

**ENVIRONMENT AND NATURAL RESOURCES COMMITTEE**

**Inquiry into the impact of public land management practices on bushfires in Victoria**

Bairnsdale — 31 July 2007

Members

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Witness

Mr S. Kozlowski, chief executive officer, High Country Councils Coalition.

**The CHAIR** — Thanks very much for joining us today. I want to formally declare open the Environment and Natural Resources Committee's hearing on the impact of public land management practice on bushfires in Victoria. I also note that we have got a public forum tonight at this location from 7.30 onwards predominantly for members of the public who have not done written submissions to be able to attend and make some statements. If you know of anyone coming along or who wants to come along, certainly encourage them to do so. If they do come along later on tonight, I ask them to make themselves known to our committee officers so we can know that they would like to be able to say a few words so that we can try to get through the room. I want to highlight that, whilst we have been conducting hearings in Melbourne and in other parts of the state, recently the Parliament amended our term of reference to include the impact of bushfires on the June and July Gippsland floods. I want to also acknowledge members of Parliament from the region here — Peter Hall and Phil Davis — but we also have a couple of Gippsland MPs on our committee, so they have about a quarter of the vote. Craig Ingram is the deputy chair, and Matt Viney is an upper house member for Eastern Victoria Region.

I welcome our first presenter, Steve Kozlowski, the CEO of East Gippsland shire, representing the High Country Councils Coalition. All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and further subject to the provisions of the Parliamentary Committees Act 2003. Any comments you make outside the hearing may not be afforded such privilege. All evidence given today is being recorded, and witnesses will be provided with proof versions of the transcript in the next couple of weeks with instructions. Mr Kozlowski, we thank you very much for asking to see us and for making a presentation. Could you make your presentation, and we will ask questions later on.

**Mr KOZLOWSKI** — Thanks very much, Chair and members of the committee. It is a pleasure to be here to represent the High Country Councils Coalition. I have a copy of the submission which I will make to you and which I think has been provided to you. In brief, it covers off a couple of the points that are of relevance to the terms of reference — it is not aimed at covering off the entirety of it — but these are issues that are of importance to the seven councils that form the high country coalition: the shires of Alpine, Baw Baw, East Gippsland, Indigo, Mansfield, Towong and Wellington. To give you an appreciation of the area that the coalition comprises, it is 53 500 square kilometres or about a quarter of the state of Victoria. According to the state's Department of Sustainability and Environment the population of that particular region is just on 163 000, with a forecast population of in excess of 170 000 in 10 years time. As the committee would be aware, significant portions of the particular region that I am speaking about involve a lot of public land. On behalf of the coalition I wish to thank the panel for the opportunity to present on behalf of the group.

There are three main points I would like to speak to. The first is in relation to the effectiveness of preventive measures. The coalition believes that the primary responsibility for prevention and after-fire costs should not be a local council issue but a state or indeed a federal issue. It is clear that certain roads provide important access in times of emergency, and the coalition contends that the maintenance of these roads and the bridges on them ought to be the responsibility of someone other than local government. East Gippsland and Wellington shires alone, for example, are responsible for some 250 timber bridges, many of which are incapable of carrying large vehicles of the type that may be required in an emergency. Clearly that impacts on not only the ability for agencies to effectively prevent fire and manage public land but also to respond in the case of emergency.

The coalition contends that firebreaks and access tracks must be adequately maintained and does not form a view in terms of the extent of that, but clearly it is an important issue and preventive fire management is clearly important in terms of the consequential impact of fire on topsoil degradation. As the committee would be aware, as a result of the 2006–07 fires and the subsequent rainfall that occurred, that has provided some increased turbidity in some of the rivers that are used for water supply and quality. An example of this is in the Bairnsdale and Lakes Entrance region, which supplies water to some 25 000 people. Immediately prior to the end of last year there were voluntary water restrictions imposed, but shortly after the rains that occurred immediately after the fires and as a result of the turbidity of the water, stage 4 water restrictions were immediately imposed.

