

TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2018–19

Melbourne — 16 May 2018

Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Mr Steve Dimopoulos

Mr Tim Smith

Mr Danny O'Brien

Ms Vicki Ward

Ms Fiona Patten

Witnesses

Mr James Merlino, Minister for Emergency Services,

Mr Greg Wilson, Secretary,

Mr Tony Bates, Lead Deputy Secretary, Police, Emergency Management and Corrections,

Ms Marisa De Cicco, Acting Deputy Secretary, Emergency Management, and Acting Chief Executive Officer, Emergency Management Victoria, and

Mr Craig Lapsley, Emergency Management Commissioner, Department of Justice and Regulation.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2018–19 budget estimates.

All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Emergency Services, the Honourable James Merlino, MP; Mr Greg Wilson, Secretary of the Department of Justice and Regulation; Mr Craig Lapsley, Emergency Management Commissioner; Ms Marisa De Cicco, Acting Deputy Secretary, Emergency Management, and Acting Chief Executive Officer, Emergency Management Victoria; and Mr Tony Bates, Lead Deputy Secretary, Police, Emergency Management and Corrections.

Any witness who is called from the gallery during this hearing must clearly state their name, position and relevant department for the record.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege.

The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, any PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Witness advisers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I will now invite the witness to make a very brief opening statement of no more than 5 minutes. This will be followed by questions from the committee.

Visual presentation.

Mr MERLINO — Thank you, Chair, and thank you for the 10-minute break. I will quickly try and go through the presentation. Just quickly, on the first slide, you can look at those. They just give you a snapshot of the emergency services portfolio in terms of paid staff, volunteers, units, stations and clubs. The next slide talks about the breakdown in terms of emergency services.

But I do want to spend just a couple of minutes on our growing and changing population. Victoria's growing population presents a significant challenge for our emergency services. The state's population growth from 1954 to 1996 was about 33 per cent, but from 1996 to 2016 the figure is 90 per cent — that is, growth three times in half the amount of time. If you go to the next slide, that is our urban growth boundary. That is just a visual presentation of the growth in our outer suburbs, in our growth corridors. The growth is obviously occurring in certain areas of our regional cities. This graph shows the significant growth in the north, south and west of Melbourne, just between 97 and 2012. Population growth added to the increasing range of events fire agencies now deal with, or all our emergency services deal with, plus the effects of climate change mean the demands placed on our fire services now are greater than ever. In fact over a 10-year period from 2006 to 2016 there has been a 25 per cent increase in call-outs for our emergency services.

In terms of the next slide, this shows our response time data. We made a commitment to be transparent about response times. We put out four sets of data, and all of those challenges, particularly population growth, impact on the important measure of response times and protecting the community. As you can see from this slide, which is from the latest set of data released today, a number of areas reached their response time targets less than 60 per cent of the time — those are the ones in red — and others between 60 and 80 per cent of the time, in orange. The target is 90 per cent. As you can also see from the slide, our fire services structure has not kept up

with the times. The grey area in the middle is the MFB area, and for structure fires this quarter MFB met their target 95.8 per cent of the time.

So the challenge is in our growth corridors, in the suburbs and in our regions. It shows quite graphically that communities are getting a varied level of service in terms of emergency services, fire agencies, responding to incidents where they are occurring, and that variation, that great variation, is one of our most significant challenges. It is not good enough that some parts of Melbourne and Victoria have a response time, a community safety response time, less than ideal. Six out of 10 times is not good enough, five out of 10 times is not good enough, and that is what this data shows quite consistently.

The next slide shows a particular example in terms of Armstrong Creek. That chart on the left shows the growth in Armstrong Creek between 2012 and 2017 from less than 2000 to almost 7000 over that five-year period. The chart on the right shows forecast population for Armstrong Creek growing to just under 25 000 in 2036. There has been significant media coverage of community safety coverage in Armstrong Creek, and with a relatively small population this has still caused significant challenges to the local fire services ability to protect their community. In response to a clear failure, I directed the CFA to examine the service needs in that area and in this budget delivered funding to purchase land for a new station in Armstrong Creek.

The other example is the Latrobe Valley, the next slide. That is just a visual description of the Latrobe Valley between 1950 and 2018. If you again go to the next slide, you can see the response time data and, again, variation — great variation — in the response times to communities. So this is district 27. This is the latest data. The service standards met across the Valley vary with Moe showing performance against benchmarks less than 60 per cent of the time while Morwell's performance is better at 98 per cent or greater. This is been a consistent pattern over a number of datasets that we have released. Again in our budget this year we are responding to that. So there is \$2.5 million to rebuild Moe fire station, and by the end of the year an additional 20 career firefighters will be working in the area supporting the local volunteer brigades.

The point I am making here is this is not how it should work. This shows a systemic failure by the media reports about a death in Armstrong Creek and a ministerial direction to the CFA to look at resource allocation in Armstrong Creek, response times that are not good enough in district 27 and a ministerial direction to look at resource allocation in district 27. This is not how the system should work, and I think it is important that the committee understands that the fundamental challenge for our fire services is how we adequately respond to population growth, 000 calls and community safety in a manner that goes beyond responding reactively to media, response time data or ministerial direction.

Just quickly, Chair, in terms of other priorities or other highlights in the 2018–19 budget: \$13 million for a new Craigieburn fire station — so we have invested over \$43 million for upgrades or new facilities that will provide our emergency services personnel and volunteers with modern fit-for-purpose facilities. The 2018–19 budget also provides \$10 million to reinstate the popular emergency services volunteer sustainability grants program.

