

CORRECTED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2011–12

Melbourne — 12 May 2011

Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr P. Ryan, Minister for Bushfire Response,

Ms P. Armytage, Secretary,

Mr T. Leech, Executive Director, Police, Emergency Services and Corrections, and

Mr N. Robertson, Coordinator, Bushfires Royal Commission, Department of Justice.

The CHAIR — I welcome Mr Neil Robertson of the 2009 Victorian Bushfires Royal Commission coordination, as well as Ms Ann Crouch, who is manager of planning, performance and projects at the Department of Justice, who will be operating the presentation only. I call on the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information relating to the budget estimates for the bushfire response portfolio.

But before we proceed, Ms Armytage, you would like to make a correction in relation to the last hearing?

Ms ARMYTAGE — I would, thank you, Chair. Just to clarify for the deputy, because I do not want to mislead the committee, when you asked me the question in relation to the funding allocated for the CFA trucks and facilities I focused on the output response, also in the budget. I want to clarify that there is in the 2011–12 financial year an allocation of 62.7 in the asset initiative funding. That is just confirming that it is in the budget papers.

The CHAIR — Do you wish to follow up on that?

Mr PAKULA — Yes. My question was about new money. Is that new money or money that was in the pre-election budget update?

Ms ARMYTAGE — No, it is in BP3. So just to clarify absolutely, that was the new money allocated for 2011–12.

Mr PAKULA — That was not in the pre-election budget update?

Ms ARMYTAGE — No, there was a different allocation here in terms of existing capital projects. These are the new initiative moneys that have been allocated in response to that, at page 59.

The CHAIR — Are you satisfied?

Mr RYAN — Unhappy, but satisfied!

Mr PAKULA — I am not sure I accept it, but I accept Ms Armytage's comment.

Mr RYAN — It is in the budget papers. Come on, you can only go so far.

Mr PAKULA — I am not sure it is new money.

The CHAIR — It is or it isn't. That is a discussion for somewhere else. Minister, would you like to make your presentation?

Overheads shown.

Mr RYAN — The opening slide is headed, 'Emergency services budget breakdown', and as members of the committee will see, of the total budget of some \$273.8 million, 6.2 per cent is dedicated to this purpose.

The next slide is on achievements implementation. We have placed the implementation monitor on an independent statutory footing. We believe it is very important for that to be done because under previous arrangements Mr Comrie was on a contract to the Premier, and we did not think that appropriate or in keeping with the recommendation which was made by the commission.

Accordingly we have now passed the legislation which enables Mr Comrie to be appointed as the implementation monitor, and that has happened. We are well advanced in the development of the implementation plan, which I am required to table in the Parliament by 31 May. I might say that the work that has gone into that process, particularly by Mr Robertson who is here with me today, has been extraordinary. It is of great depth, and I believe that the public of Victoria will draw great comfort from the extensive content of that document once it is tabled in the Parliament. The fulfilment of this particular commitment is of course one of the overall aspects of our having committed to the implementation of all 67 recommendations of the report.

The next slide shows the achievements of the fire services commissioner. They are the five points listed. We have seen issued Victoria's first bushfire safety policy framework, which is intended to improve bushfire safety for all Victorians. We have developed and implemented revised state command and control arrangements for

bushfire in Victoria. We have issued strategic control priorities which focus on the primacy of life and the issuing of community information and warnings. We have reviewed the state control centre procedures and made initial changes to processes and systems, and the fire services commissioner acted as the state fire controller over the 2010–11 bushfire season.

The next slide shows the achievements for local government support. These are critically important, Chair, because I acknowledge local government is concerned about the extent to which it is now engaged in this whole process of better ensuring the safety of all Victorians in a bushfire context, and it is in that regard that we have provided various mechanisms of support for local government.

The commission itself recognised the importance of local planning for local needs and boosting some councils' capacity to perform their emergency management roles. To that end, \$11.3 million has been provided for 30 staff — 5 of those for the MAV and 25 for 34 councils. There has been an additional investment of \$5.5 million to accelerate the development of municipal fire management plans and \$6.1 million to improve efficacy and to extend the reach of the township protection plans.

Just as a commentary in those areas, 4 of the 25 emergency management coordinators have been recruited for an initial 12-month period, and the remainder are nearing completion. These staff are intended to assist councils to meet their various statutory obligations.

