



Victoria Government Gazette

No. S 118 Tuesday 20 October 1998
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SPECIAL

ELIZABETH THE SECOND BY THE
GRACE OF GOD
QUEEN OF AUSTRALIA AND HER OTHER
REALMS AND TERRITORIES,
QUEEN, HEAD OF THE COMMONWEALTH
To The Honourable Sir Daryl Michael
Dawson, AC, KBE, CB.

Brian John Brooks BE, FIEAust, FIAP,
FAIE, FIE

GREETINGS:

WHEREAS:

- A. Gas extracted by Esso Australia Resources Ltd ("Esso") and BHP Petroleum (Bass Strait) Pty Ltd ("BHP") is processed at gas production and processing facilities at Longford, Victoria ("the Longford facilities") operated by Esso.
- B. On Friday 25 September 1998 an explosion and fire occurred at the Longford facilities.
- C. As a result of that explosion and fire two persons were killed, a number of persons were injured and all gas supply from the Longford facilities ceased.
- D. It appeared to the Governor in Council that the available supply of gas was or was likely to become less than was sufficient for the reasonable requirements of the community and accordingly the Governor in Council, acting under s.62F of the **Gas Industry Act 1994** ("the Act") by proclamation declared that Part 6A of the Act was to apply.
- E. Following that proclamation, directions were given under Part 6A of the Act to effect the cessation of all but essential gas usage in those parts of Victoria which rely upon the supply of gas from the Longford facilities.
- F. The Governor of the State of Victoria, in the Commonwealth of Australia, by and with the advice of the Executive Council has deemed it to be expedient that a Commission should issue to you in the terms set out below.

NOW THEREFORE the Governor of the State of Victoria, in the Commonwealth of

Australia, by and with the advice of the Executive Council and acting pursuant to section 88B of the **Constitution Act 1975**, appoints and constitutes you

The Honourable Sir Daryl Michael Dawson AC, KBE, CB

Brian John Brooks BE, FIEAust, FIAP, FAIE, FIE

to be Our Commissioners

AND HEREBY APPOINTS The Honourable Sir Daryl Michael Dawson, AC, KBE, CB to be Chairman of the Royal Commission.

FOR THE PURPOSE of inquiring into and reporting upon the following matters:

1. What were the causes of:
 - (a) the explosion and fire which occurred at the Longford facilities on Friday 25 September 1998;
 - (b) the failure of gas supply from the Longford facilities following that explosion and fire.
2. Whether any of the following factors caused or contributed to the occurrence of that explosion, fire and failure of gas supply, namely:
 - (a) the design of the Longford facilities including the interdependence of
 - (i) the plants and other components which comprise those facilities; and
 - (ii) the Longford facilities and other facilities at, or upstream of, the Esso site at Longford;
 - (b) operating standards, practices and policies;
 - (c) maintenance standards, practices and policies;
 - (d) asset management practices and policies;
 - (e) risk management procedures and emergency procedures in force at the time of that occurrence;
 - (f) any relevant changes in the standards, practices and policies referred to in

sub-paragraphs (b), (c), (d) and (e) which had taken place before that occurrence;

- (g) the hydrate incident at the Longford facilities which occurred in June 1998, and any other previous incidents considered by the Board to be relevant;
 - (h) whether there was any breach of, or non compliance with, the requirements of any relevant statute or regulation by Esso or BHP.
3. What steps should be taken by Esso or BHP to prevent or lessen the risk of:
- (a) a repetition of the incidents which occurred at the Longford facilities on 25 September 1998; or
 - (b) a further disruption of gas supply from those facilities;

AND WE direct you to make such recommendations arising out of your inquiry as you consider appropriate, including recommendations regarding any legislative or administrative changes that are necessary or desirable.

AND WE do by these presents give and grant you full power and authority to call before you such person or persons as you shall judge likely to afford you any information upon the subject of this Our Commission, and to inquire of and concerning the premises by all other lawful ways and means whatsoever.

AND WE declare that the powers of the Commission at the discretion of the Chairman may, at any time, be exercised by one or more Commissioners.

AND WE will and command that this our Commission shall continue in full force and virtue and that you shall and may from time to time and at every place or places proceed in the execution thereof, and of every matter and thing therein contained although the same be not continued from time to time by adjournment.

AND WE direct you to conduct your inquiry as expeditiously as possible and, not later than 15 February 1999 or such later date as WE may be pleased to fix, to furnish US a report of the results of your inquiry and of your recommendations.

IN TESTIMONY WHEREOF WE have cause these Our Letters to be made Patent and the Seal of our State to be hereunder affixed.

WITNESS His Excellency the Honourable Sir James Augustine Gobbo, Companion of the Order of Australia, Governor of Victoria and its dependencies in the Commonwealth of Australia at Melbourne this 20th day of October One thousand nine hundred and ninety eight in the forty-seventh year of Our reign.

JAMES GOBBO

By His Excellency's Command
J. G. KENNETT
Premier of Victoria

Entered on record by me in the Register of Patents Book No. 41 Page No. 166 on the twentieth day of October 1998.

BILL SCALES

Secretary, Department of Premier and Cabinet

FINANCIAL MANAGEMENT REGULATIONS 1994

Order in Council

The Governor in Council, under regulation 11 of the *Financial Management Regulations 1994*, authorises the Royal Commission, appointed and constituted pursuant to section 88B of the **Constitution Act 1975** on 20 October 1998, to investigate the causes of the Longford incident, to incur expenditure up to \$2,000,000.

Dated 20 October 1998

Responsible Minister:
ALAN R. STOCKDALE
Treasurer

SHARNE BRYAN
Clerk of the Executive Council

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