



23 May, 2003

Committee Secretary
Select Committee on the Australian Bushfires
Parliament House
CANBERRA ACT 2600

Dear Madam / Sir,

Re: Submission to the Parliamentary Inquiry on Australian Bushfires

I write on behalf of Hancock Victorian Plantations Pty.Ltd. [HVP] and commend to you the attached submission for your inquiry.

HVP is a private company owned by Australian and American superannuation investors. It is also very active with the peak industry group of plantation owners and fire fighting agencies located in Victoria; the southern border area South Australia and southern NSW. HVP are an integral part of the region's fire fighting resources have extensive experience in fire prevention and protection in the rural environment.

Although the 2003 fires did not directly impact the Green Triangle Region, over 2500 hectares were lost in Gippsland and the North East. The Green Triangle area was severely impacted by the 1983 fires. The lessons learnt from 1983 and last summer are still relevant today and are foremost in the prevention strategies implemented by the company.

I trust that this submission will assist you in your deliberations. HVP would be pleased to present a verbal submission. The Chief Executive Officer, Mr. Kevin Whiteconference would also like to invite members of the Select Committee on a tour of any of the Regions of interest to look at bushfire prevention and mitigation strategies.

Yours faithfully



SIMON PENFOLD
MANAGER, ADS

Submission to the Parliamentary Inquiry into bushfire disaster.

**By Simon Penfold,
Manager, ADS; Hancock Victorian Plantations**

May 23 2003

HVP: some background

Melbourne-based Hancock Victorian Plantations (HVP) is Australia's largest private plantation company. The company is owned jointly by Australian and US superannuation and investment funds, and by John Hancock Financial Services Inc.

The Hancock Timber Resource Group (HTRG), based in Boston, acts as overseeing manager on behalf of investors. HTRG executives also represent US investors on the HVP board.

HVP manages around 230,000 hectares of land across Victoria, annually supplying some 2.5 million tonnes of softwood (pine) and 100,000 tonnes of hardwood (eucalypt) to sawmillers, panel producers and pulp and paper mills in Australia and overseas.

Each year, HVP plantation timber is replacing half a billion dollars of potential forest product imports into Australia, supporting local investment and employment. The company is Australia's largest producer of plantation eucalypts for sawlogs, which replace sawlogs from native forests for the domestic market.

HVP's wholly-owned subsidiary, Grand Ridge Plantations (GRP), formed by the merger of HVP's and Australian Paper Plantations' Gippsland assets in August 2001, is offering customers an enhanced range of products as well as attracting new value-adding investment into eastern Victoria. In the long term, this new investment should mean more local employment in Gippsland.

Through a joint venture business, Softwood Plantation Exporters (SPE) in Geelong, which processes plantation pine thinnings and sawmill residues for export, HVP is also contributing to Australia's export performance in expanding overseas markets.

HVP employs some 140 full-time staff in Victoria in its Melbourne office, and in regional offices in Ballarat, Benalla, Marysville, Maryvale, Mount Gambier, Myrtleford, Shelley and Yarram .

HVP is also a major economic contributor in regional areas through its engagement of contractors, and seasonal and fire crews.

HVP is a member of all four Victorian Regional Plantation Committees; Private Forestry Council and the Minister for Police and Emergency Services committee on Forest Industry Brigades.

As a member of the Mount Gambier based Forest Owners Conference HVP support the charter and submission to this inquiry:

“The Forest Owners Conference (FOC) is an industry group currently made up of 11 plantation growers and fire fighting agencies in the Green Triangle Region. The group commenced following the Caroline Fires in October 1979 and have been meeting biannually to discuss fire issues and have developed well coordinated fire prevention protocol and wildfire response procedures. FOC members manage the majority of the Region’s 300,000 hectares of plantation land and form an integral part of the community fire suppression forces.

The Forest Owners Conference Charter is:

- To reinforce and encourage effective cooperation and mutual support between forest owners from both sides of the South Australian / Victorian Border, in relation to fire issues.
- To provide a forum where operational fire issues can be discussed and where appropriate agree on a standardised approach.
- To promote well coordinated fire prevention protocol and wildfire response procedures between forest owners.
- To comply with and promote FOC plantation design guidelines
- To support aerial detection and suppression arrangements for the Green Triangle Region”.

