

NSW Pipelines and Gas Supply Proposed Regulation Amendments

Consultation Paper
Industry Briefing

August 2025

Acknowledgement of Country

The Department of Climate Change, Energy, the Environment and Water acknowledges that it stands on Aboriginal land.

We acknowledge the Traditional Custodians of the land and water, and we show our respect for Elders past, present and emerging.

We do this through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

Artist and designer Nikita Ridgeway from Aboriginal design agency – Boss Lady Creative Designs, created the People and Community symbol.

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Context and
scope - Overview

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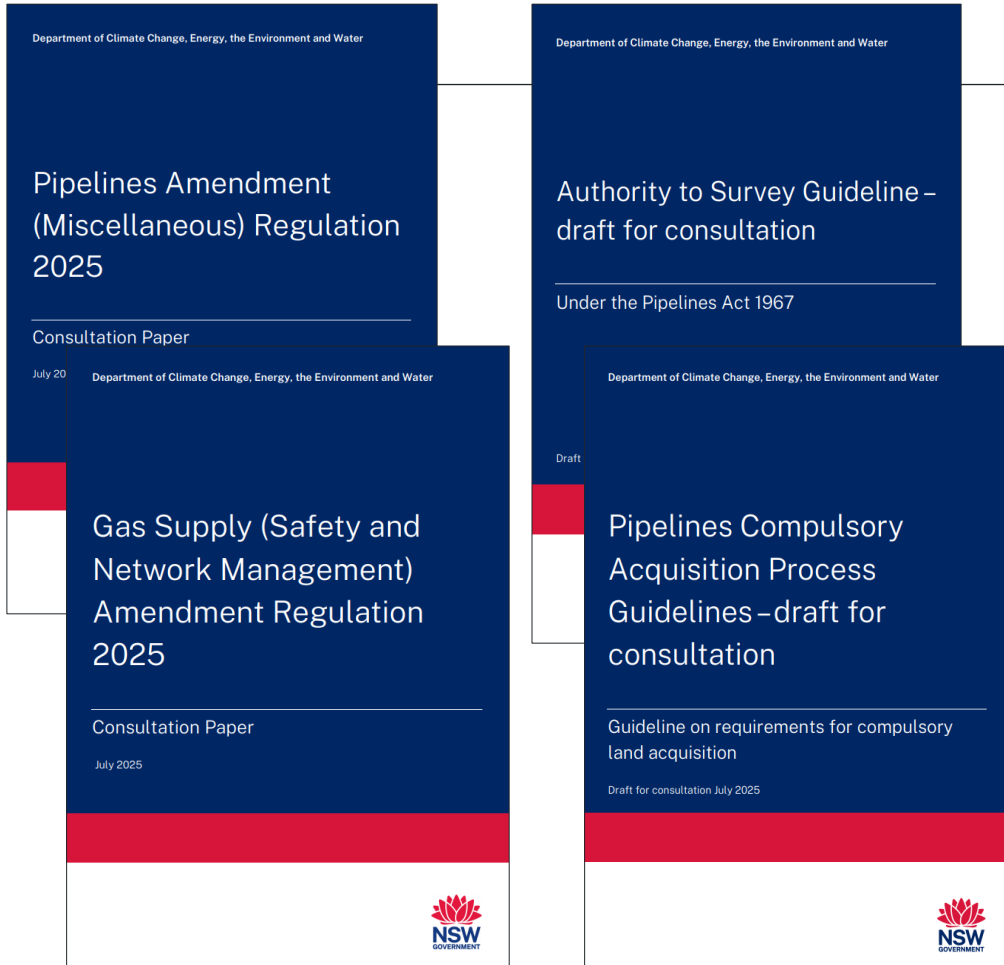
Proposed amendments and why they are
needed

- Across both Pipelines and Gas Supply Regulations
- Gas Supply Regulation only
- Pipelines Regulation only, including draft guidelines

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Ways to respond
and next steps

