

1999-10

1999

**THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL  
TERRITORY**

**GAS SUPPLY ACT 1998**

**GAS SUPPLY REGULATIONS**

**EXPLANATORY STATEMENT**

Circulated by authority of

Brendan Smyth MLA  
Minister for Urban Services

**EXPLANATORY STATEMENT**

**GAS SUPPLY ACT 1998**

**GAS SUPPLY REGULATIONS**

## Outline

The Gas Supply Regulations (“the Regulations”) establish the procedures and responsibilities for the natural gas industry concerning gasfitting work on consumer piping systems, meter testing and safety and operating plans.

### *Legislative background*

Subsection 3(1) of the Act establishes that a meter must be of a prescribed kind for the purposes of definition.

Subsection 22(1) of the Act establishes a minimum amount of damage to or destruction of property, arising from a natural gas incident, that requires notification. This amount is to be prescribed.

Subparagraph 37(1)(g)(iv) of the Act allows the Gas Technical Regulator (the regulator) to issue a notice to a gas pipeline operator to perform a prescribed test or a test of a prescribed kind.

Subsection 3(1) of the Act establishes that prescribed means prescribed by regulations.

Section 61 of the Act provides that regulations may provide for:

- Gasfitting or gasfitters;
- Gas meters or metering (including meter tests and meter testing equipment) in relation to natural gas;
- the charging of fees for the testing, on the application of a person, of gas meters in relation to natural gas;
- the payment of compensation to a person disadvantaged, or apparently disadvantaged, by the inaccuracy of gas meters in relation to natural gas; and
- safety and operating plans (including operating testing standards and procedures, and provisions concerning emergencies, to be demonstrated by such plans) in relation to transmission pipelines or distribution pipelines.

The Regulations are made pursuant to section 61 of the Act.

### *Outline of Regulations*

The Regulations prescribe certain matters required under the Act to be prescribed.

The Regulations establish the responsibilities for persons doing or supervising gasfitting work on consumer piping systems. These responsibilities include conforming to industry standards and testing for defects and leaks. The Regulations also establish notification and compliance procedures, including the placing of compliance plates, the issuance of compliance certificates and immediate notification in the event of a consumer piping system being unsafe.

The Regulations establish the procedures for testing meters in relation to natural gas. These procedures include determining who may call for a test and who may attend that test. The procedures also include who bears the cost for the test and notification of test results. Furthermore, the Regulations outline the procedures, including those procedures' approval, for off site and in situ testing.

The Regulations place a duty on transmission and distribution authorisation holders to submit a safety and operating plan that covers the pipeline system the authorisation holder has control of. The Regulations establish what shall be included in the safety and operating plan and exemptions from those requirements. The Regulations establish a procedure for altering or amending a safety and operating plan. The Regulations establish an audit process for safety and operating plans and an approval process. The Regulations also allow periodic audits of safety and operating plans.

### **Revenue/Cost Implications**

Cost of regulation is to be recouped from the natural gas industry via annual authorisation fees from gas pipeline operators and retailers.

### **Detailed notes**

#### **Part 1: Preliminary**

Regulations 1, 2 and 3 are formal provisions typically found in legislation.

Regulation 1 sets out the short title of the Regulations.

Regulation 2 specifies that the Regulations will commence on the date notified in the Gazette.

Regulation 3 provides for the interpretation of a number of words and phrases used in the Regulations.

Regulation 4 sets out when a meter is inaccurate.

Regulation 5 defines the meaning of seal and stamp.

#### **Part II: General Matters**

Regulation 6 defines a meter for the purposes of the Act.

Regulation 7 establishes the prescribed amount under the Act for notification of gas incidents.

Regulation 8 prescribes tests and kinds of tests the Gas Technical Regulator may make orders for under the Act.

#### **Part III: Gasfitting Work**

Regulations 9 to 20 cover gasfitting work, which is work on a consumer piping system up to but not including any gas appliances attached to the piping system.

Regulation 9 establishes that gasfitting may only be done by persons licensed under the relevant sections of the *Plumbers, Drainers and Gasfitters Board Act 1982*.

Regulation 10 establishes that gasfitting work must be done in accordance with industry standards and that appliances attached to a consumer piping system must be certified under an Australian Gas Association scheme or approved by an authorised person.

Regulation 11 establishes that after gasfitting work is done, the person responsible must test for defects.

Regulation 12 establishes that when an appliance is installed to a consumer piping system, it must be tested to ensure that it is operating correctly.

Regulation 13 provides that when an appliance is permanently disconnected from a system the outlet must be capped and the system must be tested for leaks.

