

NSW Pipelines and Gas Supply Proposed Legislation Amendments

Consultation Paper
Industry Briefing

September 2024



Acknowledgment of Country

We acknowledge that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history. We pay respect to Elders past and present and commit to respecting the lands we walk on, and the communities we walk with.

Artwork:
Regeneration by Josie Rose



Agenda



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Context and
scope

2

Proposed
amendments &
why they are
needed

3

Next steps and
timeline

4

Q&A session

Context and scope

Consultation period-commenced

From: 21 August 2024

To: COB 10 September 2024



In scope



Pipelines Act 1967



Gas Supply Act
1996

Out of scope

Pipelines Regulation
2023

Gas Supply (Safety
and Network
Management)
Regulation 2022

What are the proposed amendments being consulted?

Expansion of government inspector powers to investigate incidents.

Penalty-related amendments:

- Update of penalties to ensure they remain appropriately dissuasive, including accumulating penalties for ongoing non-compliance for certain offences.
- New provisions proposed to be introduced with related offences and penalties.
- Increases to local court penalty limits.
- Introduction of penalty infringement and show cause notices to align with comparable energy legislation.

Improved governance of end-of-life gas supply and pipeline operations and infrastructure management.

Additional refinements to streamline the NSW pipeline and gas supply regulatory framework, ensuring alignment with industry standards, clarity in responsibilities and enhanced operational effectiveness.

Expanded government inspector powers for incident investigation

Investigative powers	Pipelines Act		Gas Supply Act	
	Current	New	Current	New
Powers of entry – without a warrant	<ul style="list-style-type: none"> Any lands in respect of which an authority to survey is in force or any licence area 	<ul style="list-style-type: none"> Residential access only for easements (and related access) 	<ul style="list-style-type: none"> Residential access only to read a gas meter or with consent Any other premises 	<ul style="list-style-type: none"> Current residential access plus to pipes or system of pipes used to convey or control gas, and any associated fittings and equipment
Powers of entry – with a warrant		<ul style="list-style-type: none"> Ability to apply for a warrant to access any other lands, including other parts of a residential premises 		<ul style="list-style-type: none"> Ability to apply for a warrant to enter any other parts of a residential premises
Investigative powers	<ul style="list-style-type: none"> Inspect materials to determine failure causes Take samples of conveyed substances Require production of information or documents Require reasonable access and assistance to sites 	<ul style="list-style-type: none"> Seize materials for custody Assume ownership of failure reports and data Take custody of incident sites 	None	<ul style="list-style-type: none"> Inspect materials to determine failure causes Take samples of conveyed substances Seize materials for custody Assume ownership of failure reports and data Disconnect gas supplies for safety reasons Require production of information or documents Require reasonable access and assistance to sites Take custody of incident sites
Offences and penalties	<ul style="list-style-type: none"> Failure to surrender inspector certificates Obstruction of government inspectors Contravention of notice to stop activity 	<ul style="list-style-type: none"> Failure to comply with directions issued by government inspectors 	None	<ul style="list-style-type: none"> Failure to surrender inspector certificates Failure to provide reasonable assistance or accurate information Failure to comply with directions issued by government inspectors

Penalty-related amendments (1/2)

NSW does not index penalties and some penalties have not been updated for 20 years

NSW Legislation

- One penalty unit = \$110
- Not indexed annually
- Some penalties have not been updated for more than 20 years
- Pipelines Act: Lowest maximum penalty amount is 10 penalty units (\$1,100 fine)



QLD Legislation

- One penalty unit = \$161.30
- Indexed annually
- Petroleum and Gas Act: Lowest maximum penalty amount is 40 penalty units (\$6,452 fine)
- Has up to 500 penalty units (\$80,650 fine) allocatable to individuals interfering with gas works –nearly 8x more than NSW



VIC Legislation

- One penalty unit = \$197.59
- Indexed annually
- Pipelines Act: Lowest maximum penalty amount is 5 penalty units (\$988 fine)
- Has up to 240 penalty units (\$47,421 fine) allocatable for third party damage to pipelines –20x more than NSW

