FRV Replacement Appliances

Initiative details			
Type of initiative	☒ Asset and Output	☐ Output only	☐ Output with Asset
Responsible Minister	Emergency Services		
Coordinating Minister's ranking	[x of y] *IPA to complete*		
Labor Financial Statement commitment?	☒ No	☐ Yes	
Is this a lapsing program seeking further funding?	☒ No	☐ Yes ► Has an Evaluation been provided?	☐ Yes ☐ No
Is this an HVHR initiative?	☒ No	☐ Yes	
Has a gender impact assessment been undertaken as required under Section 9 of the *Gender Equality Act 2020*?	☐ No	☐ Yes	☒ Not required as not a direct and significant impact on the public

IPA to complete Net Output and Net Asset tables

$ million	2021-22	2022-23	2023-24	2024-25	2025-26	5-year total	Ongoing
Net output funding sought	0.000	0.000	0.000	0.000	0.000	0.000	0.000

$ million*	2021-22	2022-23	2023-24	2024-25	2025-26	5-year total	2026-27	2027-28	TEI
Net asset funding sought	0.000	5.820	7.7600	5.820	0.000	**19.400**	0.000	0.000	**0.000**

Note: funding request for 2026-27 and 2027-28 is required for asset components only.

*Asset costs are not sought for this bid. *(delete if not applicable)*

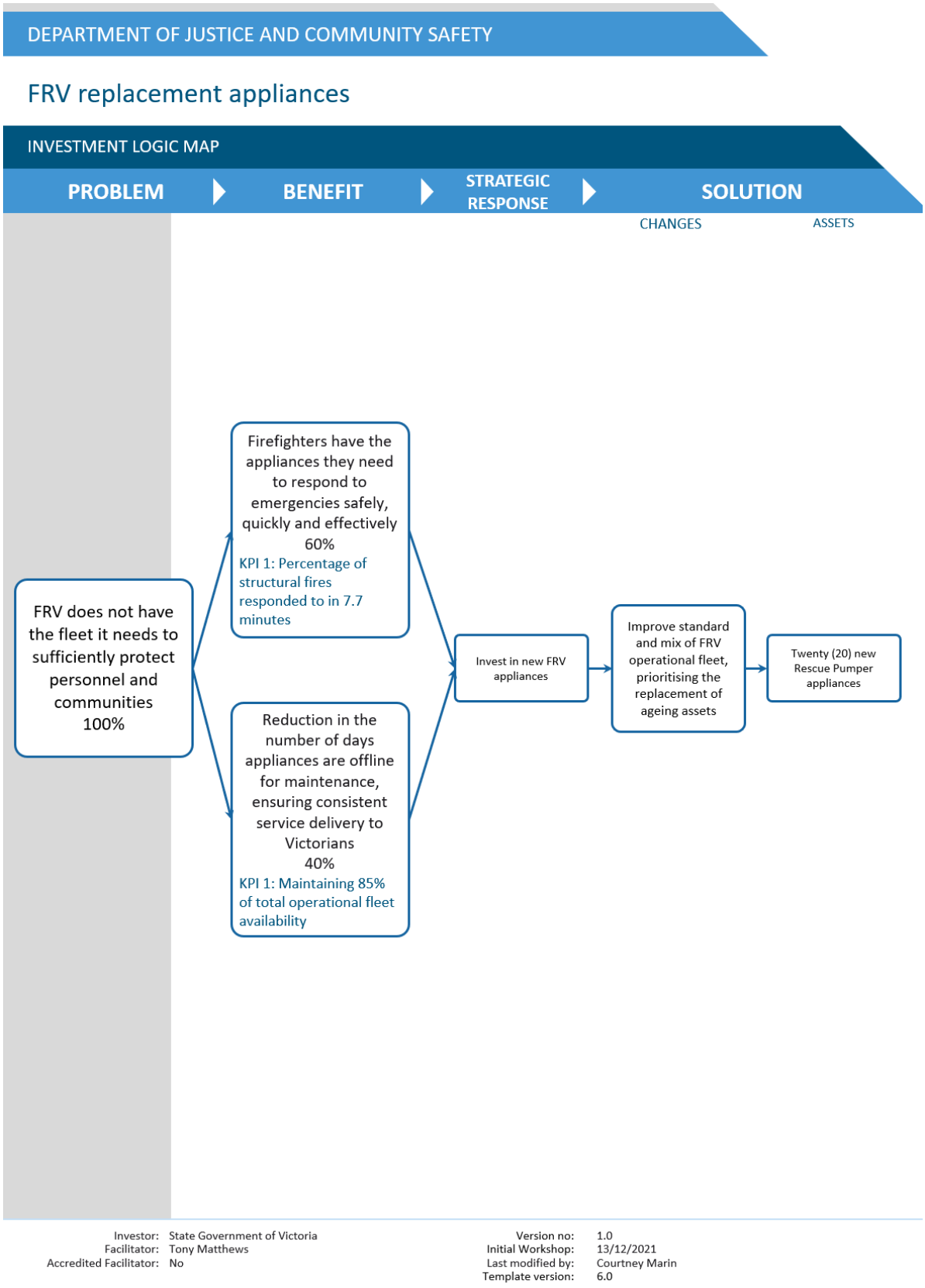
Categorisation			
Part of whole of Government submission?	☐ No	☐ Yes ► Submission title:	Enter submission title
Addresses a Regional Partnership priority?	☒ No	☐ Yes ► Regional area:	[Select Regional Partnership area] If more than one, specify other areas: [Partnership areas] Specify initiative(s) impacted: [Name of initiative]
Addresses a Metropolitan Partnership priority?	☒ No	☐ Yes ► Metropolitan area:	[Select Metropolitan Partnership area] If more than one, specify other areas: [Partnership areas] Specify initiative(s) impacted: [Name of initiative]
Budget Priority	*This is a placeholder in the event that Government chooses to set budget priorities.*		

