

22 December 2009

Mr Ken Bowron
Executive Director
ENERGYSAFETY
PO Box 135
Cannington WA 6987

Dear Mr Bowron

PROPOSED ENERGY ACTS AMENDMENT BILL 2010

The Australian Pipeline Industry Association (APIA) would like to comment on EnergySafety's letter of the 4th December to gas pipeline licence holders in Western Australia concerning proposed amendments to the *Gas Standards Act 1972* (the Act). Such an amendment to the Act would impose significant compliance costs on the gas transmission industry but would provide no improved safety outcomes. It is not clear why such a proposal should be imposed upon the gas transmission industry.

The current regulatory approach in Western Australia, and other jurisdictions, delivers a satisfactory safety outcome in regard to Type B gas appliances installed on pipelines. APIA is not aware of any major safety incident involving a Type B gas appliance installed on a gas transmission pipeline in Western Australia.

Type B certification processes are typically targeted at businesses whose core activity is not focussed on gas supply. As the Act states, Type B gas appliances are those with a high gas flow that are either portable or fuelled from portable tanks. Gas appliances installed in such circumstances have a reasonable chance of being installed, serviced and maintained by technicians who do not work with gas infrastructure as their core activity. As such, it is appropriate that independent certification by an appropriately qualified Type B Gas Inspector is required.

On the other hand, holders of gas pipeline licences are in a fundamentally different situation. Transportation of gas, and the safe management of the equipment and infrastructure employed in the transportation of gas, is the primary business of gas pipeline licence holders. Given this, pipeline licence holders manage the risks associated with gas equipment through the application of AS2885, which is the highly respected Australian Standard for high pressure steel pipelines, as well as

through the employment of specialist gas pipeline personnel who ensure that activities are carried out consistent with the stringent standards placed upon a pipeline.

There appear to be no additional safety outcomes that might be achieved by requiring pipeline licence holders to comply with a section of the Act currently directed at entities whose core capabilities are not in the management of high pressure gas pipelines and vessels.

Requiring an independent Type B Gas inspector to certify the operation of Type B gas appliances on a pipeline effectively means every piece of maintenance work on a gas transmission pipeline in Western Australia will require certification. This will significantly add to gas pipeline licence holders' regulatory compliance costs. As stated these increased costs are unlikely to result in improved safety outcomes.

APIA objects to this proposed amendment to the Act which will impose increased compliance costs on the gas transmission industry with no improved safety outcomes.

If you wish to discuss this further please contact Steve Davies, APIA's Policy Advisor on (02) 6273 0577 or sdavies@apia.asn.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. Cartwright', with a long horizontal stroke extending to the right.

CHERYL CARTWRIGHT
Chief Executive