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## **GENERAL PURPOSE STANDING COMMITTEE No. 4**

**Wednesday 16 September 2009**

**Examination of proposed expenditure for the portfolio areas**

### **EMERGENCY SERVICES, SMALL BUSINESS**

**The Committee met at 11.15 a.m.**

#### **MEMBERS**

The Hon. J. A. Gardiner (Chair)

Mr I. Cohen  
The Hon. K. F. Griffin  
The Hon. M. J. Pavey

The Hon. R. A. Smith  
The Hon. H. S. Tsang  
The Hon. L. J. Voltz

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#### **PRESENT**

**The Hon. S. J. Whan**, *Minister for Emergency Services, and Minister for Small Business*

**Industry and Investment NSW**

**Mr B. Buffier**, *Deputy Director General*,

**Mr M. Cullen**, *Executive Director, Enterprise, Small Business and Regional Development*

**NSW Rural Fire Service**

**Mr S. Fitzsimmons**, *Commissioner*

**Mr P. Hennessy**, *Chief Financial Officer*

**NSW Fire Brigades**

**Mr J. Benson**, *Acting Commissioner*

**Mr R. Host**, *Director, Finance and Information Technology*

**Emergency Management NSW**

**Mr S. Tannos**, *Director General*

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## **CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

**Corrections should be marked on a photocopy of the proof and forwarded to:**

**Budget Estimates secretariat  
Room 812  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000**

**CHAIR:** The Committee hearing for the inquiry into budget estimates for 2009-10 is open to the public. I welcome Minister Whan and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Emergency Services and Small Business. Before we commence I will make some comments about procedural matters. In accordance with the Legislative Council guidelines for the broadcast of proceedings, only Committee members or witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos. In reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretation you place on anything that is said before the Committee. The guidelines for the broadcast of the proceedings are available on the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or Committee clerks. Minister, I remind you and the officers accompanying you that they are free to pass notes and refer directly to your advisers while at the table. I remind everyone to please turn off their mobile phones.

The Committee has agreed to the following format for the hearing. We will do Small Business first and then switch to Emergency Services. The House has resolved that answers to questions on notice must be provided within 21 days. Transcripts of this hearing will be available on the website from tomorrow morning. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament.

**MICHAEL CULLEN**, Executive Director, Enterprise, Small Business and Regional Development, Industry and Investment,

**BARRY BUFFIER**, Deputy Director General, Industry and Investment NSW, and

**WARWICK WATKINS**, Chief Executive, Land and Property Management Authority, sworn and examined:

**The Hon. MELINDA PAVEY:** Minister, in your capacity as Minister for Small Business, and Rural Affairs, are you happy with the progress of the Rural and Regional Taskforce inquiry conducted by you, Col Gellatly and the Speaker, Richard Torbay, in relation to outcomes and delivery of the things sought by the communities you visited? Can you name five things that you have been able to deliver from those consultations?

**Mr STEVE WHAN:** We went through a very good process before I was the Minister, when I was a backbencher and chairman of Country Labor. We were able to visit a lot of rural communities and get some very positive feedback about things that needed to happen. In particular, communities fed back to us a lot of information regarding the way that government services could work for them. One of the themes that came through from the report particularly was trying to promote country towns and cities as great places to live, not just focusing on jobs, which is very important. It was very much a holistic sort of report. It talked about lifestyles and things we could do to improve those in rural areas.

I have been very pleased with Nathan Rees' response to that report. We have seen some very positive initiatives coming out of government in a number of those areas. A number of the recommendations were quite specific. Some were broader, particularly recommendations relating to health, but there were specific achievements—from memory, because I have not brought notes about those things. A key one was Nathan Rees' announcement at the Country Labor conference in Port Macquarie just after he became Premier that we would introduce an \$85 million Building the Country program. That program has a number of components that came directly out of the Rural and Regional Taskforce. They included assistance for infrastructure projects.

**The Hon. MELINDA PAVEY:** Have they been delivered yet?

**Mr STEVE WHAN:** Yes, there is funding going to a number of projects, particularly helping with industrial areas. Barry or Michael will probably be able to add to this. One bridge in particular, which leads to an industrial area, received funding. I also highlight the Country Halls Program, which now falls into my Rural Affairs portfolio, and the Broadband Program.

Another recommendation from the Rural and Regional Taskforce was the recommendation to remove the administration charge for the Isolated Patients Transport Support Scheme, and that has been done. We have also seen a number of initiatives in other portfolios, including initiatives on the CountryLink booking fee for pensioners, which was a recommendation in the report as well.

**The Hon. MELINDA PAVEY:** You adopted our policy with that, which is good.

**Mr STEVE WHAN:** And Country Labor was very pleased to have its policy adopted in that case. I think the Rural and Regional Taskforce was a really worthwhile exercise. What we have seen from that is progressive implementation. I have been very impressed with Nathan Rees's commitment to some of those things. Barry might want be able to provide the name of a bridge that was funded out of the \$85 million program for regional infrastructure.

**Mr BUFFIER:** That was a bridge at Nambucca Heads.

**CHAIR:** Order! Minister, it has been brought to my attention that, given the reorganisation of the departments, the questions on Rural Affairs should go to another committee. On that basis we will cease asking you questions on Rural Affairs and will proceed to Small Business.

**Mr STEVE WHAN:** All right. I did note that the notice that was in the gallery last night listed Rural Affairs.

**CHAIR:** It was not on my list, but there have obviously been some communication issues.

**The Hon. MELINDA PAVEY:** Because of the turmoil in the Government. You know how it is.

**The Hon. LYNDA VOLTZ:** Point of order: I think we should clarify that General Purpose Standing Committee No. 3 has been allocated this, not General Purpose Standing Committee No. 4. That is the reason. It is the way the House has allocated the portfolio to a certain estimates committee, and only that committee can hear it.

**Mr STEVE WHAN:** Because I was only sworn in as the Minister on Monday, I have some difficulties with this Friday, which I gather is the day allocated for Rural Affairs. In any event, we will work through that, and we are obviously happy to answer questions. Warwick Watkins has been sworn in. Would you like him to withdraw?

**CHAIR:** Yes.

**(Witness Warwick Watkins withdrew)**

**CHAIR:** I want to confirm that the notice that went out in relation to the public hearing today did not include Rural Affairs. We will now deal with Small Business. Minister, I raise the question of payroll tax, which is a tax on jobs. It also happens to be the major taxation revenue source for the New South Wales Government. Whilst the Government has announced that it will over time reduce payroll tax to 5.5 per cent from January 2011, this rate will still be substantially higher than the payroll tax rate in Queensland, which is at 4.75 per cent. However, Queensland also has a higher threshold before payroll tax kicks in. Is the Government considering any further reductions in the payroll tax rate so that New South Wales might become more competitive with Queensland?

**Mr STEVE WHAN:** One of the important initiatives that came out of our Jobs Summit—and, coincidentally, also the Rural and Regional Task Force report—was a number of payroll tax incentives for particular areas in New South Wales. As part of the industry and investment portfolio, there are programs which offer businesses that are expanding in New South Wales, or relocating to New South Wales, the opportunity to get payroll tax relief. There are some important initiatives in that.

As you correctly stated, the Government is reducing the rate of payroll tax down to 5.5 per cent from 1 January 2011, and that does represent a significant saving for businesses. The other thing we are doing is indexing the thresholds, and that is the first time that has been done. That will see the thresholds increase with the consumer price index and ensure that we do not see bracket creep for companies going into payroll tax.

More than 90 per cent of businesses in New South Wales pay no payroll tax at all. It is obviously, as you said, a significant source of revenue for government. Obviously the Treasurer could talk more about the revenue side of it. We have four major areas of revenue for the Government, and that is one of them. With regard to comparisons with Queensland, in light of that State's current budget situation and the fact that it has

just lost its triple-A credit rating, we might want to contemplate whether or not we want to necessarily match that State in all avenues of revenue and expenditure. I think that our State's sound financial footing is good for people and businesses in New South Wales overall.

Certainly the reductions we are seeing in payroll tax for the long term are far more positive than the alternative policy that has been announced, of a one-year reduction in payroll tax which, incidentally, would run out before the next election and therefore is not actually a policy at all. The payroll tax cuts and changes to the threshold represent about \$2.7 billion stimulus to the New South Wales economy over five years—that is quite significant. When you add in with that the Western Sydney Employment Fund, regional business employment funds, and the Illawarra and Hunter incentives, then we have quite significant incentives for businesses doing their work in New South Wales.

**CHAIR:** As a relatively new Minister you are not particularly proactive in trying to make New South Wales more competitive with Queensland?