The next slide shows achievements in relation to the shelters: 171 neighbourhood safer places have been designated — that is, 31 new NSPs since November — and \$13 million has been allocated to assist councils to undertake works to establish NSPs in locations where it has proved difficult. Developing a new refuges policy with interim state construction standards is expected to occur during July. This goes of course to some of these difficult issues, and they are in a Victorian context in some areas of our topography where establishing an NSP is a particular challenge, so we have advanced to the point of 171 of them now having been designated.

On the achievements on the buyback proposal, which was recommendation 46 from the commission, we aim to have this program operating by the next fire season. We have committed in the budget papers \$5 million as a first stage of the \$50 million investment. The balance of that money will be available as we see demand, as we run the program and see what we have coming forward by way of people who want to access this program. I need to emphasise to you, Chair, and to the committee that this is a voluntary acquisition as a last resort where other mitigation measures are simply not feasible. It is non-compulsory acquisition of land. The owners must be willing to sell; the government must be willing to buy.

The criteria around the program are being finalised to assess what constitutes an unacceptably high bushfire risk, and on the slide those words appear as they do simply because they reflect the commentary from the commission itself. The government will consult the community on the proposed program before it commences. When we do finalise the proposed guidelines for the program those guidelines will in turn be out for community consultation before they are actually locked down and committed to by ourselves.

I make those comments as a general commentary by way of an opening. I conclude this element of things by saying to the committee and to the Victorian public that we, as a government — and again, in fairness, the Parliament as a whole — have said repeatedly that the fact of those 173 people having lost their lives on that dreadful day, 7 February 2009, will never, ever be forgotten by the Parliament of Victoria. The Gippsland and Black Saturday fires remain a part of our history, but also it is vitally important that in our role now as the government we continue to make provision for the needs of those people who were so terribly impacted that shocking day and in the 10 days or thereabouts of the Gippsland fires leading up to Black Saturday.

The CHAIR — Thank you, Minister. We have approximately 45 minutes for questions. In relation to the earlier question I asked in the portfolio of police and emergency services on population growth you gave a very expansive answer, and perhaps we do not need the full text of that answer again, but — —

Mr RYAN — Said without interjection, Chair!

Mr PAKULA — Could it just be incorporated into the transcript?

The CHAIR — I wondered in relation to this portfolio if you would like to make some apposite remarks about the impacts of population growth in regard to the budget estimates?

Mr RYAN — Thank you, Chair, and yes, I will be appropriately brief. Look, I think, without going to all this material I have here, the key thing about this is it is the protection of the primacy of life which is the focal point of what we are seeking to do. It is the commentary which underpinned the recommendations from the bushfire royal commission.

The second point is that as we see demographic change in Victoria, so it is issues around bushfire risk also change. I appreciate that we have 52 of the most high-risk areas that have been identified, some of them within the electorates that we respectively represent, but we have seen and we continue to see a major change in this whole peri-urban location. The crest of those councils, those municipalities that are otherwise known as the interface councils — we have a lot of them that are now of a structure and have a demographic within them and have numbers of people within them that, even going back a decade, simply was not the case.

We know, of course, from the terrible experience of Black Saturday that there was an awful loss of life in those areas, and this risk extends again as demographics change. Down around Mornington along the peninsula, along areas such as that, along our coastal strips, we need to be very mindful of the fact that increasingly with passage of time the amount of risk which is there anyway because of the natural features of the topography and landscape and growth of flora — those are an issue in themselves, but they are being overlaid now by the way in which we have population growth occurring in Victoria in locations and at levels that once upon a time we as a state did not experience. From our point of view as a government we are very mindful of that issue.

Mr PAKULA — Minister, on page 128 of budget paper 3 is reference to the establishment of the bushfire response planning unit. On Radio 774 in August last year the now Premier said in regard to the implementation of the bushfire royal commission recommendations, ‘Well, I do not accept your analysis that it is billions and billions of dollars’. Minister, I suppose as a precursor, I ask you just to state for the record that the government remains committed to implementing each and every one of the 67 recommendations of the royal commission as they were laid down by the commission in its final report. Assuming your answer to that is yes, I would ask whether you have asked the department, or any government department, if it can provide you with the total cost of delivering on your commitment to implement each and every one of the bushfire royal commission’s recommendations, and if so, will you advise the committee what that cost is?

Mr RYAN — I thank you, Mr Pakula, for your question. The first thing is we are committed to the implementation of all 67 recommendations, so I renew that commitment to the committee.

On your second question, issues around the total cost of what ultimately this is going to be, sitting here right now I cannot tell you, and I cannot tell you that right now because there is work being done in a variety of forums, which means we are yet to be able to establish precisely what it will entail. For example, I have said to you this morning we have \$5 million committed in this budget to the buyback scheme. We are allowing for up to \$50 million in the course of these years for that scheme. I do not know as I sit here now whether it is going to be \$10 million or \$20 million or otherwise.

