidents analysed

An analysis of reported electrical incidents and complaints from 2005-2008 is now available in the form of a PowerPoint [presentation](#)<sup>7</sup> on the NOPSA website. High Voltage (HV) and Low Voltage (LV) incidents are looked at as well as electrical burn incidents.

### Noise guidelines

Detailed guidelines on [noise management](#)<sup>8</sup> – principles of risk assessment and control are now available on the NOPSA website.

### Quarterly safety performance data

Quarterly [performance data](#) compiled by NOPSA on gas releases, major and significant incidents and Lost Time Injuries and Total Recordable cases is available on the NOPSA website.<sup>9</sup>

## NOPSA personnel

### New inspectors appointed

**Brian Moore** has joined NOPSA as an OHS inspector with NOPSA's Team Two. Brian was a drilling engineer with a major oil company for a number of years before joining the UK Health and Safety Regulator as an Inspector regulating offshore and onshore drilling operations. Most recently Brian has been undertaking pre-risk surveys of drilling and production operations on behalf of Lloyds Underwriters.

**Peter Lee** has also recently joined NOPSA as an OHS inspector with Team Three. Originally from Hong Kong, Peter graduated as a Civil Engineer and served as an inspector with the Royal Hong Kong Police before completing an MSc in Offshore Engineering in Aberdeen and working in the North Sea region on well engineering, MODU design, HPHT and Underbalanced Drilling projects for well operators and drilling contractors. Peter then spent eight years as an Inspector for Well Operations with the Offshore Division of the UK Health and Safety Executive. Peter also holds an MA in Health and Safety and Environmental Law.

## Regulatory activities

### As at 29<sup>th</sup> May 2008

*Disclaimer: Activity and incident quantities identified here may vary as further information becomes available. Statistics are prepared just prior to the last Friday of the month*

### Safety Case Assessment

#### Safety Cases (SC)

- One new SC was accepted.
- Five revised SC were accepted.
- One SC was rejected
- Five new SC are being assessed
- 12 revised SC are being assessed.

#### Scopes of Validation (SoV)

- Two SoV were agreed.
- 17 SoV are under review

#### Diving Safety Management Systems (DSMS)

- No DSMS were accepted or being assessed.

#### Pipeline Safety Management Plans (PSMP)

- One PSMP is being assessed.

### Inspections

11 inspections were conducted, including three of pipelines, one of saturation and air diving systems and a joint inspection of an FPSO with AMSA. Subjects of interest included:

- National Programme Facility Integrity topics
- National Programme Lifting Operations topics
- Electrical equipment in hazardous areas and related potential for a major accident event
- Noise, heat and vibration induced stress
- Implementation of OH&S management system not audited
- Maintenance not linked to performance standards of safety critical equipment
- Training competencies not achieved

### Incidents and complaints

Three Lost Time Injuries were reported. These resulted from:

- Finger trapped in power tong
- Eye damage during wash down
- Crane load landed on foot, resulting in broken bones

25 Dangerous Occurrences were reported. Notable incident types included:

- Three could have caused serious injury or death – two during lifting operations, one from a locking bolt ejected during pressure testing.
- Three could have caused lost time injuries – all during lifting operations
- One fire
- One significant and one major gas release
- One collision with a supply vessel

### Enforcement

Failure to submit a five yearly safety case revision resulted in notice being given to withdraw acceptance of a safety case currently in force.

Seven Improvement Notices were issued. Matters included failure to provide training, failure to rectify damage to electrical equipment in a hazardous area, failure to manage sand erosion in safety critical valves, failure of safety critical valves to meet performance requirements, and failure to audit a safety management system.

One Prohibition Notice was issued. Activities prohibited were hydrocarbon production and processing whilst safety critical valves do not meet performance standards.

One written warning was issued regarding incorrect slinging of a motor, which resulted in it being dropped 12.5m.

## Subscribe

[Past issues of this newsletter](#)<sup>10</sup> are available from the NOPSA website. Operators and other employers are encouraged to circulate this newsletter to their workforce. Please add your details to our [distribution list](#)<sup>11</sup> to receive future copies of this newsletter.

## Find out more

<sup>1</sup> <http://www.nopsa.gov.au/media/>

<sup>2</sup> <http://www.drillsafe.org.au/Presentations%20Mar%2005/Jack%20Bates%20Crane%20Incident.pdf>

<sup>3</sup>

[http://www.comlaw.gov.au/ComLaw/Legislation/LegislativeInstrumentCompilation1.nsf/0/05E54AA31FF89B65CA25706E0029D3B3/\\$file/PetrolSubLandManSafety96WD02.doc](http://www.comlaw.gov.au/ComLaw/Legislation/LegislativeInstrumentCompilation1.nsf/0/05E54AA31FF89B65CA25706E0029D3B3/$file/PetrolSubLandManSafety96WD02.doc)

<sup>4</sup> <http://www.nopsa.gov.au/alert/alert20.asp>

<sup>5</sup> <http://www.nopsa.gov.au/safety.asp#draft>

<sup>6</sup> <http://www.nopsa.gov.au/presentation/Presentation%20-%20Facility%20Integrity%20-%20Planned%20Inspection.pdf>

<sup>7</sup> <http://www.nopsa.gov.au/presentation/Presentation%20-%20Electrical%20Incidents%202005%20to%202008.pdf>

<sup>8</sup> <http://www.nopsa.gov.au/document/N-09000-GL0401%20-%20Noise%20Management%20-%20Principles%20of%20Risk%20Assessment%20and%20Control.pdf>

<sup>9</sup> [http://www.nopsa.gov.au/safety\\_performance.asp](http://www.nopsa.gov.au/safety_performance.asp)

<sup>10</sup> [http://www.nopsa.gov.au/CEO\\_emails/index.asp](http://www.nopsa.gov.au/CEO_emails/index.asp)

<sup>11</sup> [info@nopsa.gov.au](mailto:info@nopsa.gov.au)