

27 November 2017

Smart Planning Team
Department of Environment, Land, Water and Planning
8 Nicholson Street
East Melbourne VIC 3002
BY EMAIL

Dear Smart Planning Team

SUBMISSION TO SMART PLANNING DISCUSSION PAPER

Energy Safe Victoria (ESV) welcomes the opportunity to make a submission in response to the Smart Planning Discussion Paper (the Paper).

ESV has been advocating for changes to the Victoria Planning Provisions (VPP's) to better recognise the risks associated with development around pipeline infrastructure. The Paper sets out a number of potential changes to the Victoria Planning Provisions (VPP) that ESV support. Whilst these changes do not address the fundamental issue we are concerned with, the changes should provide a small improvement. In summary, ESV:

- Supports the proposed thematic grouping of the Planning Policy Framework, but suggests that 'pipeline infrastructure' is better nested under 'Energy' rather than 'Development Infrastructure'
- Supports the inclusion of a definition for 'sensitive uses' in the General Terms, and suggest that this definition align with that of AS2885.

To provide context to our submission, this letter outlines the role of ESV, provides an overview of pipelines in Victoria, gives some background on the issue of development around pipelines, and sets out our formal response to the Paper.

About Energy Safe Victoria

ESV is an independent technical regulator responsible for electricity, gas and pipeline safety in Victoria. Our role is broad and can be categorised into the security of supply and safety to the public as well as overseeing the design, construction and maintenance of electricity, gas and pipeline networks across the State.

ESV is led by the Director of Energy Safety who is appointed under the *Energy Safe Victoria Act 2005* (the Act). The Act is administered by the Minister for Energy, Environment and Climate Change, Hon. Lily D'Ambrosio. The Director is also the Chief Executive Officer (CEO) of ESV.

Under the *Pipelines Act 2005*, a licence is required to construct or operate a pipeline as well as compliance with the national pipeline code Australian Standard (AS) 2885. ESV accepts and assesses compliance with pipeline licensee safety cases and safety management and to ensure appropriate safety outcomes.

Pipelines in Victoria

There are 214 licenses for on shore high-pressure pipelines in Victoria, with a total length of over 4,686 kilometres. These pipelines transport natural gas and other petroleum products including LPG, oil, unprocessed hydrocarbons and liquid fuels.

Included in the 214 licenses are the licenses that form the Victoria gas transmission system comprising over 2,000 kilometres of high-pressure gas pipelines, with almost all of the natural gas consumed by the State transported through this system.

A common characteristic of all high-pressure pipelines is the highly volatile nature of the fluids being transported. A full-bore rupture failure of a high-pressure gas pipeline has the potential to cause catastrophic damage hundreds of metres away from the pipeline itself. In urban areas, such an event may result in injury, destruction of property and loss of life.

Australia has an enviable safety record with pipelines. However, catastrophic and devastating events have occurred in other developed countries and such an event could foreseeably occur in Victoria. To maintain our good record, pipeline safety must remain an absolute priority.

Development around Pipelines – The Issue

As a result of the rapid growth and changes that our cities and regional centres are undergoing, some existing pipelines are being encroached upon. The pipeline industry is having difficulty meeting their legislative and regulatory obligations to assess risk in this rapidly changing context.

To achieve the best outcomes for public safety, it is essential that a pipeline licensee is informed of planned changes in land use in proximity to a pipeline as early as possible. This allows pipeline operators to plan, develop and implement control measures for new threats and consequences arising from changes in land use around a pipeline.

Planners, developers and landowners, as well as pipeline operators, must be aware that planning or permitting development without consideration of the conditions for which a pipeline has been designed may affect pipeline safety.

The pipeline industry does not seek to limit development of land around existing or future pipelines. It is simply that land use in proximity to the pipeline and the design of the pipeline must be compatible. When land use changes, pipelines may need to be upgraded or new protection measures introduced to manage any change in risk profile.

Development around pipelines is a complex issue that the pipeline industry has been grappling with for some time. There have been some recent advancement in the consideration to this issue, particularly through the Major Hazard Facilities Advisory Committee, the development of the Australian Pipeline Database and through the recently released Review of Victoria's Electricity and Gas Network Safety Framework – Interim Report. These are summarised in turn below.

