

**From CEO Jane Cutler**

As the newly appointed [CEO](#) of NOPSA, I look forward to working closely with all of our stakeholders to advance the health and safety of people working on our offshore petroleum facilities.

I have already started meeting with leaders and representatives from industry, the workforce, unions and relevant agencies as a first step to understanding NOPSA's future priorities. My aim is to build on NOPSA's achievements so far by focusing on NOPSA's key functions of promotion, monitoring and enforcement, investigation, advice, and cooperation.

The offshore petroleum industry will always face hazards - that is the nature of our sector. We all have a role to play to minimise the risks and NOPSA's role is to administer the legislation. We also all have a responsibility to learn from experience. Over recent years NOPSA and its activities have been examined by a number of independent reviews. I look forward to working actively with government and stakeholders to implement these important recommendations for improvement.

I look forward to meeting many of you in the course of my work. By working cooperatively together we can help to lift the health and safety performance of our strategically important offshore petroleum industry.

Industry matters

NOPSA's investigation into Montara wellhead leak underway

NOPSA's investigation into the safety related aspects of the uncontrolled hydrocarbon release from the Montara Wellhead platform is continuing. NOPSA's inspectors are conducting interviews and taking witness statements from relevant personnel as well as conducting an analysis of reports and documentation that the facilities' operators have been required to provide.

The investigation by NOPSA inspectors will seek to determine whether any breach of Schedule 3 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* has occurred and enable the dissemination of any lessons that could be of benefit to the industry

The Montara operator PTTEP is currently involved in activities to drill a relief well to stem the hydrocarbon release. Operators are obliged to properly control risks during these recovery activities. NOPSA has issued notices which require the operators to demonstrate that they have at least one effective well control barrier in place in the well from which the hydrocarbon release is occurring. A revised safety case, accepted by NOPSA, is also required before remedial activities on board the facilities can take place.

NOPSA is seeking to ensure that operators reduce any safety risks to people to a level that is as low as reasonably practicable (ALARP).

Commissions of Inquiry into major offshore incidents

The Minister for Resources and Energy, the Hon Martin Ferguson AM MP has introduced an amendment to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (OPGGSA) to provide for a broad-ranging major incident investigation power.

The amendment to the OPGGSA will provide powers to the responsible Commonwealth Minister to appoint a Commissioner to undertake a Commission of Inquiry into operational, human and regulatory factors where a significant offshore petroleum or greenhouse gas incident has occurred.

The amendment also includes 'near miss' incidents which may have led to a serious incident.

The findings from any such Commission of Inquiry could be made public, subject to the disclosure and privacy provisions of other legislation.

The Minister has announced to Parliament that he intends to make arrangements for an investigation using the Commission of Inquiry into the incident involving an uncontrolled leak of hydrocarbons from the Montara wellhead platform.

More focus on lifting operations needed

Recent incidents highlighted in international industry safety alerts indicate that offshore workers continue to be exposed to unnecessarily high risks from lifting operations where work procedures and documentation were inadequate.

Lifting operations continue to make up about 10 per cent of all incidents on offshore petroleum facilities in Australia with higher levels recorded in other international jurisdictions.

Safety alerts from the [International Marine Contractors Association](#)¹ include one example where workers were struck by a falling crane stop-striker plate, causing injuries. It was found the introduction of stop-striker plates had not been formally risk assessed and there was little documented history for the design and installation of the stop-striker plates.

Data from Australian industry collated by NOPSA indicates that human performance - procedures and training - are key factors in the root causes of many lifting operations incidents (see figure 1). While dogmen and crane drivers were involved in the majority of incidents, analysis of the equipment involved showed that lifting devices including cranes, monorails, pad eyes, winches, and chain-hoist blocks featured more heavily in incidents compared to equipment lifted and rigging (figure 2).