The impact on the Mitchell River meant those water restrictions were required, the Mitchell River being the source of domestic water supply for this particular subregion. We have been advised by the local water board that it has incurred considerable costs in terms of providing that immediate response with regard to water treatment, and is likely to require a further \$15 million for an additional reservoir and water treatment plant in the short to medium-term. It is a considerable cost associated with water treatment. We are advised that the situation is likely to remain for several years in terms of the turbidity of the water and the issue of the need for water treatment for human consumption.

The second point relates to the involvement of communities. The point the coalition wishes to talk to you about is in relation to the advice concerning emergency information, and that is about the accuracy of the information and the precise nature of that information. The coalition believes that some communities were disadvantaged in that some of the advice given publicly over the media perhaps was not accurate in its description, and therefore led people to believe that emergency situations were in existence in areas that it did not apply to; notwithstanding the coalition believes the role of the radio broadcaster — the ABC — in informing the public of the fire event was exemplary. It is just that the consequence of some of those inaccurate descriptions caused some concern, and tourism in particular was affected by some of those particular examples.

The third one is really in relation to some of the more general matters relating to the impact of the scale and intensity of the bushfires, and the consequential support. Whilst loosely related to the terms of reference, the coalition believes there needs to be greater support provided to businesses impacted indirectly by fire events. Many small businesses operate in a way that their cash flow cannot sustain unexpected downturn in business activity due to disasters such as fire, and a more simple process in relation to support is needed.

The coalition contends that the financial packages provided ultimately need to have regard for the combination of events that might occur in a particular region — for example, parts of the region have been affected by drought, then pest infestation and then fire, and the combination needs to be taken into account. The coalition is also concerned about the costs to local government in terms of taking on board some of the responsibilities. It is bigger than local government in terms of that, as I am sure committee members would appreciate. The process involved in recovery of costs for councils maintaining their role in emergency coordination and consequential recovery is a difficult one to manage and sometimes bureaucratic in terms of ultimately receiving the required funds back that have been spent by council, and there are some issues associated with the methodology of that particular process.

Finally, the coalition contends that the additional maintenance costs for local roads and other assets damaged due to salvation logging after fire events ought be recognised. The coalition contends that as the government receives royalties as a result of that particular process there is a funding stream available that could be returned back to the councils and other agencies to assist in maintaining and upgrading those particular assets that may be damaged as a result of that, which currently is not an automatic entitlement. There is evidence of that causing some hardship to local councils as a result of the 2003 fires. Those are the points that I have been asked to put to you today on behalf of the coalition.

**The CHAIR** — Thank you, Mr Kozlowski. I will ask the first question. You highlighted an important point about cash flow problems for those businesses that are affected when people are kept away from localities, whether it is tourism or retail. In your submission you highlight the Cyclone Larry model that was used up in northern Australia. I would like you to talk, if you can, a little bit about that funding model in more detail, and how it can benefit local communities compared to what the existing arrangements are.

**Mr KOZLOWSKI** — Currently the issue involves a convoluted process for people to actually recover some of their funds. There is no direct avenue for individual businesses to access funds immediately, so the issue of cash flow becomes apparent for them. In the most recent situation — I am talking about the floods now, and no doubt fire was the same — the direct consequential impacts needed to be demonstrated clearly before funding was available, whereas there are indirect consequences of disasters on businesses such as downturn of activity, which is more difficult to quantify and to justify. My understanding of the Cyclone Larry situation was that a simplified process was made available to businesses to access funds fairly quickly without the need for a long bureaucratic process of form filling and justification for the assistance provided. The coalition is really looking for a simplified process so it is easy for businesses to access short-term funding to get over that short period of cash flow concern that arises for small business.

**Mr INGRAM** — Thank you, Steve. That was a good presentation and submission. I would like to ask a question in relation to planning and zoning issues. As we are seeing more and more development in fairly high fire-prone areas — residential hobby farms or building development in those areas — and we add to that the impact of environmental legislation like the native vegetation retention laws, how are councils dealing with those pressures, and how do you work with the other agencies to ensure that we are not allowing development in high fire-risk areas?

