

TRANSCRIPT

STANDING COMMITTEE ON THE ENVIRONMENT AND PLANNING

Inquiry into fire season preparedness

Melbourne — 14 September 2016

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Witnesses

Mr Robert Green (affirmed), CEO,

Mr Lachlan Spencer (affirmed), General Manager, Corporate Services, and

Mr Michael Ryan (affirmed), Forest Scientist, VicForests.

The CHAIR — I welcome the VicForests witnesses. Thank you for attending. I should say that evidence you give here is protected by parliamentary privilege; what you say outside is not. We will ask you to make a short statement at the start and then follow with questions. I ask you, Mr Green, to lead off with your submission, and I notice that you have got a presentation, so if you can step through that, that will be helpful.

Visual presentation.

Mr GREEN — By all means. Thank you for the opportunity to present to the committee. Just by way of introduction, VicForests is a government-owned corporation with responsibility for the commercial sale, harvest and regeneration of timber from Victoria's state-owned forests. We operate predominantly in the east of the state.

We currently employ 115 staff, 35 based in Melbourne and 80 in regional Victoria. We also engage a contractor workforce. We have 33 forest contracting businesses. They employ approximately 160 staff to undertake harvesting. In addition to that, we engage further contractors to undertake hauling, road management, regeneration and other forest contracting activities. The vast majority of these contracts involve the use of heavy machinery of one sort or another. It includes a fleet of over 200 specialised machines such as bulldozers, excavators, skidders and harvesters that have been built or modified to operate specifically in the forest environment. They also, importantly, operate transports that relocate this big machinery around the forest.

The CHAIR — Just on the staff numbers, is that full-time equivalents, or is that a total number?

Mr SPENCER — That is the number for staff, not the FTE. The FTE is very close to that, but it is still the number.

The CHAIR — Right. It is not far from it.

Mr SPENCER — Not far.

The CHAIR — Thank you.

Mr GREEN — From our point of view the forest contracting workforce represents an invaluable talent pool. It is the knowledge and the skills that are required to operate heavy machinery in the forest environment. Unfortunately the extent of this pool has been in long-term decline. Working with and managing the forest contractors and their machinery provides VicForests and its staff with a critical understanding of what the machinery is capable of and how it can be operated safely, efficiently and effectively.

I will just take a moment to discuss zero harm, which is our first corporate value. It is not a slogan for us. We live it and we breathe it. It is our goal. We genuinely believe that forestry activity and operations can be undertaken without incurring injuries. Two years ago we operated for 12 months without a single injury to staff, so we know it can be done. Our current contractor workforce have a lost-time injury frequency rate, so that is lost time injuries per million hours worked, standing at 3.9. That is the lowest in our history, and it also places us at the top of the pile in terms of forestry operators nationwide.

The CHAIR — Three point nine what?

Mr GREEN — That is lost-time injuries per million hours worked.

The CHAIR — Okay.

Mr GREEN — Just turning now to our contribution, VicForests plays a highly valued role in the management of fire in Victoria. Fifty-four of our current staff hold at least one fire management accreditation and are directly involved in fire management activities when and as required. Fifty-one of those are regional staff, and 20 are accredited as level 1 or 2 operations officers. Ninety per cent of the staff with current fire accreditation are employed in a role which includes active supervision of forest contractors or they have previously been employed in such roles. Therefore, they are particularly adept at managing forestry equipment.

While our staff numbers are small, in the areas that we operate in we are highly sought after for fire suppression roles. There are plant operations managers and online operations officers, and they are valued because of their detailed understanding of contractors and the plant capabilities.

This is just a quick picture of the kind of heavy equipment we are talking about in the forest. That there represents about \$1.5 million of kit that our operators would have — excavator at the top left; a bulldozer, top right; a skidder; and a burnt skidder, which gives you an indication of what can happen to that valuable equipment after fire.

Skilled operators are difficult to source and difficult to retain, and they are becoming more scarce as we wind back the scale of the native timber industry. As I mentioned in the slide before, their investment is substantial, and it requires a well-founded commercial contract. We spent years learning how to structure these commercial arrangements to ensure our contractors are able to reinvest in suitable machinery that will meet current and future safety standards. It is not simple. The machines are expensive, and without certainty of tenure and sustainable rate structures, regional businesses such as the ones that we engage will not make these investments. Without ongoing investment, the machinery fleets become outdated, they become unsafe and they should not be utilised.

