



ORGANISATIONAL STRUCTURE

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# 10 ORGANISATIONAL STRUCTURE

The structure of Victoria's fire agencies is of long standing. The Department of Sustainability and Environment has links to the early 1900s, when its equivalent was the Department of State Forests. Firefighting brigades, representing the interests of municipalities, insurance companies and businesses, have been working in fire suppression throughout metropolitan Melbourne since 1845, and volunteer bushfire brigades have been working to suppress fires in rural and regional Victoria since 1926. The *Fire Brigades Act 1890* established the organisational structure of brigades that is still in effect today.<sup>1</sup>

The Commission acknowledges this long history of fire agencies. The events of 7 February 2009 tested the arrangements, however, and it became apparent to the Commission that some organisational factors inhibited the fire authorities' response on the day. There were serious deficiencies in the top-level leadership arrangements as a result of divided responsibilities, and the full potential of the operational capability that was available was not exploited because of differences in processes and procedures.

The Commission proposes the introduction of a new position of Fire Commissioner to lead the fire services and to undertake a program aimed at improving integration and interoperability between the different fire agencies. The occupant of the new position would also perform the role of State Controller under Victoria's emergency management framework.

Changes in the manner in which Victoria's fire services are funded are also warranted, and abolition of the Fire Services Levy is recommended. Further, revision of the geographic boundary delineating Metropolitan Fire and Emergency Services Board and Country Fire Authority areas of responsibility is proposed.

## 10.1 CURRENT ARRANGEMENTS

Three entities constitute Victoria's fire agencies, dating back to the *Fire Brigades Act 1890* and the *Forests Act 1907*. Their responsibilities are allocated according to the location of incidents within or outside the metropolitan fire district and whether land is publicly or privately owned.<sup>2</sup> Details of the organisations' human and financial resources are provided in Chapter 2 of Volume I as context for the discussion of the fire response on 7 February. The focus of this chapter is more on the governance and organisational structures than the workforce and resource base, however the remainder of this section is provided by way of background.

The CFA appoints a Chief Officer, and the operational equivalents in Department of Sustainability and Environment and Metropolitan Fire and Emergency Services Board are referred to as Chief Fire Officers. Collectively these officers are referred to here as Chief Officers for ease of reference. The organisational arrangements discussed in this chapter are those that applied on 30 June 2009 and were typically the arrangements applying on 7 February. The Commission notes from evidence provided by the Secretary of the Department of Justice that some changes to these structures have since been made.<sup>3</sup>

### 10.1.1 THE COUNTRY FIRE AUTHORITY

The Country Fire Authority was established in 1945 and operates under the *Country Fire Authority Act 1958*.<sup>4</sup>

It is responsible for fire and emergency services (outside the metropolitan fire district) on private property throughout Victoria.<sup>5</sup> In addition to fire suppression, the CFA is involved in planning decisions, fire prevention programs and, most recently, provision of advice on community refuges and bushfire shelters.<sup>6</sup>

The CFA is a statutory authority with a government-appointed board, which is responsible to the Minister for Police and Emergency Services.<sup>7</sup> The organisation is headed by a Chief Executive Officer supported by seven directors, including the Chief Officer.<sup>8</sup> Figure 10.1 shows the CFA's organisational structure as at 30 June 2009.

The agency has a mix of equipment and resources to support its urban and rural firefighting activities and a large personnel base:

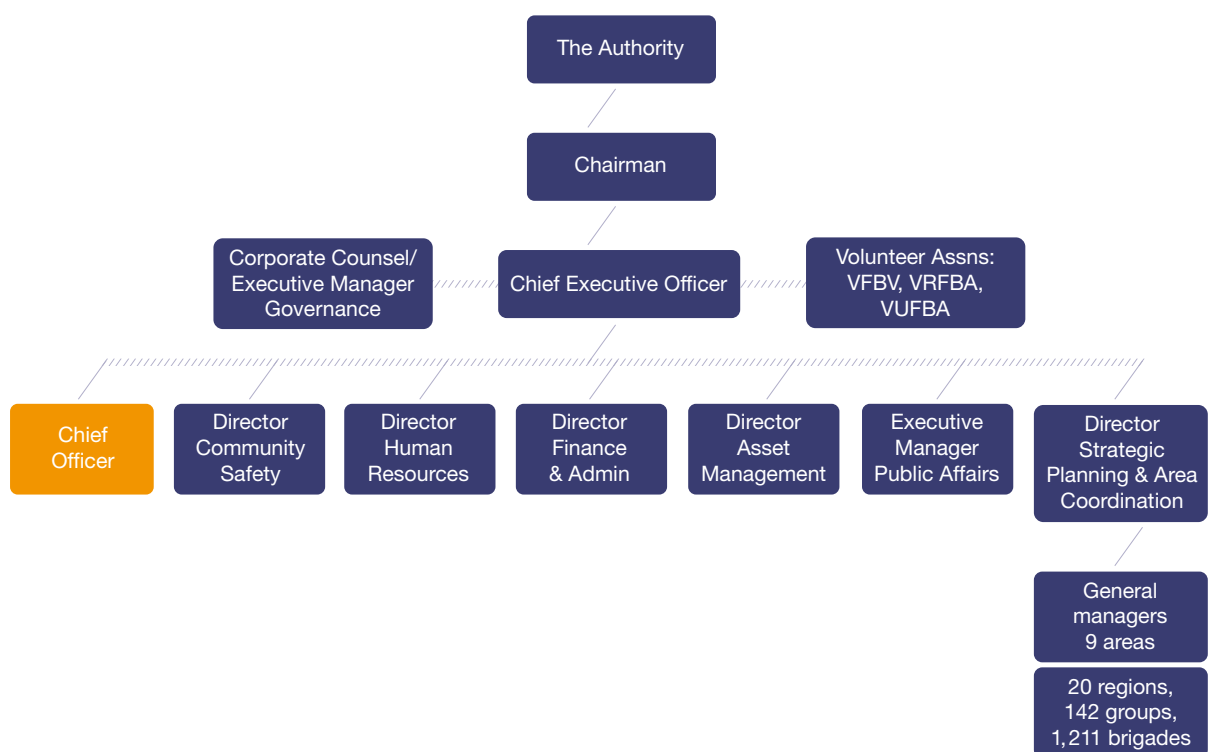
- some 60,000 volunteers—including more than 30,000 operational volunteers
- almost 2,000 employees—including more than 500 career (paid) firefighters.<sup>9</sup>

Chapter 2 in Volume I provides additional information about resourcing for the CFA.

A matrix management model is used to organise staff into seven directorates within CFA head office, nine general managers in area offices and 20 operational regions.<sup>10</sup> The Commission was advised that, like most Victorian government agencies, the CFA is moving its regional boundaries to align with those delineated in the State's social policy framework, A Fairer Victoria.<sup>11</sup> Firefighters are organised into 1,211 brigades, managed in 142 'groups' throughout Victoria; this includes 31 integrated stations operated by career and volunteer firefighters, which are typically located in outer metropolitan Melbourne and major regional centres.<sup>12</sup>

The CFA's large volunteer base offers comprehensive coverage of Victoria and considerable surge capacity for rural firefighting. As the organisation's Chief Officer, Mr Russell Rees, put it, this is a 'real strength for CFA'.<sup>13</sup> It is also a cost-effective way of delivering fire services, and it plays an important part in the life of many Victorian communities.<sup>14</sup>

Figure 10.1 Country Fire Authority organisation, 30 June 2009



Source: Drawn from Exhibit 855 – CFA Annual Report 2009.<sup>15</sup>

### 10.1.2 THE DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

The Department of Sustainability and Environment is responsible to the Minister for the Environment and Climate Change, the Minister for Water, and the Parliamentary Secretary for Water and Environment.<sup>16</sup> DSE derives its primary legislative responsibilities relating to fire from the *Conservation, Forests and Lands Act 1987*, the *Forests Act 1958*, the *Country Fire Authority Act 1958*, the *Emergency Management Act 1986* and (for fire management on public land) the *National Parks Act 1975*.<sup>17</sup> DSE was created under the *Public Administration Act 2004* and evolved from the Department of State Forests, established in 1907, and more recently the Department of Natural Resources and Energy.<sup>18</sup>

At 30 June 2009 DSE was headed by a Secretary supported by one Deputy Secretary and three General Managers heading three offices.<sup>19</sup> One of these offices is Land and Fire Management, where the Chief Fire Officer and the Director Land and Fire Services report to an executive director. The Chief Fire Officer is responsible for managing fire on public land, including developing and maintaining fire management plans, prescribed burning programs and emergency response, although he (or she) is reliant on the Director Land and Fire Services, who manages 750 staff on the ground.<sup>20</sup> Figure 10.2 shows DSE’s organisational structure as at 30 June 2009.

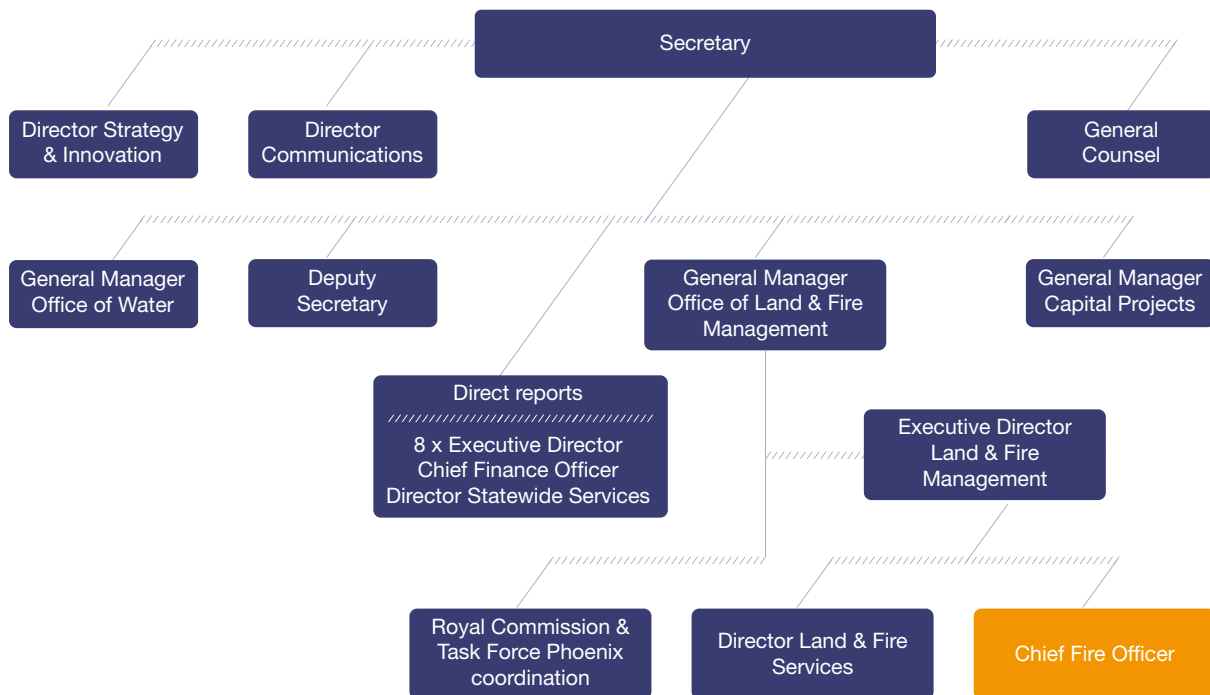
Victorian government departments (among them DSE) are organised according to the eight administrative regions set out in A Fairer Victoria. DSE fire organisations, however, continue to be organised into five fire regions and 18 fire districts.<sup>21</sup> The Commission heard evidence that DSE is committed to realigning its fire and emergency management planning and exercises consistent with the administrative regions.<sup>22</sup> Having also been advised that the CFA is changing to reflect A Fairer Victoria’s regions, the Commission considers it advantageous for fire management within DSE to do the same.

