

s. 22(1)(a)(ii)



From: "Stuart Ellis" s. 47F(1)
Date: Monday, 26 February 2018 at 11:04:12 am
To: "Rob CAMERON" s. 22(1)(a)(ii)
Subject: FW: NAFC Business Case for existing and additional funding to support national capability

Rob
I sent this last week but still used the wrong email.
Have now got the right email in my head.
All the best
Stuart

From: Stuart Ellis
Sent: Wednesday, 21 February 2018 9:23 AM
To: Cameron, Robert
Subject: FW: NAFC Business Case for existing and additional funding to support national capability

Rob
As discussed, please find attached a Business Case for renewal of the Commonwealth and NAFC 2018-19 Funding Agreement (and beyond).
NAFC appreciates that much of the consideration for the coming 2018/19 budget has already taken place and as such, the Business Case presents arguments for the immediate and longer term, over the life of the new Funding Agreement. We ask that consideration be given not only

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for the 2018/19 Financial Year, but for the duration of the renewed Commonwealth and NAFC Funding Agreement, due to commence in July 2018.

Attached are three documents:

- The NAFC Business Case
- KPMG Economic Evaluation Report 1 on the benefits of maintaining NAFC and the national funding arrangements
- KPMG Economic Evaluation Report 2 on drivers supporting a NAFC funding review

We are using EMA as the portal to submit the Business Case to Government. As such, we would be grateful for any advice regarding navigation of the Business Case through Government and how it can assist with discussions regarding the immediate Funding Agreement renewal and the longer term funding considerations for aerial firefighting.

All the best

Stuart

Stuart Ellis, AM

Chief Executive Officer

National Aerial Firefighting Centre

Level 1 / 340 Albert Street | East Melbourne | 3002

p: S. 47F(1) | f: +61 3 9419 2389 | w: www.nafc.org.au



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NAFC Business Case for additional funding to support national capability in conjunction with the renewal of the Commonwealth and NAFC I 2018-19+ Funding Agreement

Prepared for the Commonwealth
by the National Aerial Firefighting Centre

February 2018

Commercial-in-Confidence

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1. Summary

1.1. Concept summary

NAFC is grateful for the current Commonwealth contribution in support of the national aerial firefighting capability and believes that the existing contractual mechanism is successfully working to the benefit of the Commonwealth, States, Territories, NAFC and the Australian community. Changes in aerial firefighting capability, primarily through the use of large air tankers (LAT) that are funded solely by States and Territories, along with contemporary adjustments in aircraft costs has resulted in NAFC seeking an increase in Commonwealth funding. NAFC therefore requests that the base of the next funding agreement account for changes in aerial firefighting capability, changes due to inflation, foreign exchange, and a new aerial resource risk management model to better inform operational decisions and improve the effectiveness and efficiency of future aerial firefighting.

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2. Background and the problem

2.1. The impact of natural disasters in Australia

Natural disasters are part of the Australian environment and over the past 30 years have resulted in billions of dollars in tangible costs. Over nine million Australians impacted by natural disasters over the past 30 years have also suffered significant losses through death, injury, property losses and impacts on community health and wellbeing.

The trend towards a greater number of natural disasters with more significant impacts is well researched, evidenced and documented³. Volunteers⁴ that play a fundamental role in the emergency management preparedness, response and recovery in Australia are under pressure, at a time when Australia's demographic profile indicates less population in rural areas and is driving increases in demand for government services. As disasters and emergencies continue to become more frequent, more intense and of longer duration, the interoperability, capacity and capability of emergency management organisations to respond is being significantly tested and the reliance on volunteers will continue.

This requires new thinking as to how governments and communities manage future emergency management capability. Australia recognises this challenge and has already taken steps to prepare for the future⁵.

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³ State of climate 2016. Bureau of Meteorology and CSIRO, Commonwealth of Australia.

⁴ State of Volunteering in Australia. Volunteering Australia and PWC 2016.

Findings from the current Bushfire and Natural Hazards CRC program on sustainable volunteering.

⁵ A capability roadmap: enhancing emergency management in Australia. 2016, AFAC and AGD.

Over the decade to 2016 Australia's total economic cost of natural disasters averaged \$18.6b pa, or 1.2% of GDP. This figure is expected to reach an average of \$39b pa by 2050 without considering the impact of climate change⁶. Over the past decade the highest losses have respectively been in Queensland, Victoria and New South Wales, however planning to mitigate the losses from natural disasters needs to consider a national perspective for economic impacts distributed across Australia.

Heatwaves and bushfires have been Australia's most dangerous natural hazard in terms of risk to human life. The number of deaths, injuries and persons affected by heatwaves and bushfires in the decade to 2016 were significantly greater than all other Australian natural disasters combined. Of the 971 deaths from natural disasters, 509 were from heatwaves and 218 from bushfire. 4.672m Australians were affected by heatwave and bushfire, representing over 50% of all Australians affected by natural disasters in the decade to 2016⁷.

2.2. The national policy framework for natural disasters

In recognition of the severity from the impact of natural disasters in Australia, the Commonwealth government has established and maintains many critical policies and programs, including the:

- National Bushfire Mitigation Program. AGD. 2014.
- National Emergency Management Projects. AGD.
- National Disaster Resilience Program. AGD.
- Natural Disaster Relief and Recovery Arrangements. NDRAA Determination. AGD. 2017.
- National Strategy for Disaster Resilience. COAG. 2011.
- Australian Government Disaster Response Plan – COMDISPLAN. AGD.
- National Catastrophic Natural Disaster Plan – NATCATDISPLAN. AGD.
- National Counter-Terrorism Plan. ANZTC. 2017. (from the threat of bushfire arson)
- Australia's Counter-Terrorism Strategy. COAG. 2015.

Each of the State and Territory governments also has policies and mechanisms to deliver emergency management capability at the State and local levels. Additionally, Home Affairs and other portfolios within the Commonwealth government fund a multitude of other emergency management capabilities, often in association with State and Territory governments to strengthen Australia's ability to respond to emergencies.

The Commonwealth Government is currently working through machinery of government changes with Emergency Management Australia (EMA) moving into a new Home Affairs portfolio that will include immigration border protection and domestic security agencies. The new ministry is expected to be the central department overseeing policy, strategic planning and co-ordination of operational responses to disasters and relevant threats, potentially including a greater focus on extremist groups using natural hazards as weapons, for example starting a bushfire.

2.3. Australian government arrangements and emergency management expenditure

Protecting the community from natural disasters is a government responsibility and many mechanisms have been established to facilitate the co-ordination between governments, EM agencies and the community. These structures are well documented and have evolved to meet the increasing frequency and risk of natural disasters in Australia.

⁶ Building resilience to natural disasters in our States and Territories. 2017. Australian Business Roundtable for Disaster Resilience and Safer Communities and Deloitte Access Economics.

⁷ EM-DAT. The international disaster database, 'Explanatory notes', Centre for Research on the Epidemiology of Disasters. (online accessed Oct 2017).

In the decade to 2014 the Australian government spent approximately \$8b on post disaster relief and recovery, with State and Territory governments spending a further \$5.6b⁸.

The distributed nature of the national EM funding arrangements makes it difficult to quantify the total annual expenditure directly however, AFAC calculates that the fire and emergency service sector spend over \$4b pa nationally. In terms of the expenditure on the recovery component alone, it is estimated that the Australian and State governments spent \$7b and \$4b pa respectively between 2010 and 2013⁹.

Globally, the emergency management sector has long acknowledged that the economic benefit of investment in mitigation (prevention and preparedness) has a more positive impact than post disaster expenditure. The Productivity Commission's report found that Governments overinvest in post-disaster reconstruction and recovery and underinvest in mitigation that would limit the impact of natural disasters in the first place. The report suggests that natural disaster costs have become a growing, unfunded liability for governments.

A tension exists at the federal level of government between the proportion of funds for natural disasters allocated to response and those available for recovery¹⁰. The national EM arrangements in Australia are structured around EMA acting as the Commonwealth lead for disaster and emergency management. EMA is a portfolio within the Department of Home Affairs, working closely with State and Territory governments and the EM community to deliver programs, policies and services to maintain EM capability. States and Territories are responsible for EM in their jurisdictions, with EMA's role to co-ordinate Australian Government support, both physical and financial. Collectively these arrangements provide Australia's disaster management framework. They involve substantial amounts of money to minimise the impact on individuals, communities and the national economy.

2.4. Australia's national aerial firefighting arrangements

At the time of the 2002 fires around Sydney, the Commonwealth's role and contribution to aerial firefighting received significant media coverage. Subsequently in 2002, at the request of the Deputy Prime Minister, the Department of Transport and Regional Services contracted the then Australian Fire Authorities Council to develop a proposal to better share aerial resources for fire fighting between the Commonwealth, States and Territories, to ensure there was an appropriate aerial firefighting capacity for all sections of the Australian community.

In 2003 NAFC was established to better utilise specialised aerial firefighting resources through national collaboration and cooperation, with the Commonwealth providing funding through NAFC to support a national aerial firefighting capability. In late 2007 the responsibility for oversight of the Commonwealth's funding for aerial firefighting was assumed by AGD.

Since 2003 NAFC has played the lead role in cooperative national arrangements for the provision of aerial firefighting resources for combating bushfires. NAFC has achieved better utilisation of Australia's specialised, highly mobile aerial firefighting resources through national collaboration and cooperation.

2.5. National aerial firefighting funding arrangements

The first funding agreement was established on the principle of a 'dollar for dollar' contribution from the Commonwealth. In 2003-04 the total Commonwealth contribution was \$5.5m pa in the first 3 years, growing to a \$14.804m pa in the 5 years to 2017-18. In comparison, the 2016-17

⁸ Natural disaster funding arrangements. 2014. Productivity Commission, report 74.

⁹ Natural disaster funding arrangements. 2014. Productivity Commission, report 74.

¹⁰ Natural disaster funding arrangements. 2014. Productivity Commission, report 74.

combined Commonwealth, State and Territory contribution to the fixed costs of the national aerial firefighting capability was \$59.856m, with the Commonwealth contributing 23%¹¹.

Figure 1 shows the funding sources for the first year of the original funding agreement and the last five years of the current agreement. The Commonwealth contributions are shown in light blue, the State and Territory contributions in dark blue, with the total contribution represented by the grey line. The orange line reveals growing gap in the proportion of Commonwealth funding towards the standing charges for the national aerial firefighting capability i.e. States and Territories are contributing more to the overall cost of the national capability.

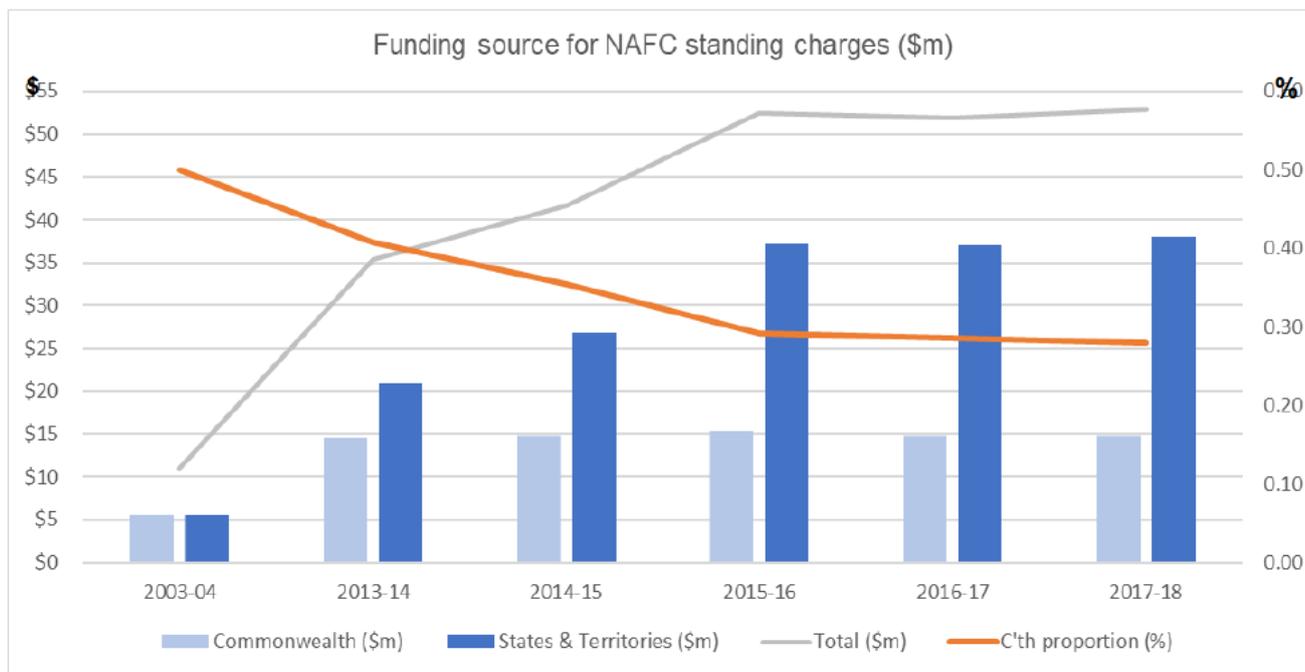


Figure 1. The proportion of Commonwealth to State and Territory funding for fixed costs of the national aerial firefighting capability managed by NAFC¹².

Over the past 15 years the fire seasons have become longer and the proven capability of the aerial fleet has resulted in a significant increase in operational demands on aircraft. While the States and Territories predominately fund these operating charges, the standing charges have also increased, of which the proportion of Commonwealth funding has fallen from half, based on the principle of a dollar for dollar contribution, to approximately a quarter. While the availability of the aerial capability prescribed by the funding agreement has been exceeded; the decrease in the proportion of Commonwealth funding for standing charges has resulted in less funding available for aerial capability. If the Commonwealth continues with a similar fixed level of funding

¹¹ See notes to Figure 1 for full explanation.

