



21 September 2018

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DPTI

State Planning Commission

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Dear Sir / Madam

RE: Feedback on Draft State Planning Policies for South Australia

RE: Submission on the draft State Planning Policies for South Australia

Thank you for opportunity to review and provide comment on the draft State Planning Policies for South Australia.

This submission is structured in two key parts.

1. Background information is provided on APA, our obligations in managing and operating high pressure gas transmission pipelines (HPGTs), and current issues in this regard.
2. Specific comments on the draft policies.

1. Background of APA and High Pressure Gas Transmission Pipelines

About APA

APA Group (APA) is Australia's largest natural gas infrastructure business and has direct management and operational control over its assets and investments. APA's gas transmission pipelines span across Australia, delivering approximately half of the nation's gas usage. APA owns and operates over 15,000 km's of high pressure gas transmission pipelines across Australia including the following:

- Moomba to Sydney Pipeline (MSP);
- Queensland, South Australia and New South Wales (QSN) link, allowing gas to flow from Queensland into South Australia then through the MAPS or MSP;
- South East South Australia pipeline (SESA), connecting the SEA Gas pipeline to gas facilities at Katnook/Ladbroke Grove;
- SA Riverland pipeline, transfers gas from Angaston to Berri then onto Mildura in Victoria. A connection on the pipeline also supplies Murray Bridge;
- South East Australia Gas (SEA Gas) underground gas pipeline from Port Campbell in Victoria to Adelaide (50% owner) .

These pipelines in addition to other pipelines owners/operated by others in South Australia form what is referred to as the East Coast Grid. This is a network of interconnected, often bi-directional pipelines, that deliver gas to where it is required across Queensland, New South Wales, Victoria, South Australia

and soon to include the Northern Territory. As such, pipelines like the Moomba to Sydney, for example, may contain gas that is ultimately delivered to Adelaide.

APA's statutory obligations

As a licence holder for HPGTP's, APA has statutory obligations under the *Petroleum and Geothermal Energy Act 2000*. The *Petroleum and Geothermal Energy Act 2000*, cites Australian Standard 2885 (AS2885) as a mandatory safety standard for the design, construction, operation and maintenance of transmission pipelines...

Specifically, Part 1, Section 1, Clause 4.7.4 of AS2885 addresses the requirement to consider changes in land uses and undertake Safety Management Studies (SMSs) where necessary. Under AS2885, APA has responsibilities for activities or development on its easements, or land which includes an easement in favour of APA. These responsibilities extend to managing the risks associated with land use outside of the pipeline easement and within the pipelines Measurement Length (see below for explanation of Measurement Length). This includes reviewing and assessing changes in a pipelines risk profile due to both increased risk of physical damage to the pipeline from third party activities and, in the case of urbanisation or significant increase in density, the increased consequences from a loss of containment (full rupture of the pipeline). The two risks are related, with measures to protect the integrity of the pipeline also reducing risk to surrounding people and assets.

APA's role

When considering land use and development proximate to HPGTP's and associated infrastructure, APA must consider safety as a key priority.

APA has a number of responsibilities and duties to perform under a complex framework of legislation, standards and controls across Federal, State and Local Government landscapes. In discharging these duties, APA needs to continuously review what is happening around its assets, what land use changes are occurring and what development is taking place to ensure it remains in a position to comply with applicable operational and safety standards and legislation whilst meeting its commercial obligations and imperatives.

In order to maintain pipeline safety, it is essential APA is informed of changes in land use in areas potentially affected by a pipeline failure in order that plans to control new threats and consequences can be developed and implemented. These measures can be costly and require substantial forward planning. Therefore, it is in the interests of all parties (pipeliner, planner, developer, community) that communication with the pipeline operator occurs as early as possible in the planning process. The earlier that notice of planning proposals either **affecting APA's pipelines** or that are located within the pipelines Measurement Length, is provided to APA, the better the information available to address public safety and the better equipped planners and APA will be to design efficient and effective outcomes, including ensuring safety near transmission pipelines both during development and after public settlement in the new areas.

As it stands, APA commonly engages with development proponents through existing, disparate, systems implemented under Petroleum Safety legislation, land titling and planning laws. Such a non-integrated approach is undesirable as it is inefficient, inconsistent and lacks transparency. In addition to the consideration of safety, APA has a legal responsibility to provide a continuous flow of gas to service a number of end users, including business and industry critical to the South Australia economy. APA therefore has a responsibility to ensure that pipeline corridors are able to be utilised for future growth

whether that be pipeline duplication or augmentation. For this reason, the protection of pipeline corridors from the encroachment of inappropriate land use and development that may inhibit the ability to respond to increased market needs is a critical outcome that needs to be achieved.

