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South Australian Government Department of Primary Industries and Resources

Licence 8 - Annual Report July 2010 – June 2011



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1 INTRODUCTION

This report provides information to the Minister of Mineral Resources Development of South Australia in accordance with requirements of the *Petroleum and Geothermal Energy Act 2000* and Section 33 of the *Petroleum and Geothermal Energy Regulations 2000* and AS2885.3 - 2001.

Gorodok Pty Ltd owns the Moomba-Sydney Ethane Gas Pipeline. APA Group maintains the pipeline on the behalf of Gorodok. The pipeline in this report begins at the Moomba gas fields in South Australia and ends at the SA and QLD border. The entire section is approximately 101 km of 219mm OD pipeline.

This report is applicable to Gorodok's activities in Pipeline Licence 8 (the South Australia Section of Moomba-Sydney Ethane Gas Pipeline) during the period 1st July 2010 to 30th June 2011.

2 REGULATED ACTIVITIES

2.1 *Inline Inspection (ILI)*

There was no in-line inspection carried out on this section of the pipeline during the report period.

2.2 *Corrosion control*

2.2.1 Annual Pipe to Soil Potential Survey

The annual pipe to soil potential survey was not completed during the report period due to continued wet weather events preventing access to the easement. The survey has been scheduled to be completed by the end of September 2011. Telemetered readings and spot checks readings have indicated the pipeline is protected.

2.2.2 Cathodic Protection System

Two CP units at MS29 and MS83 protect the pipeline. No outages affecting protection were recorded.

Telemetry systems on the cathodic protection system operated reliably for the period.

2.3 *Emergency Simulation Exercise*

No emergency response exercises were conducted on pipeline license 8 during the report period; however two real-time desktop simulation exercise involving field mobilisation were performed on the NSW section of the ethane pipeline and the NSW section of the MW Pipeline during May 2011.

2.4 *Mechanical and electrical maintenance*

Routine six-monthly maintenance was performed at MS00, MS29, MS55 and MS83 as per the maintenance schedule. This included all line valves and coolers at the Moomba inlet station. Santos operators inspected the Moomba cooler inlet station each week. This maintenance was performed in accordance



with the 'Gorodok Operations and Maintenance Agreement 1994' and to the requirements of Standard AS/NZS 2885.3 2001.

Six monthly and security inspections ("O" service) were completed at each valve site.

During this period, there were no equipment failures that posed a threat to the operating integrity of the pipeline.

2.5 Communications/SCADA

As reported in the previous year report, a new SCADA system at Young was successfully commissioned during May 2010.

3 EASEMENT MANAGEMENT

3.1 Easement Maintenance

The easement was surveyed according to the Safety and Operating Plan. No significant issues were observed.

General housekeeping has been maintained at the valve sites.

3.2 Landowner and Emergency Services Activities

Landowners within the South Australian section of the pipeline were visited by APA personnel from the Cobar Operations base during the report period.

3.3 Surveillance

Aerial patrols of the pipeline route were completed each month with additional vehicle patrols conducted in association with other maintenance activities.

4 HEALTH, SAFETY AND ENVIRONMENT

4.1 HSE System

APA Group recorded no LTI, MTI or environmental incidents on the Gorodok pipeline in South Australia during the report period.

The "Non Negotiables," program based around the high-risk areas of the business continued. The program focuses on five main areas:

- Incident and Hazard Management,
- Work Permits,
- Personal Protective Equipment,
- Competency, Licences and Training, and
- Plant, Tools and Equipment.

A number of lifestyle initiatives were instigated:



- A Summer Safety Awareness Program focusing on Sun Protection
- Dehydration, Global Corporate Challenge and
- Posture @Work

APA Group again submitted the results from the HSEMS Self-Assessment Audit. Harmonisation of Workplace Health and Safety laws has prompted a review and rework of APA Groups HSLMS. The HSLMS will be branded as SafeGuard, and will be formally released on 1st September 2011.

4.2 Environment

There were no environmental incidents during the report period.