VicForests' contribution to fire management is governed by a bushfire management agreement with the Department of Environment, Land, Water and Planning. The agreement affirms the working relationship between VicForests and DELWP in regard to bushfire management. In brief, this agreement essentially confirms that both organisations will endeavour to support each other with regard to fire management activities, and the cost of that support will be borne by the party which requests the assistance.

During autumn VicForests undertakes our regeneration burning program. I might note, just as a little sidebar, we carry a pretty significant strategic asset in the form of \$5 million or thereabouts of seed. Regeneration is carried out largely through fire as a way to prepare the harvested areas. We have a priority to achieve our regen burning program, and we appreciate the assistance of DELWP with that burning. In turn, we will then assist the department to achieve its fuel reduction program to the extent that we are able.

There is another way to reduce fuel in the forest environment, and that is through mechanical fuel reduction. Currently we have engaged with the New South Wales Department of Industry to contribute to a federally funded research project, so we are really pleased to be a part of that.

In conclusion to this introduction, the points I want to make: that VicForests staff and contractors are highly skilled; that the management of safety and forest operations requires sustainable contracts for those contractors; that there is a very strong working relationship between VicForests, DELWP and the other agencies; and that we will continue to work with DELWP to maximise our contribution and that of our contractors. Thank you, and we are happy to take questions.

The CHAIR — I appreciate very much your material here and you attending tonight. There are a couple of preliminary things that I would like to ask, and then I would like to come to one of your slides, and then I have got a further point to follow. You obviously, as an agency, are part of the Victorian government and were part of the general submission. Now, that general submission, à la the government guidelines 2002, is usually prepared from a series of other submissions. I am seeking, in the first instance, a copy of your material that was provided to that process.

Mr GREEN — Yes.

The CHAIR — Thank you. The second thing is, if we could just step back on this slide, there was a slide that I thought sought to encapsulate the relationship between DELWP — that is it: the bushfire agreement. So let me try to understand this. That is a sort of memorandum of understanding, is it? Is that the form of it, or is it — —

Mr SPENCER — It is actually an agreement. Under the Sustainable Forests (Timber) Act it sets out that VicForests and the department can make an agreement regarding fire suppression activities and that once we have made that agreement the secretary may direct our staff to undertake fire responsibilities.

The CHAIR — Activities. And I understand that you work collaboratively with DELWP and the other fire management groups. So DELWP reimburses VicForests for all costs in this.

Mr SPENCER — Yes, for our participation in fuel reduction burning and fire management.

The CHAIR — So what was the quantum of that last financial year?

Mr SPENCER — In the financial year it was approximately \$300 000. Sometimes if there are large fires it has gone over a million dollars, but in general approximately \$300 000 to \$500 000 per annum would be for reimbursements.

The CHAIR — It would be helpful for us to have some figures on that for the last three years, say.

Mr SPENCER — Sure.

The CHAIR — So DELWP reimburse VicForests, and DELWP provides support to VicForests for regeneration burning activities. Is that in addition to the fire?

Mr SPENCER — DELWP provide fire crews and helicopters for our burning activities, and the time and the on-costs of providing that staff they charge to VicForests.

The CHAIR — They charge you. And what is the sort of quantum of that in the last financial year?

Mr SPENCER — I thought you would ask that. I am sorry. I do not have that off the top of my head, but I will take it on notice.

The CHAIR — That is all right. And VicForests reimburse DELWP for all costs, so there is money going in different directions here. It becomes in effect a sort of book entry. Is that how that works?

Mr SPENCER — I think in general VicForests would provide more services than it receives, but we invoice and they pay us. It is not just a book entry; it is a service given.

The CHAIR — So again in the last financial year, what did VicForests reimburse DELWP?

Mr SPENCER — Sorry, I do not have it off the top of my head. I am sorry.

The CHAIR — Again I am happy to have you take that on notice. This is in a sense a commercial arrangement, but is it a full cost recovery on both sides of this equation? Is that what we are seeing?

Mr SPENCER — Yes, but plus on-costs.

The CHAIR — It is. In a sense I guess you are looking almost for a competitive neutrality outcome, so that if there were another forest group, the costs that are incurred by the state would be fully reimbursed. Am I understanding this correctly?

Mr SPENCER — I am not sure I understand.

Mr GREEN — If I may, it is about actual costs incurred, and they will be reimbursed in either direction. To the extent of whether it is a commercial arrangement, it is certainly not in terms of any margin or carry-down to the bottom line. If we have people who would be paid a wage of \$50 000, that is what is reimbursed. We do not charge \$70 000 because of the expertise they bring.

The CHAIR — Where I am heading to here is: if DELWP brings in a helicopter or an air support of some kind, you will pay the hourly rate that that goes for but not necessarily the capital cost or a share of the capital cost?