DSE’s firefighting equipment and resources are primarily designed for forest firefighting.<sup>23</sup> The department has access to the following firefighting personnel:

- 2,700 staff across the state with defined fire roles, of which more than 1,200 are on-ground firefighters
- 700 project or seasonal firefighters during summer.<sup>24</sup>

DSE coordinates the Networked Emergency Organisation, consisting of public sector agencies that contribute people and resources to fire management on public land—Parks Victoria, Melbourne Water, VicForests, the Department of Primary Industries and the Department of Planning and Community Development.<sup>25</sup>

**Figure 10.2 Department of Sustainability and Environment organisation, 30 June 2009**



Source: Drawn from Exhibit 857 – Department of Sustainability and Environment Annual Report 2009.<sup>26</sup>

### 10.1.3 THE METROPOLITAN FIRE BRIGADE

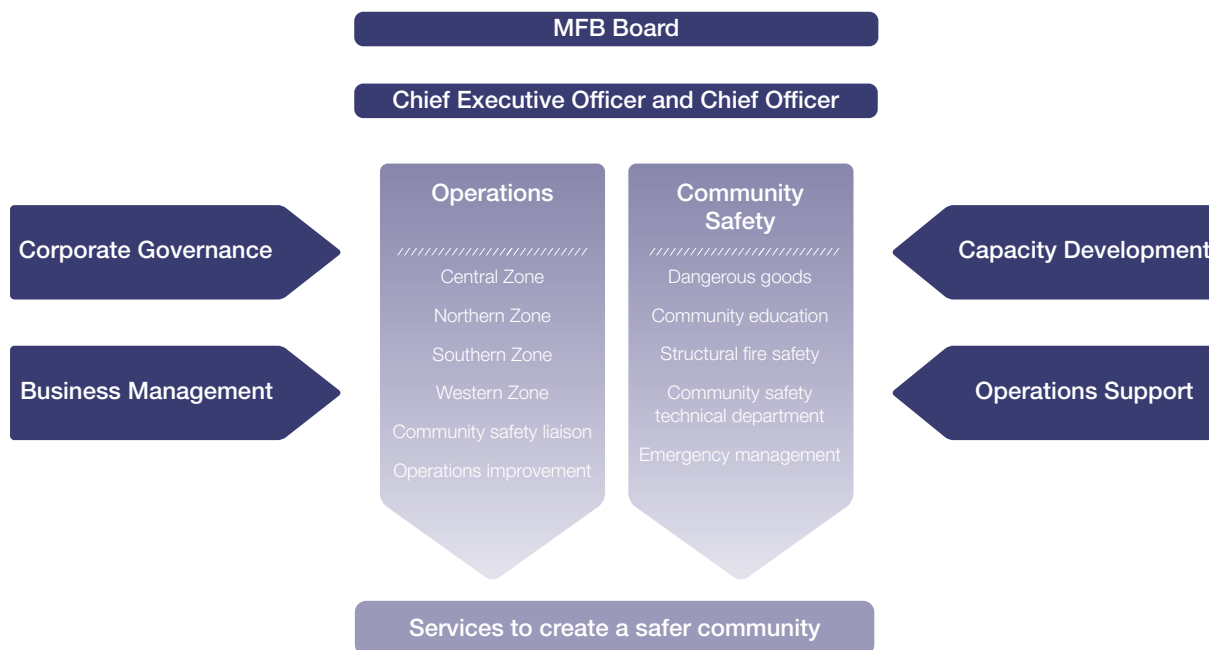
The Metropolitan Fire Brigade (formally known as the Metropolitan Fire and Emergency Services Board) was established in 1891 under the Fire Brigades Act. It currently operates under the *Metropolitan Fire Brigades Act 1958* and is responsible for fire and emergency services in the metropolitan fire district. This district was originally defined as a circle centred on the GPO in Melbourne and with a radius of 10 miles (about 16 kilometres). This was expanded, most notably in the 1960s, to include much, but certainly not all, of metropolitan Melbourne.<sup>27</sup>

The MFB is a statutory authority governed by a board appointed by government; the board is responsible to the Minister for Police and Emergency Services.<sup>28</sup> The Chief Executive Officer heads the organisation and also holds the position of Chief Officer. The CEO is supported by seven directors, including one appointed Chief Fire Officer, to whom four zone managers responsible for overseeing operations report.<sup>29</sup> Figure 10.3 shows the MFB's functions as at 30 June 2009.

The MFB employs over 2,000 staff, of which more than 1,700 are career firefighters.<sup>30</sup> It is 'a very highly urbanised brigade', maintaining in the metropolitan fire district 47 stations organised into four zones requiring 269 operational staff per shift.<sup>31</sup> Its equipment is generally not suited to off-road operations, and static, reticulated water is usually required.<sup>32</sup> When necessary, the MFB does provide a response outside the metropolitan fire district, in an arc within an hour's travel time along major transport routes.<sup>33</sup>

Both the MFB and the CFA come within the purview of the Department of Justice.

Figure 10.3 MFB functions, 30 June 2009



Source: Drawn from Exhibit 856 – MFB Annual Report 2008–2009.<sup>34</sup>

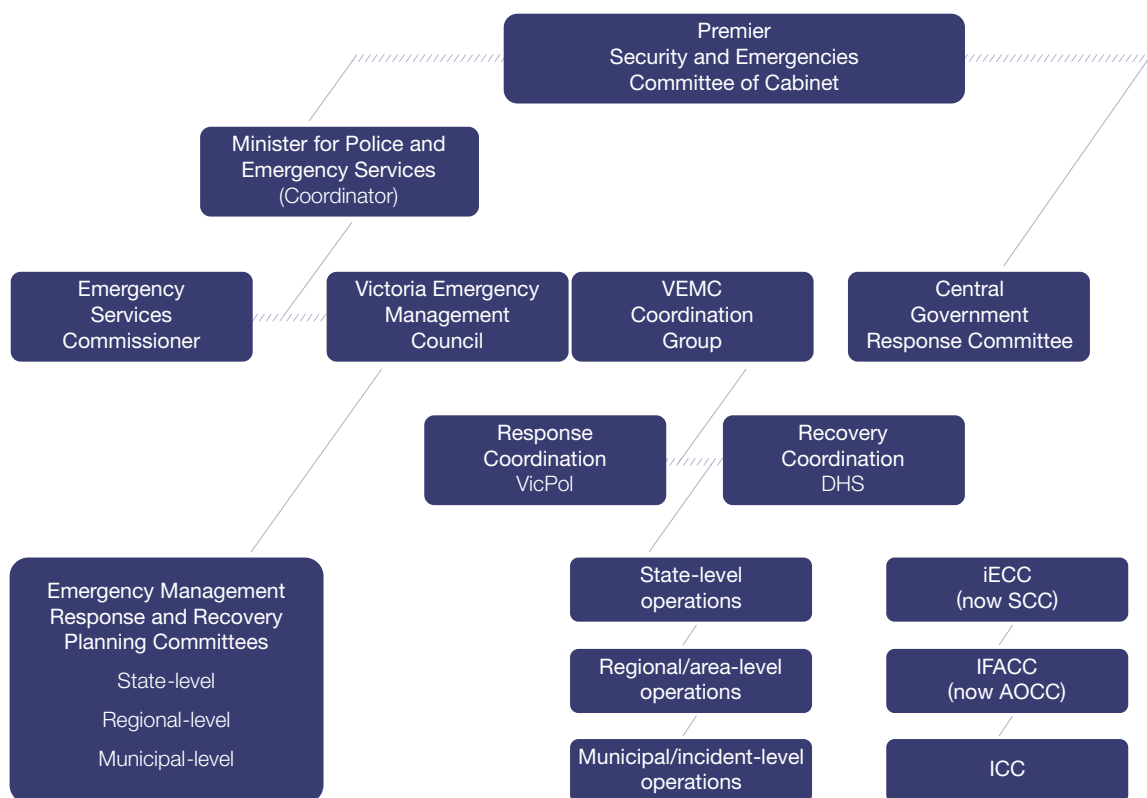
### 10.1.4 OTHER BODIES AND COORDINATION ARRANGEMENTS

Victoria has a multi-agency framework for emergency management, and arrangements are governed primarily by the Emergency Management Act. Specific emergency management arrangements are generally detailed in the *Emergency Management Manual Victoria*, although some arrangements are established directly between organisations.

Figure 10.4 shows the State’s emergency management operational arrangements. The arrangements are not necessarily mandated in legislation, but they are central to the Government’s planning of, response to and recovery from emergencies. The figure is taken from the *Emergency Management Manual Victoria*. The Commission identified where the integrated Emergency Coordination Centre (now the State Control Centre) sits within the overall structure; this is the centre from which bushfires are managed at the state level.<sup>35</sup> It also identified integrated fire agency coordination centres (now area of operations control centres), where bushfires are managed at the regional level, and incident control centres, where bushfires are managed at the local level. This is further discussed in Chapter 2.

Insertion of the three levels of operational response for fire reflects the State’s overall emergency management structure.

**Figure 10.4 Emergency management across agencies for operations**



Source: Exhibit 831 - Emergency Management Manual Victoria.<sup>36</sup>

The roles and responsibilities of the Emergency Services Commissioner and Victoria Police are discussed in Chapter 2 of Volume I and in Chapter 2 of this volume.

**10.1.5 INTEROPERABILITY**

Each fire agency is governed and managed independently. In practice, however, as on 7 February, there are degrees of interoperability between the agencies:

- coordinated operational management between the CFA and DSE—such as regional and local joint control centres and co-location at the integrated Emergency Coordination Centre in Melbourne<sup>37</sup>
- joint incident management teams<sup>38</sup>
- joint standing operating procedures between the CFA and DSE<sup>39</sup>

- joint management of the Victorian Bushfire Information Line by the CFA and DSE<sup>40</sup>
- statewide strategies such as the 2008 Living with Fire strategy and joint fire prevention programs<sup>41</sup>
- integrated operational units such as the State Aircraft Unit<sup>42</sup>
- mutual aid agreements through memoranda of understanding between the MFB and the CFA that help both agencies respond on either side of the metropolitan fire district boundary<sup>43</sup>
- the Emergency Services Telecommunications Authority's provision of services to both the MFB and the CFA.<sup>44</sup>

## 10.2 THE NEED FOR OPERATIONAL IMPROVEMENT AND REFORM

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The Commission heard evidence of examples of successful management of resources across agencies on 7 February.<sup>45</sup> There were, however, also instances of existing arrangements hindering operational performance, demonstrating that change is required.<sup>46</sup> The Commission developed its understanding of the operational strengths and weaknesses in order to ensure that any recommendations it makes target them well. The remainder of this section summarises the main shortcomings with implications for organisational structure. Operational shortcomings dominated, followed by matters of policy, at times reflected in legislation, and governance, which in some cases diluted and confused the chain of command.

### 10.2.1 OPERATIONAL SHORTCOMINGS

#### Unambiguous leadership and unity of command

On 7 February there was no single person in charge of operational planning, tasking and accountability. Responsibilities were divided between the CFA, DSE, the Chief Commissioner of Police, and the Emergency Services Commissioner. The two Chief Officers were responsible for the prevention and suppression of fire by their respective agencies. The Chief Commissioner of Police was responsible for coordination across agencies and ensuring the adequacy of public warnings.<sup>47</sup> The Emergency Services Commissioner advised and kept the Minister for Police and Emergency Services informed.<sup>48</sup>

This divided responsibility and accountability reflects arrangements in the Emergency Management Act, the Country Fire Authority Act and the *Emergency Management Manual Victoria*. It also reflects past practice and administrative arrangements agreed between agencies and with the minister. This meant that cooperation and coordination were the only viable approaches for managing the emergency on the day, since neither bushfire control agency nor anyone else had pre-eminence over the other in a statutory or practical sense. As a consequence, there was no cohesive and unambiguous leadership structure. This matter is further considered in Chapter 2 of this volume.

At the incident level, the appointment of Incident Controllers reflected which agency had legislative responsibility for the fire—DSE on public land and the CFA on private land. This was supported by a longstanding practice by the agencies but did not always result in the most appropriate person being appointed (see Chapter 2). Where control lines were not clear—for example, with the Alexandra Incident Management Team, where CFA Group officers continued to manage CFA resources—problems arose.

Implementation before the 2009–10 fire season of the new coordination, command and control arrangements (as detailed in Chapter 2) was an acknowledgment by the State that the arrangements on 7 February were unsatisfactory. Importantly, this also led to the designation of a single State Controller in the revised *Emergency Management Manual Victoria*.<sup>49</sup>

### Duplication of systems and resources

Despite the best efforts of many in the CFA and DSE, and a memorandum of understanding promoting cooperation, the two agencies' systems were not aligned. Information could not always be transferred between the agencies, and nor could they readily or fully gain access to each other's systems (for example, mapping).<sup>50</sup> This made it harder for agencies to respond when a decisive response was most crucial. The failings in information sharing and management also had severe consequences for people making decisions on the fireground, potentially putting lives at risk.

- *Unity of effort.* There were instances of CFA and DSE staff planning and preparing together and coordinating arrangements before 7 February. For example, the CFA and DSE Chief Officers appeared together at statewide media events foreshadowing the conditions for 7 February and, at the local level, joint incident management teams prepared and practised before the day.<sup>51</sup> There were also instances of staff from both agencies failing to prepare cooperatively. Effective cooperation appeared to depend on local arrangements and individual initiatives.<sup>52</sup>
- *Duplication of resources.* The duplication of resources between the CFA and DSE in mapping, IT, information systems and manual uploading of warning information contributed to a lack of information collection, analysis and dissemination on 7 February. This led to weaknesses in public bushfire warnings and contributed to some warnings being delayed or not issued at all. In the Murrindindi fire, for example, the response was managed from two separate facilities in the same town, without coordination between the DSE and CFA teams.<sup>53</sup> The Commission considers this unacceptable.
- *Information requirements.* On 7 February the incident management teams managing the Beechworth–Mudgegonga, Bendigo, Churchill, Kilmore East and Murrindindi fires did not produce an incident action plan, incident action plan summary or incident shift plan.<sup>54</sup> For these fires, which the Commission examined closely, essential information was not fully recognised, demanded or provided. This included wind change advice, warnings to the public and updates provided to the integrated Emergency Coordination Centre. Under the acute conditions on Black Saturday, too much emphasis and firefighting effort was devoted to 'putting out the fire' and not enough to 'putting out the information'.<sup>55</sup>
- *The State Aircraft Unit.* The State Aircraft Unit reports directly to the Chief Officers of the CFA and DSE. It is an example of how agency resources can be jointly managed effectively, avoiding duplication and without the individuals concerned leaving their parent agencies.<sup>56</sup> The Commission discusses the unit's operational performance on 7 February in Chapter 3; suffice it to say here that this organisational arrangement has merit. A similar arrangement could be considered for areas such as information, prediction and resourcing.

### Accreditation of Incident Controllers

There are substantial differences in the training and accreditation of CFA and DSE Incident Controllers, despite both being required to do the same thing. DSE developed and maintained an effective Incident Controller accreditation program that both agencies trialled. Subsequently the CFA chose to continue with an existing system based on the Chief Officer's endorsement of Incident Controllers rather than a system of accreditation. The Commission discusses this in Chapter 2 and concludes that the CFA approach is inferior.<sup>57</sup> The failure to align accreditation processes was a significant systemic shortcoming that demonstrated the apparent difficulty of reconciling operational systems and approaches between agencies.