With the very greatest respect, the former government, when this proposition was advanced about the buyback scheme, responded by saying that it simply could not be met because the proposal, as I recall from the then planning minister, was that this could entail the purchase of 52 000 properties at a potential cost of \$20 billion. Now, that was a nonsensical thing to say, with all due respect to the then minister, but it does highlight how, until such time as we see these programs develop and we are able to work our way through them, I cannot answer what is really a very endgame question as to total cost. I can tell you the amount of money which we have allocated in the course of the budget to responding at the present time to what we know, and that is in the budget papers, but in terms of a final endgame, however many years down the track that may be, well, no, by definition I cannot, and I do not think I should be expected to.

The CHAIR — Thank you. You have a follow-up?

Mr PAKULA — I do, Chair. Minister, when you referred to the previous government, you said in September — —

Mr RYAN — Last year?

Mr PAKULA — Last year, not this year. Last year.

Mr RYAN — Or the year before?

Mr PAKULA — Yes, that is true.

Mr RYAN — Or the year before that?

Mr PAKULA — Last year.

Mr RYAN — Last year. Okay.

Mr PAKULA — You said that John Brumby had ‘a responsibility as Premier to provide much more detailed analysis than the flimsy press release his government has so far produced’. Now, you have made what I would describe as an open-ended commitment to all 67 recommendations. I would have thought it absolutely essential that in doing so you would have an idea of what the financial implication of that commitment is. In order to prepare your budget and your future budgets you must at least have an indicative range of what the total cost of your commitment to implement all 67 recommendations is, so if you cannot give us an exact dollar amount, and I accept that you cannot, can you at least give the committee an analysis of the indicative range of what you say it will cost to implement all these recommendations?

Mr RYAN — Just pardon me for one moment. Look, the first point is on the observations that you refer to that I made at the time. I do not know the context in which you put them or the press release that contained them.

Now presuming for the moment — and I emphasise ‘presuming for the moment’ — those comments related to the former government’s response to the purchase and resettlement scheme, then those comments stand. I believe that the commentary from the former government, which in effect said, ‘We are simply not interested in pursuing this initiative’, was the wrong response. It was framed in a way that I have already indicated, which demonstrated that there was absolutely no endeavour made to try to give any credibility for the basis of the response, such as it was. I believe, therefore, that in relation to the observations that I made and that you have just quoted — presuming, again, there is that nexus — those comments stand.

In terms of your next point — sitting here now — as to a total ultimate cost to the state of Victoria — —

Mr PAKULA — Or range.

Mr RYAN — Well, we are spanning — for example, we are looking at the powerlines issue, and we may have more discussion about that. That is in a context of taking the SWER lines in the high-risk areas first, doing them over a period of 10 years, before we then move to other SWER lines throughout the state of Victoria, and so on and so on. And then you come to the 22 kV line. I am saying to you that it is untenable at this point in time, as a matter of logic, to be able to say to you in any definitive way that right now the government can nominate a figure which is reflective of where that work may take us — and I am only just taking one topic.

Mr PAKULA — I just do not know how you can commit to something without knowing what it is going to cost.

Mr RYAN — Of course we can. Quite properly we can, and we should, and we did. I can say to you that the total funding commitment by the government to date is \$968.82 million, and that includes the total funding commitment of your government — the former government — of 867.3 million, topped up by the additional money, which takes it up to 968.82 million. That is the status of things right now, and in relation to the other aspects of how this plays out — either above or below — as I have just demonstrated to you I do not know what demand we will have from communities for the buyback scheme once we actually frame that. We just have to see how that sort of thing plays out. It might be more; it might be less.

Mr MORRIS — Deputy Premier, on the same theme but a slightly different subject, in relation to the line item of emergency services of \$3.1 million, I note that in the expanded commentary on page 55 the initiative also includes the neighbourhood safer places program. Can you indicate to the committee the approach the government is taking to provide additional last-resort shelter options so that the people who live in high-risk areas or are in high-risk bushfire areas have access to a range of contingency options relevant to their local community and their individual circumstances?

Mr RYAN — The access-to-shelter options in the event of a bushfire continue, understandably, to be of concern to people in high-bushfire-risk areas. The government certainly does support creating additional last-resort shelter options so that people in those areas do have access to a range of contingency options, should the need arise, for their personal protection. The number of neighbourhood safer places available to Victorian communities has increased in recent times. On 18 November 2010 there were 140 NSPs. Since that time an additional 31 NSPs have been designated. There are currently 171 of them that have been designated in the state.

