

# ANDREWS' FIRE BODY \$132M IN THE RED

## BLOWOUT IN STAFF COSTS

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The Victorian fire agency created by the Andrews government's controversial CFA-MFB merger has blamed increased employee expenses associated with the restructure for a \$132.5m deficit, having spent an average of \$186,526 – including \$21,279 in overtime – on each of its 4516 employees in 2021-22.

Fire Rescue Victoria's deficit follows a \$34.4m surplus in 2020-21, and comes amid pay negotiations between the Andrews government and the United Firefighters Union, which is seeking a 25.9 per cent pay rise over three years – averaging 8.6 per cent annually.

Under entitlements negotiated in 2018, Victorian firefighters in the job for more than two years are entitled to up to 196 days of paid leave per year, including 99 days of personal and sick leave, 65 days of annual leave, an extra four days if a family member (including a niece or nephew) is ill or injured, 10 days of community service leave, five days of union training, and 13 state public holidays.

In its second-ever annual report, tabled in state parliament late last year, FRV blamed its deficit on “expenditure related to the FRV transition”, with expenses from transactions increasing by \$143.8m (15.6 per cent), in 2021-22.

“The main cause of the increase was employee expenses, which increased by \$86.2m (11.4 per cent) to \$842.4m; of this increase \$60.3m primarily relates to increased salaries and overtime related to an increase in staffing due to the impacts of the FRV transition,” the report states.

Salaries and wages, annual leave and long-service leave increased by \$36.0m, or 6.8 per cent on 2020-21 figures, overtime by \$24.3m (33.81 per cent), WorkCover expenses by \$13.3m (63.15 per cent), defined contribution superannuation expenses by \$4.8m (59.63 per cent), payroll tax by \$6.2m (19.73 per cent), travelling and meal allowance expenses by \$1.6m or (10.37 per cent), and relocation expenses by \$1.5m (152.96 per cent).

FRV was established in July 2020 by the amalgamation of 1400 career members of the largely volunteer-based Country Fire Authority with the

Metropolitan Fire Brigade. The merger was the result of years of lobbying by the UFU, the fallout from which prompted the resignations of former minister Jane Garrett and three CFA chiefs.

In what was widely seen as a quid pro quo, UFU members played key roles in the Andrews government's 2014 and 2018 election campaigns. However, a souring of its relationship with the government saw secretary Peter Marshall publicly back the Greens and a range of other left-wing minor parties and independents in the November poll.

Emergency Volunteer Awareness Campaign director Garth Head – a Labor Party veteran who fought against the merger – said the formation of FRV had been an “ultimate mistake, not leading to greater public safety, but leading to greater public cost”.

“It all emanates from a backroom deal which ultimately did not see the UFU supporting the state government at the last election in the way that they had as part of the deal in previous elections,” Mr Head said.

“(The deficit is) absolutely predictable. It was what I was warning as a former Labor government adviser, based on years of experience.

“This is no reflection on the brave and dedicated paid firefighters. Rather, it's a reflection on organisational incompetence manifested by the Andrews government in emergency services.”

Mr Head warned that a reduction in the number of operational CFA volunteers since the merger places Victoria at grave risk amid predictions of dangerous fire seasons ahead.

Coalition emergency services spokeswoman Ann-Marie Hermans said it was clear the Andrews government's “secret union wages deal” was “driving Victoria's firefighting services bankrupt”.

“The development of FRV was supposed to be a cost saver but year after year Victoria's fire services become more and more unsustainable, placing lives and livelihoods across the state at risk,” Ms Hermans said.

Mr Marshall did not respond to a request for comment.