



IGE News

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President's Report

Dear Members,

Welcome to our September issue of IGE news, now in it's 9th year and improving with every issue. Thanks to all who contribute with articles and items of interest, your input is essential in providing information throughout our industry, I would encourage you all to contact our Secretary, Editor or any of your board representatives if there is anything of particular note that you would like covered in the newsletter, items you may want further information on are probably of similar interest our other members, and suitable for inclusion in the newsletter.



As a result of the last board meeting I can now confirm our next conference will be held in Young NSW on the 27th—29th of March 2009, we have taken into account many of the comments relating to the cost of the annual conference, and have worked (argued) hard to be able to reduce this to \$450.00 for members and \$100.00 additional for partners (see we do listen to our members—you just need to speak up) we have received positive feedback regarding the content of the presentations at the last three conferences, and now being able to reduce the cost should mean next years will be a sell out!

It was disappointing to learn we now have 47 members that are behind in their annual fees, 11 of these by 2 years, I don't expect anyone to remain a member if they are not receiving value for their fees, but we can only guess what that is if you the members don't let us know, it's not difficult, our contact details are included on the back page of every newsletter.

I am sadden to report the passing of 2 Honorary life members and Past Presidents, Ray Mills and Trevor Eirth, both contributed enormously to the Gas industry and were active members of the Institution over a long period, they will be missed mostly as regular participants at our functions. The institution has conveyed our sympathy to the families in their loss, I would also like to pass on my thanks to the members who attended their funerals as representatives of the institution.

There has been considerable activity in our industry over the preceding 3 months, changes in corporate names and ownership, continuing news on the coal seam gas and LNG projects, but best of all there has been a lot more focus on training and the ageing workforce.

Finally I encourage you all to take some action to support our industry and "your" Institution, become involved and participate in events, attend conferences and have your voice heard—remember, the only failure is the failure to participate.

Sincerely,

Chris O'Keefe

President

Alinta LGA Ltd is now known as Jemena Ltd

Alinta LGA Ltd, the energy and water infrastructure company, has adopted Jemena Ltd as its new name after launching its new brand at a ceremony in Clayton Victoria. The launch was attended by representatives of the company's owners Singapore Power, local government, and Jemena clients and partners.

This new brand represents a new beginning for a company renowned for its high quality gas, water and electricity infrastructure and contracted works services.

Jemena will use its existing capability – and the financial strength of its new owner – to be the leader in infrastructure management and development in Australia and internationally.

Jemena's CEO Peter Magarry said: "Our new brand, Jemena, represents our unique capability as an asset owner, manager, developer and service provider, and a determination to meet the vital infrastructure challenges of the 21st Century."

Jemena – an aboriginal word meaning to hear, to listen and to think – was chosen because it represents how the company does business and its focus on delivering the best services.

"In order to provide innovative, creative and cost-effective solutions for our clients, we need to hear, listen and think," Mr Magarry said. "Our new tagline – 'Vital Service. Vital Planet.' – reflects the vital services we provide to millions of Australians and our role in doing everything we can to minimise our impact on the environment.

"While we are known for our work in operating large gas and electricity networks in the eastern states, we are also investigating alternative energy solutions to meet an increasing demand for sustainable infrastructure solutions," Mr Magarry said.

Last year, Alinta Ltd., from which the Alinta East business was formed, was sold to a consortium of Singapore Power International, Babcock and Brown Power and Babcock and Brown Infrastructure. Singapore Power International has decided to rename those assets and businesses acquired by it to bring them under the Jemena brand.



More than 130 people attended the 2008 NSW Utilities and Electrotechnology ITAB Annual conference over two days in July at Crown Plaza Hotel, Hunter Valley.

The conference, with the theme 'Making Training Work', was well attended by industry, TAFE teachers and managers and training package developers, with the ITAB's Chairman Rob Alexander and other Board Members taking on the MC duties.

David Collins, General Manager, NSW DET State Training Services opened the conference with the NSW Strategic VET Plan for Vocational Education and Training 2008-2010. Then Alan Gregory, Water Theme Leader, CSIRO gave us an outside perspective of Future Trends in Utilities Service Provisions.

On the second day of the conference the focus was on separate workshops. Delegates divided into industry specific training themes to discuss priorities for Gas, Water, Electrotechnology and Electricity Supply Industry Sectors. The ITAB will be working closely with industry to assist with these priorities.

Presentations are available for download by visiting the NSW Utilities & Electrotechnology Industry Training Advisory Board (ITAB) website www.uensw.com.au and navigating to the conference tab in the menu.