Location			
Region	☐ Metropolitan	☐ Regional	☒ Statewide
Area of service	Statewide If 'various', specify all areas impacted: [Areas of service]		

Victorian government region	Statewide If 'various', specify all regions impacted: [Government regions]
Local government area (LGA)	[Select local government area] If more than one, specify other LGA(s): [LGA(s)]
Address	[Street address] [Suburb/town]

Other			
Is the initiative eligible for funding from another source/fund/levy?	☒ No	□ Yes ► Fund/source:	Specify name of source/fund/levy: [Funding source]
Does the initiative support an Infrastructure Victoria recommendation?	☒ No	□ Yes ► Recommendation:	Specify supported recommendation: [Supported recommendation] If more than one, list each one below: [Other recommendations]
Is the initiative seeking consideration under the Early Intervention Investment Framework?	☒ No	□ Yes	

Investment Logic Map



1. Overview

1.1. Executive summary

This proposal seeks $19.4 million TEI over 3 years for the delivery of high priority investments in emergency service assets.

Emergency service assets are essential to the capability of Victoria's emergency service organisations. If they are not fit for purpose, Victorian communities and firefighters will be put at risk and Fire Rescue Victoria's (FRV) service delivery will be impacted.

FRV have identified that their existing fleet and vehicle profiles are ageing and may not meet the necessary service delivery or health and safety standards. The key concern is FRV's reliance on 15 ageing appliances, and a lack of redundancy in the operation of Heavy Rescue appliances.

FRV, like other ESOs, are finding it increasingly challenging to fund priority assets adequately and sustainably due to rising operational cost pressures, therefore funding is being sought to replace ageing appliances to provide FRV with modern, fit-for-purpose vehicles and assets. This investment will ensure that firefighters can operate safely and effectively when responding to emergencies and will deliver broader benefits to the community through assured and enhanced emergency response. This initiative comprises of:

- Purchase of twenty (20) new FRV Rescue Pumper appliances, to ensure FRV appliances are modern and fit-for-purpose.

This investment will contribute towards capable and sustainable emergency service delivery. Investment is needed now because of the significant health and safety risks that arise when ESOs do not have access to safe and fit-for-purpose infrastructure and assets, and to ensure the Victorian community is provided with reliable services in times of an emergency.

