

**From CEO John Clegg**

This is my final message as my five-year tenure as the inaugural CEO of NOPSA comes to an end on 30 June. Simon Schubach will be acting CEO until a permanent appointment is made. I would like to express my thanks to the many colleagues I have worked with and friends I have made in Australia's offshore petroleum industry during this time.

It has certainly been a rollercoaster five years since I began as the first employee of NOPSA in July 2004 with no staff, no systems or procedures, no offices, no stationery and no IT support. Since then we have built up a high quality health and safety regulator with 54 staff in Perth and Melbourne and with a complete suite of business and regulatory core processes all certified to ISO 9001.

NOPSA has worked closely with industry leaders in this time to elevate safety to a higher level of priority in the management agenda. Key outcomes include development of industry-wide common induction training; introduction of a suite of leading performance indicators and the formation of an industry CEO Safety Leadership Forum with a target of improving safety by 25 per cent each year.

Health and safety challenges remain however. Some of the more obvious are the need for regulatory clarity, improving leadership, training and competence, and finding ways of better involving the workforce and unions. I note also, across 391 incidents reported to NOPSA during the 12 months to the end of last quarter, the top three root causes were maintenance deficiencies, failure to follow procedures and poor equipment design.

I have prepared a more detailed [personal reflection](#) which outlines some of the issues and achievements in building up NOPSA from 'scratch'. This is now available on our website.

## Industry matters

**Reminder on assistance to NOPSA inspectors**

The vast majority of NOPSA inspections go smoothly, and usually every assistance is provided to NOPSA OHS inspectors in the course of their duty. However in the course of recent inspections NOPSA has been obliged to remind an operator that some of the most punitive penalties in the offshore regulatory regime apply to anyone found guilty of hindering inspection activity.

It is an offence for someone to engage in conduct that obstructs or hinders OHS inspectors in the exercise of their powers to enter and search facilities, regulated business premises (such as head offices related to the offshore facility), or other premises for which the inspector has a search warrant. The penalty for this offence is 50 penalty units.

There is case law that indicates a person could be guilty of obstruction if they prevent an OHS inspector from carrying out their duty, or make it more difficult for the inspector to carry out their duty.

The stakes are raised, however, when it comes to the provisions of clauses 73 and 74 of schedule 3 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, which require certain persons to provide assistance, and to answer questions or produce documents or articles. If the person subject to the provisions of these clauses does not provide reasonable assistance, or refuses to answer questions or produce articles with no reasonable excuse, then they could be imprisoned for six months. The persons subject to these clauses include: the operators of a facility, or their representative; the person in charge of operations at a workplace, or their representative; or a member of the workforce of a facility.

### **Learn from Baker Report – Recommendation 5**

The Baker Report, produced after a devastating process accident at the BP Texas City refinery in 2005, looks at safety culture and contains valuable lessons for industry today. The report called on the operator to give process safety the same priority it had historically given personal safety and environmental performance. Ten milestone recommendations were made by the Baker Report. Each recommendation is examined in a separate issue of this newsletter.

Recommendation 5: **Clearly defined expectations:** *Management should ensure accountability for process safety at all levels*

- The Baker Panel states plant manager commercial responsibilities should not take priority over safety and that performance contracts should reflect this. In addition, significant portions of the total compensation of managers and supervisors should be linked to meeting process safety performance indicators and objectives.

### **A wealth of safety alerts now available**

There are now more than 30 [safety alerts](#)<sup>1</sup> exploring a wide range of accidents and dangerous occurrences on the NOPSA website. The safety alerts have been developed by NOPSA inspectors to provide learning opportunities for industry. They range from topics such as inspection and maintenance of lifeboats, control of ignition sources, shut down valve failure to analysis of an engine room fire and diver safety. The alerts have been downloaded to a CD which is available from: [publications@nopsa.gov.au](mailto:publications@nopsa.gov.au)

NOPSA encourages industry and the workforce to use these safety alerts as part of their continuous improvement processes.

## Launch of new safety case guidance notes attracts wide industry audience

The launch and accompanying information session for NOPSA's first suite of safety case guidance notes in Perth attracted around 100 attendees from all facets of the offshore petroleum industry. The notes provide guidance on the safety case context, lifecycle management and content and level of detail.

Electronic versions of this first suite of [guidance notes](#) are on the NOPSA website together with a schedule of consultations for future guidance notes.



*Top Right: Audience at the launch. Bottom left: Matt Hort (Champion Risk Solutions) and Andrew Bolton (Technip and IMCA) with Simon Schubach (NOPSA). Bottom right: Ted Kirkbride (NOPSA) in discussion with Bill Bloking (NOPSA board chairman) and Mike Ollis (NOPSA board member).*

## Leadership the key to safety

A guideline, *Leadership Matters – The elimination of fatalities* produced by the International Council on Mining and Metals (ICMM) emphasises that the actions of senior leaders are fundamental to the elimination of fatalities. The concise six-page guideline provides checklists for senior leaders on their personal actions and the processes and activities they should ensure are in place in order to achieve the goal of zero fatalities in the industry. The guideline is available in the [library section](#)<sup>3</sup> of the ICMM website.

