

CORRECTED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into 2004–05 budget estimates

Melbourne–21 May 2004

Members

Mr W. R. Baxter

Ms C. M. Campbell

Mr R. W. Clark

Mr L. A. Donnellan

Mr B. Forwood

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Mr J. Merlino

Mr G. K. Rich-Phillips

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Deputy Chair: Mr B. Forwood

Staff

Executive Officer: Ms M. Cornwell

Witnesses

Mr A. Haermeyer, Minister for Police and Emergency Services;

Ms P. Armytage, secretary, Department of Justice;

Mr A. Clayton, executive director, police, emergency services and corrections;

Mr B. Esplin, Emergency Services Commissioner, Department of Justice; and

Ms C. Nixon, Chief Commissioner of Police, Victoria Police.

The CHAIR — Minister, I ask you to keep your overhead presentation for emergency services to an absolute maximum of 5 minutes, or I will cut into your time. Thank you.

Mr HAERMEYER — I thought I was pretty good last time.

The CHAIR — You were, and we compliment you, and we expect the same outstanding standard. Thank you.

Mr HAERMEYER — I am sure if there is anything that whets your appetite, you will use the opportunity to ask me about it later.

The CHAIR — Your time is ticking.

Mr HAERMEYER — The first slide goes to some of the highlights within the emergency services over the last 12 months, and I will deal with those in a little bit more detail later. A very important component of that is the bushfire inquiry, and I have asked the Emergency Services Commissioner to the table as well.

The CHAIR — I welcome him to the hearing.

Mr HAERMEYER — I will get him to expand on how we are tracking against the findings of that inquiry, and he will be available to do that.

The first item is the volunteer accord, and last year I reported to this committee that we had signed an accord with the Country Fire Authority volunteers, which is like an enterprise bargaining agreement for volunteers. It outlines the obligations of the government, the CFA and the volunteers to each other, and it provides some real recognition of the services they provide and the obligations we have back to them.

About 10 days ago we signed an accord with the Victorian Emergency Services Association (VESA) — the SES volunteers — along the same lines, and that is a very important step. The SES volunteers are overjoyed about that particular accord, because it does recognise that they have an official role and that we have an obligation back to them — not just one way in one direction, them to us.

One of the issues I have discussed with the committee in the past is our statewide integrated public safety communications (SIPSC) strategy. I will deal with the mobile data network (MDN) and metropolitan mobile radio (MMR) components of that under the police portfolio area, but the emergency alerting system is something that is very important to our volunteer emergency services and our rural emergency services.

As the committee is aware, Telstra advised that it was pulling out of running a paging service and that it was also pulling out of another system called SRS7 which is a sort of a phone tree system. This runs the risk of leaving our emergency services communications in rural Victoria high and dry. The existing paging networks have no intention of maintaining any of that infrastructure; they only want to keep the infrastructure in the main population centres.

Overheads shown.

Mr HAERMEYER — The map you see there shows what is currently covered — and we are using the CFA as an example in terms of paging coverage of the state. It is now down to, I think, below 50 per cent, 40-something per cent of the total percentage of the state which, given the area that our volunteers have to operate in, is a very low area.

The next slide shows we are not far off, we believe, in finalising the contract for the implementation of the emergency alerting system, and we think that will be rolled out progressively over this year and next year. By the end of the year we will certainly have more coverage of the state than was the case on the earlier slide. By the fire season after this coming summer this is the sort of coverage of the state we will have. It will be in excess of 90 per cent of the state. That is critical in terms of the safety of our emergency volunteers and our ability to call out our emergency volunteers, and it will have enormous benefits. I will be happy to elaborate on that later on.

The CHAIR — Can water safety be taken as self explanatory?

Mr HAERMEYER — Yes; only to point out that I have taken on responsibility for water safety over the last year. It used to be dealt with under the Minister for Sport and Recreation, Minister Madden. The lifesaving services have expressed the view that they regard themselves as an emergency service, that they are about saving lives, and they are about community safety. We have brought them in under the Department of Justice and there are some very exciting initiatives taking place on that front.

If we go on to the next slide, it actually shows the success of some of our initiatives, particularly our Play it Safe by the Water campaign, in terms of drownings over recent years.

The Victorian State Emergency Service (VicSES) is traditionally one of the smaller, if not the smallest, of our services, but it is not the least important. It has a significant number of volunteers — I think around about 5600 or 7000 across the state — and it provides some very critical services. It was very much neglected during the 1990s. For the first time it has a general purpose truck replacement program which it has not had since the 1980s, and the rescue trucks across the state are being replaced.

It has also had boosts to its unit subsidies, and it has played an enormous role in our emergency arrangements in this state, not just in road accident rescue. I would like the opportunity, if somebody wishes me to later on, to talk about what they do in road accident rescue because they are absolute world leaders. This is a small volunteer agency that is leaving career emergency services not just in Australia but in the world, in its wake in terms of the work it is doing in road accident rescue.

I will now move on to the CFA — —

Ms GREEN — Hear, hear!

Mr HAERMEYER — I note that Danielle is a volunteer within the CFA.

The CFA is an icon in this state. It has 58 849 volunteers across the state as at 31 March this year. We have significantly boosted its budget over the four years we have been in government. The budget this year provides resourcing of \$39 million over the next five years for truck replacement. As you may be aware, we had a — —

The CHAIR — Sorry, perhaps we could ask you a question on that?

Mr HAERMEYER — I am happy to — —

Mr FORWOOD — I am sure we will.

Mr HAERMEYER — I am happy to do that.

Mr FORWOOD — I want to know where the \$39 million is coming from.

Mr HAERMEYER — I am happy to talk to you about that.

Mr FORWOOD — Yes?

Mr HAERMEYER — Most happy to talk to you about that.

Mr FORWOOD — Why do you not tell us now? Where is the \$39 million coming from.

The CHAIR — Minister, could you conclude your presentation?

Mr HAERMEYER — CSESP has been renewed. That will now be running over four years. \$10 million will be available to provide matching grants to volunteer emergency services; now also including lifesavers and coastguard. The map gives an indication as to where some of those grants have gone to provide extra equipment, trucks, and various other needs.

The next slide is entitled 'Emergency Services -The Future', but I will not go into that in any more detail to save you some time, and I am happy to answer any questions you may have about it.

The CHAIR — Good. We have got a lot on emergency services, and Mr Merlino can go first, followed by Mr Clark.

Mr MERLINO — Thank you, Chair. Minister, can you explain how the CFA tanker replacement program is working, and how many new tankers this will provide?

Mr FORWOOD — And where the money is coming from.

Mr HAERMEYER — The same way we always fund fire services.

Mr FORWOOD — Put up the levy?

Mr HAERMEYER — Sorry?

Mr FORWOOD — You put up the levy?

Mr HAERMEYER — That is not necessarily right either, but the — —

The CHAIR — Could you answer Mr Merlino's question, Minister?

Mr HAERMEYER — The CFA has received \$39 million over the next five years. As the committee might be aware, the CFA received a huge injection of new vehicles after the recommendations of the inquiry that followed the Ash Wednesday bushfires. Whilst there is a regular truck replacement provision in its budget each year, there has never been money put aside to accommodate that hump — it is a large number of trucks. What we are providing in this budget — and it was identified in Commissioner Esplin's report into the bushfires, that this need is impinging upon us — is \$39 million to ensure, and I think the number is 190, trucks over that period, to ensure that all of those trucks that are coming up for renewal over that period are renewed.