Consultation on the Pipelines and Gas Supply Regulation package is now open



- On Wednesday 23 July, the NSW Government released a consultation package on Pipelines and Gas Supply Regulation changes.
- The package includes:
 - 2x Consultation Papers – outlining the core proposals
 - 2x draft Regulations
 - Regulatory Impact Statements on each Regulation
 - Draft Guidelines on Authority to Survey and Compulsory Acquisition
 - Fact Sheets on all of the above
- Community consultations are planned:
 - All the information is on the DCCEEW and NSW Government Have Your Say websites
 - We are reaching out directly to a range of stakeholders who may be interested
 - 3 regional community forums and 1 online forum is planned
 - A feedback form is on the website
 - Detailed submissions can also be emailed

Context and scope - Overview

Consultation period- commenced

From: 23 July 2025

To: 7 September 2025



In scope



Pipelines Regulation
2023



Gas Supply (Safety
and Network
Management)
Regulation 2022

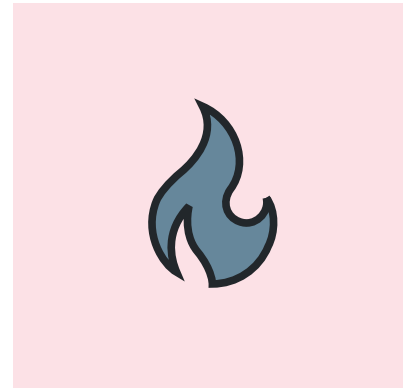
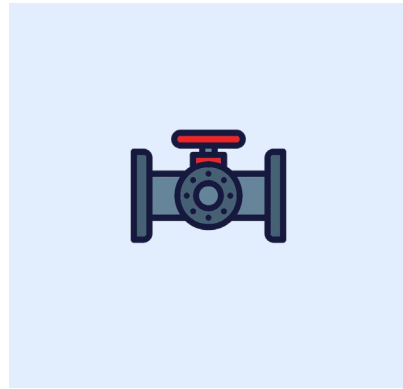
Background

- NSW pipelines legislative framework update commenced in 2024, through the *Energy Legislation Amendment (Clean Energy Future) Act*.
- In March 2025, Parliament passed further updates to both the pipelines and gas supply legislations via the *Energy Amendment (Pipelines and Gas Safety) Act*.
- The Pipelines Regulation and Gas Supply Regulations build on these updates and proposed amendments are now being consulted on together.

What are the proposed amendments we are consulting on?

In common	Improved governance of end-of-life gas supply and pipeline operations and infrastructure management, including suspension, decommissioning and abandonment requirements
	Penalty-related amendments: • Update of penalties to ensure they remain appropriately dissuasive, including accumulating penalties for ongoing non-compliance for certain offences • New provisions proposed to be introduced with related offences and penalties • Prescribing penalty notice offences to align with comparable energy legislation
	Additional refinements to streamline the NSW pipeline and gas supply regulatory framework
Gas only	Enhanced notification requirements for changes in operating pressure and injection points
Pipelines only	Approval requirements for major pipeline alterations
	Prescribed standards of an authority to survey application and compulsory acquisition process in drafted guidelines
	Relocation and update of certain provisions from the <i>Pipelines Act 1967</i> to the Regulation
	Update of fees and introduction of CPI adjustments for inflation

*Across both Pipelines and
Gas Supply Regulations*





Proposed end of life plans



Plan requirement inclusions

Suspension Plan

Temporary stoppage with continued maintenance and connection to monitoring controls of pipeline, while being physically isolated from any operating sections.

Temporary stoppage where the network operator maintains process monitoring and network safety activities.

A suspension risk assessment
Shutdown protocols (AS 2885.3)
Intended duration & preservation method

Decommissioning Plan

Indefinite and complete depressurisation and disconnection from monitoring controls.

N/A

A safety management study
How the cessation procedures will be carried out
A mechanical & electrical isolation/purging plan

Abandonment Plan

Indefinite cessation of pipeline operations with the intention that it will never be used again. Includes removal out of the ground or pipeline remaining in-situ.