Regulation 14 establishes that when a consumer piping system or part of a system is defective and unsafe, the person responsible must isolate the gas supply and attach a tag (as defined in subregulation 8) warning of the unsafe status of the piping system or part of the system. The person must then prepare and send a certificate of compliance to the relevant persons and inform the owner of the premises, the gas pipeline operator and the regulator. Subregulation 3 provides that a tag indicating the unsafe status of the piping system or part of the system must not be removed unless the system has been made safe again. Subregulation 4 states that the tag may only be removed by the person who placed the tag, the regulator, a gas inspector or a person acting with the regulator's approval. Subregulation 5 establishes a penalty for breach of Subregulation 4. Subregulation 6 states that an inspector may remove a compliance plate from an unsafe system. Subregulation 7 establishes an offence for removing damaging or altering a tag indicating the unsafe status of the system or part of the system.

Regulation 15 establishes that upon completion of gasfitting work on a consumer piping system and a satisfactory system test, the responsible person must prepare and submit a certificate of compliance to the owner or occupant of the premises upon which the consumer piping system is situated. The responsible person must also fix a compliance plate near the meter set and, within 7 days, send a copy of the certificate of compliance to the regulator and the gas pipeline operator.

Regulation 16 states that gas must not be supplied to a premises or appliance unless the consumer piping system or appliance has been certified as safe.

Regulation 17 states that the person who issues a certificate of compliance must retain a copy for 2 years, while the gas pipeline operator must retain a record of the information contained on the certificate for a period of 10 years.

Regulation 18 establishes that the regulator must approve in writing the forms of a certificate of compliance and compliance plate. The Regulation further establishes an offence for using a certificate of compliance or compliance plate that is not in the approved form.

Regulation 19 establishes an offence for altering, damaging, defacing, removing or moving a compliance plate, as well as for recording false or misleading information upon it.

Regulation 20 grants to the regulator the power to order a test of a consumer piping system if it is believed to be unsafe. The Regulation stipulates that the owner or occupier of premises

on which the piping system is situated must comply with this order, while the person conducting the test must comply with Regulations 14 and 15.

#### **Part IV: Testing of Meters and Meter Testing Equipment**

Regulations 21 to 33 deal with testing of meters and meter testing equipment.

Regulation 21 establishes the minimum requirements for meter testing procedures, including suitable tests and standards to measure leakage, accuracy and registration. The procedures must also state the equipment to be supplied and its location.

Regulation 22 gives to the regulator the power to approve or refuse to approve testing procedures.

Regulation 23 states that a meter may not be tested, stamped and sealed except by an authorised person according to the approved procedures.

Regulation 24 states that a meter may not be installed until it has been tested, sealed and stamped by an authorised person.

Regulation 25 establishes that a number of persons may request that the owner of a meter arrange for the meter to be tested. These persons are a consumer or supplier of natural gas or a distribution pipeline operator. Upon request, the owner of the meter must apply to the regulator to have the meter tested, arrangements for which the regulator must make as soon as practicable. Requests must be in writing and accompanied by the determined fee.

Regulation 26 states that the regulator may inspect a meter on premises with the permission of the owner of those premises.

Regulation 27 establishes that an owner of a meter must retest the meter in the following circumstances: upon the direction of the regulator, in the event of a damaged or illegible seal, if the owner knows or reasonably suspects that the meter is inaccurate.

Regulation 28 grants the regulator the power to order an off site test of a meter if satisfied that the meter cannot be conveniently or safely tested on site. Subregulation 3 requires the owner of the meter, in such a circumstance, to inform the person, who requested the meter test, of certain matters. These matters are the fact that the regulator has made such an order, the costs of compliance with that order and that the person, who requested the test, will be liable to compensate those costs. Subregulation 4 places a responsibility on the owner of the meter to comply with the regulator's order upon confirmation by the person, who requested the meter test, that the meter test was requested. Subregulation 5 states that a person who requested a meter test is liable to compensate the owner of the meter for the costs of that test if the meter is found to be accurate.

Regulation 29 states that the persons who may request the test of a meter may witness the test of a meter. This may occur with the consent of the occupier of premises upon which the test takes place.

Regulation 30 requires the regulator to provide a certificate showing the outcome of a meter test to the meter's owner and the person who first requested the meter test.

Regulation 31 establishes that where a meter is inaccurate, the owner of the meter must inform the interested parties of this and record relevant details of the meter. The meter owner must retain this information for a period of two years, repair the meter and refund any determined fee if the meter over-registers the supply of natural gas.