Mr GREEN — I think the hourly rate includes that, does it not, Lachlan?

Mr SPENCER — Yes. We would pay the commercial rate for the helicopters. If we source aircraft through the air support desk, then it is just a transfer cost through of the actual cost that they would have incurred for using that machine, but for departmental staff it is wages plus on-costs of providing that staff and the equipment.

The CHAIR — All right, and — —

Ms DUNN — Can I just clarify there? Would it be right to assume that, I guess, depreciation is part of that on-cost of running that, say, aircraft, because it is a good example, that is built into that operational cost?

Mr SPENCER — With aircraft, they are private suppliers, and they are giving private rates, so yes, one would envisage that depreciation and other costs were included.

Ms DUNN — But you were talking about DELWP resources, so in the terms of a DELWP resource.

Mr SPENCER — In terms of the DELWP resource, yes, but there is an on-cost above the direct cost, and one would assume that the rate regarding that is included.

The CHAIR — Maybe you can take any detail on that on notice if you need to check, but we would like to — —

Mr SPENCER — That is an aspect of the agreement. It spells out the nature in which the costs will be transferred between the departments, which we can provide.

The CHAIR — Maybe a copy of the agreement would be helpful to us to understand this in the longer run. Finally, just the relationship of VicForests to some of the private forest groups, like Hancock's — we heard evidence, for example, from Hancock's in Wodonga — I am just trying to understand how this relationship would work if there are fires on neighbouring land and so forth.

Mr SPENCER — Unlike Hancock's, our crews are fully embedded in the departmental fire process. When our crews are deployed, they are indistinguishable from the other partner agencies; therefore we operate under the DELWP command structure. If the DELWP and the government fireys are assisting outside in other tenures, then our staff will be a part of those crews. In the vast majority of cases we are deployed in integrated crews where our staff are with DELWP staff and Parks staff and other staff.

The CHAIR — And finally, the union coverage of your staff: which particular union are they a member of?

Mr SPENCER — The CPSU is the party to our enterprise agreement, all of them.

The CHAIR — Thank you. I appreciate it.

Mr MELHEM — Are you satisfied with the level of fire preparedness we have in this state and the level of cooperation between you and the various agencies? How do you rate the whole work of various agencies in making sure we are ready for the fire season? I suppose from your point of view you want to protect your asset and also you want to contribute to the effort of preparation. Can you take us through and tell us? You might have already addressed some of that in your presentation.

Mr SPENCER — I think we are very satisfied with the fire agencies in Victoria. There is a challenge for us. The timber assets are very important to us, and there is obviously the conflict in the strategies of which assets, being the built assets versus the forest. We contribute to the fire planning process to try and contribute to getting that balance right, which we recognise is very difficult. We think the preparedness in the state is good. We think we are always challenged with resources when there are large fires. We see that in fire seasons, be it a few years ago in East Gippsland or when the very big fires were. That is the challenge for us internally, because we have business to reseed, but also for the whole of the department. We would say that their engagement with us in partnering with the likes of us interstate and moving around the state is excellent and that the fire response in recent times is equally excellent.

In regard to the *Safer together* move to a risk-based approach, I think we would support just philosophically a risk-based response to balancing out need. It is something that we believe in strongly from our forest management background — in what we do in our regular business beyond fire — and we would support that approach as recognising the challenge that we cannot meet all the needs and that the target approach is good.

Mr MELHEM — Just on that point, if we go back to the royal commission, for example, into the fires in 2009, there was a target — I think it was 385 000 hectares. Now we are sort of shifting somehow to a strategic burn. Do you think that is the right approach? I know you said it was the right approach, but where does it stand against that target?

Mr SPENCER — I think the challenge with the flat area targets is that they were very blunt instruments. Large back-country burns can meet targets; whether they meet objectives, that is another thing altogether. We think that, with all due respect to the target — we understand why it was there — if you are in forestry long

enough you see the cycles of a lot burning, not much burning, a lot of burning; it is a perpetual thing over a lifetime. I would say not only using fire but using a variety of mechanisms and using them in targeted ways is a sensible way to allocate our resources and a much more iterative approach to the blunt instrument of large-area targets.

Mr MELHEM — One last question. You are operating VicForests as a business, as a commercial business. From your point of view as a commercial operator and looking at the community needs and the community protection — you are protecting the asset and the investment — what would you advise governments to change in relation to policies or resources? Doing things differently — have you got any view on what we should do better or what we are not doing right?

Mr GREEN — I guess we do not see ourselves as the policy-setting arm.