As climate change is causing more frequent, prolonged and intense natural disasters, aged FRV appliances are likely to deteriorate at a more significant rate, exacerbating the need for investment. When ageing vehicles are stressed during large scale, prolonged emergency events, the impact and likelihood of failure will increase. These risks will diminish response capability and undermine the effectiveness of service delivery for Victorians and put the FRV workforce at risk.

In their current state, FRV do not have the fleet or equipment they need to sufficiently and sustainably protect their workforce and the diverse communities they serve.

1.2. Summary statistics

Table 1: Summary statistics

Output funding sought ($ million)	2021-22	2022-23	2023-24	2024-25	2025-26	5-year Total	Ongoing
Gross	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Offsets	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Asset funding sought ($ million)*	2021-22	2022-23	2023-24	2024-25	2025-26	5-year total	2026-27	2027-28	TEI
Gross	0.000	5.820	7.760	5.820	0.000	19.400	0.000	0.000	19.400

Offsets	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net	0.000	5.820	7.760	5.8200	0.000	19.400	0.000	0.000	19.400

* Asset costs are not sought for this bid *(delete this table if not applicable)*

	2021-22	2022-23	2023-24	2024-25	2025-26	Ongoing
Deliverables – specify						n/a
Rescue Pumper appliances deployed	0	6	8	6	n/a	
Performance Measure Impact						n/a
KPI 1: Percentage of structural fires responded to in 7.7. minutes	88.6%	88.6%	90%	90%	90%	90%
KPI 2: Maintaining 85% of total operational fleet availability	82.1%	82.1%	85%	85%	85%	85%
BP3 Performance Measure Impact						
						n/a
Total new VPS staff^	0.0	0.0	0.0	0.0	0.0	n/a
Total new non-VPS staff	0.0	0.0	0.0	0.0	0.0	n/a

^There are no existing staff for this proposal.

These costs are indicative only. They are subject to validation by DJCS Finance and to adjustments in line with DTF's costing guidelines.

2. Problem

2.1. Background, definition and evidence of the problem

2.1.1. Background

On 1 July 2020 as part of the Fire Services Reform, FRV was established bringing together all MFB and CFA career firefighters. FRV serves metropolitan Melbourne and major regional centres, 24 hours a day, 7 days a week. FRV operates 85 fire stations, 47 in metropolitan Melbourne and 38 regional stations, most of which are co-located with CFA volunteer brigades. FRV's functions include responding to fires, complex rescues, road crash rescues, emergency medical calls and hazardous materials emergencies.

ESOs find it increasingly challenging to fund priority infrastructure and meet asset demands due to operational cost pressures. FRV is experiencing significant cost pressures. These cost pressures hinder the capacity of FRV to address infrastructure and service delivery demands as Victoria enters a period of considerable shifts driven by climate change and strong population growth.

If facing funding pressure, ESOs will necessarily prioritise funding for operational capability over priority operational assets, thereby leading to gaps in asset coverage. The current state of some emergency infrastructure undermines their fitness for purpose and service delivery capability.

FRV do not have the fleet or equipment they need to sufficiently protect personnel and communities.

2.1.2. Definition and evidence of the problem

FRV do not have the fleet they need to sufficiently protect personnel and communities

FRV's response capability is compromised by reliance on appliances that are nearing or beyond end of life. As part of the broader Fire Services Reform, some appliances were transferred from CFA to FRV. Fifteen of those appliances are ageing and in critical need of replacement. Of these appliances:

- Three are Heavy Rescue appliances with an average age of 15 years. This exceeds the FRV replacement policy, which requires that these vehicles are to be replaced at a maximum age of 10 years. This policy exists to ensure that the vehicles in operation meet performance needs.
- Twelve are Rescue Pumpers which are required, under the FRV replacement policy, to be replaced in the 2021-22 and 2022-23 financial years.