Gas network that has ceased operation with the intention that it will not be used again and has been physically isolated to prevent the flow of gas between it and an operating gas network.

Details of landholder consultation about parts left in situ
Details on any removal of fixtures
Insurance documentation & site remediation plans



New provisions and offences for end-of-life requirements

Additional new provision in Gas Supply Regulation

Requirement to operate a gas network continuously

(already exists in Pipelines Regulation)

A gas network operator must continuously operate the gas network specified in their authorisation or licence.

The offence does not apply if the network:

- is covered by an approved suspension or abandonment plan
- or ceases operating:
 - in the ordinary course of operation
 - for repairs or maintenance
 - in emergencies
 - in compliance with lawful directions.

Clause to be introduced	Proposed new provision and offence	Accumulating penalties
Both Pipelines and Gas Supply Regulation		
Requirement to implement suspension, decommissioning and abandonment plans	Maximum penalty – • 10,000 penalty units for a corporation • 2,000 penalty units for individuals	Maximum penalty for each day that the offence continues • 1,000 penalty units for a corporation • 200 penalty units for an individual
Directions to amend suspension, decommissioning and abandonment plans	Maximum penalty – • 10,000 penalty units for a corporation • 2,000 penalty units for individuals	Maximum penalty for each day that the offence continues • 1,000 penalty units for a corporation • 200 penalty units for an individual
Directions to implement direction to suspension, decommissioning and abandonment plans	Maximum penalty – • 10,000 penalty units for a corporation • 2,000 penalty units for a corporation	Maximum penalty for each day that the offence continues • 1,000 penalty units for a corporation • 200 penalty units for an individual
Public availability of suspension, decommissioning and abandonment plans	Maximum penalty – • 2,000 penalty units for a corporation • 400 penalty units for a corporation	Maximum penalty for each day that the offence continues – • 200 penalty units for a corporation • 40 penalty units for an individual



Penalty-related amendments (1/2)

NSW does not index penalties and some penalties have not been updated for 20 years

VIC Regulation

- **One penalty unit = \$203.51**
- Indexed annually
- Pipelines Regulation: Lowest maximum penalty amount is 20 penalty units (\$4,070 fine)
- As a comparison, failure to report safety incident in VIC = max \$4,070 fine (Section 20). Currently in NSW, similar offence could attract a max \$1,100 fine (Section 32 Pipelines Regulation).



QLD Regulation

- **One penalty unit = \$166.90**
- Indexed annually
- Petroleum and Gas (Safety) Regulation: Lowest maximum penalty amount is 10 penalty units (\$1,669 fine)



Please refer to the draft Regulations and consultation papers for each of the proposed penalty changes in detail



NSW Regulation

- **One penalty unit = \$110**
- Not indexed annually
- Some penalties have not been updated for more than 20 years
- Eg Pipelines Regulation: Lowest maximum penalty amount is 5 penalty units (\$550 fine)





Penalty-related amendments (2/2)

New proposed continuing offences for ongoing non-compliance for certain offences

Clause	Proposed updated offence	Accumulating penalties
N/A	Examples in both Pipelines and Gas Supply Regulation	N/A
Failure to comply with PMP ¹ / SAOP ²	Maximum penalty – 10,000 penalty units for a corporation 2,000 penalty units for individuals	Maximum penalty for each day that the offence continues 1,000 penalty units for a corporation 200 penalty units for an individual
Failure to act on directions to amend PMP ¹ / SAOP ²	Maximum penalty – 10,000 penalty units for a corporation 2,000 penalty units for individuals	Maximum penalty for each day that the offence continues 1,000 penalty units for a corporation 200 penalty units for an individual
Failure to make PMP ¹ / SAOP ² publicly available	Maximum penalty – 2,000 penalty units for a corporation 400 penalty units for a corporation	Maximum penalty for each day that the offence continues 200 penalty units for a corporation 40 penalty units for an individual
Failure to appoint initial auditor/s	Maximum penalty – 250 penalty units for a corporation 50 penalty units for a corporation	Maximum penalty for each day that the offence continues – 25 penalty units for a corporation 5 penalty units for an individual

