



28 March 2018

Mr Neil Jenkins  
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By e-mail: [Neil.Jenkins@energysafe.vic.gov.au](mailto:Neil.Jenkins@energysafe.vic.gov.au)

Dear Mr Jenkins

### **Proposed Regulations – Remaking of Gas Safety Regulations**

Origin welcomes the opportunity to respond to Energy Safe Victoria's (**ESV**) proposed regulations for the remaking of the *Gas Safety (Safety Case) Regulations 2008* and *Gas Safety (Gas Installations) Regulations 2008*.

As you are aware, Origin provided feedback on a number of occasions in the past as part of ESV's consultation process. Origin's comments on ESV's latest draft regulations and discussion papers are set out in the following pages.

Should you wish to discuss this submission further, please contact [REDACTED]

Yours sincerely,

[REDACTED]  
[REDACTED]  
[REDACTED]

## **Flexibility in safety case management**

The proposed *Gas Safety (Safety Case) Regulations 2018* include a new allowance for a gas company to apply for an exemption from the regulations with respect to its Safety Case (Regulations 50). Origin is supportive of this increased flexibility and believes that it would encourage a 'fit for purpose' approach for any unique circumstances.

## **Mixed LPG**

Origin is supportive of the proposed amalgamation of the *Gas Safety (Gas Quality) Regulations 2017*. However, we would bring to ESV's attention, feedback provided by Origin during a prior consultation forum in November 2016.

Origin previously expressed a need for further measures to increase flexibility in terms of the proportion of butane and propane allowed in LPG for consumer use in order to address the falling demand for butane as a result of the declining autogas industry.

As a consequence of this decline, there is now a material imbalance between production of propane and butane molecules versus LPG consumption (being predominantly propane). As a result, there will be material quantities of butane produced in Victoria (and other parts of Australia) that will have no ready market. This will drive a great deal of inefficiency in the LPG supply chain as butane molecules are forced to be exported overseas. The cost associated with having to move butane molecules away from the source of production and move propane molecules in their place will likely be substantial, and inevitably borne by consumers.

In order to address this issue, we recommend creating a regulatory structure which allows more flexibility in terms of the proportion of butane and propane molecules allowed in LPG for consumer use. This will require a regulatory framework which is supportive of a phase out of propane-only rated appliances and the introduction of universal LPG-rated appliances in their place, as well as support for a wider range of butane and propane blends to be supplied to consumers. Similar regimes are already in place in New Zealand and the Philippines.

If ESV is amenable to this proposed framework, the LPG industry may then develop an implementation process to safely manage the transition of legacy installations in the market.

## **Authorised Dealers**

ESV has indicated that it does not intend for Authorised Dealers of gas companies (being independent operators who purchase gas from the gas company and on-sell to their own customers) to be included in the relevant gas company's safety case. Origin would suggest that this position be clarified in the regulations.

## **Origin letter of 2 August 2017**

We would also draw your attention to our letter of 2 August 2017 responding to a prior request for feedback. Origin strongly encourage ESV to consider the matters raised in this correspondence in order to drive further improvements in the safety performance of the LPG industry. The substantive arguments of our letter are summarised below for your reference:

- **Process for complex installations / Type B appliance approval**

Origin believes that gas suppliers do not currently have adequate visibility with respect to the overall safety and compliance of new complex installations. For example, gas suppliers are not informed when an acceptance application is lodged, making it challenging to form a comprehensive view on the overall compliance of complex sites.

Origin suggests that gas suppliers be notified when a relevant acceptance application is lodged and/or upon ESV's approval of the complex installation or Type B appliance. Improved information technology systems could be utilised to provide greater visibility of these types of workflow processes, and would assist to enhance collaboration between relevant stakeholders including the installer, gas supplier, ESV and the Victorian Building Authority (VBA).

- **Incorrectly issued Compliance Certificates**

VBA Compliance Certificates are occasionally issued incorrectly by licensed professionals for a complex site. Under current requirements, the obligation is placed on the gas supplier to avoid supplying to a complex site unless an ESV approval notice is obtained. Where none is available, the burden typically falls on gas suppliers to assist with rectifying the situation. Origin would suggest a more robust approach to address this industry-wide issue.

- **Consumers using gas meant for commissioning purposes only**

The *Gas Safety (Gas Installation) Regulations* allow gas to be supplied to new installations for commissioning purposes. Occasionally, consumers commence using gas from LPG cylinders, which have been provided for commissioning purposes, prior to receiving the relevant approvals. Whilst Origin's current practice is to provide cylinders filled with only a minimum amount of gas for commissioning, we believe that additional requirements may be needed to prevent the misuse of LPG cylinders as outlined in this scenario.