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Title: Mr

First Name: Roger

Surname: Jones

Organisation represented (if applicable): N/A

Email address: [REDACTED]

Home or office phone: [REDACTED]

Mobile: [REDACTED]

Content of submission (you can choose multiple): Application and
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If Other please state here: Lessons learned from the 1998 Longford Gas
Crisis and applicability of a new model for the management of public
risk from essential service instrumentalities.

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SUBMISSION

TO

THE BOARD OF INQUIRY

INTO

THE HAZELWOOD COAL MINE FIRE

THE 'LONGFORD LEGACY'

AND THE MANAGEMENT OF PUBLIC RISK

by

Roger T. Jones OAM BEd FAIES MIAEM

[REDACTED]
Gisborne VIC 3437

30 April 2014

This Submission is lodged in accordance with the specified matters required to be examined under the Order in Council establishing the Board of Inquiry issued on 21st March 2014, directing the Board to make recommendations arising out of its inquiry as considered appropriate in relation to (*inter alia*):

‘ 4. The adequacy and effectiveness of the response to the Hazelwood Coal Mine Fire by:

...

and, in particular, the measures taken in respect of the health and well-being of the affected communities by:

- iv. informing the affected communities of the Hazelwood Coal Mine Fire and about its known effects and risks; and
- v. responding to those effects on, and risks to, the affected communities.’

ABOUT THE AUTHOR

A university graduate in education and former officer in the Australian Regular Army, Roger Jones has had almost 40 years' experience in disaster and emergency management planning, operations, education and training at Commonwealth, State, local government and community levels in Australia. He is widely recognised, nationally, regionally and internationally as a consultant in disaster risk management and emergency management, and has published in relevant peer-reviewed journals.

His practical experience has ranged from operational coordination at national level during Cyclone TRACY in 1974 through personal involvement at local government level during and after the Victorian 'Ash Wednesday' bushfires to a key role at State government level in the development of new Victorian emergency management arrangements between 1984 and 1987. More recently it has included work with Pacific regional and national governments and instrumentalities as a Community Risk Management consultant with the Pacific Applied Geoscience Commission, a Pacific Forum regional organisation (2000 – 2006).

He has also undertaken, on behalf of United Nations, Australian Government and Pacific regional agencies, a number of disaster prevention and preparedness consultancies in the Pacific, South-East Asia and South Africa.

He is a recent Director and Deputy Chair of the statutory Board of the Victoria State Emergency Service Authority, having served eight years on that Board (2006-2014).

The views expressed in this submission are those of the author and are not to be taken as the views of any of the agencies with whom he has served or is currently serving.

THE 'LONGFORD LEGACY' AND THE MANAGEMENT OF PUBLIC RISK

Note

Following the 'Longford Gas Crisis' in September-October 1998, the author was contracted to the Victorian Government Department of Justice between December 1998 and May 1999 to participate in a number of debriefings and reviews into the Government's response to the community crisis created by that event. Material developed for, delivered and used publicly as part of that engagement has been used as the basis for this submission.

THE LONGFORD GAS CRISIS, SEPTEMBER-OCTOBER 1998

1. Just after midday on Friday 25th September 1998, a series of explosions within Esso's natural gas processing plant at Longford in Gippsland, Victoria resulted in 2 deaths and 8 injured workers within the plant. However, a 'secondary result' from the event was the almost complete shut-down of natural gas supplies and widespread restrictions on domestic, commercial and industrial use in almost all parts of the state of Victoria. These restrictions continued for a full two weeks after the event, affecting some 1.3 million households and having estimated economic costs of between one and three billion dollars.
2. A more detailed account of the effects of the gas crisis is attached at Annex A.

THE 'LONGFORD LEGACY'

3. While the plant operators faced considerable problems in dealing with the three major fires which resulted and the damage within the complex, the external operational responses, conducted under the State-level emergency management arrangements introduced in the 1986 *Emergency Management Act* (which had been updated in 1994) were assessed as having worked effectively. Appropriate fire-fighting support was provided to the Longford plant by the Country Fire Authority. The State Emergency Response Coordination Centre maintained by the Victoria Police had been activated and the State's peak emergency management body, the then Victoria Emergency Management Council was alerted and met on three occasions during the crisis.
4. In October 1998 the Victorian government appointed a Royal Commission to enquire into a number of matters concerning the gas crisis, mainly focussed on the factors causing or contributing to the crisis and the steps which should be taken to prevent or lessen the risk of repetition of such incidents or further disruption to gas supplies from such facilities. The Commission's report, delivered in April 1999, dealt primarily with the issues of fault, failure to provide a safe working environment, and training and procedural failures. In its recommendations, however, the Commission, also emphasised the need for special 'safety case' provisions for such major hazard facilities. This issue has become a part of the 'Longford legacy' and accordingly has relevance to any discussion of the Hazelwood fire.

