

Our Ref: MB/AJ/TG:aj/tg/cp 11/1173 D11/17793
Enquiries: Adam Jenkins
Telephone: 03 9262 8377
Your Ref: 45811



18 November 2011

Ms Michelle Groves
Chief Executive Officer
Australian Energy Regulator
GPO Box 3131
CANBERRA ACT 2601

Dear Michelle

SUBMISSION TO F-FACTOR SCHEME DRAFT DETERMINATION

In response to the letter and associated attachments dated 5 October received from you, Country Fire Authority (CFA) submits the following.

CFA supports in principle the concept of the F-factor Scheme, which aims to encourage Distribution Network Service Providers (DNSPs) to enhance their works associated with reducing fire risk. CFA understands and accepts that economic measures such as the F-factor are a potentially effective means to achieve important change in industry. This Scheme will remain reliant on vigilant reporting of fires by the DNSPs and we would support regular auditing and comparison to independently obtained data from MFESB, CFA and DSE.

However, CFA sees the F-factor Scheme as only one driver of fire start reduction from distribution assets. In fact, we would see the prime duty or care owed by DNSPs in such matters as warranting whatever investment is required to reduce fire starts and consequent impacts.

The costs of attending and suppressing any fire caused by a DNSP are significant with the application of multiple land and often air-based assets and volunteer and paid firefighter hours. Charges contained in *Country Fire Authority Regulations 2004* currently estimate that cost at approximately \$600-1,500 per hour, depending on the attending appliance. The financial disincentive of this model may be a modest penalty by comparison.

CFA's data has been a vital point of comparison for AER in undertaking this F-factor Scheme determination. We do, however, remain concerned at the extent of redaction in the distributed documents as this limits any opportunity for critical review by CFA and incorporation of the review outcomes into CFA's continued fire prevention planning and prevention activities. Similarly, the provided reports indicate an aggregation of data that may generalise or mask key areas of fire risk. To that end, a more open exchange of data, albeit under confidentiality arrangements if necessary, would be welcomed.

CFA's vision and mission is to work together with communities to keep Victorians safe from fire and other emergencies and in so doing protect lives and property. We would see this partnership including DNSPs. Challenging F-factor Scheme determinations over time can assist in this joint goal and should never be seen as an opportunity for financial gain.

Yours sincerely



Mick Bourke
Chief Executive Officer