**Mr KOZLOWSKI** — That is a very good question in terms of the conflict between people living in areas that are prone to these sorts of events which occur from time to time. There is an opportunity in terms of planning

control with what is called the wildfire overlay controls which then are able to be incorporated into planning schemes and which afford the ability to councils to provide greater control over what occurs within those areas which are affected by those overlays, whether it means a constraint in relation to development or whether it means the type of development that occurs there which needs to have some specific attention paid to it so that it is more preventive in terms of the materials used for construction and those sorts of things. There is some opportunity under existing planning controls. The question remains whether the location of townships or indeed the location of sporadic dwellings in areas that are genuinely seen to be at high risk to fire ought to be allowed to be developed in those areas. At this stage that is something that I think local government and the planning authorities need to have a closer look at, in terms of whether that opportunity ought to be restricted.

**Mrs PETROVICH** — Thank you very much for your presentation today; I very much appreciate it. I have a question which relates to your statement about water quality. We have recently seen the effects of loss of vegetation due to the burning of the understorey which has caused a loss of topsoil and soil instability. What are the long-term effects on water quality, and what is the cost to the community and water quality in this area?

**Mr KOZLOWSKI** — I am not a scientist, but from talking to the local water board and others, including catchment management authority people as well, they have indicated to the community and to the councils that the impact of the topsoil being washed into the creeks is a phenomenon that is likely to continue for several years, if not longer. The consequence of that in relation to this particular local area is quite concerning in terms of the domestic water supply that is actually tapped from the river. The river being in the state it is in at the moment means that the water needs to be significantly treated before it can be consumed. Prior to that there was no question about the water quality, so it was a relatively simple process of siphoning off the water and putting it into the reservoir and using it. So if it is the case that the topsoil has been significantly degraded because of the intense burning and therefore it is being found in the rivers, it is clearly a serious situation that will be of concern to the communities affected for a long period of time. In addition, we are yet to see the impact that it may have on the Gippsland Lakes, for example, which are arguably one of the biggest tourism icons in Gippsland, and the consequences of that amount of topsoil being washed in there in terms of siltation and potential algal blooms may have some disastrous effects over the future months on tourism and the ability to attract tourists to the area.

**Mrs FYFFE** — Steve, in your written submission you talk about the location and immediate threat of fires and the information being given out, and you make a note that anecdotally some fires were up to 50 to 60 kilometres away from the actual location of the fire. I can understand the problems that would pose for those tourism industries which you highlight, but also the danger it would have put people in who would have thought they had a lot of time to get out of the path of the fire. I realise they are different beasts, but did you have such similar problems of communication with floodwaters rising and floods coming in, and who was giving this information to the ABC?

**Mr KOZLOWSKI** — The first aspect in relation to fire is always a very difficult one. There is a very fine line between alarming people and giving them the right information. So, with fire, because of its unpredictability generally and its speed and ability to move quickly over long distances, one would have to be very conservative about the type of information one gave regarding the risk. I think the High Country Councils Coalition is not concerned about the fact that the information was genuinely and rightly conservative about where the fire might go, but where some of the descriptions subsequently occurred, they were being referred in the media as the Dargo fire, and so on, whereas the fire had actually left those areas and gone somewhere else. There were instances where, for example, people had a meeting in Lakes Entrance. After they had attended the meeting a lot of the campers and people from the caravan parks up and left and did not return. Whilst the fire was potentially a threat it was not as immediate a threat as it might have been, nor was there any process or ability to be able to attract those people back quickly, so it had a fairly devastating effect.

In terms of the flood, it was probably less of an issue in terms of its predictability, and in this area it was more about inundation rather than the concern about rushing water for most of the urban areas, and now I am talking about the agricultural areas that suffered both fires and floods. One of the issues was the portrayal by the media of the significance of the inundation. I do not think it was necessarily the information given to the media but perhaps the way the media dealt with that information as to how significant the inundation may have been in certain areas. So we had situations where people were contacting the councils and still asking questions about whether the roads were open, whether the water was safe to drink, and those sorts of things. So far as I am aware there was no formal information to the contrary, yet the media appeared to be giving that story even some days after the serious flood event actually was present.