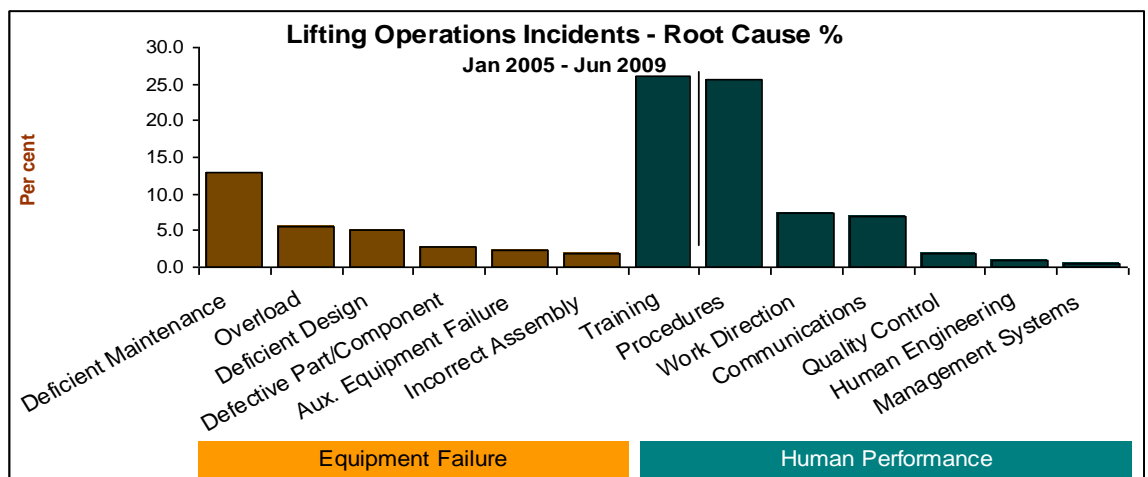


Figure 1: Training and procedures are key contributors to lifting operations incidents

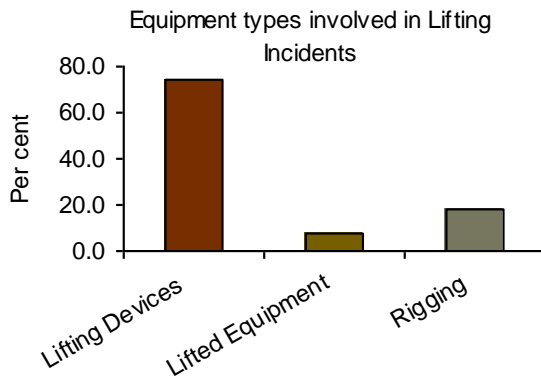


Figure 2: Results for types of equipment

Process safety metrics examined

The US Centre for Chemical Process Safety (CCPS) which is part of the American Institute of Chemical Engineers (AIChE) has published recommendations for a common set of company and industry leading and lagging [process safety metrics](#)².

The three types of metrics addressed are:

- “lagging” metrics – a retrospective set of metrics that are based on incidents that meet the threshold of severity that should be reported as part of the industry-wide process safety metric
- “leading” metrics – a forward looking set of metrics which indicate the performance of the key work processes, operating discipline, or layers of protection that prevent incidents
- “near miss” and other internal lagging metrics – the description of less severe incidents (below the threshold for inclusion in the industry lagging metric) or unsafe conditions which activated one or more layers of protection. These events are generally considered to be good indicators of conditions which could ultimately lead to severe incidents.

The CCPS Process Safety Metric committee recommends that all companies incorporate each of these three types of metrics into their internal process safety management system.

The Australian Petroleum Production and Exploration Association (APPEA) health, safety and operations (HSO) committee is currently trialling new leading indicators for health and safety with Australian industry members.

Lessons from Baker Report – Recommendation 7

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 7: Leading and lagging process safety performance indicators:

The Baker Panel recommended that an integrated set of leading and lagging performance indicators for process safety be developed, implemented, maintained and periodically updated. These indicators would serve refineries as well as be in general use across the refining and chemical industry. Participation at all levels of the organisation would be required to make these indicators effective.

What is a Facility – are you “in” or “out” of the offshore OHS regime?

How do you decide if the offshore operations you are engaged in are governed by the health and safety requirements administered by NOPSA?

A vessel or structure is defined as a facility depending on the activities being conducted and its location.

Once a vessel or structure is considered a facility, it falls under the jurisdiction of the occupational health and safety laws for offshore petroleum activities administered by NOPSA

The categories of activities in the facility definition include petroleum recovery, processing, storage, offloading of petroleum, accommodation, drilling and servicing wells, laying pipes and erection or dismantling of other facilities.

To be considered a facility, the vessel or structure must be located in Commonwealth waters or designated coastal waters and being used or prepared for use at that site. For example, vessels or structures within a port or outside the outer limits of the continental shelf are not facilities.