Going onto the next slide, \$31.6 million in the 18–19 budget to ensure that the Emergency Services Telecommunications Authority — ESTA — is adequately resourced to meet demand, and there is funding for a new communications centre, which will be built in the western suburbs, with construction due to commence next month. There is \$11.3 million for Marine Search and Rescue to replace search and rescue vessels and engines, subsidies for training, fuel, insurance, protective clothing and equipment to support this vital community service — great work from EMV following a parliamentary inquiry, so good investment in MSAR.

There is \$8.3 million over two years to fund public water safety programs, such as increased lifesaving activities and increased support for the education centre and the aquatic industry. There have been a number of high-profile drowning deaths and an increased number of drowning deaths, so that is why we have made this investment both in my other portfolio of education as well as in emergency services. Do I have any more time, Chair?

The CHAIR — I am happy to cede some of my own time for such a very strong and compelling presentation, Minister.

Mr MERLINO — Just briefly in terms of overview, some of the key events over the last year: obviously four significant fires in south-western Victoria burnt through an area of around 15 000 hectares. Those fires

were managed very effectively despite significant challenge in the evening — high winds — quite a significant fire and great work from our volunteer and career firefighters and emergency management in general.

The state agreed with the Municipal Association of Victoria and SES to sign an MOU, and I am happy to expand on that further.

In terms of aviation — that is probably the other highlight — you can see on the last slide the significant number of grass, scrub and bush fires, so whilst it was less of an impact in terms of major bushfires other than in the south-west, there were a number of fires and significant additional work from our aviation fleet. Now we are going onto the next innovation, which is combating fires in the evening. I am happy to answer questions.

Ms SHING — Just before we go on, I declare that I am Parliamentary Secretary for Emergency Services.

The CHAIR — Thank you. Ms Pennicuk, just briefly on a point of clarification.

Ms PENNICUIK — Yes. If you could just clarify those red, green and orange codes again, because I cannot read them.

Mr MERLINO — Certainly, Ms Pennicuk. So where the data is indicated with a red, that means the response time targets are met less than 60 per cent of the time, and if it is in orange, it means the response time targets are met between 60 and 80 per cent of the time.

The CHAIR — I will lead off. Minister, you talked in your presentation a lot about the growth in the population that Victoria has experienced, particularly over the last 20 years. I think all of us as policymakers are trying to grapple with understanding the impact this is having on service delivery. Because the population is spread particularly in the outer areas and in regional areas, and it is right across the board, can you just talk in a little bit more detail about what specific initiatives you have looked at, in addressing this level of population growth, in the budget and across the forward estimates?

Mr MERLINO — Thanks, Chair. This is the most significant challenge. We are seeing it across government, whether it is public transport, roads, schools or hospitals, but certainly within our emergency services. Victoria's population increased from 3.2 million in 1966 to 6.1 million in 2016, and it is projected to grow by another 4.6 million between now and 2051. Melbourne will be as big as London by then. It is a massive increase, with growth projected to be concentrated in major regional centres and Melbourne's outer suburbs. The population in Mernda and Whittlesea, for example, has grown by more than five times over the last decade. In both centres this has caused an almost directly corresponding increase in the demand on our fire services, with just over a fourfold demand on our fire services in terms of the number of incident attendances per year.

Population growth combined with the effects of climate change, as I said earlier, means more and increasing demand on our fire services. In 2006 CFA brigades attended 22 294 emergency incidents. Over 10 years this increased by 25 per cent to 27 859. And the nature of those emergencies has also changed. Urban fire and rescue services are at the forefront of managing the consequences of major incidents including hazardous materials, public infrastructure and terrorism. It includes assisting Ambulance Victoria paramedics during mass casualty events, dealing with fires and explosions and performing rescues. The number of incidents that the 35 integrated brigades responded to has also increased significantly, from 12 214 in 2006 to 18 539 in 2016, so a 51 per cent increase in incidents that our integrated brigades with career staff attend to. In 2016 integrated brigades were involved in responding to 66.6 per cent of all CFA incidents.

There are a number of mechanisms, Chair, in terms of building stations and in terms of delivering additional appliances. If I can go to the appliances — the four-year comparison, now that we are in our fourth budget, on CFA appliances — we have delivered \$106.5 million in terms of appliances, trucks, to our CFA; 51.1 was delivered by the previous Liberal-National government, so we have more than doubled the significant resources in terms of appliances to our fire agencies.

But what we need is a change to the system. We have got a systemic problem in the way our fire services are organised. Currently to change boundaries, which does not happen, a council must request of the MFB board that their district or part of it should be added to the metropolitan fire district. The only guidance is that the MFB board consider it necessary or desirable to do so. The bushfires royal commission found that the boundaries are

out-of-date, that they are unable to change to keep pace with changing fire risk and urban growth and that the difficulty in changing boundaries creates disincentives to changing boundaries, so we need to make that systemic change. If we cannot deliver that via legislation, then the best that we can do is have that ministerial intervention and the specific delivery in a budget. That is the failure in the system, and that is why we have got those problems that I indicated with those response times.

The CHAIR — Thank you, Minister. I am just conscious of time. The budget paper reference is budget paper 3, page 293, so it is the departmental performance statement, and I refer you to ‘Structural fire confined to room of origin’ as well as the timeliness measures. I understand from reading the table from a timeliness point of view we have met or exceeded the target, but in relation to the ‘Structural fire confined to room of origin’ we have not met the target, only slightly. Can you outline to the committee the implication that these measures have in terms of resource allocation from the perspective of the CFA?