5. *In addition, at the level of higher level management, the government of the day had clearly recognised that the issues raised by the almost complete shut-down of natural gas supplies had raised 'whole-of-government' issues which could not be effectively dealt with within the existing emergency management arrangements. The government's actions in response to the Longford event, therefore, also have particular relevance to the present discussion.*
6. This submission argues, therefore, that there are two issues of significance in the 'Longford legacy' should be considered of relevance in the considerations of the current Board of Enquiry into the Hazelwood Coal Mine Fire, in respect of items 4.iv. and 4.v. of the matters specified to be examined, are:
 - a. the application of the requirement for special 'safety case' provisions in major hazard facilities such as those represented by the Hazelwood Coal Mine, and
 - b. the requirement for established and well-practised 'whole-of-government' management provisions for situations in which major and ongoing community disruption can be anticipated.

MAJOR HAZARD FACILITIES AND THE 'SAFETY CASE'

7. In its 1998-9 report, Dawson Royal Commission on the Longford event made a number of specific recommendations designed to ensure that facilities such as Longford could be monitored and have its operating practices overseen at an appropriate level (paragraphs 15.18-15.27). The key recommendation was for the then existing and established 'safety case' procedures prescribed under the State's essential services legislation to be modified to extend to 'all major hazard facilities within the State and that a specialist agency, sufficiently independent of the [then Victorian Workcover Agency] to avoid any conflict of interest, be established to administer that procedure' (paragraph 15.26).
8. Such provisions were duly incorporated in the Victorian Government's Occupational Health and Safety Regulations 2000 (amended in 2007 in S.R. No. 54/2007), with 'major hazardous facilities' being defined in those regulations (r.1.1.5) in very limited terms, relating only to facilities 'where Schedule 9 materials are likely to be present ... or determined by the Authority to be a major hazard facility under regulation 5.5.29'. Schedule 9 materials, as listed in the regulations, are generally limited to those with potential, if released or improperly released or handled, to result in injuries to in-facility workers or nearby residents. Of the approximately 40 approved sites licensed and registered as 'Major hazard facilities' under these regulations, the majority consists of oil refineries, chemical manufacturing sites, gas processing plants and LPG facilities.
9. Under Division 3 of Part 5.2 of the regulations, the operators of such facilities have an extensive range of duties and obligations, including the development of a Safety Management System, the employment of Safety Case models, the development and testing of emergency plans, and the training of facility staff.
10. However, it is noteworthy that the entire emphasis of these provisions is related to the nature and handling of the materials stored on the facility in question, and on the resultant threat to the staff and nearby residents. This is quite appropriate in relation to the terms of reference given to the Royal Commission, which were related solely to the nature of the Longford event, and were not concerned with the issue of the 'secondary result' of that event – its impact on the people of Victoria, and on the consequent requirement for the Victorian government to be seen to be effective in dealing with that impact.

'WHOLE-OF-GOVERNMENT' MANAGEMENT PROVISIONS FOR EVENTS RESULTING IN MAJOR COMMUNITY DISRUPTION

11. From the time of first report of the Longford event, it was estimated at post-event reviews that there were some 36 hours of uncertain reaction by State-level emergency management authorities and the Victorian government itself. In the nature of the event's timing (after midday on a Friday afternoon when all community focus was on a major sporting event on the following day) and given the sudden information flow of urgent and often-contradictory advices, this is not surprising in itself. At an early stage, regional and State-level government and agency authorities were offering differing information to the media, and it was not until nearly midday on the Saturday that coherent reports of what had happened at Longford and what its effects might be were circulating widely.
12. *(Again, this is in no way unusual in itself, although it did reportedly lead to the then Premier, the Hon. Jeff Kennett, expressing his dissatisfaction with the often-conflicting and confusing media reports and advice from various government agencies at the time, and declaring that 'what people need to know is simply what has happened, what we're doing about it and what THEY could be doing about it!' – a comment which deserves to be guidance for all agencies proffering advice in the wake of a disaster! - RTJ)*
13. However, the government of the day did then move rapidly to establish State-level 'whole-of-government' arrangements to manage what was clearly a State-wide major emergency created by the gas crisis and one not within the purview of the essentially preparedness-and-response-focussed Victoria State Emergency Management Council (VEMC). It was recognised that managing the down-stream and possibly compounding community impacts of an event such as the Longford event, with its potential major and prolonged disruptions to essential services, requires more than the traditionally-provided emergency response and recovery activities.
14. Over the weekend following the event itself the government established a 'Central Government Response Centre (CGRC)' comprised of senior officers from a number of State government departments and convened by the Department of the Premier and Cabinet. The role of the CGRC was to coordinate whole-of-government strategy and communication in managing the State-wide emergency, reporting to a cabinet-level sub-committee of appropriate ministers (which included the Minister for Police and Emergency Services as the 'Coordinator-in-Chief of Emergency Management' under the revised 1986 *Emergency Management Act*). These 'whole-of-government' arrangements evolved, respectively, into the present 'Central Government Response Committee (CGRC)' and the 'Security and Emergencies Committee of Cabinet (SECC)', being maintained by subsequent administrations up to the present.
15. Under the 2012 White Paper proposals, the SECC will be retained, but the responsibilities of the CGRC and the VEMC (and a number of other subordinate committees) is now to be undertaken by a 'State Crisis and Resilience Council (SCRC)', responsible for leading the emergency management reform agenda, overseeing the work of the new 'Emergency Management Victoria' and its standing sub-committees and other tasks including 'whole-of-government' activities during a major emergency.