Varanus Island Pipeline Incident

As most of you would now be aware, on June 3rd a rupture in a pipe at Apache Energy's facility on Varanus Island led to an explosion that damaged one pipeline and two gas processing plants, this resulted in a loss of about 30% of Western Australia's gas supply.

WA will still be desperately short of gas when air conditioning use in office blocks and homes starts to escalate with the onset of summer after beleaguered gas producer Apache Energy conceded yesterday it would be December before supplies returned to normal.

While Apache has set August 15 for the resumption of partial supplies, managing director Tim Wall said it could be six months before the damaged Varanus Island facility was back to full production.



His comments came as frozen food manufacturer Vesco Foods became the latest victim of the gas shortage, being forced to close its Osborne Park plant for a week as it seeks alternative means to operate its boilers. Vesco chief executive Ian Halliday said he expected the plant would be operating again by Monday, with more than 250 staff impacted by the temporary closure. "Other than a few office staff, most people are on annual leave this week," he said. "There will be minimal impact to customers."

The Chamber of Commerce and Industry predicts that householders will have to halve their energy consumption between now and December to avoid major disruption to industry. It warned that the crisis would not be over by August.

But WA Energy Minister Fran Logan said the announcement that around two-thirds of Apache's gas would be back on line by mid-August was good news for WA consumers and "better than expected".

Newcrest Mining Ltd, Australia's largest gold company, resumed gas supply from Apache Energy Ltd's Varanus Island facility, two months after the explosion. The gold producer said partial gas supplies have begun flowing to its Telfer operation in the Pilbara region of Western Australia, with further increases expected later this month, Newcrest have estimated the gas outage will cost the company about \$34.3 million.

Latest update from Apache Energy (August 6th, 2008)

Apache Energy Limited Managing Director Mr Tim Wall announced today that the first gas from Varanus Island, following the pipeline eruption on June 3, has flowed into the Western Australian domestic gas system in line with expectations.

Mr Wall confirmed that the resumption of partial production had been achieved earlier than the predicted August 15 due to the tremendous efforts of the company's staff, contractors and regulatory agencies.

We would like to thank the Government, customers and the people of Western Australia for their understanding while we undertook the repairs," Mr Wall said.

The partial resumption of supply is expected to be ramped up a further 120 TJ/day to 240 TJ/day by mid-August and pre-incident rates of production by the end of the year.

National Trade Licensing

At its meeting on 3 July 2008, COAG agreed to establish a national trade licensing system that will remove inconsistencies across State borders and allow for a much more mobile workforce as one of its 27 priority areas for regulatory reform and deregulation.

A national licence will simplify licensing for tradespeople. Once a licence is issued the licence holder will be able to use the licence to work anywhere in Australia without additional paperwork or cost.

[COAG has agreed that national trade licensing initially be applied to the following range of economically important trades:](#)

air conditioning and refrigeration mechanics occupations:

building occupations

electrical occupations

land transport occupations (passenger vehicle drivers, dangerous goods)

maritime occupations

plumbing occupations

property agent occupations

Under current arrangements, an array of occupational trades is licensed to varying requirements in each State. Over the past two years, the Commonwealth, States and Territories through the COAG Skills Recognition Steering Committee (CSRSC) have worked collaboratively with industry and occupational regulators to improve the current system of mutual recognition of licences for a number of occupations. The result has been transparent equivalence arrangements between licences across the jurisdictions.

However under mutual recognition, licence holders in one state still have to apply for a licence and pay another licence fee to work in another state or territory. The improved mutual recognition arrangements are also difficult to maintain because over time states and territories change their licences, training requirements and licence conditions.

The benefits of national trade licensing for the selected occupations include:

reducing the cost to business and, ultimately, consumers by allowing businesses and individuals to move seamlessly between jurisdictions without the need for multiple trade licences;

eliminating the complexity involved in complying with different trade licensing regulatory regimes between jurisdictions; enabling significant licence rationalisation, whilst maintaining public protections; ensuring consistent regulator behavior and achieving a sound balance between competing public protection objectives and facilitating labour markets; and ensuring public transparency about who has trade licences and what work is authorised to be undertaken by those licences.

There are approximately 850 licences across the states and territories for the 7 groups of trade occupations (including licence categories, classes, subclasses, levels, endorsements and restrictions). National trade licensing arrangements will reduce the number of such licences across these trade occupations very significantly.

