

# Petroleum and Gas Inspectorate

## Program delivery snapshot 2014–15



## Toward a safer petroleum and fuel gas industry

The Queensland Government is committed to the development of a viable, safe and sustainable petroleum and fuel gas industry. Changing global demand, new gas supply and lower oil prices have impacted on market growth, however the Queensland gas industry has continued to develop, completing a number of significant project milestones in 2014–15. This includes major transmission pipelines in western Queensland and the commissioning of new Liquefied Natural Gas (LNG) plants at Gladstone.

To support the Queensland gas industry, from production to the user, the Petroleum and Gas Inspectorate (PGI), within the Department of Natural Resources and Mines, has listened and is working hard to improve regulatory practices. This has included enhancing our engagement with industry, streamlining approval processes, improving our interactions with gas fitters, and creating new ways of raising community awareness about gas safety.

This snapshot reports on the Inspectorates program delivery outcomes in 2014–15 and highlights the priorities and strategic work programs planned for the next 12 months as we work towards our vision of delivering a safe and viable gas industry.

### Delivering action on safety

The PGI works collaboratively with industry and the public to improve safety and health in the gas industry and ensure the requirements of the *Petroleum and Gas (Production and Safety) Act 2004* ('the Act') are met.

Petroleum and Gas Inspectors conduct audits, inspections and investigations to monitor and enforce compliance with safety management plans and the provisions of the Act. They also investigate incidents and respond to dangerous and emergency situations involving petroleum and fuel gas.

A key factor in supporting industry with their obligation to manage safety and health is customer focused engagement with all relevant petroleum and gas exploration and production stakeholders. We work closely with executive safety managers, operators, site safety managers, gas workers and the general public.

In 2014–15 the Inspectorate worked with industry to achieve sustainable safety outcomes by improving our legislation, developing codes of practice, reviewing Australian Standards and driving new approaches to safety and health.

The Inspectorate has:

- observed a significant decrease in drilling activity and a significant increase in operational activity in the petroleum and fuel gas industry
- recorded a significant drop in serious injuries and high potential incidents
- introduced the QInspectIT App to improve the quality and consistency of inspections
- increased the number of company level in-depth audits to help improve organisational learning.

### A focus on the future

A key strategic approach of the Inspectorate is to develop a future focused regulatory approach, reducing red tape while continuously improving safety and health in the petroleum and fuel gas industry. This means we are developing our policies and procedures to support a more engaged, agile and customer focused approach.

To improve services to customers the Inspectorate is:

- introducing online and mobile technology for application forms
- centralising and streamlining processes for prescribed incident notifications and authority processing
- developing our business processes and compliance systems to incorporate lessons learnt and effectively target services
- continuing our commitment to regional services and specialist advice.

We will continue to work with industry and the public to deliver the best regulatory service possible and achieve our vision of a safe and viable gas industry.

# Key activities and initiatives delivered in 2014–15

## Stakeholder engagement

Continued advocacy and engagement in the national Gas Technical Regulators Committee (GTRC) to improve gas safety, measurement, quality and appliance standards.

Worked with industry and partner agencies to promote leading practice and safety messages for gas system maintenance, storage, handling and transport including safety management system requirements.

Engaged with industry to develop and improve safety work programs, including consultations on reform and leading practice compliance with operators, drilling and well servicing contractors, pipeline contractors, hydraulic consultants and Type B Approving Authorities.

Led DNRMs response and consulted with industry to review National Well Servicing Competencies to establish a consistent standard for training of work-over rig workers.

Worked with Australian petroleum regulators to harmonise technical and regulatory standard for petroleum well construction, process plant standards and pipeline operation standards.

## Service delivery

Performed support and compliance functions under the Act, including:

- Received 623 notifications of prescribed incidents as per Schedule 2 of the Act, identifying a reduction in serious injuries but an increase in minor injuries
- Conducted 2284 inspections and audits of operating plant and gas work/systems 485 more than in 2013–14
- Issued 260 directions for significant non-compliances with the Act down 56 from 2013–14
- Finalised 6 prosecutions of significant offences against the Act which resulted in reasonable penalties for serious breaches of safety requirements.

Completed phase 2 of the QInspectIT App project to deliver more consistent and timely regulatory inspection outcomes for industry state-wide.

Completed service delivery reforms with the establishment of the state-wide Licensing and Authorisation team, centralising the processing of Gas Work Licence and Gas Work Authorisation applications.

Delivered community awareness campaigns (using Facebook, Twitter and YouTube and advertising materials) for carbon monoxide, portable outdoor heaters, and butane cookers in order to reduce the public incidence of gas related injuries and fatalities.

Delivered industry engagement to discuss challenges, trends and changes in the petroleum and fuel gas industry including industry briefings, trade nights and education training seminars.

Established a new state-wide PGI Hotline for industry to notify the Inspectorate about prescribed incidents — comprising a new number for immediate notification 1300 910 933, and a new email address for written notification PGIHotline@dnrm.qld.gov.au.

## Regulatory enablers

Completed minor regulatory reforms and amendments to regulations including:

- Ensuring safety provisions integrated in legislative framework for new overlapping tenure arrangements
- Numerous minor amendments to resolve operational issues and improve clarity of the Act.

