

TRANSCRIPT

STANDING COMMITTEE ON THE ENVIRONMENT AND PLANNING

Inquiry into fire season preparedness

Melbourne — 3 August 2016

Members

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Ms Samantha Dunn

Ms Harriet Shing — Deputy Chair

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Research assistant: Ms Annemarie Burt

Witness

Mr John Peberdy (sworn), Former Chairman, Country Fire Authority.

The CHAIR — I bring this hearing back to order and welcome Mr John Peberdy, the former chairman of the CFA, to the stand. Mr Peberdy, you are familiar with the terms of reference of the inquiry?

Mr PEBERDY — Yes.

The CHAIR — I note that you are the former chairman of the CFA. I wonder if you might respond to our terms of reference but in doing so also indicate your role as chairman of the CFA — when that began, when that concluded and indeed how it concluded — and then we will respond with some questions as well.

Mr PEBERDY — Thank you, Chair. I had been on the CFA board from 2009. I was appointed as an insurance industry rep initially in the structure of the old board. My term came to an end on 30 June 2013, when of course the fire services levy was removed from insurance products, but was then invited back in October of that year to take up the position of deputy chair of the board. Last year, when Claire Higgins resigned as the chair of the board at the end of August, I was the deputy chair and therefore moved into the position of acting chair. So I had been acting chair since, I think, 29 August, was the date, until 17 June this year, when the board was dismissed by the government, or governor.

The CHAIR — And do you want to outline your response to our terms of reference on fire system preparedness?

Mr PEBERDY — Yes. The issue of preparedness for the fire season has always been a very high priority for the CFA, but I would also point out that the CFA is a 24/7 organisation. There are a lot more structure fires in wintertime — house fires and things of that nature — but certainly bushfire is always the major concern, and therefore there is a heavy emphasis on preparedness. Within CFA there are almost two seasons: there is the season of preparedness and there is the season of summer — the summer season when that preparedness unfortunately is generally put into action. There is a major effort within CFA to make sure that during the summer season people are available. It is during the non-summer season when the preparedness and a lot of community consultation take place. So there is a desire through the summer season to not bog people down, particularly leadership and administration and so on, so that we are ready and available during that season.

The issue of planned burning obviously was commented on in the bushfire royal commission. I came on as the commission was running and that became a big issue. I do well remember going to Kinglake following the fires in my capacity as an insurer and talking to some people from local government up there. They were raising with me the concern that there had been a very low level of burning taking place prior to Black Saturday, and there was a fair angst in the community generally about that. Of course out of the royal commission came the recommendation to lift the level of planned burning, and I think that was commented on by Steve in the previous discussions.

So from the board's perspective with regard to planned burning — I mean, I am no expert on that topic; really the chief officer had carriage of the preparedness part — obviously with the fire services commissioner, now emergency management commissioner, coming into place there was a lot more activity around making sure we were joined up in the way we dealt with that in the state of Victoria. And of course there have been further inquiries that would the attention of the board, such as the report by the inspector-general for emergency management on planned burning that was released, I think, earlier this year, just saying there was a need to shift the way in which burning was taking place in the state from simply having targets around hectares and so on to a much more risk-based way of actually conducting burns.

I was very interested in the work that CFA did a couple of years ago during the time of Euan Ferguson as chief officer in actually working with Indigenous communities and with elders of Indigenous communities to understand more about the way in which they saw planned burns as part of managing the landscape. I know that that was also commented on by Chief Officer Warrington, and to me that was an interesting way because the Aboriginal people seem to have a way of doing much cooler burns than what is generally done in burning land for preparedness for a fire season.

So that was an interesting development that was taking place within CFA to get a better understanding of the way the Indigenous people of this country actually managed the land. But as for getting into the technical detail, that was not something at the board level we did. We did receive reports on the levels of burning, and of course there were targets around the state. But of course when targets were not met it did not in my view seem to be a resourcing issue; it was more an issue of the season and the right conditions not being there for burning because,

as we know, the conditions in which burns take place are pretty important. If you pick the wrong conditions, the chances of a planned burn becoming a bushfire are much increased. So often when the targets were not met it was really more about the weather patterns at that time and the inappropriateness of burning.

The CHAIR — All right. Thank you for that. If I can get to that period before the board was dismissed by the current government, I want to understand and I wonder if you could relay to the committee the sequence that occurred there. As I understand it, and correct me if I am wrong on this, the board, along with the former CEO and the former chief fire officer, took a clear and firm stand about matters within the proposed EBA. I understand that you had assessments that showed that this would diminish fire response capacity and that you also had costings of the EBA. It seems, and tell me again if I am wrong when you respond, that the board, the CEO and the fire officer took a common position that matters within this EBA would need to be changed before you could in good conscience sign it.

Mr PEBERDY — Chair, obviously around the EBA we were working very closely with Minister Garrett on a number of points in the EBA. The process was a little different to previous EBAs in that the establishment of Industrial Relations Victoria meant that they were doing a lot of the negotiating as well, and in fact the board was not a party room part of the negotiations. One of the issues that we raised was, ‘Well, we will be the ones that will be asked to sign the agreement but we are not actually involved in the negotiations per se’ because IRV was really running that negotiation. So we had representatives of CFA there, and we were trying to brief those representatives with our view of the key issues, and as a board we were discussing some pretty key points as far as we were concerned. There were things that to us were not negotiable in any new EBA.

The CHAIR — What were those things?

Mr PEBERDY — I like to stick them under four key areas. So, first of all we do not want veto. We felt that the chief officer must have the power of managing the resources and be able to make decisions around resources without having every decision or a lot of decisions being questioned. That does not mean that there should not be good consultation. Consultation is part of the process, and the board — in my time on the board, right from when I first started — emphasised and would quiz executives and the chief officer and others on how much consultation had taken place, because we were always concerned that there was good consultation taking place on matters. But veto is different to consultation. Veto says we can disagree and then we have got a dispute, whereas consultation says, ‘We will discuss with you the reasons behind our decisions so that you are aware of those’, but it does not give a party a right to say, ‘Well, we are just not going to cooperate’ or whatever.

As far as the dollars are concerned, I would have to say that we were using DTF to help us with some of those dollars. It moved a little bit, and at times I think some of the numbers had things in there that may or may not have or should not have been there. For example, the 400 firefighters is a budgetary issue. It was agreed that there would be 300 for CFA and 100 for MFB, and I think sometimes that cost came in. But of course the point that was being made with the numbers was that the cost of adding these firefighters was much more than just —

The CHAIR — What was the estimated cost?