¹² The figures represent the minimum commitment to standing charges and do not include the operating costs; i.e. the figures are only for the proportion of charges that the Commonwealth funds. The actual total figures are higher, as these figures have been normalised by removing the values for direct State contracts. Actual expenditure by the States and Territories will be considerably higher, as these figures exclude: any extensions required to minimum periods for extended fire seasons (predominately met by the States and Territories, which can be many millions); any operating costs which are predominately met by the States and Territories; aircraft owned/operated and or contracted directly by some States

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then this gap is expected to grow as demand increases and the duration of the fire seasons extends¹³ and the States and Territories are left to fund this national capability.

The current agreement expires in June 2018 and while there have been verbal indications of the continuing arrangements between NAFC and the Commonwealth, NAFC has developed this business case to support discussions in finalising the next funding agreement. The following sections of this business case outline NAFC's proposition to the Commonwealth to update the proportion of the Commonwealth's contribution to the funding agreement for the period commencing 1 July 2018.

3. The NAFC organisation

3.1. Overview

NAFC was formed in 2003 as a partnership between the Australian, State and Territory Governments to provide cooperative national arrangements for the provision of aerial firefighting resources. The NAFC Board is made up of eight-member representatives and meets up to six times per year. NAFC is a company limited by guarantee and is a registered not-for-profit organisation that is also exempt from income tax.

NAFC operates through its members to provide a national Resource Management Agreement (RMA) for aerial firefighting services. This has evolved since the creation of the company, to the facilitation of approximately 131 contracted services nationally. These include fixed wing and rotary wing aviation services spanning firebombing, surveillance, air attack supervision, personnel and cargo transport, roping, ignition and rescue. Also included are a variety of support services including refuelling and retardant handling. Many of these services have been progressively transferred from individual member contracts to NAFC contracts. This progression has occurred during several collective procurements most notably around 2008 and 2013. The current procurement series has commenced and is scheduled to be in contract in 2018 and is anticipated to be the largest procurement facilitated by NAFC to date.

3.2. Governance and NAFC roles

NAFC has a representative board of directors nominated by members from each State and Territory. The CEO of NAFC provides executive oversight and is CEO of the Australasian Fire and Emergency Service Authorities Council (AFAC) and the General Manager and all staff of NAFC are employed by AFAC. NAFC provides the secretariat to a number of national committees, including the Aerial Suppression Operations Group (ASOG), which recommends changes to aircraft deployment or location based on fire risk for the outlook period. The Commissioners and Chief Officer's Strategic Committee (CCOSC) endorses tactical changes to aircraft deployments in response to emergency conditions.

NAFC's core team is responsible for the following roles:

1. NAFC operations and staff management, through the General Manager
2. procurement management e.g. tender processes and service contract management
3. project management e.g. technical capability; research and development; operations
4. procurement and contract law as it relates to NAFC functions
5. administrative support to the above functions.

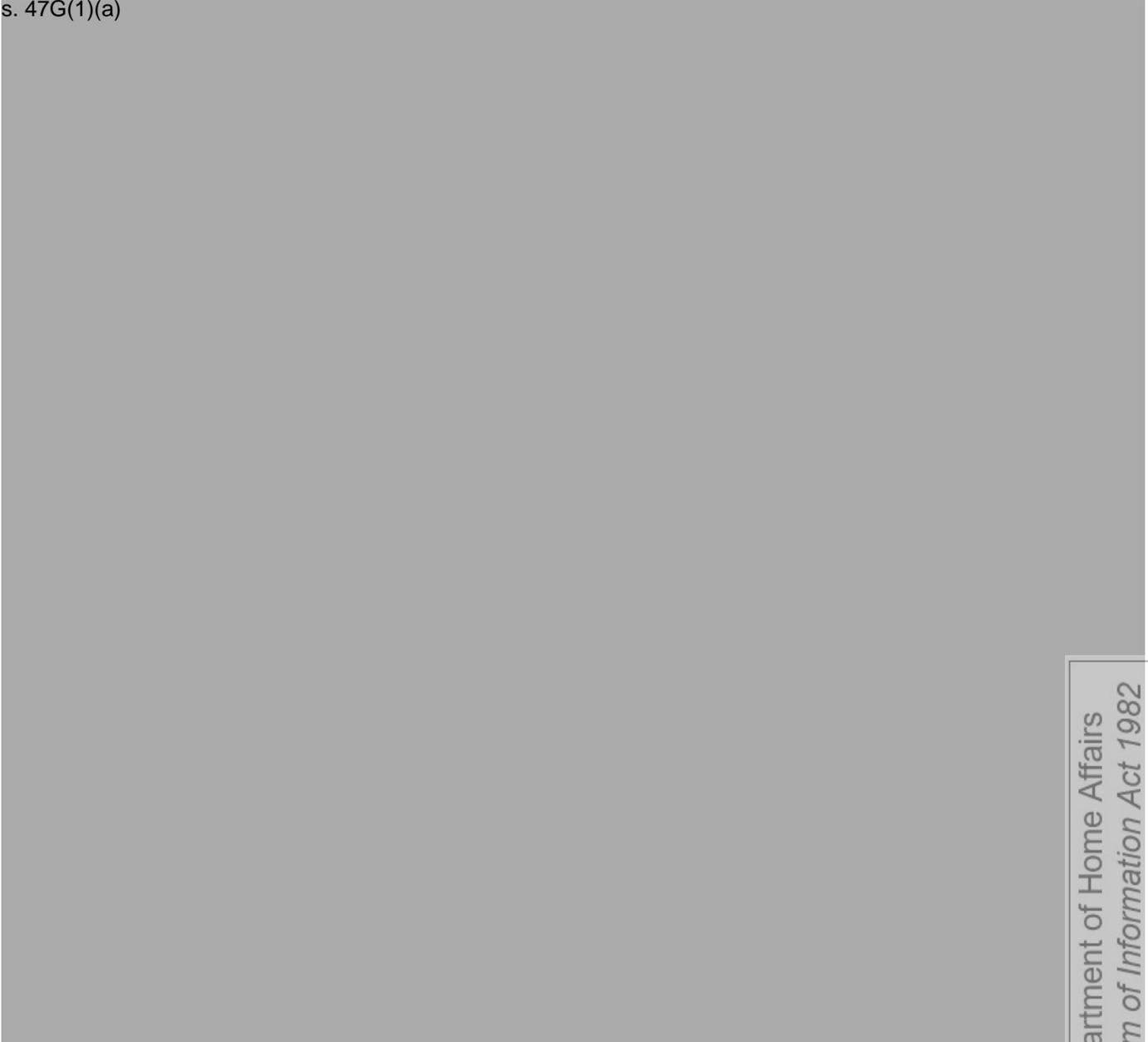
NAFC also maintains a sharing arrangement with AFAC for Finance Director and business support including human resources, IT, administration, governance advice, front office and accommodation.

¹³ Inquiry into the response to, and lessons learnt from, recent bushfires in remote Tasmanian wilderness. NAFC submission to the Senate Environment and Communications Reference Committee. May 2016.

3.3. Business model and operational relationships

NAFC is predominately a facilitation and procurement organisation with no operational role or direct management of aerial firefighting assets. Its members maintain total authority for specific services in their respective jurisdictions including participation in the Resource Management Agreement. NAFC's role is to facilitate aerial firefighting contracts and service management on behalf of its members. The NAFC business model has evolved to that of a mature managing contractor, delivering cost savings, improved supplier relationships, and lower administrative burden for suppliers and NAFC. Additionally, it has delivered a national capability in aerial firefighting with tangible benefits to the emergency management sector and to contracted suppliers (see section 4).

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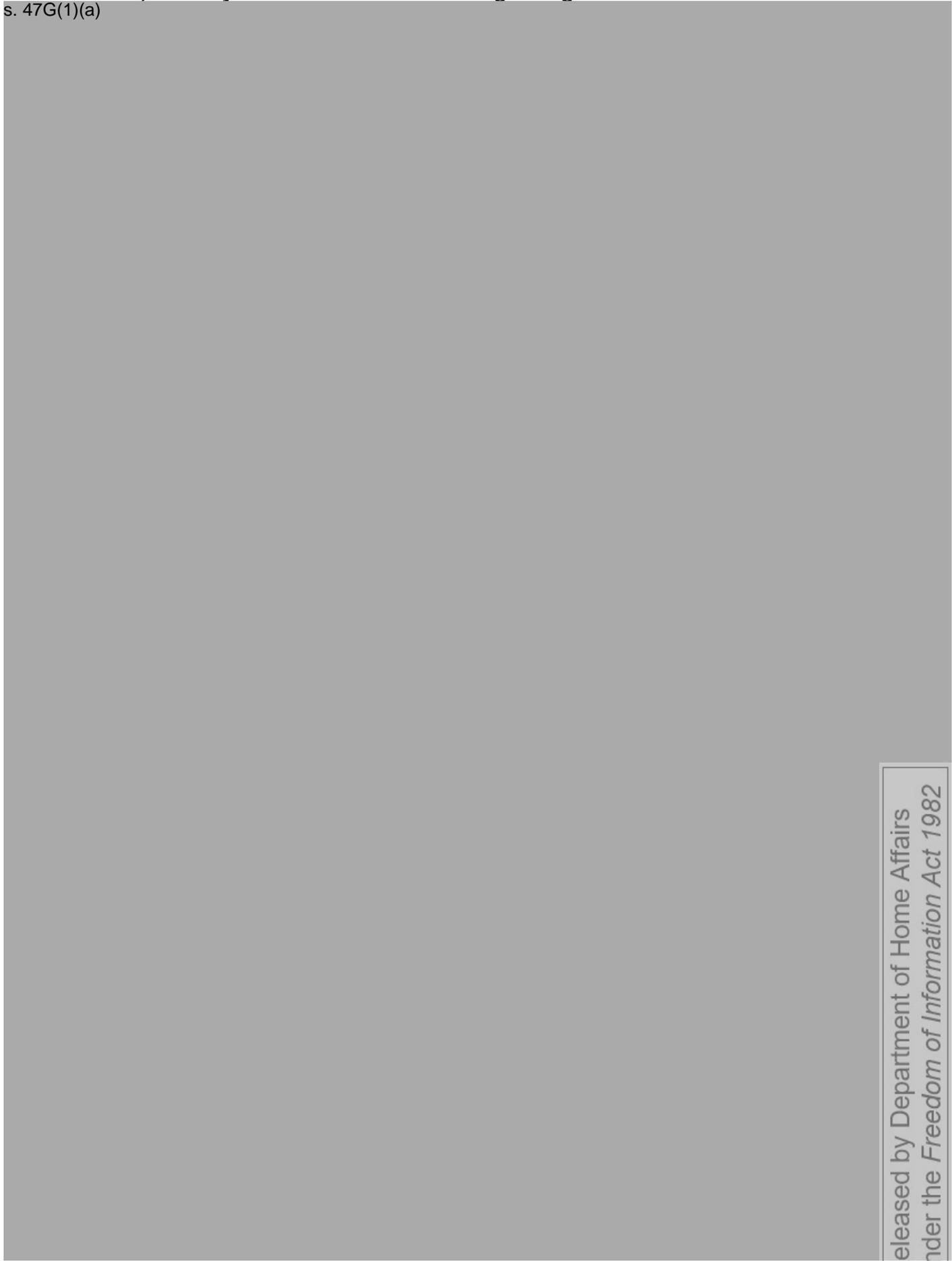


NAFC intends to operate in a similar manner over the next three years and use the same procurement approach. NAFC actively manages a risk management framework and plan that encompasses organisational, reputational, procurement and governance risks.

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3.4. State, Territory and Commonwealth funding arrangements and allocations

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3.5. Funding agreement with the Commonwealth and arrangements with States and Territories

Currently the Australian Government provides funds for aerial firefighting resources under a Funding Agreement between NAFC and previously the federal Attorney-General's Department, (now to be Home Affairs) administered by Emergency Management Australia. The current Funding Agreement was executed in July 2013 and covered funding for 2013-14, 2014-15 and 2015-16. The Agreement was subsequently extended annually to cover the periods 2016-17 and 2017-18. The current Funding Agreement provides for an annual contribution by the Australian Government of a base of \$14.484m in 2013-14 and \$14.804m pa thereafter. A one-off allocation of \$0.5m was received in 2015-16 in recognition of the extended nature of that fire season.

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- an expectation that funds will be used to benefit "smaller States and Territories".
- extensive obligations regarding record keeping and reporting by NAFC
- requirement to be subject to audit
- various obligations regarding publicity and promotion, and in particular, requirements to acknowledge the Australian Government funding, in a specified format, in publicity and public materials.

4. The public value of aerial firefighting and NAFC

4.1. Benefits of aerial firefighting

Empirical analysis of the cost-benefit of tools such as aerial firefighting is complex due to the multitude of factors that influence the outcomes from prevention to recovery. It is therefore necessary to make assumptions regarding damage that would have occurred had aircraft, or a particular type of aircraft, not been used. This may involve the quantification of some intangible or difficult to measure costs. It may also be necessary to make assumptions regarding the relative contribution of aerial attack versus other responses. Nonetheless it is possible to draw some clear inferences from a range of studies that any investment in aerial firefighting is relatively small when considered alongside the cost of natural disasters as outlined in section 2.

Specific scientific investigation into the effectiveness of aerial firefighting in Australia is in early stages. Loane and Gould¹⁵ in their 1985 research concluded that aerial firefighting generated a positive cost-benefit for Victoria, provided the most appropriate mix of aircraft was used. The Victorian State Aircraft Unit found positive savings in fire suppression costs alone, that is, positive benefits exclusive of the intangible costs associated with losses to, and suffering in, the community.

¹⁵ Loane and Gould. Aerial suppression of bushfires: cost-benefit study for Victoria: summary and conclusions. National Bush Fire Research Unit. CSIRO. 1985

Despite the complexity of measurement there is an emerging body of evidence from the CSIRO and Bushfire CRC^{16 17} and others¹⁸ which reveal that:

- aircraft offer speed, access and observation advantages over ground suppression resources
- the final fire area burnt and time to containment was more effectively limited by aerial firefighting capability, thereby reducing the demand on ground crews, that could be utilised more efficiently in other areas. Additionally, volunteers¹⁹ can return to economic production sooner e.g. agriculture, manufacturing and services
- aerial capability is best used in rapid attack on fires in their early stages, ideally within the first 10-30 minutes to limit fire reaching their maximum rate of spread, 30 minutes from ignition
- aerial firefighting capability improves the probability of first attack effectiveness, provided aircraft are on call for immediate dispatch. For example, it was found that initial aerial attack could limit the total area burnt by a third, in comparison to fires that escaped a standard on-ground firefighter based initial attack
- aerial firefighting capability is an effective part of the overall land and fire management solution i.e. from fuel management, on the ground firefighters and recovery operations
- the on-ground crew travel cost to bushfires is high
- aircraft contribute to national resilience
- aerial firefighting mitigates a reduction in rural capabilities and production while visibly supporting remaining emergency management rural volunteers
- in combination with on ground crews, aerial firefighting capability is the most economical suppression approach where it takes a long time to mobilise ground crews, (e.g. remote areas or high demand conditions) and where aircraft can be dispatched quickly.

