



Speech by

Hon. MERRI ROSE

MEMBER FOR CURRUMBIN

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MINISTERIAL STATEMENT

Queensland Fire and Rescue Authority

Hon. M. ROSE (Currumbin—ALP) (Minister for Emergency Services) (9.57 a.m.), by leave: Three weeks ago I brought to the attention of this House the plight of Queensland's fire service. I outlined to honourable members the enormity of the crisis, as revealed by the independent PricewaterhouseCoopers audit of the finances of the Queensland Fire and Rescue Authority—a \$118m crisis. I have studied this independent report over the last few weeks—studied it with amazement. I now put before the House the history and reasons for this crisis.

Firstly, let me say that I was amazed at the incompetence, irresponsibility and ineptness of the former Government, and in particular the former Minister, in managing the fire service—or rather, mismanaging the service. The honourable members of this House all know how much the member for Southport likes a long, hearty lunch. His time in office as a Minister was no different.

Mr VEIVERS: I rise to a point of order. I find those words absolutely terrible and disrespectful. I ask for them to be withdrawn.

Mr SPEAKER: Order! There is no point of order.

Mrs ROSE: I will withdraw.

In regard to the financial position of the fire service, the independent report says—

"... a continuation of the QFRA's operations on the current basis will lead to reduced operating effectiveness and insolvency. As a consequence, funds of approximately \$20m per year are required."

It states further—

"... the capital of the organisation is being eroded as funds are used for recurrent expenditure."

Honourable members, if the Fire and Rescue Authority was a company, the appointment of Veivers' receivers would be imminent.

The independent report details the immediate reasons for the financial crisis. There are three main reasons for the disastrous state of the finances. The report says—

"The Coalition government had made a pre-election promise (in 1995) to appoint an additional 135 firefighters. It appears the QFRA began appointing additional staff, thereby honouring the commitment made by the government, without ensuring funding availability."

Irresponsibility! Complete irresponsibility! The second reason for the crisis in the fund, and I quote again—

Mr BORBIDGE: The Minister is misleading the House. Funding was allocated at the Cabinet Budget Committee.

Mr SPEAKER: There is no point of order.

Mr BORBIDGE: The Minister—

Mr SPEAKER: There is no point of order. The Leader of the Opposition will resume his seat.

Mr BORBIDGE: They would not have access to the Cabinet Budget Committee records.

Mr SPEAKER: Order! I ask the Leader of the Opposition to resume his seat.

Mr Borbidge: It is wrong.

Mr SPEAKER: Order!

Mrs ROSE: The second reason for the crisis in the fund is as follows—

"Firefighters were granted new increments, a doubling of penalty rates for public holidays, two EPA increases of 4% and 3% and the 38 hour week."

And was funding forthcoming to pay for these new conditions? The report—an independent report—says no. And finally we have the Fire Service restructure—the Staib review. The PricewaterhouseCoopers report also details this sorry saga of inept management. I quote—

"As a result of the Staib report in 1996, the Queensland Fire Service underwent significant restructuring. New positions, reclassification of positions and new structures were established as a result of the report. No additional funding was received in relation to implementation of the recommendations."

The litany of mismanagement is here for all to see. The report goes deeper. It outlines the fundamental reason for the failure in management. That failure is a direct result of the legislation introduced by the previous Government to establish both the Queensland Fire and Rescue Authority and the Queensland Ambulance Service as quasi-independent statutory authorities with governing boards. And what has been the result? \$118m worth of debt in the fire service!

The report goes to the heart of the matter. It says—

"Corporate governance shortfalls exist"—

and—

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

The structural flaw inherent in the system is plain for all to see. The report goes on—

"This"—

that is, the deterioration of the fund—

"raises a number of governance issues in respect of QFRA board operations ... Despite there being a number of reports highlighting serious liquidity risks due to lack of revenue capacity to meet costs, there is little evidence to suggest that action has been taken to rectify the major financial issues relating to revenue and costs."

This is damning—absolutely damning. What the independent report says is that the board was running around expending money that it did not have. The coalition Government and the Nero of Southport fiddled away while pretending that the fire service was independent. What a mess! What a recipe for disaster! Who was in charge?

Dr WATSON: Mr Speaker, in accordance with your previous rulings that members must refer to other members by their correct titles, I would have thought that the reference that the Minister just made was inappropriate.

Mr SPEAKER: Which reference are you speaking of?

Dr WATSON: The "Nero of Southport".

Mr SPEAKER: Yes, I will ask the Minister to rephrase that.

Mrs ROSE: The member for Southport. Who was looking after the interests of the people of Queensland? No-one! Absolutely no-one! As with so many other areas of public policy, the former coalition Government failed the people of Queensland.

I am going to fix the problem. The people of this State deserve a Fire and Rescue Authority that operates on a financially secure and stable footing, and I will see that they get nothing less.