Mr PEBERDY — I believe the final figure was somewhere in the \$600 million to \$700 million area. But of course there are costs to new firefighters that go well beyond their salary and their training, particularly around stations. As has already been mentioned, when we have firefighters we are required to provide accommodation for them at the station, so many of the refits or new stations that get built that are integrated stations come at a much higher cost than a volunteer station because of the cost of accommodation. I am not saying that is wrong; I am just saying that is part of the additional cost — —

The CHAIR — The actual cost.

Mr PEBERDY — The actual cost to the CFA of running an integrated model is actually quite high. So when we add 300 more firefighters that is a significant additional cost, beyond just their salaries and costs of training.

The CHAIR — So did those costings and estimates go to the board?

Mr PEBERDY — The costings and estimates — not in detail. We were getting rough figures, but, as I say, it was a bit of a moving feast. I would quiz particularly the chief officer at the time on, ‘Well, what figure are we really settling on?’. Because I heard a figure of \$1.2 billion at one stage and it seemed to go up fairly quickly, and, as I said, I think the chief officer then said to me that there were probably some numbers included in there that were not strictly related to the EBA per se.

The CHAIR — They were additional costs that would be incurred nonetheless.

Mr PEBERDY — No, they were more lumping in things like the cost of the 300 firefighters and so on that were not strictly part of the EBA.

The CHAIR — So the \$600 million to \$700 million is the more realistic cost — —

Mr PEBERDY — That is the figure that I believe was the additional cost there, which includes some of the points. That includes if the EBA came through with such things as drivers for commanders and some of the things that are in there, that would just create a whole range of new positions within the CFA that are not currently there. We saw the potential was more than just adding firefighters; we would have to create new positions within the CFA.

The CHAIR — Some details of the impact in terms of cost and fire response did go to the board, though.

Mr PEBERDY — Yes, not so much the fire response. I think from a fire response point of view the concern was more there that basically if we got a disgruntled sector at the CFA, then we need our volunteer firefighters there. There was a concern; some people were talking about walking and so on. We listened to that. I agree with the comments that have already been made. My experience is when there is a fire, the firefighters are there, and I was not personally convinced that we would lose a lot of people, but there was the potential. I had for some time, as I visited brigades, met quite a number of disgruntled people well before the EBA issue that just felt that the tide was turning and that the model of integration was being challenged.

The CHAIR — So the four key points — you have mentioned the veto. What were the others?

Mr PEBERDY — Diversity was certainly an issue.

The CHAIR — Yes, keep going.

Mr PEBERDY — The one CFA model, in other words — we did not want differentiation as far as uniforms and things of that nature were concerned. The fourth one — I had them in my head when I got here, but I have not quite got the fourth one there.

The CHAIR — You can add that later, if you will.

Mr PEBERDY — I will add that later. Thank you.

The CHAIR — Just to understand back to this exact sequence where the board, the CEO and the fire officer took a particular stand and then they were removed: how did that occur? Was there a contact from government or the minister? Who rang you to say you need to change or buckle?

Mr PEBERDY — The process was this: on 10 June there had been speculation that the board would be sacked, as you would know in the media. On 10 June we knew that was going to be a critical day, and of course the first bit of news — I was actually not in Victoria at that time; I was at a conference in Queensland — I received was that the minister had resigned. So we were told that would be the day that the Premier would put to the minister that the minister should instruct the board to sign the EBA. Mr Merlino rang to say he is now the emergency services minister and that we would be — —

The CHAIR — He rang you?

Mr PEBERDY — He rang me personally, and by 5.00 p.m. that day we would have to give an answer as to whether or not we would sign the EBA, and if we would not sign the EBA, we would have to give reasons in writing why we would not sign the EBA. So that started a flurry of meetings with — —

The CHAIR — So you convened a meeting of the board at that point? I am just trying to understand the —

Mr PEBERDY — We had a telephone conference. So Lucinda Nolan, the chief executive, and I were in contact. Lucinda started to work on putting that letter together. The decision of the board was that we would not sign that EBA. We had made that decision on 10 June.

The CHAIR — At a 10 June meeting?

Mr PEBERDY — Yes. We had a teleconference I think around 1.00 p.m., and then we got together just before 5.00 p.m. to look through the letter that we would send to Mr Merlino, which was then sent. We had been told what would happen if we were not to sign the EBA. Then I think rather than dismissing us immediately — the Governor was not in Victoria at the time, and of course the Governor had to sign off on the dissolving of the board — it was 17 June when that actually took place.

The CHAIR — What was your view about this action?

Mr PEBERDY — I was very disappointed because there was a negotiation of form taking place, although when the Premier had come out so strongly the UFU had sort of stepped back a little bit and said, 'Well, we don't really need to negotiate with you, because the Premier has already said that this EBA has got to go ahead'. So the negotiations had broken down again, but we were prepared to go back to the negotiating table and work through the issues that for us were the issues that we felt needed to be changed. It is a very long document; it is over 400 pages. It is a very unwieldy document in itself, but we had tried to isolate the clauses that for us were a problem and that we wanted to negotiate on.

The CHAIR — Do you think this was proper, this approach: you will sign it or sack it?

Mr PEBERDY — I see that the responsibility of the board is given to us under the act, so one of those other clauses of course was to honour clause 6 in the act, which is the clause about a volunteer-based fire brigade, respecting the volunteers and not taking decisions that unnecessarily impact on volunteers. That was one of the other four points, that we must honour that clause, and so from the perspective of the board we would be very little to what we have heard this morning that we felt there was a lot more negotiation that had to take place, and we as a board were prepared to negotiate further. We just wanted to get the award into a position where we felt we could confidently move forward.

I now serve mainly as a non-executive director. I think dismissing a board is a very big decision to take, and it does not help build confidence in the community about what is actually happening. For us I want to emphasise that our respect for Minister Garrett was huge. I think Minister Garrett had done a sensational job in understanding the CFA as an organisation. Minister Garrett spent a lot of time mixing with the CFA, going to events and so on, so we were very aligned in working with her. The clauses that were a problem for the board are the same clauses we believe that were a problem for Minister Garrett, and we wanted to get some movement on those clauses. There was no movement happening, but that did not mean you had to sack the board.