Prescribing penalty notice offences to align with comparable energy legislation

- Penalty notices are also referred to as penalty infringement notices, or PINs
- Considered part of a modern regulator's toolkit and are typically issued for specified offences
- Introduction of this enforcement tool better aligns pipelines legislation with the approach in similar legislation in NSW
- Provide an efficient way to address minor infractions without resorting to formal court proceedings, which can be lengthy and burdensome
- PIN amounts are proposed to be set at 10% of the corresponding penalties for each specified offence

Please refer to the draft Regulations and consultation papers for each of the proposed PINs in detail



Gas supply amendments





New proposed notification requirements



Pressure

Notification requirements prior to changes in network operating pressure

Notification is proposed to be provided **not less than 28 days** before an intended change in pressure under the following criteria:

1. Network has operated at the same operating pressure for at least 6 months, and
2. Proposed change in pressure by 15% or more, and
3. The gas network will operate at the same operating pressure for at least 14 days.



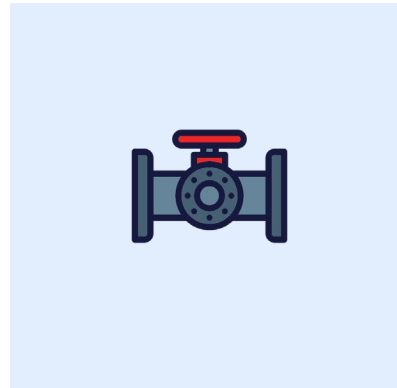
Injection points

Notification requirements prior to the installation of new injection points

Additionally, it is proposed that any further information requested is a requirement for the network operator to provide (and delayed installation if relevant until information is provided).

New and updated SAOPs lodged will also need to include locations of each injection point in a gas network. further information is requested, or direction to delay installation until further information is provided is not adhered with.

Pipeline amendments





Approval requirements for major pipeline alterations



Current process

Pipeline alterations require notification to the Secretary (*sections 21 & 22*). For emergency alterations, this notification is a requirement after the work is completed.



Proposed changes for major alterations

Applications for 'major alterations' must be approved in advance via written application.

'Major alterations' include:

- Construction of $\geq 250\text{m}$ of pipeline within an existing licence area, or
- Installation/removal of apparatus or works for new pipeline assemblies or stations.

New offence for non-compliance:

- **10,000** penalty units for corporations
- **2,000** penalty units for individuals



Minor alterations

Continue with existing notification process. Increased penalties for failure to notify the Secretary where required:

- **10,000** penalty units for corporations
- **2,000** penalty units for individuals



Proposed Pipelines Compulsory Acquisition Process Draft Guidelines

- To determine whether compulsory acquisition may take place, the Minister must be satisfied that an applicant has taken all reasonable steps to enter into an agreement with the landowner.
- The exposure regulation proposes a requirement to comply with the Pipelines Compulsory Acquisition Process Guidelines.
- The steps prescribed in the Guideline provide greater certainty to all parties, including minimum requirements for engagement with affected landowners and communities.
- The Guideline sets minimum expectations of the Minister for Energy in dealing with these matters.
- The proposal does not change the law. It provides updated guidance on what constitutes the reasonable steps that must be undertaken.

Department of Climate Change, Energy, the Environment and Water

Pipelines Compulsory Acquisition Process Guidelines –draft for consultation

Guideline on requirements for compulsory land acquisition

Draft for consultation July 2025



Proposed Pipelines Compulsory Acquisition Process Draft Guideline

What does it achieve?

- The acquisition process to be more transparent and easier to follow.
- Landowners and communities to be properly informed and consulted during the process.
- Greater guidance, consistency and accountability to both pipeline licensees and affected landholders.