We are aware that there are many communities that face a high risk of bushfire. They remain without a last-resort shelter option, such as an NSP. That underpins our decision to allocate \$13 million for a grants program to support councils and communities in establishing contingency shelter options. That program focuses on those 52 high bushfire-risk areas. In particular it focuses on delivering the new NSPs in the most challenging areas of the state. Work is well under way. Potential sites have been located in some of the highest areas, where it has previously proven difficult to identify and establish NSPs — such as in the Otways, in the Dandenongs and in the Macedon Ranges — and the government is going to fund the necessary work to ensure that these sites meet the strict CFA and municipal assessment criteria applied to NSPs to enable those designations to be made by the responsible council. That might mean a range of things. It might mean better access, it might mean vegetation clearance or it might mean a range of things which are required to be done to reduce the potential for radiant heat levels to cause tragedy.

The fire services commissioner is now working through this with local councils. There are many difficult sites, but that work is ongoing and the commissioner will continue that work with the councils in these locations with a view to exploring all other bushfire options. The government has also requested an analysis of the number of NSPs designated in Victoria to explore whether there are any policy process or legislative issues that may need to be addressed to deliver these additional last-resort contingency options, as was envisaged by the commission.

I conclude by saying that there are also issues here around people making sensible choices in a timely way. It is important for us as a government that we have in place appropriate mechanisms to provide the protections — that is true. And it is important for us as a government, and it is incumbent upon us, to be providing the appropriate warnings — that is true. But there is also an incumbency upon individuals to make sensible personal choices for their own welfare. Protection of one's life is the issue of primacy; you can always rebuild the house. What the tragedies that we saw happen in 09 disclosed to us is that if those choices are made in a responsible and informed way, then that is best calculated to save life. And if all else fails, I simply say to people: leave early, don't take the chance. Leave early; that is what history would say.

Mr SCOTT — I will take the Deputy Premier up on his generous offer to ask about the undergrounding of powerlines. Could I refer him to budget paper 3, page 73, and the funding for the Safer Electricity Assets Fund, and I ask: have you been briefed by any Victorian government department or agency or been advised by any power company of the cost of implementing the bushfire royal commission recommendation 27 on the undergrounding of powerlines, and can you advise the committee of the cost to the Victorian budget and the increase in power prices that would be borne by consumers?

Mr MORRIS — Chairman, we appear to be straying into the primary industries area, which I would have thought was a little bit outside the scope.

Ms HENNESSY — The Minister did invite the question.

Mr PAKULA — The Victorian bushfires royal commission finding.

The CHAIR — That is fine. I understand the point that is being raised about DPI, but what I will do is refer to the minister, who has responsibility for bushfire response, and clearly the minister is capable of answering this question.

Mr RYAN — I thank Mr Scott for the question. Just to deal with the initial point, this is being dealt with under the guidance of Minister O'Brien. The task force is, of course, within his department, so I do not have a direct association working with the task force and what it is doing.

Mr SCOTT — You did invite the question.

Mr RYAN — Yes, I am happy to answer it, but I just want to make sure that everybody understands where the protocols stand in the way in which the powerline task force is doing its job. The first thing to be said about this is that on that terrible day, Black Saturday, 5 of the major 11 fires were started as a result of power-related assets. As a direct result of those 5 fires, 119 people died. Accordingly, for any government of any persuasion to turn its back on these recommendations and not address them would be, I think, a disgraceful thing to do and lacking on the part of government. We simply cannot do this, because out of all of this, what we know — and history tells us — is that it will happen again, with absolute certainty.

This task force is going about its role. It has, as members would know, recently issued a discussion paper which flags a number of options about which the task force itself remains unresolved. It has now got that discussion paper out for public commentary, and we will ultimately see what the recommendations are. The task force released that consultation paper on 2 May. That was designed to inform its analysis on the most cost-effective options to implement the recommendations of the commission.

There are four alternatives that are set out in the document. The four of them reflect propositions, which would be: firstly, enhancements to the way the system is now operated; or the replacement of approximately 750 kilometres, or 1 per cent, of the bare overhead lines with underground cabling in the areas with worst fire consequences; or the replacement of 1700 kilometres, or 2.2 per cent, of the bare overhead lines with insulated overhead lines in the areas with worst fire consequences; or, finally, providing 2500 customers — that is, 0.01 per cent of the customers — with a stand-alone power supply and removing 5000 kilometres of rural powerlines, which constitutes 6.4 per cent of rural powerlines. We will see ultimately what the considerations of the task force take into account.