Mr MELHEM — You have immunity, you have parliamentary immunity.

Mr GREEN — I am not sure we would want to comment a great deal on policy, but I guess we would note that as the level of activity of commercial operations reduces in the native forests, there is less of the equipment and the skill sets that are used to fight fire. There is less road access kept open, and those represent ways to get to the fire or fallback lines. Those things happen as a result of impacts on our commercial activity.

Ms DUNN — Thank you, gentlemen, for your presentation. I am wondering in relation to your regeneration burning program and that assistance that you get from DELWP if there are any instances where those coupe burns might escape into neighbouring forests and land.

Mr SPENCER — The introduction of fire into the landscape does not come without risk, and all the prescribed burning, be it fuel reduction burning or regen burning, has risks that we manage. At times unfortunately some do go outside the boundaries of the areas that we are lighting fires and they burn other pieces of forests. We work strongly with the department and with our processes to limit that and to ensure that if they do go outside the boundary of the operations, we round them up as quickly as we can.

Ms DUNN — So in relation to rounding that up as quickly as you can, do other agencies, such as the CFA or Melbourne Water or DELWP, assist in that response?

Mr SPENCER — Yes, DELWP would invariably assist. Other agencies potentially, depending on the extent of the escape, but not as a common thing, no.

Ms DUNN — So it is more depending on, I guess, the extent of the event that goes beyond a coupe boundary; it depends on who gets involved and how many get involved.

Mr SPENCER — Depending on the extent and its location, no doubt.

Ms DUNN — In relation to whether that should happen, is the extent of those additional areas that may be burnt mapped and recorded and an assessment made of the loss of economic or environmental values of that particular forest or private land?

Mr SPENCER — The extent of the escape is mapped. The evaluation of the environmental or economic value is not routinely undertaken, as I understand it.

Ms DUNN — So you map, I guess, the geographic extent of the burn rather than the impact the burn had on the land?

Mr SPENCER — Yes.

Ms DUNN — Is there any reason why you only do that?

Mr SPENCER — That is our process.

Ms DUNN — It is just practice.

Mr SPENCER — I guess the challenge of escaped burns is to minimise the extent of it, and that is certainly the priority at the time.

Ms DUNN — Absolutely, yes, and I am not suggesting that you are mapping while the fire is burning either. In terms of any other agencies who might assist in that escaped regeneration burn, is any financial recompense made to those agencies for the use of their resources in relation to what ostensibly is a burn conducted as part of a commercial activity?

Mr SPENCER — I may have to take that on notice.

Ms DUNN — That is fine.

Mr SPENCER — I am not completely sure. There is a boundary where definitions of escape, where it is declared to be a certain size, the rules change, but off the top of my head I am afraid I do not recall the detail of that — but I can certainly provide it.

Ms DUNN — I am very happy for you to submit that. We certainly do not expect our witnesses to have everything at their fingertips; that is fine. Chair, if there is an opportunity further on, I might ask some more questions, but I will let other members perhaps ask some questions.

Mr YOUNG — Cheers, guys, for coming in on a late night like this. I just have a question in relation to the trial you mentioned with New South Wales — was it DPI? — in regard to alternate methods for reducing fuel by mechanical means. Could you just provide us with a bit more detail on what is actually going on with that trial, how it is happening, why you got involved and what the objectives were?

Mr RYAN — I am happy to answer that. My role with VicForests is as the Forest Scientist, and I also work in the fire behaviour area when I am involved in fire response, so I have got a big interest in this side of things. We noticed with work that was done through some of the fire scientists with DELWP that there was a demonstrated reduction in fire extent and fire damage associated with areas that had been previously thinned before. This was something that was written up in a paper by Emma Proctor and Greg McCarthy a couple of years ago. This is stuff that has also been adopted over in the US in places where you have particularly dense understorey, particularly dense canopies. You can thin out some of those trees and reduce the overall fire hazard in those areas.

This was set up with four particular treatments. The treatments had been developed by an expert group in New South Wales. We were doing one of the treatments, and the other ones are in Western Australia and New South Wales. There is one treatment which is removal of some of the trees and then in removing the trees reducing the overall fuels in that part of the forest and then afterwards putting in a burn in a second treatment and in another one as a control and another one which is thinned and then has the controlled burn put through it as well. It is comparing those four treatments. A technical working group is looking at the specifics of all of that and how that is all being assessed. The trials are currently in the formative stages at present.

Mr YOUNG — How do you determine which trees are to be thinned? Is it basically just a target in regard to density — ‘We need to reduce this area to a certain density’ and it is random selection within it — or is there a more complex process?