### Maintaining decentralised control

The Commission confirms the effectiveness of AIIMS (the Australasian Inter-service Incident Management System) in Chapter 2 and the need for decentralised control. The newly introduced coordination, command and control model keeps incident control at the local level and establishes 'area of operations controllers' as well as the State Controller.<sup>58</sup> These additional controller positions clarify lines of responsibility, but there is no intention, as the Commission understands it, for this to erode the decentralised control of individual fires.

Professor Paul 't Hart of the School of Politics and International Relations at the Australian National University endorsed a model of decentralised authority, power and discretion but did not suggest that the central commander



(that is, the State Controller or Chief Officer) be divested of ultimate responsibility.<sup>59</sup> He observed that when a key objective of the Incident Controller is not being met—particularly where there might be serious consequences, including loss of life—this is precisely the occasion on which the Chief Officer should act.<sup>60</sup> The Commission agrees with this position and notes that such action did not occur on Black Saturday at the Kilmore East fire.

### **Effectiveness of mutual aid arrangements**

The evidence provided to the Commission suggested that the MFB worked effectively operating ‘out of area’ on 7 February in support of the other fire agencies.<sup>61</sup> Similarly, the mutual aid arrangements between the CFA and the MFB, in existence since about 1983, in relation to the metropolitan fire district appear sound. Mr Anthony Murphy, Director of Operations and Chief Fire Officer of the MFB, attested that there was no discernible conflict between these agencies in the course of shared operational activity.<sup>62</sup>

### **Specialist capability**

The greatest risks in rural firefighting in Victoria arise in forested areas. On 7 February the heaviest losses occurred in and around forests and the greatest challenges that were presented related to forest fire management. Managing fuel loads in forests is far more complex than managing bushfire safety around homes or on rural properties. Public land managers have the greatest experience and competence in fighting fires in forests. The Commission proposes that there be large increases in prescribed burning as an important bushfire-mitigation measure for the state. To achieve and maintain this strategic risk reduction, DSE fire management capability needs to be strengthened.

The Commission also acknowledges the specialist skills of MFB firefighters, who attend structural fires in heavily populated areas as well as a range of other emergencies, such as vehicle accidents and incidents associated with hazardous materials.<sup>63</sup> Equally, it acknowledges the breadth of skills and service delivery—including the suppression of grass fires, attending vehicle accidents and the delivery of community education—required of CFA firefighters.

The Commission considers it important that these specialist skills are acknowledged and strengthened.

## **10.2.2 GOVERNANCE, POLICY AND LEGISLATIVE MATTERS**

### **Ministerial responsibility**

As noted, DSE Land and Fire Management, including the Chief Officer, reports daily through two line managers to the Secretary, who reports to the Minister for Environment and Climate Change.<sup>64</sup> The CFA Chief Officer reports through the CEO and the CFA Board to the Minister for Police and Emergency Services, and a similar arrangement exists for the MFB.<sup>65</sup> This means that one of the central fire agencies does not come within the purview of the minister responsible for emergencies, which gives rise to the potential to impede clarity in accountabilities and expectations and integration of preparation and response.

### **Policy advice versus operational responsibility**

The Commission thought it inappropriate that the Emergency Services Commissioner, a senior official responsible for emergency management policy, was the conduit for operational advice to the minister on 7 February. This intervention by a non-operational official in the chain of command led to out-of-date information being passed to the minister.<sup>66</sup> Although this situation had become the agreed practice over a number of years, it incorrectly implied that the Emergency Services Commissioner was part of the operational ‘chain of command’.<sup>67</sup> This was not the case.<sup>68</sup> Chapter 2 in Volume I provides further detail about the role of the Emergency Services Commissioner.

### **Governance**

It became apparent to the Commission that the CFA Chief Officer and the DSE Chief Fire Officer were not at a suitable level within their organisations, potentially affecting the level of influence they were able to assert in comparison with the level of responsibility they bore for their agency’s performance on 7 February.<sup>69</sup> As shown in Figure 10.1, while the CFA Chief Officer reports to the CEO, he (or she) does so as a member of the executive management team together with six other directors, one of whom manages the nine area general managers responsible for ‘delivery of all services’ in their area.<sup>70</sup>

The appointment of the DSE Chief Fire Officer is an internal departmental matter and is not made pursuant to a delegation of particular statutory power. The Chief Fire Officer is responsible for performing fire prevention and suppression activities on behalf of the Secretary, as set out in s. 62(2) of the Forests Act.<sup>71</sup> Depending on the circumstances, the Chief Fire Officer may also rely on s. 33(2)(b) of the Country Fire Authority Act and s. 16 of the Emergency Management Act to perform these functions.<sup>72</sup> The Commission wonders why this position is not a statutory appointment, in keeping with the Chief Officers of the CFA and the MFB. As Figure 10.2 shows, in February 2009 the DSE Chief Fire Officer reported to an executive director, then through a general manager to the Secretary of the department. In turn, the Chief Fire Officer is reliant on a further director (Director Land and Fire Services), who is responsible for firefighting resources.

The Commission sees the DSE Chief Fire Officer position as being entwined within complex bureaucratic reporting arrangements. The position of the Chief Officers within their organisations and the overall emergency management structures are discussed further in Chapter 2. The Secretary of the Department of Justice and the Secretary of DSE both acknowledged that these positions in the respective organisational hierarchies warrant review.<sup>73</sup>

The Commission was not satisfied that financial allocations within DSE ostensibly for fire management purposes were in fact directed to fire-related outcomes. Annual reporting by DSE did not confirm that the appropriate (and necessary) allocations were made.<sup>74</sup> The inability of DSE's Secretary to provide to the Commission details of the expenditure and resources applied to DSE fire-related activity is unacceptable. This lack of transparency compromises policy analysis and erodes public accountability. It also reinforces the Commission's concern that Land and Fire Management reports to a minister who does not have primary responsibility for preparation and planning for and responding to unplanned fire.

Apart from these matters, no substantial criticisms of the broader governance arrangements for the fire agencies were brought to the Commission's attention. As a result, it did not examine in detail the operation of the CFA and MFB boards and DSE's internal governance arrangements.

### **The metropolitan fire district**

Urban growth around Melbourne has far exceeded the metropolitan fire district boundary, and risk profiles of suburbs have changed. In addition, regional growth has led to the CFA being responsible for large urban centres in country Victoria. It has met this demand by maintaining integrated stations of career and volunteer firefighters and using urban firefighting vehicles and equipment. Continued urban growth does not necessarily mean that the MFB ought to be responsible for emergency response in those areas. But the fact that the metropolitan fire district does not reflect metropolitan Melbourne is incongruous—increasingly so with continuing demographic changes and urban growth.<sup>75</sup>

The State expressed concern that, because of the MFB's funding model, the cost of expansion of the metropolitan fire district would be passed on to ratepayers in the newly assigned areas. In addition, expansion of the metropolitan fire district boundary would probably decrease the critical surge capacity of the CFA through a reduction in the number of volunteers available to deploy elsewhere in the state.<sup>76</sup>

### **10.2.3 OTHER CONSIDERATIONS**

The Commission became aware of the differing cultures in the various fire agencies. Recognition of volunteers is fundamental in the CFA, and some underlying tensions were exposed where it appeared that volunteer capabilities were not being fully used.<sup>77</sup> The United Firefighters Union of Australia—Victoria Branch, representing the MFB workforce and career CFA firefighters, was a strong proponent of paid employment.<sup>78</sup> This, however, is not the view of Volunteer Fire Brigades Victoria.<sup>79</sup> The State, on behalf of DSE, argued that responsibility for fire on public land should rest with the land manager, rather than an external response agency.<sup>80</sup> Mr Phil Cheney, a fire behaviouralist, and honorary research fellow at CSIRO, agreed with this view.<sup>81</sup>

The existing organisational cultures have strengths and weaknesses. Some adjustments will be needed if greater interoperability between agencies is to be achieved. Organisational culture should be harnessed to provide impetus for operational and organisational change, and this task should not become a distraction, draining resources and crippling reform.

## Conclusion

The Commission concluded that the three fire agencies, as currently structured, did not collectively contribute to their maximum potential on 7 February. Most of the concerns identified related to operational matters such as control, operational integration and interagency standards. The Commission therefore considers the problems identified need to be substantively redressed, with a focus on augmenting operational capability. The problems were not mere inconveniences that resulted from the size and scope of the disaster: they were serious failings that limited the agencies' ability to comprehensively fulfil their responsibilities. The Commission therefore sought others' views on the options for clarifying responsibilities and improving integration and coordination among agencies.

## 10.3 OPTIONS FOR CHANGE: PROPOSALS TO THE COMMISSION

The Commission sought from experts and interested parties, including the agencies themselves, views on the best way to resolve the problems identified in the foregoing sections. It sought the views of experts but also wanted to add a practical dimension to allow it to consider reforms that would improve outcomes and be amenable to implementation. The State presented a whole-of-government view, encompassing the fire agencies, through the Secretary of the Department of Justice.<sup>82</sup> Practically, this meant the Commission did not directly hear the agencies' views on governance and structural matters. As a result, the Commission sought the views of those who had previously led and managed fire agencies and organisational experts, together with unions and the volunteers association.

Mr Athol Hodgson was Commissioner of Forests from 1983 to 1984 and Chief Fire Officer of what became the Department of Conservation, Forests and Land (a predecessor of DSE) from 1984 to 1987. He considers that under the arrangements that applied on 7 February the DSE Chief Fire Officer was too buried within the structure and that in the 1980s 'the chief officer at the time stood between the minister and the fire', indicating a clear line of accountability.<sup>83</sup>

Mr Neil Bibby, recently retired CEO of the CFA, advocated the creation of a single agency.<sup>84</sup> He noted the limited progress made in response to a series of past recommendations that sought improved cooperation between agencies and proposed a single fire services board comprising representative and skills-based members reporting to a single minister.<sup>85</sup> The board would be supported by a CEO heading the three fire agencies and a fire commissioner or chief operations officer heading three deputy commissioners for urban, provincial and bush landscapes. He saw corporate functions such as human resources, finance and administration being the province of one entity and supporting all three operational arms.<sup>86</sup>

Mr Len Foster, former CEO, Executive Chairman and Chairman of the CFA, proposed a less radical model, with a 'country fire services board' providing non-metropolitan fire services statewide through an agency combining the CFA and DSE fire functions and reporting to a single minister. The MFB would remain a stand-alone metropolitan fire service. A state fire operations commander would be one of a number of directors reporting to the CEO, and the Networked Emergency Organisation work teams would be managed as industry brigades. Essentially, this model is the existing CFA model with DSE's fire functions drawn into it.<sup>87</sup>

The United Firefighters Union Australia proposed amalgamating the MFB and the CFA into a Victorian fire board with urban and rural divisions. This model was initially proposed in 1890 and again by the Public Service Board of Victoria almost a century later, in 1982.<sup>88</sup> DSE firefighters would remain in the department but would be part of a single command and control arrangement for operations. The UFUA argued that this model would generate 'substantial cost savings' (although no detail was provided), would deliver 'standardised fire cover ... particularly in urban and large regional centres', and would allow for the provision of standardised equipment, training, command and control, safety and risk management, funding, administration and governance.<sup>89</sup>

The Australian Workers Union, representing DSE field staff, strongly opposed the UFUA model. It argued that the demarcation between the provision of fire services on public and private land was vital and that removing command and control responsibility from DSE would mean a loss of accountability. It did not oppose the idea of the CFA and the MFB being brought together but suggested the creation of a 'land and fire commission' to manage public land—in concept, effectively bringing together DSE and the agencies that currently comprise the NEO and similar to the previous Forests Commission.<sup>90</sup>



Volunteer Fire Brigades Victoria opposed all proposals for amalgamation of the fire agencies for two important reasons: amalgamation could not be effectively implemented and it ‘poses a real risk of destabilising the fire fighting framework and seriously undermining Victoria’s fire fighting capacity’.<sup>91</sup> It essentially supported the status quo with the extension of the new coordination, command and control arrangements to all bushfires—that is, that the CFA’s Chief Officer should be ‘assigned the overall responsibility to manage any bushfire in the State of Victoria’ and the power to issue directions to other agencies in relation to prevention and planning.<sup>92</sup>

A further option was put forward by counsel assisting the Commission, who proposed a Victorian Fire Service Board with the following membership:

- the Chief Officers of DSE, the CFA and the MFB
- nominees of Volunteer Fire Brigades Victoria, the United Firefighters Union Australia and the Australian Workers Union
- three skills-based representatives
- a representative of the Municipal Association of Victoria.<sup>93</sup>

The proposed board would be responsible for agency governance, operational standards, comprehensive planning, boundary review, development planning and community education in relation to each of the three fire agencies. The option would link the CFA and DSE in a common command and control arrangement, leaving the MFB reporting separately. This model did not identify the requirement for a senior operational chief.<sup>94</sup>

### 10.3.1 THE STATE’S POSITION

Ms Penny Armytage, the Secretary of the Department of Justice, advised the Commission that the State is implacably opposed to any significant organisational change or amalgamation. She argued that no change was necessary and, indeed, change could threaten operational capability. This was presented as a whole-of-government view, with Ms Armytage adding that the fire agencies ‘acknowledged the State’s position’.<sup>95</sup>

The model the State proposed involved strengthening the existing system, with a focus on continuous improvement and increased interagency cooperation.<sup>96</sup> Ms Armytage suggested this could be achieved in part through ‘enhancing’ the State Coordination and Management Council’s Bushfires Sub-committee (created after Black Saturday), which is an administrative group comprising departmental secretaries (or their delegates) and other invited representatives. Its role is to coordinate the response to fires, develop policy and advice for government, and manage the State’s engagement with the Commission and the implementation of the Commission’s recommendations.<sup>97</sup>

