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To Consultation/DTF@DTF
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Subject Submission to Fire Services
Parliamentary Inquiry

1 attachment



Submission J Yaxley.docx

Please find attached my submission to the select committee.

Regards

Julian Yaxley

Submission to the Fire Services Reform Select Committee

My name is Julian Yaxley, I hold a Bachelor of Economics and a Graduate Diploma of Science with Honours and I am both a professional economist and a professional firefighter.

I wish to make a submission in support of the proposed reforms to Victoria's Fire Services.

I believe these reforms are long overdue and would offer both more effective and efficient fire and emergency response coverage for Victorians.

History of the development of fire services

The original conception of legislators when they established Victoria's current fire service framework in the 1950's was for a rural, volunteer-based fire service in lower-density, lower-population areas of the state and a professional fire service in the high-population high-density area of the state. At that stage this was restricted to Melbourne.

Such a model of fire service provision is common across much of the developed world and evolves in response to common historic social and economic changes.

Initially, property owners either acting alone or in concert with neighbours and family groups defend their own holdings. In these settings there is minimal risk of a fire spreading to a neighbouring property or the loss of any assets held in common or commonly contributed to.

When societies begin to develop substantial assets that exceed a straight-forward replacement cost the incentive for common action increases. Such assets might be communal halls or local grain storage facilities. This usually results in informal volunteer organisations.

In response to both technological developments and increased exposure and risk, such as from the potential loss of assets built up through multi-generational contribution, formal volunteer-based services then arise.

Within high-population built up areas it becomes difficult for a volunteer-based service to bring sufficient weight of attack within an adequate time frame to ensure that an incident can be brought under control. Such risks then result in the development of professional services.

This step from professional to volunteer services also reflects the asset value and insurance values with the community.

Economic basis for development of professional fire services

In the absence of a rapidly responding and appropriately equipped professional service, the total cost of such emergencies within a community increases substantially beyond the cost of providing such a service. That is, for a volunteer fire service, broadly speaking, those with the sufficient skills knowledge and expertise to respond most efficiently to a fire are those who have specialised in the field of emergency management throughout their careers and developed the necessary experience through continuous exposure to the area.

This is identical to the development of other professions within society. The overall cost to society of having professional specialists in particular fields as opposed to taking those with the capacity from other professions to respond to an incident becomes lower once a population exceeds a certain size and density.

The total cost to a society in terms of labour economics alone is diminished through such specialisation and productivity is improved. We have developed separate professions in areas such as plumbing, nursing, teaching and electrical work for a range of reasons. However, one critical reason is that when people within developed societies substitute their labour from an area in which they have specialist knowledge skill and expertise over many years to one in which they have more limited exposure there is a net loss of productivity within the society. Those individuals have:

1. taken their labour from an area of higher productivity to an area of lower productivity resulting in lower value outputs per time unit; and
2. displaced professional activity in an area where the society could have enjoyed the benefits from such specialization.

When there is both a larger population and a higher population density professional fire and emergency services are the most economically efficient means of delivering fire and emergency response coverage.

The proposed changes in relation to the objectives of the organisations within fire and emergency services will also benefit the state through appropriate specialization. At present, CFA has two competing priorities: that is, it is required to be both a professional and a volunteer fire service. These two objectives can, at times, be directly counter-productive to each other.

Competing priorities: volunteer vs professional

A significant interest of volunteer firefighters is in attending fires and that attendance can form part of the reward structure for volunteers. However, within a high density high population area it is in the community's best interest to bring a fire or other emergency under control as rapidly as is possible. Aside from the direct costs from such incidents there is a host of indirect costs that can be substantially greater. The most appropriate manner to deal with such an incident, such as rapid suppression, will often result in the fire being out before volunteers can arrive.

The situation is markedly different in lower density, lower population areas where a volunteer-based service will be more efficient and effective. In such circumstances the loss in total productivity through having diverted specialist labour does not exceed the cost of providing a specialist fire service to the area. In such circumstances it is most effective and efficient to utilise volunteer based services. Such environments are usually country towns and more rural areas. Such a model of fire service provision is widespread in less densely populated areas within developed countries.