We have taken the opportunity, or the CFA has taken the opportunity over that period of time, also to investigate the profile of the trucks, because some of the brigades up out in the alpine regions were sort of saying, 'Look, these big 3-tonne tankers that you give us are not really a lot of use down some of the narrow bush tracks'. They have actually asked for pigs, which are smaller vehicles like the utes the DSE people use with a smaller water capacity, but they are far more mobile in those alpine areas, so we have taken the opportunity to review the profile.

In terms of where the funding is coming from, the fire brigades have always been funded out of a formula whereby the CFA's funding is essentially 25 per cent state government funding and 75 per cent — I think that is right.

Mr CLAYTON — It is 22.5 percent.

Mr HAERMEYER — It is 22.5 per cent funding and 77.5 per cent out of an insurance levy. The reason for that is fire brigades — and both fire brigades are funded according to similar formulas — were originally an invention of insurance companies. They set up fire brigades to protect their investment in their policies. But we had a problem that if you did not have a plate out the front of your house saying that you were insured with X fire brigade they would not put out the fire. If you did not have a plate four or five trucks would come up and they would have a fight about who was going to get to sign you up before anybody thought about what was actually going to put the fire out. So the government comes along — —

Mr FORWOOD — We are satisfied.

The CHAIR — Hang on! It is a very — —

Mr HAERMEYER — I am happy to I think it needs to be understood in context.

Mr FORWOOD — He and I know exactly where we are going.

The CHAIR — All right.

Mr FORWOOD — The issue is — —

The CHAIR — He has not finished.

Mr FORWOOD — Yes, he has.

Mr MERLINO — No, he has not, Bill. You have interrupted him mid-sentence.

Mr HAERMEYER — I think if you hear this out you might understand the context of it a bit better.

Mr FORWOOD — Come on!

Mr HAERMEYER — The government comes along and says, 'We will coordinate the funding of fire brigades. For those people who do not insure, for government properties and so on, we will contribute this percentage, but the insurance companies will not be let off the hook scot free'. That is why fire brigades are funded in that way.

Last year we did a review of fire service funding. There was pressure from the insurance council to alleviate them of their requirement to fund their proportion of the fire services. Had we done that — Queensland did it and South Australia did it and all the insurance companies did was absorb what they used to call the fire service levy into their insurance premiums, so nobody got a cent back — what that would have amounted to in this state would have been a \$300 million windfall for the insurance companies. We will fund these trucks like we fund any other boost to fire brigade funding. Ultimately this has to come from somewhere. There is no magic pudding. You either fund it through the established system of funding the fire services or you put out a new tax. If you are proposing a new tax, I am happy to hear about it.

Mr FORWOOD — This committee is interested in accuracy.

Mr HAERMEYER — Yes.

Mr FORWOOD — Let us make the point first that of the \$39 million that is being spent there is \$8.6 million in the budget as the total estimated investment for this project. Let us make a second point. The rest of the funds are being raised through an 18 per cent increase in the fire services levy not provided by the government. And let us make a final point. The minister issued a press release on 25 April announcing a \$39 million boost from the Bracks government, but not once in a page and a half of spin does it mention the fact that it is being funded primarily by an increase in the fire services levy. So I am happy to accept the explanation; I just want you to be honest about the way it is being funded.

Mr HAERMEYER — The fire services have always been funded in — —

Mr FORWOOD — Then why do you not you say it in your press release?

The CHAIR — There is no need to shout.

Mr HAERMEYER — Do you need some chamomile tea or — —

Mr MERLINO — The cameras have gone, Bill. You can calm down.

Mr CLARK — My question relates to the mobile data network (MDN), which as you know applies to police, fire and ambulance services, therefore I will ask it now and perhaps save you some time later. I refer you to your press release of 2 December.

Mr HAERMEYER — Can I correct you? MDN at this stage is not planned to be rolled out into the fire services. The contract that we have signed with Motorola for the initial rollout is for ambulance and police. Fire services will be looked in a later stage of that.

Mr CLARK — I take that correction. I was quoting from your press release of 2 December 2001, which referred to 'police, fire and ambulance'. I take it the scope has now changed. Your press release, which referred to the Bracks government investing \$100 million in this area, also indicated that service was scheduled to start in late in 2003. I refer you also to the Auditor-General's recent report, in which he referred to negotiations with a single tenderer for a significantly changed project scope over a two-year period, which he indicated was contrary to good practice, and the protracted negotiation made it more difficult for the department to establish it received the most up-to-date technology in the market, and further that the inspection and the consultant's report did not establish the technology would be the most up to date and reliable in the market.

Can you confirm that the mobile data network project does not include an imaging facility that would allow the transmission of photographs and graphics for in-vehicle mobile data terminals, for example the photographs of

wanted or missing persons, and can you further confirm that it would cost approximately \$80 million to add that imaging facility to the project?

The CHAIR — This is in police, but you might as well take it now.

Mr HAERMEYER — Because it is more relevant to police I am happy to talk about that later, but I will say in response to that question that my understanding is that the imaging capacity is there; however, the main issue we have with imaging capacity requires, firstly, is not so much at the MDN end of the equation; it is the fact that the databases at the police end — that is, the law enforcement assistance program (LEAP) database and that sort of stuff — do not currently have the capacity to provide that sort of data or interface within MDN in that way. That is a further project. The other issue we need to deal with there — and these issues will be dealt with — is that when you start to pump images down through the system there is a bandwidth issue, on which we are currently negotiating with the Australian Communications Authority.

Mr CLARK — Is the \$80 million figure approximately correct to fully enable the imaging capacity.

Mr HAERMEYER — I would need to get back to you on that because, as I said, we do have a project to bring VicRoads and police data bases up to scratch. It is more about that than the capacity of the MDN technology.

Mr RICH-PHILLIPS — Chair, just before you call the next question can you clarify how you intend to proceed this afternoon? My understanding is that the minister's portfolio is police and emergency services as a single portfolio.

The CHAIR — It is. I said we would move on to police at 4 o'clock.

Ms GREEN — Minister, in your presentation you briefly referred to the Community Safety Emergency Support program (CSESP). Could you elaborate for the committee how this program is operating and how the fund is being utilised?

Mr HAERMEYER — Certainly. CSESP was a program that we initiated in the last term of government where \$4.5 million was provided over a three-year period. What we traditionally have not recognised with the emergency services is that a lot of them do their own fundraising for extra trucks and extra equipment, nice-to-have things over and above the core vehicles and the core equipment that is provided by the emergency agencies. In the past they have simply had to raise that out of chook raffles, tin rattles or whatever. We recognise that they do a lot of work of that nature in their own regard. CSESP provides matching funds whereby some of the things they previously might have considered out of their reach are now deemed achievable and affordable.

Also some things which might have taken a long time to raise funds for can now be brought forward. In this term of government it is funded out of an allocation out of the Community Support Fund. Over this term it is a four-year program, expanded to \$10 million. It will not only include just the CFA and the SES, but it is also open to Life Saving Victoria and the Australian Volunteer Coast Guard. The government will be making \$1.5 million available each year to the SES and CFA. There will be half a million available to Life Saving Victoria and the Australian Volunteer Coast Guard, and then general volunteer emergency services and other of those aforementioned groups may also apply.

I am happy to make available to the committee a breakdown of how those grants have applied. I will hand those documents over now — I will not take up the committee's time reading them, but certainly the first round of those grants for this term will be announced shortly. As I say, it has enabled a lot of Country Fire Authority brigades to buy new brigade-owned tankers to replace their vehicles and to buy general-purpose four-wheel drives and various items of equipment. It has been enormous boon and a very popular program with those services.