Although the science is emerging, there is little doubt within the emergency management community that investment in aerial firefighting generates a positive cost-benefit. Matt Plucinski's²⁰ and his colleague's research over the past decade has demonstrated that of the multitude of factors that impact aerial effectiveness, the three most critical are that aircraft:

- are available and on call
- are able to be rapidly dispatched with minimal travel time
- have effective logistical support systems in place.

The use of aerial firefighting is also considered to offer significant environmental benefits. Aerial firefighting helps to avoid the significant environmental impacts associated with large wildfires, such as soil erosion, smoke emission and loss of water yield. Additionally, aerial firefighting avoids or can minimise the use of less sensitive fire suppression techniques, for example earth moving machinery.

The current national aerial firefighting fleet is predominately managed as a leasing agreement. While this has achieved a lower cost to the Commonwealth, States and Territories, it has also resulted in an ageing fleet especially for rotary winged aircraft

Judging by the extent of coverage and comments the Australian media has promoted the benefits of aerial firefighting and highlighted their positive impact and influence in firefighting operations.

¹⁶ Effectiveness and efficiency of aerial firefighting in Australia. 2009. Fire Note, issue 50.

¹⁷ Findings from the current Bushfire and Natural Hazards CRC program on sustainable volunteering.

¹⁸ Perez *et al.* Computing forest fires aerial suppression effectiveness by IR monitoring. Fire Safety Journal. Vol 46, Issue 1-2. 2011
 - Plucinski, et al. The effectiveness and efficiency of aerial firefighting in Australia. Bushfire CRC. 2007.
 - Dunn. Review of the Effectiveness of Rapid Initial Attack Aerial Firefighting Operations in South Australia 2011/12 to 2016/17. Report 2. South Australian Country Fire Service. 2017.
 - Plucinski and Pastor. Criteria and methodology for evaluating aerial wildfire suppression. Internal Journal of Wildland Fire. Vol 22, 2013.

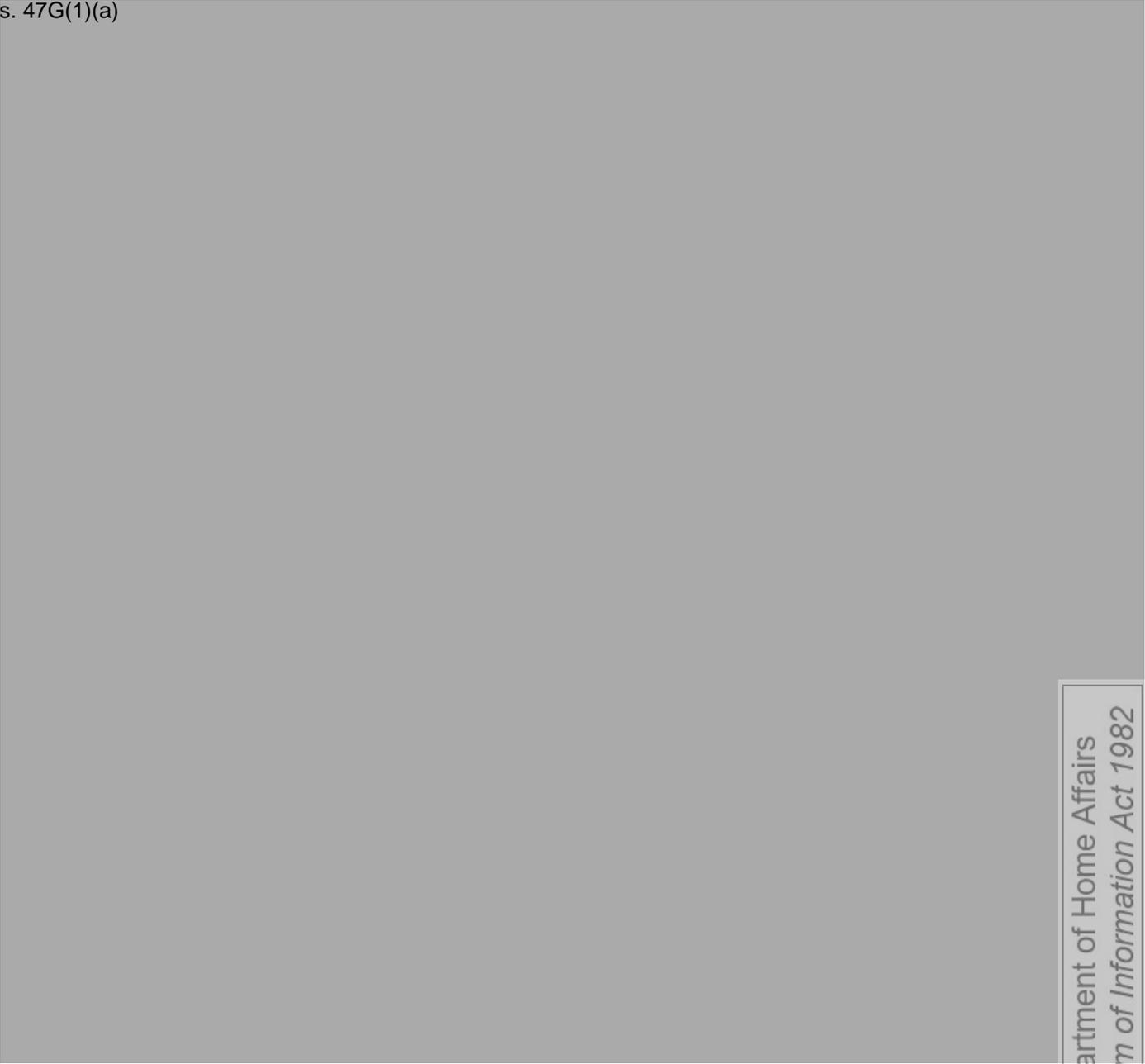
¹⁹ Findings from the current Bushfire and Natural Hazards CRC program on sustainable volunteering.

²⁰ CSIRO. Australia.

The public and fire fighter visibility of these aircraft has developed public confidence in fire suppression operations. For example, the multiple media reports during recent fire seasons clearly indicates overwhelming public support for the Erickson air cranes, all models of which are affectionately known within the community as “Elvis”. Plucinski²¹ also states that, while not yet scientifically proven, there is an agreed perception that aerial firefighting provides a morale boost to the public and firefighters during bushfires.

Aerial firefighting is recognised within the emergency management community and within the wider community, as a key capability provided by the Commonwealth, State and Territory governments in helping to mitigate the \$18.6b pa from the cost of disasters to Australia.

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²¹ Plucinski, *et al.* The effectiveness and efficiency of aerial firefighting in Australia. Bushfire CRC. 2007.

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4.1.3. Benefits to the Commonwealth through reduced contingent liability

NAFC is aware that the Commonwealth makes annual contingent payments to fund assistance following disasters, through the Natural Disaster Relief and Recovery Arrangements (NDRRA). This joint Commonwealth and State arrangement is designed to alleviate the financial burden to individuals and communities in disaster affected areas. The Commonwealth recognises the liability, resulting from known disasters, equal to the present value of future payments expected under the NDRRA. In 2016-17 the Commonwealth committed to the following NDRRA payments²⁶.

Category (\$m)	Year	Queensland	Other States and Territories	Total
NDRRA expense estimates	2015/16	\$33.8	\$15	\$48.8
	2016/17	\$23.6	\$3.5	\$27.4
	2017/18	\$10.6	\$0.5	\$11.1
NDRRA cash estimates	2015/16	-	\$107.0	\$107.0
	2016/17	\$746.2	\$185.7	\$931.9
	2017/18	\$596.0	\$27.6	\$623.6
	2018/19	\$0.1	-	\$0.1

Table 2: Commonwealth contingent payments – NDRRA.

As natural disasters and their impacts are unpredictable, quantifying the cost of future disasters relies upon estimates based on experience. In acknowledging an uncertain future government budget settling accounts for disasters through estimation and provisions for implicit contingent liabilities^{27,28}. Due to the variability in severity of disasters however, future costs are difficult to quantify and are not included in the current Commonwealth's forward estimates²⁹.

Given current limitations of available data and the complexity of fire behaviour, modelling the effectiveness of fire suppression techniques is evolving. Nevertheless, the previous section revealed proven benefits in early response and rapid suppression of bushfires from aerial firefighting. The research also demonstrated positive savings and benefits to the Australian community, particularly from contemporary LAT and VLAT capability.

NAFC suggests that when the Commonwealth reviews³⁰ its future contingent liabilities as part of the budget estimates for natural disasters, that it considers the demonstrated benefits of aerial firefighting. NAFC would welcome the opportunity to work with the Commonwealth to jointly

²⁶ Commonwealth Government Budget 2016-17. Budget Paper No.3 Payments for specific purposes - Contingent payments.

²⁷ Provisions, Contingent Liabilities and Contingent Assets. Australian Accounting Standards Board, AASB 137. August 2015

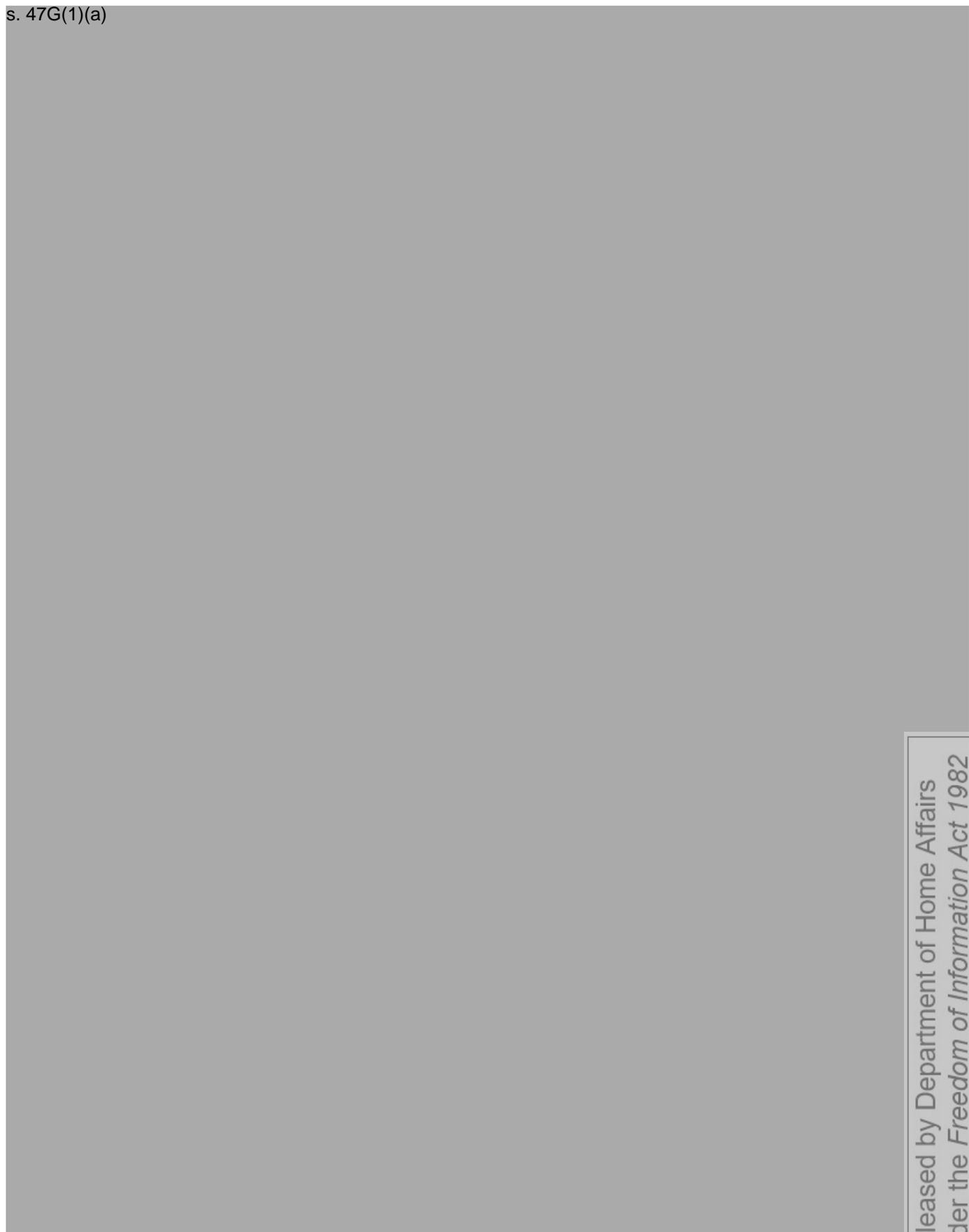
²⁸ Contingent Government Liabilities - a Hidden Fiscal Risk. Finance and Development, International Monetary Fund. Vol 36. No.1.

²⁹ Commonwealth Government Budget 2016-17. Budget Paper No. 1. Statement 8: Statement of Risks, Attorney- General's.

³⁰ Commonwealth Government Budget 2016-17. Budget Paper No.1 Contingent liabilities - unquantifiable.