The CHAIR — You saw her as a minister of integrity.

Mr PEBERDY — Completely. There is no question — you know, we may have seen a difference in importance. For example, for us veto was a really important issue. I know diversity was a very big issue, and there were a number meetings in the sector on diversity. The fire brigades generally lag a long way behind other emergency services in the way diversity is managed, and so we were working very closely there. There was that degree where we saw that this was the time to start moving. This was the new EBA, they only come along every four years and there had to be some give in that area as well. But we were working closely there with Minister Garrett, and certainly we are a very united group.

The CHAIR — So just a final question before I hand over to the deputy: the 10 June email that went out, the memo, which had 14 key points. Were you aware of that and did you support that position?

Mr PEBERDY — The email that went out, yes. The 14 key points, yes, they were supported. For example, email, which you can easily say, 'Well, that's not very important', but to us email — —

The CHAIR — It is a bulletin.

Mr PEBERDY — There is no organisation I know that would allow another organisation, even a stakeholder, to have unfettered access to their email. It seems to me to breach all privacy requirements and so on as well. So we had some concerns about the legality of some of these clauses from the broad overview of what a board has to take into account.

Ms SHING — Thanks, Mr Peberdy, for your evidence. I would like to get your view on the way in which the CFA, under your leadership, worked with its workforce and worked with stakeholder groups, including the VFBV and the UFU while you were at the helm.

Mr PEBERDY — While I was at the helm? Yes, with the VFBV we would have joint board meetings with the VFBV where both boards would meet together and we would discuss pertinent issues. I had taken time to meet with particularly Andrew and Adam —

Ms SHING — Mr Ford and Mr Barnett.

Mr PEBERDY — Mr Ford and Mr Barnett, at their offices just to have a look at some of the things they were actually developing because I believe some of the work the VFBV has been doing has been helping to understand the surge capacity availability. There is a very good video that has been produced there. They had an academic research person helping them with that. It was useful to the CFA as well to understand again the value of the surge capacity that is available when we have those bad fire days.

Ms SHING — Do you believe that there was ever any point at which you were encouraged to go to war with your workforce and/or the representatives of volunteers or paid firefighters in the course of your time at the helm?

Mr PEBERDY — I do not believe that we ever wanted to be at war with our workforce.

Ms SHING — That is not the question. Do you believe that you were ever encouraged to go to war?

Mr PEBERDY — No.

Ms SHING — No. Okay. So in that regard, what would you say to the conclusion reached in the fire services review at pages 33 to 34 that ‘it is clear that the previous government’ — and this is a document from 2015, so we are referring to the previous coalition government — ‘deployed a deliberately ideological attack against the UFU and effectively encouraged CFA and MFB to go to industrial war with their respective workforces’?

Mr PEBERDY — I do not believe that is the case.

Ms SHING — So on that basis, I take to something which the Chair took you to earlier: your reference to the Premier’s statement and the Premier’s involvement in the industrial negotiation, which had been going on for a considerable period of time when you gave an interview on 1 June this year. You indicated that the Premier had, you think, helped this situation considerably by actually making that point — that is, that the dispute had been going on for a long time and it was time that it was resolved. You also then went on to indicate that this is something that does need to be resolved. What did you mean when you said ‘resolved’?

Mr PEBERDY — The EBA expired. That is the start point. So when you quote your 1200 days, which I think you quoted earlier today, we are talking about when the EBA expired. Now for the first year of that expiration, the UFU would not come to the table. So let us paint the picture very clearly. When there is a dispute and when there is an EBA negotiation, all parties must be prepared to come to the table.

Ms SHING — As part of good-faith bargaining?

Mr PEBERDY — As part of good-faith bargaining. And there were times when we would be at the table and the UFU would walk away. It is frustrating. This is a tremendous distraction from what the CFA should be doing. It is an important part of what we do, but my point was that by trying to bring it forward — I totally agree the dispute needs to be resolved — as a board we still have a responsibility to the state and to the CFA to make sure that we do not just sign off on an agreement that creates a huge problem for the future.

Ms SHING — So when you referred to ‘resolved’, did you mean resolved only on your terms, or did you think that there was further — —

Mr PEBERDY — No, with a proper negotiation.

Ms SHING — Sorry, I will just finish. Yes, so you see that there was further ground perhaps that could be conceded by the parties — not just the UFU, not just the CFA, but by the parties to that negotiation — in order to reach an outcome that could be acceptable to everyone.

Mr PEBERDY — Yes, clearly.

Ms SHING — Yes? So on that basis, did you receive advice in March or April this year on how you might recast your industrial strategy to progress the matters subject to negotiation which had been going on for so long?

Mr PEBERDY — Did we receive advice? I think we sought, for example, to get a view from Fair Work, from Commissioner Roe, who was appointed to give that view. So that was a CFA-initiated activity to actually go to Fair Work and see if we could get some assistance on some of these clauses.

Ms SHING — Including the four outstanding issues that you have referred to in your earlier evidence?

Mr PEBERDY — Yes.

Ms SHING — Okay. So when you sought advice from the Fair Work Commission, were you also seeking your own advice internally in relation to modifying your industrial strategy?

Mr PEBERDY — We had legal advisers advising us on the issues of the clauses that were the ones that we needed to negotiate on. There were a number of iterations. Early in the piece there was even a discussion about maybe just rolling over the old EBA — not having a new EBA but just seeing if we could roll over the old EBA to try and get this matter progressed. But we then ended up back at this one which we call 17.2, which is the current EBA, and that creates a lot more issues for us.

Ms SHING — I would put it to you, though, Mr Peberdy, that in fact you sought advice and received advice on a range of options that were available to the CFA to break the stalemate in negotiations and to advance matters to an agreement that everyone could live with and that in fact you and the board determined that you would not alter your course of objecting to the position that was on the table and you would not alter your course in relation to agreeing to concede ground on certain of the matters that were still in dispute between the parties.

Mr PEBERDY — Not on the 14 key issues; that is correct.

Ms SHING — Okay. So the letters that you have in fact written in June 2016 refer to those four key issues, and those issues are in fact the threshold issues that you have referred to in evidence to the Chair. But they relate, and I would put this to you, to new issues or approaches to clauses that had not been previously raised in negotiation or conciliation before the independent umpire; that they refer to issues that were raised in November 2015 but not raised in a final offer to the UFU in February, but then raised again in June; and that they were also issues that were raised between November and February but had changed in character by June 2016. What do you say to that?

