



Speech by

GRANT MUSGROVE

MEMBER FOR SPRINGWOOD

Hansard 12 November 1998

EMERGENCY SERVICES LEGISLATION AMENDMENT BILL

Mr MUSGROVE (Springwood—ALP) (3.39 p.m.): I remind the member for Redlands of the Masters report, which was prepared and kept secret from this place and about which a range of assertions and allegations have also been made. The problem facing the Opposition is that it has not managed to get a copy of the Coopers report, although the disenchanted and disenfranchised members of the QFRA saw fit to give Labor in Opposition a copy of the Masters report, which condemned the then Government's management of the QFRA.

When this Government came to power in June this year, the independent financial audit of the QFRA Trust Fund was commissioned at the request of the Minister for Emergency Services. The Minister has advised this House that, apart from confirming the parlous state of the QFRA Trust Fund and that the QFRA would be insolvent within two years and \$118m in the red within six years if no remedial action was taken, the report identified serious corporate governance problems with the current board structure. I will quote from the report so that the members opposite can have a peekaboo. It stated—

"Political issues have stalled action that should have been taken by the Board to address the funding issues. These issues were notified to the Board and the Minister in April 1997;

The Board does not have a comprehensive range of expertise to deal with its responsibilities under its Act;

Questions arise about the relevance of a board structure for the strategic management of a service delivery agency such as QFRA;

The Board's role is to decide the objectives, strategies and policies of the QFRA and to ensure the QFRA fulfils its role efficiently and effectively. Political expediency appears to have constrained the Board in fulfilling this role."

That is a reference from the independent Coopers report. Those views were backed up by a letter from board members citing political interference as the reason why they had not been able to discharge their functions effectively and save the QFRA from potential financial ruin.

These findings were the catalyst to examining the corporate governance structure of the QFRA and similarly the QAS in order to strengthen it. The reality of the current board structure is quite simply that it does not work. In order to prop up the QFRA Trust Fund, capital expenditure had to be diverted into recurrent expenditure to the extent that 45% of appliances are older than 15 years, which is the industry recommended standard for these emergency appliances. So capital money was going into recurrent expenditure while the whole fleet was ageing and wasting away.

I have heard members opposite make assertions in relation to the balance of the trust fund. It is probably worth while going through that in some detail. It is true that, as at 30 June 1998, the trust fund's closing balance was \$18.7m. However, those funds were committed as follows: \$3.6m to complete capital works projects, \$3.5m to equipment and appliances on order, \$700,000 to grants and subsidies to rural fire brigades and \$3.4m to general expenses, telephones, training, year 2000 compliance and project costs. That comes to a total of \$11.2m.

Mr Robertson: Do you realise that the last time the Nationals ran the fire service they ran up a debt of \$49m.

Mr MUSGROVE: I do realise that the last time the Nationals ran the fire service they ran up that exorbitant debt. When the Nationals get into power, we know that the fire service is going to get into trouble. They see the fire service as their own private pork-barrelling toy. They have no regard for the welfare of the good citizens of Queensland. They regard the fire service as their personal political toy to discharge with outraged abandon and by which to throw around money. Every time the Nationals get into Government, the fire service is in serious financial trouble.

Mr Veivers interjected.

Mr MUSGROVE: I find that language unparliamentary and offensive, and I ask that it be withdrawn.

Mr Veivers: I withdraw.

Mr Schwarten: What did he say?

Mr MUSGROVE: I am not going to repeat it. It was certainly unparliamentary. As I was saying, there were outlays of a total of \$11.2m with the remaining \$7.5m required to fund increased salary and wages costs. Due to salary and wage disbursements resulting from policy decisions of the previous Government, the closing balance for 1998-99 is estimated to be only \$490,000. That is hardly a sound financial future for an organisation the size of the QFRA. This Government is committed to properly funding the QFRA. That is why this Budget has a record amount for the QFRA of some \$209m.

It was interesting to note that, in discussions with the Minister, none of the board members defended the state of the fund. I believe that these people are well-intentioned but, on their own advice, they simply could not do anything about the fund. Their hands were tied. They were subjected to repeated interference and, despite their best intentions, were not in any sense an independent board.

