

DRAFT SECOND READING SPEECH

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Gas Safety Bill 2018

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Madam Speaker

The gas industry is a significant contributor to Tasmania's economy. Continued confidence by investors and consumers is paramount in ensuring ongoing project developments and a viable cost effective energy source for industrial, commercial and domestic gas users.

This new Bill is one part of a package of legislation resulting from the gas supply industry regulatory framework review, and will include the cognate Gas Industry Bill 2018.

This package is also part of the Government's Energy Strategy and comprehensive reform package to reduce red tape and excessive regulation. Besides this, the *Gas Act 2000* and *Gas Pipelines Act 2000* have regulated the Tasmanian gas industry for over ten years. Both Acts have undergone minor amendments, but there hasn't been a substantial review of the legislation during this time.

The Gas Safety Bill and the Gas Industry Bill, which this Parliament will be asked to exam during the debate, contain combined and consolidated provisions of the *Gas Act 2000* and *Gas Pipelines Act 2000*. These Bills however rectify current anomalies, reduce red tape where risks were not proportionate to regulatory burden, and reflect current regulatory and industry best practice.

For the downstream gas industry, that includes removal of certain industry and government obligations that were not conducive to efficient decision making, and placed barriers to investment in projects. This includes removal of obligations for approval of certain types of gas installations. This affectively removes oppressive regulation where it appears that the paperwork has become more important than the gas safety outcome.

The amalgamation of all gas safety provisions into a single Bill also improves administrative efficiency within Government. Responsibility for the current Acts is currently split across both the Department of Justice and Department of State Growth. This creates considerable and unnecessary administrative inefficiency.

This review also provides alignment of similar functions relating to the design, construction, commissioning and operational integrity of gas distribution and transmission gas infrastructure, and the promotion of regulatory consistency with regard to the LP Gas industry, the automotive gas fitting industry and other emerging fuel gases.

In addition, we propose mechanisms that allow simpler exemptions from aspects of requirements of prescribed standards. Standards may not always enable innovations derived from evolving technological advancements, including fuel efficiencies. So this measure provides the flexibility to adopt industry leading and fuel efficient equipment, provided the product does not result in additional risk or the cost of compliance is disproportionate to the risk reduction.

This Bill includes provisions to give effect to automotive gas fitting and gas storage provisions already established in the *Gas (Safety) Regulations 2014*. In this space we have talked to the industry, and we've listened, and we have acted by capturing public safety commitments omitted from the repealed *Dangerous Goods Act 1998*.

The Gas Safety Bill provides for equitable distribution of costs for administration of the Act across the broader gas supply industry. Currently the natural gas industry unreasonably carries the total burden for administration costs associated with the Gas Acts. This is despite the fact that the Acts regulate the downstream LP gas industries. The Gas Safety Bill 2018 will subsequently create a fairer 'recovery of costs' model.

Madam Speaker, Australia as a whole is grappling with the issue of sufficient gas supplies to maintain economic growth. The risk of gas supply emergencies is evolving to be a real threat, and therefore this Bill provides appropriate emergency powers and consultative mechanisms to ensure safety and security of gas infrastructure and installations before, during, and after emergency or gas rationing situations.

Emerging technology in the energy arena is outpacing safety regulation and Australian Standards. This Bill therefore seeks to introduce enforceable Codes of Practice that allow for appropriate administration of emerging technologies in line with public and industry safety expectations.

This Bill will introduce measures that allow the Director of Gas Safety to issue infringement notices for administrative, non-safety related breaches. The current Acts inappropriately require court action in such instances, which subsequently restricts enforcement and broader safety outcomes. Whilst these administrative non-conformances, such as not providing prescribed gas installation certifications, do not pose immediate public safety concerns it is the collection of this important data that will become invaluable in instances such as a gas supply emergency or a national gas appliance safety recall. These administrative functions will then be heavily relied open to protect the broader public and gas consumers.

Madam Speaker, at the same time as introducing these enhancements to the gas safety program, this government is also providing greater public protection through allowing flexibility to appropriately regulate the safety of emerging fuel gases, such as hydrogen, and fuel gas utilisation, in a contemporary manner.

Madam Speaker, we have consulted widely on the Gas Safety Bill 2018, and it is supported by industry stakeholders. Over two substantial periods of consultation it has been subject to scrutiny

by a very comprehensive inventory of identified industry stakeholders including, but not limited to, gas entities, gas supplier, gas fitters, relevant industry bodies and associations and relevant Government agencies and branches.

Madam Speaker, I commend the Bill to the House.