Mr MERLINO — Yes, and I might ask Commissioner Lapsley to also talk about the importance of containing a fire to the room of origin. There is a reason why both our fire agencies set those targets in terms of responding to fires, because if you do not get there within that time frame, then the fire goes beyond that original point of origin.

Comm. LAPSLEY — Obviously one of the key things in reporting a fire, particularly a structural fire, is that the person reporting it is to contain the fire to that original room — to lock it up. Obviously, as the minister indicated, the extension of fire will either be through walls or roofs. One of the key measures is: are we able in the fire investigation to gain a post-incident understanding about what is contained to a single room and therefore use that as a measurement? In that, if we can keep a small fire small, the premise is that we reduce the impact on the family and in loss of property. It goes back to the fundamentals of what the legislation is about — protection of life and property.

The CHAIR — We might come back to that later in government questions.

Mr MORRIS — Can I just start with a quick question on notice to the secretary. Secretary, with regard to the attendance of either CFA or MFB units at Victorian prisons or youth justice centres, are you able to provide us on notice with some figures indicating the total cost of attendances at each of those facilities for the 17–18 year?

Mr WILSON — Youth justice and corrections?

Mr MORRIS — Yes, so all Victorian prisons and all youth justice centres.

Mr WILSON — Yes, assuming we would have that. If there are costs associated, we would.

Mr MORRIS — The CFA and MFB would have to invoice them.

Mr WILSON — We will chase that up.

Mr MORRIS — I am sure it is there somewhere. Secretary, regarding budget paper 3, page 292, the emergency management capability outputs — and I am directing the question to you, but it concerns Mr Bates, so whoever wants to answer, I am entirely relaxed about that — Mr Bates had been employed by DPC since April 16 to deal with the crisis in the CFA and the MFB with the UFU EBA. We were informed yesterday that Mr Bates is now with your department, and it is self-evident from his attendance at the table. When did he begin?

Mr WILSON — If my memory serves me correctly, about 3 April.

Mr BATES — Yes, just after Easter.

Mr MORRIS — So 3 April 18?

Mr WILSON — Yes.

Mr MORRIS — I will direct further questions directly to Mr Bates if I may. Last year we asked you again about the outstanding issues that the parties to these enterprise agreement negotiations could not reach

agreement on. Can you give us an update on what are now the outstanding issues with both the MFB and the CFA agreements, if any?

Mr BATES — There are no outstanding issues in the MFB agreement, Mr Morris. As you know, it has been to a vote so it has been endorsed by the MFB board, has been through a vote of the staff and is before the Fair Work Commission for review and certification. So there are no outstanding issues in the MFB. The CFA: again, the draft agreement was endorsed by the board and has not gone forward for certification because of some of the amendments to the commonwealth Fair Work Act.

Mr MORRIS — Thank you. In evidence some time ago you indicated that approximately \$25 million had been lost by the MFB as a result of UFU bans. Is there an update on that figure?

Mr BATES — I think Ms De Cicco has got some of the details, but my understanding is that the latest advice we have from MFB is that there is no revenue loss this year, for 17–18. I think when we actually have gone back to the MFB and asked them in relation to that number that I had given you, which was a forecast at the time, the advice we had was that the actual loss had been smaller than they anticipated. I think they were having some, I will say, methodological challenges as they moved from FSPL models where, if appliances turned up at a property that was not insured they would send a bill, but as we have gone for universal coverage under the Fire Services Property Levy that billing has dropped away. So I think the advice they have given us is that they estimate the actual loss in 16–17 was \$4 million and they are telling us there has been no revenue impact in 17–18.

Mr MORRIS — What about the CFA?

Mr BATES — They are telling us that there is no revenue impact at the moment.

Mr MORRIS — Full stop.

Mr BATES — Yes.

Mr MORRIS — Minister, as I am sure you are aware the UFU sent all members a bulletin which accused the MFB of being anti-union and which said the UFU was assured that the union would be consulted prior to the appointment of the chief officer — ‘of the chief officer’ in brackets; I have the actual document here somewhere. Who made that assurance and on whose authority was that assurance provided?

Mr MERLINO — Thank you, Mr Morris. In terms of my instructions to the MFB, we had an international recruitment process looking at candidates for the joint role of a chief officer and chief executive officer, and as I have said before there are things in the fire services reform that require legislative change and there are other things that we can do without legislative change. Having one person at the top of the organisation was one thing that we could do without legislation of course.

So we had an international recruitment process finding the best candidate, including the secretary as a member of that panel. The unanimous recommendation from the selection panel was that Dan Stephens be appointed as the new MFB chief officer/CEO. I had a meeting with the chair of the board. I accepted that recommendation and requested that the MFB engage with the union following that. Then that was in the court of the MFB and the union in terms of how that engagement rolled out. The only instruction I gave, Mr Morris, after accepting the unanimous recommendation of the panel to appoint Mr Stephens — I accepted that — was: ‘Go and engage with the union’.

Mr MORRIS — So can I ask the secretary: Secretary, are you aware who made that assurance and on whose authority the assurance was provided?

Mr WILSON — I am not aware of the assurance itself, let alone who may have made it, so from my point of view as a member of the panel led by the president of the MFB, as the minister said, there was a recruitment firm hired to do an international search. We were involved in the usual short-listing process, and once we reached the conclusion about the preferred candidate basically the process just went back to the president of the MFB to present that to the minister. That was my involvement in it, so I am not aware of any of those other matters, Deputy Chair.

Mr MORRIS — Minister, we have had yourself, the Premier, now the secretary of your department and the secretary of DPC all saying they do not know. Does anyone know what is going on?