Chairperson FOC, Mount Gambier

Co-operative fire protection

HVP and it’s predescors in law has a long and successful program of limiting wildfire damage, to the Victorian plantation estate.

Recent legislation by the Victorian Country Fire Authority have institutionalized the role and authorities of large plantation growers in the control and spread of wildfire

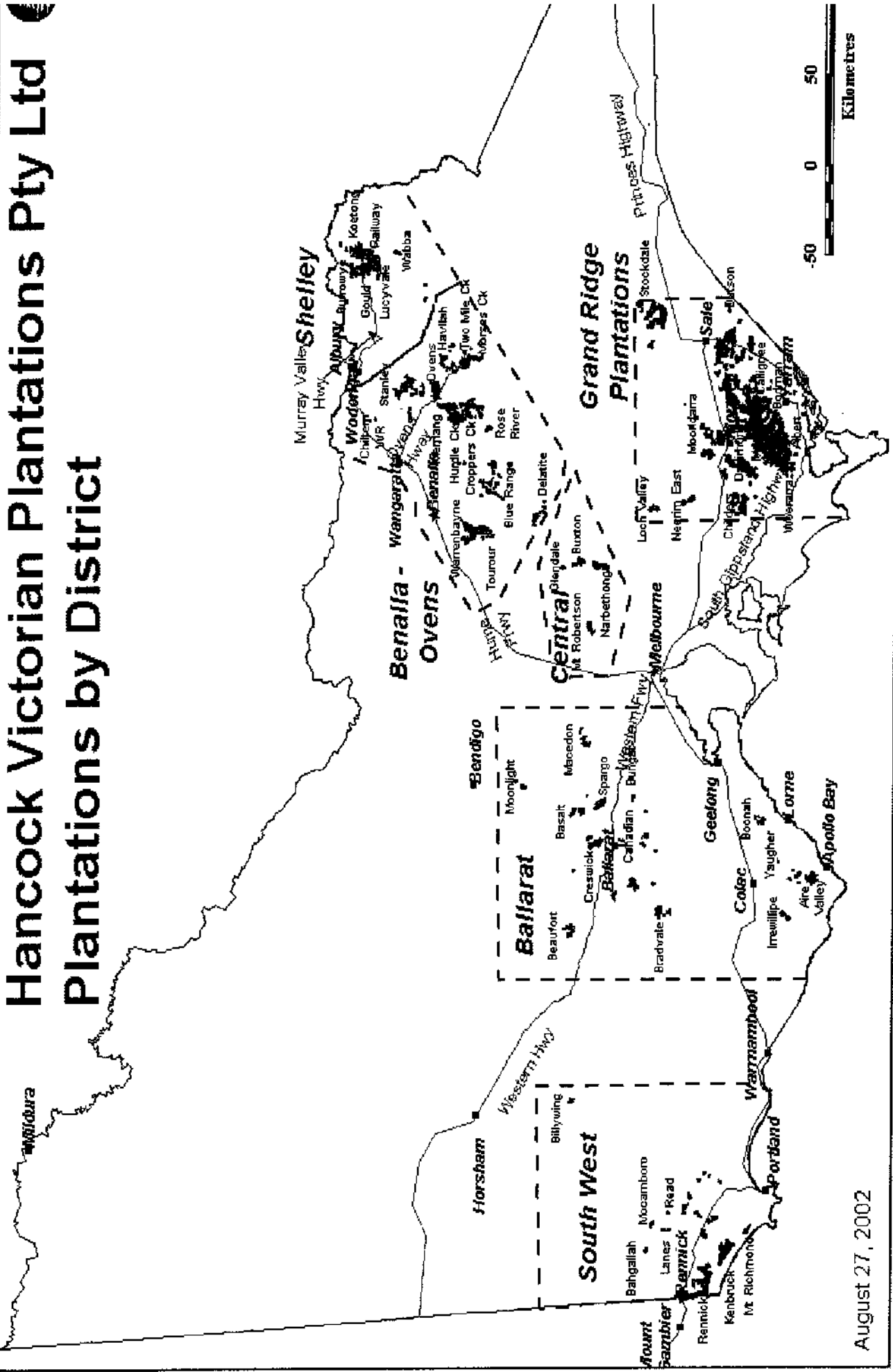
HVP works closely with the Country Fire Authority (CFA) to prevent and fight wildfires. HVP and Grand Ridge Plantations (GRP) have eight forest industry brigades, ready to respond to wildfires on their own or neighbours’ properties and spend around \$0.8 million pa on fire protection.

