



Queensland

Petroleum and Gas (Production and Safety) Amendment Regulation (No. 2) 2011

Explanatory Notes for SL 2011 No. 112

made under the

Petroleum and Gas (Production and Safety) Act 2004

General outline

Short title

Petroleum and Gas (Production and Safety) Amendment Regulation (No. 2) 2011.

Authorising law

Sections 669, 734(3)(b) and 859 of the *Petroleum and Gas (Production and Safety) Act 2004*

Policy objectives and reasons for them

The policy objective of the present amendments is to ensure issues with implementing regulatory amendments made in April 2011 are solved prior to those amendments commencing on 1 July 2011.

In April 2011, the Petroleum and Gas Inspectorate conducted information sessions for gasfitters throughout Queensland. The relevant amendments contained in the *Petroleum and Gas (Production and Safety) Amendment*

Regulation (No. 1) 2011 SL44 (the Amendment Regulation) were discussed at those sessions and issues with implementing those amendments were raised. The present amendments address these issues and will need to commence immediately after sections 13, 14(1) and 29(2) of the Amendment Regulation commence (i.e. 1 July 2011).

An additional amendment updates a reference to a document in Schedule 1 of the *Petroleum and Gas (Production and Safety) Regulation 2004* (the Regulation).

Achievement of policy objectives

1. Compliance plate for gas installations

Section 13 of the previous Amendment Regulation (SL44) once commenced will insert section 91B into the Regulation. This amendment will make it a requirement for gasfitters installing a gas system or part of a gas system at a location other than an operating plant to affix a compliance plate to the interior surface of the door of the electrical meter box of the premises.

However, further amendments are necessary to provide for the range of installation situations that may arise. This includes installations in commercial and industrial properties such as TAFE institutions and shopping centres where there are multiple buildings or spaces potentially occupied by different entities and on premises where electricity is not used or unavailable. The present amendment will prescribe locations for all situations.

2. AS/NZS 5601 'Gas installations' (2010)

Section 7 of the Regulation provides that a standard, code or other document listed in Schedule 1 is prescribed as a safety requirement. The document can be a mandatory or preferred standard.

On 1 July 2011, AS/NZS 5601:2010 will replace AS5601:2004 as a preferred standard. Section 7(4) of the Regulation refers to preferred standards. Subsection (4)(a) states that "a person who complies with the document complies with the safety requirement." However, subsection (4)(b) provides that a person may comply with the safety requirement without complying with the document if the person notifies the chief inspector that the person is not complying with the document and they can prove the level of risk for the activity or thing is not greater than what it would be if the standard is followed.

Sections 3 to 6 of AS/NZS 5601:2010 part 1 and sections 3 to 9 of AS/NZS 5601:2010 part 2 provide detailed information as a means of compliance with the performance criteria.

Section 2 of AS/NZS 5601:2010 parts 1 and 2 allow the design of gas installations to be performance based. This means the design does not have to comply with the compliance sections of the standard if the level of safety, convenience and efficiency of operation is not less than that required under the compliance sections. This is a new section in the standard and in some respects mirrors the intention of sections 7 and 7A of the Regulation.

The issue that arises is that when gasfitters decide to follow the performance-based approach under section 2 of the new standard, they would be complying with the standard as the standard permits this approach. Thus, section 7(4)(b) of the Regulation would not apply and there would be no requirement to notify the chief inspector under section 7(4)(b).

The present amendment clarifies that all of the standard including sections 3 to 6 of Part 1 and section 3-9 of Part 2 of the standard would have to be complied with in order to comply with the standard. Thus if someone only complies with the performance based section 2 in Part 1 or 2 they will not comply with the preferred standard and so section 7(4) (b) of the regulation will apply.

3. Amendment to Schedule 1

The reference to "'Plant advisory standard' published in 2000 by the Division of Workplace Health and Safety, Department of Industrial Relations" is out-of-date and will be replaced by the "Plant Code of Practice 2005". It is published by Workplace Health and Safety Queensland, Department of Justice and Attorney-General.

Consistency with policy objectives of authorising law

The Regulation is consistent with the main purpose of the *Petroleum and Gas (Production and Safety) Act 2004*, including to facilitate and regulate the carrying out of responsible petroleum activities and the development of a safe, efficient and viable petroleum and fuel gas industry, in a way that creates an effective and efficient regulatory system for the carrying out of petroleum activities and the use of petroleum and fuel gas.

Inconsistency with policy objectives of other legislation

The subordinate legislation is not inconsistent with any policy objectives of any other legislation.

Alternative ways of achieving policy objectives

1. Compliance plate for gas installations

The department has considered prescribing the locations for the compliance plates in an approved form but this will need to be discussed with the Office of the Parliamentary Counsel (OQPC) to ensure it is within the power to make approved forms.

Western Australia has issued a guideline regarding the approved locations to fix compliance plates for different types of installations. New South Wales, the Australian Capital Territory, Victoria and Tasmania prescribe the location for attaching the compliance plates in their regulations.

2. AS/NZS 5601 'Gas installations' (2010)

The alternative option is to not make any amendments. If the present amendments to section 7 are not made, the chief inspector will not be notified if a gas system installer decides to follow the performance-based approach under section 2 of AS/NZS 5601:2010. This will also mean deviations from the compliance sections of the standard will not be included in the 'register of standards exceptions under section 7 and 7A of the regulation'. Including this information in the register will be beneficial to gasfitters as they can check the register if they come across an installation that appears non-compliant to see if it is compliant via a performance-based approach.

Benefits and costs of implementation

1. Compliance plate for gas installations

The compliance plates are expected to cost around \$4 each. The requirement for gasfitters to fix a compliance plate to the electrical meter box of the premises when installing gas systems will allow gas suppliers, gas system owners, gasfitters and gas inspectors to identify easily the history of the gas installation. This is already a requirement in New South Wales, Western Australia and Tasmania.

There is the possibility for the cost of the compliance plate to be passed on to customers but the amount is minimal.

2. AS/NZS 5601 'Gas installations' (2010)

The department does not expect this amendment to place additional burden on gas system installers because, under the current requirements, gas system installers must notify the chief inspector when the preferred standard (AS 5601:2004) is not followed. Under section 2 of AS/NZS 5601:2010 parts 1 and 2, gas system installers need to make sure that, if the gas installations are designed to the performance requirements of section 2, the level of safety, convenience and efficiency of operation is not less than that required under the compliance sections. Such notifications to the chief inspector are ultimately beneficial to gasfitters, installers and the gas industry, as the information becomes available on a public register.

Consistency with fundamental legislative principles

The present amendments have been drafted with regard to the fundamental legislative principles and are considered to comply with these principles.

Consultation

A consultation paper detailing the proposed amendments contained in the Amendment Regulation was sent to the Master Plumbers' Association of Queensland, which represents some gasfitters, for comment on 20 December 2010. No feedback was received regarding the compliance plate and AS/NZS 5601 amendments.

In April 2011, the Petroleum and Gas Inspectorate conducted information sessions for gasfitters throughout Queensland. The feedback from these sessions led to the identification of the need for the present amendments.

The Inspectorate conducted further consultation with some gasfitters on 6 May 2011. Advice received suggested that most electrical switch boxes in commercial premises are locked requiring electrical competence to safely access, and that attaching compliance plates to regulators and meters owned by gas distributors would create problems for industry. Attaching compliance plates adjacent to these components was considered to be more practical.

This advice has been considered and is reflected in the amendments to section 91B(4) for the prescribed way to attach a compliance plate.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Department of Employment, Economic Development and Innovation.

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