Ms Armytage also proposed ‘enhancement’ of the Victoria Emergency Management Council. She acknowledged the council was too large, sometimes having 60 attendees, and that it could be restructured to become a ‘more effective advisory body to the Minister’ and hold its member agencies accountable for sector-wide strategy and planning.<sup>98</sup>

Apart from this concession, Ms Armytage offered no other suggestions for changes or improvements to the current arrangements and embraced the observation of Professor ‘t Hart, that ‘amalgamation [of the agencies] might produce an entity that, while nominally unified, actually consists of separate silos’. She highlighted the ‘industrial fallout’ that would probably accompany any such move because of the different positions adopted by the United Firefighters Union, the Australian Workers Union and Community and Public Sector Union. She also said that ‘beneficial and enduring changes in large organisational systems generally tend to be the product of incremental rather than radical change’, again referring to the evidence of Professor ‘t Hart.<sup>99</sup>

Although not specifically called as a witness in relation to organisational structure, Mr Mick Bourke, who took office as CEO of the CFA in September 2009, was asked to comment. He agreed that interoperability of operational systems was ‘strongly desirable’, but he expressed concern, based on his previous experience, that it took up to 10 years to gain ‘lasting value’ as a result of amalgamations and asked, ‘Do we understand what we are trying to gain and where the value is added?’<sup>100</sup> He also pointed out that a single entity need not be a single organisational structure but ‘Could mean one entity, one physical statutory entity, or it could mean one virtual entity that is joined by, in the setting we talk about, a single and unambiguous command and control chain’.<sup>101</sup>

### 10.3.2 OTHER VIEWS

Professor 't Hart, an expert in management and organisational change, emphasised the risks associated with 'overstretching the lessons from Black Saturday':

Redesigning emergency management systems or organisations often happens as a result of the sheer momentum for change created by the occurrence of a recent high impact tragedy. Unfortunately, there is plenty of research to suggest that such crisis-induced reforms may create as many vulnerabilities as they seek to eliminate—particularly when they are too narrowly focussed on 'winning the most recent war'.<sup>102</sup>

Professor Dutch Leonard, Professor of Public Management at the Harvard University Kennedy School of Government in the United States, warned of the tendency after major fire disasters to imagine that a centralised, omniscient control and command structure would provide a better response.<sup>103</sup> He pointed to the inevitability of some degree of chaos in the management of an extreme event and commented on the 'fantasy' that the only method for achieving effective management is the centralisation of command.<sup>104</sup>

Both Professors Leonard and 't Hart urged caution before embarking on a merger or amalgamation. The 'virtues of mergers are way overrated ... that is particularly true when the different kinds of organisations that you are merging are actually quite different from each other'.<sup>105</sup>

Major General Jim Molan AO, DSC, a retired operational military commander, stressed the importance of training for the management of extreme events and said it would be 'folly to consider the tragedy of the events of [7 February] as existing at the extremes of our ability to manage'.<sup>106</sup> He said experience must be gained and maintained through the stability of command teams and exercising (or practising) responses.<sup>107</sup> Professors Leonard and 't Hart also emphasised the need to train and practise for emergencies, Professor Leonard pointing out that the greater the decentralisation the greater the need for that training.<sup>108</sup> This point was reinforced by Mr Jerry Williams, former National Director of Fire and Aviation Management for the US Forest Service, who noted that more practised organisations were generally more successful in anticipating, organising for, staffing for and responding to disaster.<sup>109</sup>

## 10.4 OTHER MODELS AND PAST REVIEWS

In view of the diversity of opinions presented to it, the Commission also looked at the organisational arrangements for fire services in other jurisdictions and the recommendations of previous reviews in order to help it assess what type of structural reform, if any, is required.

### 10.4.1 THE SITUATION INTERSTATE

The Commission heard evidence about the organisational and operational arrangements relevant to the fire agencies in other Australian states that are prone to significant bushfire threat. The following representatives gave evidence of the arrangements in their jurisdiction:

- Mr Michael Brown, Chief Officer of the Tasmanian Fire Service, which is an amalgamated career (paid), retained volunteer (receive a retainer) and volunteer (unpaid) fire service.<sup>110</sup> Mr Brown discussed the 'Multi Agency Coordinating Group' approach, whereby the three Tasmanian fire agencies—the Tasmania Fire Service, Forestry Tasmania and the Parks & Wildlife Service—work cooperatively within an overarching statewide arrangement<sup>111</sup>
- Mr Craig Hynes, Chief Operations Officer of the Western Australian Fire and Emergency Services Authority, which has career and volunteer brigades and is an umbrella organisation for a wider suite of emergency services—the Fire and Rescue Service, the Bush Fires Board and the State Emergency Service<sup>112</sup>
- Mr Euan Ferguson, Chief Officer of the South Australian Country Fire Service, which is an organisation similar to the CFA, although legislative arrangements in South Australia mean that all rural fire agencies—including the Department of Environment and Heritage and ForestrySA—respond to fires as members of the CFS<sup>113</sup>
- Mr Robin Rogers, Assistant Commissioner, Director of Operations of the New South Wales Rural Fire Service, which is similar to the CFA, although the RFS Commissioner can assume control of major fires on both public and private land, including fires that start on land in NSW National Parks and Wildlife Service and NSW Forestry tenure.<sup>114</sup>

The Commission observed that there is little consistency in the organisational arrangements between the various fire services, and it appears that each state's arrangements have evolved out of local history and circumstance, not necessarily by design or intent.

In recent years, it seems that every state has tried to draw its fire services closer together, either operationally or at the governance level. Tasmania is the only state the Commission considered where this has led to a single fire service for urban and rural areas, using career and volunteer firefighters.<sup>115</sup> Although Queensland has a single fire service it continues to badge its rural and urban services separately.<sup>116</sup>

#### 10.4.2 THE SITUATION IN THE UNITED STATES

Witnesses provided to the Commission information about the US federal arrangements for fire management and those of the California Department of Forestry and Fire Protection.

Mr Williams explained how the US Federal Emergency Management Agency 'leads' the response to domestic disasters but noted that wildfire (as it is called in the United States) on federal land is managed through the National Interagency Fire Center, which has a national incident command centre in Boise, Idaho.<sup>117</sup> The centre brings together five federal organisations involved in 'wildland' firefighting—including the Bureau of Land Management, whose responsibilities are comparable with those of DSE.<sup>118</sup> The bureau is 'principally organised' for the purpose of managing federal lands but also sustains 'a high-quality and efficient firefighting service' that works cooperatively with other firefighting agencies. Command and control occurs through the use of the National Incident Management System (from which AIIIMS evolved),<sup>119</sup>

Mr Tim Streblov, Deputy Chief of the Sonoma–Lake–Napa Unit of CALFIRE (the California Department of Forestry and Fire Protection), explained that responsibility for fire suppression and emergency response in California is shared between levels of government and federal, state, county and municipal fire agencies. CALFIRE has overarching state-level responsibility.<sup>120</sup> This, he said, was a further example of multiple agencies operating collectively, with the National Incident Management System used for command and control without need for further amalgamation.<sup>121</sup>

#### 10.4.3 PREVIOUS REVIEWS

The organisational and funding arrangements for Victoria's fire services have been the subject of a number of previous reviews. The Commission heard evidence about several of these:

- In 1983 the Public Service Board of Victoria examined proposals for changes to the MFB and the CFA. It recommended the creation of a new Victorian Fire and Emergency Services Board to 'rationalise overlapping support activities and systems between the country and metropolitan fire services'. The public was opposed to this proposal and it was not implemented.<sup>122</sup>
- In 1994 the Public Bodies Review Committee examined the MFB and made a number of recommendations in relation to the delivery of fire services by the MFB and the CFA. It did not recommend amalgamation, considering that any merger would be 'expected to produce major disadvantages given the different basis of day-to-day operations between the two organisations'.<sup>123</sup> The committee did, however, recommend as follows:
  - that it was inappropriate for an emergency services provider to develop its own standards, core objectives and functions
  - that one standard of fire cover be developed for Victoria as a matter of urgency
  - that performance monitoring standards be established, reviewed and maintained through a common reporting system by the Minister for Police and Emergency Services.<sup>124</sup>

These recommendations were only partly implemented.

- In 2003 the CFA presented a submission to the inquiry into the 2002–03 Victorian bushfires. It called for 'radical change' to achieve a single, integrated fire service operating outside the metropolitan fire district.<sup>125</sup> The inquiry did not support this proposal.<sup>126</sup>



#### 10.4.4 LACK OF CONSENSUS

It is clear that there is very little common ground in relation to whether structural reform is needed and, if so, the nature, scope and merits of various models. A number of the parties argued for change, but there was little agreement about the form and extent of that change: some argued for a merger and some argued against one. Many who gave evidence on organisational structures acknowledged that the operational problems that arose on 7 February 2009 ought to be tackled and that organisational change might assist with this. As noted, however, the proposed solutions ranged from improving mechanisms for coordination while substantively leaving the existing structures untouched to moving to a single, integrated fire service. Similarly, none of the models and experiences from other jurisdictions provides a distinctive and compelling solution for the Victorian context.

The Commission determined that an alternative structure for Victoria's fire agencies is required. In assessing the evidence on how various organisational structures might support and improve operational performance, the Commission had a number of questions in mind:

- How can the operational capacity and performance of Victoria's fire agencies be improved?
- Would performance be better if two or more of the fire services were amalgamated?
- Are public versus private land, or rural versus urban, divides still relevant?
- Should the governance structure within any single fire service be altered or should that service be combined with other fire services?
- What is the relative status and role of the Chief Officers within each organisation and should these be changed?
- What are the best arrangements for coordinating integrated responses and exercising control over major incidents and command within agencies, having regard to centralised versus decentralised responsibility?
- Do the changes in operational procedures that have been made since 7 February 2009 resolve the problems?

### 10.5 THE COMMISSION'S VIEW

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A disaster of the scale of 7 February will always put strain on organisational processes and structures. As outlined, the evidence revealed failures in or impediments to achieving an optimal operational response in several areas:

- policy
- practice and protocol
- systems
- structures
- capability.

The detail of these failures (and successes) is set out in the descriptions of the fires in Volume I and the relevant chapters in this volume.

The Commission considered the views and options the parties put forward for redressing the deficiencies observed on 7 February through structural reform and organisational arrangements, but it found none compelling.

The Commission was unconvinced by the State's view that structural change is not needed. Broadly, the existing arrangements have been in operation since early last century, but the demands made of and the expectations attached to the agencies have outpaced these structures and the environment in which they operate. In the case of many of the operational problems described in this chapter, previous attempts to improve coordination have failed. Typically, progress has been slow or incomplete or has not achieved the level of interoperability required—for example, the failure to adopt common information and communications systems (see Chapter 3) or to implement a common approach to accrediting Incident Controllers (see Chapter 2). Similarly, state-level coordination has not led to clear lines of responsibility, accountability and leadership (see Chapter 2).

When considered individually, the problems might be resolved through changes to the working arrangements that exist between the CFA and DSE. Work is already under way towards this—for example, through implementation of the revised coordination, command and control arrangements.<sup>127</sup> Further, many of the changes made since Black Saturday and the recommendations of this Commission will contribute to improving agencies' operational capacity. When considered collectively, however, the problems identified are symptomatic of systemic failings that led the Commission to ponder whether structural change is necessary.

The Commission does not consider that the flaws identified in connection with Black Saturday can be overcome simply by doing more of the same, even if it is done better. Nor does it consider that use of the State Coordination and Management Council Bushfire Sub-committee, or restructuring the Victoria Emergency Management Council, would be sufficient, not least because both have limited public accountability. Continued reliance on cooperation and coordination to achieve unity of purpose is inadequate and was found wanting on 7 February. Although the Commission agrees that the Victoria Emergency Management Council should be improved, it does not consider the council to be the right vehicle for implementing operational change and introducing unity of control. A more direct approach is necessary.

The Commission is not persuaded that radical reform, such as moving to a single fire service, is either necessary or desirable at this time. There may be an intuitive attraction to merging agencies as a means of overcoming operational incompatibilities, duplications and inefficiencies, but there is a risk that the merger itself becomes the focus of effort, which could easily distract attention and focus from the operational improvements the Commission considers to be the priority.

Examination of the recommendations of past reviews and organisational structures in other jurisdictions is informative, but again no compelling model emerges. In fact, the example of Tasmania is evidence of the difficulties that can arise in the amalgamation of fire services: it has taken 10 years to amalgamate the rural and urban fire services in a state where the entire fire service is about the size of a single CFA region.<sup>128</sup> Further, subsuming all elements into one agency poses the risk of undermining the strengths of each agency. For instance, care would be needed to ensure that DSE's specialist expertise in forest firefighting, which is crucial given the fire risk inherent in Victoria's forests, is maintained and strengthened.

The Commission did not examine in detail the current governance structures of the fire agencies. Equally, no compelling criticism of these arrangements was advanced to support an argument for fundamental structural change. The evidence and subsequent analysis focused on the need for operational improvements—in particular, to support high-risk days. The Commission is therefore of the view that it is premature to move to a single fire service. There could, however, be benefits in adopting a structure that keeps open the option of a greater degree of integration in the future.

The Commission views improved operational performance as the absolute priority. In support of this, it considers modest and targeted structural reform is needed as a catalyst for change and to tackle the identified operational shortcomings in order to achieve four goals:

- improved common operational policy and standards
- stronger coordination and unambiguous command and control
- improved interoperability
- a strengthened capacity for agencies to provide an integrated response.

The Commission sought an approach that would facilitate and provide clear and decisive leadership to achieve these goals while preserving the best aspects of each of the fire agencies and their current governance arrangements. It decided on three areas on which to focus organisational effort and change in the short and longer term:

- promoting operational improvements and reform
- better management of level 3 fires
- accommodating the potential for future change.