**Mr STEVE WHAN:** We want a competitive business environment in New South Wales, and there are a number of ways to achieve that. Payroll tax is one of those avenues: 5.5 per cent payroll tax is certainly going to be a reduction on what it has been in the past in New South Wales. We have a number of other initiatives that are about competitiveness and they include things like the work my colleague Mr Joe Tripodi is undertaking to reduce red tape for businesses and targeting particular sectors in our economy for specific red tape reduction initiatives—those things are very important. We also are undertaking through the Small Business portfolio a range of initiatives to assist people starting up in small business and continuing with training initiatives, business assistance programs and a number of other initiatives in those areas. Certainly competitiveness of business in New South Wales is extremely important to us and is something that the Government will continue to look at. Our payroll tax reductions are occurring right now and they will bring direct benefits to business in New South Wales.

**CHAIR:** In relation to the unemployment rate in this State, do you agree it is entirely inappropriate that in New South Wales, with the highest rate of unemployment in Australia at 6.5 per cent, the biggest contribution to taxation revenue is payroll tax, which is a tax on jobs? It is even higher than the revenue that the Government receives from stamp duty. From a small business perspective what are you doing about the need to reduce the unemployment rate in New South Wales?

**Mr STEVE WHAN:** There are a number of initiatives from this department that are aimed at assisting small businesses to become established and expand their businesses. They include the business advisory services where we provide direct assistance to people starting up in small business, and a new contract has recently been released for that. We have seen an additional business advisory service in regional New South Wales, where it is very important to keep up that face-to-face contact with people. We have seen changes to business advisory services in Sydney. We have also seen the department put in place a new training package on its website—which is actual online learning developed by the University of Western Sydney—for people who are starting out in business, and it assists them with working through the development of business plans, marketing plans and finances. That extremely useful package is available on our website. That I think will be an incredibly effective investment.

Because of the particular economic situation that the world has seen, I have been offering over the past year seminars entitled "Managing Through Turbulent Times" and the "Opportunity Upturn in an Economic Downturn". Those workshops have been aimed at assisting businesses to prepare themselves for tougher economic times and to ensure that they are able to sustain their employment and businesses through those times so they can take an advantage of an upturn as it starts to occur. We have seen programs to assist manufacturing with Western Sydney Manufacturing Week. We have provided assistance to business in getting finance through training programs. We have piggybacked off a Victorian service for assisting small businesses with online searching for finance for small business. Again, during tough economic times that is an area that was proving to be tough for business.

There is quite a range of initiatives there and obviously the Treasurer in his appearances will be able to talk more about the economic situation. We have actually seen parts of New South Wales where employment growth has continued to go quite well. The growth figures for New South Wales overall, just as a comment, are way ahead of almost all of our international trading partners—who all had negative growth but we have continued in positive growth. I think that New South Wales, as an economy with a lot of small businesses in it—and it is also fairly closely attached to the world financial situation—has done quite well. That is a great credit to

the Rees Government stimulus programs, which we have put in place, combined with the Federal Government's programs.

**Mr IAN COHEN:** Minister, you might be aware that I come from the north of New South Wales. We have got competitive tax regimes for border areas there and small businesses in the north of New South Wales, and both small businesses in the towns and those in the agricultural sector—up in northern New South Wales there are many small holdings—are suffering quite severely from competition from Queensland with its different tax regime. What are you doing to resolve some of those acute economic problems for these people?

**Mr STEVE WHAN:** We have talked about payroll tax already and the fact that the New South Wales Government is lowering the rate of payroll tax in our State. Another area of different tax rates that affect a lot of people in northern New South Wales has been the petrol tax rebate that Queensland used to offer, but the Queensland Government has just taken that away. I will ask Barry to elaborate more on the Queensland border issues.

**Mr BUFFIER:** One of the other areas has been workers compensation. There has been a very substantial reduction in workers compensation rates over the past few years, in the order of 30 per cent. I think a lot of those differentials that may have been there previously between Queensland and New South Wales are no longer significant.

**Mr IAN COHEN:** Mr Buffier, are you saying that workers compensation is now at parity with the Queensland situation?

**Mr BUFFIER:** No, I was not saying that. I was saying there has been a reduction of 30 per cent. So some of those differences that have previously been significant are no longer really significant issues. We have quite an active office in the Tweed that is devoted to business attraction to New South Wales, and it is one of our more active offices. All I can say in terms of competitive advantage is that we do very well in attracting businesses to that area.

**Mr IAN COHEN:** Could you give a few examples of your successes in the Tweed reflecting on the north of New South Wales?

**Mr BUFFIER:** I could not give that specifically in terms of case studies, but I will take that on notice and give you a response to that. Today I cannot give you specific examples.

**Mr IAN COHEN:** Thank you. Are there any proactive positions that your department is taking to specifically assist small businesses in northern New South Wales? Are there any actual campaigns or activities that the Government is assisting in because, as you know, there is a gross disparity there with competition from Queensland?

**Mr BUFFIER:** Yes. We have quite a large number of programs. In some of those programs we work in combination with the Department of Environment and Climate Change to help companies in their transition to green economies. We have been pretty active in that area.

**Mr IAN COHEN:** Do you have any examples of that?

**Mr BUFFIER:** One particular company at Nimbin, Urban Ecological Systems, makes a zero effluent and fully integrated aquaculture and vegetable production system. We have provided support to that company. In fact, we held an investor seminar here in the Trade and Investment Centre in Sydney earlier this year—I cannot recall the exact date of that—and that was quite successful.

**Mr IAN COHEN:** There is a big issue in the north with a lot of building companies and small businesses feeling huge pressure from Queensland businesses and work crews coming over and doing developments in the north of New South Wales. In terms of any developments that the Government is involved in, do you have any evidence of actually hiring local businesses before Queensland businesses?

**Mr STEVE WHAN:** Do you mean they are winning contracts in New South Wales?

**Mr IAN COHEN:** They are winning contracts in New South Wales. They are bigger industries. The local contractors and builders are unable to compete. Especially with the building downturn, this has hurt a lot

of local businesses. I am interested to hear your comments on that. Also, are you aware of any government building projects in that area and are you able to employ New South Wales companies?

**Mr STEVE WHAN:** For specific examples we would have to go to the actual departments involved. Overall, the Building Education Revolution funding, which the State has been delivering, has been very much targeted and designed to employ local contractors.

**Mr IAN COHEN:** When you say targeted and designed, is there anything that guarantees or sets up a situation where they get priority?

**Mr STEVE WHAN:** For a start, as people are coming in, they have been having local forums and seminars to engage local contractors to get them to bid for projects.

**Mr IAN COHEN:** Are you saying that project managers are being encouraged through seminars to employ locally? That is not the case. In my area, for a greenie, I am getting a constant stream of concern from my friends who are in the industry in a local way that they are not able to compete with the bidding war that is undertaken by Queensland contractors.

**Mr STEVE WHAN:** Obviously there is a tender process in all these, as is appropriate. We and the agencies directly responsible have held seminars for the Building Education Revolution package. The Government's procurement policy overall is attempting to ensure that local businesses do get work. The Local Jobs First Plan, which replaces the economic development and procurement guidelines, gives New South Wales businesses preferred treatment by the New South Wales Government. A key element of the plan is price preferencing: 20 per cent for Australian and New Zealand content and up to 5 per cent for regional manufacturers, which is where your businesses would come in, to be applied when bids for goods and services and contracts are evaluated. A further 6 per cent minimum weighting will be given to industry participation plans mandated for contracts over \$4 million.

Obviously we still have to get value for money for New South Wales taxpayers. But we are introducing these plans to try to ensure that local businesses get the work. Also, more funding went to the Industry Capability Network [ICN], which works around regional areas to try to ensure that our small businesses have the capacity to bid. Sometimes there are particular skills involved in bidding, and we can help them with those. Our department actively assists with that. Michael or Barry might want to add to that.

**Mr IAN COHEN:** Are you talking about training courses or personnel specifically allocated to that task of support?

**Mr CULLEN:** To explain, an Industry Capability Network person based in Coffs Harbour looks after northern New South Wales. The job of that person is to make sure that the capability of businesses is recognised in the contracting processes. That is a service. If you have clients who are missing out on contracts, sometimes what it needs is a couple of businesses to be packaged together so that they have scale. Basically that is a role that the Industry Capability Network can play.

**Mr IAN COHEN:** That is a large catchment area for one person. Are you seriously expecting that the thousands of local businesses in the Tweed will get the benefit of one person in Coffs Harbour?

**Mr CULLEN:** It does not work as an isolated person. They are part of a network. That is important. There are resources in the Industry Capability Network throughout the State. On top of that, there is our office network, the Industry and Investment New South Wales office network, which also acts as a front point for those inquiries. There is also a business advisory service for smaller businesses, which has a catchment area as well. They work as a network, a team.

**Mr IAN COHEN:** You may want to take this on notice. Do you have a list of businesses in northern New South Wales that have been assisted through that mechanism?

**Mr CULLEN:** That is something we need to take on notice and talk to ICN about.

**Mr STEVE WHAN:** We assist a large number of businesses with our network across New South Wales with relatively few people, and that is an effective way to do it. We are currently in the middle of Small Business September. As part of that, 370 events are held across New South Wales. Many of those are forums

and seminars aimed at raising the skills of our local businesses to expand their businesses, to bid for contracts, even to develop export markets and those sorts of things. For a relatively small budget we leverage a lot of assistance for business.

