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Energy Safe Victoria

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RE: Consultation on *Draft Energy Infrastructure Safety Case Guidelines*

Thank you for the opportunity to participate in consultation on the *Draft Energy Infrastructure Safety Case Guidelines* (Guidelines). South East Australia Gas Pty Ltd (SEA Gas) is the operator of the SEA Gas Pipeline System under pipeline licence (PL) 239 and the Mortlake Pipeline System under PL 259 and has responsibility for preparing the respective safety cases for each of these assets.

While SEA Gas acknowledges that the Guidelines generally provide sufficient information to enable preparation of a Safety Case, there are three aspects of the guidelines that are of concern to SEA Gas:

1. The timeframe for Energy Safe Decisions.
2. Insufficient specification of minimum requirements to enable transition to a safety case that does not require frequent revision.
3. The need to avoid duplication of regulatory requirements or inconsistencies between:
 - (a) The Gas Safety Act 1997
 - (b) The Pipelines Act 2005
 - (c) AS 2885.3

The Timeframe for Energy Safe Decisions

The proposed timeframes for Energy Safe Victoria (ESV) decisions will compromise safety, compliance, and fails to respond to the unprecedented rate of change in the energy industry as we move through the energy transition, despite significant increases in pipeline license fees in 2023. Timeframes present an unfair risk to operators, who will either need to defer improvements to a Safety Management System for up to nine months to enable ESV to review a minor amendment to a Safety Case or be exposed to action for non-compliance with an accepted Safety Case.

Section 36 of the Gas Safety (Safety Case) Regulations 2018 requires regular and systematic improvement of the safety management system and its implementation to improve the safety of the facility and its operation. *AS 2885.3 Clause 2.3.2.7* also has mandatory requirements for review of a Pipeline Management System to ensure its effectiveness and appropriateness and to reflect changes to the elements that make up the Pipeline Management System (such as the Pipeline Integrity Management Plan). It is impractical to factor in a review process of up to nine months for ESV before implementing improvements and updates without compromising the safety of an asset. It also seems

inevitable that by the time ESV has finished its review there will be a need for further change creating a continuous cycle of acceptance, and unnecessary resource burden on operators.

To illustrate the concern, the Safety Case for the Mortlake Pipeline System was accepted in June 2024 after a twenty-seven month acceptance process. The documents that comprise the safety case, as noted on the acceptance letter, and their next subsequent review date (in line with the review period documented in the safety case and aligned with AS 2885.3) are summarised in the table below:

Document	Planned Review Dates in five year period to June 2029	Maximum Review Requirement AS 2885.3	Review Requirement Safety Case
The Safety Case Mortlake Pipeline System (MOR_TECH-PO-001) Dated 22 March 2024	October 2025 October 2027	Clause 2.3.2.7 5 years	2 years
The Emergency Response Manual (TECH-MAN-011), Dated 10 March 2022 *Updated during the Safety Case Acceptance June 2023 and provided to ESV, but latest version not referenced in acceptance.	June 2025 June 2027	Clause 11.2 2 years	2 years
The Safety Management Study, Dated 5 February 2021	February 2026	Clause 1.5.1 5 years	5 years
The Pipeline Integrity Management Plan Mortlake Pipeline System (MOR-TECH-PO-003), Dated 03 August 2022	July 2027	5 years	5 Years
The Integrity Management Plan Coating Defects Mortlake Pipeline System (MOR-TECH-PO-004), Dated 11 July 2023	June 2028	N/A	5 years
The Pipeline Anomaly Assessment and Defects Repairs Procedure (MOR-TECH-PR-001) Dated 23 June 2020. *Reviewed June 2024 (to address ESV audit findings and AS 2885.3 – 2022 amendment	June 2027	N/A	3 Years

If SEA Gas complies with the minimum requirements of the Safety Case and the requirements of AS 2885.3 for review of the documents incorporated in the Safety Case it will need to make seven submissions for acceptance over the five year period. This is not taking into consideration any need to review documents more frequently to reflect changes to the organisation, changes to the operating environment or improvements to safety management systems.

There is no obligation on ESV to meet the potential nominated timeframes and SEA Gas' recent experience has been that nominated timeframes are not met. There is also no accountability proposed for the safety implications of delays in acceptance due to ESV resourcing.

SEA Gas proposes that an appropriate timeframe for ESV to review a minor revision to an accepted Safety Case would be no more than 21 days, which is a timeframe written into regulations in other jurisdictions and achieved by other regulators for review of submissions. For major revisions to an accepted safety case the timeframe should be no more that 90 days, as these revisions are time based and appropriate resourcing can be planned.

Insufficient Specification of Minimum Requirements to Enable Transition to a Safety Case that does not Require Frequent Revision

The current content of SEA Gas Safety Cases has been driven by the prescriptive *2019 Gas Safety Case Preparation and Submission for Facilities and Pipelines – Gas and Pipeline Infrastructure Safety Guidelines*. While SEA Gas notes ESV's desire for Safety Case content to be modified, such that less frequent revision is required, little guidance has been provided on what will be accepted.

Key aspects of the Safety Case that typically require review within a five-year period include:

- Organisational structure and responsibilities
- Changes to integrity management plans in response to survey outcomes
- The description of safety management procedures
- Performance metrics
- Audit programs

It would be useful for ESV to provide examples of the minimum level of detail required in the Safety Case in these areas and details of any change that would be acceptable without revision to a Safety Case.

The Need to Avoid Duplication of Regulatory Requirements

SEA Gas notes that there is significant duplication of regulation between the requirements for a Safety Case in the *Gas Safety (Safety Case) Regulations 2018*, the requirements for a Safety Management Plan in the *Pipelines Regulations 2017* and the requirements for a Pipeline Management System in AS 2885.3 that is a prescribed standard in the *Pipelines Act 2005*. This duplication increases the regulatory burden on operators of natural gas pipelines.

SEA Gas has a specific concern with respect to potential perceived differences between the requirements for minimising hazards and risks. While we acknowledge the guidance on minimising hazards and risks provided, the guideline does not specifically address the Safety Management Study process described in AS 2885.6, as required to be followed by AS 2885.3. SEA Gas notes in recent discussions with ESV officers' confusion with respect to whether the Safety Management Study process satisfies the regulatory requirements to minimise hazards As Far as is Reasonably Practicable.

SEA Gas' position is that the established Safety Management Study process is consistent with the requirements of the *Pipelines Regulations 2017* and the *Gas Safety (Safety Case) Regulations 2018* and should be considered sufficient to meet the requirements of both regulations. If ESV has formed a view that the AS 2885 Safety Management Study does not meet the requirements of the regulations, then this needs to be clearly explained in the guidelines, so operators can address any gap in the process at the time of undertaking a Safety Management Study, rather than having to duplicate or amend the process when seeking Safety Case acceptance. SEA Gas would welcome the opportunity to discuss the AS 2885 Safety Management Process with ESV and demonstrate how it complies with the regulatory requirements.

We trust that the information provided will help inform the final Guidelines. Should you require additional information, please contact Liz Brierley on 0419 843 817 or liz.brierley@seagas.com.au.

Yours Sincerely

A handwritten signature in black ink, appearing to be 'Liz Brierley', with a stylized, flowing script.

Liz Brierley

Head of Asset Management