Mr CLARK — My question relates to the Mingara report, which as you are aware investigated emergency services' call-taking performance under Intergraph. Is it correct that you received this report in the weeks prior to the 2002 state election; is it correct that the report confirmed that Intergraph was in full compliance with its contractual obligations and only once fell below the required performance standards in relation to State Emergency Service calls; and is it correct that state-run Emergency Communications Victoria is now achieving performance levels significantly worse than those achieved when Intergraph was running the emergency call-taking operations?

Mr HAERMEYER — I could not tell you when I received the Mingara report — this is going back some time — which was the report into the performance of Intergraph. But I also have to say that what you are doing is comparing apples with oranges. What was happening under the previous regime was that the performance benchmarking was not accurately reflecting the performance of the emergency call taking at that time. The first problem was that test calls were being put in which were artificially — whether it was deliberate or not — improving Intergraph's performance against its own benchmarks.

The second problem was where the calls were measured from. The first thing that happens with a call is that it goes to 000, and 000 will then try to get through to, previously Intergraph and now Emergency Communications Victoria (ECV). It will ring a number of times and then if there is no answer it will go back and re-present, and there would be a number of re-presentations. Previously these calls were measured from the time the person at the other end answered the phone, so you could have countless re-presentations, but if on the fifth re-presentation the person answered the phone in 30 seconds, or in 5 seconds, that is what was counted. We actually count it from the starting point now. That is the way it should be counted, because it is ultimately the speed with which the caller gets through to the call-taking centre, not the speed with which someone answers the phone after the fifth or sixth presentation. There are now a number of other measures which have changed whereby we have raised the high jump bar and are measuring in more detail and more accurately and effectively the performance of the call-taking centre. I am happy to make a full report on that available to this committee.

Ms ROMANES — Minister, you mentioned in your presentation that the Victorian State Emergency Service is recognised as a national leader in road rescue. Could you explain how the VICSES road accident rescue service has operated and how effective it has been?

Mr HAERMEYER — Road accident rescue responsibility in Victoria is shared across three agencies: the Metropolitan Fire Brigade (MFB), the Country Fire Authority and the Victorian State Emergency Service. I believe all of them do an absolutely first-rate job, but the SES has 101 accredited road crash rescue units which are called out typically to about 1500 road rescue events each year. Also this year they hosted the road rescue 2004 Australasian Challenge here in Melbourne.

What I think needs to be drawn to attention is that in this state we have one of the best SES units — and I think all of our SES units do a fantastic job in road rescue — and we should not use the term road 'accident', because I do not think they are accidents. The Bacchus Marsh unit is a group of volunteers which two years ago went to the world road accident rescue championships and won in the open section against a whole lot of international full-time career, paid fire brigade, rescue services and emergency services. That is a phenomenal outcome. It is seen as one of the best units of its type anywhere in the world. Last year the unit went again to the international championships, and it finished second. This year it ran a junior team in the national championships, which I think finished third. This was a team of some very young people — because the incumbent Australian champions are not allowed to participate — and these young people finished third overall nationally.

These are not mickey mouse games. These are actual exercises whereby they are dealing with realistic scenarios: real cars with victims inside. They have to have someone that does a medical assessment of the person inside; they have to work out the best, safest and most efficient way of extracting those people from the car. The techniques that have been developed as a result of this can save precious seconds, or even better than that, minutes in terms of whether someone does or does not survive. I just want to place on record my incredible admiration for the work that all our emergency services do on road rescue, but particularly to congratulate the Bacchus Marsh unit, which has set just an incredible standard for everybody else.

The CHAIR — I think that would be endorsed by everybody.

I move now to the police portfolio. I thank the Emergency Services Commissioner for his attendance.

I welcome Ms Christine Nixon, Chief Commissioner of Police, for her attendance, and I call on the minister to give a brief presentation on the more complex matters of the police portfolio.

Mr HAERMEYER — Thank you again. I will just go through the first slides as briefly as I can. Again, if anybody wishes us to expand on any of the items we are most happy to do so.

Overheads shown.

Mr HAERMEYER — One of the areas that we have had to start dealing with in recent years is counterterrorism and the police powers that are associated with that. We have made a very significant boost to police, as well as our other emergency services, in terms of their capacity to deal with the terrorist threat. I am happy to go into that in a little more detail, but the details of it are all there.

I shall talk about Victoria Police achievements. I think that it has been a very successful year for Victoria Police notwithstanding what Peter Faris might say.

Mr FORWOOD — Ed Woodward?

The CHAIR — It is his time now Bill; you will get your turn later.

Mr HAERMEYER — Look, firstly, I think that the recorded crime has again decreased this year. The year-to-date figure from July 2003 to March 2004 is 4.6 per cent. It shows we are in line for the third successive year of crime reduction. We have completed the handgun buyback — 18 000 guns — and we have by far outstripped any other state in terms of the number of guns that were taken out of circulation. The police station program was remarked upon earlier by the Auditor-General — \$280 million on 135 police facilities. All of that is there.

I might also, if somebody is interested at a later stage, invite the chief commissioner to talk about the way ahead, which is the police five-year strategic plan, because I think that is very important in terms of explaining where policing is going in the foreseeable future. Police numbers was a key commitment of this government, and we have delivered already over 1000 police since we came to government in 1999. We are committed to delivering 600 over this term of government, and we believe that we are on track to achieve that. Then of course there are the emergency services telecommunications projects. We have already talked briefly about the mobile data network, that contract was signed in June, and recently the MMR contract. Both of those will be easily in place for the Commonwealth Games.

If we can just go to the next slide, that gives an indication of the crime rate over the last few years. I think that we saw during the late 1990s a significant increase in crime as police numbers were significantly reduced by about 800 as a process of deliberate attrition. What we now see are a number of strategies, including those extra police numbers and police resources, starting to pay off.

I will move onto the community safety slide; again there are a number of things there. Last year we hosted the Crimestoppers International training conference. It was a big success, and the first time out of North America. We had community safety month. The private security industry review is now in legislation before the house, and that has turned around that attempt I think of the previous administration to actually deregulate the private security industry. Also Crime Prevention Victoria is continuing to develop innovative new programs in terms of preventing crime.

I think a big issue in this portfolio continues to be the road toll. This slide shows — and I would love the opportunity to talk about this in some detail later on — how the road toll in Victoria has reduced considerably since 1970, where we had a road toll of over 1000 — I think 1061 it was — down to 330 last year. That was the lowest on record, the lowest in history, if you think about the number of extra cars on the road and the complexity of the traffic conditions. It also shows the lengths to particular road safety initiatives, all of which were controversial at the time they were introduced; all of which are now accepted and all of which we know are now saving over 700 lives on our roads compared to 1970.

If we go onto the next slide, that also shows Victoria in a comparative sense against other states, and I have some extra figures here that actually show deaths per 10 000 registered vehicles: Victoria is 0.94; New South Wales 1.39 — most of them are over 1.2. The Northern Territory has 4.98 deaths per 10 000, so clearly we are way ahead of any other state. We are leading the country in what we are doing in terms of road safety, and I think that that is a tremendous credit to Victoria Police but also the other agencies involved in reducing the road toll. We will just quickly flick through the rest of the slides, and they are there for the committee's perusal at its leisure.

With resources and initiatives, this budget particularly provides extra staff for the forensic science centre, 46 new staff, which will enable us to reduce the backlogs there as well as accommodate the increasing growth of forensic science and particularly DNA in the future in policing.