**Mr IAN COHEN:** In relation to the Government's solar feed-in tariffs, there have been complaints that it is crippling young industries—I think the Treasurer calls them green economic shoots—particularly on the North Coast. Can you comment on any support that you will give this industry?

**Mr STEVE WHAN:** I think the Treasurer's reference to green economic shoots relates to the economy overall.

**Mr IAN COHEN:** I am just trying to help you.

**Mr STEVE WHAN:** As to the solar market, small businesses that are involved in that industry can access assistance through us. A number of government programs are aimed at helping small businesses to cope with global warming and take their own initiative to structure their businesses to reduce their energy demand. In relation to businesses that make their money through selling solar, I would have to refer those questions to the Minister for Climate Change and the Environment.

**Mr IAN COHEN:** It works both ways. My understanding is that a short while ago people could get rebates for solar on residential dwellings but people who did not live in those dwellings did not get the rebates. Further, there is a limitation on businesses being able to put up solar panels and industries are not getting government support. Has that changed?

**Mr STEVE WHAN:** I would need to refer those matters to the Minister for Climate Change and the Environment to answer specifically how the feed-in tariffs apply and the caps that apply on those.

**Mr IAN COHEN:** For example, there are tax incentives for large wind farms, which is an interesting debate at this point in time. However, there are no similar tax incentives for small- to medium-sized wind farm developments, which are suitable for small farms and small communities. Do you have any information about supporting that type of initiative?

**Mr STEVE WHAN:** I would have to take it on notice as to whether we can offer any direct support to those.

**The Hon. HENRY TSANG:** Minister, you have answered a number of questions on small business in rural and regional New South Wales. Can you elucidate further what the Government is doing for small business in rural and regional New South Wales?

**Mr STEVE WHAN:** Coming from a regional area, obviously I have quite a strong personal focus on that as well on the health of our businesses in rural New South Wales. One of the things that we try to do is ensure that all the programs that we provide are accessed equally well by people in rural and regional areas. The Managing through Turbulent Times seminar series, which I mentioned earlier, went through regional New South Wales to give small and medium business owners the practical skills and tactics that they need to counter the impact of negative business influences. A number of presenters were involved: Craig James from CommSec and Matthew Nolan from Provident Cashflow. There was a focus on how to keep customers coming through the doors. Obviously it is a key thing in tough economic times to keep customers coming through the doors.

We have seen direct assistance in that area. A number of small to medium enterprises have faced stress through the global economic crisis at a number of levels, for example, having difficulty securing working capital and financing for major capital purchases, reductions in consumer demand, exchange rate changes and the prices of commodities, which obviously affected a number of regional communities as well. The Managing through Turbulent Times workshop was designed to try to assist with that. That workshop went out to Bathurst, Orange, Mudgee, Parkes, Port Macquarie, Cessnock, Maitland, Lismore, Muswellbrook, Tweed Heads, Illawarra, Central Coast, Inverell, Tamworth, Moree and Broken Hill. Similar workshops were delivered by other Business Enterprise Centres [BECs] in other parts of regional New South Wales as well, including in the Queanbeyan area.

We have seen \$7 million committed over two years to the Regional Business Employment Fund, which is encouraging jobs growth in regional New South Wales, and that is funding that is targeting specific sectors in



each region where there are opportunities for growth. The funding is linked specifically to jobs growth in country and coastal communities and it is in addition to the \$12 million that we have put in over two years for the Western Sydney Business Employment Fund.

As I mentioned before, we have rolled out the latest business advisory service tenders, including one additional service in regional New South Wales. They are designed to match the new Regional Development Australia boundaries so that we get some consistency in the way that they are applied. Incidentally, one of the strong messages out of the Rural and Regional Task Force report, which we were talking about earlier, related to different regional boundaries.

The Regional Development Australia committees are also an important new initiative. Again, they came out of, in part, the Rural and Regional Task Force: people said to us that they wanted a single committee for their area rather than dividing it up between State and Federal. Those committees are going to drive change and development through their involvement and engagement in regional communities. We have seen the Building the Country Package, which we mentioned before also. That is clearly something that is directly assisting businesses in regional New South Wales and assisting, really importantly, things such as small town chambers of commerce promoting themselves and getting their web presence up. It is also helping those towns that are going to miss out on the Federal guarantee of broadband services with the New South Wales Government's broadband initiative, and that is critical for very small communities in being able to develop home-based business and trade with the world, which they can if they have got good enough broadband connections. There are some very exciting things happening, which I think will produce benefits for many regional communities over a long period of time.

**The Hon. HENRY TSANG:** Minister, you mentioned broadband for home-based business. Can you elucidate what the Government has done to support home-based business?

**Mr STEVE WHAN:** Coincidentally, this morning I was at a time-based business event as part of Small Business September. The New South Wales Government hosted Home-based Business Week from 25 May to 31 May. We had 40 events this year in Sydney and regional New South Wales—in Sydney, Campbelltown, Liverpool, Kiama, Orange, Albury, Nowra, Wollongong, Port Macquarie, Bathurst, Byron Bay, Cowra, Wyong, Sutherland, Coffs Harbour, the Hawkesbury and Penrith. The theme this year was to be inspired to imagine, create and evolve.

There are more than a quarter of a million home-based businesses in New South Wales and they are an important sector of the small business economy. They are growing at a phenomenal rate and, as I mentioned in the last answer, broadband provides them with a great opportunity to expand further and to see more businesses set up. What we have been doing with our focus on some of the work is to assist with a number of areas of promotion. At the moment, word of mouth is the main marketing mechanism most home-based businesses use—and it is a very successful mechanism. What we want to try to do through skills development, which the New South Wales Government, through the Department of Industry and Investment, is supporting, is enhance those skills—for example, given that word of mouth is one of the most effective tools, by extending that into the online environment of Twitter and social networking sites and those sorts of things, and training people how to use those to promote their businesses. There are some very successful programs being put in place to help pass on those skills.

Home-based Business Week 2009 participants overwhelmingly said that they had increased their skills by what they had seen at the various forums they went to. They showed us that there is incredible entrepreneurial talent out there in small businesses. We have seen many unique businesses with great pride in what they do. Groovy Grandmas is a home-based business providing a magazine for grandmas, or ladies of that age, and it was a really impressive piece of work. It is an online magazine written for the baby boomer generation, and it has been taken up quite well.

We have seen a number of such operators who have been coming along to our forums as well as presenting at forums and having their success stories shown. I went this morning to a forum put on by Flying Solo, which is going all day today. It has a range of speakers talking to very small businesses about how they can achieve more in New South Wales. Again, that forum was supported by the Department of Industry and Investment as well as a number of other sponsors. So I think it is positive news for home-based business and for its future.

**The Hon. KAYEE GRIFFIN:** Minister, could you advise the committee about what the Government has done to support women in business?

**Mr STEVE WHAN:** One of the focuses of our New South Wales website for small business—*smallbiz.nsw.gov.au*—is to offer specific, targeted programs for various sectors, and Women in Business is one of those. We have a Women in Business Program, which provides knowledge and support to emerging business women in New South Wales. It has a Women in Business Mentoring Program, which has been extremely useful. It started in 1995 and it is delivered around the State. The Women in Business Mentoring Program is running in 2009-10 on the mid North Coast, the Riverina, the Central Coast, Broken Hill, the Sydney CBD, Chatswood and Newcastle.

We also have Women in Business Growth Strategy workshops, which are held around New South Wales in a number of rural centres as well as in the metropolitan area. The program itself is often cited by participants as a landmark in the development of their career. We have seen people such as Smart Copywriting in Parramatta, who found the program a very rewarding experience and who participated between February and May 2009. We have seen programs focused on the website for women in business. I also had the pleasure of attending earlier this year a forum targeting women in business who are part of our delegations to our trading partners to promote their businesses overseas, because often in the past those have been dominated by suits, for want of a better way of putting it.

I think we have got some very positive programs going. We have seen 7,000 women business owners who participated in the Women in Business Program since it began, and it is consistently showing that it has had a significant impact on the business development skills and knowledge of those people who participated in the program.

**CHAIR:** That is the end of our examination of estimates for the Small Business portfolio. I thank Mr Buffier and Mr Cullen for their assistance today.

**(The witnesses withdrew)**

**SHANE FITZSIMMONS**, Commissioner, New South Wales Rural Fire Service,

**PETER HENNESSY**, Chief Financial Officer, New South Wales Rural Fire Service,

**JOHN BENSON**, Acting Commissioner, New South Wales Fire Brigades,

**RICHARD HOST**, Director, Finance and Information Technology, New South Wales Fire Brigades, and

**STACEY TANNOS**, Director General, Emergency Management New South Wales, sworn and examined:

**Mr STEVE WHAN:** The State Emergency Service is not represented here today. It is with great sadness that I inform the Committee that on the weekend State Emergency Service Deputy Commissioner Greg Slater passed away. He has had a long and distinguished career in emergency services. As Deputy Commissioner of the State Emergency Service he was instrumental in its development over 11 years. He was a very well respected member of that organisation.

