

QUESTION ON NOTICE

No. 688

asked on Wednesday, 10 May 2006

MR FOLEY ASKED THE MINISTER FOR NATURAL RESOURCES, MINES AND WATER (MR PALASZCZUK)—

QUESTION:

With reference to a number of LPG gas suppliers who have raised the concern that an unprecedented number of two stage regulators are failing due to an oily residue being left behind in regulators and feeder pipes and, as the gas suppliers have said that regulators that used to last around 15-20 years are lasting an average of 18 months—

Is he aware of what seems to be a quality control issue with LPG; if not, will he examine this issue as a matter of urgency?

ANSWER:

I am aware of problems with these regulators. After the failure of a number of two stage regulators became apparent and some initial investigations were undertaken, the Chief Inspector of Petroleum and Gas issued a Safety Alert to all suppliers, industry bodies and manufacturers of regulators advising them of the problem and suggesting ways the problem may be minimised.

At the same time, the Department of Natural Resources, Mines and Water had experiments conducted by Simtars, its Safety in Mines Testing and Research Station laboratory, to determine the exact nature of the oily substance and how gas installations can be protected. All available evidence pointed to a fault in the regulators themselves where non-metallic material is attacked by liquid gas resulting in the oily residue and damage to the integrity of the diaphragm.

In addition, investigation occurred to ascertain whether single stage regulators which had not experienced any failures associated with the oily residue, could be allowed to be used in place of the two stage regulators, but manufacturers were unable or unwilling to supply these.

A meeting to discuss the issues, including consumer protection was convened in Brisbane on 15 February 2006, with regulator manufacturers, gas suppliers, gas installers and the two relevant agencies, namely the Office of Fair Trading and the Petroleum and Gas Inspectorate of the Department of Natural Resources, Mines and Water.

As a result of that meeting LPG Australia, the industry peak body, agreed to replace failed regulators at no cost to the consumer or installer and reimburse consumers for any gas lost as a result of the regulator failure. For logistical reasons, this arrangement is confined to the Townsville and Charters Towers areas, where the issue seems to be most prevalent. Failure of regulators resulting from oil residue issues located elsewhere in Queensland will be considered by LPG Australia on a case by case basis.

LPG Australia has formed a small group of senior industry personnel to ensure that appropriate resources are devoted to address the problem. They have commenced further testing of regulators and analysis of failed regulators which at this stage confirms the Simtars work. The industry is providing the Government with regular updates of progress of this work. It may still be some months before testing is complete and any conclusions can be drawn.

Any person who has experienced a regulator failure should report this to their local gas installer with the request that the information be passed on to LPG Australia.