If these are to be implemented effectively there needs to be appropriate ministerial responsibility and those responsible for managing fire must have sufficient seniority and authority within their agencies. There are risks in the current system in which DSE, as one of Victoria's fire agencies, reports to a minister not concerned with emergency management. The Commission accepts that viewing prescribed burning as part of land management is prudent, but it considers that preparing for unplanned fire and the associated emergency response—which must be focused on protecting human life—should be the responsibility of the Minister for Police and Emergency Services. The Commission is also concerned that the status and authority of the Chief Officers within their agencies have the potential to adversely affect their ability to discharge their responsibilities.

#### **10.5.1 PROMOTING OPERATIONAL IMPROVEMENT AND REFORM**

The immediate priority must be to lift baseline operational capacity and interoperability in all of Victoria's fire agencies. A clear commitment and a concerted effort are needed now. Leadership is required to create the environment and impetus for continuous improvement and to build capacity, resilience and operational fire management expertise in recognition of Victoria's status as the most fire-prone state in Australia.

Administrative approaches to coordination have often proven ineffective, so the Commission considers that an organisational structure is needed to strengthen operational integration and establish a source of authority to ensure that change happens. To avoid parochialism, which can compromise reform, the source of authority needs to rest outside the individual fire services.

#### **10.5.2 BETTER MANAGEMENT OF LEVEL 3 FIRES**

Beyond lifting the State's operational fire capacity through general agency improvements, a different kind of response is required for high-end level 3 fires such as those that occurred on Black Saturday, Ash Wednesday and Black Friday. Fires of that nature, although historically few, bring with them an intensity and a propensity for devastation that requires a greater capability than can be had through a business-as-usual approach. Evidence of the probable impact of climate change on the frequency and intensity of ferocious fires in Victoria lends further support to arguments for change.

It is not sufficient to continue to rely on the best endeavours of the Chief Officers and others dependent on personal relationships or working in cooperation. Leadership and responsibility for the preparation, planning and management of level 3 incidents needs to be explicit, in order to lift overall operational capacity to deal with exceptional weather conditions and ferocious fires.

#### **10.5.3 ACCOMMODATING THE POTENTIAL FOR FUTURE CHANGE**

The Commission considers that operational improvement is a precursor and precondition to any consideration of radical structural reform. Major structural change, particularly amalgamation, would necessitate significant commitment, planning, resources and change management over time to be successful, as demonstrated by the Tasmanian experience. Attempting operational reforms and major structural reforms simultaneously would risk diluting the focus, and potentially the speed and effectiveness, of the essential operational changes required. The Commission was not persuaded that a merger is warranted at this stage, but it sees merit in moving to greater integration over time, and there is obviously a trend toward this. The enhanced baseline and level 3 fire capacity and improved interoperability would better position the agencies to take the next step towards integration if further change is seen as desirable in the future. It would also allow the inherent strengths and specialisations of each agency to be supported and provide time for the consultation necessary in view of the different cultures of the fire agencies. Consideration of further reform could occur following a review—say, in three years—of the extent and effectiveness of the operational reform agenda.

#### **10.5.4 THE PROPOSED COURSE: A FIRE COMMISSIONER FOR VICTORIA**

In keeping with the priorities just outlined, the Commission sees the immediate appointment of a full-time Fire Commissioner as a prudent and necessary first step. This would be an independent statutory appointment, and the incumbent would be responsible to the Minister for Police and Emergency Services.



The Fire Commissioner would be the senior professional fire officer in Victoria and would be charged with improving those areas in which problems have been identified. He or she would be responsible for the following:

- developing and building operational capacity to prepare for the days of highest risk
- being responsible for the control of level 3 fires as the permanent State Controller
- promoting and leading a program of reform to improve operational capability and interoperability and increase the resilience of Victoria's fire services
- advising government on the metropolitan fire district boundary
- representing Victoria on operational matters in national committees.

It is expected that, in discharging these responsibilities aimed at systemically improving Victoria's future operational firefighting capacity, the Fire Commissioner will do the following:

- lead operational reform and improvements, including implementation of the recommendations in this report that relate to improving interoperability
- oversee the development (where relevant) and implementation of state-level operational policy
- as Victoria's senior professional fire officer, be the permanent State Controller, as proposed in the current coordination, command and control model
- be responsible and accountable for the operational management of all level 3 fires but routinely delegate this function to the Chief Officers in the CFA, DSE and the MFB, according to circumstance and risk
- set the requirements and processes for training for level 3 incidents and what is expected from those responsible for controlling such fires
- develop and maintain all joint standard operating procedures
- identify and oversee the implementation of common operational standards and systems such as IT, mapping, communications and common equipment
- manage the State Control Centre and the state units for the Information Prediction, Aircraft, and Resource
- appoint Area of Operations Controllers and level 3 Incident Controllers, ensuring that all agencies adopt and maintain common standards and accreditation requirements for operational controllers
- set and maintain the standards required of level 3 incident control centres, including overseeing the current project for upgrading facilities (see Chapter 2)
- set standards for, and assess the performance of, the services provided by the Victorian Bushfire Information Line
- coordinate all interstate and overseas deployments.

A small secretariat and a sufficient budget would be necessary to support the Fire Commissioner's work. Legislative amendment would be required to underpin the role and functions of the position.

To advance operational improvements and reform, the Fire Commissioner would develop a rolling three-year action plan that would be endorsed by the Minister and would set out the priorities and outcomes to be achieved. The plan would be supported by a work program that is assessed and updated annually. Crucially, during development of the priorities the Fire Commissioner must consult the CFA and MFB boards and CEOs and the Secretary of DSE, with the aim of obtaining support for the priorities.

Practically, the Fire Commissioner would work closely with and through the agencies' Chief Officers to achieve these outcomes. In turn, the Chief Officers would be expected to lead operational change within their respective organisations and ensure alignment of the improvements already under way to lift baseline capability. Alignment of the agencies' and the Fire Commissioner's priorities would maximise the output from the invested effort and resources, allow for the establishment of priorities for resource allocation, and strengthen bids for joint initiatives and investment needs.

The Chief Officers would be directed by the Fire Commissioner on operational matters in preparation for and on extreme and code red days, and for level 3 fires. Unless intervention was required, standing delegations for level 3 fires would be made to the Chief Officers, particularly for prescribed burning and urban firefighting. The Chief Officers would retain operational control over level 1 and level 2 fires within their purview and continue to use the State Control Centre to maintain situational awareness. In the interest of continuous improvement, they would provide to the Fire Commissioner operational performance review reports on these lesser events.

National committees are important in the development of a range of emergency management policies and standards, including AllMS and warnings. Given the proposed scope of the Fire Commissioner's role in Victoria for operational policy and standards, it is sensible and apt that the Fire Commissioner become the State's senior representative on national committees dealing with operational matters.

The Fire Commissioner would also maintain close relationships with the Chief Commissioner of Police, the Emergency Services Commissioner and the heads of other emergency services in order to contribute to Victoria's all-hazard capabilities. The Fire Commissioner would be the senior fire representative on the Victoria Emergency Management Council and the State Coordination and Management Council Bushfire Sub-committee (as required). More broadly, the Fire Commissioner would engage and consult with other stakeholders, as relevant, including the Networked Emergency Organisation agencies and the Municipal Association of Victoria.

The Commission considered the option of giving authority to the Chief Officer in one agency over the others but concluded that this would not adequately recognise the relative strengths of the agencies and had the potential to act as a disincentive to cooperative effort.

The Office of the Emergency Services Commissioner would not audit the activities of the Fire Commissioner, as it does the activities of other agencies. The operational standards and position developed by the Fire Commissioner would form the baseline against which the Office of the Emergency Services Commissioner would assess and audit the fire agencies.

The Commission is not wedded to the title 'Fire Commissioner' and thinks other designations—such as Chief Commissioner of Fire or Chief Fire Commissioner—would work equally well. Establishing agreement on terminology is discussed in Chapter 11.

### 10.5.5 THE EXISTING FIRE AGENCIES

Consistent with the Commission's view that reform should be implemented within a framework that does not undermine the strengths of fire agencies, it is envisaged that the Fire Commissioner would have no governance or management responsibility for the fire agencies. The CFA and the MFB would retain their boards and CEOs, and the Chief Fire Officer of DSE would continue to operate within the structure of DSE. With the exception of those operational matters just identified as the responsibility of the Fire Commissioner, the agencies would remain independently responsible for discharging their various statutory functions—among them employing staff, engaging volunteers, and budget management and internal resource allocations. The fire agencies would also retain responsibility for existing programs such as community education and fire prevention.

The MFB and the CFA would continue to report to the Minister for Police and Emergency Services. In recognition of the importance of an integrated approach to land management, including prescribed burning, DSE would continue to report on its fire functions to the Minister for Environment and Climate Change. With a view to strengthening cross-agency coordination, however, those aspects of DSE's fire functions that relate to emergency response activities would be reported to the Minister for Police and Emergency Services. The Commission notes the concern of the Secretary of the Department of Justice that a bifurcated reporting relationship for DSE would be problematic. But this is not a unique or, indeed, unusual arrangement within government: departmental secretaries often report to more than one portfolio minister.<sup>129</sup>

This dual reporting mechanism would need to be reflected in legislation. Under the current legislative provisions the Minister for Police and Emergency Services has no jurisdiction over DSE. Section 62(2) of the Forests Act would also need to be amended to separate out the responsibilities relating to prevention and suppression of fire and to allocate these responsibilities to the appropriate minister.

The Commission acknowledges the importance of volunteers in Victoria's fire and emergency management response. The model it proposes respects and preserves their contribution while introducing changes to support operational improvement. The Commission is also reluctant to see DSE's fire management responsibilities subsumed into the larger agencies because of the risk that DSE's forest firefighting capability would be diluted and this capacity might no longer be available to the State. Furthermore, the continued co-location of land and fuel management responsibilities within the same government department helps ensure a balanced consideration of bushfire mitigation and environmental conservation. Neither the CFA nor DSE should, however, be immune to change. And neither volunteers nor current administrative arrangements should be used as excuses for not making the changes needed to improve performance.

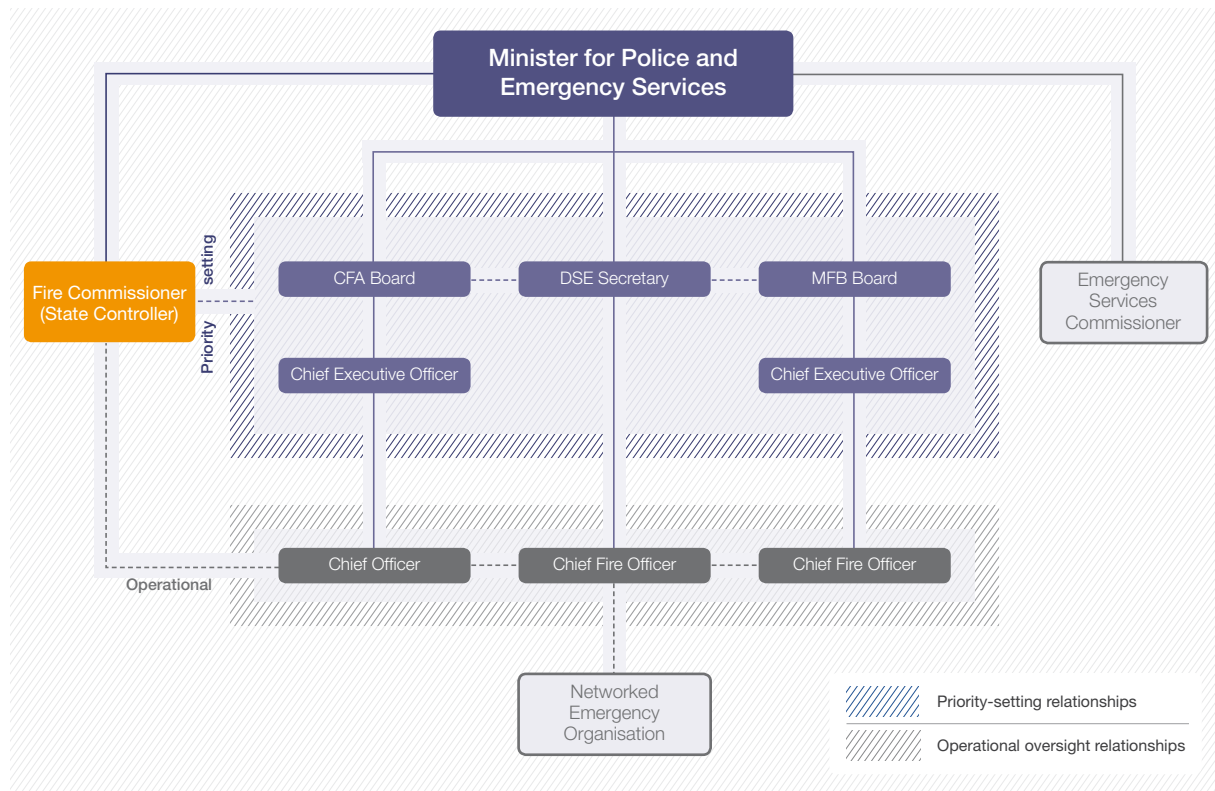
Additionally, the Commission is of the view that the accuracy and currency of the designation of the CFA as the 'Country Fire Authority' is questionable. Consideration should be given to a new badging as the 'Community Fire Authority' after consultation with interested parties—in particular, country communities. Among other things, this would acknowledge the substantial part the CFA plays on the fringe of Melbourne and its responsibilities in regional cities and large towns. It would also be an acknowledgment of the important role the CFA has in communities, would symbolically position the organisation as forward looking, and would allow the acronym 'CFA' to be retained. This last matter is incorporated in a broader discussion of terminology in Chapter 11.