16. As the 'Hazelwood Coal Mine Fire' occurred while the State's emergency management reform agenda was in a development phase, it is not known to the author whether the then SECC and CGRC were convened or active. It would, however, be reasonable to assume that, had they been, the measures taken in respect of the health and well-being of the affected communities (in terms of giving prompt information about known effects and risks, and responding to such effects and risks) could have been seen to have been more adequate and effective.

AN OVER-RIDING ISSUE – THE MANAGEMENT OF PUBLIC RISK

17. The two 'Longford legacy' issues raised above as relevant to the considerations of the current inquiry – the resultant 'major hazard facility' developments and the 'whole-of-government approach' to the management of such complex major emergencies – point up a serious deficiency in our usual approach to the issue of risk and its management in essential service industries: the nature of the risk in such entities is not limited to the normal range of corporate (commercial and human resource) risks and information security risks common in the non-essential-service sector, but includes also the public risk that may be incurred either from *technical emergency risk* or *supply failure*. If the emergency created by the Longford event was primarily the result of *supply failure risk*, the Hazelwood emergency (in so far as it affected the Morwell community, and accordingly is sought to be addressed in the specified matters addressed in the latter part of paragraph 4 of the current inquiry's terms of reference) is primarily the result of a *technical internal emergency*.

18. The risk envelope facing individual entities operating as part of the essential service system can therefore be diagrammed as follows:

