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**PIPELINE** industry

association Ltd



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Coal and Gas Strategy  
Department of Planning  
NSW Government  
Via email: [coalandgasstrategy@planning.nsw.gov.au](mailto:coalandgasstrategy@planning.nsw.gov.au)

#### **NSW COAL AND GAS STRATEGY SCOPING PAPER**

The Australian Pipeline Industry Association (APIA) welcomes the opportunity to comment on the Scoping Paper for the NSW Government's Coal and Gas Strategy. Before providing comment on the Scoping Paper, APIA suggests that it would be more appropriate to consider many of the issues it raises in a broader energy context for NSW.

Coal and coal seam gas are just two of the energy supply options available to NSW, and strategic policy decisions regarding the economic development of these resources should not be made within the context of these industries alone. The NSW energy market is predominately supplied by conventional natural gas and significant infrastructure investment has already brought to market to support this efficient, reliable and clean energy supply.

The interactions between coal seam gas and the domestic gas market has important implications regarding energy pricing for NSW energy consumers which needs to be assessed as part of the strategy development. APIA recommends that at a minimum the scope should be broadened to include an assessment of the implications for the NSW energy market, whilst the more strategic objective of delivering an energy strategy for NSW may deliver increased value from a public policy perspective.

The strategic approach taken by the West Australian Government in the ongoing development of its Strategic Energy Initiative Energy2031 considers many of the issues raised in this Scoping Paper in a much broader energy context. Unlike the situation in WA, there is also benefit in the NSW Government considering the energy issues of its neighbouring states when preparing a Strategy.

APIA understands that there is also an urgent need to address significant social and environmental concerns regarding the coal and coal seam gas industries. APIA suggests the development of a separate more targeted strategy to resolve these issues to the satisfaction of key community and industry stakeholders without delay.

With the Scoping Paper as it stands, there is one issue that APIA would like to raise for consideration.

### **Pipeline route selection**

APIA is concerned with the statement on page 6 of the Scoping Paper that:

*Where possible, and environmental impacts can be successfully managed, the Government prefers gas pipelines to be laid in utility corridors such as road corridors or travelling stock routes.*

APIA is aware that the former NSW Planning Minister made statements reflecting the above intent concerning the proposed Narrabri-Wellington Pipeline. These were followed in March this year with a policy proposal by the former Premier of NSW that a re-elected Keneally Government would:

*Ensure future approvals for gas pipelines are conditional on being located on public land corridors and travelling stock routes to avoid agricultural land.*

There is not any factual basis for this position. APIA appreciates that there are current community concerns with the relatively new coal seam gas industry in NSW regarding its possible impact on agricultural land. However, the new coal seam gas industry is substantially different from the gas transmission industry which has been operating in Australia for over 40 years and in NSW for 35 years.

Gas transmission pipelines have substantial flexibility as to where they are placed, whilst the location of coal seam gas infrastructure is largely dictated by the location of the coal seam gas reserves. Pipeline designers have always been cognisant of avoiding areas where a conflict may arise, and have a good history of working with land holders to identify the most appropriate locations for pipelines.

There is no evidence to suggest that, once installed, a gas transmission pipeline has any impact on agricultural land use. The construction phase of a pipeline's life is likely to be disruptive to land use, and pipeline companies work with land holders to ensure this disruption is minimised. It is important to note that the construction phase of a pipeline is measured in months, and the disruption to individual land holders is well less than the total construction time. This should be compared to the typical design life of a gas transmission pipeline which is measured in decades. Once construction is complete, a pipeline is buried and the land above it is rehabilitated. In almost all cases, the land use that existed pre-construction can be resumed.

In Victoria, there are over 4,000km of gas transmission pipelines running almost entirely through agricultural land. APIA is not aware of any agricultural land that has lost use or productivity as a result of the placement of a gas transmission pipeline.

Finally, the preference expressed in the Scoping Paper that gas pipelines are laid in utility corridors ignores important implications for public safety. Unlike all other forms of linear infrastructure, gas and petroleum pipelines have to consider impacts to public safety over an area that extends well beyond their immediate vicinity. In the event of a full bore rupture, gas and petroleum pipelines can cause significant damage across any area spreading hundreds of metres distant from the pipeline. Such events are very rare and none have occurred in Australia for over 20 years. It is due to the diligence of the Australian pipeline industry that this is the case and the industry works hard to maintain its enviable safety record. Pipelines must be designed to take into account worst case scenarios, and for this reason it is the preference of pipeline designers to ensure the pipeline route

poses the fewest risks to a pipeline's safety and the fewest consequences to the surroundings of a pipeline in the event of a full bore rupture.

The greatest threat to a pipeline's safety, and the threat which is least under a pipeline operator's control, is third party interference. Since 2001, 86% of all pipeline incidents have been as a result of third party interference.

Road corridors are locations where other utilities such as power, telecommunications and water tend to be concentrated. The excavations associated with road or utility work present a risk to pipelines that is easily avoided by not co-locating pipelines with these other types of infrastructure unless it is necessary.

Further, road corridors tend to have greater densities of people and infrastructure along them, increasing the consequences in the event of a full bore pipeline rupture.

The increased risks and consequences can be dealt with in a large part in the design of a pipeline, but no amount of design can account for all the risk. Necessary design features will increase the costs of a pipeline, and ultimately increase the cost of gas for consumers in NSW. The best risk mitigation tool available to pipeline designers is to avoid risk all together. Forcing pipelines to be placed in road corridors wherever possible is not a sound policy.

If you wish to discuss any of this information further, please contact me on (02) 6273 0577 or at [sdavies@apia.asn.au](mailto:sdavies@apia.asn.au).

Yours sincerely



STEVE DAVIES  
Policy Adviser