The Commission also proposes changes in relation to the DSE Chief Fire Officer. First, the firefighting personnel and equipment within Land and Fire Management should come under the direction of the Chief Fire Officer. This will ensure that the Chief Fire Officer has authority over DSE's operational fire resources and their deployment. Second, land and fire policy should be developed in consultation with the Chief Fire Officer within the office of Land and Fire Management but not be under the authority of the Chief Fire Officer. The position would be responsible for implementing the policy through its work program and operational resources. The Secretary of DSE must ensure that sufficient resources are available for the Chief Fire Officer to effectively and fully discharge these obligations, noting the increased responsibility for fuel reduction detailed in Chapter 7.

The Commission is confident that this approach presents the best opportunity to effect major operational change and improvement. It offers a greater chance of success and less risk than other models of change that were put forward. It also offers considerable operational efficiencies, reduces duplication, increases community safety through integrated warning systems, retains clarity and unity of command and, importantly, improves fire management for the very few fires that have the potential to cause extensive death and damage.

Figure 10.5 gives a broad indication of the organisational and reporting relationships between the proposed new Fire Commissioner, the existing fire agencies and the Minister for Police and Emergency Services.

Figure 10.5 Proposed operational relationships



## 10.6 IMPLICATIONS OF THE NEW STRUCTURE

### 10.6.1 POSITIONS

In the light of the proposed changes in organisational structure, and without restating the role and functions of the Fire Commissioner and agencies, as already described, the Commission sees implications for the following positions:

- *The Minister for Police and Emergency Services.* The minister would become responsible for management of unplanned fire for the three fire agencies (including operational elements of the Networked Emergency Organisation through DSE). The Fire Commissioner would be appointed by and report to the minister.
- *The Chief Officers.* The positions of agency Chief Officers are being reviewed within their respective organisational structures. This is timely. The Chief Officers would remain members of their parent agencies but would report on level 3 fire operational matters to the Fire Commissioner. They would be responsible for 'raising, training and maintaining' operational capabilities within their agencies and for the day-to-day management of level 1 and 2 fires. Unless the Fire Commissioner decides otherwise on the basis of circumstance and risk, the Chief Officers will routinely manage level 3 fires under delegation.
- *The DSE Chief Fire Officer.* To facilitate clear communication and reporting, the Commission proposes that the role of DSE Chief Fire Officer be made a statutory role, with clear authorities, responsibilities and accountabilities. In particular, establishment of this statutory role would bring the position in line with that of the CFA Chief Officer. Additionally, the role of DSE Chief Fire Officer is already recognised and has responsibilities under both the Country Fire Authority Act and the Emergency Management Act: this could be regularised across the legislation with the proposed move to a statutory role.

- *The Emergency Services Commissioner.* The role of Emergency Services Commissioner would return to consisting of auditing agreed standards and emergency management coordination, noting that the Emergency Services Commissioner would not have jurisdiction over the Fire Commissioner. The Emergency Services Commissioner would withdraw from providing fire-related operational advice and emergency information to ministers and government.

### 10.6.2 BOUNDARY CHANGES

The metropolitan fire district is not reflective of metropolitan Melbourne.<sup>130</sup> This is one of the reasons given earlier in this chapter for reviewing organisational arrangements. The boundary appears to have lagged behind urban growth for a number of reasons, among them the following:

- As operational demands have increased with the greater urban profile outside the metropolitan fire district, the CFA has continued to meet community expectations by adapting its delivery model to include 31 integrated stations.<sup>131</sup> Planning identifies the requirement for a further seven integrated stations by 2020, and a Board of Reference decision in 2009 identified the requirement for an increase in integrated stations and career firefighters.<sup>132</sup>
- The Metropolitan Fire Brigades Act requires that municipalities request a change in service delivery from the CFA to the MFB, and this comes at a cost to councils, as discussed in the next section.<sup>133</sup>
- The CFA's integrated service delivery provides the service at less cost to the community overall. The Secretary of the Department of Justice noted that the average annual cost for integrated CFA stations abutting the metropolitan fire district was \$1.5 million and for MFB stations it is about \$2.4 million, although no basis for these figures was supplied.<sup>134</sup>
- Despite there being some reservations about volunteers and the career workforce operating in the same environment, the operation of 31 integrated CFA stations suggests it is a viable option. Mr Bibby stated, 'Ninety percent of the people that are there work well together and integrate well together', although he did acknowledge that there are some volunteers and career staff who have extreme views.<sup>135</sup>

The Commission considers it appropriate to place responsibility for altering the metropolitan fire district boundary within the scope of the Fire Commissioner's role. If the State were to choose not to take this approach, though, timely adjustment of the metropolitan fire district boundary could nevertheless be achieved by means of a different review mechanism.

The question of whether the CFA integrated model remains suitable in an urban environment (including in larger regional cities) requires continuing review, which the Commission did not venture into. The Commission was advised that many of the volunteer and career firefighters in these integrated stations provided surge capacity for rural areas on 7 February and their urban firefighting obligations were taken up by MFB firefighters during their absence.<sup>136</sup> The State noted that if the boundary were extended there would be fewer CFA integrated stations and a reduced CFA surge capacity.<sup>137</sup> If the existing model can deliver the service the community expects and continues to deliver it, this provides social capital for local communities and a depth of operational capacity. On the limited evidence available, the Commission considers the CFA integrated service delivery should be maintained as a viable model.

The Commission is satisfied that there should be a better process for determining changes to the metropolitan fire district boundary. It notes that the *New South Wales Fire Services Joint Standing Committee Act 1998* has resulted in numerous changes to service delivery between the New South Wales Fire Brigade and the New South Wales Rural Fire Service.<sup>138</sup> A range of considerations influence the boundary question, and decisions for future change should be made on the basis of objective factors such as the following:

- comparable service delivery between similar MFB and CFA stations
- community expectations
- municipal requests and requirements
- considerations of social capital
- value for money.



Meeting community expectations and the requirements of local government are two potential triggers for initiating a review of service delivery. The Commission considers that the metropolitan fire district boundary should be reviewed no more than once every three to five years. The proposed Fire Commissioner should lead these reviews, which would involve consultation with interested parties, and be responsible for providing to the Minister for Police and Emergency Services advice on any proposed changes. As a first step, the Fire Commissioner would need to advise and seek approval from government as to the appropriate triggers and the frequency of and criteria for undertaking such reviews.

### RECOMMENDATION 63

The State enact legislation designed to achieve two specific ends:

- appoint a Fire Commissioner as an independent statutory officer responsible to the Minister for Police and Emergency Services and as the senior operational firefighter in Victoria
- make the Chief Fire Officer of the Department of Sustainability and Environment a statutory appointment.

The Fire Commissioner should have responsibility for the following:

- promoting and directing reform aimed at increasing the operational capability, interoperability and resilience of Victoria's fire services
- developing and building operational capacity to prepare for the days of highest bushfire risk and exercising control over level 3 fires as the permanent State Controller
- providing to government periodic advice on the metropolitan fire district boundary on the basis of triggers, frequency and criteria approved by government
- representing Victorian interests on operational matters in national committees.

## 10.7 FUNDING AND THE FIRE SERVICES LEVY

The budgets of the main providers of fire services in Victoria—the CFA, the MFB and DSE—account for annual expenditure of over \$1 billion.<sup>139</sup> Fire services are currently funded through a mix of contributions from insurance companies, the State and local government.<sup>140</sup> The proportion of funding provided by the different contributors to the MFB and the CFA is determined by s. 37 of the Metropolitan Fire Brigades Act and s. 77A of the Country Fire Authority Act respectively. The MFB, CFA and DSE funding arrangements are as follows:

- the MFB—insurance companies contribute 75 per cent of MFB annual estimated expenditure; the State and local governments each contribute 12.5 per cent<sup>141</sup>
- the CFA—insurance companies contribute 77.5 per cent of CFA annual estimated expenditure and the State contributes 22.5 per cent<sup>142</sup>
- DSE—funded by means of an annual appropriation in the State's budget.<sup>143</sup>

Local government does not at present contribute to funding the CFA, so, if the boundary of the metropolitan fire district were extended, local governments in the new areas covered by the MFB would be required to increase their contribution to funding fire services.<sup>144</sup> This, of course, has implications for the extent to which local governments are likely to seek or support boundary changes.

Insurance companies recoup the cost of their statutory contribution to the CFA and MFB by imposing the Fire Services Levy on insurance premiums for building and contents insurance.<sup>145</sup> The amount the insurance companies pass on to customers is determined by the companies themselves, with guidance from the Insurance Council of Australia.<sup>146</sup>

Both the Metropolitan Fire Brigades Act and the Country Fire Authority Act allow these agencies to charge uninsured property owners for firefighting services, but there is little evidence about how often this occurs. Mr Joe Monforte, Director of Tax and Intergovernmental Financial Relations in the Victorian Department of Treasury and Finance, said, ‘... In principle, fire services impose these charges unless there is an acceptable reason to waive them’ (for example, if damage is minimal or the property owner is receiving Centrelink benefits) and that he was not aware of the CFA or the MFB charging anyone for fire services during the 7 February 2009 fires.<sup>147</sup>

The Commission’s interest in the Fire Services Levy and insurance arose from various sources. The levy was mentioned in numerous submissions to the Commission and is the subject of a Green Paper—*Fire Services and the Non-Insured*—issued by the State in October 2009.<sup>148</sup> The Green Paper put the State’s view that ‘it is now appropriate to review the model again given that the Victorian Government has committed to reconsidering all aspects of our State’s ability to prepare for and respond to major bushfires’.<sup>149</sup>

The Fire Services Levy funding model was criticised by reviews before 2009, mainly on the grounds that it lacks equity and transparency. For example, tax reviews in New South Wales in 2008 and Victoria in 2001 recommended replacing the levy with an equivalent property-based levy collected by local councils.<sup>150</sup> A detailed examination of budgetary processes and taxation policy is beyond the remit of the Commission, but it did hear sufficient evidence (much of it consistent with the findings of previous inquiries) to persuade it recommend the abandonment of the Fire Services Levy.

The current model is rationalised on efficiency grounds—specifically that the charge imposed on the purchasers of insurance, being a percentage of their insurance premium, reflects the insurer’s assessment of the fire risk associated with what is being insured.<sup>151</sup> This was pointed to as a strength of the model in a 2003 Department of Treasury and Finance review of funding arrangements for Victorian fire services.<sup>152</sup> Mr Monforte told the Commission:

The system was premised on the basis that insurance companies are in the business of spreading risk and at the time of the 2003 review ... that was one of the advantages. So if insurance companies do spread—calculate premiums based on risk—you would expect that there would be some risk factor in how the statutory contribution is spread amongst individual insurance policy holders.<sup>153</sup>

In contrast, Mr David Whittle, an actuary with extensive experience in the Australian insurance industry, gave evidence to the Commission that fire and bushfire risk is only one of many risks factored into the calculation of insurance premiums. Typically, fire risk accounts for less than 30 per cent of domestic building insurance premiums and less than 15 per cent of contents policy premiums. Furthermore, Mr Whittle said a number of major insurers do not assess fire and bushfire risk in detail, meaning that their rates are not differentiated according to geographical locations. In short, domestic property premiums are a very imperfect proxy for fire and bushfire risk, although fire risk appears to make up a higher proportion of the insurance premium for commercial property insurance than for domestic property.<sup>154</sup>

### 10.7.1 INEQUITY

The fundamental problem with the current funding model is that it is inequitable: those who do not insure or who under-insure avoid making a proportionate contribution to the funding of fire services but are afforded the same protection as those with insurance. A disproportionate share of the cost of providing fire services benefiting the entire community falls on insurance policyholders.

There is a lack of definitive evidence on the extent to which Victorians are uninsured or under-insured. Although the State is conducting a study of levels of insurance, the Commission disagrees with the State’s suggestion that, in the absence of further data on insurance levels, it (the State) is not in a position to conclude that a change to a more equitable model is necessary.<sup>155</sup> In the Commission’s view, it is sufficiently clear from studies conducted by the Australian Securities and Investments Commission and the Insurance Council of Australia, and from evidence tendered to the Commission, that a proportion of homes are not covered by building insurance, a much greater proportion of households do not have contents insurance, and many households are under-insured.<sup>156</sup>

Dr Richard Tooth, a consultant who has insurance experience, gave evidence about his work for the Insurance Council of Australia on levels of non-insurance. Using Australian Bureau of Statistics data, Dr Tooth has estimated that 4 per cent of Victorian households (about 51,000 households) do not have property insurance and 26 per cent (about 490,000 households) have no contents insurance.<sup>157</sup> Department of Human Services and Insurance Council of Australia data suggest that about 13 per cent of total property losses in the areas affected by the January–February 2009 bushfires were not insured.<sup>158</sup> Dr Tooth raised the possibility that this high level of non-insurance might be explained by the high proportion of destroyed properties that were holiday homes and therefore less likely to be insured.<sup>159</sup>

Estimating under-insurance is difficult because of the difficulty of establishing the replacement value of insured property. In its 2005 report, following the ACT bushfires, the Australian Securities and Investments Commission found there was a high level of under-insurance for properties and contents destroyed in the fires.<sup>160</sup> For Victoria's 2009 bushfires, Suncorp reported that sums insured were 'materially below' estimated rebuilding costs for total loss properties. Under-insurance was often a consequence of failure to insure items other than the main dwelling—for example, fences, water tanks and sheds.<sup>161</sup>

Another reason the current model is inequitable is that it places an unreasonable tax burden on insurance policyholders. Despite the State arguing that the Fire Services Levy is not a tax per se when charged by insurers to consumers as a 'pass through' of a business cost, in the Commission's view the effect is the same.<sup>162</sup> Policyholders must pay three levels of taxation, each building on the preceding one. The interaction of the Fire Services Levy, the GST and stamp duty substantially increases the final cost of insurance to consumers (see Table 10.1).