Mr RYAN — Effectively it is reducing it to a certain density, so generally you will remove a row or a section so that you can get machinery through, and then it will select trees either side of that row in what is called a bay and remove any of the residual head material into the out row where it basically gets to a certain extent compressed by machinery. It decays over time, and then you find that it has actually got a different structure to some very dense stands, which then quite substantially affects fire behaviour. It is just another option of strategic application of another fuel reduction technique.

Mr YOUNG — How long is that trial supposed to go for? When are we going to be expecting to start looking at results and maybe digesting them?

Mr RYAN — June of next year. The plan is to have all of the operational components completed by about February and then burning in March–April and then assessment of results after that.

Mr YOUNG — Thank you.

Mr DALLA-RIVA — I am a city boy now, a country boy previously. We hear evidence about fuel reduction burning programs, and it sort of dawned on me that you are the evil group within certain green groups

about cutting down native forest, yet we hear in evidence that we are meant to burn the crap out of Victoria to prevent bushfires from occurring at a high level.

The CHAIR — Controls.

Mr DALLA-RIVA — Yes. So at one level we have got this view that you are the evil part of the forestry environment because you are cutting down native trees, yet at the same time we hear evidence from DELWP and others they have got to burn a lot of places in Victoria to keep us one of the safest places in the world. I know you are doing a trial, but the obvious question that I have is: why would you not be saying, if we murder trees, some people would say, if we remove trees out of the forest, that by default through the thinning process or whatever it is we reduce the need for catastrophic fire burning programs to basically wipe out everything? Do you have any comments? I am curious for our report how you intertwine those two things.

Mr SPENCER — I think the challenge of the two is distinct in that VicForests' operations, even looking at its harvesting operations, regardless of thinning or the trial, is approximately 2000 hectares versus the treatment of hundreds of thousands of hectares. I guess that would reflect, and what we are articulating here is, that the risk-based approach of some of these mechanical or alternative practices may be suitable in certain locations but there are 7 million hectares of forest and that broadscale treatment, certainly in backcountry forests where some of the strategic work needs to be done to stop the progress of very large fires, dictates the need for techniques that can be broadscale.

Mr RYAN — I think, as Lachlan said, this is a very strategic application. For instance, in areas where you simply do not want to put a lot of smoke into the atmosphere — and it might be around particular villages and things — you will have this potentially around the fringe of an area, and you might do it in combination with things like mulching as well so that you can do that in certain areas. Then you have your more broader burning in other parts of the landscape further away from where it is going to have big smoke impacts. That is where you have the multiple approaches. One is the big approach and the other one is the smaller, strategic approach, if that makes sense.

Mr DALLA-RIVA — So why is that not a consideration? I know you have touched on it here, but why would you not consider that as being a viable continuation of your business but with a real outcome for fire-prone areas that complain about smoke taint et cetera? Has that not been put out anywhere? Maybe I have not read your latest VicForests publication, but maybe it was lost on me.

Mr SPENCER — I think the answer would be that VicForests is available to implement government policy and the sharing agreement is an illustration of that. We are a service provider to DELWP, but if in the DELWP fire management regime they propose that there were greater levels of mechanical disturbance or the use of harvesting in the thinnings or other to assist in fire management, VicForests puts forward that we are very skilled in the engagement of contractors and undertaking that sort of work, and we would be more than happy to engage in those sorts of activities. But in the sense of the balance of strategic fire mitigation approaches, that is something that sits with DELWP. We input into it, but ultimately we are, in a sense, service providers for them.

Mr DALLA-RIVA — And the CEO? You have been quiet on this one, but where is your position? Obviously you indicated before that policy is not your area, but at the end of the day you still have a business to run. We are talking about fire preparedness. It seems logical to me that you would be trying to agitate for something that may help that process.

Mr GREEN — Correct. In the study that is being done, the economics is one of the questions that is being addressed. With the way we are set up to operate, we need to be able to make a margin on the work that we do, so if we are not providing a service — if we are trying to earn enough revenue to make an operation worthwhile — then where that operation is relative to our marketplace is critical. So we do have a real interest in this, and we certainly have our hand up with the department and the powers that be that we are here on stand-by and ready to take on other services and to do other tasks, because we are very good at contractor management, dealing with difficult environments, dealing with safety and doing it all in a commercially rational fashion.

Mr DALLA-RIVA — I just have a final question. If the forest industry was closed, what firefighting capacity would be removed from the areas, and what impact would that have on the fire response capacity?