Ms SHING — On a point of order, you have actually verbalised witnesses in relation to statements made about the existence of —

Members interjecting.

The CHAIR — I am happy for the question to stand. I think that the evidence has been received by the committee, but Mr Morris, proceed.

Mr MORRIS — The question stands. Does anyone know what is going on?

Mr MERLINO — Well, Mr Morris, I gave a clear answer to the question in terms of commitments that I made or instructions that I gave as minister. The secretary has answered your question and you have had answers from others. The only thing that I requested in regard to engagement with the union and in regard to Mr Stephens's appointment was following my acceptance of the unanimous recommendation of the selection panel that he be appointed. I accepted that and then requested that the MFB engage with the union on the appointment of Mr Stephens in that new role as chief officer/CEO.

Mr MORRIS — Well, it appears no-one does know what is going on.

Minister, in the lead-up to the election the secretary of the UFU threatened to release a number of private promises made during this dispute. Are you aware of what those private promises Peter Marshall is attributing to the government actually are?

Mr MERLINO — Thank you, Mr Morris. In answering the question, the commitments we made were public commitments. Our commitments to negotiate in good faith and the commitment to deliver 450 additional career firefighters to support both our agencies and to support volunteer brigades —

Mr MORRIS — We had the same evidence yesterday from the Premier.

Mr MERLINO — Those are the election commitments we made —

Mr MORRIS — We had the same evidence yesterday. It is quite clear from Mr Marshall that those are not the commitments he is referring to.

Mr MERLINO — Sorry; your question, Mr Morris?

Mr MORRIS — I said it is quite clear that those were not the commitments he is referring to.

Mr MERLINO — The only commitments we made, Mr Morris, are public commitments and election commitments, and in regard to the key election commitment of 450 additional firefighters, to improve the response time data. If anyone wants to talk about community safety, I am happy to talk about community safety and the election commitment to deliver the 450 career firefighters we will deliver.

Mr MORRIS — Minister, when the Premier was asked by the media whether he had met with Mr Marshall, he said he could not recall it. Yesterday he had a slightly different view again. Have you ever met with Peter Marshall in private?

Mr MERLINO — Of course I have met with Mr Marshall. I meet with all stakeholders, as you would expect me to.

Mr MORRIS — Have you met with him this year?

Mr MERLINO — Of course I have. I have met with all the stakeholders, Mr Morris, as you would expect me to, particularly in light of EBA negotiations. Of course I have met with all the stakeholders.

Mr MORRIS — Can you provide the dates of those meetings?

Mr MERLINO — If there is any further information I can provide, I will.

Mr MORRIS — Do you have any further meetings scheduled with Mr Marshall between now and the end of November?

Mr MERLINO — Mr Morris, I fully expect that I will meet with the chief officer of the CFA, the CEO of the CFA, the new chief officer and CEO of the MFB, the president of the MFB board, the chair of the MFB board, the secretary of the union. Of course I will meet with all —

Mr D. O'BRIEN — The VFBV at any stage?

Mr MERLINO — Of course I am happy to meet with them, Mr O'Brien.

Mr MORRIS — Do you have meetings scheduled or planned with Mr Marshall?

Mr MERLINO — I meet with all stakeholders as required.

Mr MORRIS — No, no. Do you have meetings scheduled or planned, already committed in your diary?

Mr MERLINO — I meet regularly, Mr Morris, as everyone would expect me to, and I meet as required with all the stakeholders.

Ms PENNICUIK — Welcome, Minister, Commissioner, Secretary, Acting and Deputy Secretaries and other staff. Can I take this opportunity — it is a very challenging portfolio — to thank everybody who works in the emergency services that have to attend traumatic events involving the natural disasters, even drownings, that we have been talking about.

If I could direct you to budget paper 3, page 292, which sets out the objectives and the outputs:

Objective 6: Reduce the impact of, and consequences from, natural disasters and other emergencies on people, infrastructure, the economy and the environment.

That is fine. It says, 'This objective aims to deliver a coordinated' et cetera, but then it says:

The departmental objective indicators are:

- value of domestic fire insurance claims; and
- rate of deaths from fire events.

I just wonder why those indicators only relate to fire events and not to other forms of natural disaster, such as floods or increasing storms, for example, and wind events, where trees come down et cetera. Just to follow up, if I could squeeze this in as well: Minister, you have mentioned twice climate change; what budgetary allocations or what activities are emergency services making to increase and adapt the services to the challenges of climate change?

Mr MERLINO — If I can deal with the latter part of your question, and then ask Ms De Cicco to answer the first part. Climate change is real, and it is having an impact on our emergency services. The commissioner and I have had many discussions about this. The reality of that is an earlier start to the fire season, a later end to the fire season and events that are stronger in intensity, whether it is fire or whether it is other events. In terms of how we are dealing with it, probably the greatest example I can give you of this challenge of climate change is the partnerships between emergency services between the Southern Hemisphere and the Northern Hemisphere. It is getting quite challenging in terms of our aviation fleet and those large air tankers. Those planes fly around the world, and we see that in the Northern Hemisphere they want and need to keep their planes for a longer period of time. We want and need those planes earlier, and that is the consequence of climate change. Making the investment in our aviation fleet — for example, this fire season we had the biggest fleet that we have ever had before, and we continue to innovate, the best example being the innovation around firefighting from the air during evenings. We are living with this every day. I am conscious of time; I can go into further detail, but I might ask Ms De Cicco to —

Ms PENNICUIK — Because of course, it is not just fires.

Mr MERLINO — It is not just fires. Absolutely, it is not just fires, yes.