**Table 10.1 Victorian Fire Services Levy rates, GST and stamp duty, September 2009**

	(\$)			
	Metropolitan		Country	
	Home	Business	Home	Business
Premium	100.00	100.00	100.00	100.00
Fire Services Levy	20.00	50.00	31.00	84.00
GST	12.00	15.00	13.10	18.40
Stamp duty	13.20	16.50	14.41	20.24
<b>Total cost</b>	<b>145.20</b>	<b>181.50</b>	<b>158.51</b>	<b>222.64</b>

Note: The marked difference between metropolitan and country Fire Services Levy rates primarily reflects the smaller rural population base over which the cost of providing fire services must be spread.

Source: Exhibit 777 – Statement of Monforte, Annexure 2.<sup>163</sup>

In its final report in 2003 the HIH Royal Commission said that this 'cascading' application of taxes '... lacks transparency, is inequitable and is contrary to good tax policy'. It recommended that Victoria, New South Wales and Tasmania abolish their Fire Services Levies and that, in any event, state and territory governments abolish stamp duty on general insurance products and exclude the cost of GST for the purposes of calculating duties levied on insurance premiums.<sup>164</sup> More recently, in its final report the Review of Australia's Future Tax System (the Henry review) recommended 'that all specific taxes on insurance products, including the fire services levy, be abolished. Insurance products should be treated like most other services consumed within Australia and be subject to only one broad based tax on consumption'.<sup>165</sup>

### 10.7.2 LACK OF TRANSPARENCY

A second fundamental problem with the Fire Services Levy is its lack of transparency. There is no accountability in relation to the amount the insurance companies collect from their customers and nor is there accountability about how the revenue thus gained is dealt with by insurance companies.<sup>166</sup> Apart from imposing the tax and requiring that it be paid, the State regards the contribution as a business cost of the insurance companies and assumes that the market will keep the insurers accountable. There is no legal requirement that insurers recover the cost of making statutory contributions or that they explicitly identify such a charge to consumers. Further, there is no requirement that the amount of the levy equate to the amount of the statutory contribution.<sup>167</sup>

The extent to which a levy is collected and how the size of the levy is calculated are commercial decisions for insurers.<sup>168</sup> The difficulty in forecasting the market can result in tax collections that vary considerably from the amount required as a statutory collection. The 2003 Department of Treasury and Finance review found that, assuming contributing insurance companies had charged Insurance Council of Australia–recommended rates, in the four years to 2003 Fire Services Levy collections had exceeded the amount required to meet statutory contributions by \$46.85 million for the MFB and \$3.68 million for the CFA.<sup>169</sup> The review also found that, although the current model has ‘limited’ transparency, it is a stable source of revenue, is simple to administer and has low administration and compliance costs.<sup>170</sup> But as the Insurance Council of Australia points out, overheads for administration of the system are managed by insurers. The council considers that the process of determining the recovery amount is ‘complex and extremely difficult’ because contributions are calculated by reference to the insurer’s market share and the mix of business but must be paid in advance of premium collection, which means the insurers must predict the market. The statement about low administration costs is true only in respect of the State’s costs.<sup>171</sup>

### 10.7.3 CONCLUSION

The lack of equity and transparency in the current arrangements amounts to a good reason for moving to another system. Queensland (1985), South Australia (1999), Western Australia (2003) and the ACT (2006–07) have introduced funding systems for fire services that require all property owners to contribute via a levy on property. Tasmania levies residential property owners while retaining an insurance-based levy on businesses.<sup>172</sup>

The Commission heard from Western Australia and South Australia evidence about the operation of their property-based levies, including that their arrangements had a strong measure of public acceptance.<sup>173</sup> Collection costs in South Australia account for 3.1 per cent of the revenue raised, a figure that could be expected to be less in Victoria because of the economies of scale involved in collecting the levy in a more populous state.<sup>174</sup>

The Commission notes the State’s incomplete review of the funding of fire services but has heard sufficient evidence to reach a conclusion. It considers that the Fire Services Levy should be replaced by a property-based levy. It acknowledges that there will be a number of administrative questions to be resolved in the establishment of a property-based scheme and does not wish to prescribe the design of the model. The State can, however, benefit from the experience of other jurisdictions that have moved to a property-based model when considering the following:

- the range of services to be funded
- the revenue base—this could include vehicles, which are responsible for about 15 per cent of fire service call-outs<sup>175</sup>
- the levy rate
- the potential to adjust the levy rate to reflect risk
- the collection agency—collection by a single agency, such as the State Revenue Office, might offer advantages over the local government alternative
- transition arrangements
- the possibility of establishing a single fund from which CFA and MFB services are funded.

The Commission is aware that changing to a property-based model might create problems for some uninsured property owners with low incomes. This group would find themselves paying the new levy out of limited income, without a compensating reduction in their insurance costs. The Commission notes that jurisdictions with a property-based levy offer concessions to seniors, pensioners and concession card holders.

## RECOMMENDATION 64

The State replace the Fire Services Levy with a property-based levy and introduce concessions for low-income earners.

- 1 Exhibit 931 – Statement of Armytage, Attachment 4 (WIT.3003.002.0085) at 0088–0089
- 2 Exhibit 931 – Statement of Armytage, Attachment 4 (WIT.3003.002.0085) at 0088–0089
- 3 Exhibit 931 – Statement of Armytage, Attachment 10 (WIT.3003.002.0172), Attachment 12 (WIT.3003.002.0175)
- 4 Exhibit 931 – Statement of Armytage, Attachment 4 (WIT.3003.002.0085) at 0088, 0122; Exhibit 3 – Statement of Rees (WIT.004.001.0001) [19]
- 5 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [66]; Exhibit 3 – Statement of Rees (WIT.004.001.0001) [22]
- 6 Exhibit 931 – Statement of Armytage, Attachment 4 (WIT.3003.002.0085) at 0122, Attachment 9 (WIT.3003.002.0170)
- 7 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [68], Attachment 4 (WIT.3003.002.0085) at 0122
- 8 Exhibit 931 – Statement of Armytage, Attachment 10 (WIT.3003.002.0172)
- 9 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [65], [71]–[72], Attachment 4 (WIT.3003.002.0085) at 0122–0123; Exhibit 909 – Statement of de Man (WIT.3004.046.0240) [58]
- 10 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [69], Attachment 10 (WIT.3003.002.0172)
- 11 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [170.2]
- 12 Exhibit 909 – Statement of de Man, Annexure 11a (WIT.3004.047.0229\_02); Exhibit 931 – Statement of Armytage, Attachment 4 (WIT.3003.002.0001) [170.2]
- 13 Exhibit 3 – Statement of Rees (WIT.004.001.0001) [43]
- 14 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) at 0045; Exhibit 931 – Amendments to Statement of Armytage (TEN.293.001.0001); Exhibit 3 – Statement of Rees (WIT.3004.001.0001) [41]–[42]; Exhibit 909 – Statement of de Man, Annexure 22 (WIT.3004.047.0398) at 0399
- 15 Exhibit 855 – CFA Annual Report 2009 (TEN.205.001.0001) at 0069
- 16 Exhibit 857 – DSE Annual Report 2009 (TEN.201.001.0001) at 0008
- 17 *Forests Act 1958*, ss. 67–68
- 18 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [74], Attachment 4 (WIT.3003.002.0085) at 0088, 0124
- 19 Exhibit 857 – DSE Annual Report 2009 (TEN.201.001.0001) at 0157
- 20 *Forests Act 1958*, s. 62(2); Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [75]–[79], Attachment 4 (WIT.3003.002.0085) at 0124; Exhibit 6 – Supplementary Statement of Waller (WIT.002.002.0001) [28]
- 21 Exhibit 931 – Statement of Armytage, Attachment 4 (WIT.3003.002.0085) at 0124
- 22 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [170.2]
- 23 Graystone T6026:26–T6027:7
- 24 Exhibit 931 – Statement of Armytage, Attachment 4 (WIT.3003.002.0085) at 0124
- 25 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [82]–[85]
- 26 Exhibit 857 – DSE Annual Report 2009 (TEN.201.001.0001) at 0157
- 27 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [58], Attachment 4 (WIT.3003.002.0085) at 0088–0089, 0120
- 28 Exhibit 931 – Statement of Armytage, Attachment 4 (WIT.3003.002.0085) at 0120; Exhibit 856 – MFB Annual Report 2008–2009 (TEN.206.001.0001) at 0066
- 29 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [58]–[61]; Exhibit 576 – Statement of Murphy (WIT.3006.001.0001) [11]; Exhibit 856 – MFB Annual Report 2008–2009 (TEN.206.001.0001) at 0062–0064
- 30 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [63], Attachment 4 (WIT.3003.002.0085) at 0120
- 31 Exhibit 576 – Statement of Murphy (WIT.3006.001.0001) [11], [24], Annexure 1 (WIT.3006.001.0041); Murphy T12565:17–T12565:24, T12577:26–T12578:3
- 32 Exhibit 576 – Statement of Murphy (WIT.3006.001.0001) [46]
- 33 Exhibit 576 – Statement of Murphy (WIT.3006.001.0001) [74(g)]



- 34 Exhibit 856 – MFB Annual Report 2008–2009 (TEN.206.001.0001) at 0065
- 35 Exhibit 831 – Emergency Management Manual Victoria (RESP.3001.003.0001\_R) at 0015\_R–0019\_R
- 36 Exhibit 831 – Emergency Management Manual Victoria (RESP.3001.003.0001\_R) at 0018\_R
- 37 Exhibit 3 – Statement of Rees (WIT.004.001.0001) [115]–[116]; for example, the ICC based at Colac: see Exhibit 309 – Statement of Fallon (WIT.3004.015.0001) [62], [127]
- 38 Exhibit 701 – Standard Operating Procedure – Planning for Joint Incident Management Teams (DSE.USB9.0035.1602)
- 39 Exhibit 701 – Joint SOPs as at 7 February 2009 (DSE.HDD.0082.0253, DSE.USB9.0035.1600, DSE.USB9.0035.1602, DSE.USB9.0035.1604, DSE.USB9.0035.1606, DSE.USB9.0035.1610, DSE.0034.0291.0316, DSE.USB9.0035.1614, DSE.HDD.0082.0246, DSE.USB9.0035.1624, DSE.HDD.0012.1341, DSE.USB9.0035.1628, DSE.0034.0291.0323, DSE.USB9.0035.1588)
- 40 Exhibit 137 – Statement of Venters (WIT.3024.002.0001) [8]–[11]
- 41 Exhibit 101 – Statement of Rhodes, Annexure C (WIT.3004.003.0283) at 0284
- 42 Exhibit 6 – Supplementary Statement of Waller (WIT.002.002.0001) [130]
- 43 Exhibit 576 – Joint Operational Activities – Memorandum of Understanding (WIT.3006.001.0164) at 0165–0166
- 44 Exhibit 576 – Statement of Murphy (WIT.3006.001.0001) [50]; Exhibit 62 – Statement of Foster (WIT.012.001.0001) [16]–[17]
- 45 For example, the State Aircraft Unit: Exhibit 861 – Statement of Ryan (WIT.3024.006.0001) [23], Annexure 2 (DSE.HDD.0154.0014\_R) at 0016\_R
- 46 For example, the interoperability of the mapping systems used by CFA and DSE: Rees T2373:29–T2374:10
- 47 Exhibit 11 – Statement of Esplin, Attachment 2 (WIT.005.001.0123) at 0176; Exhibit 836 – Statement of Nixon (WIT.3010.009.0377) [22]; Nixon T17388:26–T17389:4
- 48 Cameron T19733:23–T19733:30
- 49 Exhibit 547 – State Command and Control Arrangements for Bushfire in Victoria (CFA.001.032.0300); Exhibit 831 – Appendix 13 – Command and Control for Victorian Emergencies – Emergency Management Manual (RESP.3001.001.0163)
- 50 Exhibit 3 – Statement of Rees (WIT.004.001.0001) [134]; For example, the CFA did not have access to DSE mapping systems, despite an agreement this would be in place for the 2008–09 fire season: Exhibit 820 – Statement of Garvey (WIT.3004.034.0153) [71]; Garvey T16820:31–T16821:15; Griffiths T17718:21–T17719:14
- 51 Exhibit 11 – Statement of Esplin, (WIT.005.001.0001) [183]–[184], Attachment 61 (WIT.005.001.2361); Exhibit 547 – Statement of Haynes (WIT.3004.023.0011) [78]; Exhibit 277 – Statement of Speirs (WIT.3004.014.0001) [44]; Speirs T7520:15–T7520:18, T7523:19–T7523:30, T7524:11–T7524:17
- 52 Exhibit 92 – Statement of Free (WIT.049.001.0001) [38]
- 53 Rush T10354:10–T10355:7
- 54 Exhibit 854 – Statement of Beasley, Annexure 12 (WIT.3004.043.0081)
- 55 Rees T144:14–T144:15; Rozen T13757:14–T13758:2
- 56 Exhibit 861 – Statement of Ryan (WIT.3024.006.0001) [19]–[27]
- 57 Exhibit 547 – Statement of Haynes (WIT.3004.023.0011) [56]–[57]; Exhibit 551 – Second Supplementary Statement of Slijepcevic (WIT.3024.005.0001) [83]–[85], [93], Annexure 17 (DSE.HDD.0074.0284) at 0286; Haynes T12073:5–T12073:9, T12073:27–T12073:31, T12075:7–T12075:9
- 58 Exhibit 547 – State Command and Control Arrangements for Bushfire in Victoria (CFA.001.032.0300) at 0307, 0314
- 59 't Hart T19056:29–T19057:7
- 60 't Hart T19060:20–T19060:31
- 61 Submissions of Counsel Assisting – Narre Warren, Cranbourne & Upper Ferntree Gully Fires (SUBM.202.003.0001) [10.5]
- 62 Exhibit 931 – Statement of Armytage, Attachment 4 (WIT.3003.002.0085) at 0097; Murphy T12609:4–T12609:13
- 63 Exhibit 576 – Statement of Murphy (WIT.3006.001.0001) [30]
- 64 Exhibit 857 – DSE Annual Report (TEN.201.001.0001) at 0157
- 65 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [68], [74]
- 66 The advice to government on 8 February that all at Marysville were safe: Exhibit 11 – Statement of Esplin, Attachment 19 (WIT.005.001.1661) at 1758
- 67 Cameron T19710:12–T19710:22; Esplin T18887:30–T18888:6; Rees T2410:27–T2411:1
- 68 *Emergency Management Act 1986*, s. 5
- 69 Rees T19545:15–T19547:22
- 70 Exhibit 855 – CFA Annual Report 2009 (TEN.205.001.0001) at 0069
- 71 Exhibit 6 – Statement of Waller (WIT.002.002.0001) [19]; Wilson T15135:26–T15136:4
- 72 Exhibit 6 – Statement of Waller (WIT.002.002.0001) [13]; Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [79]