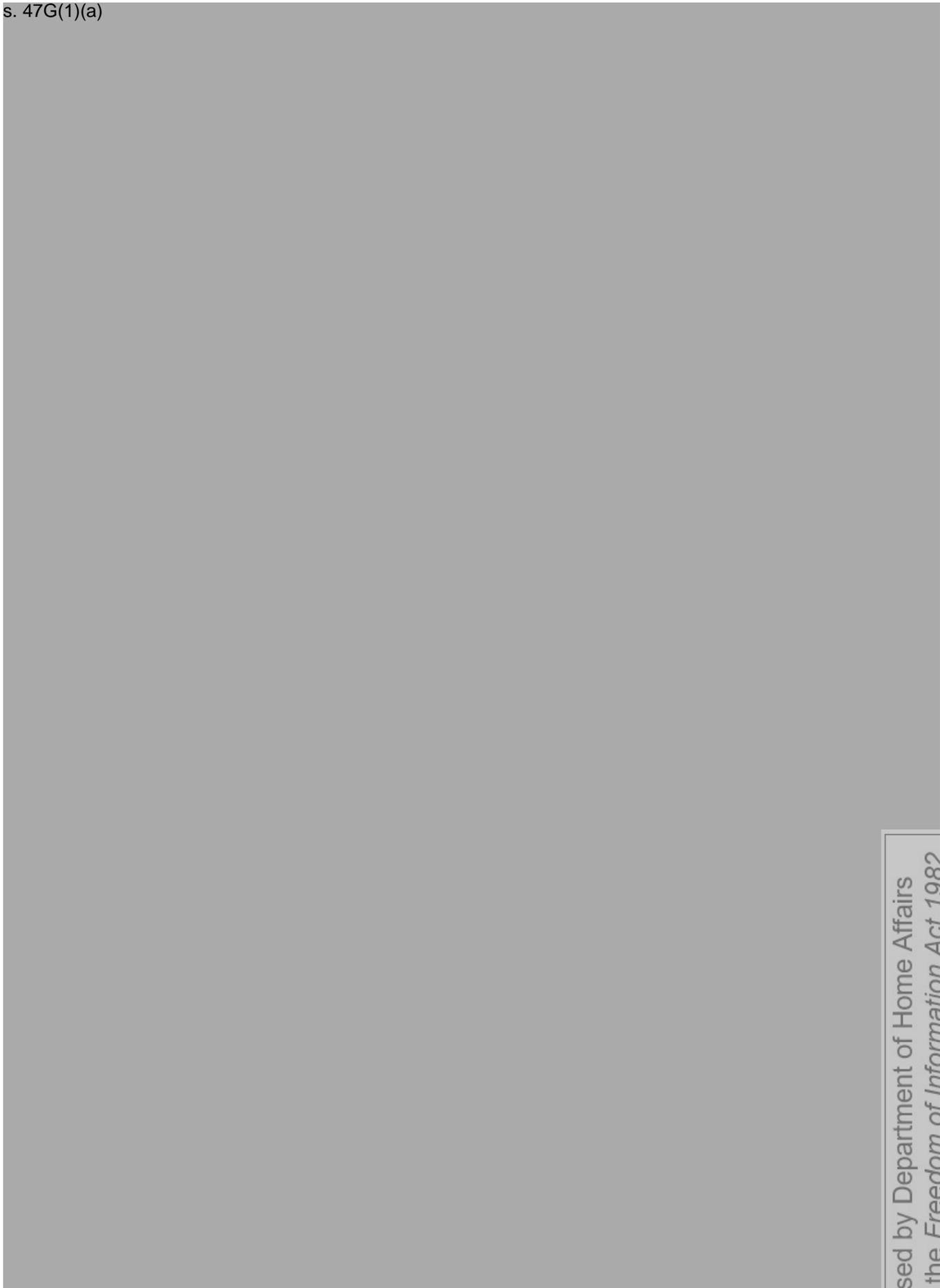
determine the estimate of a potential reduction in contingent liabilities. NAFC also suggests that an investment in contemporary aerial firefighting is likely to result in a reduction of NDRRA payments from future bushfires.