Mr WILSON — If you recall in February, when we presented the various outcomes on the year prior — I think we have got now 14 outputs and over 100 different measures and indicators. But I think the point you make around the department objectives relating to fire only — I think that is a good point actually to have a look at, given it is all hazards and all emergencies. We would be happy to take that forward and consider the introduction of a broader set of indicators to capture other things relevant to that overarching objective.

Ms PENNICUIK — Yes, especially floods and storms. If there is any more information on climate change adaptation, that would be great.

Comm. LAPSLEY — We have done a significant amount of work on climate change. We have actually put an EMV person into the climate change office to make sure that it is not done in isolation. Integration of understanding the total picture of climate change is quite critical. As the minister has indicated, more frequent weather events, more intense weather events — whether it be dryer periods or moving from dryer hot periods to what could be significant rain events in a very short period of time — we will see more of, so I think that is exactly where this issue is. The indicators need to be able to measure better in the future what is flood, storm and fire, but I would say that the data around fire is more mature and has been because of the backdrop of what Victoria has experienced all of its life. I suppose if you looked in a different state, such as Queensland, they would be stronger on storm and flood. Fire does dominate in our data collection process; that is not a reason to expand it, though, which obviously we can.

Ms PENNICUIK — If I could quickly whiz you on to budget paper 4, page 68, which mentions a ‘mental health for emergency personnel and volunteers app’. It is great, I think, to be looking after the mental health of emergency services personnel — given what I have said about traumatic events — but is there any information on what that app is, how it operates and what its intentions are? Part of it may have to be taken on notice, given that I think we have got 15 seconds to go.

Mr MERLINO — We have 15 seconds, so I will endeavour to provide further information to the committee, Ms Pennicuik, on that matter.

The CHAIR — Mr Lapsley, I think you were briefly answering my previous question in relation to those performance measures and the impact they have on resource allocation. If you could just maybe wrap that up in about 30 seconds or a minute, because I know Ms Shing is very keen to ask you some questions.

Comm. LAPSLEY — Sorry; the question is?

The CHAIR — It is just in relation to the two performance measures about the structural fire contained in the room, as well as timeliness — the impact that those measures have in terms of resource allocation.

Comm. LAPSLEY — Well, they are important measures, and I think you can see that we continue to put submissions forward about how to improve the fleet and the training of firefighters but, more broadly than that, about emergency services workers. So the objective is the broader bit. The measure gives us the capability to put some good evidence forward. One good example at the moment is that we are putting together a complete evaluation of our air fleet to understand type, size, location, numbers, the efficiency and the effectiveness on the ground. So it is not just a dollar investment; it is about the efficiency and the effectiveness of aircraft. That is a sophisticated piece of work, and I would suggest that Victoria would be leading the world, in that example, in the collection of data. And therefore we are taking that to be a measure and an indicator of how we should invest in the future.

Ms SHING — Thank you, Minister, Commissioner and witnesses for the presentation and answers to date. I would like to go to page 4 of the presentation that you made, Minister, and to the population explosion, which at the time our fire services and boundaries were drawn up was around 2.4 million and which has now passed the 6.1 million mark.

I note, in relation to budget paper 3, page 292, we have an increase in the number of volunteers from 38 780 to 38 900, and the allocation of resources, including appliances, which totals \$106.5 million over our government and is in fact more than double what the former government delivered. What I would like to understand is what in fact has been delivered in relation to the increased numbers of volunteers and how we support volunteers more, with better resources, better facilities and better assistance, to close the gap between the measures that you have referred to on response time data, which show that while we are around 80.8 per cent, the range is between

31 per cent and 100 per cent. To harmonise that as our population grows, what are the measures that are being done, operationally, without the legislative changes that we need?

Mr MERLINO — Thank you, Ms Shing. Volunteers play an absolutely critical role in the delivery of emergency management across our state, whether it is our fire services —

Mr D. O'BRIEN — Two and a half thousand less of them under this government.

The CHAIR — Order, Mr O'Brien!

Mr MERLINO — If you look at budget paper 3, an increase from 38 780 to 38 900, and when you look at the challenge of volunteerism in general — volunteering in your local community sporting club, volunteering in your neighbourhood house, emergency services, whatever it may be — volunteering is getting tougher and tougher. I think these are very good figures, and it is the responsibility of government to make the investment and provide the support for our volunteers so we can make it a meaningful contribution for them, whether it is providing training, additional appliances —

Mr D. O'BRIEN — Showing them some respect.

Mr MERLINO — Well, Mr O'Brien, you do not respect volunteers by cutting their budgets, and that is exactly what you did when you are last in government.

Mr D. O'BRIEN — There are 2500 less volunteers that the record should show — there are 2500 less.

Mr MERLINO — A \$66 million cut, Mr O'Brien, a \$66 million cut, so we are fortunate to have around —

Mr D. O'BRIEN — That is just a fabrication.

Mr MERLINO — Would you like the evidence? I am happy to digress. Would you like me to digress? I am happy to digress and provide you the evidence from former ministers for emergency services and former CEOs of the MFB that confirmed —

Members interjecting.

Mr MERLINO — Would you like me to answer the question?

The CHAIR — Order!

Ms SHING — I would, Minister. Thank you.

Mr D. O'BRIEN — I would like the questioner to be accurate in her questioning, too. There are 2600 less volunteers now.

The CHAIR — Order, Mr O'Brien.

Mr MERLINO — I am happy to provide this to the PAEC recording staff:

Emergency services minister Peter Ryan last night ...

this is *The Age*, from the 5 September 2012.