The State Emergency Service in Wollongong is a very close-knit family and Greg's loss has been very hard felt by his colleagues. He was involved in events such as the Sydney hailstorm, the North Coast floods and floods in the Kempsey and Oxley areas. He was also a member of the Australian Federal Police. He was appointed as deputy director general in 2004 and was recently promoted to deputy commissioner. As a result of that sad event the commissioner is also not with us today. It is a tough time for the service and I am sure we all offer our sympathy.

**CHAIR:** I am sure that the Committee will join with me in expressing sympathy to the State Emergency Service and particularly to those who worked closely with their colleague.

**The Hon. MELINDA PAVEY:** Minister, I am sure you are aware that I made contact with your office to suggest that we would not need State Emergency Service officers to attend the hearing today.

**Mr STEVE WHAN:** I appreciate that.

**The Hon. MELINDA PAVEY:** Are there any concerns about a budget blow-out in the New South Wales Fire Brigades this year? I understand there is a budget issue and that there may need to be an advance from Treasury or through the appropriations bill mechanism.

**Mr STEVE WHAN:** Over 15 years the Government has provided record levels of funding to all our emergency services, not least of which is the New South Wales Fire Brigades. Since 1995 the Government has injected \$6.2 billion into the brigades, with this budget at an all-time high of \$589 million. Several months ago the Budget Committee approved an increase in the New South Wales Fire Brigades 2008-09 budgeted net cost of service of \$10 million, which will be recovered from contributors this year.

At the brigade's initiation the Budget Committee also approved a performance improvement review by the Department of Premier and Cabinet in conjunction with Treasury to proceed to engage suitably qualified consultants to assist in reviewing New South Wales Fire Brigades' financial position and to report back in October 2009 to ensure that budgets remain at acceptable levels. In addition, work is underway to share systems and transactional processes across the emergency services sector to provide further efficiencies and cost reductions. The Government has presided over an unparalleled expansion and modernisation of this State's fire stations, firefighting fleet and emergency risk management capabilities.

**The Hon. MELINDA PAVEY:** What was the \$10 million required for and is this the first time that the brigades have had to request extra money? An inquiry has been established to find out why that money was required and where the money went, and the report is due to be presented in October. What was the problem?

**Mr STEVE WHAN:** The review will try to identify the cost drivers that caused the budget blow-out.

**The Hon. MELINDA PAVEY:** What were those cost drivers?

**Mr STEVE WHAN:** They relate to things such as workers compensation coverage.

**Mr HOST:** I would like to take that question on notice. There were some additional costs for death and disability expenses.

**The Hon. MELINDA PAVEY:** Last year's annual report indicated that six full-time officers and eight retained officers received partial and permanent income and twelve off-duty retained officers received income. What happened this year that caused the \$10 million blow-out?

**Mr HOST:** I cannot answer that specifically at this time. I would like to take the question on notice.

**The Hon. MELINDA PAVEY:** Is that because you do not want to answer the question here given that this is a budget estimates hearing? You have blown your budget by \$10 million and had to get a Treasury advance. It would be appropriate for the Minister to have information on this issue given that it relates to workers compensation and that some very serious allegations have been aired and are being investigated by the Independent Commission Against Corruption. I am concerned that those inquiries lead down that path. It would be appropriate for the community to know where that \$10 million has gone.

**Mr STEVE WHAN:** I make it clear that it was not a Treasury advance. It is an increase in the budgeted net cost of services coming from within the New South Wales Fire Brigades.

**The Hon. MELINDA PAVEY:** But it is because of workers compensation.

**Mr STEVE WHAN:** The two issues mentioned are not related.

**Mr BENSON:** I confirm that there is no correlation between the disciplinary matters that are being investigated by the Independent Commission Against Corruption and the New South Wales Police Force and an increase in workers compensation. It relates to workplace injuries in an operational sense.

**The Hon. MELINDA PAVEY:** So it is physical injuries causing this workers compensation blow-out rather than mental health issues?

**Mr BENSON:** There is a slight escalation in psychological injuries, but they are not related to any of the disciplinary matters under review.

**The Hon. MELINDA PAVEY:** You said there is a slight increase. What is that increase?

**Mr BENSON:** It is about 3 per cent.

**The Hon. MELINDA PAVEY:** How many people does that involve?

**Mr BENSON:** Anything between 30 and 40. I am not sure of the exact number.

**The Hon. MELINDA PAVEY:** Is that 30 or 40 extra or in total?

**Mr BENSON:** It is between 30 and 40 extra with psychological injuries. Those psychological injuries are attributed directly to areas such as rescue. Again, they are not related to disciplinary issues.

**Mr STEVE WHAN:** The review being undertaken by the Department of Premier and Cabinet is designed to identify the cost drivers. It is obviously premature to discuss the results of that review now. However, it is aimed at ensuring that the budget performs in accordance with normal expectations in future.

**The Hon. MELINDA PAVEY:** So you will not be able to provide any more information until you get the Department of Premier and Cabinet report in October?

**Mr STEVE WHAN:** We took a question on notice and we will respond to it.

**The Hon. MELINDA PAVEY:** How many people are currently being paid by the New South Wales Fire Brigades who cannot work while these issues are being resolved?

**Mr STEVE WHAN:** I am not sure it is about not working while the issues are being resolved. Obviously, some people are receiving compensation, but the cost over-run is not their fault.

**The Hon. MELINDA PAVEY:** No, I am interested because I have had a lot of people come to me as the shadow Minister, the Opposition spokesperson, saying a lot of jobs are not being done, decisions are not being made within fire brigades, that a lot of people, whether by injury, mental illness or under stress, or whatever, are not fulfilling their work duties. They are on leave but are still being paid. Do you know how many are in that category?

**Mr BENSON:** No, I am not sure of the exact numbers. I can take that on notice.

**The Hon. MELINDA PAVEY:** You will take that on notice?

**Mr BENSON:** Yes. But what I can say is, to the best of my knowledge, no position is currently not occupied facilitating their role. There would always be either a relieving person in that area or we would backfill it.

**The Hon. MELINDA PAVEY:** That would obviously have an impact on your budget?

**Mr BENSON:** It would, to the point where—if you are referring to workers compensation, it would if the workers compensation claim has been accepted or not accepted.

**The Hon. MELINDA PAVEY:** I will move on to another subject, fire officer training, seeing you have taken most of those questions on notice. On the issue of training of firefighters, has there been a change in the time required to get the training, a shift from 16 weeks to 12 weeks at the academy?

**Mr STEVE WHAN:** I will pass that over to Mr Benson.

**Mr BENSON:** Through the review process and the new award one element was that the recruit program in general would be reduced from 16 to 12 weeks. As late as last week that review was not finalised, so the current recruitment process, until there is a comprehensive review, will remain at 16 weeks. There is no reduction.

**The Hon. MELINDA PAVEY:** But it is under review and one of the options is to bring it down to 12 weeks?

**Mr BENSON:** Not necessarily 12 weeks. The comprehensive review will identify if it will be reduced. I am yet to be convinced of that fact, to ensure that the firefighters have the competencies when they leave their recruit training and ensure capability to the public.

**The Hon. MELINDA PAVEY:** Have there been any particular concerns or issues raised about FireCAD? It is a related Rural Fire Service-New South Wales Fire Brigades issue. I am getting information that despite the agreement between the Rural Fire Service and New South Wales Fire Brigades sometimes the information in relation to an incident is not going to the nearest or to the agreed response team, which may be the Rural Fire Service, and often it is just going through to the New South Wales Fire Brigades, and that is having an effect on the morale of the Rural Fire Service volunteers. They get to turn out but the New South Wales Fire Brigades have got there earlier because they have been told earlier despite the Rural Fire Service covering that area. Have you had any representations or information in relation to FireCAD not working appropriately at times?

**Mr STEVE WHAN:** Overwhelmingly the feedback I get from people is that there is an extremely good working relationship between the Fire Brigades and the Rural Fire Service.

**The Hon. MELINDA PAVEY:** I am not doubting that.

**Mr STEVE WHAN:** And that works very well, but on the specifics I will pass over to the acting commissioner and commissioner—the commissioner first perhaps.

**Mr FITZSIMMONS:** We have some standing arrangements in New South Wales through the Fire Services Joint Standing Committee, which was brought into inception, I think, in 1996. There is a provision in

there to look at coordinated response and dispatch of resources. If any examples are identified where there may have been a delay with a call or misinformation with a call we can raise those through a process, at the local level initially, and the evidence will show that in the past the bulk of the time where someone has raised an example of the type you are referring to it has typically been restricted to the caller's information and the proximity details to the event, particularly in a lot of those arterial roads and regional and rural areas. There have been times over the past decade or so where we have adjusted the CAD system but it is working, to all intents and purposes, extremely well.