In the asset investment program, this budget provides for \$20.4 million for 19 police stations across Victoria. Again I am happy to go into more detail about that. Okay?

The CHAIR — I appreciate that, Minister; thank you very much.

Mr FORWOOD — Minister, I would like to address the speed camera fiasco. I wonder if you could let the committee know which cameras were installed under the Department of Justice's watch and which ones were installed under the Minister for Transport's watch — —

Mr HAERMEYER — The cameras on the Monash Freeway and on the Western Ring Road were installed under the auspices of the Department of Justice but they are under contract through Tenix, who are the managers of CityLink —

Ms ARMYTAGE — If I could just correct that. Western Ring Road was by VicRoads — -

Mr HAERMEYER — No, sorry, I was talking about the CityLink tunnel and the Monash Freeway, wasn't I?

Ms ARMYTAGE — No, you said Western Ring Road.

Mr HAERMEYER — I am sorry.

Mr FORWOOD — Now I am really confused. Can we start again?

Mr HAERMEYER — I will start with the Western Ring Road. The contract for the installation of those was a VicRoads contract and the CityLink and Monash Freeway cameras were under Department of Justice auspices through the CityLink contract.

Mr FORWOOD — Who operates them once they have all been established? They have all been transferred over to — —

Mr HAERMEYER — Who operates them?

Mr FORWOOD — Who takes responsibility for their operations now that they have been installed?

Mr HAERMEYER — That really depends upon what you call their operation. If what you are referring to is who takes the results, who takes the infringements and prosecutes those infringements, that is Victoria Police. If what you are asking me is who has responsibility for the ongoing maintenance of those cameras, my understanding is that that rests with the agency that has the contract with the supplier.

Mr FORWOOD — Yesterday Minister Batchelor told us in relation to the Western Ring Road, and I quote from the *Hansard* — — I am not allowed to quote?

Mr CLARK — It can be a paraphrase.

Mr FORWOOD — I will have to paraphrase from *Hansard*, which is yet to be confirmed: my recollection is that VicRoads had made a contract with the supplier from the Western Ring Road, but that they only came into operation after getting a certificate from Victoria Police. And that is right? So while the contract was with VicRoads the cameras did not come into operation until they had been ticked off by the coppers.

Mr HAERMEYER — There is a certification process that is in place and Victoria Police say that at the time they are installed or at the time they are certified they are working according to expectations, and that was done in February 2003.

Mr FORWOOD — No matter who was responsible and signed the contracts, in the end no camera started without certification from the police.

Mr HAERMEYER — I understand that to be the case.

Chief Comm. NIXON — I think so, yes.

The CHAIR — I would just like to pick up, Minister, on a similar point. Could you outline to the committee exactly what your responsibilities are as minister for police in association with the Vicspeed cameras and how they are being addressed, and how you intend them to operate in the future?

Mr HAERMEYER — Let me firstly say that the decision to install the speed cameras was one taken collectively by all of the ministers and agencies responsible for road safety and endorsed by government and by cabinet, and it was a decision based on particularly the carnage — and the biggest concern was the Western Ring Road; it was absolute carnage on that road. Until the announcement of those cameras we had nine deaths on the Western Ring Road.

The decision to install them was about trying to slow them down. One of the concerns we had in terms of using traditional approaches was that freeways, and that freeway in particular, are particularly high risk for police officers and for mobile speed cameras to operate from. We have had a number of police officers come to grief after they have pulled over people on that road.

The CHAIR — That is right. I am familiar with Western Ring Road.

Mr HAERMEYER — The decision was taken to install those cameras on that road. We believe they have been enormously successful in terms of bringing the road toll down. Until last Friday, ironically the day it was announced those cameras were being pulled out and replaced, there was no death on the Western Ring Road over that entire period of time. We believe they have been successful in reducing speeds. We are very concerned to ensure that whilst those cameras are being replaced all steps are taken so that motorists are aware that if they attempt to speed, if they start getting back into old habits and putting lives at risk, then police will be out there in force — mobile cameras will be out there in force to deal with that.

One thing we do want to do is we want to make sure that people have confidence in the integrity of the system. The error rate on these cameras — if the committee will indulge me for a moment, I think this is quite instructive — on the Western Ring Road, the testing process found that .55 per cent of readings on the cameras were incorrect; 1.5 million vehicles were checked; 8136 of those readings were incorrect readings and 8064 or 99.1 per cent of the incorrect readings were under-readings. Overwhelmingly these were people who were speeding who should have been picked up by the cameras but were not. The main problem with the cameras, quantity wise is actually that they were not picking up people who were breaking the law who should have been picked up. Seventy-two vehicles or .005 per cent were incorrectly detected at a higher speed than they were really travelling, and 12 of the high-speed readings would have resulted in infringements being issued out of a total 17 infringeable offences.

What that in effect means is that the number of people who would have been wrongly infringed would have been about 12, but the problem we had with the Western Ring Road was that we could not identify which 12. We have erred in favour of the motorist in saying we will refund all of the infringements on the Western Ring Road that were incurred over that period. We will reverse all of the demerits, and there will be compensation paid to anybody who lost their licence as a result of that. That is simply because we want, despite the fact that the number of motorists who were wrongly infringed is very, very small, to make it very clear, we want to confirm confidence in these cameras and we want to err on the side of the motorist where this sort of error occurs.

The CHAIR — Which goes to the point of my question and that is: in the area for which you have responsibility, how will that confidence be re-established?

Mr HAERMEYER — One of the issues that was identified by the review we did of speed cameras was the fragmented nature of responsibility for the contracts. They are now all being brought under the auspices of the Department of Justice.

Mr FORWOOD — Installation and on-going maintenance?

Mr HAERMEYER — Correct. That will be under the responsibility — —

Mr FORWOOD — Geelong, Hume Highway, Monash — everything?

Mr HAERMEYER — That will all be the responsibility of the Department of Justice, and for my sins I think I will be the minister responsible.

Mr FORWOOD — You are obviously a sinner.

The CHAIR — It takes one to know one. We won't go there.

Mr HAERMEYER — The second thing that will flow from that is the nature by which these cameras work will be changed. Firstly, there will be new cameras installed on the Western Ring Road. They are all being pulled out.

Mr FORWOOD — By you?

Mr HAERMEYER — Well, not me personally.

Mr FORWOOD — Under your auspices? Correct? So Minister Batchelor mangled the Western Ring Road and you are fixing it up?

The CHAIR — We are talking about the future, which is the Department of Justice taking responsibility. They are installing new cameras. What else is happening?

Mr HAERMEYER — Part of that process will also ensure in future that there is a second image that is used. As well as the infringement on the first image there will be a second image which will enable us to do, independently of the initial reading, a time-over-distance calculation. Every infringement that is recorded will be checked against that. Hopefully there should be absolutely no incorrect readings. If there are, we are able to go back and check each and every individual one against the second image. I think that provides us with a failsafe that has not hitherto been there. That will be applied across the entire fixed camera network. That will hopefully provide reassurance to motorists. As I say these cameras, notwithstanding the grizzles some people have about them, have succeeded in slowing people down — and they have saved lives, and that is what is most important.

Mr CLARK — My question relates to the operation of the Operation Purana task force, and the involvement of the Australian Crime Commission. As you will be aware, the Premier on 1 April this year told Parliament that various coercive powers had been sought and were given to Victoria Police by the Australian Crime Commission three months ago. What I would like you to clarify for the committee is, is it possible in fact for the Australian Crime Commission to vest coercive powers directly in Victoria Police or can these powers only be exercised by an ACC examiner? If the Premier is correct in saying the powers were given to Victoria Police, have they yet been exercised by Victoria Police to coerce people into giving evidence? If not, what is the reason for the delay, and is there any truth in rumours that the delay has been caused due to a funding dispute between Victoria Police and the ACC?