Mr SPENCER — I think, as we have presented here, the key challenge if the timber industry was not there, is the supply of suitably equipped machines and operators who can work in heavily forested environments. That is not only VicForests staff who know how to supervise and the capabilities of fires, and we see that when VicForests is deployed. Oftentimes the plant operations managers who manage plant and manage the deployment of plant and the sourcing of plant come from VicForests, and the operational online firefighters who are willing in the most practical sense — that is, can a bulldozer go off a hill of a certain steepness to chase a fire, or do we have to pull back and do burning from strategic areas. The key challenge of fire suppression, as I am sure others have presented, that bulldozers stop fires not any of the other equipment, is that forest-ready equipment. I know myself that in 2006 when we went to put a strategic break around the catchments, we were sent 22 machines to the top of the catchment to help put build a strategic fire break.

The CHAIR — Where is the catchment?

Mr SPENCER — This is at the top of Marysville on the Woods Point Road. All of those machines came off EastLink at the time. I was the operations officer. All of those machines needed to unfortunately be put back on their floats and sent back home because none of them had their canopies, none of them had operators who could work on steep slopes and none of them had tree pushers. So the real challenge is about how we maintain that machinery that underpins the real fire suppression. That is what we would say that the challenge would be.

I think Robert has also touched upon that where roads are utilised by VicForests, VicForests contributes the vast majority of the cost of maintaining those roads for heavy plant. Ours are for timber trucks, but to move in heavy plant you need heavy trucks to float in those machines, and therefore roads that are suitable for large low-loaders, large machines that are suitably qualified, would be the challenge. That is not to say that the department has a fleet of its own, and there is a fleet of other small rural contractors that provide those types of machines. But as we have put, to maintain those machines to the safety standards that we should now adhere to — open cab, dusty machines with just a bit of mesh is not how the world works nowadays, as it should not be. Putting those sorts of machines into fire environments would be a real challenge.

Mr DALLA-RIVA — Just finally in continuation of that particular comment on the access tracks. What would be the impact if there was a reduction in the forestry industry? Are you saying that is predominantly managed by or created by your industry because of the nature of the vehicles?

Mr SPENCER — The vast majority of the network — some 46 000 kilometres — is managed by DELWP and managed effectively. I guess what we would say is that some of those key haulage routes that get access into the smaller, lighter tracks are of a substantially higher standard because we are there making them wider and making them more resilient. They would still be managed by DELWP at a cost back to government, no doubt, but likely to be, maybe, of a lesser standard because of the day-to-day need and the day-to-day funding of that.

Mr DALLA-RIVA — A final, final question, which you will probably have to take on notice, about the deployment — as you indicated. Have you got some records of that, where you have been deployed with the equipment and the machinery into certain locations, not on a regeneration burn but where you have been asked to assist in a —

The CHAIR — Suppression.

Mr DALLA-RIVA — suppression — —

Mr SPENCER — We can certainly provide deployment records. Just to note that the arrangement with our contractors is directly between those contractors and the department. When you are in a fire situation, VicForests often acts as a coordinator as a part of the department, but we do not direct those contracts ourselves. But we are there to help. Good examples of that are recent fires, and we can give you examples of deployments of machinery — —

Mr DALLA-RIVA — Just — yes — some examples where you have actually had to deploy your equipment: what was deployed, how did the access go. Just general examples to give us some idea about how important your role is in the fire season preparedness.

Mr RAMSAY — I just had really one question; most of the others have been covered off. I checked out your balance sheets over the last decade or so; fairly ugly, if I might say that. You were given an extension of forest, I think, in 2014 — a lot of the western forest around Avoca, the Otways, Bendigo. My understanding is the native sawlogs are very competitive in the export market, so you have got high grade and residual low grade, and a lot of that low grade sits on the floor.

I am just wondering, given the expansive nature of the forests that were, I think in 2014 principally, given to VicForests, and given potentially a lot of low-grade timber sits on the floor, what sort of strategy have you got to remove that fuel load if in fact the markets are tending downwards in relation to potentially making any sort of profit out of those low-grade sawlogs? Do you burn them, do you mulch them, do you use them for biofuel? Rather than just burning them and creating what we have talked about — particularly heavy smoke, taint and other potential effects — what do you do from a strategy point of view with all that low-grade timber?

Mr GREEN — So is that a question specifically about the west of the state or as a general — —

Mr RAMSAY — Well, no, I only referred to the west because you have expanded your management of the forest to take in some western forest, which I assume just stretches the resources out across the whole of VicForests management arm. I was more interested about the fuel loads, in relation to targets and other things but also from the bed, the floor bed, about the build-up of this low-grade residual stuff. What do you do with that to try to reduce the fuel load, coming into a fire season, if in fact it has no commercial value?