Regulation 32 establishes that the owner of a meter may institute a meter replacement program. The regulator must approve this program and interested parties must be given reasonable notice of it. Furthermore, a person may not disconnect, reconnect or install a meter unless that person holds an appropriate licence or has completed an approved course.

Regulation 33 states that meter testing equipment must be tested and calibrated once per year by an authorised person.

## **Part V: Safety and Operating Plans**

Regulations 34 to 47 deal with safety and operating plans.

Regulation 34 establishes that the purpose of a safety and operating plan is to ensure safety and standards with regard to a gas pipeline system and the natural gas passing through it. Subregulation 2 states that a plan must include a description of the system and its operation, a hazard management plan, gas quality standards and performance indicators. Subregulation 3 states that the plan must also include gas appliance approval procedures as stringent as relevant codes of practice. Subregulation 4 states that a safety and operating plan must also comply with Schedule 1.

Regulation 35 states that the regulator may exempt a pipeline operator from the plan requirements having regard to the size of the operator's system and the relevant industry standards.

Regulation 36 states that a pipeline operator must give the regulator a proposed safety and operating plan by the applicable day (established in Subregulation 8). Subregulation 2 allows the operator to submit a substituted proposed plan or part of a proposed plan. Subregulation 3 allows the regulator to accept this substitution if the substituted part bears a certificate by a safety auditor or if the substitution will not affect the original safety auditor's certificate. Subregulation 4 establishes that the regulator may also accept minor errors or variations. Subregulation 5 states that the proposed plan must be implemented until a safety and operating plan is approved by the regulator. Subregulation 6 states that the regulator may give a written notice to an operator in the event that the plan gives rise to an unsafe situation or does not meet the objectives of a safety and operating plan. Subregulation 7 states that the operator must comply with the direction of the regulator.

Regulation 37 states that a pipeline operator's safety and operating plan must bear a safety auditor's certificate. This certificate must state that the plan complies with the Regulations, is appropriate having regard to the size of the system and industry standards, includes all measures necessary for preventing hazardous occurrences and that properly trained people are available to implement the plan.

Regulation 38 states that the regulator may approve or refuse to approve a proposed plan and that an operator must implement its plan once approved.

Regulation 39 states that if a regulator refuses to approve a plan, the regulator must direct the operator to amend the plan. This direction may include particulars and the operator must submit a proposed plan in accordance with the amendments. This plan must include a safety auditor's certificate and be approved in writing by the regulator.

Regulation 40 states that the requirements for a proposed plan apply to a new or revised plan.

Regulation 41 states that an operator with an approved plan may submit a new or part of a new plan. Upon approval, the operator must implement this new plan or part of a plan.

Regulation 42 states that an operator may submit to the regulator a draft variation of an approved plan. The regulator may approve this variation if it does not invalidate a safety auditor's certificate, corrects a minor error and is appropriate in light of industry standards. The operator must implement this variation, once approved.

Regulation 43 grants to the regulator the power to direct an amendment to an approved plan if the regulator is satisfied that the plan does not meet its objectives or has led to or will lead to an unsafe situation. The operator must provide to the regulator a revised plan or part of a plan as directed by the regulator and must implement that plan.

Regulation 44 states that an operator, prior to submitting a proposed plan, must nominate a safety auditor to the regulator. An operator may change the nomination of a safety auditor by written notice. The regulator may accept or reject a nomination, in which case the operator must submit a new nomination within 28 days. Any nominations must include the relevant qualifications or experience of a proposed safety auditor. The safety auditor must be independent of the operator and competent to act as auditor.

Regulation 45 states that every year, or such time as the regulator sets in writing, an operator must submit to the regulator a certificate from the safety auditor stating that hazard control measures are in place and that the appropriate people are available to implement the emergency procedures contained in the plan. The operator must also submit to the regulator a report by the safety auditor reviewing the efficacy of the plan's implementation.

Regulation 46 states that an operator must keep a copy of the safety and operating plan within the ACT and ensure that a copy is brought to the notice of the persons engaged in implementing the plan. An operator must inform the regulator of the plan's location within the ACT. The operator may change that place. The regulator may direct the operator that the location of the plan is inappropriate and that it must be changed.

Regulation 47 grants the regulator the power to direct in writing compliance with a safety and operating plan, if the regulator is satisfied that a pipeline operator is not complying with the plan's requirements. The pipeline operator must comply with the regulator's direction within the period stated in the notice or such other time as the regulator approves.

## **Part VI: Miscellaneous**

Regulations 48 and 49 deal with miscellaneous matters.

## **Schedule 2**

Schedule 2, Clauses 1 to 24, lists the decisions reviewable by the Administrative Appeals Tribunal.