

**From CEO John Clegg**

Fortunately nobody was hurt in the fire at Varanus Island but the event continues to have a significant impact on us all. It reminds us that we work in a hazardous industry where risks are always present and that we must be continually vigilant.

On another matter, the imminent arrival of new facilities into our waters is a timely reminder to operators that their personnel must be properly trained and competent for the job. Just because there is a skills shortage this is no excuse for having poorly trained personnel on board. Poor competence and supervision are underlying causes of many incidents. Appropriate training must be organised and is the responsibility of operators.

Finally, the independent review into the operations of NOPSA, as required under the legislation, has been released and is now available on our website. We look forward to working with governments and industry in implementing the recommendations.

Industry matters

Varanus Island pipeline fire

NOPSA continues to provide technical advice and contractor services to the WA Department of Industry and Resources (DoIR) under a services contract that covers both Varanus and Thevenard Islands. DoIR, as the regulator for this facility, is leading an investigation into this incident supported by NOPSA inspectors.

Separately, NOPSA is working closely with DoIR to monitor recovery and restart operations being undertaken by Apache. NOPSA notes that it remains at all times the responsibility of the operator of the facility to ensure safety at the facility.

The Varanus Island facility is subject to a licence under the WA Petroleum Pipelines Act 1969, administered by DoIR.

Crane driver unit of competence endorsed

A new unit of competence for Offshore Lifting has been nationally endorsed. NOPSA is promoting this new offshore lifting unit of competence or its equivalent for use by operators in new and revised safety cases.

This unit of competence has been developed by an industry working group – including offshore crane operators and its endorsement is timely in light of calls for a more consistent standard for crane driver

competency by workforce representatives.

NOPSA assessments may include a review of the commitments made to Australian and international standards to meet the requirements of the Management of Safety on Offshore Facilities (MoSoF) – Regulation No 13 - *members of the workforce must be competent*. Where relevant nationally endorsed competencies are reasonably available, NOPSA expects operators to adopt those competency schemes or their equivalent. As a matter of policy, and in light of the specific risks associated with lifting operations, NOPSA may apply this assessment to competency of crane operators in particular and assess competency schemes for suitability using the [nationally endorsed Unit of Competence](#)¹ (PMASUP305A Operate Offshore Cranes) as a standard.

Lifeboat decision

NOPSA recently rejected a safety case revision where the operator wanted to increase the maximum Persons on Board (POB). Part of the operator's argument was that the lifeboat was certified under the International Maritime Organisation *Life-Saving Appliances Code* which assumes an average weight of 75kg per person. It was estimated by the operator that the actual average weight of personnel was 85kg. The specific circumstances that apply at the facility were such that the design limits of the lifeboat and its associated deployment equipment would have been exceeded if the maximum POB proposed by the operator were all loaded in one boat. Because of this, NOPSA's view is that the Safety Case revision did not demonstrate that risks would be managed to as low as reasonably practicable.

Skills shortages for new facilities

NOPSA has been informed of plans to bring a number of vessels including MODUs into Australian waters. The issue of skills shortages has received national attention in the media recently, and finding the crews required to man these facilities will be a significant challenge for the Industry.

Operators have a duty to ensure people are properly trained, and that there are enough skilled people to operate facilities safely. Operators must ensure they have training resources and administrative arrangements in place to meet this foreseeable demand for more skilled employees.

Remember to consult with the workforce

Operators are reminded that it is a legal requirement that members of the workforce must be involved in the development or revision of a safety case. The regulations stipulate that this consultation with the workforce over the safety case must be documented. NOPSA has in the past rejected safety cases for, amongst other things, failing to meet the requirement of this regulation.

NOPSA also reminds operators of the requirement to have a policy relating to occupational health and safety which has been developed in consultation with members of the workforce, consistent with clause 3.(2)(i) of Schedule 7 of the PSLA 1967 (soon to be clause 9 (2)(i) of Schedule 3 of the OPA 2006).

Vessels in the Offshore Petroleum OHS Regime - guidelines removed

In response to a number of enquiries, NOPSA reminds operators that it has withdrawn its Guidance Notes which excluded certain vessels from being treated as facilities under the *Petroleum (Submerged Lands) Act 1967*.

Legal advice NOPSA received indicated that the Guidance Notes did not correctly interpret the existing legislation.

NOPSA is working with the Department of Resources, Energy and Tourism to change the *Petroleum (Submerged Lands) (Management of Safety on Offshore Facilities) Regulations 1996* (MoSOF) to specifically exclude vessels performing certain tasks from being 'facilities'. This would deliver more certainty to industry operators.

In the meantime, NOPSA advises that operators of vessels must obtain their own advice as to the whether their vessels fall under the category of 'facilities' or 'associated offshore places'

Register now for HSR forum

Online registrations for the [2008 HSR Forum](#)² to be held on 5 August at the Burswood Convention Centre are now being taken. The forum aims to present topical issues and advice for HSRs on how to be more effective in their role.

Nominations are invited for the 2007 Offshore Health and Safety Representative 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 will be required along with contact details of at least one referee. Nominations can be submitted by email to mtaylor@appea.com.au before Tuesday July 22.

APPEA Safety Conference soon

The [APPEA 2008 Safety Conference](#)³ to be held on 6, 7 August at the Burswood Convention Centre is fast approaching. The safety conference aims to bring together all players from the Australian oil

and gas industry to share the latest research and practice in health and safety. Some of the major changes in health and safety management over the last decade, particularly the role of organisational culture and leadership will be featured in the presentations.