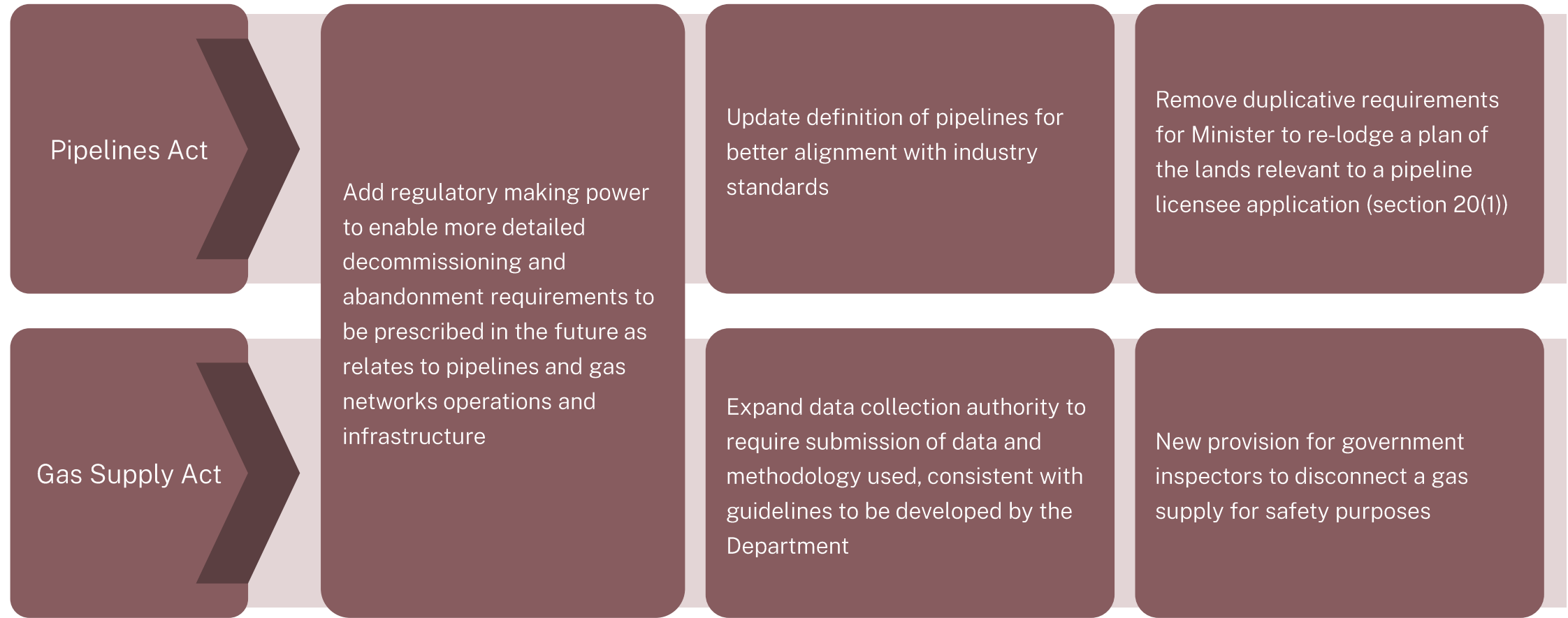


Penalty-related amendments (2/2)

New provisions proposed to be introduced with related offences and penalties

Clause to be introduced	Proposed new provision and offence	Rationale for proposed provisions					
		Improved consistency in handling complementary legislation	Improved safety outcomes				
Pipelines Act							
Requirements in relation to carrying out of certain excavation work	Replicate section 64C from the Gas Supply Act and 63Z from the Electricity Supply Act. Maximum penalty – <ul style="list-style-type: none"> • 5,000 penalty units for a corporation • 1,000 penalty units for individuals 	✓	✓				
Notification of damage to underground pipelines	Replicate section 64D from the Gas Supply Act and 63ZA from the Electricity Supply Act. Same as above.	✓	✓				
Gas Supply Act							
Damaging gas network assets	Replicate section 64 from the Pipelines Act. Maximum penalty – <ul style="list-style-type: none"> • 10,000 penalty units for a corporation • 5,000 penalty units and/or 5 years imprisonment for individuals 	✓	✓				
Compliance with government inspector directions in relation to third party network damage	<table border="0"> <tr> <td>Maximum penalty –</td> <td>Maximum penalty for each day that the offence continues –</td> </tr> <tr> <td> <ul style="list-style-type: none"> • 5,000 penalty units for a corporation • 1,000 penalty units for individuals </td> <td> <ul style="list-style-type: none"> • 500 penalty units for a corporation • 100 penalty units for individuals </td> </tr> </table>	Maximum penalty –	Maximum penalty for each day that the offence continues –	<ul style="list-style-type: none"> • 5,000 penalty units for a corporation • 1,000 penalty units for individuals 	<ul style="list-style-type: none"> • 500 penalty units for a corporation • 100 penalty units for individuals 		✓
Maximum penalty –	Maximum penalty for each day that the offence continues –						
<ul style="list-style-type: none"> • 5,000 penalty units for a corporation • 1,000 penalty units for individuals 	<ul style="list-style-type: none"> • 500 penalty units for a corporation • 100 penalty units for individuals 						
Both Pipelines and Gas Supply Acts							
Penalty infringement and show cause notices	Add regulatory making power to enable penalty notice amounts to be prescribed in future and consulted on, along with other updates to the Pipelines and Gas Supply Regulations		✓				

Improved end-of-life governance and additional refinements to streamline the regulatory framework



Next steps



Consultation paper available from NSW Have Your Say consultation page at: <https://shorturl.at/9Az6g>

Or use the adjacent QR code:



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