This report notes that Pipeline License 8 and Pipeline License 7 share a common easement and therefore easement activities and monitoring programs relating to PL 7 are relevant to SEO compliance monitoring for PL 8.

5 REGULATORY COMPLIANCE

Gorodok (owner of Moomba-Sydney ethane pipeline) and APA Group comply with all relevant Acts, regulations, the licence and Statement of Environmental Objectives.

The pipeline is operated as per the requirements of AS2885.3-2001.

There was no identified issue of non-compliance to the Act.

6 COMPLIANCE

6.1 Management System Audits

Table E1, below, details actions identified during the annual SaOP audit that was conducted in May 2011.

Items identified in the 2010 SaOP that required action have been closed out.

APA Group internal auditors carried out a series of scheduled management system audits during the reporting period.

Table E1 –Actions Identified

No	Ref	Comments and Recommendations	User ID	Priority
2	19.5	Provided evidence that outcomes from Emergency Response drill exercises are reviewed by Management and that recommendations made following the drills are managed.	APA Group	MED



No	Ref	Comments and Recommendations	User ID	Priority
3	19.6	Ensure that the APA Group Western Section personnel are involved in the next round of emergency response drills.	APA Group	MED
1	19.7	Opportunity for improvement: With the pending changes to the structure and management of the Emergency Response Plan it is recommended that APA Operations determine how to best maintain the emergency management to an adequate (/excellent) standard. This may involve including emergency management as a fixed agenda item during the Monthly Team Meetings.	APA Group	MED
11	25.18	Western Section, Bulla Park: The 6-monthly I&E Service has not been carried out as per SAOP requirements. A window needs to be created to ensure that this Service occurs on the set frequency as per the SAOP schedule.	APA Group	MED
12	25.19	When shortness of staff occurs in a region, ensure that the required PM checks and services are still carried out.	APA Group	MED
7	28.2	Demonstrate that the actions listed as part of the latest Cathodic Protection reports (whole of the pipeline) have been implemented as required.	APA Group	MED
6	30.1	Demonstrate that DCVG has been carried out for the whole of the pipeline. Details as to when the DCVG test was last done and when it is planned to be repeated are required.	APA Group	MED
8	33.6	Western Section, Bulla Park: Determine test method for Unit and Station Emergency Shut Down.	APA Group	MED
9	33.7	Western Section, Bulla Park: Determine frequency of Emergency Shut Down test and incorporate into schedule (possibly in conjunction with the 2000 hour engine service)	APA Group	MED
5	74.1	Opportunity for improvement: Prepare 12-monthly report showing tasks completed against schedule and tasks outstanding.	APA Group	MED



No	Ref	Comments and Recommendations	User ID	Priority
4	78.1	It appears that the landowner liaison did not occur in the period 2010/2011 in the Eastern and Western region. (Refer also action 66.4 from the 2010 audit resulting from the fact that insufficient evidence was provided to demonstrate that the landowner liaison had occurred 2009/10).	APA Group	HIGH NON CONFOR- MANCE



6.2 List of Reports

6.2.1 Reports Submitted to PIRSA

- Annual report (this report)

6.2.2 Gorodok Data or Reports

- 2011 SaOP audit actions (included herein)

6.3 Threat Mitigation, Prevention

No reasonably foreseeable threats (other than those identified in the risk assessment previously reported) apply to this section of the pipeline.

7 FUTURE OPERATIONS

All maintenance operations will continue as scheduled to ensure that the integrity of the pipeline system is maintained.

8 PIPELINE OPERATION

The following table details the quantity of ethane transported through the Moomba-Sydney ethane pipeline for the year ended 30 June 2011.

	Tonnes	Max (tonnes)/day	Average (tonnes)/day
July	26,919	976	863
August	24,786	958	797
September	25,672	949	857
October	23,155	909	738
November	23,769	908	792
December	25,274	917	830
January	23,573	848	755
February	19,223	823	687
March	21,088	798	673
April	22,137	840	732
May	25,882	904	835
June	24,458	880	815
TOTALS - Tonnes	285,936		



9 Statement of Expenditure