Other elements of the reforms

COAG has decided that in addition to national licensing for the initial identified priority trades, there is an opportunity to reexamine the level of licensing and remove unnecessary complexities for other trade occupations.

This will include reviewing the necessity to continue licensing a specified range of trades that are regulated in only one or two jurisdictions and making arrangements to sustain and further improve

the gains to mutual recognition that have been made in the recent past for those trades that are not part of the new national trade licensing arrangements.

A set of national trade licensing reform principles, based on existing COAG measures to ensure best practice regulation making and review, will be developed for use in both this rationalisation of occupational licences and the development of national trade licensing arrangements. The principles will take into account the objective of reducing regulatory burden while ensuring ongoing consumer protection.

What happens next?

The Commonwealth, States and Territories, including occupational regulators, will work together to develop an Intergovernmental Agreement (IGA) for consideration by COAG at its December 2008 meeting. The IGA will describe the arrangements for the national trade licensing system and the wider reforms including the legislation, governance, administration, finance and administration arrangements, jurisdiction specific issues that need to be addressed, and national trade licensing reform principles which will underpin the system.

Sufficient lead time from the time of settlement by COAG of the national trade licensing IGA in December 2008 to the commencement of the national trade licensing system would be required, given the broad range of issues to be addressed by the IGA. Papers accompanying the IGA would provide more considered advice about the time required for transition, taking into account the detailed research and design work which needs to be undertaken.

The development of the IGA will be led by the CSRSC reporting to the Business Regulation and Competition Working Group (BRCWG) which in turn will report to COAG. The CSRSC will also be supported by an Expert Working Group which will provide advice and assist in consultations with key stakeholders during the development of the IGA.

Once the framework of the IGA has been settled, regulators, industry and other key stakeholders will have a key role to play in design of the new system. This will ensure that the regulatory and industry expertise which has been harnessed during the current process of improvements to mutual recognition and the views of all stakeholders are used to design a national trade licensing system which reduces costs and burdens to business while maintaining consumer protections.

Consultation and communication

The CSRSC has developed a communications and consultation plan to consult with relevant stakeholders, including consumers, throughout the development of the IGA.

The plan includes mechanisms for ensuring dissemination of current information on progress and developments as well as strategies for seeking stakeholder input into the research, design and implementation features of the system. This will include, where useful, convening occupation-specific working groups to workshop particular issues around research, design and implementation of the new system.



JOE CALABRESE *Ph: (02)9631 0587 M:0402 059 826*

More on Coal Seam Gas

We are not the only ones reporting on the growing interest and activity in the Coal Seam Gas sector, this **report by Jamie Freed** was published in the **Sydney Morning Herald** last month.

Long the Cinderella of the energy sector, coal-seam gas has suddenly emerged as the hot industry every big global player wants to be in - and NSW is the next frontier of the great gas rush.

It has been a long, hard slog for members of the Australian coal-seam gas industry to be taken seriously.

David Casey, the managing director of the NSW hopeful Eastern Star Gas, would know. He went into coal-seam gas research straight after graduating from university in 1991, and has since faced plenty of sceptics.

"They didn't believe in the sector," he says. "It was a novelty, and we were always seen to be the poor cousin [to coal and conventional oil and gas]."

And when Queensland Gas's managing director, Richard Cottee, joined the Brisbane company in 2002, his first order of business was to ensure its survival by signing as many preliminary supply contracts as it could.

"That was a fairly difficult and mean experience," he recalls. "You were sitting there with [the ill-fated Papua New Guinea gas pipeline project] hanging up over your heads like a dangling bag of swords."

But in the past few weeks, the scepticism which has long clouded the Australian coal-seam gas sector has all but disappeared.

Since Britain's BG Gas made a \$12.9 billion takeover approach to Origin Energy in late April, the positive news about coal-seam gas has flowed seemingly unabated. Last week Petronas in Malaysia signed a \$US2.5 billion (\$2.6 billion) deal with Santos and Royal Dutch Shell this week cut a \$776 million arrangement with Arrow Energy.

With plans to build four separate liquefied natural gas projects at Gladstone, to be supplied by Queensland's extensive coal-seam gas resources, there is little doubt the industry has finally come of age in that state.

But in NSW it is a different story.

Even though analysts believe the state might ultimately hold just as vast resources of coal-seam gas as its northern neighbour, the pace of development in the NSW industry is running a few years behind at best.

The disparity - which can be explained mostly by a combination of history, state government policy and infrastructure - is likely to persist for a long time at some level given Queensland's head-start. But that does not mean NSW will be prevented from building a globally significant coal-seam gas industry of its own.

