

Petroleum and Gas Inspectorate

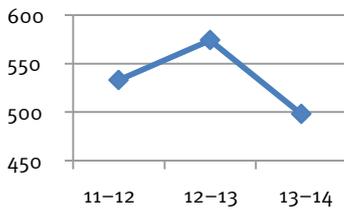
Snapshot 2013–2014



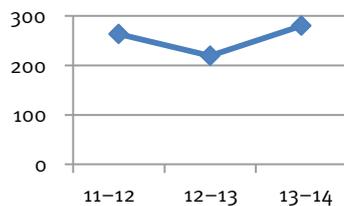
Industry activity and performance

Industry performance indicators

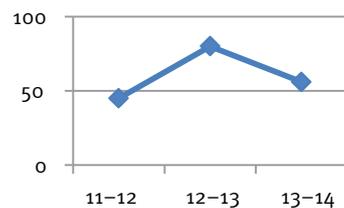
Incidents



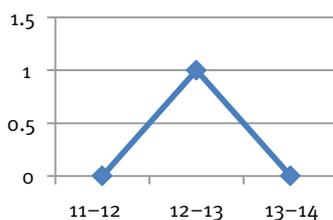
High potential incidents



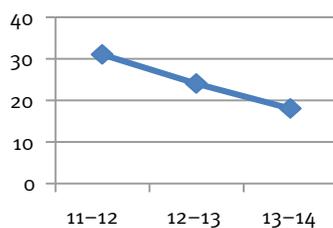
Injuries



Fatalities



% Reported incidents involving site investigations



Overview

The coal seam gas (CSG) to liquefied natural gas (LNG) industry is a vital building block of the Queensland economy now and into the future. The safety of communities and workers are our key priorities in developing Queensland's growing CSG and LNG industry. With over \$50 billion worth of projects under construction and more investment in the pipeline to meet domestic and global demand, Queensland is poised to become one of the world's largest exporters.

CSG-LNG projects underway in Queensland have seen the construction of the largest diameter pipelines in Australia. There are three 42" (1050 mm) pipelines being constructed from the Surat Basin to Curtis Island at Gladstone – about 500 km in length. In addition there are over 600 km of smaller diameter transmission pipelines being constructed – the smallest of these new pipelines is larger than any of the pipelines currently in use in Queensland.

The new polyethylene (PE) gathering systems under construction for the CSG-LNG projects are in excess of 10 000 km in length and up to 1200 mm in diameter. These are significantly larger than any current gathering system in Australia and use innovative welding and construction techniques not previously used in this industry.

Over 1300 km of wells have been drilled by more than 23 drilling companies and more than 3000 well completion or well maintenance works were undertaken during the 2013-14 period.

Production occurred from approximately 2800 wells in 2013-14.

There was over 6300 km of distribution network pipeline reported in 2013-14 and over 81 major consumers of gas identified. Biogas activity continues to grow with over 29 facilities identified.

Key sectors of activity

Petroleum and gas (P&G) industries can be divided into three key groupings of sectoral activities.

Exploration and production

- general exploration and drilling
- drilling wells
- well production, completion or maintenance work
- petroleum facilities

Transportation

- transmission pipeline
- gas distribution networks (e.g. natural and liquefied petroleum (LP) gas pipe networks)
- operating LP gas delivery networks (from gas storage terminals to customers)
- tanker delivery carrier

Use

- major industrial gas use (e.g. power stations)
- entertainment special effect use (e.g. Movie World)
- other industrial gas use (e.g. large variety of boilers and burners)
- c-commercial use (e.g. restaurants)
- domestic use (e.g. hot water and cooking)
- portable appliance use (e.g. barbeques and camping appliances)
- product supplier of automotive use (e.g. LPG, compressed natural gas (CNG) and LNG -powered engines)
- caravan and vessel use (e.g. appliances)
- hydrocarbon refrigerant use (e.g. in-mobile and appliance applications).
- biogas use (e.g. waste tip and meat processing generation of gas)