Mr PEBERDY — Well, first of all I was not in the room in the negotiations, so I cannot comment, really, on what was happening in the actual negotiating room. With regard to the recommendations from Commissioner Roe, they did deal with some of those — the way in which Commissioner Roe suggested resolving those issues unfortunately did not satisfy the board that we would not just carry problems forward. They were not to the point where we could say we could put a hand over our hearts, sign that and say, ‘Well, we’ve resolved that issue’, because we thought that just would have led to a really difficult environment in which to operate moving forward.

Ms SHING — So were you part of the decision taken by the board that the CFA should not in fact modify its approach to move towards a progressive model of union engagement, the hallmarks of which are limited union influence and individual or non-union industrial instruments?

Mr PEBERDY — Sorry, I — —

Ms SHING — Were you part of any consideration or board decision around moving towards a progressive model of union engagement, the hallmarks of which are limited union influence and individual or non-union industrial instruments?

Mr PEBERDY — I cannot say that I was a part — I was certainly party to a decision that we wanted to limit the veto power of the union. That was certainly the decision.

Ms SHING — Were you part of considerations that involved excluding the union from representation of employees at a workforce level to determine terms and conditions of employment?

Mr PEBERDY — No, no.

Ms SHING — Did you ever receive any advice in relation to those issues or options for the board to exercise in undertaking that course of action?

Mr PEBERDY — Not that I am aware of.

Ms SHING — In relation to the terms of reference, Mr Peberdy, I would like to take you to bushfire preparedness and to the reason that we are all here. It has been waylaid somewhat by a history that goes back to the 1880s in relation to how and where the interface between volunteers and paid staff should go. The board and its work around bushfire preparedness would have been very busy with the bushfire royal commission; is that the case?

Mr PEBERDY — Yes, at the time — when you say ‘busy’, it was really CFA members who were being called before the commission, more so than the board. But the board was very focused on what was happening at the bushfire royal commission. I think it is fair to say, though, the bulk of the workload was borne by CFA members.

Ms SHING — But in an organisational sense, what work did the CFA do to understand the implications of the bushfire royal commission and its recommendations?

Mr PEBERDY — Obviously there were, I think, 132 recommendations, and so we were responsible for putting in place a process to actually progress those 132 recommendations. So as a board we were monitoring the progress. There were management and others involved in actually developing the solutions to make sure those issues were dealt with, but we had adopted and accepted the recommendations, and so we were then putting in place planning, through management, to actually implement the recommendations.

Ms SHING — But it was not the board, was it? It was a subcommittee, was it not? The bushfire royal commission recommendations and the work were conducted by — —

Mr PEBERDY — There was a board committee overseeing that. There was an actual board committee overseeing that.

Ms SHING — But you were not part of that subcommittee?

Mr PEBERDY — I was not part of that subcommittee, but that subcommittee reported back to the board and we saw minutes of all meetings.

Ms SHING — So you got updates on that progress of the subcommittee?

Mr PEBERDY — Correct, yes.

Ms SHING — Okay. I note that the duration of those updates was in fact recorded in board minutes, and I put to you that the updates typically lasted between 1 and 4 minutes. In the 10 months between October 2009 and August 2010 the board minutes reflect 46 minutes in total being spent on being updated on the bushfire royal commission and bushfire preparedness. Does that seem to you to be a reasonable amount of time to be talking at a board level about bushfire preparedness and the things which have brought us here today?

Mr PEBERDY — Well, I think the reality is that that subcommittee was the one that was appointed, including a number of board members and others, to actually work through what was happening. The minutes come to the meeting. If there were questions, there are questions asked at the meeting. But we were discussing what was happening at the bushfire royal commission. Minutes capture the salient points basically but not the full discussion, and it was certainly a clear focus for us, as are all of the inquiries that have taken place, whether they be royal commissions or inquiries.

Ms SHING — So on that basis you would say that you had satisfied your requirements when you were chair of the board in relation to understanding fully and comprehensively the work of the bushfire royal commission, despite the fact that you were not operationally involved and despite the fact that this was done by a subcommittee?

Mr PEBERDY — I was a board member at that time, and so from my perspective, yes, I was satisfied. As a board member I was on other committees, and when you are committee member of a board you do place some reliance, but the reason the minutes come to the board meeting itself is to enable board members to ask questions of that committee.

Ms SHING — Finally, did you have any conversations with Ms Lucinda Nolan in relation to correspondence to the Fair Work Commission that the Volunteer Fire Brigades Victoria ought not be engaged as a stakeholder — part of the negotiations — on the basis that they were not employees?

Mr PEBERDY — Did I have conversations? It was a topic that was raised. We were discussing direction. That was for Fair Work to decide, basically, whether the VFBV could give evidence at that — —

Ms SHING — And you endorsed that position that the VFBV ought not be allowed to provide evidence or advice to the Fair Work Commission?

Mr PEBERDY — Neutral on the issue. It was not a decision for us — for the board — it was a decision for Fair Work.

Ms SHING — No, but a representation was made to the Fair Work Commission in relation to the role of Volunteer Fire Brigades Victoria. What role did you play in the making of that representation to the Fair Work Commission that volunteers were not appropriate to be considered as part of the negotiations?

Mr PEBERDY — Personally I played no role in that it all.

Ms SHING — You had nothing to do with it?

Mr PEBERDY — No.

Ms SHING — Thanks, Mr Peberdy.

Ms TIERNEY — Good afternoon. This is an inquiry into bushfire preparedness, and I am wondering what information or what statements or what insights you might have that you can convey to us about the state of play in terms of bushfire preparedness as it stands now and moving into what is the traditional bushfire period.

Mr PEBERDY — So bushfire preparedness is a broad-based issue. Firstly, in recent years it is a whole-of-sector fire emergency sector issue, so the role of EMV is quite a strong role in this. This whole interoperability thing between the different agencies is a very important part of how we now look at preparedness for the fire season.

Certainly I think one of the great strengths of the CFA in its role is really the community engagement, the fact that our brigades are community-based brigades. So there is a lot of community work that is done as far as working with the local communities, and with local government as well, to try and help with the preparedness, and it is a very key part of the work the CFA does in its communities. We have had a number of iterations in my time on the board of how we do community safety, but it has always been there as a very solid plank in the way we work with local communities.