If you have any queries regarding registration, please contact Miranda Taylor, senior safety advisor, APPEA on mtaylor@appea.com.au

Stakeholder relations

NOPSA's Melbourne office moves

Our Melbourne office has this month relocated to new premises at: Ground Floor, 493 St Kilda Road, Melbourne VIC 3004. All phone numbers will remain the same.

Please also note the alteration to the last line of the NOPSA Melbourne PO box address: PO Box 7104 St Kilda Road VIC 8004

Independent review team report released

A review of the operational effectiveness of NOPSA was recently completed, as required by law. The review was undertaken by a team of three independent safety experts. The review examined progress in bringing about improvements in the occupational health and safety of the offshore oil and gas industry since NOPSA commenced operations on 1 January 2005. [The report of the Independent Review Team](#)⁴, which is available through the Department of Resources, Energy and Tourism website, made 20 recommendations.

There are three main themes in the recommendations:

- consultation and stake-holder interaction,
- legislation/regulation changes to provide clarity
- advancing the overall safety regime/culture.

NOPSA is considering the recommendations and will develop actions to address the issues relevant to the Safety Authority. The proposed actions will be shared with stake-holders. There were also recommendations relevant to industry and government.

New Act proclaimed

NOPSA has been informed that the Offshore Petroleum Act 2006 (OPA 2006) has now been proclaimed - becoming effective from 1 July 2008. This will replace the Petroleum (Submerged Lands) Act 1967 (PSLA) in its entirety. Primarily, the OPA is a re-write of the PSLA in more modern drafting style, although there are some minor policy changes. A brief explanation of the [changes to the OHS provisions](#)⁵ is available on the NOPSA web-site. The PSLA's of the individual States and Northern Territory will not change, except where necessary, to allow reference to the OPA. The regulations under the PSLA 1967 will not change, but will apply under the OPA. The Safety Levies legislation will not change.

Website

Validation Policy and Guidelines

In response to an Industry suggestion, and following a six week comment period, NOPSA has revised its validation policy. This revised policy will be available on the website from 3 July. NOPSA has also taken three (internal) work instructions and combined them into one (external) guidance document, allowing industry personnel access to the same guidance provided to NOPSA inspectors. The new guidance document will also be available on the website from 3 July.

Thanks to those who provided comments to NOPSA on these documents.

Workshop presentations

Selected [presentations](#)⁶ from NOPSA's May workshops on noise and competency management are now available on its website.

Safety alerts

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](#)⁷ is required.

Industry performance figures

NOPSA collects and summarises data on the safety performance of the industry, and on its own regulatory performance. A [quarterly update](#)⁸ comprising a set of charts of significant key performance indicators are now available on its website. The indicators include:

- injury rates and total hours worked
- gas releases
- major and significant incidents

- fixed normally attended facilities inspected
- proportion of OHS inspectorate time

Regulatory activities

As at 26th June 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

| June 2008 | Submitted | Accepted | Rejected | Withdrawn | Under Assessment |
|------------------------|-----------|----------|----------|-----------|------------------|
| Assessment Type | 7 | 0 | 1 | 0 | 41 |
| Safety Case NEW | | | | | 5 |
| Safety Case REVISED | 6 | | 1 | | 17 |
| Safety Case | | | | | 1 |
| Pipeline SMP NEW | | | | | 2 |
| Pipeline SMP REVISED | 1 | | | | 1 |
| Diving SMS | | | | | |
| Diving Project Plan | | | | | |
| Scope of Validation | | | | | 14 |
| Field Development Plan | | | | | 1 |

Inspections

Nine inspections were conducted; the following issues arose:

- Failure of shut-down and blow-down valves
- Poor incident management
- Lack of performance KPIs
- Inadequate risk assessments
- Electrical equipment in hazardous areas
- Ignition controls
- Audit regimes
- Ageing facilities – vulnerability and degradation issues

Incidents and complaints

There were 29 incidents in total (27 Dangerous Occurrences and two Lost Time Injuries).

Major incidents included:

- Four dropped objects that could have caused death or serious injury
- One diving incident
- One ignited gas release
- One non-HC gas release

Significant incidents included:

- Two injuries - crushed finger and back injury from slip/trip/fall
- One electric shock
- Nine incidents of damage to safety-critical equipment
- One small and one potential gas leak
- Two slip/trip/fall incidents that could have caused incapacitation

Two complaints were received - one regarding bad work practices and one crane safety concern.

Enforcement

Three written advice/warnings were issued - one for non-compliance in hazardous areas and two for failure to report.

Four improvement notices were issued for the following:

- valves failing to meet performance standards
- poor watertight integrity
- non-hazardous rated equipment used in hazardous areas
- poor equipment design that would lead to equipment failure

Subscribe

[Past issues of this newsletter](#)⁹ 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](#)¹⁰ to receive future copies of this newsletter.

Find out more

¹ <http://www.nopsa.gov.au/safety.asp>

² http://www.appeasafetyconference.com.au/index.php?option=com_frontpage&Itemid=1

³ http://www.appeasafetyconference.com.au/index.php?option=com_frontpage&Itemid=1

⁴ <http://www.ret.gov.au/General/Resources-EP/Pages/NationalOffshorePetroleumSafetyAuthorityNOPSA.aspx>

⁵ <http://www.nopsa.gov.au/regs.asp>

⁶ <http://www.nopsa.gov.au/presentation/>

⁷ <http://www.nopsa.gov.au/alert/alert20.asp>

⁸ <http://www.nopsa.gov.au/document/Presentation%20-%20Key%20Performance%20Indicators.pdf>

⁹ http://www.nopsa.gov.au/CEO_emails/index.asp

¹⁰ info@nopsa.gov.au