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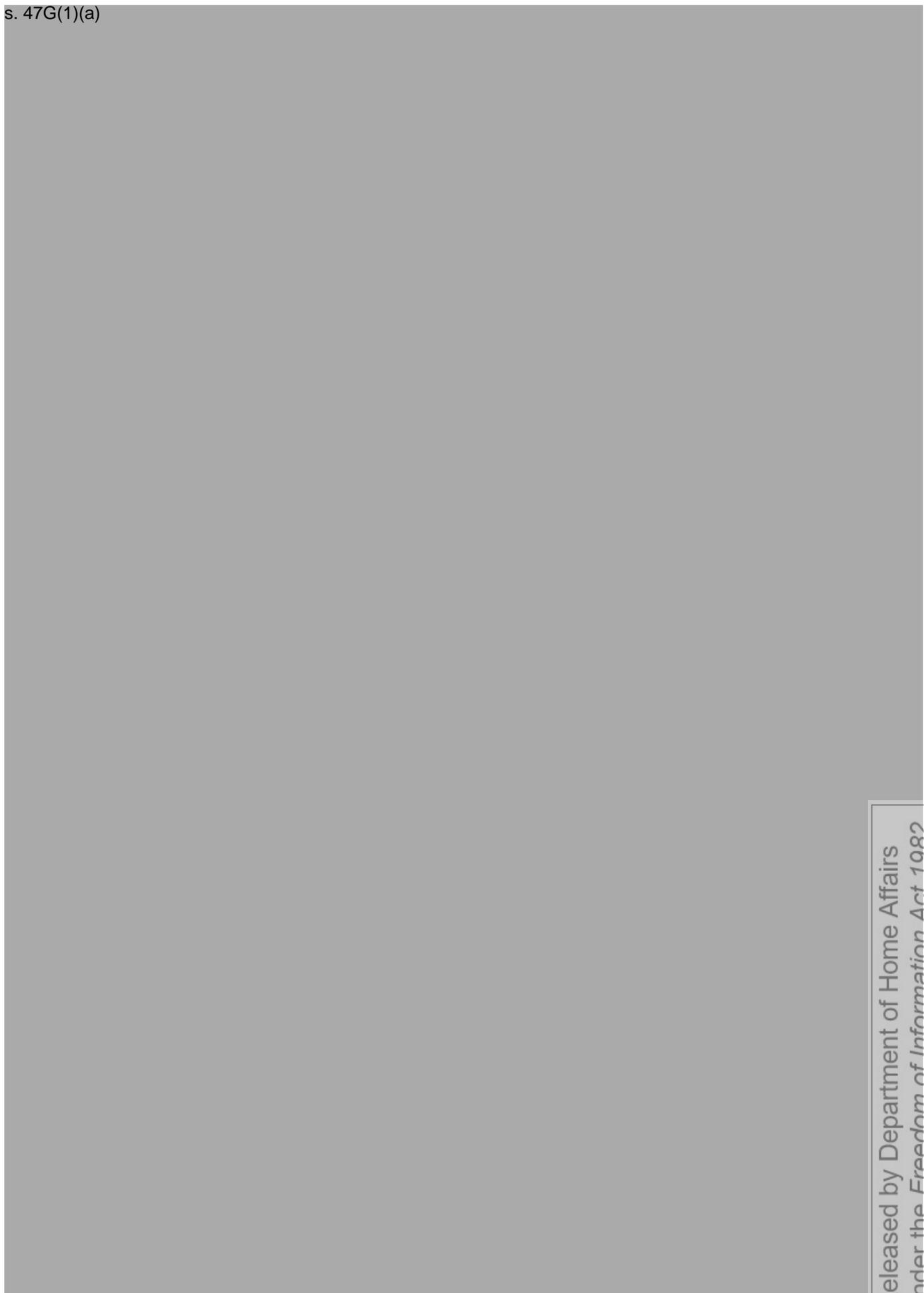
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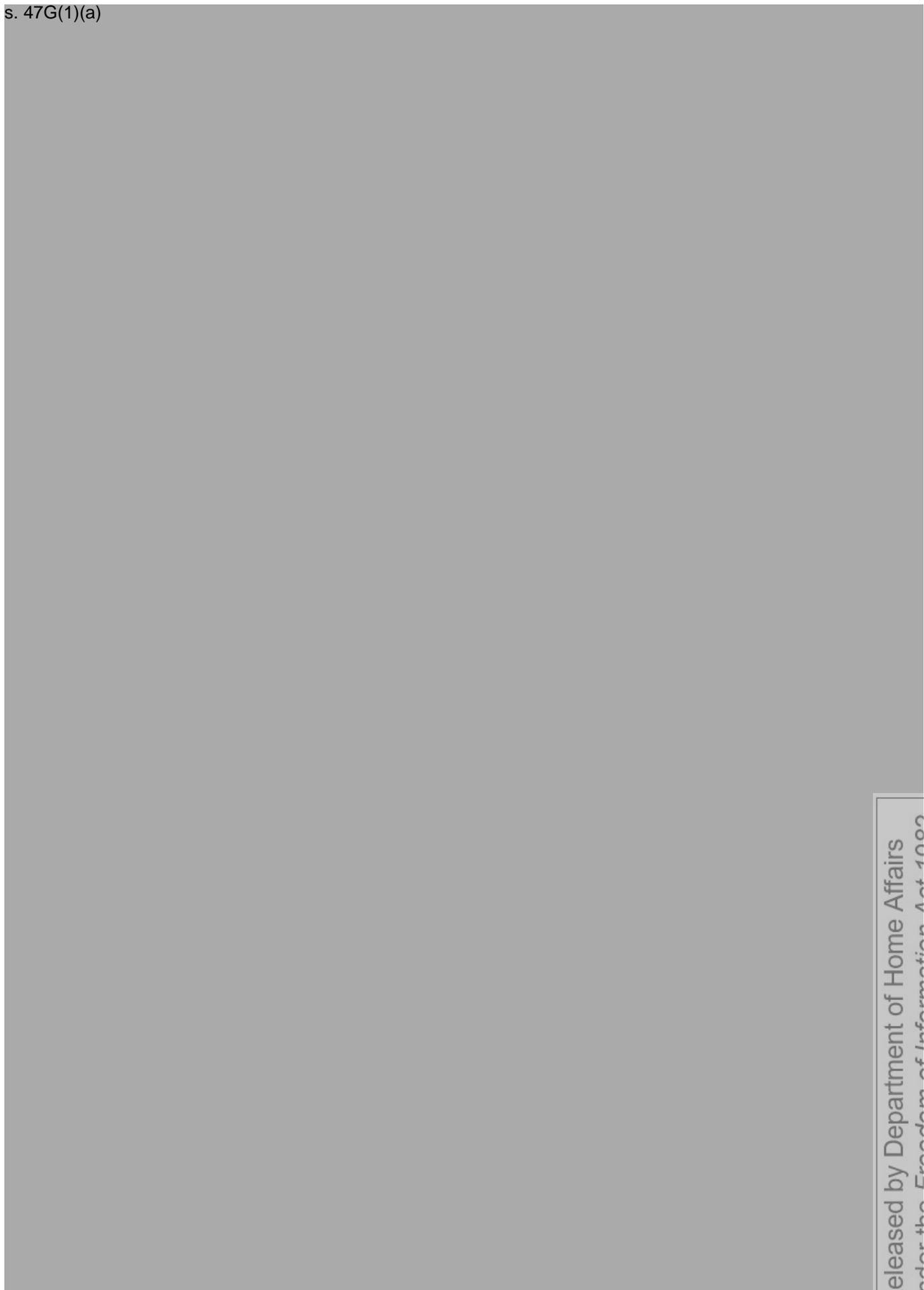
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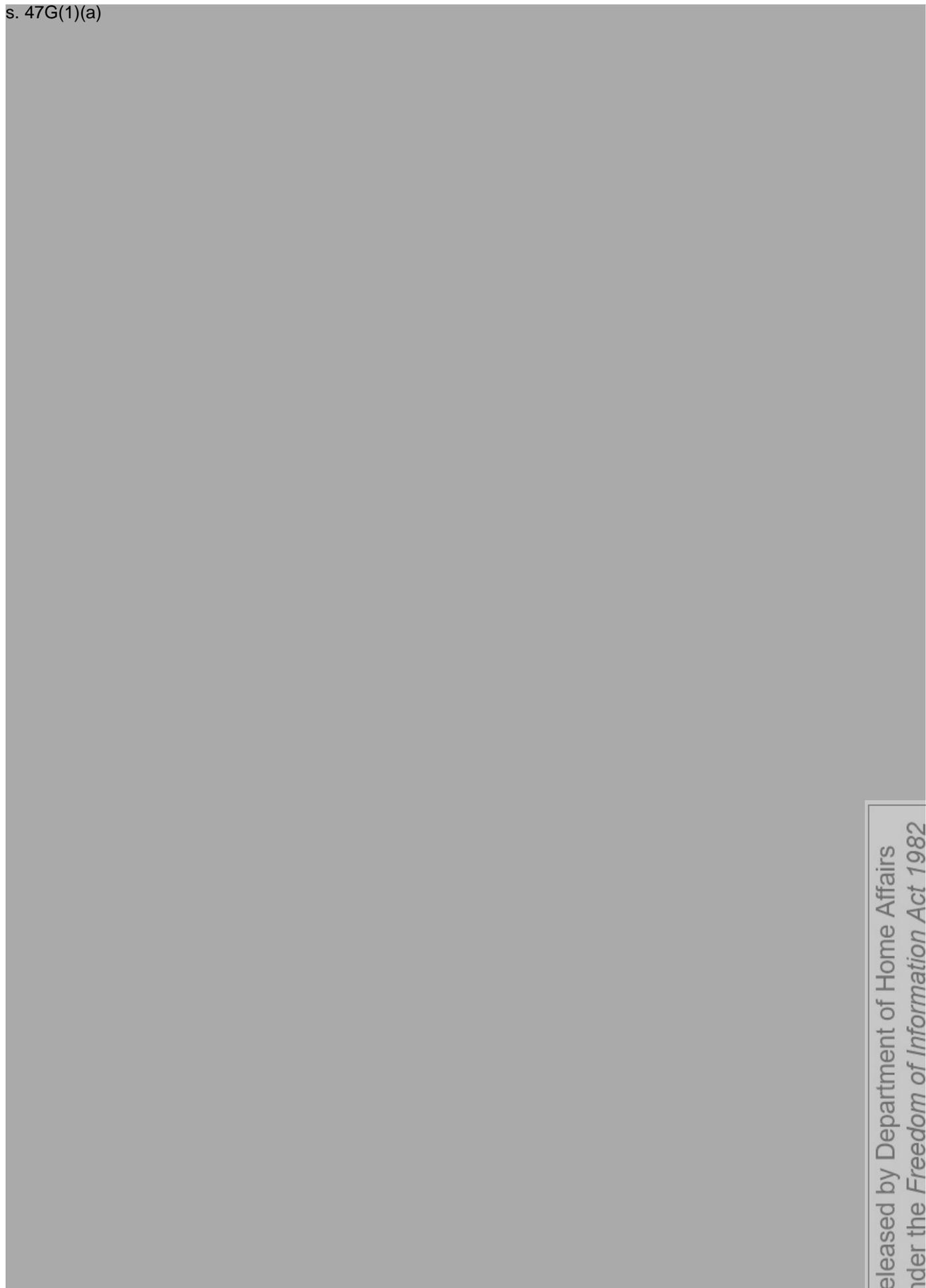
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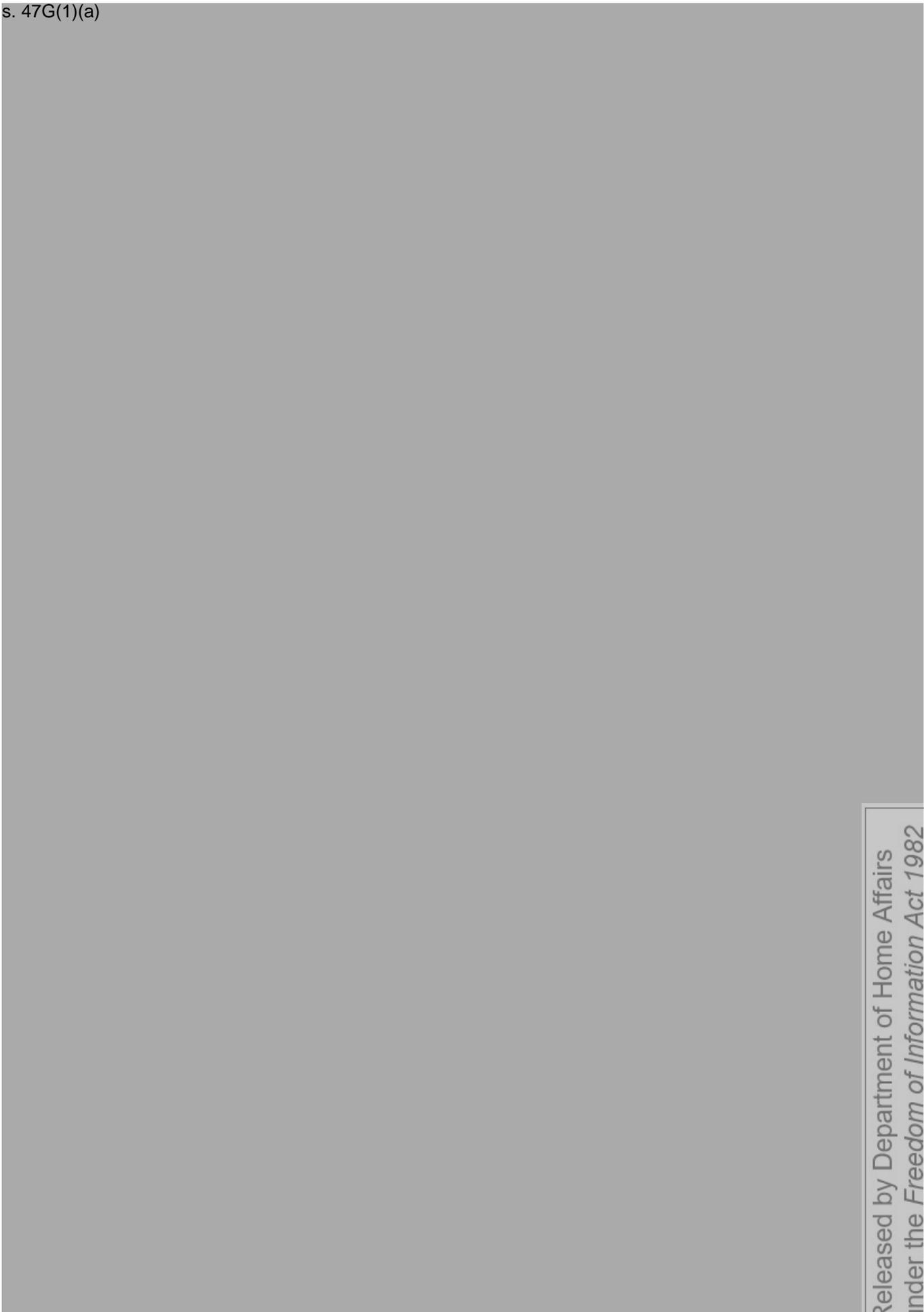
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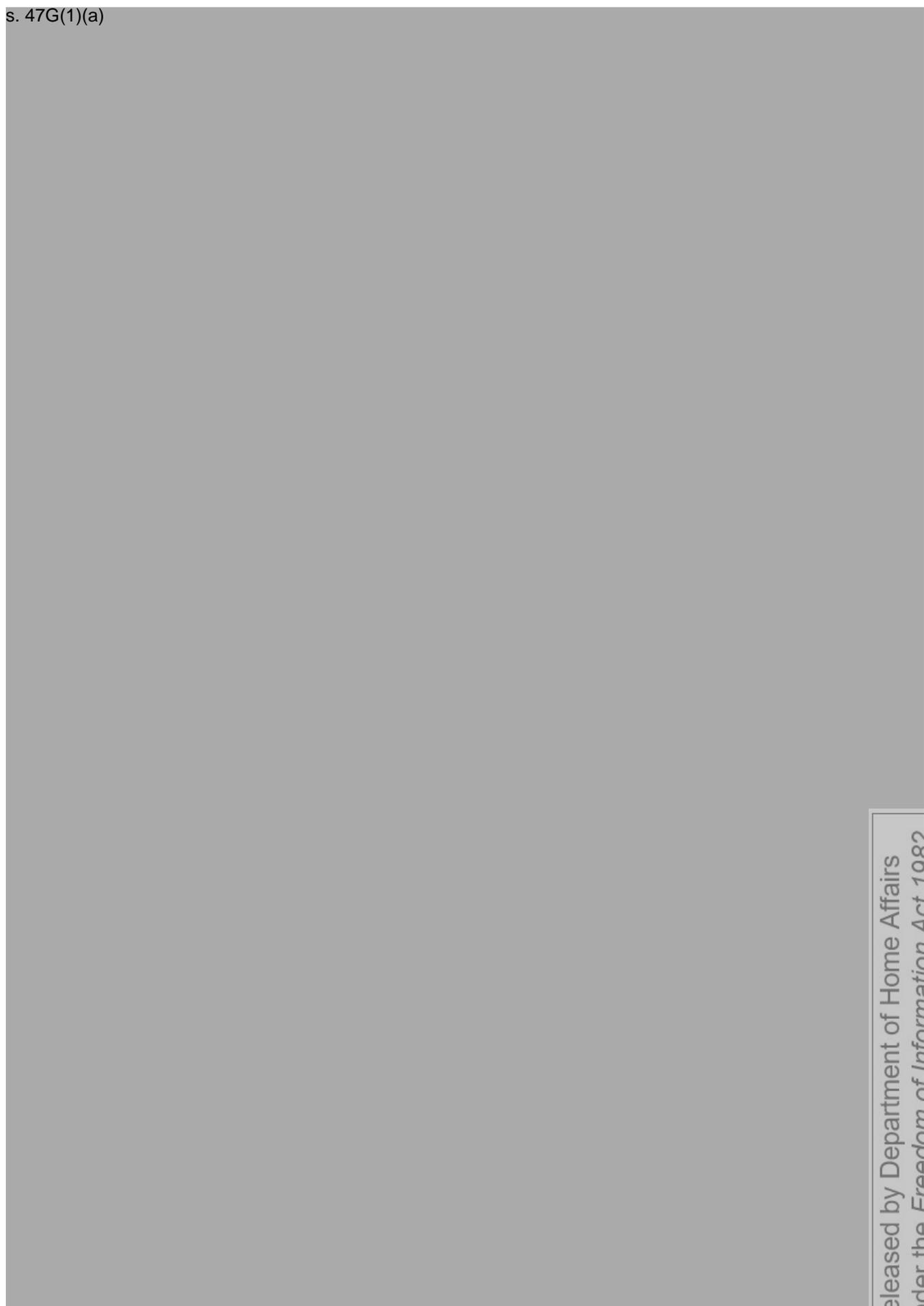
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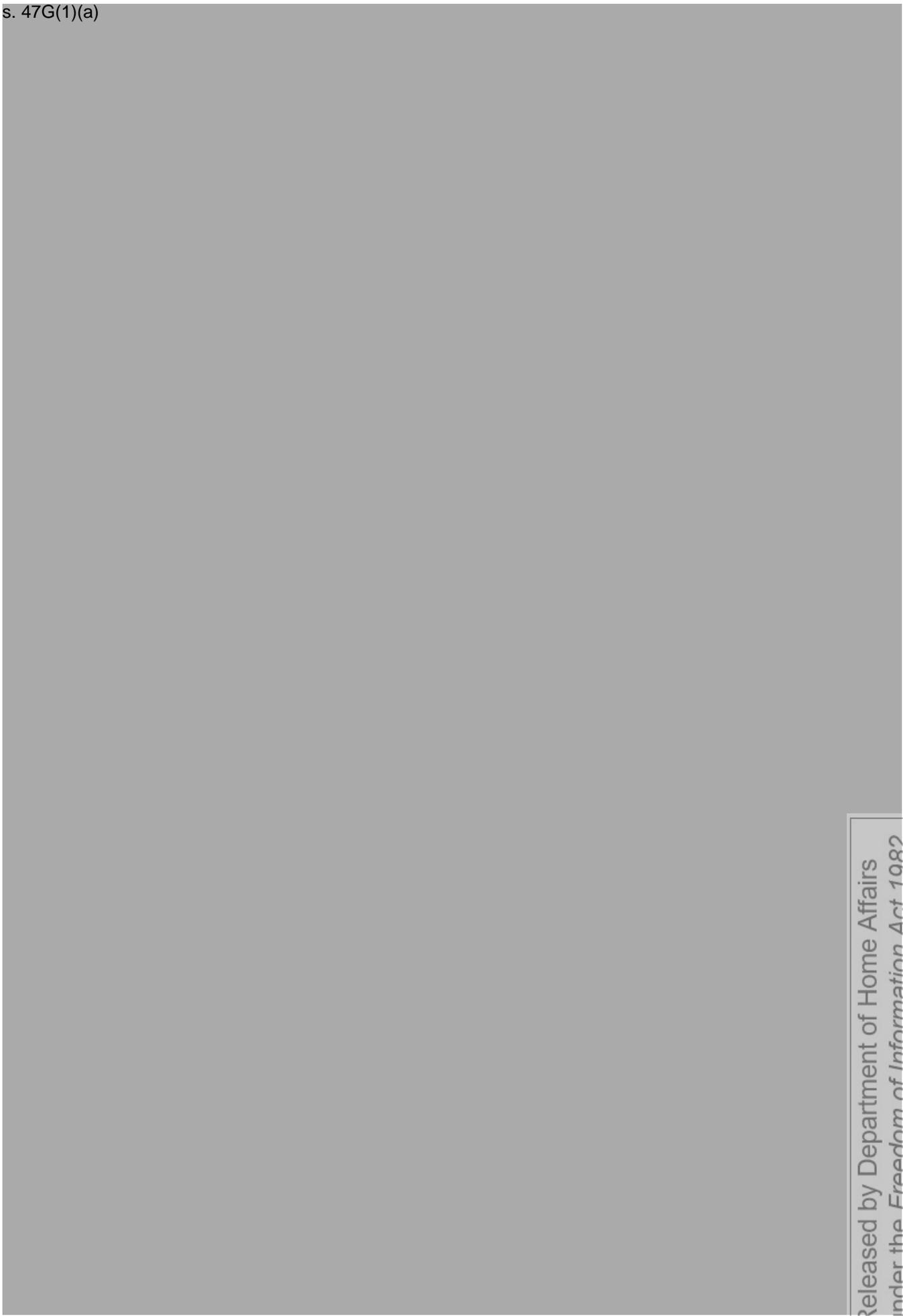
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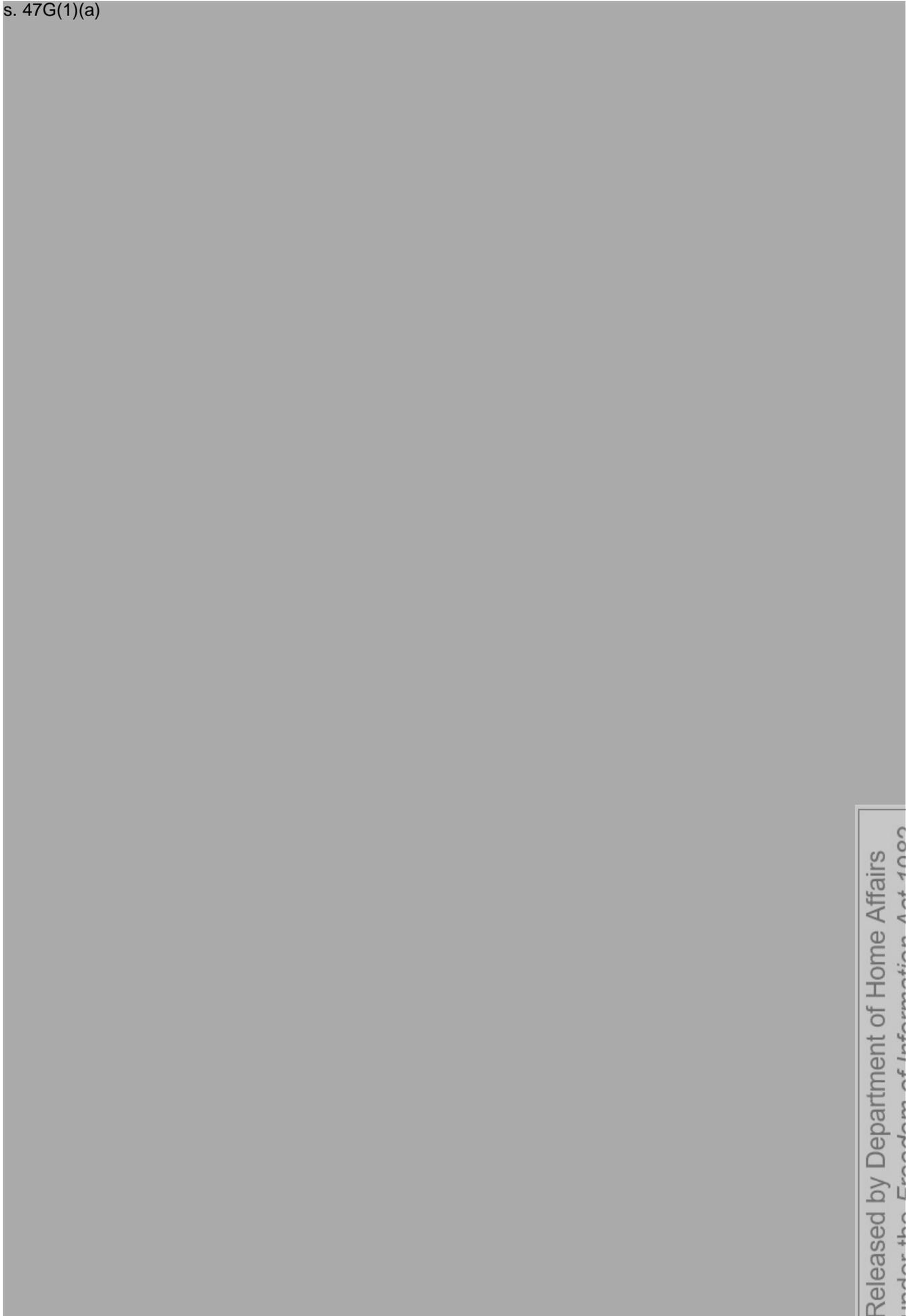
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Briefing
Hon David Littleproud MP
Minister for Water Resources, Drought, Rural Finance, Natural Disasters and
Emergency Management

