

Submission by Australian Risk Policy Institute (ARPI) to the Royal Commission into the National Natural Disaster Arrangements – Summer 2019/2020 Bushfires

Thank you for the opportunity to make a submission to the Royal Commission.

The Australian Risk Policy Institute, convenor of the Global Risk Policy Network, has developed new thinking and new approaches to ‘Risk’ to assist leaders with timely and informed decision making. The concept is titled Strategic Risk Policy (SRP) - the ARPI website is www.arpi.org.au.

Strategic Risk Policy was developed because of the inability of traditional risk management (RM) processes to provide the “right information on the right issue at the right time.” We submit that illustrations include the Global Financial Crisis through to the Bushfires and COVID-19. We submit that RM no longer meets contemporary needs, being closed, siloed, delayed, reactive and linear.

Strategic Risk Policy operates in a space and time before risks arise by considering at leadership level the existence of strategic Exposure or Vulnerability – the potentiality or possibility of risks – enabling early, pre-emptive and protective strategies to be put in place. This results in fewer and less severe risks or wicked problems occurring - and then only when full protection against Exposure or Vulnerability is impossible.

The rationale for the SRP concept is that we are now interconnected like never before: we must view the environment as a series of whole systems: and that information today resides in networks requiring paradigm change from organisation-centric to network-centric thinking.

Paradigm change by leaders is required to adopt this new thinking and new approaches. The concept of risk itself has been redefined with a more contemporary meaning – no longer the RM definition of ‘what can go wrong’ or uncertainty – to the impact of decisions and non-decisions. A more strategic and positive hence engaging approach.

A ‘New Risk Landscape’ frame creates a leadership dashboard covering the life cycle of risk for an event, underpinned by recognition that Risk is now a trilogy of policy, management and governance.

SRP intrinsically addresses the critical areas RM does not cover, vital to bushfire prevention through optimal preparation, including sudden change and situational awareness.

Furthermore, SRP identifies two significant improvements needed to RM, namely:

1. Introduction of a new concept of Systemic Risk – where plural, multiple legal ownership exists – requiring formal (not informal) and collaborative management; and
2. As some consequences today are unthinkable, the standard RM equation must no longer be automatically applied. Every organisation and event requires a Risk Policy defining when ‘consequence’ must dominate the equation.

To further assist decision-makers, ARPI has published an equation for the evolution of an Exposure or Vulnerability into a Risk against which complete protection is impossible, namely:

Risk is the conjunction of Exposure/Vulnerability + Threat + Threat Actor. $Risk = V \times T \times TA$

Empirical Assessment of Strategic Risk Policy Issues: The Tallaganda Wilderness Research Program

In part, the conclusions in this submission are based on an in-depth side-by-side study sponsored by ARPI of an extensive section of burnt and unburnt forest along the Bald Hill Firetrail and the Jinglemoney Firetrail in the Tallaganda NP, just south of Captains Flat in NSW (The Tallaganda Wilderness Research Program).

This study has involved a detailed assessment of a high impact area of the South East forests. The study assesses vulnerabilities before, during, immediately after, and into the future. The study is continuing despite the present coronavirus crisis and is revealing startling results relating to the impact of prior and post-fire management practices (lawful and unlawful) in the wilderness area and identification of systemic vulnerabilities (the failure of collaborative management) in decision-making processes essential to deal with either real-time emergencies or more extended timeframe management.

Observational data and conclusions based on the Tallaganda Wilderness Research Program are being cross-checked with the sampling of data from Currowan Mountain (Budawang NP) and Buckenbowra River (Monga NP), also in NSW.

Preliminary Assessment: The Tallaganda Wilderness Research Program based on Strategic Risk Policy

A preliminary assessment of The Tallaganda Wilderness Research Program based on SRP reveals two current bushfire examples of the alternative SRP approach as follows:

1. Fuel Loads

The SRP network approach would inform decision-makers of the effectiveness, avoidance, or evasion of bushfire prevention by safe fuel reduction. In the case of the 2020 Bushfires, it is submitted that the failure to reduce fuel load on the forest floor (previously identified in many past enquiries such as in Victoria and as recommended by the 2010 Royal Commission) was a significant contributor to Exposure or Vulnerability to the bushfires.

In the case of the side-by-side study, an examination of the unburnt section of the wilderness area found that it was choked with deep drifts of highly inflammable eucalypt material that simultaneously creates risk and defeats the objective of National Park management, encouraging local diversity. The failure to meet primary operational objectives and goals created a dangerous fire-prone environment.

Similarly, restrictions on the clearing of large areas in NSW classified as National Parks appear to be a proximate cause of the catastrophic firestorms that engulfed our south-east forests.

2. 'Organisation-Centric' Approach

An analysis of the initial reaction to fire after fire in the South East demonstrates a singular failure of decision making under crisis, based on a failure to delegate appropriate control to local actors. Local actors advise that initial efforts to quell the fire after ignition were thwarted by an inability to obtain central permissions to take action.

Similarly, the ACT bushfires, reportedly triggered by a Defence exercise in a national park, appear to be an example of the linear, reactive, delayed, organisation-centric approach rather than an SRP network-centric, pre-emptive approach sharing up-to-date situational awareness for informed decision-making.

Ongoing research

The research being sponsored by ARPI will continue for the foreseeable future and is intended to guide the development of effective and appropriate local control of forest areas. Within a relatively short time, even in high impact areas in the research zone, our team has reported an explosion of local diversity in fire areas, unrivalled in the unburnt, fuel choked control zone. The fire has exacted a terrible impact on the region, and past failures in management are the proximate cause for this impact.

Summary

In summary, ARPI suggests that the scale of the bushfires was foreseeable, and to a large extent, preventable.

Decision-making must be informed and pre-emptive - before fires occur: not reactive. It must be made with 'real-time' local input through an intelligent, network-centric approach and frame – not in isolation from cities working with limited information or within jurisdictional boundaries – albeit exercising best judgement but without necessarily the 'right information at the right time on the right issue.'

Informed decision-making is the essence of bushfire preparation and prevention – network-centric approaches are the enabler. Informed decision-making will only be achieved through a more contemporary approach – Strategic Risk Policy – which meets today's needs. Paradigm change is required by Governments to act pre-emptively and to discontinue promoting failed, reactive, silo, linear, traditional risk management processes while the country is burning.

ARPI offers to meet virtually with the Royal Commission to expand on this online submission and further discuss the benefits of and adoption of a national Strategic Risk Policy approach as a significant contributor to prevent or limit future bushfires.

Strategic Risk Policy is being promoted globally with exceptional responses, including areas such as resilience of global infrastructure, cyber, security, and complex project management.

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