

Time submitted: 23/04/2020 05:33:52 PM

**Submission Number: NND.001.00650**  
**Submission Of: Jeffrey William Bennett**

### Your Details

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What is your submission based on? I am making this submission based on my professional knowledge, qualifications or experience or on behalf of a group or organisation

What is your area of professional expertise? Environmental and Natural Resource Economics

If you are lodging your submission on behalf of a group or organisation, what is the name of the group or organisation?

### Your Submission

In your experience, what areas of the bushfire emergency response worked well?

See attached submission

In your experience, what areas of the bushfire emergency response didn't work well?

See attached submission

In your experience, what needs to change to improve arrangements for preparation, mitigation, response and recovery coordination for national natural disaster arrangements in Australia?

See attached submission

Is there anything else you would like to tell the Royal Commission?

See attached submission

Do you agree to your submission being published? Yes I agree to my submission being published in my name

Supporting material provided:

Submission to the Royal Commission into National Natural Disaster Arrangements53405NB.pdf

## Submission to the Royal Commission into National Natural Disaster Arrangements

Jeff Bennett<sup>1</sup>

In this submission, I address issues relevant to the 2019-20 bushfire season.

1. The impacts of the bushfires on people in the fire zone were severe and policy measures that reduce fire incidence and severity need to be considered. However, changes in policy should only be implemented if the costs of the changes are less than the expected benefits they produce.
2. In assessing the costs and benefits of policy change, policy makers and their advisors must be aware of the incentives of vested interest groups who have something to gain from a policy change. Vested interest groups are interested only in the impacts of fires and fire policy for themselves. They do not consider all the potential benefits and costs of policy changes as should be the focus of public policy makers. These vested interest groups include:
  - a. Politicians who gain positive public exposure from their willingness to spend public funds on firefighting effort, recovery works and/or mitigation policies;
  - b. Bureaucrats (and even some firefighters) responsible for the firefighting effort who gain public acclaim for their efforts;
  - c. Members of the press (and their employers) who have access to a newsfeed stream during the fires that gives them higher profiles (and sales revenue);
  - d. Industries that profit from mitigation effort, for example, the renewable energy sector that profits from policies that shift energy production away from fossil fuels that are in turn blamed for causing the bushfires;
  - e. Lobbyists who seek policy change for environmental reasons, again, the climate change argument provides an example.
3. In assessing the probability of future bushfires and the effectiveness of potential policy changes, policy makers and their advisers should be aware of the history of bushfires in south east Australia and understand that the 2019-20 fires were not 'unprecedented'. The damage caused by the fires was however unprecedented primarily because of the extent to which housing and other development has extended into fire prone bushland, thus exposing more capital and people to the risk of fire damage.
4. Reducing greenhouse gas emissions has been advanced as a policy measure that would reduce future bushfire damage. There is considerable debate in the first instance as to whether or not increased greenhouse gas emissions result in climate change and then if climate change results in greater incidence and intensity of bushfires. No doubt other submissions to this Royal Commission will engage in that debate, however I want to stress that there is significant scientific uncertainty in any posited causal relationship between the

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<sup>1</sup> Emeritus Professor with the Arndt Corden Department of Economics in the Crawford School of Public Policy at the Australian National University. Professor Bennett has over 40 years of experience in applying economics to public policy issues, especially in the contexts of the environment, natural resource management and agriculture, as an educator, researcher, consultant and adviser. His full curriculum vitae is available at: <https://crawford.anu.edu.au/sites/default/files/cv/2018/41/cv2018.pdf>. Prof Bennett is also a volunteer with the NSW RFS.

level of greenhouse gas emissions and Australian bushfires. The point I do wish to raise in this submission relates to the effectiveness of policy measures designed to reduce Australian greenhouse gas emissions in reducing bushfire incidence and intensity. Reducing greenhouse gas emissions would be ineffective in achieving fewer fires of lower intensity. Australia produces a very small fraction of the world's greenhouse gasses (a little over one percent). Implementing policies that would change Australia's already relatively small contribution to global greenhouse gas emissions would have no impact on the world's climate and hence would not change the probability of occurrence and severity of future bush fires in south east Australia. To reduce greenhouse gas emissions in an attempt to reduce bushfire incidence and severity would involve costs to the Australian society but would produce no benefits. It would be an investment that would make Australians worse off.

5. Other potential policy initiatives that deserve assessment include:
  - a. The adoption of 'cultural burning' practices to reduce fuel loads in forests. This policy has the potential to reduce expected future fire damage and could also be used as a vehicle to employ more indigenous people in coalition with local volunteer fire fighters.
  - b. Improved management of public lands through the recognition of the responsibility (and hence liability) of the State Government agencies for 'spillover' damages to private land owners that occur when fires 'escape' the boundaries of public lands. The liability so established provides a financial incentive for responsible State agencies to take 'reasonable care' in suppressing fire in the lands over which they have responsibility. 'Reasonable' management actions would include controlled burning (including cultural burning), maintaining access roads, mechanical clearing around infrastructure and settlements and selective grazing of public lands. Opening these management tasks to competitive tendering in the private sector would assist in reducing the financial costs of performing these management actions.
  - c. Relaxing State and local government regulations regarding the clearing of vegetation on private property where it presents an increased risk of fire damage.
6. The importance of local voluntarism in the fire-fighting effort must not be overlooked in any policy change. Local volunteers have the local knowledge necessary to locate and deal with bushfires. They also form part of the social capital that binds rural and peri urban communities together. The temptation to pay volunteers is a step on a slippery slope towards a professional firefighting force that would be unable to cover the geographical extent of the fire prone area and would provide a disincentive to private land owners to prepare for and fight fires.
7. Bushfires are an integral part of the ecology of south eastern Australia. No policy measure is capable of preventing bushfires. Nor is it desirable to do so. The important policy question is: what levels of fire prevention and fire control are optimal for the various regions of the nation? This question must be answered by considering the expected benefits of potential policy measures against their costs.