

# WRITTEN QUESTIONS

## 7th Assembly

28/11/1994

29. Fire Safety - Alice Springs Power Station

Mr. EDE to MINISTER for MINES and ENERGY

### QUESTION

1. Has any action been taken to improve fire safety at the Alice Springs Power Station in light of the Auditor-General's Report for 1993-94 which states that a review of fire safety at the power station revealed that the approach to fire protection at the Ron Goodin Power Station was "a piecemeal and band-aid type approach" and that little action had been taken to improve fire safety at the Power Station.

### ANSWER

Answered on 10/03/95

1. The Auditor-General in his report for 1993/94 quoted from a report prepared by Munich Reinsurance which was commissioned by the Power and Water Authority's insurers and its core reinsurers for commercial risk assessment purposes.

Many recommendations of the Munich Reinsurance report were disputed and a rejoinder report was commissioned by the Authority from Alexander and Alexander Risk Consultants (ARC). This rejoinder report of May 1994 has been accepted by the Authority and its insurers and, subject to technical evaluation, recommendations are currently being implemented.

In its report in respect to Ron Goodin Power Station, ARC made the following observations -

"...without being charitable, ARC consider Ron Goodin Power Station to be pretty typical for its age and would classify it as a fair risk. Munich Reinsurance however, consider it to be a poor risk and have prescribed a considerable number of major recommendations which, as things stand, will have a severe impact on the attitude of insurers at the next renewal.

ARC consider many of the Munich Reinsurance recommendations to be economically unjustifiable on account of the low probability of a massive fuel or lubricating oil fire considering the limited life expectancy of the gas/diesel engine sets as major contributors to the Alice Springs power supply.

A cost effective approach to improving the risk is set out in the following recommendations section which, if undertaken on a reasonable time scale, should alleviate the concerns of most insurers...”.

The Northern Territory Fire Service undertook an audit of the Ron Goodin Power Station in August 1994 and supported the recommendation of the ARC rejoinder report currently being implemented by the Authority.