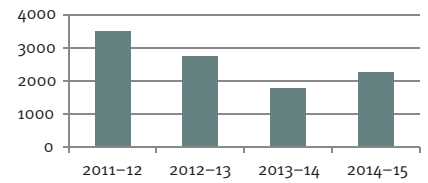
Developed a- number of online forms to reduce red tape for customers and improve data collected under the Act, including:

- Online application forms for Gas Work Licence
- Online form to order Gas System Compliance Certificate books and plates.

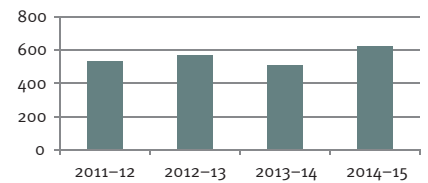
## Performance indicators

Each year we review and track industry and compliance data to identify trends and develop informed work programs.

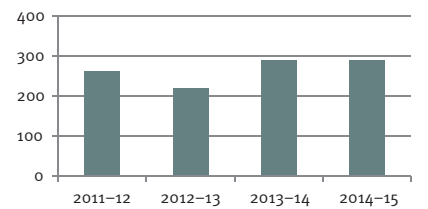
**Inspections and audits**



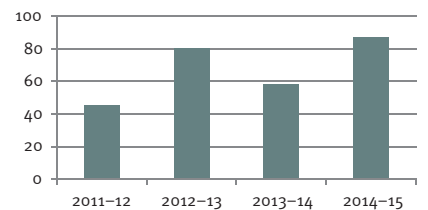
**Reported prescribed incidents**



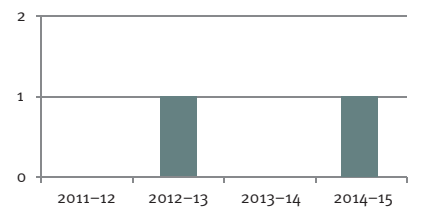
**Reported high-potential incidents**



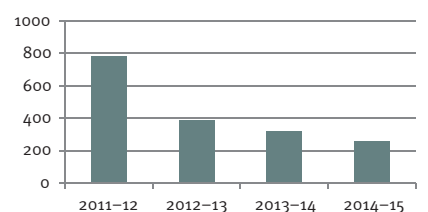
**Injuries**



**Fatalities**



**Directions given**



## Our vision

The Queensland gas sector makes a significant contribution to the state and we will continue to deliver customer focused, responsive and integrated services to ensure it is a viable, safe and sustainable industry.

## Key priorities and initiatives for 2015–16

### Stakeholder engagement

Proactive engagement with stakeholders to improve relationships and work together to ensure industry-wide learning. This is a key area as many major companies have completed significant projects, moving from a construction phase to an operational phase.

Undertaking regular engagements with key stakeholders from all parts of the industry to identify current trends and discuss future challenges.

Delivered a Type B Authority stakeholder forum providing clarification on key issues and supporting industry growth in the area.

### Service delivery

Pursuing a range of strategic improvements including:

- Renewal of our strategic plan and customer service charter to improve service delivery
- Significant enhancement of our investigative capability and timeliness
- Improving policies and practices to ensure consistency across the state.

Completion of a range of inspections and audits including, but not limited to:

- Operating plant inspection program with a focus on authority Operating Plant and effectiveness of emergency response systems
- Inspection of petroleum wells, processing facilities, pipelines, other operating plant, and Type B / Type A installations
- Major audit of the petroleum well construction management system for seven petroleum well operators in Queensland
- Risk based audit program of pipelines and gathering systems
- Review the P&G Inspectorate compliance program to focus on audits and structured inspections instead of random inspections.

Delivering phase 3 of the QInspectIT App project to further improve functionality, including enhancing usability and creating an email function to send inspection reports direct to customers.

### Regulatory enablers

Undertaking interim legislative reform to reduce red tape and improve outcomes including:

- Adding AS/NZS 3000 as a mandatory safety requirement for all operating plant and requiring audits by accredited persons of electrical equipment in hazardous areas
- Reviewing section 92 of the Regulation to improve consistency across the industry
- Adopting 'Safety Management System' terminology for international consistency
- Adding a metering section for production companies.

Continuing to develop technical guidance and advice such as:

- Reviewing the Code of Practice for CSG Well Construction
- Developing a Code of Practice for Conventional Well Construction
- Type B Code of Practice
- Type B Process Guideline
- Flare Guideline
- Developing and renewing a range of other information sheets for stakeholders
- Working with Industry to revise the Polyethylene (PE) Gathering System Code of Practice as well as Australian Standards for pipelines and distribution systems.

Improving regulatory reporting arrangements by creating more online forms, including:

- Prescribed Incident Notification
- Gas Work Authorisation application
- Annual Safety Reports
- Completion of Statutory Direction.

## Contact us

For general business or technical enquiries, call **13 QGOV (13 74 68)** during normal business hours, visit [www.qld.gov.au](http://www.qld.gov.au) or email [gassafe@dnrm.qld.gov.au](mailto:gassafe@dnrm.qld.gov.au).

For emergency advice, or to notify about a petroleum or fuel gas incident, call **1300 910 933** or email [PGIHotline@dnrm.qld.gov.au](mailto:PGIHotline@dnrm.qld.gov.au).