I say it is important in context that you look carefully at the recommendation itself, because it has various elements to it. Recommendation 27 talks firstly about the progressive replacement of, secondly, all the SWER, single-wire earth return, powerlines in Victoria with, thirdly, aerial bundled cable, underground cabling or other technology that, fourthly, delivers greatly reduced bushfire risk. The fifth point is that the replacement program should be completed in areas of highest bushfire risk — thus the reflection on the slide earlier — sixthly, within 10 years.

The seventh point is it should continue in, eighthly, areas of lower bushfire risk as the lines reach the end of their engineering lives, similarly with the 22 kV. The final point I would make on this is that those last words, ‘as the feeders reach the end of their engineering lives’, are critically important in context, because what we have asked the task force to do is look at the issue of what, in any event, would be the replacement cost of these lines if they were to exhaust their usual life by way of normal usage, completely divorced from the impact of bushfires.

Very obviously that is an extremely pertinent point in the sense of what obligations would government, community and the privatised sector be facing anyway, completely apart from whether the fires had happened or not. Otherwise you cannot get a net idea, in answer to the proposition Mr Pakula was putting before; it is just reflective precisely of the point. Until you do that sort of work we do not know what is the influence of the bushfires in all of this in what inevitably would have had to have been done anyway in some way, shape or form.

Mr SCOTT — Given the detail of the answer and the understanding of the issue that the minister is demonstrating, I am sure he has some idea of the cost and can enlighten the committee with that.

Mr RYAN — Mr Scott, the very last person you would want postulating the ultimate cost for a program such as this would be someone in political circles. What we need to do with this is let the process in place take its course.

Mr SCOTT — That is an extraordinary statement.

Mr RYAN — No, it is not an extraordinary statement. What governments of all persuasions do is receive advice from those people who are best able to provide it.

Mr SCOTT — Minister, the Public Accounts and Estimates Committee — —

Ms HENNESSY — We are talking about the budget.

Mr RYAN — There is a task force that has been established which comprises people who have the expertise to provide advice to government. Ultimately we will assess that advice, and we will make the call on what the amount of money is to be. But we will receive the advice from those who are best equipped to give it, and in so doing we are doing no more and no less than what a government of any persuasion does in relation to these critically important issues.

Mr ANGUS — Minister, I refer you to budget paper 3, pages 268 and 269, in relation to the planning and community development outputs and the heading, ‘Investing in communities’ in relation to local government. You did touch on this to some extent in your presentation, but my question for you to expand to the committee is: what assistance is being provided to local government to facilitate the implementation of the Victorian bushfires royal commission’s recommendations?

Mr RYAN — This issue of the concerns that have been expressed, understandably, by local government about the potential for cost is something we have been very keen meet. To assist with local planning the government has allocated \$11.3 million for local government to employ five staff members through the Municipal Association of Victoria and 25 emergency management coordinators for 34 councils in the high fire-risk areas. This is together with \$250 000 for equipment and office requirements to enable this all to be put in place. A further \$500 000 was provided for the MAV to allocate to councils with additional needs. The funding is administered by my department through DPCD. The fire services commissioner chairs a steering committee that determines the funding allocations to the councils.

In terms of the recruitment of the emergency management fire coordinators for an initial 12-month period, that is nearing completion. The new positions are intended to assist councils to meet their statutory obligations to deliver on the commission’s recommendations and to improve their capacity to perform their various roles and functions relating to fire in the context of emergency management.

To ensure that the funding continues to be best matched to need across the state, the fire services commissioner, who is absolutely fundamental to the way these processes have been established and are being put in place, will conduct a review within the initial 12-month period to determine these ongoing needs and the workload. The steering committee, which he chairs, will determine whether this period should be extended or reallocated to address the unmet needs of other municipalities. It was announced in the 10–11 budget and was included in this government’s election commitments, and in addition to that there is another \$15 million to assist local government to meet emergency management planning obligations in a variety of ways. In the interests of time, and Mr Pakula is obviously getting plum tuckered out here — —

Mr PAKULA — It is day five of hearings, Minister.

Mr RYAN — You have my greatest sympathies, Mr Pakula.

By a variety of other means, there is money that is being made available, but the critical point is that we do as a government understand the pressure on local government, and we have moved to meet it in the course of the budget.

Ms HENNESSY — Minister, I refer to the answer you provided to Mr Scott’s question, and I ask: will the government commit to placing a cap on the increase in household power bills as a result of power companies implementing government policy to fully implement recommendations relating to electricity-caused fire?