...confirmed both agencies would lose about \$66 million, but insisted there would be no impact ...

Quote:

There will be reductions for the CFA and MFB, they will be in the order of figures that are being talked about ...

Ms SHING — Thank you, Minister. Just further to that, what further assistances can be provided — and, Commissioner, you might be in a position to assist with this as well — to improve the operational assistance and the engagement with volunteers across the board to assist them with what is an issue around morale, where response times are clearly in a point of discrepancy between integrated stations and areas where volunteer staff are the ones needing to come to the station and then to be called out and dispatched accordingly?

Mr MERLINO — I will give some overarching comments and then hand over to the Commissioner.

Ms SHING — I am happy for it to be either or both of you.

Mr MERLINO — In this budget we provide \$10 million to continue the successful emergency services volunteer sustainability grants program, more than \$43 million in capital for volunteer facilities at CFA, LSV and SES units. We are committed to supporting the significant contribution that emergency management volunteers make to keep our communities safe. If we have got time, Ms Shing, this is on top of the \$60 million of funding directly to volunteer brigades — CFA brigades — that we announced last year, directly targeting the number one issue that they raised with me: access to training and funding for training. So there is a raft of initiatives in last year's October announcement that is also providing support to volunteers. I am happy for the Commissioner to make some comments.

Comm. LAPSLEY — From that, the value in volunteers is absolutely fundamental, and it is broader than fire services. We need to understand that we have got 100 000 volunteers across the emergency management sector. Ninety thousand of those live within the agencies for which the department of justice has a portfolio responsibility. We have spent time to understand: what is the “volunteer” part, the people part; what motivates a 17-year-old to volunteer — or a 57-year-old; what is ‘volunteering’, the activity, that people value; what are they giving; and how are they valued by their organisation? The last bit is understanding “volunteerism”, the culture. So what we talk about as the three Vs is the people, the activity and the culture.

Now, if I took you to Red Cross, who is one of our agencies, Red Cross has got — 85 per cent of their volunteer workforce are women. If I took you to the CFA, about 20 per cent of their volunteer workforce are women. Stop and think, though, where are those women participating? Are they in leadership positions? Are they influencing the organisation? These are all parts that we have to, in 2018, better understand than ever before to make sure we are understanding the capability of organisations, the contribution of a person, the respect, the valuing and what it means to their community, because they are volunteering for a purpose that is sometimes driven as the individual contribution, but it is about their community.

Ms SHING — As the population grows and in many cases decentralises throughout regional Victoria, given the large numbers of ageing volunteers that we have throughout not just CFA units and brigades but also SES and other agencies that fall within the remit of EMV, what is the opportunity there to actually provide that operational support to get younger people involved, particularly where their working arrangements may well take them far away from where in fact their call-out locations are?

Comm. LAPSLEY — Part of that is technology. It is about utilising technology better, about how they are alerted — are they able to work across multiple organisations, multiple brigades and multiple units? That work has been done to some degree. Is it able to look at their location to their fire stations and how they are alerted? And even some brigades and one of the most recent fire stations being built has talked about a hub that allows the volunteers to participate on the fire station to do what would be seen to be administration or work that they are providing — so meaningful work that they do for their employment but it is done in a hub that actually is attached to the fire station.

Ms SHING — To portably utilise their skills in situ.

Comm. LAPSLEY — Absolutely. It has got to be portable, it has got to be technology-bound, it has got to be innovative and it has got to be effective, and those are the initiatives that some of this grants money in particular or cost in capital will allow us to do. We still need to talk about the person, not just the innovation or the technology. It has still got to be about the person that is actually volunteering, and that is a significant piece of work that is funded through grants. It is funded through the program. The final comment I have got is it is legislated. I have got a legislative responsibility to look at the capability of volunteers across these organisations.

Ms SHING — Excellent. Thank you very much for that, gentlemen.

Mr MORRIS — Minister, at the conclusion of the last opposition bracket I was asking you whether you had any meetings scheduled with Mr Marshall in your diary during the balance of the year. You said you may meet with him, you may not, effectively. Do you intend to tell us whether you have any meetings scheduled?

Mr MERLINO — No, Mr Morris, my answer was: of course I will continue to meet with all stakeholders, so I fully —

Mr MORRIS — No, the question hinges on the word ‘scheduled’ or ‘planned’. Do you have any meetings scheduled or planned?

Mr MERLINO — Mr Morris, I am sure that I will be meeting with all stakeholders within our fire services.

Mr MORRIS — What are you hiding?

Mr MERLINO — These are extraordinary questions from you, Mr Morris.

Mr MORRIS — They are very simple answers.

Mr MERLINO — In my time as emergency services minister I have met with chairs, chief officers, union secretaries —

Mr MORRIS — I am asking you about meetings with a particular individual.

Mr MERLINO — Of course I will meet with them over the course of the next several months.

Mr MORRIS — You apparently had no meetings scheduled.

Mr MERLINO — Of course I will, Mr Morris. A ridiculous question.

Mr MORRIS — Minister, Mr Marshall has said publicly that there were a number of promises, and to quote him:

There was a number of promises and they will come out in the near future ...

Of course that was the Raf Epstein interview a little while back. Your evidence this morning is that all promises have effectively been acquitted. That was your evidence this morning. If they are not fully acquitted, then you are in the process of acquitting them.

Ms SHING — All promises are public. That was the evidence given, Mr Morris.

Mr MORRIS — So there are two sides to the story and it is pretty black-and-white; there is no grey. Minister, who is telling the truth — you and the Premier or Mr Marshall?