Additionally, the transfer of ex-CFA Heavy Rescue appliances to FRV has created a risk to FRV's service delivery. The transfer has increased the size of FRV's Heavy Rescue fleet, however FRV currently has no ability to maintain operational capability if an appliance is taken out of commission for service, maintenance/modifications or accident repairs. Additional Rescue Pumpers are required to mitigate the risk of FRV's full response capability being compromised.

Capital investment to replace ageing firefighting appliances is critical to ensuring vehicles are equipped with modern technologies that reflect service delivery needs. The vehicles identified for replacement do not meet current needs for improved ergonomics, vehicle safety standards and emission controls. This program would promote improved service delivery to the community and firefighter safety. Failure to invest in appliance replacement places increased pressure on an aging fleet and adversely impacts the capability and safety of firefighters to perform their duties.

As climate change is causing more frequent, prolong and intense natural disasters, the FRV appliances are at risk of more rapid deterioration which will hinder effective response to emergencies. Furthermore, with FRV's response area growing to particular regional and more bushfire prone areas, the service's capabilities must be well equipped to respond to longer fire seasons. With appliances at risk of rapid deterioration and no certainty that a sufficient number of trucks will be active during increased fire danger days, FRV must risk compromising on the service that they provide to various Victorian communities.

2.2. Timing considerations

Noting the significant lead time to replace a firefighting appliance which can take up to 3 years, it is critical that the problems identified in sections 2.1 are urgently addressed. Failure to address these problems could result in:

- Negative outcomes for community, career and volunteer firefighter safety.
- Adverse impacts on the ability of FRV to attract and retain emergency service personnel.
- Increasing appliance maintenance costs and decreased availability.

3. Recommended solution

3.1. Details of recommended solution

The recommended solution proposes to:

- Purchase 20 new Rescue Pumper appliances.

Failure to invest in appliance replacement will place increased pressure on an aging fleet and adversely impact the capability and safety of firefighters to perform their duties, as well as compromise the safety of communities that are serviced by FRV.

3.1.1. Evidence of the proposed solution's effectiveness

The recommended solution will resolve issues with aging and not fit-for-purpose assets by:

- Purchasing 20 new FRV Rescue Pumper appliances. These will replace 20 Rescue Pumper appliances which have exceeded their 15 year life and due for replacement.

3.2. Benefits of recommended solution

Over the next 10 years there will need to be planned and considered investment across Victoria's ageing fleet of firefighting appliances. To support the financial sustainability of the fire services, it is important that this investment is sequenced into the future with the most critical replacement requirements prioritised. An additional benefit of this initial investment is that it will enable new vehicle specifications to be implemented from end to end, with lessons learnt applied across all future appliances builds.

Firefighters have the appliances they need to respond to emergencies safely, quickly and effectively

With appropriate, fit-for-purpose resources, the FRV workforce will be best equipped to respond to emergencies in a safe, quick and effective manner. This will enable FRV to meet service delivery standards of responding to 90 per cent structural fires in 7.7 minutes. Overall, Victorians who need to access the services of FRV can do so with trust and confidence that FRV are equipped with the skills, knowledge and appliances to best service the community.

Reduction in the number of days appliances are offline for maintenance ensuring consistent service delivery to Victorians

A reduction in the number of days that appliances are offline for, in particular, being able to control and minimise offline appliances during high risk fire and weather activity will ensure that FRV are able to deliver a safe and consistent service to the Victorian population.

Overall, replacing aged appliances will:

- enhance FRV's emergency response capability and capacity
- improve the utilisation and efficient use of FRV's capability and capacity
- improve community and first responder safety
- provide reliable and improved service delivery.

3.3. Alternatives considered

There is no viable alternative, or option to source or replace appliances through other means.

3.3.1. Strategic alternatives

FRV has explored a range of strategic alternatives to address the problem. The following interventions were considered:

- Supply side – interventions that increase the supply of resources or infrastructure
- Demand side – interventions that reduce the size or quantum of the problem
- Efficiencies – interventions that allow you to do more with the available resources.