**The Hon. MELINDA PAVEY:** Do you list where the complaints have been? Do you have a record of those, where there has been an issue?

**Mr FITZSIMMONS:** If there is an issue we typically address it, and where that is a reference to the caller we can only work with the limited information on the caller. If there is an anomaly in the boundary or the geographic reference we tailor that as a correction into the system so it is picked up next time. John would be more authoritative on the detail of the system but I cannot recall too many examples in recent times where we have had some issues with that type of response. But I would be happy to have a look at any of them.

**Mr BENSON:** A number of response areas that are considered as joint are referred to as mutual aid zones or mutual response areas. Sometimes on the interface of those areas what is relevant is the activation process—in other words, the ability to respond in a period of time. Sometimes the Fire Brigades and sometimes the Rural Fire Service can get to a call fairly quickly for whatever reason—whether it is proximity or location or they are in that area or whatever it may be—and they will call off the other service if that is not needed. I think that is an efficient use of resources.

**The Hon. MELINDA PAVEY:** Minister, I have been asked to put this question to you in relation to the super ministry issue and the successful campaign by the Rural Fire Service Association and the member for Blue Mountains to stare the Government down in relation to the super department proposal, which was going to put the Rural Fire Service under the police commissioner. Will there be any implication or impact or effect on the Rural Fire Service budget or structure going forward because of the Government's decision not to put that service under the police commissioner?

**Mr STEVE WHAN:** Firstly I say I do not agree with some of the editorial content of the question, you might be surprised to know.

**The Hon. MELINDA PAVEY:** I am not surprised at all.

**Mr STEVE WHAN:** The process we went through with the super agencies included a significant amount of discussion between me, the Premier's department, the commissioner and others about the creation of a super agency.

**The Hon. MELINDA PAVEY:** That is a matter of public record. I wonder if there is going to be any repercussions, that is all.

**Mr STEVE WHAN:** We have put in place assurances about the independence of the Rural Fire Service. There will not be any repercussions for its operations. The commissioner remains in charge of the operation of the Rural Fire Service. He remains in charge of his budget. The legislation that has him reporting to me does not change. The Premier's letter that he wrote to the Rural Fire Service Association made clear a number of guarantees that the association said it accepts, although it has made the point it would prefer there was no change at all, and I can see that.

The only area of sharing of resources will be in areas where the commissioner feels there is a benefit for the Rural Fire Service in going into that. The position the Opposition took in the House last week when it said there will be no shared services for the Rural Fire Service really flies in the face of attempting to achieve effective and efficient administration. Already the Rural Fire Service is working with the Fire Brigades and the State Emergency Service on a shared financial system. That has been happening for some time. It is a logical area for them to work together. If there are other areas where the commissioner feels he can save funds for the Rural Fire Service that he can direct into firefighting efforts I think that is a reasonable objective for him to pursue.

The commissioners will be part of a committee with the police commissioner. The police commissioner will not be engaging in any sort of takeover of the Rural Fire Service in any form. I think the Government has been able to provide that assurance to people. The independence of the Rural Fire Service remains intact.

**The Hon. MELINDA PAVEY:** I want to ask you about triple-0 calls. It is my understanding that 60 per cent to 70 per cent of calls to triple-0 now come from mobile phones. Is that your understanding?

**Mr STEVE WHAN:** I do not have the exact statistics here. Shane and John would be able to answer further. That is certainly a challenge for triple-0 operators. Is there more to the question?

**The Hon. MELINDA PAVEY:** I am leading into the issue of the Federal inquiry by the Australian Communications and Media Authority into this issue and following the report in yesterday's *Australian* newspaper. I did some research, and New South Wales did not make a submission to the inquiry, which is basically looking at the issue of mobile phone locator identifiers. You may be aware that in parts of the United States and in Canada it is law now that mobile phones have a locator. We saw what happened with the David Iredale inquest. Do you have any thoughts or plans or policy directions as emergency services Minister on this front? Does New South Wales have a view? I know Victoria put in a submission. As far as I can see New South Wales has not. I wonder whether there is a policy coming from you on this?

**Mr STEVE WHAN:** New South Wales is actively engaged in a number of national committees in these areas. Triple-0 is not actually being handled out of this portfolio so it is a broader issue.

**The Hon. MELINDA PAVEY:** But it does fall across the issues.

**Mr STEVE WHAN:** I am happy for the acting commissioner or Commissioner Fitzsimmons to add to this. We have been very actively engaged with the Commonwealth in national approaches to a number of emergency warnings and the issue of mobile phones and where they are located is certainly something we have been involved in.

**The Hon. MELINDA PAVEY:** It was actually a policy direction I was wanting from you rather than something from the commissioner. I will move on to another issue, given the shortage of time: I only have 2½ minutes left. In relation to fire trucks and the Rural Fire Service, according to last year's annual report I understand that 259 fire trucks were renovated or sent to parts of New South Wales. Have they always been four-wheel drive? Are they four-wheel drive? What is the ratio of four-wheel drive to all-wheel drive?

**Mr FITZSIMMONS:** By far the majority proportion is four-wheel drive. There are some discrete categories that are two-wheel drive—typically around the village scene where they are not required to do a lot of off-road work. I do not have the exact proportion, but a significantly high proportion would be in the four-wheel drive or all-wheel drive category.

**The Hon. MELINDA PAVEY:** I understand there is concern at the moment about some all-wheel drives that have been sent out, not necessarily in a village capacity. Are all-wheel drive fire trucks cheaper than four-wheel drive fire trucks?

**Mr FITZSIMMONS:** The trucks that roll out for off-road work, as I understand it, are four-wheel drive and you actually engage the four-wheel drive. I am not aware that they are all-wheel drive, as such, apart from a prototype grasslands appliance that we have been working on now for the last couple of years that is stationed down at Hay—a bogey drive vehicle, which is slightly different from a four-wheel drive.

**The Hon. MELINDA PAVEY:** I have some information in relation to some problems with the delivery of some all-wheel drives. They have been doing some work out at Kariong. The six-inch differential in the area capacity between a four-wheel drive and all-wheel drive is causing some problems. I will leave that question on notice.

**Mr FITZSIMMONS:** I would be happy to get more details about that query because I have not heard anything on that. I know there was a period of time with the cab chassis on particularly the larger appliances—the transfer cases on the four-wheel drives were a few inches lower and we worked with the manufacturers in the new cab chassis to bring up the transfer cases—

**The Hon. MELINDA PAVEY:** When was that?



**Mr FITZSIMMONS:** It would be in the last few years in terms of the build range, and basically that meant that the approach and departure angles, or the over angles, as they are off-road—some of the transfer cases were a little bit lower than on the previous models. We are subject to national and international standards. All the new cab chassis now are starting to align with Euro standards, so there are changes in the cab chassis and then we adapt the bodies to suit those programs. I am not aware of the all-wheel drive issue, but I would welcome the example.

**The Hon. MELINDA PAVEY:** Can you find out how many have come in during the last financial year to now?

**Mr STEVE WHAN:** What category of tanker are we talking about?

**The Hon. MELINDA PAVEY:** All-wheel drive and four-wheel drive.

**Mr STEVE WHAN:** In all categories of tankers?

**The Hon. MELINDA PAVEY:** Yes.

**Mr FITZSIMMONS:** I can tell you really quickly that in the current year we are delivering 209 trucks across New South Wales and last year there were 200 and something—

**The Hon. MELINDA PAVEY:** There were 259 according to the annual report.

**Mr FITZSIMMONS:** So we would have the programs on where those are.

**The Hon. MELINDA PAVEY:** If I could find out for each of those two financial years where they are, where they have been sent to and what they are?

**Mr STEVE WHAN:** For those with all-wheel drive?

**The Hon. MELINDA PAVEY:** And four-wheel drive. A list of information on the 209 and the 259 would be good.

**Mr STEVE WHAN:** The actual locations of where the 209 for this year are going have not been signed off yet, so I am not sure if we will be able to get that back to you in terms of brigades in the next 21 days.

**The Hon. MELINDA PAVEY:** But could you provide the information for the other 259? I did have a question for Mr Tannos.

**CHAIR:** We will go now to crossbench members.

**The Hon. ROY SMITH:** The deputy commissioner indicated that the Rural Fire Service team undergoes 16 weeks training. What sort of training do Rural Fire Service volunteers undergo? Do they get some sort of formal qualification?

**Mr FITZSIMMONS:** They do indeed. As a matter of fact, I was at the State training awards night only last week where we were awarded a finalist in the Employer of the Year category. In the last reporting year volunteers participated in more than 300,000 hours of registered training across the State. The variety of training levels and standards are nationally accredited to the qualifications training framework. They are qualifications ranging from basic firefighter to advanced fire, to village fire to specialist in crew leaders and what have you. The qualification is formalised and the qualification is recognised both nationally and, indeed, as we exchange with firefighters across the globe, particularly when we are assisting the United States, there is recognition of those qualifications and competencies. There is parity.