HVP’s and GRP’s fire control sections are highly organized, with a wide radio network linking fire spotting towers, aerial patrols and ground crews.

A map of the HVP estate is provided on the overleaf to indicate the broad geographical spread of the business across the state of Victoria.

Hancock Victorian Plantations Pty Ltd

Plantations by District



August 27, 2002

HVP support the Forest Owners Conference submission to the Inquiry

FOC Members such as HVP have extensive experience and can speak with authority on the management of fire in the rural environment. There are a number of principle tenants with which the FOC would like to preface their submission to this inquiry:

1. Fire is a natural part of the Australian environment and will always be a factor in the management of Australian rural land. The severity of the annual fire season will vary from year to year, depending on the rainfall deficit, fuel loads and weather conditions. The key is to reduce the potential of major adverse impact on life, property, community and the environment.
2. All land managers (including Government Agencies) have a duty of care to protect the environment, neighbours and the community from unreasonable levels of fire risk.
3. Successful Bushfire management requires a holistic approach. It requires the integration of strategic prevention measures, including property design to facilitate fire control, hazard reduction and management of ignition potentials, with escalating preparedness according to risk and rapid and effective suppression capability.

Rather than try to encompass the whole bushfire scenario, FOC will generally comment on the issues of fire management that impact to the greatest extent on the plantation forest industry and areas where FOC see that our experience may assist the deliberations of the Committee [FOC,submission].

Comments Specific to the Terms of Reference

Extent and Impact of bushfires – TOR (a)

The loss of greater than 11,000 hectares of plantation in the ACT and a further 2,500 hectares in Victoria [almost exclusively HVP estate] has a significant impact on the plantation owners, wood production industries and massive effect to many local and regional communities. There are short term effects resulting from the significant shift in resource base with the need to salvage any timber before it deteriorates. This results in a rescheduling of harvest and re-establishment contractors and mills forced to take sub-optimal resource mix. All of which may result in significant economic impact. The longer term impact maybe the loss of industries, which may provide significant local employment The uncertainty of reestablishment, such as is the case in the ACT can significantly erode business confidence in ,for example that territories largest manufacturing operation.

To put the loss from last summer into some perspective, the loss of 20,000 hectares of plantation in the Green Triangle Region in the Ash Wednesday fires in 1983 still has a significant effect on the local community today. It has been estimated that the loss in volume is ~ 500,000 m³, the equivalent of an additional major sawmill in the area, employing up to 500 people directly and 1500 to 2000 people indirectly. The combined HVP and ACT forests loss is over half this figure!

The plantation industry has long lag times between planting the crop and the out-turn of product, therefore plantation owners have to take any threats to their crop seriously. The community and fire services also need to recognise that it is not just

a case of burning a few trees but that burnt forests may have a significant impact on the economy and long term employment.[FOC submission.

R1 – Fire services recognise that timber plantations are significant economic and community assets.

Risk factors, land management, prevention, suppression and control strategies – TOR (b, c and d)

Coordinated fire prevention development must ensure a consistent approach between all land owners and managers with clear responsibilities for prevention and suppression and accountability for outcomes. Risk management can be highly effective when a single entity is responsible for the prevention, pre-suppression planning and suppression.

In Victoria all land managers have varying responsibility to ensure appropriate planning and management of their estate will result in effective and rapid fire suppression. This may involve the provision of appropriate access track, firebreaks and water supplies and well as the management of fuel and ignition potential on their property. Resources are expected to match estate size.

It is known that the majority of fires that have resulted in significant plantation losses have started outside of plantation land and the 2002/03 losses are no exception to this fact. We are thus keenly aware of the impact that our neighbours can have on us and wish to see consistent fire protection policies across all classes of land holdings. For example of the 2500 hectares lost by HVP, 1900 was due to two arson attacks starting outside the plantation estate.