6 August 2019

Business Case for an increase to NAFC Funding

Aim: To present to the Minister the Business Case submitted to EMA in May 2018 for an increase to NAFC Funding from \$14.8m pa of \$10.77m to \$25.57m pa.

The Business Case was provided to EMA in May 2018. It was supported by the Department of Home Affairs (considered compelling) and by Minister Reynolds. It did result in a one-off payment of \$11m for 20128/19, which led to greater accessibility to aerial firefighting resources over the recent summer. It has not however, addressed the systemic funding shortfalls that have developed since the inception of the 'dollar for dollar' funding arrangement in 2003 between NAFC and the Commonwealth.

In particular, supporting the funding of Large Air Tankers (LATs) establishes a national capability for heavy lift aerial firefighting, deployable across Australia at short notice. This proved particularly effective in Queensland in November 2018.

While NSW has now purchased in 2019 one LAT, which will be based in Richmond NSW (western Sydney), this will not fill the capability shortfall identified. Facilitating increased availability of LATS provides real and tangible support to rural communities, volunteer firefighters and hinterland communities. We are confident this investment would be viewed positively by rural communities and would be well supported as a demonstration of Commonwealth support.

The point of contact for detailed discussions is NAFC General Manager Richard Alder on s. 22(1)(a)(ii)



Stuart Ellis, AM
Chief Executive Officer, AFAC

Supporting documentation:

- Business Case Summary
- NAFC Business Case
- KPMG Reports x 2

Brief on NAFC Business Case for additional funding to support national capability

Summary

AFAC is grateful for the current Commonwealth contribution in support of the national aerial firefighting capability through NAFC. Changes in aerial firefighting capability, primarily through using large air tankers (LAT) that are funded solely by States and Territories, has resulted in NAFC seeking an increase in Commonwealth funding. NAFC therefore requests that the funding base of the next funding agreement account for changes in aerial firefighting capability, changes due to inflation, foreign exchange, totalling an annual increase of \$10.774m above the existing \$14.8m plus a one-off new aerial resource risk management model to better inform operational decisions and improve the effectiveness and efficiency of future aerial firefighting, at a cost of \$1.562m over three years.

Base Increase from existing \$14.8m to \$25.574m

One-off over three years \$1.562m

These proposals are less than that identified by KPMG in the attached reports, which identifies the potential to raise NAFC funding by \$21m and demonstrates constraint by NAFC in seeking funding only for those outcomes it considers are fully justified and achievable.

Background

Over the decade to 2016 Australia's total economic cost of natural disasters averaged \$18.6b pa, or 1.2% of GDP. This figure is expected to reach an average of \$39b pa by 2050 without considering the impact of climate change. Over the past decade the highest losses have respectively been in Queensland, Victoria and New South Wales, however planning to mitigate the losses from natural disasters needs to consider a national perspective for economic impacts distributed across Australia.

NAFC engaged KPMG to establish an independent analysis of operational and administrative efficiencies and NAFC has used two subsequent KPMG reports, focussed on the benefits of the national aerial firefighting arrangements and changes in funding drivers, to inform this business case.

The first Commonwealth and NAFC funding agreement in 2003 was established on the principle of a 'dollar for dollar' or 50% contribution from the Commonwealth for standing charges of the national aerial firefighting capability. In 2003-04 the total Commonwealth contribution was \$5.5m pa over the first 3 years, growing to a \$14.804m pa in the 5 years to 2017-18. In comparison, the 2016-17 combined Commonwealth, State and Territory contribution to the fixed costs of the national capability was \$59.856m, with the Commonwealth's contribution falling from 50% to 23%.

This business case outlines a **\$7.177m pa** net benefit provided by NAFC's management of Australia's national aerial firefighting capability, through procurement staff and service provider cost savings. NAFC also provides additional significant intangible benefits, including: improvements in procurement effectiveness; easier sharing of resources; smaller State and Territory access to a wider range of aerial firefighting aircraft; joint research and development; support to the National Resource Sharing Centre (NRSC) reducing the volunteer burden and the negative impacts on productivity; along with other benefits leading to greater community resilience.

Summary of recommendations

NAFC requests that the Commonwealth:

1. acknowledge the loss in value of the Commonwealth contribution due to **inflation** and adjust the base value of the future funding agreement by **\$1.125m** and include a new clause in future funding agreements **adjusted for CPI**
2. adjust the base level of funding by **\$2.162m** in the next funding agreement in recognition of the **unfavourable movement in foreign exchange** and the resultant negative impact on the future national aerial firefighting capacity; and include a provision to review the impact of foreign exchange variation annually
3. acknowledge that the **LAT and VLAT capability provides an enhanced national mobility** of aerial firefighting resources which requires a Commonwealth contribution to ensure continuity of service; optimisation and proportional allocation of scarce resource utilisation to all States and Territories through a dollar for dollar value of **\$7.487m pa** (i.e. 50% of the mean annual standing charge of \$14.975m pa) in line with the intent of the original funding agreement that commenced in 2003
4. agree that the future funding agreement **not specify individual aircraft**, permitting NAFC greater flexibility to adjust the fleet mix to account for future changes in aerial capability
5. **fund the development and implementation of NARRMM**, a new National Aerial Resource Risk Management Model, matching the level of NAFC's investment in developing ARENA, i.e. a dollar for dollar amount of **\$1.562m** spread over three years. NARRMM will deliver a national decision-making capability of aviation resource to risk, increasing the efficiency and effectiveness of aerial resource allocation, resulting in operational savings and further enhancing the mitigation of bushfires and their economic impact.

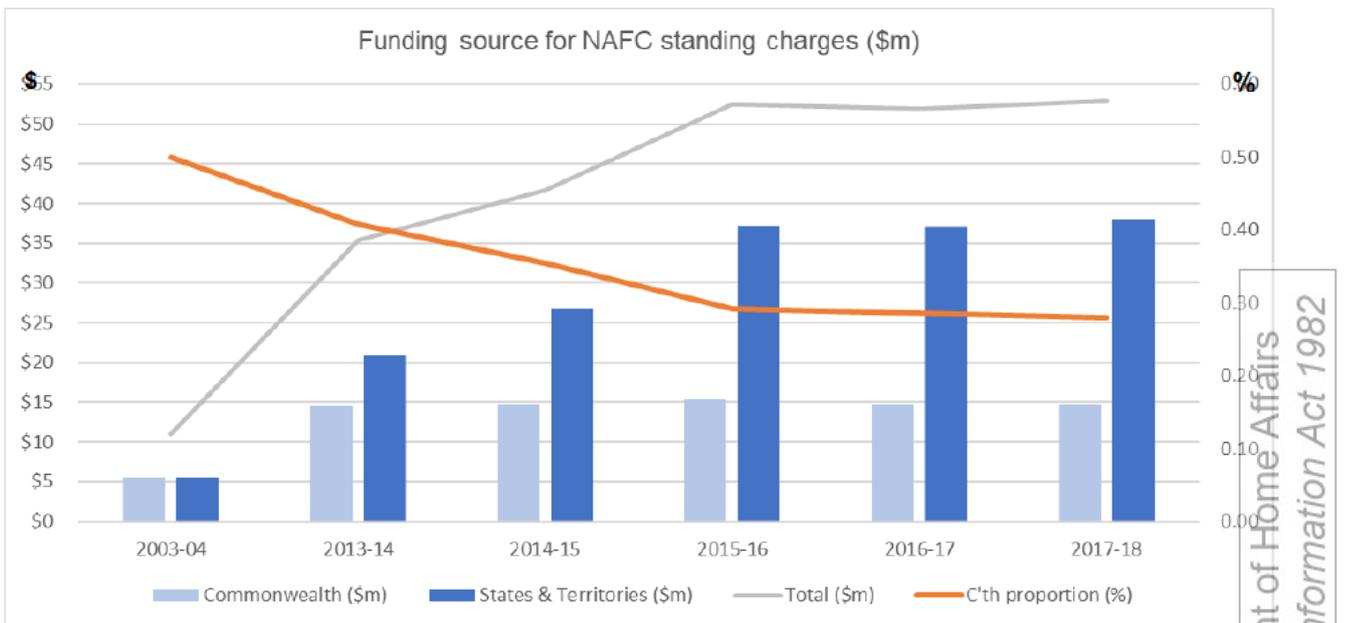


Figure 1. The proportion of Commonwealth to State and Territory funding for fixed costs of the national aerial firefighting capability managed by NAFC

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Australian Government
Department of Home Affairs

Submission

For decision
PDMS Ref. Number MS19-002668

To Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management

Subject Australia New Zealand Fire and Emergency Authorities Service Council (AFAC) – National aerial firefighting arrangements (NAFC)

Timing 10 September 2019.

Recommendations

That you:

1. agree that the submission from Australasian Fire and Emergency Services Council for additional funding has merit and subject to resourcing considerations be supported; Agreed / not agreed
2. note that the Department has no capacity to offset or absorb any additional expenditure; and Noted / please discuss
3. advise the Department on preferred next steps. Agreed / not agreed

Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management

The option of Par 9b should be pursued

Signature

Date: 3/9/2019

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Minister's Comments				
Rejected Yes/No	Timely Yes/No	Relevance <input type="checkbox"/> Highly relevant <input type="checkbox"/> Significantly relevant <input type="checkbox"/> Not relevant	Length <input type="checkbox"/> Too long <input type="checkbox"/> Right length <input type="checkbox"/> Too brief	Quality Poor 1.....2.....3.....4.....5 Excellent Comments:

Key Issues

1. During your recent meeting with Stuart Ellis, Chief Executive Officer of the Australasian Fire and Emergency Services Council (AFAC) he provided you with a business case which outlined a proposal to increase to the Australian Government contribution to the national aerial firefighting program funding from \$14.8 million per annum to \$25.57 million per annum, an increase of \$10.77 million per annum (**Attachment A**).
2. Since the establishment in 2003 of the National Aerial Firefighting Centre (NAFC – pronounced *naff-see*), now a business unit of AFAC, successive Australian Governments have provided annual funding to support the standing costs of the national fire fighting fleet. The original commitment was for the Australian Government to fund 50 percent of the standing costs, however this contribution has remained largely static, despite significant and continual increases in the annual standing costs.
3. In 2018-19, the standing costs of the national fleet was \$99.2 million (GST exclusive) with the Australian Government providing \$14.813 million. In December 2018, the Australian Government through the Preparing Australia Package provided a one-off payment of \$11 million to support the NAFC - a contribution of approximately 23 per cent of the standing costs that year. The additional funding led to greater accessibility to aerial firefighting resources over summer.
4. Current funding is an ongoing, indexed measure in the Budget. A funding agreement between the Department and AFAC has the Australian Government committed to providing \$14.98 million in 2019-20, and \$14.99 million in 2020-21.
5. In February 2018, AFAC presented a business case seeking an increase in Australian Government funding. Emergency Management Australia (EMA) supported the proposal and put forward a New Policy Proposal for the additional funding but the proposal was not supported at the time due to other priorities within the Government.

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s. 47C(1)

Resourcing Considerations

7. As indicated in other discussions regarding the resourcing of new work, the Department of Home Affairs has no capacity to absorb or offset the costs of this proposal either on an interim or ongoing basis.

s. 47C(1)

9. The 2019-20 Mid-Year Economic and Fiscal Outlook (MYEFO) Submissions are currently in the process of being finalised. Options for supporting ongoing funding to address AFAC's submission are:
- a. to seek authority for additional funding from the Prime Minister through an exchange of letters in the MYEFO context;
 - b. to seek authority to bring forward a proposal in the 2020-21 Budget context through the Budget prioritisation process;
- and in both cases, notwithstanding your preference,
- c. seek an exemption from offset requirements prescribed in the Budget Process Operational Rules.

Background

10. The NAFC was established in 2003 by the Australian states and territories, with the support of the Australian Government, to provide cooperative national arrangements for aerial firefighting.
11. NAFC sources and leases specialised firefighting aircraft from high quality operators around the world on behalf of state and territory fire services and land management agencies. The Australian Government directly contributes funding to NAFC for the leasing, standing and positioning costs of the national aerial firefighting fleet. States and territories fund the entirety of operational costs.
12. The national arrangements, now in their 15th year, provide economies of scale and an effective and efficient way of sharing resources. As the capability of aerial firefighting has

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developed over the past five decades, and with the national coordination of the resources by NAFC, cutting edge technology and capability is available across the nation, including to jurisdictions unable to fund this level of capability on their own.