**The Hon. ROY SMITH:** The budget papers outline that there are some 70,000 volunteers in the service. Do they all have a qualification? Have they all undergone that sort of training?

**Mr FITZSIMMONS:** Are you happy for me to answer that?



**Mr STEVE WHAN:** I might add to it, but go ahead.

**Mr FITZSIMMONS:** As I understand the data coming into the last financial return, we have just over 70,000 volunteers—70,701. On the training returns we have 68,516 trained firefighters. There are a variety of qualifications, levels and specialities in that mix. For example, I am advised that 34 are in the basic firefighting category, 15,500 are in village firefighter, another 10,000 are in advanced firefighter and there are another 7,500 in crew leader and nearly 1,000 in group leader. They are examples of the training and levels.

**Mr STEVE WHAN:** I just add that recently we have seen criticism accusing the Rural Fire Service [RFS] of having a phantom army. The Government has consistently said that we have 70,000 wonderful volunteers in the Rural Fire Service. Those figures are provided to the RFS by the brigades themselves, so they come up through them. There are roles in the RFS that do not involve being on a fire line and firefighting that are just as valuable. They include aerial support, catering and support of vehicles and equipment. Those people are just as much an integral part of fighting fires as people on the fire line.

I have had some feedback from volunteers, particularly people working in areas such as communications, who are upset that people question whether they are part of the Rural Fire Service's volunteer workforce. We are proud of all the 70,000 who are there and the work that they do.

**The Hon. ROY SMITH:** With 70,000 volunteers in the service, what is the annual turnover rate. I notice in the budget papers that there were some 6,000 applications for membership, transfer and child-related activities. How many members go out each year and how many members come in?

**Mr STEVE WHAN:** I will hand over to the commissioner in a second, but obviously the Rural Fire Service, like a lot of voluntary organisations, faces a challenge with an ageing population over future years. Recently I met a firefighter—he is no longer an active member but is active in supporting his local brigade—who had been in the Rural Fire Service and its predecessors for 67 years. Some people have made amazing commitments. However, we have to plan for the fact that some people will retire as time goes on. The commissioner can talk in more detail about that.

One of the positive things about our planning has been the cadets that we have in a number of schools around New South Wales. I have seen examples of brigades in towns where they have gone through the programs in high school and they have formed junior brigades in the local brigades and come through. We are actively trying to ensure that we continue the wonderful work in communities. It is also a really terrific way of encouraging people to be involved in volunteer activity. That is the feedback we are receiving. Perhaps the commissioner can add to that.

**Mr FITZSIMMONS:** Just reflecting on the Minister's comments, as I understand it the data that will be published for the previous year reflects 7,500 membership application processes, of which 4,118 were new membership applications. We will also pick up the screening for members who move around the State and transfer to different brigades. In a volunteer organisation it is really challenging to have volunteers fill in departure forms and give us feedback on what their motivation is—whether they are moving interstate or the next of kin is indicating that they have passed away, or what have you. It is really hard to track those records. But the brigades pick up on those records and maintain them in the system, which derives our 70,000-plus program.

**The Hon. ROY SMITH:** I personally have had involvement with a number of volunteer organisations and I know just how hard it is to recruit new members. These days it seems to be getting harder and harder, particularly given that the volunteer base is ageing. So I can appreciate your situation. I have received some good feedback from a school cadet training program. Hopefully that will be fed into the service. The budget papers refer to the MyRFS volunteer website, which I have not heard of. Could you tell me something about that?

**Mr FITZSIMMONS:** The MyRFS website has been going for several years now. I can get you the exact details of the year it was launched. Basically, it is a secure website that allows volunteers right across the State to log in through password provisions and they can do all manner of things. They can change and adjust their records based on their contact details, addresses, and so on; they can look at brigade activity levels; they can update information about operations in the area; they can view internal bulletins and information; and they can download training packages and other useful information that is pertinent to their role as a volunteer and their brigade's role in the volunteer structure.

It is a secure website, which is a portal very similar to an intranet for a business. But we tailor it to the volunteers. It has different layers of administration. An ordinary member would see the limited details about themselves and secure details about their peers, but the supervisors can start looking at more of a supervisory or managerial role at the different volunteering levels. It is a good way to get out good-news stories and so on that are of interest to the volunteers. The last account I had was that somewhere between 12,000 and 15,000 users were registering and using the system on a regular basis. By far the majority of brigades across the State have some active role in utilising that system to assist in managing their membership and the information delivery to their brigades.

**Mr IAN COHEN:** Minister, I understand that recently a woman with severe hearing impairment involved in an emergency in rural Victoria was forced to send a text message to an auto recovery service in Western Australia, which contacted the Victorian police on her behalf and she was rescued. Could you advise whether people in New South Wales with hearing impairment can access triple-0 through text messages?

**Mr STEVE WHAN:** I will hand over to John.

**Mr BENSON:** I will have to take that on notice.

**Mr IAN COHEN:** I appreciate that. Perhaps you could also address this aspect when you get the information. Is a failure to provide such a service to people with hearing impairment a breach of the Disability Discrimination Act?

**Mr STEVE WHAN:** I will certainly take that on notice and come back to you on it.

**Mr IAN COHEN:** You are not aware of the situation?

**Mr STEVE WHAN:** No, I was not aware of that particular case, I have to say, or the issue.

**Mr IAN COHEN:** With regard to the Hotspots Fire Project, given that the initial \$1 million allocated to get the program up and running has now run out, and given the success of the project, will the Rural Fire Service be allocating funding for the project in 2009-10?

**Mr STEVE WHAN:** The Commissioner can add to this. It is a very positive project. We are providing funding through the Conservation Council for its work. I know that the Hotspots project is separate to that. But we provided some funding towards the Conservation Council. We have received a letter from the Hotspots proponents, and we have yet to respond to that. But I will hand over to either Mr Tannos or Commissioner Fitzsimmons, who may be able to add to that.

**Mr FITZSIMMONS:** I would have to check it—and I am happy to get back to you—but I understand there was a request for an increase in funding. At this stage what we are looking at doing is continuing with the funding we have to further the program, and we are evaluating the ability to increase the funding further. We are yet to respond to that.

**Mr IAN COHEN:** From your point of view, given the obvious popularity and worth of the project, would you be undertaking to increase the funding?

**Mr STEVE WHAN:** It is certainly a valuable project. I am not going to give you an undertaking to increase the funding at this stage, but we are certainly continuing our support for it.

**Mr IAN COHEN:** Could I suggest you ask the Treasurer whether he would concede to an increase in funding? Would you undertake to at least make an application in that regard?

**Mr STEVE WHAN:** I will undertake to consider the request for increased funding. At this stage I am not able to go any further than that. But it is a very valuable project and it certainly seems to be producing excellent results. It is one we would want to encourage.

**Mr IAN COHEN:** Given that during the floods on the mid North Coast at the beginning of the year it was revealed that a number of telemetry gauges failed in the remote communities that needed them in order to make a decision as to whether or now they should evacuate—for example, the system at Nowendoc and

Caffreys Flat in the Oxley electorate—have you performed an audit of the telemetry gauges to decipher which require maintenance and which are not functioning?

**Mr STEVE WHAN:** Telemetry gauges are a fairly difficult issue. I will let Mr Tannos, as the State Emergency Recovery Controller, comment on this. We are currently awaiting a report from the wrap-up from the flooding in northern New South Wales, which I would anticipate will deal with issues including the gauges. The difficulty is that the gauges have been set up by a range of different Federal, State and local authorities over many years and in some cases, on my understanding, it has been difficult to pull them all together. The Bureau of Meteorology has a major role in this, and it certainly has expertise in flood warnings. There are more than 1,000 telemetry stations around creeks and rivers in New South Wales. They are often part of the water resources and environmental networks, and the bureau uses about 750 of those for its flood predictions.

The State Emergency Service, which is our main flood agency in New South Wales, does not actually own or operate any of the gauges. The service works in partnership with the bureau, local government and other agencies to develop the flood warning services. The service does use its flood intelligence system to interpret flood height predictions at key warning gauges and issue flood bulletins. Mr Tannos might want to add to that. But this is one issue that I am expecting to be in the report from Ken Moroney when it comes in.

**The Hon. MELINDA PAVEY:** When will that be?

**Mr TANNOS:** We are expecting it any day now. If I could add a little to that in Commissioner Kear's absence, during a State Emergency Management Committee meeting last week Commissioner Kear moved a motion—which was endorsed and supported unanimously by the State Emergency Management Committee members—that a high-level working group be put together, chaired by Commissioner Kear, to look at this very issue of telemetry gauges. It will be an issue that will form part of Mr Moroney's report, I am sure, to me as the State Emergency Recovery Controller. The purpose of that group was to have a look at an audit, if you like, of the gauges across New South Wales. The ownership of those gauges ranges from three, four or five different agencies, and they are used for different purposes—

**The Hon. MELINDA PAVEY:** Councils, the lands department—

**Mr TANNOS:** They are used for many different purposes. He gave an undertaking to the State Emergency Management Committee that that group would report back at its next meeting, which is in December, as to a proposed way forward with the telemetry gauges. I am sure that we will feed into that with any recommendations that come in from the North Coast flood recovery coordinator's report.