Mr HAERMEYER — Let me firstly say I think in terms of access to the ACC's powers, the way that works is that they have particular powers under federal and state acts of Parliament which are able to be accessed by Victoria Police. Victoria Police made application to access those powers. I might hand over to the chief commissioner in a second because there are some very sensitive issues about exactly how this is going to be exercised, but at the same time my advice is that there is absolutely no delay that was related to any disputes over contract. The board of the ACC is made up of all of the chief police commissioners, including the federal police commissioner, and I think four non-police federal agencies. I understand there was a bit of obstinacy coming from some of those. I might hand over to the chief commissioner at this point and allow her to deal with that part of the question I cannot answer.

Chief Comm. NIXON — What happens when you ask for the Australian Crime Commission to become involved is the board determines whether or not it will give a reference that sets out certain conditions and powers. There are legalities around that. Victoria Police applied to the Australian Crime Commission. They then determined whether or not they would actually work with us on the investigation. You do not only get access in a sense to the powers, but you get access to the intelligence and information and a whole range of support services as well. The actual power of coercion and the examinations are conducted by an Australian Crime Commission examiner. He in fact exercises those powers in consultation with Victoria Police, who would provide him with information about the investigation. That is in fact that process we will follow. Because the actual hearings and matters are private — in fact secret — any information about that would be inappropriate to discuss at all. We have commenced and are working with the Australian Crime Commission.

Mr MERLINO — Minister, my question is about road tolls, and I refer to the slides on the road toll that you presented to us. In anyone's estimation those statistics are impressive, particularly the comparisons to other

states and territories and to the national figure. My question is: can you comment on the road-safety strategy in terms of its impact on the road toll, and on the future of the road-safety strategy.

Mr HAERMEYER — Certainly. As I said, the government works through a ministerial road safety council, which comprises the Minister for Transport, who has responsibility for VicRoads and all of the road rules and road construction; the minister for TAC — the TAC has, as you are aware, responsibility for community education and awareness; and myself as Minister for Police and Emergency Services, who has responsibility for enforcement. We try to encompass all of those areas in our road safety strategy. It is not just an enforcement-based strategy.

As you are aware — and this is more an issue for the Minister for Transport — there is a significant allocation for black spot funding and improved road funding this year. We have put significant money into that over the years as well. The TAC ads continue, I think, to be an important part of our campaign to ensure that drivers are aware of what happens with drinking and driving. Unfortunately, I think a lot of drivers think, ‘There are these hoons, and then there are people like me’. What a lot of people — —

Mr FORWOOD — No!

The CHAIR — That was asking for it! Yes, Minister.

Mr HAERMEYER — Please try to take it in the way it is intended. A lot of drivers think, ‘We are decent, law-abiding people. There are these hoons out there on the roads, and that is all about them’. I think the TAC ads try to get the message across to ordinary people, doing normal things, who would consider themselves to be law-abiding people, who from time to time take their attention off the road, think ‘just that one extra drink’ or think it is okay to go that couple of kilometres over the limit, that it is safe to do so. But we have also attacked the enforcement side of it, because unfortunately a lot of drivers think the speed limit is the limit that you can get away with rather than the number on the sign.

Our Wipe Off 5 campaign is based on federal funded research that actually showed that by reducing the average speed at which motorists drive by 5 kilometres we could reduce the number of road deaths by 95 a year. We have implemented that. Over the last two years we have seen a reduction in road deaths from 444 down to 330. This year the latest figure I have is that we are down four from last year. We have had a couple of bad accidents in the last few weeks; we were down as far as 12 at one stage. As I indicated before, comparatively with other states we are doing very well, but as far as I am concerned 330 is still too many.

If we had a murder rate of 330, people would be calling for martial law and all sorts of extreme activities. But somehow we think that things that happen on the road are accidents. I do not accept that they are accidents. They happen because there is a cause. They happen because people take their attention off the road, because people drive too fast — even if it is only a few kilometres too fast. We had a significant reduction last year in pedestrians and cyclists. The reason for that was basically the slower driving — even if only by a few kilometres — in suburban areas. It does have an impact, it is working, it has saved a lot of lives and I make absolutely no apology for the fact that we have gone out there to save lives. I do not care what criticism we get over the cameras. We are out there to save lives.

Mr RICH-PHILLIPS — Minister, I would like to ask you about funding for Victoria Police. I note that budget paper 3, page 23, says:

... the government will commit \$112 million over four years to provide the operational resources needed to maintain Victoria Police’s high level of service to the community.

I note also that in 2002 Victoria Police had an operating deficit of \$19 million and in 2003 it had an operating deficit of \$28 million. Given that \$112 million over four years averages about \$28 million per annum, is that funding simply to plug the operational deficits of Victoria Police — and I note that you use in the budget papers the words, ‘maintain the level of resources’ rather than ‘increase the level of resources’ — to cover existing and future operational deficits rather than to increase the operational capacity of Victoria Police? Can you tell the committee what the latest estimation is for the 2003-04 operational deficit for Victoria Police?

Mr HAERMEYER — I do not expect we are going to have any operational deficit for Victoria Police over 2003-04, but let me say the \$112.2 million is effectively for Victoria Police to implement its new five-year strategy, which includes making the most of the investment we are making in police personnel, making sure that

they have the best equipment available to them, making sure that there is adequate technology and computers and, particularly, making money available for some of the specialist investigations that are taking place. Investigations like Ceja and Purana are very resource intensive.

The surveillance involved in those investigations is very costly, so it is about making sure that Victoria Police is able to take care of that. Some of it is also dealing with some of the counter-terrorist needs. It is dealing with all of those types of needs. We will be in ongoing discussions with Victoria Police about what its ongoing needs are, because the circumstances — the world in which it operates — are changing very rapidly, and we are keen to ensure that we are responsive to the needs of the organisation in those circumstances.

Ms GREEN — Minister, in your presentation you showed us a slide which showed a decline in crime rates, including a further decline of 4.6 per cent in the last year. Could you advise the committee on how these latest crime statistics are influenced by police infrastructure and resourcing?

Mr HAERMEYER — As I said, we have had a very significant rate of reduction in crime stats pretty much across the board over the last three years. In 2003-04 — I think this is up until March 2004 — crimes against the person were down 2.2 per cent and property crime was down 5.6 per cent. Drug reports were up 12.2 per cent, but I will say something about that in a second, because there is some really interesting stuff behind that. Other crime, which is basically public order offences — those sorts of things — is down by 3.5 per cent.

We have had some very significant drops in some areas of property crime — robbery down 17.4, theft of motor vehicles 16.7, burglary down 13.8, arson down 12 — this gives, I think, an indication of how it is going.

Firstly I will just touch on that drug figure. I think we need to understand what is behind the drug figure. Drug investigations are needs driven. Drugs, unlike most other crimes, do not have a victim coming along saying, 'I have been assaulted' or, 'I have been robbed'. You usually have a willing dealer and you have a willing buyer, so unless you have a willing police officer who is there to observe this crime taking place and undertake the necessary law-enforcement activity, drug crime rarely goes reported.