**NOPSA achieves ISO 9001 standard**

NOPSA has recently achieved ISO 9001 certification for its complete suite of business and regulatory core processes.

**International****Investigation update on Canadian helicopter crash released**

An [investigation update](#)<sup>4</sup> into the crash of a Sikorsky S-92A helicopter 30km off the Canadian coast has been released by the Transportation Safety Board of Canada. Initial findings from the investigation indicate that severely damaged tail rotor driver gears led to the accident which killed 17 people on March 12.

**Workers hurt in lifting incident**

Two workers in the Canadian oil and gas sector were injured when a lift sling dislodged from a winch hook that did not have a properly operating safety latch. A [safety alert](#)<sup>5</sup> from the International Association of Oil and Gas Producers outlines what went wrong and recommends corrective actions.

**New video on chemical safety**

The US Chemical Safety Board (CSB) has released a new [safety video](#)<sup>6</sup> showing the need for emergency response agencies, companies, and communities to work closely together to prepare for the kinds of tragic chemical accidents the CSB has investigated over the past decade.

**PSA to investigate collision**

The Norwegian Petroleum Safety Authority (PSA) has launched an [investigation](#)<sup>7</sup> into the collision of a vessel with an installation on 8 June.

This incident caused damage both to the structure, bridge and well equipment on the 2/4-W installation and to the vessel, and had the potential to be a major accident.

The vessel was heading towards the 2/4-X installation to carry out well stimulation work when it suffered an engine breakdown.

## Regulatory activities

### As at 26<sup>th</sup> June 2009

*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*

### Assessment

The following assessment activity was undertaken in June.

<b>June 2009 Assessment Type</b>	<b>Submitted</b>	<b>Accepted / Agreed</b>	<b>Withdrawn / Stopped</b>	<b>Rejected</b>	<b>In Progress</b>
Safety Case NEW	1				8
Safety Case REVISED	11	4			18
Pipeline SMP NEW					0
Pipeline SMP REVISED					3
Diving SMS NEW				1	0
Diving SMS REVISED					0
Diving Project Plan					2
Request for Exemption					0
Scope of Validation	4	3			7
Field Development Plan					1
	<b>16</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>39</b>

### Inspections

Nine inspections were conducted in June. The scope of these included verification of close-out of previous inspection recommendations and controls and systems related to the following:

- Helideck fire and explosion
- Hazardous Substances
- Maintenance management
- Permit to work
- MAE hazard "loss of containment from gas import/export piping or pipeline"
- Emergency communications, escape routes and evacuation systems.
- Integrated Safe System of Work
- Lifting operations
- Loss of position
- Diving operations

### Incidents and complaints

There were a total of 16 incidents and two complaints reported in June. Incidents included 15 dangerous occurrences and one lost time injury (LTI).

The major incidents included:

- three collisions (supply vessel and facility)
- one electric shock
- one flare boom damage

The significant incidents included:

- three hydrocarbon releases – two gas and one oil/water
- one LTI - fall from height (ladder)
- three could have caused Lost Time Injuries
  - one pile tension testing
  - two dropped objects
- four damage to Safety Critical Equipment
  - two valve-related
  - one insufficient firewater pumps
  - one wire rope

### **Enforcement**

Two enforcement actions were issued in June as follows:

- one prohibition notice to prevent introduction of hydrocarbons due to extensive fire damage of equipment
- one improvement notice related to the management of lifting equipment system

## **Subscribe**

[Subscribe to past issues of this newsletter](#)<sup>8</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>9</sup> to receive future copies of this newsletter.

## **Find out more**

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

<sup>2</sup> <http://www.nopsa.gov.au/guideline/#assessment>

<sup>3</sup> <http://www.icmm.com/library>

<sup>4</sup> [http://www.tsb.gc.ca/eng/medias-media/communiqués/aviation/2009/comm\\_a09a0016\\_20090618.asp](http://www.tsb.gc.ca/eng/medias-media/communiqués/aviation/2009/comm_a09a0016_20090618.asp)

<sup>5</sup> <http://info.ogp.org.uk/safety/>

<sup>6</sup> <http://www.csb.gov/videoroom/detail.aspx?VID=29>

<sup>7</sup> <http://www.ptil.no/news/psa-to-investigate-collision-on-ekofisk-article5653-79.html>

<sup>8</sup> [http://www.nopsa.gov.au/CEO\\_emails/index.asp](http://www.nopsa.gov.au/CEO_emails/index.asp)

<sup>9</sup> [info@nopsa.gov.au](mailto:info@nopsa.gov.au)