Terms we are using

- **Licence applicant, or the pipeline proponent**, is the organisation that will seek a licence from the Minister to build and operate a gas pipeline. If granted a licence they become the **licensee**.
- **Affected landowner** is the owner of a piece of land that the pipeline proponent would like to purchase.



More information on the Compulsory Acquisition Process Draft Guidelines

These steps are in the Guidelines, and are the only steps we are consulting on in this engagement

This step is part of the
Pipelines Act

Step 1.

You will first be notified of the project early in the development stage of a project.

Step 2.

You'll then be provided a commencement letter.

This triggers a negotiation period of a minimum of 6 months where efforts are made to reach an agreement with you.

Step 3.

Over the next 6 months the pipeline proponent will engage with you to negotiate a compensation package for the easement.

Step 4.

If you don't reach an agreement with the pipeline proponent, the Minister for Energy is formally advised.

This happens at least 90 days before a licence application is made to Department of Climate Change, Energy, Environment and Water (DCCEEW) by an applicant.

Step 5.

The pipeline proponent notifies you of their intent to apply to the Minister for a licence.

This happens at least 90 days before a licence application is made to DCCEEW by an applicant.

Step 6.

The pipeline proponent makes an application to DCCEEW for a pipeline licence, including to acquire the needed land.

Step 7.

You'll then be provided with a letter from DCCEEW on the licence application, including the applicants' request for compulsory acquisition.

You will have at least 28 days to submit your feedback.

Step 8.

The Minister for Energy then determines the licence application (at least 90 days after step 5).

If the application is approved, the land in question then becomes vested in the (now) pipeline licensee.

Step 9.

The NSW Valuer General will formally determine the value of the land, the last step before compensation is provided.

They will advise both you and the licensee what this value is.



Proposed Pipelines Authority to Survey Draft Guideline (ATS)

Under the NSW pipelines legislation, the process for obtaining an ATS begins with a developer (or party seeking to conduct the survey) submitting an application to the Minister.

As pipeline safety and technical regulation and expectations of landowners with regards to consultation and notification processes have evolved, further requirements are proposed for an ATS application to keep pace with contemporary best practice on public consultation and landowner engagement.

As proposed in the exposure regulation, the applicant will need to provide evidence of the steps they have taken to initiate a pipeline development through planning approval processes. This provides certainty to the Minister of an authentic intention to carry out the development.

To this end, an ATS application must be accompanied by:

- evidence that a planning development application has been lodged in relation to the pipeline, or
- if relating to an exempt development:
 - evidence that the proposed development is an exempt development within the meaning of the Environmental Planning and Assessment Act 1979, and
 - evidence that the applicant has notified impacted communities at least 7 days before lodging the ATS application.



Proposed Pipelines Authority to Survey Draft Guideline (ATS) cont...

Pipelines Authority to survey Draft Guideline

- The proposed guideline is intended to clarify the Authority to Survey (ATS) process under Part 2 of the *Pipelines Act 1967* and Clause 4 of the *Pipelines Regulation 2023*.
- It indicates the Minister's expectations for the process of applying for and using an ATS.
- The proposal does not change the law. It provides guidance on what constitutes the reasonable steps that may be undertaken.

What does it achieve?

- The acquisition process to be more transparent and easier to follow.
- Recommendations for what applicants may do to consult with landowners and what landowners can expect during the process.
- Greater guidance, consistency and accountability to both ATS applicants/holders and affected landowners.
- Clarity on how the Minister and Department assess ATS applications.

Department of Climate Change, Energy, the Environment and Water

Authority to Survey Guideline – draft for consultation

Under the Pipelines Act 1967

Draft for consultation July 2025



Relocated provisions

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affected provisions in the Pipelines Act

Please refer to the draft Pipelines Regulation and consultation paper for each of the proposed relocated provisions in detail



Certain sections of the Pipelines Act 2024 will move to the Pipelines Regulation.

Allows penalty units to align with other energy legislation without requiring legislative amendments. Enables more flexible and regular updates.

With the exception of *s 26 Waste or escape of substances*, mainly updates to outdated penalties (no other material change to provisions).