Mr RYAN — We are at what I think can fairly be said are the embryonic stages of dealing with this in terms of the scope of the problem, the means in which whatever option is eventually determined can then be implemented and then necessarily the costing around how that is to occur. There will be a \$50 million contribution from us as a government. We are also looking for another \$50 million to be contributed by the sector. That will be \$100 million that is there and on the table. How that ultimately plays out I simply do not know. I am unable to say. We are at the stage of the task force having released its document for public consideration on 2 May. We will see what comes of all of that.

Ms HENNESSY — So effectively you are saying you cannot commit.

Mr RYAN — Ms Hennessy, do not try and put words in my mouth. I have said — —

Ms HENNESSY — There was a question mark at the end of that, not an exclamation mark, Minister.

Mr RYAN — I have said what I have said in terms of this issue, and I am not going to have you or anybody else put words in my mouth. I stand by the answer I have just given.

The CHAIR — Thank you, Minister; that is excellent.

Mr O'BRIEN — I refer you, Minister, to budget paper 3, under the justice output initiatives, and the heading, 'Emergency service and volunteer organisations'. I ask you to outline in relation to that an initiative of \$20 000 of funding in the 2011–12 budget for a community fire drill program, and I ask you if you could explain how the government is delivering on its election commitments to conduct this pilot program so as to ensure that fire-prone communities are ready to respond in the event of bushfire.

Mr RYAN — The point of this campaign promise, which is kept as a result of this allocation, is essentially around the notion that human nature is an extraordinary thing. The CFA found, for example, that even last summer, when it went to undertake courses which were designed to better inform communities about how to meet the ever-present threat of bushfire, it simply had very few people turning up. It is an extraordinary circumstance when you think of it that still in the shadow of the horrors of 2009, people had moved on and were not attending these programs. I know the same thing happened when I launched the Fire Ready program in December. The CFA was around doing 40 locations, I think, across the state, and a similar sort of circumstance applied.

What underpins this issue is enabling us to make sure we are properly prepared for the inevitability of the return of fire. This was an election commitment, as I have said. It provides \$20 000 to this fund for the community fire drill programs. It is intended to ensure that fire-prone communities are able to practise and to improve the emergency bushfire safety plans. What the budget does is to deliver on that funding commitment, and as a result of the fire emergency services, including Victoria Police, being able to participate in this, what we will see is the conduct of community fire drills this year, as a pilot, in two of the high bushfire risk communities. The drills will test simulated responses across the whole of the community and the agencies to the threat that is presented by fire. It will test the issue of whether people do have their fire plan, whether it is to an appropriate standard and whether it needs modification. It will put all of those things to the test. The drills will help communities understand the changes that have been made to our bushfire safety policies in their various forms. If the drills prove successful, and I am very hopeful that such will be the case, we will look at extending the program to other bushfire-prone areas as a regular part of preparing for the bushfire season. The annual drills are also intended to help communities understand the changes that have been made across a whole-of-government perspective in the treatment of bushfire.

The bottom line is that we as a state have to change the culture of the way in which people view the ever-present threat of bushfire. It is no longer any good to look at this on a responsive basis; we have to be doing this on a basis which properly equips people for the inevitability of this happening again. Just as we deliver health services, police services and educational services on an all-year-round basis, our communities need to understand that that is how you have to view this ever-present threat. It is what underpins the commitment we have made to the recommendation dealing with increasing the preventive burning. It underpins everything that we are doing in this area, and this is an element of that approach.

Mr PAKULA — Minister, I go back to the budget output for the bushfire response planning unit on page 128. The Municipal Association of Victoria had previously agreed for local government's response to the bushfire royal commission recommendations to be examined by the bushfire implementation monitor. As a result of the government's legislation they have determined now not to be part of the regime that you have established. Are you going to compel local government to come under the power of the monitor?

Mr RYAN — I am sorry, what was the last part of your question?

Mr PAKULA — Are you going to take any action to compel local government to come under the power of the monitor?

Mr RYAN — Thank you, Mr Pakula. I understand that local government, through the MAV, continues to participate in the process. I understand that they are an active contributor to what is now under consideration by

the implementation monitor. Ms Armytage is deeply involved in that whole process, and perhaps I will ask her to offer her commentary about it.