In addition to the macro level perspective outlined above, APA also needs to ensure future land use and development patterns do not inadvertently (or intentionally) erode, reduce or extinguish the current controls and contractual rights commercially obtained by APA through easement agreements within which pipelines and associated infrastructure are located. It is important to avoid such outcomes which threaten the integrity of the pipeline, efficiency of ongoing operations and security of gas supply.

Measurement Length (ML) and Safety

In managing HPGTP's and considering land use changes APA must focus on that area geographically defined by the ML. The ML area is essentially the area within which APA is mandated to consider community safety in the event the pipe is impacted in some way and there is a loss of pipeline containment. The ML is the area of safety consequence should a full bore rupture occur and the gas ignited. The ML is determined taking account a number of factors, primarily:

- design criteria of the pipe (driven by the environment within which it was designed for at the time of construction), and
- Maximum Allowable Operating Pressure (MAOP) of the pipe.

Due to the factors above the ML can vary significantly but are typically up to approximately 600 metres in South Australia. Therefore, licence holders must discharge their statutory obligations over a significant area well beyond the extent of any pipeline easements.

AS2885 requires APA to consider community and operational safety aspects in the event of a change in land use or significant increase in population density within the ML of the pipeline. This consideration is typically addressed through a Safety Management Study (SMS). Where an SMS is required, it is strongly recommend that Council, the proponent and APA coordinate to undertake this process so future land use and construction within the ML can be undertaken taking account any identified safety considerations and in compliance with AS2885 and APA Pipeline Licence statutory obligations.

Current issues

Currently the role of HPGTP licence holders in the South Australian planning process is not formalised, making it more difficult to discharge statutory obligations. It appears that the issues and responsibilities associated with HPGTPs are not translated into the South Australian Planning Framework which results sub-optimal consideration of HPGTPs in strategic planning and land development applications. The main issues from APA's view are:

- Lack of translation of AS2885 into the South Australian Planning Framework
- The absence of transparency of the pipeline geographic area of influence leading to ongoing and repetitive conflicts between pipeline safety and security of supply issues and the broader objectives of land development.
- Lack of coherent planning policy regarding pipelines and therefore pipelines are not adequately represented or considered in the decision making process.
- Lack of specific controls to implement pipeline related policy

2. Submission specifics

APA recommends the following changes:

Pg46 - State Planning Policy 10: Key Resources

1. Paragraph 4 point 2 states "*minimise the risk of adversely affecting the states mineral and energy resource assets*". This statement should make specific reference to high pressure transmission pipelines and thus be reworded to "*minimise the risk of adversely affecting the state's mineral, energy resource and high pressure transmission pipelines*"
2. Paragraph 4 should include an additional dot point which states the following "*Facilitate development that manages risk to public safety, the environment and security of energy supply*"
3. Policies point (1) & (3) should include "**energy resources**" to the respective statements to ensure transmission pipelines are clearly included within these policies.
 - a. *Define and protect mineral resource operations, energy resources, associated infrastructure and undeveloped mineral resources from encroachments by incompatible land uses.*
 - b. *Identify and maintain strategic transport corridor and other key infrastructure required to support the energy resource sector's activities and supply chains*

Non-Statutory Guidance Notes

4. The Regional Plan statement outlines a strategy to minimise the impacts of encroachments by **incompatible uses which is in line with APA's views**. The statement however should be reworded to "*implement state policies by identifying known mineral and energy resource areas, associated infrastructure including connections via strategic access routes, transport corridors and pipelines. Strategies and policies shall be identified to minimise the impacts of encroachments by incompatible land uses and to manage risk to public safety, the environment and security of energy supply*"

Pg.54 – State Planning Policy 12: Energy

Non-Statutory Guidance Notes

1. Regional Plans statement is good for the protection of future strategic infrastructure facilities and associated requirements. We recommend that an additional sentence is added to this statement which focuses on existing infrastructure such as the Port Campbell to Adelaide pipeline and outlines a strategy to minimise the impacts of encroachments by incompatible (sensitive) uses.
2. The "**Related legislation and instruments**" should include the Petroleum and Geothermal Energy Act 2000.

We understand that the State will be progressing to consider Codes in relation to specific policies and strongly encourage that a specific high pressure transmission pipeline code be considered in that process. APA is happy to be party to any working group or process.

For any further enquiries in relation to this correspondence, please contact myself on (+61) [REDACTED] or APA's Infrastructure, Planning & Protection team by email at [REDACTED]

Yours faithfully,

A handwritten signature in black ink, appearing to read 'P. McCutcheon', with a large, stylized loop at the end.

Phillip McCutcheon
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Infrastructure Planning & Protection
APA Group