The interesting thing for me is the IGEM report that just talks about the actual targets for how we burn into the future. I find that whole issue of risk based versus just having — first of all it was 5 per cent per year, then it

became hectares and now it is moving to more of a risk base. I think that is an interesting development, and I think we have got still plenty that we can learn in how we actually best manage particularly the planned burning aspect of bushfire preparedness. I would agree with the comments that have already been made, that it is much more than just planned burning. It is very much more about communities and individual householders being prepared, and there is a lot of work done in local communities, particularly the high-risk areas, on actually even advising individual householders on their fire plan. I have spoken to friends who live in the Dandenongs, for example — who have moved to the Dandenongs — and they have commented how helpful the CFA was to them in helping them to prepare a fire plan.

Ms TIERNEY — So obviously we are aware of a fair bit of media scrutiny in terms of the CFA and all its constituent parts. What would you say to people that are probably feeling that there has been more activity dealing with the industrial issues than fire preparedness; what can you say to allay their concerns?

Mr PEBERDY — What I would say is the activity around the EBA negotiations is not happening in brigade land. That is something that is a head office negotiation, basically. So out in the brigades they are getting on with the job. They are doing their community preparedness as they have done in previous years. It is an organised activity. As has been mentioned, there is a lot of review of that activity and so on. I think it is something that is very much at region and at brigade level. It is not something that is interfered with. I think the EBA part is noise for the people that are in brigade land, and sometimes it will have an impact on morale — there is no question about that — but it is more noise for them. They are not actively involved in those issues, unless we get to a place like Lara, which is an area where there is a plan to move from a brigade only to an integrated station, and then it gets a lot more intense for the local people in those types of situations. But otherwise, for most of the CFA's 1190 brigades, basically they are doing what they always do in preparation, and I think from the community point of view the community is still getting their education and there are public meetings taking place in preparation.

Ms TIERNEY — With previous witnesses I have raised the issue of the lack of training, types of training, accessible training, that has been conveyed to me by constituents who are active members of the CFA as well as career firefighters. Now, you had a very long history with the CFA. What do you say in terms of the open concern and criticism about the lack of training and the impact that that has on fire preparedness?

Mr PEBERDY — We were conducting four board meetings a year in regional Victoria, and I would agree that it is the no. 1 topic that has been raised with us, particularly in the last two years since Fiskville has been closed. Fiskville left a gap in our training capability that was a significant gap. I would endorse the comments that Frances Diver made earlier about the regional training grounds. We have attempted to increase our capacity through regional training grounds, but there are some facts that come through in all of our surveying about training that volunteers particularly will not travel 8 hours to do training. So if we are talking about Geelong, for example, Fiskville is an hour down the road, if that. So I think a lot of the issues revolved around Fiskville.

Then it comes to how do we deal with that? Now, Fiskville was a major area for driver training. So what you have been told — what we have heard here — I would say is pretty correct to what we were hearing. Now, we have in fact in the last 12 months opened a regional training ground at Mildura, and we have got a lot of land at the Mildura regional training ground, so we will be able to do driver training there. But again Mildura is a long way away for a lot of our people. So our issue is really around the need for this central training area, as we had with Fiskville. It is really important that that continues to progress. It has been a difficult issue, and the government has given money to that area.

But the resourcefulness of some brigades — the issue is not across the state. There are areas where I say to the people, 'Now, talk to me about training'. They say, 'We don't have a problem with training. We get good access to our local regional training ground, and the other thing is that we have done much more training at our brigade'. And so the brigade itself has trained trainers who actually are delivering the training. Again I was up at a brigade in the hills late last year, so I would ask a specific question, because I am concerned about training as well, and I was told, 'Look, what we've done is we've done a lot more training here at the station, so we've got the people who are training to deliver the training; we've done it at the station'.

That is my answer. It is not resolved. It is a big issue and it is a concerning issue, but basically we have tried to lift our capacity through the regional training grounds, and what we are missing is really that state centre that could do all of the training, from hot fire right through to wildfire through to driver training and so on in the way that Fiskville was able to deliver that. Fiskville had the classrooms and so on as well. I know that does not give

satisfaction to you, but the CFA has been working on trying to improve its ability to deliver training in a difficult environment.

Ms TIERNEY — I think the only satisfaction that I or anyone else will have is having a training plan that is transparent and that gives enough confidence in the general community about its delivery and its intensity so that it directly feeds back into bushfire preparedness, and that needs to happen ASAP.

Mr RAMSAY — I have a number of questions, probably rapid-fire ones, if you could be so kind as to respond in that manner.

Mr PEBERDY — Sure.

Mr RAMSAY — As a board member of the previous board of the CFA you are obligated to comply with the terms of the CFA act, are you not?

Mr PEBERDY — Correct.

Mr RAMSAY — If the proposed EBA comprises clauses that actually compromise or contradict the CFA act, would it not be an expectation that the board would endeavour to remove those clauses that did that?

Mr PEBERDY — That was the view that we took on that issue, that we did have a responsibility to act in the best interests of CFA and if there were clauses in the EBA which were not in the best interests of the whole of CFA, then we should try and get those clauses removed.

Mr RAMSAY — Can you remember a time when a Premier has actually interfered in the Fair Work deliberations of an EBA?

Mr PEBERDY — I must say that before being involved in CFA I probably would not have noticed too much, but I am not aware of any previous time.

Mr RAMSAY — This morning we heard testimony from the new chair, Greg Smith, that in fact his board is currently discussing the merits of the proposed EBA and the implications of it to the current CFA act, and they have been consulting with the newly appointed four members from Volunteer Fire Brigades Victoria, who have just recently been announced. Yet at the same time the Chair asked a direct question in relation to cabinet's commitment to the current EBA as we know it now. I put to you that you were sacked because you would not comply with the government's wishes to support the EBA, yet all you were doing was as is required to comply with the current CFA act. We have heard this morning that Mr Smith has indicated that he has responsibilities also to comply with the CFA act and is negotiating with Fair Work, yet cabinet have already resolved that the only decision that will be made will be that they will support the current EBA. Do you see a conflict where the board actually will not fulfil its obligations — the board directors — and should stand down immediately?