APA Group expansion

APA Group has decided to proceed with the expansion of its Moomba to Sydney Pipeline and its Queensland gas distribution network to meet rising demand.

The Moomba to Sydney Pipeline expansion will increase capacity by 20 per cent progressively over the next few years. The enhanced storage capacity will increase the ability of the pipeline to meet power station gas demand as well as existing winter peak gas demand.

In addition APA has approved a major expansion of its natural gas network in Queensland's Gold Coast area. This investment will extend the distribution network to service up to 9,000 new home in the upper Coomera—Pimpama area. APA owns and operates the network which services residential and business gas users from South Brisbane to the Gold Coast.

APA Managing Director Mick McCormack said there was potential to further extend the network to additional home development sites in the growing Brisbane to Gold Coast corridor, with two major housing developers recently committing to make natural gas available to 3,000 new homes.

SAFETY ALERT **August 2008**

DO NOT USE OUTDOOR GAS APPLIANCES INDOORS

Gas safety regulator, Energy Safe Victoria (ESV) stresses the importance of never using outdoor gas appliances such as patio heaters and BBQs indoors.

This warning follows the death of a 33-year-old man in a unit behind a property in the Melbourne suburb of Altona Meadows in July 2008.

Energy Safe Victoria is assisting Victoria Police with inquiries into the death, which is not believed to be suspicious. Initial investigations indicate the victim died after using an outdoor table top patio heater which emitted carbon monoxide and consumed the oxygen inside the unit.

ESV took possession of the heater from the Police to arrange for tests to be conducted on it by an independent laboratory. Tests have revealed the heater was not operating correctly. Investigations have found that the unit had been well sealed with expansion foam to prevent draughts. The gas cylinder for the heater was located outside the unit and a hole had been drilled in a wall for the connecting hose.

The Director of Energy Safety, Mr Ken Gardner, said that ESV constantly warns the community that appliances manufactured for outdoors must never be used inside properties. "Unfortunately deaths continue to occur because people are oblivious to the dangers of using outdoor appliances indoors, deliberately ignore the advice for reasons only known to themselves, or take a risk thinking nothing can happen to them.

"The condition of the heater and whether it was faulty or not is irrelevant in these circumstances, outdoor appliances must never be used indoors, It's that simple, It is too dangerous. "Death could just as easily have occurred if the heater was functioning properly.

"No matter how cold or uncomfortable it might be, it's a very dangerous practice to use outdoor heaters and BBQs inside and must never be contemplated. "Outdoor gas appliances are for outdoor use. Apart from using up the oxygen in the confined space of a property there is also the danger they will cause fires," said Mr Gardner.

ESV – 1800 800 158 or www.esv.vic.gov.au

Member Survey

As mentioned in previous additions the board decided to conduct a member survey, it was also decided to do this survey by personal contact rather than a written questionnaire, giving members the opportunity to voice an opinion rather than trying write comments and post returns back.



At the time of writing we are almost halfway through the membership and are receiving a positive response overall to the process, we encourage you to be open and honest with any criticism as well as your suggestions (don't be afraid of offending the board, we would prefer to know all the bad feed back so we can focus on what we can do to improve our institution, positive feedback is very hard to improve, negative feedback gives us something to work with), if you get a message to say we have called, please take the time to call us back, our questions take less than 3 minutes and you can take as long as you like with any further comments, it's also a great opportunity to update any of your contact information, including email addresses if you prefer you correspondence electronically.

Apart from this survey you should always feel free to pass on any comments / suggestions / criticisms to the board, you can do this by letter, fax, email or phone, contact details are on the back page of every newsletter and are advertised for the sole purpose of providing members with a convenient and flexible method of contact.

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Membership movements

The membership movements adopted at the board meeting on 8th August, 2008 are as follows:

The current membership is:

169 Subscribing Members
13 Senior Members
19 Honorary Life Members
Total Membership 201

New Members: 1

Raymond Hammond

Members Deceased: 2

Trevor Eirth, Raymond Mills

**Unfinancial Members:
47**

Coming Events

Queensland Power & Gas 2008 (20th—23rd October 2008)

EE-Oz Annual Conference Workplace Development & Training (20th—21st October 2008)

IGE Christmas Dinner (21st November 2008)

IGE Conference & AGM (28th—29th March 2009)

Future Gas 2009 (22nd—24th March 2009)

Because the future hasn't happened yet—You have the opportunity to create the future you want



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Knowledge in the industry through experience and people