**Mr IAN COHEN:** Last year it was forecast that 95 per cent of homes would have smoke alarms by 2008-09. The revised figure was 92.9 per cent. You have not hit the target. What is the target now? Do you have any data showing which homes, in which local government areas, do not have smoke alarms, and any insights that might be gained from this information? Could you give us an update on the issue?

**Mr STEVE WHAN:** New South Wales have very stringent laws on smoke alarms in homes. I will hand over to the Acting Commissioner to see whether he has the data you are talking about. We may have to take an element of your question on notice.

**Mr BENSON:** The figure, which is probably about one month old now, is about 94 per cent. When you refer to a target, we would love to see 100 per cent for the obvious reasons in regard to community safety. What we are doing is we are proactively working with other emergency services, including the Rural Fire Service, in communicating to the public and the community in general about the worth of early warning in the case of a fire and so forth, including escape plans and other community safety messages. We are actively out there through our permanent staff, our retained staff, and indeed our volunteers through the Community Fire Unit program, working with the community not only to educate them about installing fire alarms in houses but also to ensure their upkeep and that they are in working order.

**Mr IAN COHEN:** But there is an element of compulsion regarding the installation of smoke alarms. How many prosecutions have occurred, if any, in situations where there are no smoke alarms?

**Mr BENSON:** I am not aware of any prosecutions myself, but I can certainly take that on notice. The role of the Fire Brigades, indeed the emergency services, is more or less supporting and educating the

community in regards to that. There has been no evidence whatsoever of non-compliance when we have communicated and engaged with the community. If you like I will take that on notice.

**Mr IAN COHEN:** Thank you. Minister, I am sure you will agree that the ambulance rescue service provides an efficient and effective service in rural and regional areas where that service still exists. If that is the case, could you perhaps explain why there are different policy positions in relation to urban and metropolitan areas?

**Mr STEVE WHAN:** The State Emergency Service is actually the largest road crash rescue service across New South Wales. It is by far the biggest and it covers most rural areas. There are also volunteer rescue associations, fire brigades in some areas, police rescue in a couple of areas, and ambulance in a number of isolated areas. So in that sense the metropolitan and country areas are not treated differently. The Rescue Board, which is chaired by Commissioner Fitzsimmons, does the accreditation for each area about which is going to be the primary rescue and which is the secondary rescue.

In most cases the primary rescue is obviously well equipped to do that and the secondary also has the same level of equipment. What the New South Wales Government has done over the last few years is focus on making sure that all the rescue units in all parts of New South Wales have the most up-to-date equipment, including the most modern cutters for modern car columns and those sorts of things. All rescue-accredited people who work in those units, regardless of whether they are volunteers or full-time paid employees, have the same level of accreditation so the people who unfortunately need to be rescued from a vehicle can expect the same level of service. Commissioner Fitzsimmons is the Chair of the Rescue Board and he might want to add something on that.

**Mr FITZSIMMONS:** It is very simple. To clarify, the Rescue Board makes sure that the appropriate rescue arrangements exist across New South Wales and provides the coverage to the population New South Wales. The decision on the role of ambulances in that regard is a matter for the Department of Health, not the Rescue Board. We look at the services that are available and accredited and make sure that the qualifications and capabilities are sustainable and appropriate for those given areas.

**Mr IAN COHEN:** Were there any cost implications associated with the New South Wales Fire Brigades becoming accredited as the primary rescue service in metropolitan areas when the ambulance rescue service was disbanded? If that is the case, what were those costs?

**Mr STEVE WHAN:** The Ambulance Service, as the Commissioner has said, took the decision itself not to continue in that role. The Fire Brigades are well equipped to do that—indeed, their trucks are already equipped. The Acting Commissioner might want to add to that in terms of the cost implications.

**Mr BENSON:** The cost implications were non-existent. What we did was we restructured and prioritised our training at Ingleburn, our major training centre, to incorporate primary rescue training over a period of about four months. What we did prior to having those accredited rescue personnel in place was to backfill those positions in regards to that through our normal pool of operators.

**The Hon. KAYEE GRIFFIN:** Minister, can you advise the Committee on the hazard reduction undertaken across the State, and the cost of hazard reduction?

**Mr STEVE WHAN:** Following the tragedy in Victoria, the Government and our fire services remain resolute in our commitment to protect life and property from the threat of bushfire. We do so while recognising that New South Wales has approximately 20 million hectares of bushfire-prone land. It is obviously impossible to fireproof the whole State or to hazard reduce the whole 20 million hectares. Over time, we have learnt lessons from our own bushfire tragedies and we have developed an integrated and cohesive approach to bushfire prevention. This approach recognises that there is no silver bullet that will provide a bushland community with immunity from fire, but there needs to be a suite of carefully developed strategies and measures that must be put in place to help minimise the risk. Hazard reduction burning is just one of the measures in minimising that risk. We have burning, mechanical and manual clearing, response to community complaints about bushfire hazards, engagement with at-risk communities and, very importantly, improvement of the standards for assessing developments in bushfire-prone areas—and New South Wales has led on this.

We have some very positive figures for hazard reduction. In 2007-08, a combination of prevention and mitigation activities, including hazard reduction burning and clearing, development controls, community

education and response to complaints, saw us reduce the bushfire risk for more than 185,000 properties around the State worth more than \$92 billion. In 2008-09, preliminary figures reported to the Rural Fire Service indicate that we have achieved protection for 200,000 properties worth more than \$100 billion. So far, the data collected indicates that about 70 per cent of the scheduled hazard reduction works have been completed for 2008-09. The year before it was 58 per cent. In some years it can be as low as 45 per cent when weather conditions are not favourable. Obviously we set an ambitious program for hazard reduction work and the Rural Fire Service, along with the land management agencies, attempts to achieve as much as it possibly can. This year's results have been particularly positive.

Hazard reduction burns are more complex and often more dangerous than many people recognise. They are very dependent on weather conditions. In some years there can be as few as 40 days suitable for controlled burns due to conditions being too hot, too wet, too dry or too windy. Last weekend 37 burns were carried out across the State and 12 were postponed when the wind came up on Sunday—that indicates a sensible decision by the Rural Fire Service not to create danger in dangerous situations. At the moment we are expecting—the final figures will come in on Thursday—that this weekend there will be another 26 hazard reduction burns undertaken around the State. This year's figure is building very positively on the work that was done in the last financial year to make sure we do get that fire reduction undertaken.

One of the things that a lot of people do not understand is that the Rural Fire Service does not own the land. The land management agencies are responsible for the hazard reduction on their land. The Rural Fire Service comes in to assist those agencies, and it also has the overall authority to order hazard reduction when that is required. The National Parks and Wildlife Service has done an excellent job this year in the amount of hazard reduction it has carried out. In the area I represent, it did a large burn in Kosciuszko National Park during the off-season, with aerial incendiaries going in.

We have seen good work by Forests New South Wales and other land management agencies. This year the Rural Fire Service is receiving a great deal of extra funds, about \$17 million, to undertake hazard reduction and mitigation activities. Only a few years ago the comparative figure was \$1.3 million, and under the previous Coalition Government it was non-existent. There has been a significant increase in resources for the Rural Fire Service for hazard reduction work, which goes hand-in-hand with the work of the land management agencies. New South Wales will face challenges through climate change and bushland development. We will continue to conduct extensive community education programs, provide community service announcements and encourage property owners to be well prepared as we head into the fire season.

**The Hon. KAYEE GRIFFIN:** Minister, does the Government support private firefighting brigades? If not, why not?

**Mr STEVE WHAN:** The Government certainly does not support the establishment of private firefighting bridges. I am advised that the Rural Fire Service [RFS] occasionally hears of proposals by individual landowners to form so-called private fire brigades for the protection of assets. There is nothing wrong with a private citizen or company purchasing firefighting vehicles and equipment for use on their own property. However, the extension of such activities to the creation of private brigades raises a number of very serious issues. The Rural Fires Act 1997 allows for the establishment of new brigades where the RFS and local authorities consider an area is insufficiently resourced in terms of firefighting capacity. However, the Act does not support private brigades. This means that any private firefighters would be putting themselves at risk by operating without the legal status or indemnities that apply to RFS volunteers under the provisions of the Rural Fires Act.

The RFS does everything it can to ensure the safety of its volunteers by providing excellent training and high standards of personal protective equipment. Our firefighters are equipped with jackets, trousers, boots, goggles, gloves and helmets. These items are specifically designed for RFS operations and provide members with a very high standard of fire protection. People claiming to be part of a private brigade would not form part of RFS operations, and they would not be equipped or supported by the RFS. Vehicles operated by a private brigade also may be restricted from travelling outside private property. Specialised firefighting tankers cannot be driven legally on any public road in New South Wales without a Bush Fire Operations plate issued by the RFS.