Mr PEBERDY — I certainly see there is a conflict there. I can only really speak on behalf of the other board. I think it is unfair to ask me to speak on behalf of this board. From my perspective, my integrity told me and the rest of the board that we had to act in the best interests of CFA, and that is the way we acted.

Mr RAMSAY — In relation to training, which has been brought up a number of times — and I am hearing that myself from local brigades in fact — there is a shortage of drivers. A lot of the current volunteers are not skilled in driving heavy vehicles, and most of the new pumpers and new heavy tankers require certain skills to drive. Certainly I would be encouraging the CFA — and I appreciate that is not your responsibility now, but hopefully they might listen to this testimony — to provide that sort of training. Fiskville, as I understand it, has been closed permanently by the government, yet the inquiry did not indicate there was a requirement to do so. Testimony this morning indicated there might well be two or three years before an alternate training site is provided. My understanding is that Craigieburn is nearly at full capacity in relation to training facilities, so we cannot wait two to three years for a new CFA Fiskville training facility. Do you have any observations or commentary around the important and urgent need for providing a training facility, certainly for south-west Victoria?

Mr PEBERDY — I have said already that I believe it is essential that CFA gets a centralised place. On the issue of driver training, I would like to make a comment there, because that is always one of the issues that gets raised. I do believe that it is possible to train the trainers to deliver that at brigade level. I do not think that needs

to be done necessarily at a training ground, and so the very brigade I was talking about in the Dandenongs actually had people who were trained deliverers of the program. So I think certainly — —

Ms SHING — Which brigade was that?

Mr PEBERDY — It was Clematis, actually. They actually were providing driver training from within their own brigade, and that may be one of the solutions to deliver a little bit more. As I say, we are getting into the operational area when I talk about these things, so I am not overly confident on that level of operation, but I know that we do not actually have to do that training at a training ground. That can be delivered by local brigade members who are trained to deliver that training. So I think that is one way of dealing with that.

If I may, Chair, also correct — the board closed Fiskville. The board of the day stands behind that decision to close Fiskville. Obviously I was at the inquiry earlier this year, and we know the views. We have read the report on the inquiry, and certainly it was with a heavy heart that we closed it for that very reason — that we knew it would be a huge loss — but we are not going to go back to the Fiskville inquiry here hopefully.

Mr RAMSAY — Just one last question, Chair: going back to a question in relation to the Premier's intervention, do you believe the Premier compromised the board's ability to reach consensus with the UFU in his actions?

Mr PEBERDY — What I actually believe happened, and this is my belief, is that once the Premier made his announcement it made it very difficult for negotiations to continue, because the UFU basically flew the flag, 'We have won'. And why would we bother? The Premier has told you what you have to do, so I think it was very difficult to continue negotiations at that point. And we found appetite reduced dramatically to go back to negotiation.

Mr RAMSAY — Do you not think the new board has been put in the same position given the cabinet's decision?

Mr PEBERDY — I think the new board has a major challenge if it wants to challenge the EBA, and it sounds from evidence given here that it may be not completely comfortable with the EBA.

The CHAIR — It may not challenge it.

Mr PEBERDY — I mean I can only give my personal view, and my personal view is that I would find it very difficult to come onto a board in that position and then read the EBA and just say, 'Okay, we sign it'. I do not think you can do that.

Mr RAMSAY — So Mr Dalla-Riva's terminology of 'lapdogs' is probably reasonably close to the mark?

Mr PEBERDY — I would not have that term accredited to me if you do not mind, Mr Ramsay.

Mr BARBER — So on balance would you support the risk-based burning target approach as opposed to the strict hectare approach?

Mr PEBERDY — Look, I support risk based, full stop. My background is as an insurer, and in the other worlds in which I operate risk based is the way most decisions are being made. I think it makes sense. There are certainly in Victoria some very high-risk areas, and that is where we need to make sure we can put the maximum effort. I have read the full report, and I actually thought the full report made a fair bit of sense — the IGEM report from Tony Pearce.

Mr BARBER — Just on a new topic, how many cycles of enterprise agreements have you been involved in in your time?

Mr PEBERDY — There was only the 2010 in my time. The first was just after I started on the board, so it was quite a fiery period of discussions. It got signed. It seemed to be signed very quickly, and then we discovered later there had been a side deed done, which the board was not too happy about. The chairman was involved in the discussions, so there was a bit of disappointment there that the chair had not informed the board that there would be a deed attached to the EBA. So that was a bit unfortunate.

Mr BARBER — Because you said this time that you, as a board, wanted to get more involved with what was happening. You said ICV were running it all and you wanted to get more involved.

Mr PEBERDY — IRV.

Mr BARBER — IRV, sorry.

Mr PEBERDY — It was more that if we were being asked to sign the final document, we would want to understand where the negotiation had been. Everything we were getting was coming back second-hand. Basically we were not — —

Mr BARBER — From management?

Mr PEBERDY — When I say ‘second-hand’ from management, the management that was in the room was a limited number of people. So what I am saying is that the board was not a party in the room to the discussions taking place.

Mr BARBER — Yes, but you never wanted to be in the room; you never thought you should be in the room.

Mr PEBERDY — No, but I thought there were probably times when it might have been polite — when there were discussions just taking place between CFA and IRV, for example — to perhaps get the board or a representative of the board, such as the chair, to sit in on those discussions just so that we could get a sense of where things were heading.

Mr BARBER — Fair enough. You also said in the media — I just want to quote and make sure this is accurate:

My belief is that government boards really can't just be the vehicle of government to implement its policy ...

They need to have some degree of independence and it does concern me that in Victoria, since this government was elected, we've seen a number of boards dismissed.

Is that an accurate quote — what you said at the time?

Mr PEBERDY — I did say that.

Mr BARBER — Okay. So let me just ask you a little bit about board independence then, because I have never sat on a board of any sort, and there are thousands of them, all nominally independent — —

The CHAIR — The council, I think.

Mr BARBER — Well, I was on a council; that is the other inquiry, Chair. The Country Fire Authority Act 1958, section 6A, ‘Accountability of Authority’:

The Authority is subject to the general direction and control of the Minister in the performance of its functions and the exercise of its powers.

That is the same clause that is in the zoological board act. There is a second clause here that you guys have that the zoo board does not have, and that is:

The Minister may from time to time give written directions to the Authority.

So what is the degree of independence you are seeking beyond what is there in the statute?