So what you are actually seeing here is partially the result of increased pro-active policing against drug trafficking. But partially it is also due to the fact that, unfortunately, heroin is making its way back onto the streets. We had a heroin drought for about two or three years. The reports are that the price of the product is going down, the purity is going up and the number of ambulance call-outs to overdoses is increasing — those are all the signs that suggest to me that heroin is making its way back out there.

We have even had reports recently of Afghan heroin making its way onto the streets. We have never had Afghan heroin found here before, I understand. I have some real concern about that, because the Afghan heroin crop had dropped down to almost zero about two or three years ago.

It is currently up at record levels and I have no doubt that will make its way over here. We really need to talk to the US who are effectively in control of Afghanistan and see what steps they can undertake to stop that crop at its source. But also I have expressed a concern in the past about our border control — the fact that 997 containers out of every 1000 that enter this country enter unchecked.

We can do a lot in terms of policing on the ground but there is a lot more I think that can also be done out at the borders. These results overall show that if you give police the resources, the numbers, the facilities, the equipment to do their job, then they can actually produce some very successful results in getting crime down. I think Victoria Police are vindicating the investment that we have made in them over the last few years.

Mr RICH-PHILLIPS — A quick follow up on the resourcing of the supply of heroin — is it VicPol's view that the current resurgence is sourced from Afghanistan or is it still coming from the golden triangle?

Mr HAERMEYER — No — I will pass over to the Chief Commissioner in a second, my advice is that the majority is still coming out of the golden triangle but I have had reports for the first time that there is some heroin that has appeared that has been sourced out of Afghanistan.

Mr RICH-PHILLIPS — Already here in Australia?

Mr HAERMEYER — In Victoria.

Chief Comm. NIXON — What you are seeing is the heroin trade trying to get back into Victoria. We are very much aware of it and that in a sense as the minister said is the upward trend. We are trying to hit it very hard so that it does not start to grow. I was interviewing yesterday police from Springvale and Dandenong and they very much are on to that and recognise that they are starting to see it but not nearly in the quantities that were around before, in fact they have been very successful.

The crime rate in those kinds of areas is 52 per cent drop in stolen motor vehicles and 49 per cent drop in burglaries, so we are not about to let that go. But in answer to your question, yes we are seeing heroin come back at cheap prices and better quality and that is how they are trying to get back into the market. During the drought a lot of people went to rehabilitation and started to use other kinds of drugs, amphetamines et cetera, illicit drugs and we will try the hardest we can working with national and international agencies to try to keep the heroin out.

Mr FORWOOD — Minister, I refer you to page 340 of the committee's outcomes report and also pages 126 and 127. The issue I want to deal with is the WorkCover premium for Victoria Police. In 2002–03 the WorkCover premium was \$60 million including a supplement of \$10 million from the Treasurer's advance. One of the reasons was there were 229 stress claims. I would like to know what you think the premium for 2003–04, about to finish, will be and what you have budgeted for the premium for the financial year we are dealing with here, whether or not you now believe you have got the stress claim problem under control or whether we are expecting it to continue to grow?

Mr HAERMEYER — I will make some initial remarks and I will also ask the Chief Commissioner to comment on this because I think largely the WorkCover issue in Victoria Police has been claims driven — based on claims history. Policing is a very high stress occupation. It particularly kicked up at a time where they thought they were being stretched to the limit in terms of their resourcing, but also it is an occupation that also generates a fairly high level of physical injuries. Just the nature of the training will sometimes generate some physical injuries as well. So the Victoria Police has been very concerned about that increase and there has been a strategy in place to try to reduce those claims and I might ask the Chief Commissioner to comment further on that.

Chief Comm. NIXON — Your belief is right — the stress claims, and strains and sprains are in fact the two areas. We have had an investment into this area to try to figure out ways of reducing the claims, doing that by conflict resolution programs and by rapid intervention in stress. A recent study we undertook basically said that if you intervened effectively in the first six weeks you could substantially reduce the long-term effect of the stress claim. We are doing that. We are more likely to agree these days that it is a stress claim rather than fight the person for quite some time and we have found that is also quite effective in getting the person back to work.

So we are on it, I think we have recently been praised by WorkCover because we have actually focused. I knew we were no. 1 and we are now working extremely hard to get off that no. 1 target, I have to say. We are learning a lot about stress. Stress is the new issue for a whole range of organisations but I have to say that we have not got the final outcome but I think the premium will be lower — yes, it will — and I think it is a recognition of the work we are doing. We will continue doing this in this area and we have got a new WorkCover provider to work with us, and I am quite confident now that over a period of time we will reduce the premium because of the claims history and particularly in regard to stress.

Mr FORWOOD — Perhaps when you get the figures you could let us know what they are?

Chief Comm. NIXON — Sure.

Ms ROMANES — Minister, you mentioned in your presentation the allocation of \$280 million over two terms of government to deliver improved police facilities and that police stations construction program has been rolling out over the last few years. Could you advise the committee how much progress has been made towards reaching that particular objective of 135 police facilities?

Mr HAERMEYER — Yes, certainly. Firstly, if I could in response to that just refer to the Auditor-General on this. He said:

The Police Station Capital Works Program has been generally well planned and managed. Work has been on time, on budget and is contributing to a range of government policy objectives. Police and communities were involved in project planning. Program management arrangements were adequate, and program reports were detailed and regularly available.

I want to congratulate the Chief Commissioner and her organisation and those officers in Department of Justice who worked with police to ensure that outcome because it is quite contrary to some of the reports that were being bandied around the place last year.

I am able to report that we are well on track in terms of achieving our outcomes in terms of those police stations. I think that there were a number where we had some issues either with siting or planning. Overwhelmingly they have been completed on time, well within budget, and if I could just go through some of them: Boroondara, Eltham, Heidelberg, Mordialloc, Richmond, Wonthaggi — all complete, and Bacchus Marsh, Belgrave, Kinglake, Moe, Preston, Seymour — these are all complete. Also the small police stations around country Victoria.

They were about providing reassurance to some of those small communities that lost banks, post offices, other facilities and, schools during the 1990s. Their police station is there to stay and I think I have opened already eight police stations this year and there is another swag on the way. The only thing I have got to say that is significantly behind schedule as far as our police station program goes is me opening them.

Mr CLARK — Minister, can I refer to the issue of police numbers and to the annual report of Victoria Police 2002–03 which reports there were 10 276.7 full-time-equivalent police officers as at 30 June 2003? Can I further refer you to page 19 of the 2004–05 Victorian budget overview relating to police numbers including police recruits which appears to show that as of June 2004 there were approximately 10 450 or so police and recruits and then as of June 2006 I would guess around 10 700, and at June 2007, around 10 900?

Can you confirm that it is your government's policy to increase total police numbers by a further 600 to a total of 10 900 in your current term of office? Is it correct that you are likely to add to the total only about an extra 40 police, as distinct from police recruits, in the current financial year? And if you do intend to honour the promises I have referred to, how is it that this chart appears to show that by June 2007, even including police recruits, you will be at only 10 900 police and recruits?

Mr HAERMEYER — As I say, our commitment is to 10 900 police by the end of this term of government, and we believe we are on track. We are over 1000 ahead of the number of police at that time when this government came to office in November 1999, and towards the end of last year we slowed down the recruiting program because we were actually ahead of schedule. The police numbers are basically a net figure, because we have to take into account the number who leave the organisation every year, and we were losing somewhere between 800 and 900 a year back in 1999 — that is, nearly 1 in every 10 police officers was leaving the organisation, which is an appallingly high attrition rate. It is now about 1.5 per annum, which is a very low attrition rate. In some of the mid to late months of last year we had as few as 50 police leaving a month, and our projections in terms of attrition were a bit higher than that, so to ensure that our net annual intake was on target we had to slow down our recruiting rates.