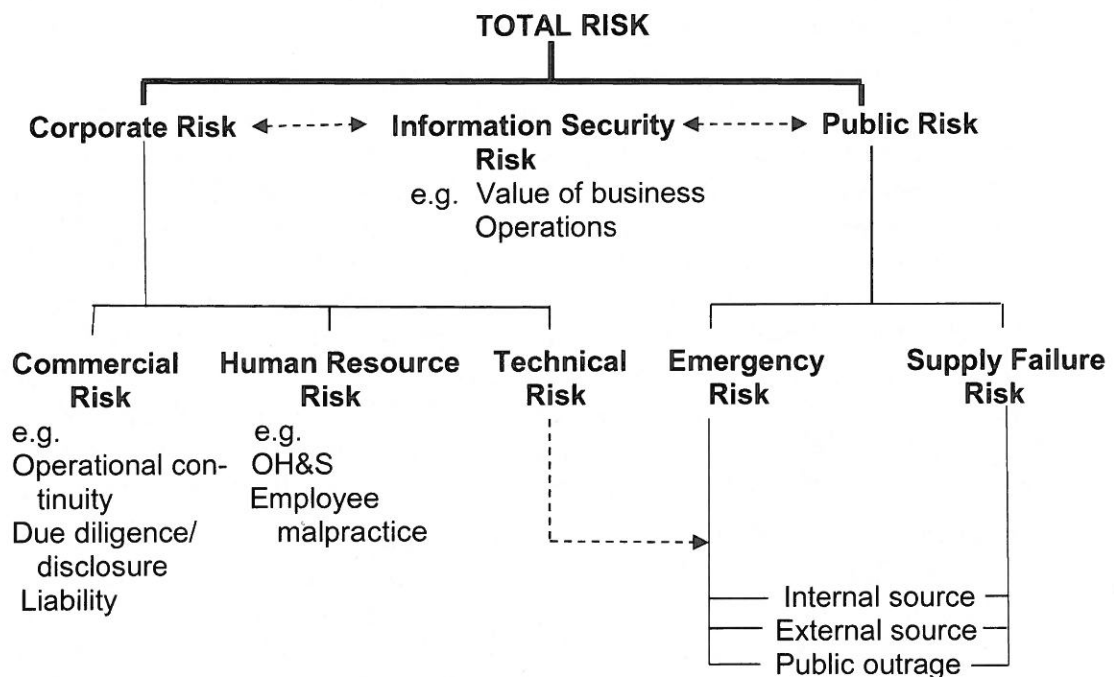


Figure 1 – Components of Risk in Essential Services Entities

CONCLUSION

19. It is, of course, a matter of some record that terms of reference for commissions and inquiries commissioned early in the aftermath of emergencies and disasters have tended to focus primarily on the events themselves; in the case of the present inquiry, however, there appears to be a signal opportunity to address the causation of the event and the potential to develop treatments for the public risk which such events may entail.
20. Had such an opportunity been given following the Longford event, for example, it is possible that 'major hazard facilities' hazards may have been defined in terms more broad than those specified in Schedule 9 in the current Victorian occupational health and safety regulations – to include the sources of 'public risk' in relation to essential service entities similar to those suggested in Figure 1 above. This and the effective activation and operation of the existing Security and Emergency Committee of Cabinet (SECC) and Central Government Response Committee (CGRC) may well have moderated the impact of the event on the Morwell community more rapidly than appeared to be the case.
21. The opportunity to offer this submission has been much appreciated.

Attached at Annex A: The Longford Gas Crisis, 1998 – A Summary

THE LONGFORD GAS CRISIS, 1998 - A SUMMARY¹

Esso's Longford Plant, near Sale in Gippsland, processes natural gas from the off-shore fields in Bass Strait, and in 1998 was supplying about 80% of Victoria's natural gas needs. Most of the remaining 20% of those needs was fed into the Victorian distribution system from New South Wales, with a minor supplement from a separate supply source in the State's south-west.

At about 12.30 p.m. on Friday, 25th September 1998, a series of explosions in the plant resulted in three large fires. Given the possibility of further explosions, people living within 5 kilometres of the plant were evacuated, and extensive fire-fighting efforts by plant staff and local CFA units commenced. By nightfall on Friday, the body of one worker had been found on site, and eight others had been treated for various injuries. A second body was located on Saturday morning, and the fires were finally contained on Sunday, 27th September.

However, gas supply into the distribution system could not be recommenced because of damage within the plant complex, and while restoration work started on Monday morning it was clear that widespread restrictions on domestic, commercial and industrial use of natural gas would be necessary. While as early as on the afternoon of the explosion VENCORP, the State's gas supply authority, had made urgent announcements encouraging households and industry to reduce usage, by Saturday morning the limited gas supplies available from the alternate sources were resulting in:

- hospitals cancelling or deferring elective surgery and transferring laundry interstate;
- food outlets without electric or barbecue facilities offering only limited service;
- dairy farmers, needing gas for milk pasteurisation, pouring milk down the drain, and
- crematoria postponing their operations.

So on Saturday VENCORP ordered homes and businesses in all areas of Victoria (other than an area in south-west Victoria which could draw on its own supplies) to turn natural gas off at the mains. Restrictions were also placed on liquid petroleum gas (LPG) usage, and VENCORP, assisted by some 4,000 CFA and VicSES volunteers, started to coordinate the turn-off at meter to 1.3 million gas customers. On that day, the State's main vehicle manufacturers, Ford and Toyota, announced the stand-down on 7,000 employees, instances of panic buying and sharply-increased purchases of electrical cooking and heating appliances were being reported, and – it being an AFL Grand Final weekend! – it was estimated that Melbourne restaurants alone could have lost more than \$9 million.

On Monday, the Premier, the Hon. Jeff Kennett, promising an inquiry into the crisis, warned that Victorians could expect to go without natural gas for two weeks, and that services would have to be restored gradually. Effects of the crisis spread rapidly – abattoirs closed, 2,000 workers in the textile industries were stood down, bread and milk supplies were being rationed in Melbourne supermarkets, and interstate car industries dependent on Victorian components stood down staff.

Even this brief outline indicates that the impact on Victoria of what might be termed an 'industrial accident' was much greater than its immediate impact results might have indicated. Over the first two weeks alone in Victoria alone, the estimated economic costs are estimated to have been between one and three billion dollars.

¹ The material for this summary is drawn from briefing material prepared by the author who facilitated a number of emergency service debriefings, an Essential Services Disruption Seminar and one of the five Task Groups established by the Victorian Government in its 'Review of Security of Supply' during 1998 and 1999.