Some vessels or structures associated with petroleum operations are specifically excluded from this definition. These are:

- Off-take tankers
- Tugs or anchor handling vessels,
- Vessels used for supplying facilities or for travelling to or from a facility
- Any vessel or structure declared by regulations not to be a facility

If a vessel or structure does not fall within the activity-based definition of a facility, is not located as defined above or is in the list of exclusions then it is not within the offshore petroleum health and safety regime. However, such vessels or structures may be subject to maritime laws or State/Northern Territory safety laws.

Resources available for October Safe Work Australia Week

A wide range of resources has been developed to help businesses, organisations and individuals across the country to celebrate [National Safe Work Australia Week](#)³ which will be held from 25-31 October. Safe Work Australia has developed a safety education pack for OHS representatives which can be ordered from its website.

The pack includes a Safe Work Australia Week poster, fact sheets on workplace safety, suggestions for activities which could be held during the week, information on the new model OHS legislation and safety activities happening in all states and territories during the week and throughout the month of October.

NOPSA advisory board changes

Mr Bill Bloking, has resigned from the NOPSA advisory [board](#)⁴. Dr Lynne Chester is the acting chair. Mr Kym Bills has been appointed to the advisory board.

Stakeholder relations

Timor-Leste delegation visits NOPSA in Perth

Delegates from the parliamentary committee on economy, finance and anti-corruption of Timor-Leste attended briefing sessions conducted by NOPSA on the Australian offshore health and safety legislative framework and its administration.

Topics such as safety case assessment, planned inspection, enforcement and investigation were discussed.

International

Report on oil leak from refinery in Norway

The Petroleum Safety Authority of Norway (PSA) has published a [report of its investigation](#)⁵ into a condensate leak at the Kollsnes facility in May. The leak which was estimated at 12 tonnes did not ignite and no people were injured.

The PSA investigation found that though many work procedures were described in detail in the company documentation, there was a lack of compliance with these procedures.

International Regulators meet

The [International Regulators Forum \(IRF\)](#),⁶ an organisation representing ten global offshore petroleum government regulation agencies including NOPSA, conducted its annual meeting in Stavanger, Norway this month.

The forum provides an avenue for sharing of information on petroleum safety regulation between countries. Meetings are held each year and a major conference is held every three years. Topics on the agenda this year for member agencies included major incidents and investigations, lifeboat safety, helicopter transportation, asset integrity.

Regulatory activities

As at 30th September 2009

Assessment

The following assessment activity was undertaken in September.

September 2009 Assessment Type	Submitted	Accepted / Agreed	Recalled by Operator/ Returned by NOPSA	Rejected	In Progress
Safety Case NEW		1			8
Safety Case REVISED	6	3		1	14
Pipeline SMP NEW	1				1
Pipeline SMP REVISED					
Diving SMS NEW	1	2			1
Diving SMS REVISED					2
Diving Project Plan					
Scope of Validation	3	1			8
Field Development Plan					
	11	7	0	1	34

Inspections

Ten inspections were undertaken in September. Topics included:

- loss of containment
- emergency response preparedness
- management of radioactive sources
- controls in place for Asbestos Containing Materials (ACM)
- communication systems

Incidents and complaints

There were 20 incidents and one complaint reported in September, including:

Accidents

- a crushed thumb injury
- a person was knocked over and struck his head

Dangerous Occurrences

- two fires – electrical and waste skid
- one gas release from pressure transmitter (vibration fatigue)
- four unplanned events (faulty detectors, condensation and excess fuel)
- three safety-critical equipment failures (valve failure, blocked valve, deluge pipe failure)
- overfill incident (oily water sent to flare)

Complaint

- crane and slinging pipe transfers

Enforcement

There were two prohibition notices issued in September.

Disclaimer: Activity and incident quantities identified here may vary as further information becomes available.

Subscribe

[Past issues of this newsletter](#)⁷ 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](#)⁸ to receive future copies of this newsletter (indicate your first name, last name, position, company if applicable).

Find out more

¹ <http://www.imca-int.com/documents/core/sel/safetyflash/2009/>

² http://www.aiche.org/uploadedFiles/CCPS/Metrics/CCPS_metrics%205.16.08.pdf

³ <http://www.safeworkaustralia.gov.au/swa/SafeWorkAusWeek/SafeWorkAustraliaWeek/>

⁴ <http://www.nopsa.gov.au/board.asp>

⁵ <http://www.ptil.no/news/investigation-report-following-condensate-leak-at-kollsnes-article5815-79.html>

⁶ <http://www.irfshoresafety.com/>

⁷ http://www.nopsa.gov.au/CEO_emails/index.asp

⁸ info@nopsa.gov.au