We all know that boards impose a layer of bureaucracy into the decision-making process. It is certainly my contention that this is undesirable. We need a streamlined decision-making process. The community in my electorate of Springwood, and I anticipate also in the electorate of Redlands, expects emergency services, which are critical and essential community services, to be responsive and not delayed by bureaucratic and cumbersome decision making in their dealings with the community. Apart from creating another unnecessary layer of bureaucracy, emergency services required considerable resources to support this bureaucratic structure. For the 1997-98 year, the QFRA board had a budget of some \$233,000 with which to work. In 1998-99, the budget is \$229,000.

Mr Lucas: That's money that could be spent fighting fires in the member for Callide's electorate.

Mr MUSGROVE: I am sure that the member for Callide would appreciate that money being spent in his electorate, as I would appreciate it being spent in my electorate. For the 1997-98 year, the budget for the QAS board is \$98,800. In the 1998-99 year, the budget is \$104,000. The Minister has informed me that estimates for administrative support over the 12-month period indicate that approximately 1,500 hours were spent supporting the board's bureaucratic operations, which equates to approximately a further \$60,000. Therefore, approximately \$385,000 was expended on maintaining the board structure, including administrative support.

In reality, it must have been like a scene from one of those old John Cleese training videos, "More bloody meetings". Instead of attending a single board of management meeting once a month for, say, two hours, the chief commissioner and the commissioner would attend at least four of those meetings in a month: two executive management group meetings, a QFRA board meeting and a QAS board meeting. The board meetings could last for as long as eight hours. In essence, under the current legislation a two-hour meeting with the board was replaced by four meetings. Those meetings could involve the commissioners in meetings totalling as much as 20 hours in any given month. On that basis alone, it is difficult to assert that the statutory authorities were more autonomous decision-making bodies.

Under the proposed corporate governance structure, both the fire and ambulance services will remain as statutory authorities and the dollars saved from the abolition of the cumbersome bureaucratic boards will be redirected to where they belong—into operational service delivery, better equipment and better training. Similarly, the time saved by each of the commissioners in not attending those cumbersome board meetings will be able to be better spent focusing on operations and on getting on with the job of delivering a world-class emergency service.

Mr Lucas: Quality time.

Mr MUSGROVE: Quality time. There will be no change for the firefighter or ambulance officer on the ground. For them it will be business usual, except that they will have more resources.

Under the proposed corporate governance structure, the role and functions of the Chief Commissioner of the QAS and the QFRA remain the same as they stand currently under existing legislation with one important delineation: they are able to get on with the job without deferring policy settings and decision making to boards. Under the legislation proposed by the Honourable Minister,

there will be considerable transparency in the decision-making and accountability processes of both agencies. No longer will there be the smoke and mirrors illusion of autonomy with the so-called independent boards at arm's distance from Government.

Government has always been and will always be responsible and held accountable by the community for delivering this critical and essential service. There are plenty of precedents that demonstrate that the community holds Government responsible when there are failures in essential services, whether there are boards or not, for example, the matter of the response times with the QAS, electricity blackouts and the Sydney water problem. In all instances, the Minister and the Government is still held politically responsible. We must ensure that the QAS does not end up in the same position as the QFRA trust fund.

As was the case with the current board structures, under this legislation the director-general will be the accountable officer under the Financial Administration and Audit Act 1977 for both statutory authorities. The director-general currently is and will be responsible for the financial management performance of the statutory authorities, but under the proposed legislation the director-general will have a——

Mr Robertson: Commensurate.

Mr MUSGROVE:—commensurate level of authority. I thank the member for Sunnybank.

Mr Robertson: I am happy to help.

Mr MUSGROVE: The member is always happy to help. He is always happy to help his constituents and any person in need in the community.

This legislation will correct the corporate governance anomalies and failings that exist in current legislation through the removal of the boards and streamlining of decision-making, accountability and reporting processes. Of course, the community input will still be maintained with the Emergency Services Advisory Council. I am pleased to offer my support for this very important Bill.
