

Gas Safety (Safety Case) Regulations 2018

Statement Of Reasons (May 2018)

Purpose

The 2016 Victorian Guide to Regulation: A handbook for policy-makers in Victoria requires the preparation of a 'statement of reasons' explaining how the general issues raised in the public comments/submissions have been addressed in response to the proposed draft regulations and regulatory impact statement (RIS). The statement is to be published on the same website used to consult during the remaking process.

No RIS was prepared because the impact of the proposed regulations was below the threshold requiring a RIS. Energy Safe Victoria has prepared this statement, nonetheless, to assist stakeholders; it will be published on the ESV website and provided to those that made submissions.

Background

On 23 June 2017, 108 stakeholders were invited to provide general comment in relation to the operation of the Gas Safety (Safety Case) Regulations 2008. The main feedback received was in relation to the scope of the remaking process and other matters of some relevance, such as, other policy drivers for the creation of embedded gas networks and desirability of flexibility for revised safety cases.

On 19 September 2017, ESV issued a discussion paper to 117 stakeholders on the remaking of the Gas Safety (Safety Case) Regulations for comment by 6 October 2017. The paper raised a number of questions in relation to the regulations and their administration. In general terms, the issues raised covered:

1. Flexibility of the current framework;
2. Use of assurance outputs to better determine compliance and opportunities for improvement;
3. Definition of 'safety management system' and 'safety policy';
4. Identification of who authorises safety cases;
5. Fees for assessment, validation and annual oversight of safety cases; and
6. Inclusion of Gas Safety (Gas Quality) Regulations

The responses generally addressed the issues raised. Other comments received related to matters which are outside the regulations, such as, the number of regulators who may interact with a gas company, and whether hydrogen should be used in the natural gas networks. A number of the issues raised may be dealt with administratively.

Stakeholder forums held on 10 November 2017 (natural gas distributors and LP Gas suppliers) and 14 November 2017 (natural gas retailers) involved more detailed discussions of the changes proposed by ESV. These included focus on each proposed regulatory change, and enabled identification of additional relatively minor issues for clarification or amendment.

Change from the exposure draft

An exposure draft of the proposed regulations and an explanatory discussion paper were released on 26 February 2018. They were made available via ESV's website, and promoted in the Victoria Government Gazette and two major daily newspapers. The final date for submissions was 27 March 2018.

Eight submissions were received in relation to the remaking of the Gas Safety (Safety Case) Regulations.

One change to Exposure Draft

Since drafting the proposed regulations, AS4670 has been updated.

Change 1 – Update to reference to Australian Standard 4670

The Table of ‘Applied, Adopted or Incorporated Matter’ at the back of the regulations has been updated to reflect this. The definition of AS4670 requires no change and includes reference to published amendments, which may be made from time to time.

The submissions received did not point to any need to amend the proposed regulations, so no other changes are proposed.

Other matters raised

Comments received point to a number of issues which fall outside the scope of regulations and many of which are part of ESV’s broader regulatory program.

These matters are summarised below:

	Stakeholder comment	ESV response
1.	The scope of safety cases should be expanded to allow mandatory and voluntary safety cases to fall within the one safety case	The Gas Safety Act separates out safety cases from gas companies from ‘voluntary’ safety cases for complex gas installations and Type B appliances. The safety cases address different safety requirements. This issue is most properly considered through any review of the Gas Safety Act.
2.	Person responsible for a safety case should have the endorsement of the organisation responsible for the facility. This will enable the organisation’s head to have comfort that those responsible for facilities understand safety cases and can manage emergency incidents accordingly.	ESV is of the view that the key signatory’s authority or competency in understanding safety cases is an internal matter for the organisation.
3.	Independent distributors of LP Gas should not be covered by safety cases of gas companies	The handling practices of distributors and agents is covered by the dangerous goods regime, and does not require duplicate coverage by the gas safety case regime. ESV will issue guidelines that will clarify that entities do, or do not, need to be included in gas safety cases.
4.	Principles of safety cases should align with principles set out by the Australian Inter-service Incident Management System (AIIMS) for emergency management.	AIIMS is a framework for incident control. While the framework involves pre-planning and preparedness, it does not focus on the cause of an incident and has more direct application to event management once an incident has occurred. Safety cases provide for earlier interventions to avoid incidents from occurring and do not involve the same entities that are involved in incident response (police, fire etc.). Regulation 18 of the current regulations requires a gas company’s safety case to have an explanation of emergency preparedness arrangements.
5.	ESV should work within an agreed timeframe in which to make decisions on acceptance of safety cases.	This is an administrative matter ESV supports its intent. ESV will provide guidelines setting out the process it will use and expectations on both the regulated and ESV.

<p>6.</p>	<p>Safety case requirements for gas retailers should not include gas quality, as responsibility for this rests with AEMO and upstream gas companies.</p>	<p>It is a requirement of the Gas Safety Act that gas companies ensure, as far as practicable, that gas meets the prescribed standards of quality. ESV recognises that the controls over gas quality may vary from transmission to distribution to retail.</p> <p>The safety case framework allows differing levels of responsibility to be described.</p>
<p>7.</p>	<p>'Standard form' templates for multi-asset companies in multiple jurisdictions are not supported.</p>	<p>ESV will provide templates to assist smaller businesses with relatively low risk operations prepare their safety cases: their use will not be mandated. They are unlikely to be suitable for gas companies with more complex arrangements and risk profiles.</p>
<p>8.</p>	<p>ESV should streamline its safety case requirements with other regulators, so that common information can be utilised.</p>	<p>ESV will seek the agreement of other regulators, notably NOPSEMA and WorkSafe, to allow the use of common information where there this permitted by law.</p>