Mr PEBERDY — I think it should be noted, Mr Barber, that we were actually working with our minister very closely, so we were actually following the direction of our minister. The independence — I believe all boards must always act in the best interests of the whole organisation. When the minister changed we did not get an option to even have a discussion about what was good and what was not.

Mr BARBER — Yes, I am going to come to that in a minute. Just independence versus you happen to agree with your minister during this issue and the other way around.

Mr PEBERDY — Yes.

Mr BARBER — So do you want more statutory independence than what is in this act?

Mr PEBERDY — I think what I was talking about is the ability for the board to think independently. I mean certainly you do not want to go into battle with government if you can avoid going into battle with government, but around this particular issue we were actually working very closely with the minister and the minister's office at the time, so there was not an issue.

Mr BARBER — After you were sacked, then there was an issue about independence?

Mr PEBERDY — Well, I think we were placed in an invidious situation there when the minister was sacked — or the minister resigned.

Mr BARBER — I will just try that one again. The minister resigned and you were sacked. So you do not think the CFA act ought to be amended to give the board more independence?

Mr PEBERDY — No, not necessarily.

Mr BARBER — Over the years that you have been involved, how many times has the minister given a written direction and/or do you just sometimes have fireside chats with ministers?

Mr PEBERDY — No, we get a statement of expectations pretty well on an annual basis. So all ministers issue a statement of expectations, and that is across — I am on other government boards, and we get a statement of — —

The CHAIR — That is negotiated, though?

Ms SHING — Not necessarily.

Mr PEBERDY — Not necessarily.

The CHAIR — I am just trying to understand.

Mr PEBERDY — It is a statement of expectation, and smart boards will do their best to try and deliver on the statement of expectations. Governments change; you have got to be able to work with governments of both persuasions. In CFA I came during a period of Labor government and worked with a Liberal government and a Labor government again, so it is not a political thing, but we have got to be careful we do not get caught up in politics as well.

Mr BARBER — Yes, but there was an earlier question there about if you had been given a direction that you saw as unlawful. So it is possible under the act that the minister may from time to time give written directions to the authority, not statements — —

Mr PEBERDY — Yes. If I thought it was unlawful — I was personally and a number of the board were having difficulty with some of the legality of some of the clauses that were there. We may have had to consider resigning if we felt we were directed to sign unlawful clauses.

Mr BARBER — So how long after the minister resigned were you sacked; how many hours?

Mr PEBERDY — Well, the phone call was within 2 hours, and we knew our fate within 2 hours.

Mr BARBER — So there was no question that within those 2 hours a new minister might have come in and given you a written direction; you were gone before that circumstance could ever arise.

Mr PEBERDY — Well, we would not have been gone if we had signed, I think — if we had followed the request of Mr Merlino to sign that day.

Mr BARBER — It has not been signed, has it?

Ms SHING — That is right. There is no agreement.

Mr PEBERDY — Correct.

Mr BARBER — So the question earlier about whether you were just under the thumb — it actually did not really arise like that, did it — given a written direction?

Mr PEBERDY — We were asked to sign, yes. We were asked to sign on 10 June.

Mr BARBER — In 2 hours?

Mr PEBERDY — Yes. Well, we were asked by 5.00 p.m. that day, if you remember my earlier evidence. So we had a phone call about 11 o'clock in the morning, and we were asked by 5 o'clock that day to make a decision whether or not we would sign and, if we would not sign, give reasons why not — and understand that it is most likely, if you do not sign, you will be sacked.

Mr BARBER — So it was not a written direction, but it was a warning.

Mr PEBERDY — Well, a warning; some would say it was bullying, actually.

Mr DALLA-RIVA — Yes.

Mr BARBER — Thanks. Just on another topic, when you were talking about the estimated costs of this whole exercise, as you were told about at the time, you made the statement, 'If we needed those extra 300 firefighters, then costs would arise'. Do you think we do need those extra 300 firefighters?

Mr PEBERDY — I am actually totally committed to the model of integration that has been talked about, and I have concerns for the growth of Victoria — that I think we need to expand the number of integrated stations. I am completely committed to that. So I think on top of the 432 that we have just received — I mean there was no negotiation around the 300.

Mr BARBER — Government policy.

Mr PEBERDY — We were told we would get 300. I think we would have difficulty with the current rate of change within the CFA to place the 300 without adding a lot of additional cost. But over time we would certainly need the 300 firefighters, and we will need more career firefighters over time.

Mr YOUNG — Thank you for your evidence today. It was indicated by the previous witness that there were 14 issues that were hang-ups and they were going to be the defining issues. But since then, through education about what they actually mean and their interpretation, their views have changed on many of them. Have your views changed on any of those issues?

Mr PEBERDY — No, I would not hold the same view as Mr Warrington. I think the one issue, and I did come out in the media on the seven on the fireground and point out that that was one that was being, I think, mischievously used. Obviously it is impractical in a regional area where there is no integrated station to wait for seven career firefighters to arrive. That was always about areas where there is an integrated fire station. I do not necessarily agree with seven on the fireground but, as I say, I think the idea of volunteers standing there not doing anything and waiting for the career guys to arrive is an exaggeration of what was intended by that particular clause. But all of the other issues, I certainly think they are — as I say, I do not agree with seven on the fireground, and it is not best practice anyway. But I think for me the 14 issues we identified were very important issues, and they were the issues that as a board — they do get wrapped up in my four, for example, to some degree, like veto. A number of issues were around veto and so on.

Mr YOUNG — And if you could do it all again, you would do the same thing?

Mr PEBERDY — I would never have been able to sign the agreement as it was. I would have resigned — if we were forced. We were told we were going to be sacked anyway, and sometimes it is better to be sacked than to resign. But if I had the pen put in my hand and they said, 'Right; you will now sign it', I would not have signed it. I would have walked away. I am disappointed to do that, because I love the CFA deeply.

Mr DALLA-RIVA — Thanks, Mr Peberdy, for your evidence. Did you at any stage have a private meeting with the Premier to discuss the EBA?

Mr PEBERDY — Not with the Premier, no.

Mr DALLA-RIVA — But you understood that Peter Marshall had a private meeting with the Premier to discuss the EBA?

Mr PEBERDY — I understood that from the media, yes.

Mr DALLA-RIVA — And subsequent to that meeting it was your understanding that that was then the direction, as you said before — that the UFU now had the imprimatur of the Premier and your negotiations had basically stopped?