Mr MERLINO — Mr Morris, my clear evidence to this committee and in other forums, including the Parliament, is our commitments have been public commitments, commitments to improve community safety, to bargain in good faith, to deliver 450 additional career firefighters. We have made our commitments public.

Mr MORRIS — So are you saying the secretary is lying?

Mr MERLINO — Mr Morris, I am answering questions in terms of what I have committed to and what this government has committed to. I cannot be any clearer.

Mr MORRIS — There is no grey. Either you and the Premier are telling the truth, or he is. You are saying you are telling the truth. It follows that you are suggesting he is lying.

Mr MERLINO — Mr Morris, I am answering questions in terms of commitments we have made, in terms of promises we have made, and our promises have been public promises that we are accountable for.

Mr MORRIS — Mr Marshall was asked six times whether he had a tape recording of the Premier. Are you aware of a potential tape recording of the Premier?

Mr MERLINO — No, I am not.

Mr MORRIS — Have you ever sought legal advice for yourself or the government directly relating to Peter Marshall and his accusations against you, the government or the Premier?

Mr MERLINO — No, I have not, Mr Morris.

Mr MORRIS — Secretary, are you aware of any legal advice that has been prepared directly relating to Peter Marshall and his accusations against the government or against the Deputy Premier?

Mr WILSON — No.

Mr MORRIS — Thank you.

Mr D. O'BRIEN — Minister, has the Premier or anyone in the Premier's office ever raised any concerns with you about the appointment of Dan Stephens?

Mr MERLINO — No, they have not. As I have indicated to this committee before, this was a unanimous recommendation of the selection panel. Mr Stephens will do a great job in the new unified role of chief officer and CEO. I accepted that unanimous recommendation, and I look forward to Mr Stephens starting his role later in the month.

Mr D. O'BRIEN — Did you have any discussions with the Premier or anyone in the Premier's office about the appointment?

Mr MERLINO — Like all senior appointments, under the act, Mr O'Brien, if you have a look at it, there is the selection panel, which was auspiced through the board through the president.

Mr D. O'BRIEN — No, I understand that, Minister.

Mr MERLINO — The appointment has to be approved by me as Minister for Emergency Services. I accepted the unanimous recommendation of the selection panel. Of course I speak to colleagues in terms of those appointments. We do not live and work in silos, Mr O'Brien.

Mr D. O'BRIEN — Did you speak to Mr Marshall about it?

Mr MERLINO — I have already answered this question. My request of the MFB —

Mr D. O'BRIEN — No, I am asking if you spoke to Mr Marshall about it.

Mr MERLINO — Mr O'Brien, my recommendation, my request of the MFB —

Mr D. O'BRIEN — No — I understand that, Mr Merlino. I am asking if you spoke to Mr Marshall about it.

Mr MERLINO — Before accepting the unanimous recommendation of the selection panel, no.

Mr D. O'BRIEN — Thank you. Mr Lapsley, could I ask a question of you, please? In relation to the minister's earlier responses about the fire services reform proposal and response times, could you answer: if we had four career firefighters under the CFA and four career firefighters under the proposed FRV model, would the FRV firefighters respond any faster?

Comm. LAPSLEY — No. Whether they are FRV — future — or whether they are MFB or CFA, the response profile to get out of the station doors is the same: 90 seconds for career firefighters on stations.

Mr D. O'BRIEN — I am talking about the actual response; would it be any different?

Comm. LAPSLEY — No, I do not believe so. I have no reason to think that.

Mr D. O'BRIEN — As a follow-up to that, Minister, could I ask: given you have actually highlighted the installation of career firefighters to Moe in response to the issues of response times, under the current CFA arrangements, what difference would having FRV make to addressing an issue at a place like Moe?

Ms SHING — Because they are in situ. What is it that you do not get about the way that call-outs work?

Mr MERLINO — That is right. These are not inconsistent, Mr O'Brien. The commissioner is absolutely right in terms of getting out of the station and responding. The requirement is you do so within 90 seconds, so whether you are Fire Rescue Victoria or career CFA or MFB, that is the time to get out.

Mr D. O'BRIEN — But, Minister, your evidence earlier —

Mr MERLINO — Mr O'Brien, can I answer the question? I am happy to answer the question.

Mr D. O'BRIEN — You have half-answered the question.

Mr D. O'BRIEN — No, no, because you interrupted me whilst I was answering your question, Mr O'Brien.

Mr D. O'BRIEN — You have made the point that Moe in particular — you actually had it in your presentation — was poor in terms of response times and you have placed CFA career firefighters in there.

Mr MERLINO — Correct.

Mr D. O'BRIEN — You have also said: we have to have reform and go to FRV. Why do we need to do that when you can do it under the CFA model?

Mr MERLINO — Because it was the point I was making in the presentation, Mr O'Brien. The key reform here, and it comes out of the bushfires recommendation, the findings and recommendations of an independent way that you can respond to population growth, 000 calls and community safety. It is not good enough that we have a system where we react. We cannot change the boundaries. There is no easy —

Mr D. O'BRIEN — This is not about changing boundaries, Minister. You have highlighted that you have done it in Moe.

Mr MERLINO — Mr O'Brien, this is —

The CHAIR — Order! The minister is answering the question.

Mr D. O'Brien interjected.

The CHAIR — Order!

Mr MERLINO — Mr O'Brien, this is the problem in the system. This is the systemic issue we have dealt with. Now, we can respond —

Mr D. O'BRIEN — You have highlighted that there is no problem because you are able to do the things you want to do under the current CFA.