Ms ARMYTAGE — I continue to chair a meeting every Tuesday morning at 8.00 a.m. which brings together the agencies across government, including Rob Spence from the Municipal Association of Victoria. We go through the response to each of the recommendations and the progress on our implementation and regularly report to the minister in terms of how that is progressing. The MAV continues to be very active in their engagement in terms of those forums, and as the minister has already indicated, funds have been allocated to both the MAV and local government areas where there is high risk so they are able to implement their responses, most particularly around such things as the township protection plans. They give the advice in terms of the neighbourhood safer places, and it is fair to say that we have a very high level of active engagement with them.

Mr PAKULA — Thanks, Ms Armytage. I am happy for either the minister or Ms Armytage to deal with the follow-up. I understand that they participate, but it is also my understanding that they no longer want the monitor to formally cover them as a result of their view that the legislation is too heavy handed. Is it your evidence that that is not the case and that they are happy to be formally covered by the monitor?

Mr RYAN — I will have first chop at that to say that is absolutely news to me. Apart from anything else the MAV understands that pursuant to the legislation which was brought to the Parliament by the former government they have legal obligations. It is not a question of their being able to opt in or opt out — they are in.

Mr PAKULA — Of the regime in the legislation. You are saying they are in the regime.

Mr RYAN — There are elements of obligation upon them in relation to the NSPs. They have a role to play there, and for them to step outside that in the manner that you now postulate I would find very surprising.

Mr PAKULA — I understand the shadow minister raised it in the second-reading speech, so I do not know how it is news to you.

Mr RYAN — It is news to me in the sense that the MAV would be wanting to actually do that when they understand clearly that they have a fundamental role in establishing the locations of NSPs, but I will hand over to Ms Armytage.

Ms ARMYTAGE — If I can add, Chair, obviously as part of the monitoring of the implementation the monitor or one of his delegates attends those meetings on a Tuesday morning. One of the areas that he has identified and has had discussions with us about, including the MAV, has been things like the development of the township protection plans, how adequate they are and whether there is further refinement that might be done to those plans. Local government areas that are developing those plans have been working very closely not only with the MAV but also with the fire services commissioner, because the fire services commissioner has been highlighting what needs to be done in relation to those and also in the identification of NSPs. So the fact that the monitor is present at those meetings and the MAV and local government will be therefore submitting their plans for the scrutiny of the monitor I think makes it clear they are cooperating with the process.

Mr PAKULA — Just a point of clarification.

The CHAIR — Could you just hold on?

Mr RYAN — Having sought advice from Mr Robertson, I come to the point that I think you are looking to raise.

Mr PAKULA — The opt in.

Mr RYAN — Yes, the opt in — the concern they have about the capacity of the implementation monitor to have application to them and their compliance with what he is doing.

Mr PAKULA — And they have to opt in for that to be the case.

Mr RYAN — Yes. I acknowledge that they do have some concerns in that regard, but I want to make it clear that as an area of responsibility the MAV are accepting of their responsibility to participate, and I do not think you are seeking to cast any aspersions.

Mr PAKULA — Absolutely not.

Mr RYAN — Far from it. So let us get that clear: they are participating in the manner that one would hope. Their concern is confined to this issue of the actual application of the monitor to the way in which they participate in the opt-in provision. Inasmuch as we need to have further conversations with them about that, we will do it. The basic aim here, obviously for the fact of the enormous amount of money which we are looking to contribute through the budget to local government, is to get best outcomes for everybody in these communities. If there appears to be some sort of element of that that we can have a talk to them about to better achieve that basic aim, we will certainly do that.

The CHAIR — Thank you, Minister, for responding to Mr Pakula's five questions.

Mr PAKULA — To be fair, Chair, I was just trying get clarity.

Mr RYAN — Indeed.

The CHAIR — Therefore I will move on and refer the minister to BP3, page 252, relating to emergency management capability, and I ask: can the minister explain how the government is delivering on its commitment to establish a grants program worth \$5 million in this first term of government to fund local common-sense solutions to alleviate the risk of fatal bushfires?

Mr RYAN — Thank you, Chairman. This particular program goes to a point about which we all hear an enormous amount of commentary, particularly in the ranks of the CFA volunteers, and that is that local knowledge is essential knowledge in being able to deal with the threat of fire.

As you have referred to, Chairman, there has been made an election commitment of the government to establish this \$5 million grants program, which is intended to fund what are termed local solutions to help bushfire-prone communities to be made safer. This fire-ready communities program has been developed to improve the preparedness within the 52 high-risk communities by funding local initiatives to improve preparation, fire awareness and education. It is a program that enables very flexible grants to fund local common-sense solutions. The funding is delivered in the budget for this program as part of the \$1 billion Regional Growth Fund, and the program will provide flexible funding to identify high-risk communities and to support those innovative locally identified and locally managed projects to make these communities safer.