The RFS also provides training courses to help volunteers develop the vital skills needed to operate under emergency conditions, as the Committee heard previously. Most importantly, fire grounds are dangerous places and even with the best available protection things can go wrong. When accidents occur, the Workers

Compensation (Bush Fire Emergency and Rescue Services) Act 1987 provides a special compensation scheme for RFS firefighters, State Emergency Service workers and Volunteer Rescue Association workers. In the event of death whilst on duty, the lump sum amount paid to the family exceeds \$200,000. This scheme, which is administered by WorkCover New South Wales, has regard to the special nature of work carried out by our volunteers. Those operating under a private brigade would not be covered by this compensation scheme and they would not enjoy any of the benefits, support and protections that apply to the members of the Rural Fire Service. Rather than creating their own private group, individuals would be far better off joining the RFS and drawing on its level of resources and support.

**The Hon. LYNDIA VOLTZ:** Minister, is the Government undertaking a program to improve the construction, maintenance and signage of fire trails throughout the State?

**Mr STEVE WHAN:** The Rees Government and the Rural Fire Service [RFS] are committed to the continued construction and the ongoing maintenance of fire trails for the greater safety of our firefighters and to protect the community. Fire trails are a fundamental part of our fire management strategies. They provide access to remote areas in forests and bushland for firefighters and tankers and they are vital to help form containment lines and fire breaks. Fire trails are essentially the responsibility of land managers, but the Government continues to provide support for the maintenance and improvement of our extensive network of fire trails. The Rural Fire Service is the New South Wales lead agency for the Commonwealth Bush Fire Mitigation Program, which funds the construction, maintenance and signage of fire trails across the State. As part of this, the RFS chairs the New South Wales State Assessment Panel for the program.

The New South Wales State Assessment Panel reviews applications annually and consults with the Bush Fire Management Committees to obtain the best local input into the bid selection process before determining the priorities for funding. Under the current four-year partnership agreement the Commonwealth provides annual funding of at least \$1.35 million, which is matched by New South Wales. This joint funding is used to support projects by local government and New South Wales land management agencies, such as Forests New South Wales and the Department of Environment, Climate Change and Water. The program began in 2004 and has been extended until 2011, with a further \$20 million in Commonwealth funding. The Government will continue to support local government and land management agencies to enhance the vital strategic network of fire trails.

I also understand that the RFS is developing a multiagency database to digitally store comprehensive information on strategic fire trails across New South Wales. Having this information readily accessible will greatly assist those involved in firefighting and other emergency operations. Fire trail maintenance is not one of the areas of bush fire prevention that excites the public, but it is vital for New South Wales. The strong commitment that this Government has shown to building and expanding the network and ensuring that the trails are well maintained and sign-posted highlights how seriously the Rees Government takes the threat posed by bushfire and its own role in protecting the people of New South Wales.

**The Hon. HENRY TSANG:** Minister, will you advise the Committee on New South Wales emergency services assistance to other jurisdictions both interstate and overseas?

**The Hon. MELINDA PAVEY:** We will have to come back because of this time wasting.

**Mr STEVE WHAN:** The activities of New South Wales emergency services provide an ample demonstration of the Australian spirit of generosity and willingness to assist our counterparts. I am sure that all Committee members would be well aware that our emergency services were deployed on a vast scale to assist in Victoria with the bush fire emergency in February. More than 3,000 firefighters, drawn from across the State, went to Victoria. This was a tremendous logistic achievement on the part of the Rural Fire Service and the New South Wales Fire Brigades and a very generous contribution from individual firefighters and volunteers. Members from the State Emergency Service and the Volunteer Rescue Association also contributed to the response to the Victorian tragedy. I have spoken previously in Parliament about being at the airport and seeing people applaud our firefighters returning from Victoria.

We also give assistance to other countries. Last spring 44 Australian and New Zealand firefighters, including 10 from New South Wales agencies, were deployed to the United States of America. The team spent 38 days fighting wildfires, as they are called, in California. That was the fifth occasion since 2000 that these agencies had been called upon to assist with America's wildfires. Our agencies' world-leading training and expertise are also much sought after by other countries. We have shared our expertise with governments around

the world, including the USA, Greece, Cambodia, Korea, Botswana, China and the Philippines. In the USA and Korea, RFS officers have provided high-level advice and expertise to assist in the development of strategic programs in firefighting and emergency management.

Interestingly, RFS officers have travelled to the Republic of Botswana, at the request of its government, to assist that country to develop a comprehensive fire management strategy. In recent years the Republic of Botswana has experienced an increase in the number and severity of bushfires, which could have a major impact on the country's biodiversity, population and economy. This assistance has been provided under the auspices of AusAID. The RFS also facilitated the donation of firefighting equipment to Botswana and conducted a five-day training program on the new equipment. The RFS also has been instrumental in developing a memorandum of understanding with the Botswana Government, setting up a five-year contract to provide fire management training. This interesting partnership highlights the expertise and skills of the New South Wales Rural Fire Service, which we can offer to other countries. We also assisted the Solomon Islands in 2005.

As part of the New South Wales emergency response capability, we maintain a large team of highly trained, specialist search and rescue operators, which can be deployed rapidly to any emergency. The Prime Minister offered our firefighters in a search and rescue capacity to Indonesia following the recent earthquake there. Indonesia did not accept the offer, but it was great credit to our fire brigades that their skills were offered. Fire Brigades officer Superintendent Warwick Kidd travelled to Beijing as part of the United Nations team to work with the Chinese Government following the typhoons that affected six Chinese coastal provinces. Fire Brigades have worked in the Philippines to help establish the country's urban search and rescue training program. It is a real compliment to our fire services in New South Wales that their skills are represented so well overseas.

**The Hon. LYNDIA VOLTZ:** Minister, could you inform the Committee about the status of the new category 9 light fire appliances that have been issued in the Lithgow area to the Rural Fire Service?

**Mr STEVE WHAN:** There have been some suggestions that there are problems with the configuration of the new Rural Fire Service ultra-light category 9 tankers that have been issued to volunteers in the Lithgow area. The most common concern seems to be the vehicle's lack of a bullbar. Some members of the Opposition have tried to suggest in the media that that is due to some negligence or some mean-spirited cost-cutting exercise on the part of the Government. I think it is important to correct the record on this. It is an outrageous suggestion that this is a result of cost cutting.

The truth is—and the Opposition would know this if it had inquired—the Rural Fire Service was faced with a very difficult choice. The manufacture of the chassis—Toyota—released a new LandCruiser model in the middle of its contract with the Rural Fire Service. This was a commercial decision by one of the world's, and certainly one of Australia's, leading carmakers. But it meant that the Rural Fire Service had to choose whether to cease production of all category 9 tankers and develop an entirely new design based on the new LandCruiser—which could take up to 12 months—or to adopt the existing vehicle body.

Category 9 tankers are in big demand with our rural fire brigades. They are light, they are rugged and they can be crewed by just two people. They are ideal for quick responses to fire calls, for reconnaissance work or for patrol duties. I consistently had feedback from brigades with category 9 tankers about how useful they are in getting into rugged areas. However, when modified according to the Rural Fire Service's existing fire body design, the new chassis platform resulted in too much weight on the front axle. The choice had to be made to either reduce the vehicle's water-carrying capacity or lose the bullbar.

The deletion of the bullbar was not an ideal outcome, but the Rural Fire Service decided that maintaining the vehicle's 580-litre water storage was more important, given its specific use in firefighting and crew protection. The removal of the bullbar in no way jeopardises the safety of the vehicles when they are being used for the purposes for which they are intended. This change did not happen in isolation but after extensive consultation with the Rural Fire Service's engineering consultative group, whose membership includes volunteers from right across New South Wales. The Rural Fire Service has since produced more than 50 category 9 vehicles on the new platform and reports that the vast majority of operators are satisfied with their performance.

While we are talking about vehicles, I remind the Committee of an audit report commissioned by the former Coalition Government, which came to light in March 1995. That report showed that at the time only 42 per cent of the entire Rural Fire Service tanker fleet met Roads and Traffic Authority roadworthy standards.

More than 1,800 vehicles at the time did not meet the standards and, of those, 730 had major defects. Since 1995 this Government has committed record funding to the Rural Fire Service to overcome that neglect of the service by the previous Government. When you consider the work that the Rural Fire Service has done, the massive rollout of new tankers right cross New South Wales is a significant investment in the safety of our volunteers. The consistently high levels of funding along with the reforms that this Government has introduced show this Government's commitment to Rural Fire Service volunteers.

**The Hon. LYNDIA VOLTZ:** I have other questions but we have run out of time.

**CHAIR:** Time for this hearing has expired. I thank you, Minister, and your officers for your assistance today.

**(The witnesses withdrew)**

**The Committee proceeded to deliberate.**

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