Mr CLARK — Minister, can you shed any light either now or on notice as to why this table which is in the budget overview appears to indicate lesser numbers than you have just referred to?

Mr HAERMEYER — Which page is that on?

Mr CLARK — Page 19.

Mr HAERMEYER — We would need to take that on notice. We would need to check out whether that relies on actual numbers of badges as opposed to full-time-equivalent police, because we generally work on full-time equivalents. The number of badges — the number of actual sworn police out there — is greater than the full-time-equivalent figure, because some are on part-time duties.

The CHAIR — Thank you, Minister. I refer to your slide presentation on resources and initiatives, where \$112 million has been allocated to support Victoria Police in implementing its five-year plan The Way Ahead, and also the fact that the Premier announced a \$10 million one-off payment to Victoria Police to ensure front-line police have the capacity to support the implementation of the plan. Could you please inform us of the areas to benefit from this additional funding and of how much flexibility Victoria Police has to allocate resources?

Mr HAERMEYER — The ability of Victoria Police to allocate resources within its budget is, with the exception of capital purchases, absolute. I understand that this is to deal with particular needs that arose last year. As I say, some of the costs associated with projects like Ceja and Purana were something that had not been

previously anticipated, but I will allow the Chief Commissioner to talk about that. You also referred to The Way Ahead strategy, and I am sure she would be keen to talk about that five-year strategy.

Chief Comm. NIXON — Part of what the government required from Victoria Police was a plan for the future before it would continue to invest in us. We needed to set goals that were very clear, and part of that therefore was a five-year plan which sets our directions for the future. It also changes in some sense the output measures and the way we have been measured previously, and that has been a discussion we have previously had.

That particular plan has four key commitments: one is obviously the reduction of crime; the second is the reduction of the road toll and deaths and serious injury on the roads; the third is the reduction of fear in the community; and the fourth is improved customer service. Under that we have a whole series of plans and sub-plans that relate to the way we go about our work. It is about our intelligence and about the way we use forensic sciences, the way we are moving to improve our detection and arrest rates, and the way we are focusing on working with the community.

The plan has four key parts to it. One part is confident police, which is really ensuring that what we do is based on intelligence and based on using good systems, so some of that money will obviously go into those sorts of areas. Clearly the minister has talked about the Purana and Ceja task forces, and they take a substantial amount of resources — telephone intercept resources and a whole range of those sorts of things that we need to be using.

The second part is community relationships, which we think are incredibly valuable. We have local sector committees across the whole of Victoria with every local government, and they are incredibly effective. We want to work with those; we want some money to be able to work with local government so we can put our share in with them and to work with them on a whole range of initiatives, and that has turned out to be incredibly significant in the reduction of crime that you have seen. In a sense the crime rate reduction that is actually in there should also be added to the last three years worth of reduction in crime, so you are literally looking at a state that has a 44 per cent reduction in stolen motor vehicles — that is, 2500 fewer cars are stolen a year in Victoria. They are huge benefits for the community.

The final part of the plan is partnerships, which is about working with government agencies and taking a whole-of-government approach, which allows us to work in domestic violence, including our response in child protection. In terms of our technology, there is a whole set of those there.

Part of the five-year plan also requires what we are calling the Compstat process: every fortnight I meet with two divisions or a specialist group, and they are then quizzed on crime figures — on every single category of crime — and on how they are working in those areas and how they are managing the people, so it underpins the WorkCover issues, and I am also looking at leave and making sure that people take leave when they are supposed to and looking at their financial management to ensure we meet our budget requirements.

The five-year plan also made us look at the five-year budget itself and how we manage the budget. Through the expenditure review committee (ERC) process we have been required to look at the absolute use of our funds, and we have learnt a great deal more about how to more effectively use our funds, and that is part of the way forward and, I think, a reasonable direction for policing.

The CHAIR — Thank you very much.

Mr RICH-PHILLIPS — Minister, I would like to ask you about recording of crimes against the person. Page 214 of budget paper 3 for the previous year, 2003–04, shows a target for 2003–04 of 37 729 crimes against the person investigated. At the same time, the statistics from Victoria Police for the previous year show offences of crimes against the person investigated as 35 642, which is a 6 per cent increase. Can you account for why that is? Is it purely a different basis of recording between what is shown in the budget papers and how Victoria Police records statistics, or has there in fact been a 6 per cent increase in crimes against the person?

Mr HAERMEYER — I would need to have a look at the details of that, but certainly last year we recorded a decrease in the rate of crimes against the person, because the crime rate is actually a figure over a common denominator, so it is a rate per 100 000.

Mr RICH-PHILLIPS — I am talking absolute numbers rather than rates.

Chief Comm. NIXON — The issue about crimes against a person principally revolves around rape, sexual assault — and the major area is assault. What we have seen is actually an increase. I am not sure exactly the comparison of the numbers, but the fact is that we have actually had an increase, particularly around assault. That has been a reported increase in two kinds of assaults: family violence assaults where we have in fact had a 20 per cent increase in family violence assaults — and that has been part of it — and also street assaults, because we have been paying a lot more attention to the street assault issue, it is part of, in a sense, maintenance of peace and good order on the streets. That is actually what has happened in terms of the numbers.

We count in two different ways: once a year we count with a ratio which is population based, and we only do that once a year because it is quite complicated to have the exact population rates that we would use, so when we produce the annual report that is the figure that we use. When on other occasions we produce other rates, it is not based on that, it is more of apportion, a percentage increase.

Mr HAERMEYER — May I point out that the 2003–04 target — I think this might address your question — was 37 729. The expected outcome is 34 990, so we are actually performing better against that projection. You also need to be very careful, as I think the Chief Commissioner has alluded to, that crimes against the person are susceptible to reportage rates, particularly the assault rate which is the large component of that. It is made up of two things: one is sort of general assaults: street assaults, people getting assaulted in clubs and pubs; the other big and growing component of that is family violence.

Family violence is an iceberg, of which only a small proportion is actually reported. Victoria Police, together with the Department of Human Services, together with education and other authorities, are working very hard to try and increase those reportage rates; so in a strange way getting the family violence figures up may be a helpful thing because it means we are getting more of those offences out into the open. You cannot deal with them until you get them out into the open.

The CHAIR — By way of a supplementary — —

Mr RICH-PHILLIPS — Sorry, could I have one supplementary first? Given that, Minister, and I do not doubt it is accurate, does that not undermine what you are saying about other reporting of crime, though — as to whether the reported crime reflects the actual crime?

Mr HAERMEYER — No. If I have had someone come and bop me in the street, I am likely to go and report that to Victoria Police; there is no reason not to. If I have had my house burgled — —

Mr RICH-PHILLIPS — Unless you believe nothing will happen?

Mr HAERMEYER — Sorry?

Mr RICH-PHILLIPS — Unless you believe nothing will be done about it?

Mr HAERMEYER — I do not think that is — — if my house has been burgled, to start with, before the insurance company will pay out I will have to report it to the police. So we are confident that those reportage figures are quite accurate.

In respect to the family violence and sexual assault figures, there is a very high tendency, by women in particular, not to make reports. This is often because of fear, whether it is the fear of loss of financial security, whether it is loss of face or whether it is the fear that they might have to go through the whole ordeal again in the courts. What we are trying to do is firstly to encourage people out in the field to better identify where family violence is taking place — that is, teachers, police officers, and community workers; to better identify — and then to provide ways in which the victims will be more comfortable about reporting the crime that has been perpetrated against them.