A steering committee which is being chaired by my department will determine the funding allocations, and it will enable the communities to consider environment locally and to understand the risks, to understand importantly their own capacity to deal with the threat of fire, because as we have seen all too tragically there are people who have aspirations as to what they might be able to do but in fact when the horrible reality is upon them history would say tragedy strikes. It is intended also to understand the risks and plan realistically for strengthening their response, and it is intended to find local solutions.

The program aims to build resilience through engaging and cooperating with local communities, and it will be open to applications from community groups and councils, with \$2 million to be provided during the first year of government.

We have every confidence that this program will bring forth some innovative ideas, and indeed I remember in the course of a visit to the Dandenongs there was a proposition put to me by local people there that if they had a means whereby they could do their vegetation clean-up under the 10/30 rule and be able to get vegetation away from their homes, they then inherited a problem simply because it was a case of what they would have to do to be rid of what had been cleared. A proposition was advanced that a couple of big blue skips could be located locally to enable the community to contribute their material, and under this program there would be a means of that cost being met. That is the style of thing we are after, and I think the program will be very successful.

Mr SCOTT — Deputy Premier, I want to pick up on your theme of protecting local communities. I refer you to budget paper 3, page 128, 'Bushfire response planning unit', but the question I have is: can you

guarantee that all the roads in and around the 52 most high-risk townships that are currently closed due to the flood events in January 2011 will be repaired and opened before the commencement of the bushfire season in October?

Mr RYAN — Thanks, Mr Scott, for the question. As we all know, we have a lot of our northern regions in particular that continue to suffer the consequence of the floods, and indeed when I was in Echuca only a couple of weeks ago talking to the 12 councils which comprise the Loddon, Campaspe and Murray group of councils, they talked about this issue in the sense of damage to local roads and to rail, and at that stage I know from memory that Gannawarra shire was still 10 per cent under water, which is an extraordinary thing when you think of it. The councils themselves are moving as quickly as possible to be able to conduct the appropriate repairs, and the committee will be aware that not only have we as a government taken significant steps in that regard to ensure that they are reimbursed for those emergency expenses they have had to outlay — and a lot of that is to do with the point that you raise, Mr Scott — but we have also arranged with the councils that if they can provide to us the cost of what is anticipated will be needed to conduct those further repairs, once it comes through DTF it will be audited by VicRoads and we will pay those councils 50 per cent up front of the anticipated cost before they actually get out there and have to swing a shovel.

It then goes to the point you make: the capacity of those councils to be able to conduct those repairs to the extraordinary degree which we need that work to be done is something within their province. They are, I can assure you, working hard to do it, and as I roam around particularly those northern parts of the state I am in close contact with the councils, as is the Minister for Local Government. The aspiration is to get that work done as quickly as it can possibly be achieved. We are doing what we possibly can to help local government to bring that about, and we will need to see how those efforts play out.

Mr SCOTT — If you are unable to do so now and unable to respond directly to the issue of guaranteeing that they will be repaired, could you provide on notice the information you can about the particular councils and the expected time lines for repairing those roads?

The CHAIR — Specifically?

Mr SCOTT — The roads around the 52 most high-risk townships.

The CHAIR — Minister, as you will.

Mr RYAN — The difficulty I have, Mr Scott, is that while I do understand the rationale for putting the question, the response to it really does not lie in my hands. We as a government are not responsible for effecting the repairs. We are enabling it to happen by providing the cash.

Mr SCOTT — Would a number of those roads be VicRoads roads?

Mr RYAN — Some of them will.

Mr SCOTT — You could certainly respond in terms of VicRoads.

Mr RYAN — Insofar as VicRoads roads are concerned — I must say I would have thought the higher percentage by far is to do with local roads. For those of us who have roamed those roads — I am sure you have also, Mr Scott — —

Mr SCOTT — I have not heard of a minister roaming in this forum before.

Mr RYAN — I will take it on notice and ask the Minister for Roads if it is that somehow or other, in whatever form, we can bring some information back to the committee. I know you are not for one moment intending to cast any sense of aspersion either — I freely acknowledge that — but I am able to tell you they are working flat stick out there to get this work done. But inasmuch as we can bring that information back to you, yes, we will do that.

Mr PAKULA — Do you go gloaming in the roaming?

The CHAIR — Thank you, Minister. This brings to a conclusion budget estimates for the bushfire response portfolio. I thank Ms Armytage, Mr Leech, Mr Robertson and Ms Crouch for their attendance.

Witnesses withdrew.