HVP commend to you the approaches that FOC have taken in establishing property design guidelines (see appendix A in FOC Plantation Design Guidelines) and the development of ignition management protocols such as modification of machinery exhaust temperatures, specification of minimum fire equipment / resources for all equipment working in plantations and the implementation of work bans and restriction on public access when local risk factors are high. HVP agree with the FOC and believe that similar guidelines and protocols should be adopted by all industries working in fire prone areas for all such operations – not just plantation growers.

These protocols come at significant cost to the plantation sector and it is unfair for that sector to act with such accountability and responsibility when other rural sectors are not required to do so and simultaneously are gifted in Victoria some \$97 Million of public funds to support infrastructure and staff via the CFA.

R2 – Rural industries and communities be encouraged to develop policies and protocols to minimise fire risk through good property design, fuel management and minimisation of ignition risks.

Fire Research – TOR (e)

Fire is an Australian community problem, from the suburbs of Sydney to the Karri forests of Western Australia. It is therefore not for one sector to fix or fund alone. The sector cannot afford to become complacent and must continually search for knowledge and innovations, which may assist in reducing the impact of fires. To this end, it is important that Federal and State Governments continue to provide adequate funding for research and development. Topics that require continued research include:

Australians who choose to live in the rural environment and on the rural urban fringe need to also take responsibility for their actions and take additional measures to protect their property. Again these include good property design, effective management of fuels and ignition sources on their properties and may even mean paying higher insurance premiums for higher risk.

There is a certain level of ignorance in the community of the risks and responsibilities of living in a fire prone environment. Government – Federal, State and Local and the insurance industry have a role in educating the community of these risks and responsibilities.(Chairperson, FOC)

R4 – Ensure consistent approaches to planning for fire prevention and protection and that existing rights of neighbours are considered in development applications.

R5 – Federal, State and local Government, along with the insurance industry fund a communications program highlighting the risks and responsibilities of living in a fire prone environment.

HVP support for FOC for response arrangements to be associated with Resource Deployment - TOR (g & h) -

Large intense forest fires are capable of overwhelming even the best-equipped fire fighting force. The key to minimising the impact on the community is good prevention works, good planning, early detection and rapid suppression. The first attack force must be highly mobile and have sufficient resources to be effective.

The response preparedness should be matched with the risk. Real time monitoring of the fire risk should occur and the suppression resources deployed accordingly. Contracts for special resources, such as fire fighting aircraft should be flexible enough to allow scaling up and down of resources according to risk.

There has been a tendency in recent years for the State and Federal Government to support large major contracts for equipment such as the Erikson Skycranes. Whilst these are effective fire suppression equipment, under certain circumstances, (especially around the urban fringe,) the support of these should not be at the expense of smaller more flexible aircraft. The FOC are strongly of the opinion that fixed wing fire bombers and medium helicopters are vital pieces of fire fighting equipment. Plantation growers could cite numerous cases where the rapid deployment of fire bombers in conjunction with ground forces, in first attack has resulted in the effective suppression of the fire before it has a chance to develop into a major conflagration.

It is not uncommon to have severe fire weather across significant geographical areas. Coupled with lightning storms, this often results in numerous fire starts, which presents a challenge to all fire services. With numerous trained and competent local aerial agricultural aircraft on standby for fire bombing there is a high probability of rapid and successful first attack.

During the 2003 fires in Victoria, the majority of the fire bombing resources was deployed to the fires in the North and East of the State. Whilst we don't dispute that you deal with the going fires as a priority, we felt that the west of the State was left vulnerable on a number of high fire danger days. Inquiries to local agricultural aircraft contractors revealed that there were suitable planes and pilots available for standby that had not be contracted by the fire authorities. The pre-season planning needs to include provisions for the short term contracting of this

- Fire climate and weather.
- Real time monitoring of fire danger risk
- Wildfire behaviour and development
- Fire management techniques
- Effective work practices and machinery design to prevent ignition
- Fuel reduction burning and fuel modification
- Back burning as a control strategy
- Effective control lines
- Safe fire lighting techniques
- Fire frequency
- Ecological impacts of wildfires and fuel reduction burning
- Ability to modify fuel loads and consequently reduce fire severity
- Development of fire fighting equipment
- Development of effective fire ground communication and information systems
- Ecological burning strategies
- Effective property design
- Development of appropriate codes for building design.

