

Gas inquiry designed to obscure Victoria's disaster

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A well-known adage among capitalist politicians is that one should never establish a royal commission without knowing in advance the conclusions it would reach.

In setting up a royal commission into the recent Victorian gas crisis, the Liberal state premier, Jeff Kennett, went one step further. He said, in so many words, that the main reason for convening it was to prevent damaging information from emerging.

The gas disaster left two workers killed, eight injured and millions of people suffering loss of employment, livelihoods, heating and hot water for two weeks. An explosion at Esso's Longford natural gas plant cut virtually all gas supplies to the state.

Kennett explained that he was holding a royal commission rather than a board of inquiry, so that evidence could be heard in private, without the concern of public requests for documents under the state's Freedom of Information legislation.

'We felt it was necessary that anyone and everyone should either be able to, or ask to, give evidence... Some of the evidence may have to be given in camera for confidentiality reasons,' he said. A royal commission is exempt from Freedom of Information requirements. In other words, sensitive evidence can be given in camera, while any politically or commercially damaging documents produced in its hearings will be protected against public release.

In the six years that the Kennett Liberal government has been in office, it has refused all previous calls for royal commissions. Serious breakdowns of ambulance and fire services, victims of the government's cost-cutting and privatisation program, have been left uninvestigated.

In convening this inquiry, the government is leaving nothing to chance. Apart from the secrecy guaranteed

for key witnesses and documents, the inquiry has the narrowest terms of reference--to determine the particular cause of the fire and explosion at Longford, and identify measures to be taken by Esso and its offshore gas-drilling partner BHP to prevent a recurrence.

This narrow scope is aimed in the first place at preventing scrutiny of the government and its agencies, such as WorkCover, which is responsible for industrial safety. More generally, it is designed to prevent attention being drawn to the broader questions--the underlying processes of privatisation, downsizing and the sacrificing of health and safety concerns to corporate profit.

The Kennett government has carried out a massive program of privatisation of state-owned facilities. In a 1997 speech to the Australian Gas Association, the state Treasurer, Alan Stockdale, said: 'We have embarked on a program of rapid change in the gas industry. The government wishes to achieve complete privatisation of the industry by 1999. The Victorian government is deliberately establishing an environment where industry and business will want to invest. Low cost competitive energy and efficient infrastructure are prime requirements.'

What does this entail? Between 1995 and 1997, Australia's water, gas and electricity industries had the highest proportion of retrenchments of all industries. Nearly a third of the workforce were retrenched, including many experienced staff and tradesmen. Safety and maintenance staff was downsized by 36 per cent. The Kennett government was at the forefront of this agenda.

Together with privatisation and cost-cutting came relaxed safety requirements. In 1995 the Kennett government scrapped regular external checks of

dangerous chemicals and of pipes operating under pressure. Instead, companies regulated their own safety. In the case of Esso, which faced several fines for breaches of safety in the past, the last thorough external check occurred in 1993. Esso carried out its own investigation into an ice blockage that affected gas supplies only three months prior to the explosion. The results of the investigation were not even handed to WorkCover, let alone made public.

Such was the state of affairs that Esso did not have a dangerous goods licence at the time of the Longford explosion. Since 1996 WorkCover has issued licence renewals with backdated starting times. Several months prior to the explosion, WorkCover investigators spent less than three hours on an inspection visit that involved looking at 102 pieces of equipment, over an area of 40 hectares.

Esso is not an exception to the rule. No doubt in an attempt to restore credibility, WorkCover recently audited the Shell refinery in Geelong. The Australian Workers Union claimed that 400 of the 1,170 fire hydrants were not operational. At the same time, the integrity of fire detectors and pipes were inadequate, while there was no regular testing of deluge systems. If a major explosion were to occur at the Shell refinery, it could well have tragic consequences--100, 000 people live within five kilometres of the plant.

To the extent that the royal commission makes any findings critical of Esso, it will not be to establish the truth. Mild criticisms of Esso would serve the interests of the corporations that want to end the current natural gas supply monopoly held by Esso in Victoria.

Even BHP, which is a partner in Esso's offshore Bass Strait gas and oil production, but not in the gas processing, stands to gain much if Esso's monopoly is broken. With new interstate gas pipelines planned, BHP, which has spare reserves in Bass Strait, could gain market share in the production of gas across Australia. Other gas companies, including AGL, are already making proposals to supplement Esso's damaged plant next winter.

This intensification of competition will not in any way improve safety standards. Rather, the race to downsize and cut costs will only accelerate.

The government's orientation was displayed during the gas crisis itself. Kennett attacked householders as 'whiners' for complaining about the loss of employment

and basic amenities. Together with the media, the government mounted a campaign against what were termed 'gas cheats'--individuals and small businesses allegedly using the limited supplies of gas.

The government's only concern was that it provide conditions conducive to commercial interests. When the supply of gas was restored, the government ensured that companies were the first to be reconnected.

The trade unions have made some criticisms of the royal commission's narrow parameters, but they have been central to the job slashing in the gas and other essential industries. Time after time, they limited and called off industrial action against the government's plans. More and more they insisted that workers sign workplace agreements that axed jobs and conditions to meet the requirements of corporate competition.

The 1997 Barry Beach Marine Terminal agreement, covering an offshore rig, provides an example. It stated: 'The parties agree that Best Practice is simply the best way of doing things--it is a process of constantly changing and adapting to meet the changing business needs'. It emphasised the need for a 'multi-skilled and flexible workforce committed to change'. More bluntly, it said: 'The parties agree to a staged reduction in Esso employees through early retirement'.

Any genuine inquiry into the gas tragedy and its implications for society would need to examine all these questions--the role of the government, the underlying operation of the private profit system and the part played by the trade unions. Such an inquiry--a truly independent inquiry--could only be organised by the working class.

See Also:

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[1 October 1998]

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[1 October 1998]



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