

DEPARTMENT OF HOME AFFAIRS

PARLIAMENTARY INQUIRY SPOKEN QUESTION ON NOTICE

Finance and Public Administration References Committee
Lessons to be learned in relation to the Australian bushfire season 2019-20

12 August 2020

QoN Number: 01

Subject: Mitigation Funding of the Emergency Response Fund

Asked by: Senator Murray Watt

Question:

Senator WATT: Sure. In terms of the mitigation funding that we were talking about earlier—the \$50 million component from the Emergency Response Fund—has there been any consultation with states and territories or local government at this point about how that money could be spent?

Mr Cameron: I may have to take that on notice and get back to you about the very specific nature of the \$50 million. I know that we consulted widely on the guidelines for the fund generally when they were issued—and I think you asked me questions about those in your last series of questions to me. From memory, it was at the end of last year when we issued the guidelines for the ERF program in toto, but, on the \$50 million specifically, in relation to local government and the states, with your permission, I'll take that on notice and come back to you.

Answer:

On 23 December 2019, the Minister for Agriculture, Drought and Emergency Management wrote to a number of interested stakeholders, including State and Territory Governments, seeking feedback on an initial set of program guidelines.

Following that consultation, the Emergency Response Fund Program Guidelines were tabled in the Senate on 23 March 2020.

The Commonwealth continues its engagement with State and Territory Governments and other stakeholders to determine disaster preparedness and mitigation initiatives that the Commonwealth may support. The source of funding for these initiatives is a matter for the Government to determine.

DEPARTMENT OF HOME AFFAIRS

PARLIAMENTARY INQUIRY SPOKEN QUESTION ON NOTICE

Finance and Public Administration References Committee
Lessons to be learned in relation to the Australian bushfire season 2019-20

12 August 2020

QoN Number: 02

Subject: Aerial Resource Risk Management Model

Asked by: Janet Rice

Question:

Senator RICE: I want to go to whether specifically the funding for that new aerial resource risk management model has been funded, or whether the \$11 million—I know there was an additional \$11 million provided.

Mr Cameron: That's right. We've requested that the vast bulk of that money be dedicated to aircraft and we considered that the decision-making and decision support tools really are ancillary to that. Of course we will be working with NAFC to make sure all of that can be done as well as possible.

Senator RICE: Do I hear you saying then that you haven't funded that model, that you want that \$11 million to be used primarily for aircraft and not for the development of the risk management model?

Mr Cameron: I don't have a copy of the funding agreement in front of me. I didn't know you were going to that degree of specificity. I can check and get back to you on whether we have made any exclusions about that in detail, but I remember that the policy intent was to fund aircraft.

Answer:

The additional \$11 million funding provided to the National Aerial Firefighting Centre in 2019-20, was to solely contribute to the fixed costs of leasing aerial firefighting aircraft.

DEPARTMENT OF HOME AFFAIRS

PARLIAMENTARY INQUIRY SPOKEN QUESTION ON NOTICE

Finance and Public Administration References Committee
Lessons to be learned in relation to the Australian bushfire season 2019-20

12 August 2020

QoN Number: 03

Subject: Leasing of the Firefighting Fleet

Asked by: Janet Rice

Question:

Senator RICE: I thought that was a top up of \$11 million. My final question is about the leasing. How much of our firefighting fleet is leased from overseas?

Mr Cameron: I don't know the answer to that. I can find that out from NAFC for you if you would like.

Senator RICE: Okay. Where is it leased from in general? Is it the US and Canada or are there other jurisdictions it is leased from?

Mr Cameron: It's my impression that it's predominantly from North America.

Senator RICE: If you could take that on notice as to where it's leased from, that would be good.

Answer:

The National Aerial Firefighting Centre (NAFC) has advised that none of the NAFC contracted aircraft are leased directly from overseas companies. NAFC only contracts from Australian companies. Overseas sourced aircraft are leased from either an American or Canadian companies by an Australian company which then leases them to NAFC.

**HOME AFFAIRS PORTFOLIO
DEPARTMENT OF HOME AFFAIRS**

PARLIAMENTARY INQUIRY SPOKEN QUESTION ON NOTICE

Finance and Public Administration References Committee
Lessons to be learned in relation to the Australian bushfire season 2019-20

12 August 2020

QoN Number: 04

Subject: Estimated cost of Increased Aerial Firefighting Capability

Asked by: Janet Rice

Question:

Senator RICE: Are there any estimates of what the costs are going to be to enable us to have more aerial firefighting capability here in Australia and not have to rely upon those leasing arrangements? Perhaps you could take it on notice.

Mr Cameron: No, we haven't. EMA has not done that. As to whether the NAFC folk have done that, I can find out for you.

Senator RICE: If you could take that on notice.

Mr Cameron: We can take that on notice.

Answer:

The National Aerial Firefighting Centre has advised that:

- Of the 152 aircraft contracted for 2020-21, approximately 90% normally reside in Australia, and approximately 10% come from overseas for each fire season. The firefighting aircraft sourced from overseas tend to be large air tankers (LATs) and heavy helicopters.
- Aircraft coming from overseas are contract leased by aircraft operators who move between the northern and southern hemisphere fire seasons which has proven to be cost-effective. The arrangements are flexible and allow for scaling and timing of resource availability to suit risk. The arrangements also mean that the aircraft are operated by crews who are full-time involved in professional aerial firefighting around the world.
- The cost of maintaining these aircraft and relevant skills in Australia depends on the procurement model adopted and could vary significantly with the risks and flexibility that state and territory firefighting agencies are prepared to accept. There are different procurement models, generally ranging between commercial contract leasing for the whole year, to purchasing and operating by Government.

- Wide variations in costs for contract leasing options arise depending on, for example, the type of aircraft, length of contract, and crewing arrangements. For an aircraft normally contracted for a typical 90 day engagement each year to be retained in Australia and be available for 300 days (allowing for periods of heavy maintenance), the total annual standing cost would be around \$5 million for 300 days in comparison to \$2.5 million for 90 days. These figures exclude operating costs.
- Typical capital costs for purchasing a LAT would be between \$20 million and \$50 million, depending on nature and condition. Once purchased, the operational costs of making an aircraft available for firefighting need to be factored in (crewing, maintenance, insurance etc.). Hourly operating costs are more than likely to be somewhat less than for contract-leased aircraft, as there would be no need to factor in recovery of capital or a profit margin.