13. The national aerial firefighting program is a national arrangement for the provision of aerial fire suppression services across all states and territories in Australia. As such, its tangible impact is felt across all jurisdictions and across all regions of Australia, in particular, albeit not exclusively, regional Australia.
14. As the exact impact and location of bushfires cannot be known, the financial benefit of additional funding to strengthen the national aerial firefighting capacity cannot be quantified. Nonetheless, investing in an enhanced aerial firefighting program will deliver benefits beyond avoiding loss and suffering, it will also provide social and economic benefits by building public trust in government and mitigating risk to our agricultural economies. An increase to funding for the standing costs of the national aerial firefighting fleet, in line with the Commonwealth's 2003 commitment, will assist in mitigating bushfire risks and government liability associated with disaster recovery.
15. Globally, the emergency management sector has long acknowledged that the economic benefit of investment in mitigation – that is, prevention and preparedness – has a more positive impact than post disaster expenditure. The 2014 Productivity Commission's report on natural disaster funding suggests that natural disaster costs have become a growing, unfunded liability for governments.

Consultation – Secretary

16. The Secretary was not consulted on the approach in this submission.

Sensitivities

17. Ongoing inaction on this issue will be perceived by some stakeholders as the Commonwealth constraining the national capability to respond to bushfires and may draw criticism from the public, and State and Territory Governments. Aerial firefighting activities attracts particular interest from the public, the media and the very vocal firefighting community. We envisage that this will become more evident as the trend towards harsher bushfire seasons become more apparent.
18. The information contained in this submission is classified and should not be publicly released without the authority of the Department of Home Affairs. In accordance with our long standing practices, should you wish for unclassified media lines to be prepared in relation to this issue please contact the Home Affairs Media Coordination team – media@homeaffairs.gov.au.

Financial/systems/legislation/deregulation/media implications

19. The Department of Home Affairs is facing significant fiscal pressures over the budget and forward years and is in no position to absorb or offset the costs of these proposals either on an interim or ongoing basis. Due to current media interest, any announcement of such a proposal will likely attract significant media attention.

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Attachments

Attachment A Letter from Stuart Ellis, Chief Executive Officer AFAC, including the National Aerial Firefighting Centre Business Case

Authorising Officer
Cleared by: Robert Cameron Director General Emergency Management Australia Date: 3 September 2019 Ph.: s. 22(1)(a)(ii)

Contact Officer Joe Buffone, Assistant Secretary, Crisis Management Branch, Ph s. 22(1)(a)(ii)

CC Secretary
Deputy Secretary, Security and Resilience Group
Chief Finance Officer
Assistant Secretary External Budgets and Revenue

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s. 22(1)(a)(ii)



UNCLASSIFIED

From: s. 47F(1) @afac.com.au>

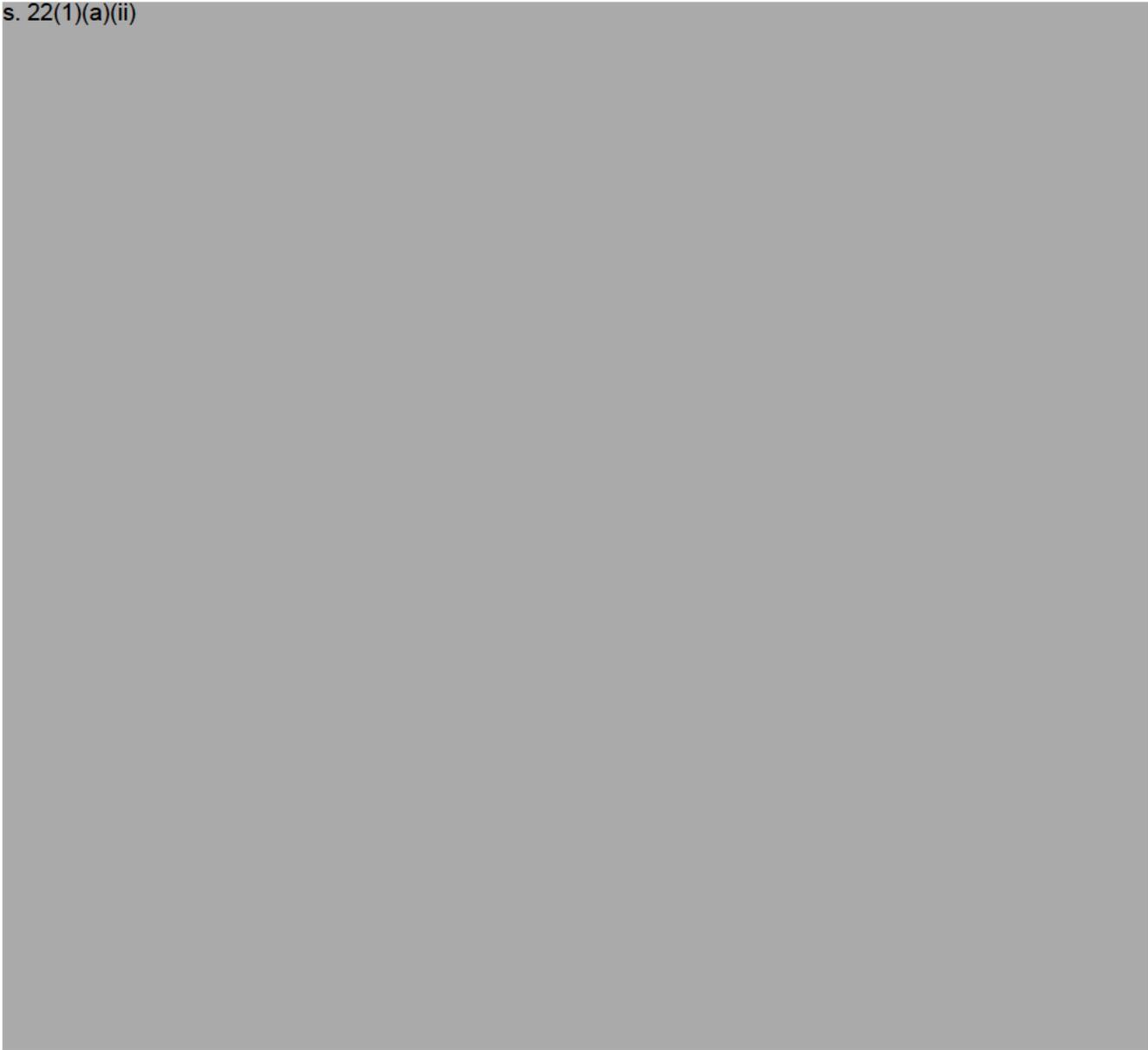
Sent: Tuesday, 19 November 2019 2:20 PM

s. 22(1)(a)(ii)



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s. 22(1)(a)(ii)



Subject: AFAC Response to Minister Littleproud

Dear CCOSC Members,

Following CCOSC discussions this morning, please find attached letter sent to Minister Littleproud today.

Kind regards,

s. 47F(1)

s. 47F(1) | Executive Assistant to CEO
s. 47F(1) +61 422 796 092
s. 47F(1) @afac.com.au afac.com.au
Level 1, 340 Albert Street, East Melbourne VIC 3002



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19 November 2019

The Hon David Littleproud MP
Minister for Water Resources, Drought, Rural Finance, Natural Disaster and Emergency Management
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Dear Minister Littleproud,

Response to the questions raised by the Minister on 17 November 2019

Thank you for raising several issues regarding Large Air Tanker (LAT) and resource sharing for our comment and advice. I have shared the attached responses with members of the Commissioners and Chief Officers Strategic Committee (CCOSC) including EMA.

The attached paper addresses the questions raised and we have also commented on other key issues from our perspective. In summary:

- We consider it appropriate that advice is sought from AFAC, the National Council for Fire and Emergency Services in Australia and New Zealand.
- The NAFC business case needs to be addressed. Whatever the response of government, and we consider what was presented 18 months ago is compelling, having this as an outstanding issue does no credit to the Federal Government or fire and emergency agencies.
- We can sustain current levels of resourcing and we have contingencies in place with overseas assistance however, it will require the ongoing support of governments at all levels.
- Engaging the ADF in support and capability enhancement away from direct firefighting is supported.
- Work is ongoing regarding the strategic placement of assets and further tools are proposed to ensure these are well calculated decisions and not simply a judgement call.
- We consider further aerial assets would be available later in the season, if we were to make a request now.

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- As a national function, the National Resource Sharing Centre (NRSC) warrants a Federal Government contribution and AFAC is seeking a co-contribution of \$250k pa base funding to support the staffing of the centre.
- Sustaining the Australian Institute for Disaster Resilience (AIDR) and placing future disaster risk reduction research in AIDR provides the most efficient and effective approach to best utilising current and future research in agencies and communities that could use it best, potentially reducing the call on recovery funding.

Yours Sincerely,



STUART ELLIS AM
Chief Executive Officer

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AFAC – the National Council for fire and emergency services for Australia and New Zealand

We appreciate the opportunity of being asked to comment and wish to highlight, as you are aware, that AFAC as the peak body but more importantly the National Council of the 31 Commissioners, Chief Officers and Fire Managers of Australia's and New Zealand's fire and emergency agencies. While of course we regard our retired colleagues, we would emphasise that the current professionals in the role are wholly committed to the safety of life, property and the environment working with governments at all levels. Through the Commissioners and Chief Officers Strategic Committee (CCOSC), the National Resource Sharing Centre (NRSC) and the National Aerial Firefighting Centre (NAFC), there is a unity of effort and purpose to support and sustain current and future emergency events.

NAFC Business Case

Our NAFC business case, submitted in 2018 (and noting charges have since increased), is seeking to address the gaps that have emerged in the Commonwealth's contribution to this critical national capability. NAFC requests that the Commonwealth makes adjustment to funding of standing charges, not operating charges in regard to:

- Acknowledging the loss in value of the Commonwealth contribution due to inflation and adjust the base value of the future funding by \$1.125m.
- Including a new clause in future funding agreements specifying that the value for each year of the agreement be adjusted for CPI.
- Increasing the base level of funding by \$2.162m in recognition of the unfavourable movement in foreign exchange and the resultant negative impact on the future national aerial firefighting capacity; and include a provision to review the impact of foreign exchange variation.
- Acknowledging that the LAT and Very Large Air Tanker (VLAT) capability provides an enhanced national mobility of aerial firefighting resources which warrants a Commonwealth contribution to ensure continuity of service; optimisation and proportional allocation of scarce resource utilisation to all States and Territories.
- Funding a national LAT and VLAT capability, at a dollar for dollar value with the States of \$7.487m pa (i.e. 50% of the mean annual standing charge of \$14.975m pa) in line with the intent of the original funding agreement that commenced in 2003.
- Agreeing that funding agreements not specify individual aircraft, permitting NAFC greater flexibility to adjust the fleet mix to account for future changes in aerial capability, in consultation with its members and the Commonwealth.
- Funding the development and implementation of NARRMM, a new National Aerial Resource Risk Management Model, matching the level of NAFC's investment in developing ARENA, i.e. a dollar for dollar amount of \$1.562m spread over three years. NARRMM will deliver a national decision-making capability of aviation resource to risk, increasing the efficiency and effectiveness of aerial resource allocation, resulting in operational savings and further enhancing the mitigation of bushfires and their economic impact.

Key factors and considerations in determining what resources can be considered sufficient

- It is widely recognised that no jurisdiction could hope to maintain independent, sufficient firefighting resources to manage every conceivable fire event. While it is expected that jurisdictions will plan to resource ordinary, and even 'stretch' demand scenarios, fire events will occur that are beyond a single jurisdiction's ability to manage. The current events in NSW and QLD are examples of that. The unused capacity of other jurisdictions is used to support those in need.

AFAC is the National Council for fire and emergency services

- It is not practical or economically feasible, for each jurisdiction to equip itself to meet all likely scenarios. The current model, therefore, relies on effective and efficient sharing of resources to meet surges in demand. This is especially relevant in the case of aviation resources, which are in limited supply, specialised, expensive, but also mobile.
- Assessing adequacy is an imprecise science and will vary dependent on fire season conditions and duration.
- Protection against downstream economic and community disruption is increasingly a consideration.
- Current national capabilities have met previous requirements in past seasons.
- Concurrent events have a direct impact on sufficiency of resources. Multiple events across multiple jurisdictions will increasingly stress the adequacy of existing resources. Events last week in NSW and QLD tested available resources. If demand extended to other states concurrently, the assessment may be 'insufficient available resources'.
- One measure of sufficiency has been meeting existing resource requests, which has been the case with NSW and progressively in QLD.
- As was noted in the AFAC independent review of the 2019 bushfires in TAS conducted for the Tasmanian Government, aerial firefighting is a critical tool in the bushfire management toolbox, but aviation resources cannot suppress fires without ground support. Therefore, the arrangements currently in place in Australia for the national sharing of resources other than aviation, are a key part of the national picture and ensuring that Australia continues to have 'sufficient resources'.
- Fatigue, however, is a critical factor playing out currently in both NSW and QLD. Should the current rate of effort be required to continue in QLD and NSW and additional demands be generated in southern States, current resources may no longer be adequate.
- Because of that, we have instigated arrangements with CAN and USA for resources to be deployed to AUS if required to rest our people; to ensure our people are not exhausted going into summer and to supplement existing capacity.
- There are currently four LAT in NSW and there will be five in NSW and two in VIC by early December. We have never had seven LAT in country previously. We have also never had LATs operating for such an extended period in Australia previously.
- Further **ADF** support needs to be considered and could include ADF airlift capability, logistic assistance, recovery assistance and watchkeepers, providing capability enhancement and freeing fire and emergency resources to focus on firefighting. As the current campaign efforts continue and others arise, engaging ADF resources may well become an important element of the overall national effort.
- We are confident that upfront investment in mitigation (resources) will reduce economic disruption and post disaster/recovery calls on funding.
- AFAC through the NRSC has commenced strategic planning of resourcing over the next four months. While this is dependent on many factors, some unknown, we are taking longer term view through the summer to assess our ongoing capability and sustainability.