As I said, the people who do not report a street assault or people who do not report a burglary might be a very minute percentage. What you are dealing with in family violence and what you are dealing with in sexual offences is an iceberg. You have this small tip — that is all we ever see — and this massive problem beneath the surface. We are trying to bring that problem out into the open.

Mr MERLINO — Minister, I refer you to the item ‘private security reform, new initiative’ in table A.14 page 291 of budget paper 3. Can you advise the committee on the steps taken to improve the private security industry in Victoria?

Mr HAERMEYER — When I became the minister I was delivered a report by Freehills, which was commissioned by the previous government as part of a national competition policy review. That report effectively recommended further deregulation of the private security industry. I think that is totally the wrong way to go so I asked the department to do a review that analysed whether this was actually what was necessary. We did some extensive work, some extensive consultation with the industry and with the community and we put out a discussion paper.

As a result we resolved to actually increase the regulation of the industry. It is something the industry wants; it is something the union wants; it is something the community wants; and that is why we have recently introduced a bill to Parliament to increase the regulation of the industry. It provides for both probity and competency requirements. Previously there was no requirement in many sections of the industry for anybody to undergo any sort of training or have any sort of piece of paper that says, 'I am competent to do the job I am doing'.

The most highly regulated part of the industry was the bouncers, and that was really the last major review of the industry by — I think it was the Cain or Kirner government at the time that did a review of the crowd controllers. They are already highly regulated. We are now providing the same levels of regulation and the same sort of requirements in terms of people who act as security guards, people who act as bodyguards.

We are also providing, for the first time, regulation in a sector of the industry that previously had no regulation. It is a rapidly changing and growing industry with alarm installers, closed-circuit TV installers. People have a right to have some knowledge about the competency and the probity of the people they are dealing with in those sort of industries, so we have introduced a registration regime in relation to those particular sections of the industry.

Private security is probably the fastest growing industry in Australia. They have responsibility not just as crowd controllers, but much of our critical infrastructure is protected by the private security industry. Much of our government infrastructure is protected by the private security industry. We want to ensure, and the industry wants to ensure, that the highest possible standards prevail in terms of the people working in that industry. It is a bit too characterised by fly-by-nighters and we are hoping to get those people out of the game.

The CHAIR — The last question is from Mr Clark.

Mr CLARK — I come back to the issue of the Mobile Data Network. Earlier you pointed out that the scope of it had been reduced, compared with the initial announcement — that is, the announcement in your press release of 2 December 2001. I understand that it is now intended that there will be approximately 700 police vehicles covered instead of the initial 1540, and that the CFA, MFB, VicSES, and Rural Ambulance Victoria have been excluded.

I also refer you to page 93 of the recent Auditor-General's report that states:

In October 2002, the government approved final funding for the project of \$171 million, over 5 years.

The departmental response to the committee's questionnaire indicated that the estimated project cost was \$171 million in net present value terms.

First of all, can you clarify what the current costing is; but more importantly, can you explain why there has been this \$71 million blow-out from the initial \$100 million cost that you announced on 2 December 2001, particularly given the significant reduction in the scope of the project in the meantime?

Mr HAERMEYER — I will come to some of the issues of the costing firstly, but I think it is also important to understand, to go back to the Auditor-General's report and refer to some of the paragraphs that precede the section that you have referred to. At page 89 of the report the Auditor-General actually points out that there was a 1998 business case for a Mobile Data Network, and he says:

However, the 1998 business case upon which funding was approved for the project was not based on a good-enough understanding of available mobile data services and their costs.

He then goes on on the next page — —

Mr CLARK — Presumably you fixed that with your announcement of 5 December 2001?

Mr HAERMEYER — He then goes on to also say, on the page you referred to — that is, page 93, just before the section you quoted:

In 1998, the government approved \$78 million over five years for the project based on the amended business case. The estimated cost at that time almost equalled the estimated quantifiable benefits.

The costings in the amended business case assumed that the network would use an existing mobile data service. This assumption was subsequently found to be incorrect, which was a major factor resulting in project costs being significantly underestimated.

That is something that needs to be understood.

We have sought to improve the project, and we have then sought to improve the technology of the project. As I said, there were significant underestimations of what this sort of project would cost, particularly if you are using the latest available technology. The amount we specified at the time we put out the press release was a figure that was significantly below what we expected to pay because at that stage we had not signed — —

Mr FORWOOD — Then why did you put it out?

Mr HAERMEYER — Because we had not signed the contract.

Mr FORWOOD — You said you were going to sign the contract two months later.

The CHAIR — Don't get — —

Mr HAERMEYER — Don't get overly excited.

Mr FORWOOD — I am not excited.

Mr HAERMEYER — We put out a statement that indicated a low ballpark figure of what this contract was to be about. Where we did have an issue was as we were approaching the end of the negotiations on this contract, we had the opposition spokesman come out and make a statement about what he thought the final value of the contract was going to be. The cost which he put out there, and which he put out there presumably authoritatively — —

Mr FORWOOD — You blame someone else for your own mistakes. You do!

Mr HAERMEYER — No — presumably authoritatively were significantly above what we were negotiating.

Mr FORWOOD — This mess is on your watch.

Mr HAERMEYER — There is no mess here. We are significantly above what the actual cost was that we were signing off with Motorola. There was a real danger — fortunately it did not — that this could have reopened the negotiations and cost the state a packet.

In relation to your question about the — —

Mr CLARK — That is a total red herring, Minister.

Mr HAERMEYER — In relation to your statement about \$171 million net present value, that figure is still on target. Let me say that this project will deliver enormous benefits to both Victoria Police and to our ambulance service.

Mr FORWOOD — That is what you said years ago.

Mr HAERMEYER — No, hold on! We have actually delivered it. All we had in 1998 was this appalling business case — —

Mr FORWOOD — We are talking about your 2001 one. What was the date?

The CHAIR — Mr Forwood, could you let the minister conclude so that we can move on to our next —

Mr FORWOOD — He should tell the truth.

The CHAIR — Minister, will you keep speaking and ignore interjections? Thank you.

Mr HAERMEYER — I do note that Mr Forwood gets a little bit animated and puts on a bit of a performance when the cameras arrive.

Mr FORWOOD — I do not perform like you do.

The CHAIR — In finishing, Minister?

Mr HAERMEYER — As I said, this is a project that was talked about throughout the 1990s and was ultimately not delivered. It had significant shortcomings in terms of the business case in 1998. We revised that.

Mr CLARK — No, \$171 million — —

Mr HAERMEYER — We revised that — —

Mr FORWOOD — Yes.

Mr HAERMEYER — We are now delivering a service — —

Mr CLARK — It is very old technology.

Mr HAERMEYER — We are now delivering a service — — it is not very old technology; it is state-of-the-art technology, but it is proven technology. I noticed Mr Wells was out there carrying the cart for one of the bidders, for an alternative bidder, attacking this technology. It was most inappropriate.

Mr CLARK — It is Windows 98 technology in 2004.

Mr HAERMEYER — This is appropriate technology. It is the best proven technology. What we are about is leading-edge technology, not bleeding-edge technology as we saw being implemented under the previous government.

The CHAIR — Thank you, Minister. I thank the minister, departmental officers and the Chief Commissioner. I appreciate your attendance here this afternoon. As a result of matters that have been taken on notice a letter will be forwarded to the minister and the department for follow up, and a Hansard transcript of the hearing will be sent to you early next week. Thank you very much and good afternoon.

Committee adjourned.