(Chairperson , FOC)

R3 – Federal and State Governments ensure adequate funding for fire research

Planning and building codes – TOR (f)

FOC, with input from companies such as HVP have developed Plantation design guidelines to assist in the mitigation of the bushfire risk. However we are also aware of a number of cases where Local Government has allowed inappropriate development such as residential subdivisions, next to or within existing plantations and forests, without adequate consideration of the fire risk. It is important that a consistent approach be taken and that neighbours existing rights should be considered prior to granting development approvals. Plantation companies should not be expected to create larger fire breaks just because someone has much later built a house too close to the plantation boundary.

Plantation growers are entitled to receive proper compensation for the productive area amended if the estate is made smaller, brought on by forces outside the business.

equipment and ensuring that the equipment and skills of the operators are to specification.

The Federal Government's sale of commercial radio frequencies has also had an impact on fire communications. Most fire and emergency services have had to change frequencies in recent years. Unfortunately the States have also developed systems that are incompatible with each other. In this area, Victoria and South Australia both have Government Radio Network trunk systems, which do not communicate with each other. Both systems also have a conventional system for fire suppression radio traffic but one is VHF and the other UHF! This means that fire control vehicles need to carry and monitor at least two, more often three and sometimes up to five radios! The UHF frequencies also have very limited range in forested and hilly environments and may result in poor fire ground communications.

R6 – Fire Services develop real time monitoring of fire risk and deploy resources accordingly.

R7 – Fire services explore flexible contract arrangements to ensure adequate fire bombing coverage across all regions with high fire danger.

R8 – That seamless communication systems are developed to allow fully integrated fire fighting efforts, regardless of State Borders.

Liability and Insurance – TOR (i)

The issue of fire fighter liability is perhaps the greatest threat to good incident control decision making and is a major disincentive for community members to participate in fire suppression activities. The liability issue is further clouded with increasing reliance on contract fire fighting resources and corporate volunteers. The Victorian Government response to retarding the loss of rural volunteers has been to introduce legislation that not only requires rural industries to form fire brigades, but also makes company directors liable for all incidents involving their fire crews even when working under the control of the Country Fire Authority.

This is most unusual as the willing worker and willing company can easily become victims of forces of uncontrollable wildfire or the activities of other controllers once at the fire.

HVP and FOC are concerned with the potential for incidents at fires to lead to massive rises in workers compensation premiums (or the inability to self-insure as allowed in South Australia) and the potential for criminal proceedings such as industrial man-slaughter charges to be brought against company directors. We believe that fire fighters and their employers should be covered by a common insurance policy regardless of the whether that person is a volunteer or employed by a fire service or company brigade.

Massive premium rises predicted in the insurance market from 2002 have shown that world instability may heighten

R9 – The Government restrict fire fighter liability and ensure adequate insurance and compensation for all fire fighters and their employers regardless of employment or volunteer status.

Fire Fighters and the role of Volunteers – TOR (j)

Training and competency assessment of all fire fighters is essential. Unfortunately again, States and even fire fighting agencies within States have different expectations for training and assessment. State services tend to have very parochial attitudes to training which leads to a lot of frustration when Companies have fire fighting responsibilities on two sides of the State Border. The Australasian Fire Authorities Council has developed some National competency training modules but there is differing standards in their implementation. Bush fire training, as a separate sub-set of rural fire fighting, needs to be reviewed and national standards implemented across all fire services and company operations.

All fire fighters, including volunteers, must be trained and skilled appropriate to the types of risks they are likely to face. With the changing rural landscape – an increase in cropping, intensive agriculture, timber crops, hobby farms and industrial development around rural cities, the focus of the training needs to reflect the local conditions.

R10 – National bushfire training and competency standards be reviewed and standardised across all fire fighting services.

Acknowledgement

HVP would like to thank the Federal Government for the opportunity to comment on bushfire management in Australia and would be very pleased to make a verbal submission to the Inquiry Committee if invited to do so.

Yours faithfully,

SIMON PENFOLD,

MANAGER, ASSET DEVELOPMENT AND STEWARDSHIP