Strategic considerations for placement of assets

- Strategic considerations are currently a jurisdictional decision. An assessment is made by each jurisdiction regarding what resources (aircraft, equipment or personnel) it needs, and what they are prepared to release to assist other jurisdictions.
- Factors influencing these assessments include: probability of success, based on fuel types, terrain etc; assets at risk (people and property); asset values (eg critical infrastructure, plantations); availability of other resources, drought factors, water availability, location of support infrastructure and resources. The reality is that the total area of Australia where aerial

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firefighting is an applicable tactic is expanding. This is due to factors such as increasing wildland-urban interface, population shifts, increased length of season and increased number of serious events (incl. at non-traditional times of the season).

- CCOSC is currently developing a principled approach for risk prioritisation for all resources between jurisdictions through EMA and AFAC.
- The NAFC Business Case proposes NARRMM, a new National Aerial Resource Risk Management Model, delivering a national decision-making capability of aviation resource to risk, increasing the efficiency and effectiveness of aerial resource allocation, resulting in operational savings and further enhancing the mitigation of bushfires and their economic impact.
- Placement of assets across jurisdictions has been assessment-based on:
 - The likelihood of the hazard impacting on populations
 - The consequences of the impact
 - Competing priorities

Factors that would drive the need for additional assets and/or extended leases

- There is a clear trend towards experiencing greater numbers of severe events during what would have previously been considered the shoulders of, or outside of, the bushfire season, together with concurrent events in multiple jurisdictions.
- As has occurred particularly in NSW, an early onset of the fire season has led to drawing forward leasing of LATs and should the fire season extend as currently predicted in southern Australia, States will be looking to extend leasing of LATs and other aircraft into Autumn to maintain aerial firefighting coverage.
- An extended fire season (early or late) beyond the current standard three-month LAT lease drives extensions to leasing.
- Additional LATs and other aircraft are sought depending on the likelihood and severity of the fire threat and the concurrence of events in multiple jurisdictions.
- It should be noted that NSW has recently purchased a LAT as opposed to the traditional method of contract leasing and this has proven very beneficial for their needs over the current season. NAFC will continue to review the mix of owned and leased aircraft assets, in the light of extended and prolonged operations. This may lead to a change in the proposed approach in the future.
- In summary, additional assets are sought when current resource requests cannot be met from existing arrangements.

The reality of additional resources being available in a timely way

- While we strive to implement contract arrangements that allow resourcing levels to be scaled up and down according to seasonal demand, there are practical limitations. The larger aircraft are not resident in Australia and there are considerable lead times to activate and position resources that are of suitable quality and are appropriate to our situation. While NSW requested an additional VLAT DC10 on Monday 11 November 2019 and it arrived and was available for tasking on Sunday 17 November 2019, we were not able to source a suitable LAT to position in QLD for November which was the result of a recent request. Had funding and the request been made in August, we almost certainly could have found a suitable asset.
- It is likely that additional LAT would become available as the season progresses, above the current seven existing leasing contracts, should additional funding be made available.
- Additional LAT will become progressively available as the northern fire season diminishes.
- It's not too late for this season. With additional funding, NAFC could engage appropriate, useful, additional resources, ensuring core resources remain for longer periods.

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Processes for deciding strategic location of these assets if they were to be available

- In the first instance, it is dependent on which jurisdiction is prepared to lease the asset or extend the lease of an existing asset in country.
- CCOSC would deliberate on the strategic location of any available assets at any specific time and this is dependent on individual jurisdictional requests and the willingness of those jurisdictions that have committed to leasing LATs to release assets. This generally occurs on a consensus basis.
- Individual jurisdictions can be assured of LAT support (or all other aircraft support) by committing to leasing aircraft prior to the fire season.
- **The National Resource Sharing Centre (NRSC)**, currently an industry funded coordination centre for interstate and international resource sharing, warrants funding consideration by the Federal Government. By being flexible and scalable, the NRSC is maintained at a fraction of the cost of a Government facility, supporting the decisions of the CCOSC and facilitating the movement of AFAC resources either domestically or internationally, supporting jurisdictions in need. The AFAC NRSC has also developed a database of trained and experienced firefighting personnel to support deployments.
- It is anticipated that the NRSC will need to remain operational until Easter 2020. While fires continue to burn in Australia, the AFAC NRSC will need to meet ongoing surge staffing requirements, including the travel and accommodation costs associated with deploying senior agency personnel on behalf of AFAC NRSC to sustain the national effort (currently 4FTE).
- As a national function, with EMA at the table, it warrants a Federal Government contribution and AFAC is seeking a co-contribution of \$250k pa base funding to support the staffing of the centre.

Conclusion

Although resources may be adequate at a particular time, a contribution of Federal funding is still warranted. Through AFAC, the State and Territory fire and emergency services are doing more, in a more unified and coordinated way, that enhances national capability and generates efficiencies. This should attract Federal Government support. Any Federal Government investment in resources to mitigate the impact of bushfire, will also reduce the call on subsequent Federal recovery funding.

While the issues you have raised are essentially operational, it is appropriate that we also raise the related issues of AIDR and an ongoing research capability at this time.

Australian Institute for Disaster Resilience

AIDR provides credible and accessible knowledge and learning to support disaster resilience in Australia. Through utilising research, services are delivered such as:

- The National Handbook Collection
- Knowledge Hub
- National Recovery Monitoring and Evaluation Framework and Database
- Australian Journal of Emergency Management
- Professional Development events
- Disaster Risk Reduction Forums
- Disaster Education for young people
- Emergency Management scholarships
- Australian Disaster Resilience Conference

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These all contribute to a more disaster resilient Australia, supporting all levels of government, non-government organisations, schools and education providers, volunteers across a broad range of agencies including NGO's, community groups and emergency services. Were AIDR not in place, these services would not be maintained and our existing knowledge on disaster resilience would be diminished. It is particularly valuable during current times.

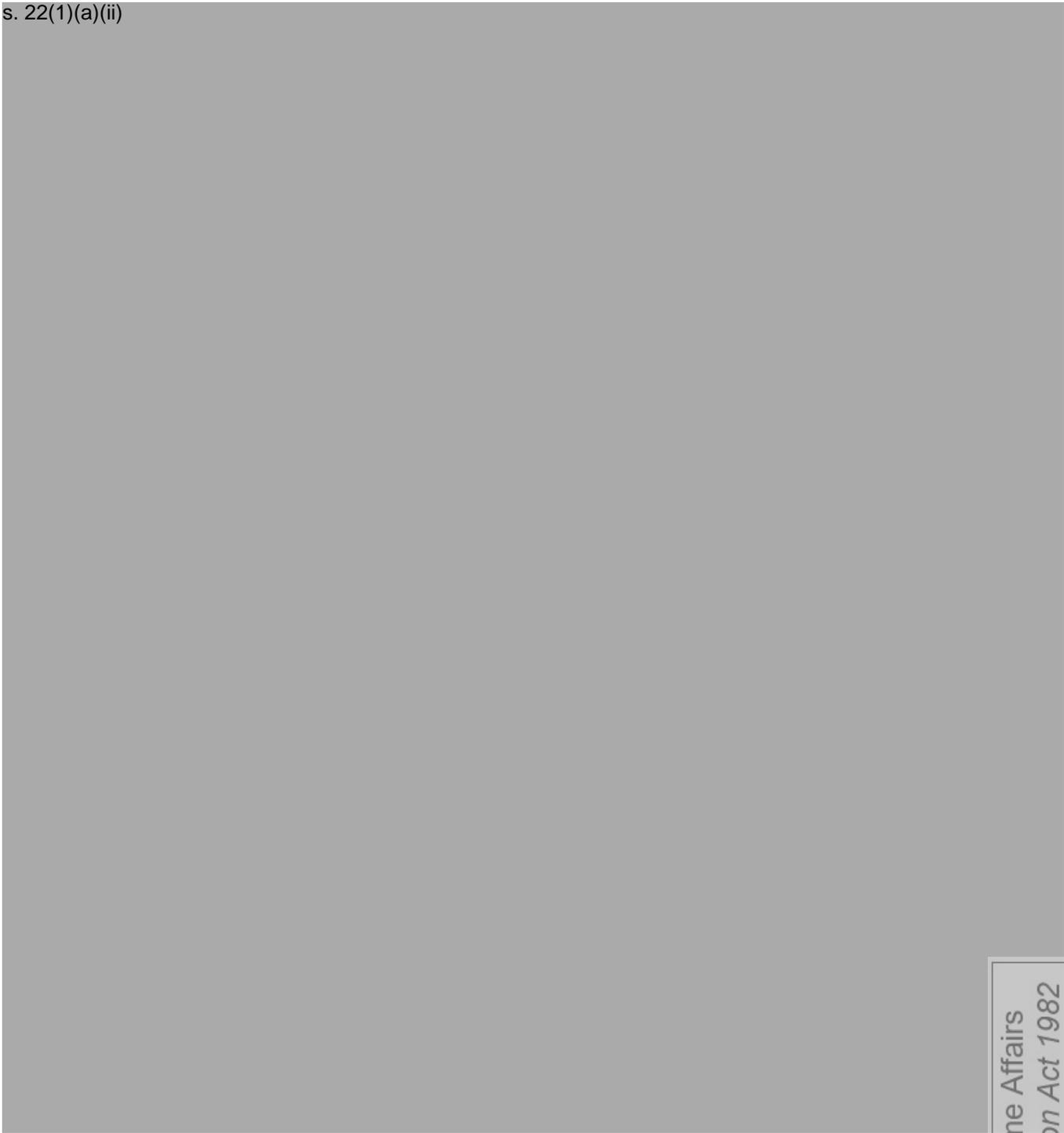
Future Research Capability

Likewise, establishing the future research capability in AIDR provides the best opportunity to maintain existing research capability and ensure that the research conducted is well used. With the finalisation of the Bushfire and Natural Hazards CRC research program in June 2020, our greatest future challenge is not conducting research, albeit this needs to be maintained, but ensuring the research conducted is adopted in agencies. This often takes years and conducting future disaster resilience research in AIDR generates the most likely adoption pathway for research findings through AIDR products and services and within AFAC agencies, due to the close association of AIDR and the AFAC Collaboration groups. Through an integrated governance structure of research in AIDR, efficiencies will be achieved and alignment with fire and emergency services will be maintained. AFAC Agencies have given an 'in principle' commitment to continuing to contribute \$3.5m to ongoing research. AFAC is seeking for this to be matched by the Federal Government to establish an ongoing research capability and progress the disaster risk reduction strategy.

Maintaining AIDR and a future disaster resilience research capability within it, contributes to national disaster resilience and risk reduction, subsequently reducing the recovery demands placed on the Federal Government.

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s. 22(1)(a)(ii)



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From: "Rob CAMERON" s. 22(1)(a)(ii) [redacted] <[\[redacted\]@homeaffairs.gov.au](mailto:[redacted]@homeaffairs.gov.au)>
Date: Tuesday, 19 November 2019 at 5:51:20 am
To: "Stuart Ellis" s. 47F(1) [redacted]
Subject: Re: Aerial firefighting arrangements - Minister Littleproud to Mr Stuart Ellis AM [SEC=UNCLASSIFIED]

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Thanks Stuart, acknowledged.

Rob

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Robert Cameron OAM
 Director General
 Emergency Management Australia
 Department of Home Affairs
 s. 22(1)(a)(ii)

UNCLASSIFIED

From: "Stuart Ellis" s. 47F(1)
Date: Tuesday, 19 November 2019 at 1:39:42 am
To: "Rob CAMERON" s. 22(1)(a)(ii) <rob.cameron@homeaffairs.gov.au>
Subject: FW: Aerial firefighting arrangements - Minister Littleproud to Mr Stuart Ellis AM [SEC=UNCLASSIFIED]

Rob

You may be aware of this request. AFAC is going to work on this today and my intention and my intention is that it will be distributed to CCOSC prior to the teleconference tomorrow. Following CCOSC, I will send my response to the Ministers Office.

All the best

Stuart

From: Minister.Littleproud
Sent: Sunday, 17 November 2019 1:19 PM
To: Stuart Ellis
Subject: Aerial firefighting arrangements - Minister Littleproud to Mr Stuart Ellis AM [SEC=UNCLASSIFIED]

Dear Stuart,

Thank you for taking the time recently to discuss the matter of aerial firefighting resourcing with my office, a matter the Australian Government is committed to supporting.

The views and advice of yourself and your organization, as the peak body for public sector fire and emergency service organisations, are highly regarded. I look forward to continuing to work with you and receiving your considered and strategic input to important matters such as our national aerial firefighting capabilities.

I understand that you were recently quoted (as CEO of AFAC) that, "we currently have sufficient resources". I appreciate that this may change depending on the progression of the fire season. It is reassuring to hear that we can be confident in your opinion that we currently have sufficient resources.

To support the Australian people and provide confidence in our collective efforts, I consider consistency in information and messaging most important and seek your assistance in that regard. To assist my appreciation and

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understanding and that of the Government in these matters I am hopeful you may be able to provide me with a high-level summary, from your perspective of:

- Key factors and considerations in determining what resources can be considered sufficient,
- Strategic considerations for placement of assets,
- Factors that would drive the need for additional assets and/or extended leases,
- The reality of additional resources being available in a timely way, and
- Processes for deciding strategic location of these assets if they were to be available.

The Australian Government considers these arrangements a vitally important tool in combatting the sorts of bushfires we are currently experiencing across the Nation and appreciates your assistance in these important considerations.

I acknowledge the business case before government and reassure you that it is under active consideration of Government. I very much appreciate your ongoing support and assistance in this matter. Your early response would be greatly appreciated.

Please do not hesitate to contact **s. 22(1)(a)(ii)** _____@homeaffairs.gov.au from my office should you wish to discuss.

Kind regards

The Hon. David Littleproud MP

Minister for Water Resources, Drought, Rural Finance, Natural Disaster & Emergency Management

Suite M.1.46 Parliament House, CANBERRA ACT 2600

t **s. 22(1)(a)(ii)**

e Minister.Littleproud@Agriculture.gov.au | w www.agriculture.gov.au

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