Mr GREEN — What we try to do is create a commercial value that does pay its way. It is a little bit like the earlier comment I made. Where we are within reach of a marketplace, it becomes cost effective to pick up more and to deliver that; when you are far, far away from the uses of that lower grade product, you cannot make the costs stack up with the revenue. We are certainly examining options, whether you can chip in field and make a more economic outcome to deliver a product to market, whether there are uses in bioenergy or other arenas. It has been difficult for us to make the economics stack.

Mr RAMSAY — I guess the question is: has it become more of a fuel hazard than what it was, for instance, before you took over that larger expanse of forest? Do you have a strategy to deal with it as a fuel load rather than as a non-commercial product?

Mr SPENCER — Just on the operations that were inherited by VicForests through the machinery of government to include the west, they are predominantly small-scale commercial firewood. They were operations that were previously undertaken by the then Department of Primary Industries. Essentially that group was under a machinery of government move to VicForests, and the operations that they were managing were also moved to VicForests. In terms of impacting the broader business, there was no impact in terms of markets and whatnot because those markets are very small scale; they are very localised. There is some fencing timber and whatnot.

The second part of your question — do we have a remit in those forests to do fuel load reduction beyond the sale of the commercial product — no, we do not, and we do not currently undertake those activities. I think the challenge is how we would do those commercially — whether that would be through commercial sale or through service delivery. In the areas that we do operate there is a strong market across the entire product band in the vast majority of our forest. The challenge for us is more the capacity to pick up all of the product that is available rather than the ability to sell it.

Ms DUNN — I wanted to talk about studies undertaken in relation to bushfire severity, and I am particularly speaking about our mountain ash forests, not other forests in the state. There have been scientific findings showing that extensive logging of those forests can increase the severity of bushfires in them. The critical time, if you like, is pretty much around the 15-year-old regrowth stage but can span anywhere from the 7 to the 36-year-old regrowth stage. I ask whether you accept those scientific findings — that they do in fact increase severity in mountain ash forests.

Mr RYAN — I am quite familiar with those studies. All forests burn under catastrophic conditions. The really sad and difficult reality that we face in this part of Victoria is that under the conditions of Black Saturday we had horrendous conditions. Under those conditions all of the old growth forests of Wallaby Creek were burnt at the two highest severity classes. A lot of regrowth was also burnt. The issue is not whether some of them burn at a higher severity or a lower severity. The only ones that did not burn were the very young forests,

and that was the stuff less than eight years of age. Everything else burnt at a catastrophically hot level. That is the real — —

Ms DUNN — So are you suggesting the entire mountain forest estate burnt except under that age group?

Mr RYAN — No. In the paths of the fire under the worst conditions the only stuff that did not burn was the very young stuff. That is what that study showed, and it is also the study that I did with a number of fire scientists from around the country. Sorry, this is a really difficult issue.

Mr SPENCER — In relation to the specific question of do we take that one study — —

Ms DUNN — Do you accept the scientific findings is the question.

Mr SPENCER — We say that there are other studies that have a different view and that we are not of the view that harvesting is creating increased fire risks in those forests, as supported by other studies of eminent scientists.

Ms DUNN — So I take it your answer is you do not accept those scientific findings then if that is the case.

Mr SPENCER — Well, we recognise that there is the conflict of the science, and we are of the view that alternate science is correct. That is the nature of science — that there are hypotheses and there are alternative hypotheses.

Ms DUNN — And there is peer review, but I will move on.

Mr RYAN — If I may make just one point, though, the absolute critical aspect of all of this is getting these fires out early — getting in there, getting access, having the right equipment, having the right people who can get into these fires early — and it does not help by sacking a whole heap of people who can actually do that.

Ms DUNN — It does not help by having failing electricity infrastructure either or arsonists, but that is another point. I want to move back to regeneration burns. In relation to when they are undertaken, my understanding is that that is to remove I think what you would call slash, so what is left over in a coupe that is not actually sold for any commercial value. After that regeneration burn, is there any forest biomass or fuel left within that coupe?

Mr SPENCER — Yes. The regeneration burns serve the purpose of removing the slash, which includes the branches and the leaves that may hinder the growth of the seedlings. It provides an ash bed and replicates the natural process of regeneration. Of course if there was heavy woody debris, there would be heavy woody debris to the extent that it has not been utilised during the operation, so there would be some, yes.

Ms DUNN — Is it your view that that leftover biomass, for want of a better term, would be considered fire fuel?