**Mrs FYFFE** — I understand your emphasis on tourism because of the economic benefits to the area, but in other hearings we have heard that residents rely on the broadcasts by the ABC. Surely that would affect them when deciding to prepare to leave or to stay if they thought the fire was so far away.

**Mr KOZLOWSKI** — Yes. That has been the case too. Certainly from the coalition's point of view there are not concerns about the messages about where the fires were likely to be and the level of risk — whether there was significant risk or medium risk, whether there was the prospect of the worst case scenario occurring or the best case scenario. People were given sufficient information and residents were being made aware whether they should stay or go and given information about preventive measures and so on. I think clearly that was a very effective tool for getting the message out to local residents.

**Mrs FYFFE** — And yet you say in your submission that they were misleading and inaccurate.

**Mr KOZLOWSKI** — Yes. In terms of some of the descriptions about where the fires were at a particular point in time, some of the information that was broadcast did provide some inaccurate descriptions.

**The CHAIR** — I will get one of the local members of Parliament, Matt Viney, to ask the final question.

**Mr VINEY** — Thanks very much, Steve, for your submission today. In your submission you refer to the municipal emergency coordination shortfall in funding. Have you done any assessment of the quantum of that? A slightly related question I want to ask is in relation to the road maintenance costs — in other words, I am interested in the impact on local government. Parts of your submission indicate that it is underfunded. Have you done an assessment? I note in your submission that you mentioned the figure of about \$1 million from the 2003 fires. Are you doing similar assessments in relation to road maintenance? That kind of information can be useful in terms of the quantum.

**Mr KOZLOWSKI** — In terms of the emergency coordination centre activities and recovery and relief operations, typically councils such as this utilise their own existing resources, and currently the funding that has been provided — and that was not automatic — has been recovery of those what would be deemed to be extra or exceptional labour costs, not the normal labour costs. So there has been no recognition of the forgone opportunity, if you like, of the staff doing other things. The expectation is that they are being paid, so the council pays them and that is it; there is no extra money required. If councils are aware of that situation and that is the only way that funding is going to be provided, then councils will set themselves up differently so that they will not be using their own staff; they will get external people in and they will pay them what is required. The cost will then be incurred directly and will need to be recovered so that there is no diminution of the service levels provided by the council for other activities during that time. I do not think that is a good outcome, because in many cases in rural Victoria the knowledge and expertise is resident in many of the staff who work in local government. I think that is not properly recognising the true costs. We have done some estimates on that but I would not have a precise figure in relation to it. We are aware, however, that as a result of the recent flood event the attention from government with regard to that issue was a lot quicker and I suppose a lot more generous in that regard. But that issue of ordinary-time payments is still there and we are still concerned about that particular aspect.

With regard to roads and bridges, the response is slightly different in relation to the outcomes after a fire than it is after a flood event. I am not really sure why that is the case, but certainly after the flood event, speaking just of the recent events, the state government's support has been quite prompt again, quite specific in terms of indicating a response to what was the estimate at that time with regard to roads and bridges and other municipal assets that should be reimbursed, and also a formula that made it quite clear that should that estimate not be right and that it was more than that, then those costs would be recovered. The manner in which the remedial works would need to be undertaken and how quickly that could be done and the cash flow implications of that we have not really looked at closely, but we certainly will if that is something that the committee is interested in, because clearly if there is a lag between expenditure of some millions of dollars to rehabilitate roads and bridges, and yet there is some process that requires a significant delay between that and recovery of those costs, we would be concerned about the consequential impact on the council.

**The CHAIR** — Thank you, Mr Kozlowski, on behalf of the High Country Councils Coalition. You will receive transcripts with instructions. We thank you very much.

**Witness withdrew.**