For *s 26 Waste or escape of substances*, amendments have been made to provide for different penalties (and separate offences) for where the behaviour is intentional or not.



Revised Fees - Pipelines

Please refer to the draft Pipelines Regulation and consultation paper for each of the proposed fee updates in detail



Pipelines fees are not currently indexed for inflation and some fees have not been updated for more than 20 years

Matter for which fee payable	Fees (present)	Fees (proposed)
Proposed increased fee examples		
Application for licence (section 13(1)(i) of the Pipelines Act)	\$2,640	\$25,000 + \$100/km of proposed pipeline (or part thereof) + \$2,000 per parcel of land proposed for compulsory acquisition
Application to vary application for licence (section 13A(3)(i) of the Pipelines Act) and Registration of transfer of licence (section 42 (8) of the Pipelines Act)	\$350 and \$710 respectively	Both \$1500
Application for variation of licence area (section 18(3)(d) of the Pipelines Act)	\$50	\$2,000 + \$15/100m ² of any proposed additional land (or part thereof) in the proposed varied licence area + \$15/km of any proposed additional length of pipeline (or part thereof) in the proposed varied licence area + \$2,000 per parcel of land proposed for compulsory acquisition
Application for authority to survey (section 5E (2) of the Pipelines Act)	\$2,200	\$15,000 + \$50/km (or part thereof) of the proposed pipeline

Current Sch 3 fees do not cover the full costs incurred by the department when processing applications that involve **compulsory acquisition** considerations. To address this, new fees are proposed to reflect the additional regulatory scrutiny and contemporary community consultation expectations.

Proposed CPI fee adjustment formula

$$\text{Number of fee units} \times \$100 \times \frac{A}{B}$$

A = CPI number for the March quarter in the financial year immediately preceding the financial year for which the amount is calculated
B = CPI number (All groups CPI; Australia) for 2024 March quarter (ie, 137.4)

What are the steps to understand people's views?

- An online webinar is Wednesday 13 August 2025 from 6pm to 8pm
- Face to face discussions at:
 - **Quirindi:** Tuesday 19 August 2025 at 1:00pm – 2:30pm
 - **Muswellbrook:** Wednesday 20 August 2025 at 9:30am – 11:00 am
 - **Maitland:** Wednesday 20 August 2025 at 2:00pm – 3:30 pm
- Feedback closes on Sunday September 7 at 11.59pm
- Feedback can be submitted via <https://www.nsw.gov.au/have-your-say/pipelines-and-gas-supply-regulations>
- All feedback on each regulation and each draft guideline is carefully considered
- Advice will be provided back to people on the types of issues raised
- Regulations (and Guidelines) expected to be implemented from Q4 this year

Privacy collection notice



SECNewgate Australia (non-NSW government agency) is collecting your personal information, including your name, email and post code (your information) on behalf of the department, for the purpose of engagement on the Pipelines and Gas Supply regulatory changes.

The survey is hosted on a third-party platform managed by Qualtrics XM, secnewgate.qualtrics.com. Feedback submissions by email will be managed by SECNewgate Australia.

Your survey responses will be sent to our third-party consultant, SECNewgate who will manage and store the data on behalf of the department. Once the survey closes, SECNewgate will securely transfer the dataset to the department, including your name, email and post code.

Feedback will be manually reviewed however if a large volume of feedback is received, an Artificial Intelligence tool may be used on de-identified data to assist with analysis and the capture of different ideas. Any AI-generated results will be manually reviewed to ensure accuracy and compliance.

Feedback submissions that you have agreed can be made public may be referred to in a report on the outcome of the consultation. Any anonymous feedback will be identified as such. If you do not want your personal or organisation's details or part of your submission published, please state this clearly in your submission and tell us why.

Your information will not be shared with anyone else unless you give your consent, or the law requires us to do so.

You are not required by law to give SECNewgate your information, but if you choose not to, we may not be able to share our responses to feedback with you and better understand general participant demographics.