Mr SPENCER — The progress of fires is predominately dictated by the fine fuels. The fine fuels would have been consumed in the regeneration burn if that is the mechanism which we have utilised. If you are asking, ‘Directly after the regeneration burn would there be fire fuel there?’, then predominantly, no.

Ms DUNN — In relation to mechanical fuel reduction, you talked about particularly when you did not want smoke in an area. I wonder: do you actually consider that as a mechanism, particularly in relation to grape harvesting, where you have regions where coupes are very close to grape growing regions? We have noted already in other evidence that burns are undertaken at the same time the fruit is on the vine and ready to be harvested. So I am wondering: do you consider that mechanical fuel reduction is a better approach in those sets of circumstances?

Mr SPENCER — If the question is, ‘Is it a better approach?’, I think the challenge is to balance the range of approaches and also to recognise that in different burns, be it a fuel reduction burn or a high-intensity regeneration burn, the smoke does different things. Our burns are very hot — smoke rises to the higher atmosphere and may not sit in the valleys — but with a low-intensity fuel reduction burn it may sit in the valleys. Certainly the range of options are available to manage the risk in any particular case. To broadly say one or the other right now, I would not be able to say.

Ms DUNN — The only reason I raise it is because for two years in a row the Yarra Valley has been affected by smoke taint with fruit on the vine, so that is where I am coming from with that. Do you have any information, I guess, on the cost difference between mechanical fuel reduction and treating a coupe in that way, versus a burn?

Mr SPENCER — We could take that on notice. There is certainly a difference.

Ms DUNN — Yes. I suspected there would be.

Mr DALLA-RIVA — Just one follow-up question, Chair. Michael, you indicated the report that you did on fire burns post Black Saturday, I think it was, on the younger forests. Have you got that report or are you able to provide it?

Mr RYAN — Yes, I can get that for you.

Mr DALLA-RIVA — I think that would be nice, Chair, to have a look.

The CHAIR — Sure. Just as a further point, you obviously sit as an organisation in a matrix of other organisations that deal with fire, both preparation and response, so that is DELWP, the CFA and private organisations as well. If we leave to one side the preparatory burning and so forth and look particularly at the response, what is potentially important is that all of the agencies are working together. Can you explain your relationship with organisations like the CFA and the relevant private organisations and indeed municipalities?

Mr SPENCER — I think there are two senses to that question. If on a fire line, for example, if VicForests staff are deployed as operations officers, the relationship is very strong, as it is day to day. There is an enormous amount of camaraderie in the Victorian fire entities. For someone who did not understand it, they would say it is as if they were one organisation, and that is how operationally it works and it does to this day, which is fantastic, and it is the only way.

In terms of the relationship with fire agencies and in relation to fire, VicForests deals almost exclusively with DELWP. We also participate with Melbourne Water and Parks Victoria in terms of consultative groups and the fire leadership groups that discuss fire policy, but in terms of engaging with the CFA, local government or whatnot, VicForests has no role to play and does not participate in that beyond the fireground activities. Intentionally VicForests has focused its fire efforts on operational firefighting. That is where our skills are; that is where our most effective outcomes come from, and in terms of — —

The CHAIR — But that is a team effort when there is a large fire in operation — —

Mr SPENCER — When there are fires — —

The CHAIR — And the relationship with the CFA is one that I am particularly interested in. Do you see any risks to your forest if there is a loss or diminution in the current environment — current dispute — in terms of CFA volunteer numbers?

Mr SPENCER — I do not have a view on the current dispute, but resources to firefighting are important and doing anything that keeps those is vital. But I do not have a view on whether the current dispute or anything would — —

The CHAIR — So there could be a risk if we lose some of the CFA volunteers that the response could be diminished, including into the forests?

Mr SPENCER — I do not have a view.

The CHAIR — Just as a final point on that: has the EBA for your workers got the same clauses that are in the firefighting EBAs with respect to the MFB and the CFA?

Mr SPENCER — No, ours does not. Our EBA has in one of its schedules at the back an exact replication of the department's VPS staff fire conditions, and if their conditions are upgraded, well, then we just replicate theirs. So ours do not have those clauses, and the fire clauses are just replicated exactly.

The CHAIR — So would you provide a copy of those details?

Mr SPENCER — Certainly.

The CHAIR — Thank you. Thank you for your contribution. The secretariat may be in contact over the coming days to follow up on a number of the points that we have discussed and some of the documents that we have sought, but thank you for your presentation.

Mr GREEN — You are welcome. Thanks for inviting us.

Committee adjourned.