Mr MERLINO — And we do it in a reactive way. I mean, how is it in any way appropriate in terms of public policy and delivering a 21st century fire service that we go to Armstrong Creek and there is a death, an avoidable death in Armstrong Creek, because the volunteer brigades do not have the capacity to get to fires in Armstrong Creek within the appropriate time? There are media reports about a death and then a ministerial direction —

Mr D. O'Brien interjected.

Mr MERLINO — Excuse me, Mr O'Brien. Let me finish. A death in Armstrong Creek, media reports about that death, a ministerial direction to the CFA to respond to a lack of resourcing and capacity in Armstrong Creek. That is not how the system should work. We need to start talking about community safety, Mr O'Brien.

Mr D. O'BRIEN — Why can't you put CFA career firefighters in those areas where they are needed? You did it in Moe.

Mr MERLINO — You are not understanding. Mr O'Brien, you are not —

Mr Smith interjected.

Mr MERLINO — Sorry; are we moving on to you, Mr Smith? Mr O'Brien, I am responding to the critical, systemic problem in the way our fire agencies are organised. They are based on a 1950s model. The bushfires royal commission highlighted this.

Mr D. O'BRIEN — But you have been able to change set-ups at different brigades to address issues.

Mr MERLINO — Mr O'Brien, the bushfires royal commission highlighted the problem with population growth: the inability of our fire agencies to change boundaries to respond to that growth, and the findings —

Mr D. O'BRIEN — But you have got the ability to put career firefighters in now.

Mr MERLINO — and the recommendation that we need an independent process to adjust boundaries and engage with both our fire agencies. It is not good enough that it has got to be through a budget process, ministerial directions and media reports of deaths to get action within our fire services. This is a systemic problem that you and your friends in the leadership of the VFBV refuse to acknowledge.

Mr D. O'BRIEN — Can I quickly ask another question, Minister? If the VEOHRC report comes back and highlights issues of discrimination, does the MFB EBA —

The CHAIR — Order! Ms Patten until 1.40 p.m.

Ms PATTEN — Thank you, Chair. Welcome, secretaries and Minister. I have two questions but the first one is very quick. It is in budget paper 3, page 94, in regards to the emergency service volunteer grants program. In the explanation of that in the budget papers it goes on to say that it will provide grants to volunteers in organisations such as the Australian Volunteer Coast Guard and Life Saving Victoria. I just wanted to clarify that it will be open to all volunteer organisations that would provide an emergency service from time to time.

Mr MERLINO — The quick answer to your question, Ms Patten, is that this additional \$10 million for those sustainability grants will be open to all emergency service organisations other than the CFA, because if you go back to October last year we provided a further round of grants directly for and only for the CFA. So I felt it was important, and the commissioner did as well, that we made the \$10 million commitment to the CFA in October, and then in this budget made it open to all other emergency service organisations.

Ms PATTEN — Just turning to water safety, last summer there were pretty dismal statistics on water safety. I note that you have got the volunteer marine search and rescue allocation and the public water safety output initiative. What I have noticed in it is that a lot of it is responding to beaches and to coastal areas. That seems to be, in everything I have read in the budget, that that is where it is focusing on, yet we know that the majority of drownings happen in waterways. So I guess I just wanted to clarify what actions you are taking to improve water awareness across the inland waterways rather than just beaches.

Mr MERLINO — Thank you, Ms Patten. I might provide some comments and then ask the commissioner to as well. This was a significant investment this year focused on water safety, and you are right to acknowledge the drowning deaths in the 2017–18 summer season — 23 people drowned, and that is a significant increase. Life Saving Victoria reports that from 1 December 2017 to 13 February 2018 there were 544 rescues, almost 96 000 preventative actions, 1369 first aids and 21 drownings on our coastline. This is the highest drowning toll in Victoria since detailed records began in 2000 and it is nine deaths higher than the five-year average for the same period, so we needed to make investments. Eight point three million dollars — this is an additional 4 million over two years to Life Saving Victoria via Education to increase the capacity and capability of the education sector and the aquatic industry in relation to public water safety. There is funding being provided to schools and additional funding to LSV so they can engage with educators. Beyond that, in terms of inland waterways —

Ms PATTEN — Commissioner, before you just answer that, can I just add to that because I think it is sort of relevant to what you have just said, Minister. Life Saving Victoria also notes that the people most vulnerable to drowning are children under four and men over 65. While we have got that school program, it does not capture those people.

Comm. LAPSLEY — I think one of the key things in here is when we talk about the aquatic sector. When we talk about lifesaving or lifesavers quite often we go straight to those that are on beaches, but there is also a trained group of people that operate in pools, public pools, and they provide that —

Ms PATTEN — I am a swimming instructor and lifesaver.

Comm. LAPSLEY — Yes. So the education sector and the aquatic industry is a key part of building this capability. When we talk about do we swim only at beaches or in the bay or in the pool, whether it be in my backyard or the public pool, it is about water safety, and obviously that is where education is being focused.

Some people in our community now have not traditionally grown up with water, so we have a different cohort, a different immigration strategy about making sure we are reaching broader than what might be an Australian-born child from an Australian family that is so used to water.

Ms PATTEN — That is right. Would you have any details that you would be able to provide on notice about, I guess, outside the school system what education there is?

The CHAIR — Order! I would like to thank the witnesses for their attendance: the Minister for Emergency Services, the Honourable James Merlino, MP; Mr Wilson, Mr Lapsley, Ms De Cicco and Mr Bates. The committee will follow up on any questions taken on notice in writing, and a written response should be provided within 10 business days of that request.

Witnesses withdrew.