- 73 Armytage T19416:20–T19417:14, T19419:11–T19419:28; Wilson T15135:26–T15136:27
- 74 Wilson T15128:4–T15130:23
- 75 Exhibit 917 – The Case for a Single Firefighting Service in Victoria (UFU.002.002.0786) at 0795; Exhibit 927 – Information Paper – Metropolitan Growth (CFA.600.004.0334); Haywood T19753:24–T19754:15
- 76 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) at 0045–0046
- 77 Exhibit 552 – Statement of Small (WIT.7529.001.0001) [22]–[23], [25]; Exhibit 553 – Statement of Monti (WIT.7530.001.0001) [21]–[23]
- 78 Exhibit 916 – UFU Position Paper (UFU.002.001.0001) [66]
- 79 Exhibit 910 – Submission of VFBV (VFBV.002.001.0001) [8]–[9]
- 80 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [145]–[147]
- 81 Exhibit 734 – Cheney Report (EXP.017.001.0001) at 0017
- 82 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [18]–[21]
- 83 Hodgson T15044:16–T15045:9
- 84 Bibby T19468:18–T19469:8
- 85 Bibby T19469:8–T19470:23
- 86 Bibby T19472:4–T19473:22
- 87 Exhibit 907 – Foster Report (TEN.277.001.0001) at 0004–0005, Figure 1 – Possible State Bushfire Response Model (TEN.277.001.0006)
- 88 Exhibit 916 – UFU Position Paper, Attachment 1 (UFU.002.001.0027)
- 89 Exhibit 916 – UFU Position Paper (UFU.002.001.0001) [4], [24]–[27], [33], [36], [47]–[48], [58]–[63]
- 90 Exhibit 933 – Statement of Melhem (WIT.7556.001.0001) [5], [13(a)]–[13(f)], Attachment 2 (SUBM.002.057.0384) at 0403, Attachment 3 (AWU.001.001.0001) at 0002–0009
- 91 Exhibit 910 – Submission of VFBV (VFBV.002.001.0001) [5]
- 92 Exhibit 910 – Submission of VFBV (VFBV.002.001.0001) [42], [45], [56]–[65]
- 93 Submissions of Counsel Assisting – Organisational Structure (SUBM.1200.001.0001) [15.10]–[15.13]
- 94 Submissions of Counsel Assisting – Organisational Structure (SUBM.1200.001.0001) [15.19]–[15.22], [15.30]
- 95 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [114], [125]–[126]; Armytage T19389:14–T19389:28
- 96 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [134]–[141]
- 97 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [165]
- 98 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [166.1]; Armytage T19424:23–T19424:28
- 99 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [123]–[124], [126]; Exhibit 905 – ‘t Hart Report (EXP.3031.001.0001) [5.4]
- 100 Bourke T19329:18–T19330:29
- 101 Bourke T19331:12–T19331:24
- 102 Exhibit 905 – ‘t Hart Report (EXP.3031.001.0001) [5.1]
- 103 Exhibit 904 – Leonard Report (EXP.3031.001.0018) at 0021
- 104 Leonard T18975:1–T18975:24
- 105 Exhibit 905 – ‘t Hart Report (EXP.3031.001.0001) [5.3]–[5.4]; Leonard T18993:26–T18993:29
- 106 Exhibit 897 – Molan Report (EXP.030.001.0001) at 0003
- 107 Exhibit 897 – Molan Report (EXP.030.001.0001) at 0012
- 108 Exhibit 904 – Leonard Report (EXP.3031.001.0018) at 0025; Exhibit 905 – ‘t Hart Report (EXP.3031.001.0001) [2.6B]; ‘t Hart T19048:6–T19049:11
- 109 Exhibit 738 – Williams Report (EXP.014.001.0001) at 0019
- 110 Exhibit 476 – Statement of Brown (WIT.7521.001.0001) [14], [76]
- 111 Exhibit 476 – Statement of Brown (WIT.7521.001.0001) [146], [161]–[168]
- 112 Exhibit 477 – Statement of Hynes (WIT.7523.001.0001) [14]–[16], [22]–[23], [95], [100]
- 113 Exhibit 478 – Statement of Ferguson (WIT.7522.001.0001) [158], [393], [400]; Ferguson T10444:14–T10444:25
- 114 Exhibit 486 – Statement of Rogers (WIT.7525.001.0001) [15]–[16], [21], [60]
- 115 Exhibit 476 – Statement of Brown (WIT.7521.001.0001) [21]
- 116 Exhibit 931 – Statement of Armytage, Attachment 4 (WIT.3003.002.0085) at 0135
- 117 Exhibit 738 – Williams Report (EXP.014.001.0001) at 0017–0018; Williams T15381:15–T15381:21

- 118 The five federal organisations are the Forest Service, Bureau of Land Management, Parks Service, National Fish and Wildlife Service, Bureau of Indian Affairs; Williams T15381:24–T15382:8; Leonard T19018:13–T19018:18
- 119 Exhibit 738 – Williams Report (EXP.014.001.0001) at 0017–0018; Warrington T6675:27–T6675:31; Leonard T19018:17–T19018:25
- 120 Exhibit 896 – Statement of Streblow (WIT.158.001.0001) [4]–[7]; Streblow T18693:15–T18694:16
- 121 Exhibit 896 – Statement of Streblow (WIT.158.001.0001) [29]
- 122 Exhibit 916 – UFU Position Paper, Annexure 2 (UFU.002.001.0137) at 0139; Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [118]
- 123 Exhibit 916 – UFU Position Paper, Annexure 3 (UFU.002.001.0268) at 0275–0276, 0288
- 124 Exhibit 916 – UFU Position Paper, Annexure 3 (UFU.002.001.0268) at 0276
- 125 Exhibit 925 – From the Foothills to the Alpine Heights (SUMM.022.019.0013\_001) [4.4.4]
- 126 Exhibit 720 – 2002–03 Victorian Bushfires Inquiry Report (INF.018.002.0001) at 0037
- 127 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [165]–[166]
- 128 Foster T19129:16–T19130:1
- 129 Exhibit 622 – Hodge Report (EXP.011.001.0001) at 0004–0005; Foster T1937:4–T1937:5, T1937:24–T1937:26
- 130 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) at 0045; Exhibit 917 – Haywood Report (UFU.002.002.0786) at 0795
- 131 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) at 0045; Exhibit 931 – Amendments to Statement of Armytage (TEN.293.001.0001); Exhibit 909 – Statement of de Man, Annexure 11a (WIT.3004.047.0229\_02)
- 132 Exhibit 927 – CFA Board Information Paper ‘Metropolitan Growth’ Dated 31 March 2008 (CFA.600.004.0334) at 0334; Exhibit 932 – Statement of Thomas, Attachment 26 (WIT.7557.001.0316)
- 133 *Metropolitan Fire Brigades Act 1958*, s. 4; Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) at 0045; Exhibit 931 – Amendments to Statement of Armytage (TEN.293.001.0001); Submissions of Counsel Assisting – Organisational Structure (SUBM.1200.001.0001) [14.32]–[14.34]
- 134 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) at 0045
- 135 Bibby T19476:11–T19476:17
- 136 Submissions of Counsel Assisting – Organisational Structure (SUBM.1200.001.0001) [2.24]–[2.26]; Murphy T12587:26–T12588:24
- 137 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) at 0045, [133]; Armytage T19440:4–T19440:9
- 138 Exhibit 486 – Statement of Rogers (WIT.7525.001.0001) [23], [123]–[129]; Rogers T10537:27–T10537:31
- 139 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [62] (MFB), [70] (CFA), [77] (DSE)
- 140 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) at 0045; Exhibit 931 – Amendments to Statement of Armytage (TEN.293.001.0001)
- 141 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) at 0045; Exhibit 931 – Amendments to Statement of Armytage (TEN.293.001.0001)
- 142 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) at 0045; Exhibit 931 – Amendments to Statement of Armytage (TEN.293.001.0001)
- 143 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) [77]
- 144 Exhibit 931 – Statement of Armytage (WIT.3003.002.0001) at 0045; Exhibit 931 – Amendments to Statement of Armytage (TEN.293.001.0001)
- 145 Submissions of Counsel Assisting – Insurance and the Fire Services Levy (SUBM.900.001.0001) [2.8]
- 146 Exhibit 777 – Statement of Monforte (WIT.3021.001.0001) [8.1]
- 147 Exhibit 777 – Statement of Monforte (WIT.3021.001.0001) [11]; Monforte T16284:20–T16284:23
- 148 Exhibit 777 – Statement of Monforte, Annexure 2 (WIT.3021.001.0156)
- 149 Exhibit 777 – Statement of Monforte, Annexure 2 (WIT.3021.001.0156) at 0158
- 150 Exhibit 989 – IPART Review of State Taxation (TEN.303.001.0490) at 0605–0606; Exhibit 989 – DTF Review of State Business Taxes (TEN.303.001.0050) at 0138
- 151 Exhibit 777 – Statement of Monforte (WIT.3021.001.0001) [7.2], [14]
- 152 Exhibit 777 – Statement of Monforte, Annexure 1 (WIT.3021.001.0012) at 0023
- 153 Monforte T16262:19–T16262:26
- 154 Exhibit 779 – Whittle Report (WIT.7539.001.0001\_R) at 0003\_R–0004\_R; Whittle T16332:29–T16333:22
- 155 Exhibit 777 – Statement of Monforte, Annexure 2 (WIT.3021.001.0156) at 0160; Submissions of the State of Victoria – Insurance and the Fire Services Levy (RESP.3000.006.0100) [5]
- 156 Exhibit 778 – Tooth Report (WIT.7538.001.0001) at 0007–0008; Exhibit 781 – Statement of Nelthorpe, Annexure 6 (WIT.148.001.0081)
- 157 Exhibit 778 – Tooth Report (WIT.7538.001.0001) at 0002
- 158 Exhibit 777 – Statement of Monforte, Annexure 2 (WIT.3021.001.0156) at 0168
- 159 Tooth T16297:24–T16298:7
- 160 Exhibit 781 – Statement of Nelthorpe, Annexure 6 (WIT.148.001.0081) at 0095–0096

- 161 Exhibit 989 – Submission of Suncorp (SUBM.002.032.0008\_R) at 0021\_R–0022\_R
- 162 Exhibit 777 – Statement of Monforte (WIT.3021.001.0001) [7.3], [8]
- 163 Exhibit 777 – Statement of Monforte, Annexure 2 (WIT.3021.001.0156) at 0163
- 164 Exhibit 989 – HIH Royal Commission Final Report, Chapter 10 (TEN.303.001.0790) at 0794
- 165 Exhibit 947 – Australia’s Future Tax System – Report to the Treasurer, December 2009 (TEN.296.001.0001) at 0002
- 166 Monforte T16261:3–T16261:13, T16275:18–T16275:21
- 167 Exhibit 777 – Statement of Monforte (WIT.3021.001.0001) [7.3], [8]; Submissions of Insurance Council of Australia – Fire Services Levy and Insurance (DRSP.001.001.0279\_R) at 0281\_R; Monforte T16258:18–T16259:4
- 168 Exhibit 777 – Statement of Monforte (WIT.3021.001.0001) [7.3], [8]; Submissions of Insurance Council of Australia – Fire Services Levy and Insurance (DRSP.001.001.0279\_R) at 0281\_R
- 169 Exhibit 777 – Statement of Monforte, Annexure 1 (WIT.3021.001.0012) at 0019
- 170 Exhibit 777 – Statement of Monforte, Annexure 1 (WIT.3021.001.0012) at 0071
- 171 Submissions of Insurance Council of Australia – Fire Services Levy and Insurance (DRSP.001.001.0279\_R) at 0281\_R–0282\_R
- 172 Exhibit 777 – Statement of Monforte, Annexure 1 (WIT.3021.001.0012) at 0129–0137; Exhibit 1001 – ACT 2009–2010 Budget Paper (TEN.317.001.0001) at 0010–0011
- 173 Exhibit 782 – Statement of Walker (WIT.145.001.0001); Exhibit 783 – Statement of Place (WIT.144.001.0001); Exhibit 784 – Statement of Harrison-Ward (WIT.146.001.0001) [47]; Walker T16395:4–T16395:10, T16396:17–T16396:22
- 174 Exhibit 782 – Statement of Walker (WIT.145.001.0001) [53], [57]; Walker T16398:6–T16398:17
- 175 Exhibit 777 – Statement of Monforte, Annexure 1 (WIT.3021.001.0012) at 0048