Shorter time to process customers' applications



Red-Tape reduction



New customer service options



Clear and accessible information



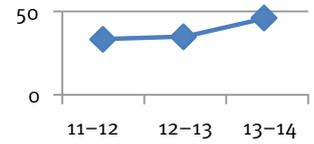
Safety in resources industry

P&G Inspectorate activity and performance

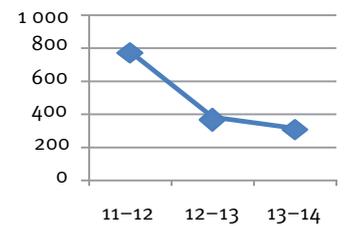
	Initiatives	Benefits to customer
Regulatory enablers	The 'Code of Practice for constructing and abandoning CSG wells in Queensland' was revised, including extension of the code to water monitoring and relevant water bores.	 
	A 'Protocol for managing uncontrolled gas emissions from legacy boreholes' was completed to provide a process for industry and government to manage remediation of identified unsafe legacy boreholes.	 
	The P&G Safety and Health Fee review facilitated a consultative Regulatory Impact Statement process resulting in amendments to the Petroleum and Gas (Production and Safety) Regulation 2004. This has enabled efficiencies in cost recovery of fees, assisted industry to equitably cover running costs of the Inspectorate and reduce industry compliance costs and red tape.	 
	Legislative reform has been delivered to modernise and update regulations including: <ul style="list-style-type: none"> Legacy boreholes amendments included in <i>Mineral and Energy Resources (Common Provisions) Act 2014</i> Overlapping tenure safety arrangements have been finalised with ongoing consultation with industry. Arrangements are being introduced in the Water Reform Bill. 	  
Service delivery	Consulted with industry to develop comprehensive and more targeted compliance programs for P&G industry sectors. Completed 1725 inspections with 315 directives issued. Reported incidents reduced from 574 in 2012-13 to 498 in 2013-14. Reported injuries reduced from 80 in 2012-13 to 56 in 2013-14.	
	Five matters were referred for prosecution. Prosecution was considered in cases of serious injury and where formal notices and direction did not result in compliance with legislation.	
	Phase 1 of the activities to centralise gas work licensing and gas work authorisations functions across the State commenced to enhance frontline service delivery.	    
	Trialed apps for use in compliance activities on portable smart devices enabling our inspectors to spend more time in the field.	 
Stakeholder engagement	Published 'Guideline to what is Operating Plant under the <i>Petroleum and Gas Production and Safety Act 2004</i> and interaction with the <i>Work Health and Safety Act 2011</i> '. This has assisted industry in understanding their safety obligations.	  
	Hosted annual Gas Industry Safety Briefings and regular engagement with industry leaders and working groups to discuss key issues around ensuring the very highest safety standards to keep workers safe and well.	 
	Enhanced use of social media channels and engagement activities with industry and community on gas safety issues. This included multimedia awareness campaigns on storing, transport and maintaining LP cylinders and BBQ safety.	 
	Issued three Safety Alerts. Delivered 73 safety presentations to over 1300 attendees from industry, and the community including specific presentations to licensed gas fitters state-wide on requirements of the revised Australian Standard AS/NZS 5601. 96% of participants rated the presentations good, to very good.	  

P&G performance indicators

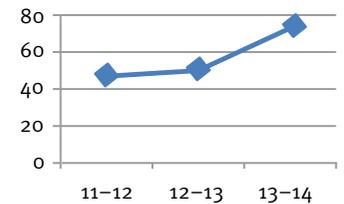
% Non-compliant inspections



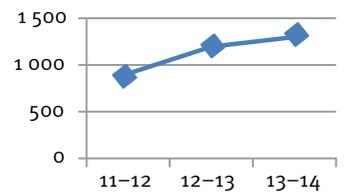
Directives issued



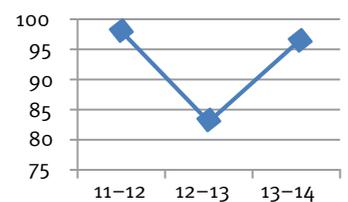
Safety awareness seminars



Attendance at safety seminars



Safety seminar survey



Vision

The Department of Natural Resources and Mines (DNRM) is an economic development agency that enables the productive and responsible use of our natural resources – water, land, minerals and energy resources – to generate wealth and prosperity for current and future generations of Queenslanders.

DNRM's Strategic focus

The DNRM Blueprint sets our strategic focus for how we will operate over the next three to five years. It is the single point of reference for what we do, how we do it and why we do it.

We are building on our strong foundation for continuous improvement and reform to be the best natural resources agency in Australia.

- **Strategic direction 1** – Power-up regional Queensland and the economy
- **Strategic direction 2** – Customer-focused design and delivery of services
- **Strategic direction 3** – Be the best natural resources agency in Australia

The P&G Inspectorate's 2014–15 priorities in progress

	Initiatives	Benefits to customer
Regulatory enablers	Legislative reform including: <ul style="list-style-type: none"> • adequate safety provisions for new overlapping tenures arrangements • regulation amendments including planning for and commencement of major review of petroleum and gas safety provisions 	 
	Implementation to support the 'Protocol for managing uncontrolled gas emissions from legacy boreholes'.	 
	The drilling industry has long advocated that people undertaking well-servicing activities should have formalised competencies. Working with partner organisations including Energy Skills Queensland, Drilling Industry Leaders, SkillsDMC and Registered Training Organisations, the P&G Inspectorate developed competencies specific to well-servicing, provided legislative oversight and has augmented the Competency Standard to include well-servicing. A preliminary impact assessment has been completed to allow for one combined standard to be called up in regulation.	 
Service delivery	Continue roll-out of statewide centralisation of gas work licensing arrangements. Establishing service level agreements with Queensland Building and Construction Commission to deliver virtual one stop shop and administration arrangements for licence applications.	   
	Develop mobile-enabled environments, including online forms for customers and apps for inspectors for audits and inspections, to deliver high quality services for stakeholders and more efficient deployment of frontline staff and service partners.	  
	Provision of monthly incident review summaries to improve safety learnings across the industry and as needed safety advices and alerts.	 
Stakeholder engagement	Roll-out awareness and information campaigns to support strategic compliance programs on: <ul style="list-style-type: none"> • carbon monoxide • portable outdoor heaters • butane lunchbox cookers 	  
	Work with industry and partner agencies to promote leading practice and safety messages about gas system maintenance, storage, handling and transport. <ul style="list-style-type: none"> • safety management system requirements 	  

Contact us

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