Major Hazard Facilities Advisory Committee

In 2016, the Minister for Planning appointed an Advisory Committee to provide advice on the way land use buffers around major hazard facilities are determined and implemented. Whilst

not part of the Advisory Committee's Terms of Reference, they acknowledged the similar characteristics of pipelines to major hazard facilities.

In their report, the Advisory Committee acknowledged the importance of the issue of development around pipelines and gave it considerable attention. Their recommendations support, in principle, the development of a planning framework to better manage land development around pipelines.

We understand a Government response to the Advisory Committee report is pending.

Australian Pipeline Database

The Australian Pipelines and Gas Association (APGA) has developed the Australian Pipeline Database to enable government organisations responsible for planning decisions to have relevant information on high-pressure pipelines in each state jurisdiction and local government area.

The Australian Pipeline Database is an industry initiative designed to improve communication with government stakeholders responsible for planning decisions to ensure there are opportunities for early engagement. The database provides a single point for a government planning agency to access information on pipelines in its jurisdiction. The GIS information includes the pipeline centerline, the location of above ground facilities and the area of interest around each pipeline.

The information is available for government planning agencies to download into their own GIS systems or to access through an online service. When using the online service, users can conduct address or lot plan searches associated with development proposals and produce reports detailing the information relevant to their search.

If a search result advises that a pipeline is nearby, the operator's contact information is provided.

The Database was sent to all Victorian Councils in 2016.

Review of Victoria's Electricity and Gas Network Safety Framework – Interim Report, October 2017 (DELWP)

The review considered the issues around the safety regulation of underground assets, both electricity lines and gas transmission and distribution pipelines. The review states:

'the Review supports consideration of initiatives to strengthen planning processes around future developments that might be proposed in close vicinity to high pressure gas pipelines'

The Review refers to recommendations from the Major Hazard Facility Advisory Committee, and makes its own recommendation that a Working Group be formally established to provide advice to government to improve planning around high pressure gas pipelines.

Response to Smart Planning Discussion Paper

There are two particular proposals outlined in the Paper that are of interest to ESV. These are outlined in turn below.

Appendix 1: Proposed PPF thematic framework

The outline of the proposed thematic framework at Appendix 1 of the Paper includes '19.03-6 - Pipeline Infrastructure' nested within the 'Development Infrastructure' clause.

There appears to be a newly created 'Energy' clause in the proposed thematic framework.

Pipeline Infrastructure (in the context of pipelines administered under the *Pipelines Act 2005*) is better categorised as 'Energy' than 'Development Infrastructure'.

It appears there may be a misinterpretation of the meaning of 'pipeline infrastructure'. As outlined in an earlier paragraph about pipelines in Victoria, pipelines governed by the Pipelines Act 2005 are high pressure transmission pipelines, not the **gas distribution network**. The high-pressure transmission network transports natural gas and other petroleum products including LPG, oil, unprocessed hydrocarbons and liquid fuels. The transmission network provides critical energy supply across the State.

ESV suggests that 'Pipeline Infrastructure' be grouped under 'Energy' within the thematic framework.

Appendix 2: Possible reforms of specific provisions - ID Number 43 – General Terms

Item 43 proposes to *Review General Terms to investigate the inclusion of... 'sensitive uses'*

ESV supports this improvement to the VPP's. We suggest that the definition of sensitive uses aligns with the definition of sensitive uses in AS2885. These are uses that licensees have an interest in when they are proposed to be located in proximity to pipelines. These uses include:

- Aged Care
- Retirement Village
- Child Care
- Cinema
- School
- Corrective Institution
- Hospital
- Medical Centre
- Place of Assembly
- Place of Worship
- Residential

The Smart Planning program offers a unique opportunity to improve the planning system in Victoria in response to issues that have been raised by stakeholders over a long period of time. ESV would welcome further changes to the VPP's that would better recognise pipeline infrastructure to ensure community safety and the security of critical energy supply across the State. We would welcome the opportunity to meet with the Smart Planning Team to further discuss matters outlined in this letter.

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