Mr PEBERDY — Yes.

Mr DALLA-RIVA — How did you feel about that?

Mr PEBERDY — We were disappointed. The whole of the board was disappointed that the Premier had had the meeting. I think it was more that a — the word — secret meeting had taken place with the UFU. What disappointed us more was the appearance that everything in the EBA was fine and that this was just a lot of noise from the board and others and the media and in actual fact the EBA was okay to be signed. That disappointed us more, because there are clauses in there that no person in their right mind would think are really good clauses to have in an EBA.

Ms SHING — You said the Premier's involvement was quite helpful and that it helped the situation considerably, though. That is at odds with the evidence that you have just given.

The CHAIR — No, it is not.

Mr PEBERDY — No. I have no problem with the Premier trying to force the issue to move the negotiations along; that is a different situation. That was where I felt the Premier had been helpful. At that stage we were at stalemate — —

Mr BARBER — He was talking to Peter Marshall about who knows what?

Mr PEBERDY — We were at stalemate at that stage. We were happy to come back and talk about the issues, but the union was not wanting to talk anymore. We hoped it may bring the negotiations back onto the table and get the parties talking again.

Mr DALLA-RIVA — So it was after the meeting that you understood the UFU — Peter Marshall — had with the Premier that negotiations ceased essentially?

Mr PEBERDY — They did not completely cease because after that time the CFA went to the Fair Work Commission to see if they could get some assistance from Fair Work.

Mr DALLA-RIVA — You said the board had a good working relationship with the then minister, Jane Garrett?

Mr PEBERDY — Yes; correct.

Mr DALLA-RIVA — And you understood from those relationships that the minister herself had concerns about the proposed EBA?

Mr PEBERDY — Correct.

Mr DALLA-RIVA — And in those discussions the very same concerns were raised. When Ms Garrett resigned from the cabinet, which is a significant issue, what were your immediate thoughts about where the EBA, or indeed where the CFA, may end up?

Mr PEBERDY — My immediate thoughts were, 'We're in big trouble now', because my belief was that Minister Garrett would be approached on the day and would refuse to sign the EBA. I did not expect her to resign.

Mr DALLA-RIVA — The word ‘bullying’ was used just before, as you have indicated.

Ms SHING — By you.

Mr PEBERDY — No, I — —

Mr DALLA-RIVA — No.

Ms SHING — Mr Peberdy, you agreed with Mr Dalla-Riva’s reference to bullying.

Mr RAMSAY — Do not put words in his mouth.

Mr PEBERDY — No, I used the term — in relation to the phone call from Mr Merlino. I think coercion at best. That was to me a totally unrealistic approach for a new minister to come and say, ‘Well, unless you do this on this particular day, you will be sacked’.

The CHAIR — Within hours.

Mr PEBERDY — To me that is not adults behaving as adults.

The CHAIR — It was like a gun to your head.

Mr PEBERDY — Well, it was a gun to our head.

Mr DALLA-RIVA — So, despite you using the word, which will be in the transcript, and the Labor members do not want — —

Ms SHING — We will see that you uttered it first, Mr Dalla-Riva.

Mr DALLA-RIVA — The issue that we continually hear from the government is that they think that there is misinformation. Even when you just said the word in public and on television they still do not believe it. I am just — —

Ms SHING — ‘Coercion at best’, I think, was the evidence just given.

Mr DALLA-RIVA — You used the word ‘bullying’.

The CHAIR — That is pretty bad, I would have thought.

Mr DALLA-RIVA — Anyway, coercion or bullying in the sense that the minister has done that to the board; do you think the minister will do that to the current board?

Mr PEBERDY — It is for the minister to answer that question. I cannot answer that question.

Mr DALLA-RIVA — The behaviour that was carried out on the CEO, Lucinda Nolan, could that be characterised as bullying?

Mr PEBERDY — My view on the CEO and the CFO, I was the board chair at the time we recruited these two people to the CFA, and I can assure you that they were well supported by government, well supported by the sector in the appointments to those roles and were very much seen as part of the issue of dealing with the culture, to bring in new leadership, two highly respected people from emergency services, to those roles, so I am incredibly disappointed that they are no longer in their roles.

Mr DALLA-RIVA — Final question: who do you think will actually stand up to the UFU?

Mr PEBERDY — I do not know the answer to that question. It seems to me that certainly they are a very powerful union. We know that. In fact Peter Marshall and I converse. When we catch up with each other, we have a very civil conversation, but we do not see industrial relations in the same way as the UFU. I would say they are one of the more powerful unions in Australia. The CFA is locked into what I think is a very 1970s-type model and needs to move into the modern world, and that includes some of the issues that Fair Work rightly is looking at, like diversity, part-time work and things of that nature.

I think CFA can become a better organisation if there can be some negotiations about giving it a more modern type of award and respecting some of the changes that have taken place in society over time, particularly in relationship to women in the workforce and part-time work and those areas which really restrict what CFA can do in the way it is set up as an organisation.

I would like to see some freedom around some of the different options that can be used with CFA. We have talked about things like summer crews into the high population areas. In other words, Lorne, for example, through the year does not need an integrated station, but it would be good at summertime to have career firefighters there in good numbers, even though Geelong is not that far away. There is a whole variety of more flexible models that could be used, and it is a very inflexible model that we currently have.

Mr DALLA-RIVA — Thank you.

The CHAIR — Should the UFU be — —

Ms SHING — Are we starting another round of questions?

The CHAIR — No, I just want to understand this point here. Should the UFU be stymieing an investigation by the human rights and equal opportunity — —

Mr PEBERDY — I was very surprised to see that, because the UFU has come out saying it supports diversity, but then it will not appear at the inquiry. That seems strange to me, but again, I do not run the UFU.

The CHAIR — You do not think they are above the law, though?

Mr PEBERDY — I am just surprised that they would not — the politics of diversity is really that unions have been big leaders in many other areas of actually driving diversity, but it does not appear to be the case in fire and emergency services, whereas some of the other emergency services seem to have dealt with the issue quite effectively.

The CHAIR — Can I thank you for your evidence today. I will indicate that the secretariat may want to follow up with some material, but I thank you for your patience. We were running a little late there, but I am also very much respectful of your evidence.

Mr PEBERDY — Thank you.

Committee adjourned.