Table 2: Traffic light rating of strategic alternatives

	Ability to deliver benefits	Estimated costs	Time to deliver benefits	Fairness	Ability to leverage other services/ funding
Supply side *Increase the supply of fit for purpose appliances*					
Demand side *Reduce demand for FRV's services by installing domestic sprinkler systems*					
Efficiencies *Revise FRV's service model to increase efficiencies and make additional resources available for fleet replacement*					

A criterion based traffic light rating on the three strategic interventions identified in Table 2 has identified that increasing the supply of fit for purpose appliances is the best approach to delivering the benefits, at a reasonable cost, within a reasonable timeframe that is fair and equitable for all Victorians. While the other strategic interventions do offer some benefits, increasing the supply of fit for purpose is considered to be the most feasible. Reducing demand for FRV's services would be costly by comparison. Revising FRV's model to increase efficiencies and reprioritise funding would likely impact on FRV's ability to meet its service delivery obligations in other areas.

3.3.2. Alternative solutions

A ranking of the alternative solutions considered was conducted based on social impacts, environmental impacts, economic impacts, costs and benefits. This analysis is included below at Table 3.

Table 3: Ranking of alternative solutions considered (1 = poor; 4 = high/good)

	Social impacts	Environmental impacts	Economic impacts	Costs	Benefits	Total
Option 1 Replace 20 FRV appliances	4	4	4	1	4	**17**
Option 2 Replace 18 FRV appliances	3	3	3	2	3	**14**
Option 3 Replace 16 FRV appliances	2	2	2	3	2	**11**
Do nothing	1	1	1	N/A	1	**4**

Out of the alternative solutions considered, Option 1 delivers the benefits to the maximum extent possible and reduces the social, environmental and economic impacts of disasters better than any of the alternatives. While costs for delivering this solution are higher, the extent to which the benefits will be delivered and the ability to better protect life and property far outweigh the additional costs when compared to the other options (that deliver fewer benefits).

3.4. Evaluation strategy

This investment will be evaluated on the delivery of new appliances, to agreed specifications, within budget and on time. The replacement fleet would reduce the total hours that vehicles are offline undergoing maintenance and repairs.

3.5. Historical output performance

Table 4: Historical output performance

Performance Measure (as per BP3)	Unit of Measure	2018-19		2019-20		2020-21		2021-22
		Target	Actual	Target	Actual	Target	Expected Outcome	Target
Output: Emergency Management Capability								
Emergency response times meeting benchmarks – structural fires	Per cent	90	88.5	90	89.5	90	90	90

3.6. Estimated impact on output performance measures

3.6.1. BP3 output performance measures

Table 5: Performance measures

			Baseline	Target if proposal is endorsed			
Performance Measure	**Existing / New**	**Unit of Measure**	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**
Output: Emergency Management Capability							
Emergency response times meeting benchmarks – structural fires	Existing	Per cent	90	90	90	90	90

List any other output(s) which this initiative contributes to:

Output name
This does not contribute to other outputs

3.6.2. Initiative-focused output performance measures

Table 6: Key Performance Indicators (KPIs)

Measure	Baseline and Date	Interim Target and Date	Final Target and Date	Source of data	Reporting Forum & Frequency (including start date)
Percentage of structural fires responded to in 7.7. minutes	88.6% - June 2021	88.6% 2021-22	90% 2025-26	Budget Paper Three	BP3 - Annual
Maintaining 85% of total operational fleet availability	82.1% - June 2021	82.1% 2021-22	85% 2025-26	Budget Paper Three	BP3 - Annual

3.7. Early Intervention Investment Framework (EIIF)

This framework does not apply to this proposal.

4. Current program funding

4.1. Funding history

Table 7: Funding history

Description of historical funding provided	2017-18 $m	2018-19 $m	2019-20 $m	2020-21 $m	2021-22 $m	5 year totals $m
Funding provided for replacement Rescue Pumper appliances	0.000	0.000	0.000	0.000	0.000	0.000
Total	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Previous Cabinet Committee consideration	Submission reference number
If similar or related submissions have been considered by this Government previously, please specify the submission reference number	

4.2. Expenditure history

Table 8: Expenditure history

Description of expenditure	2017-18 $m	2018-19 $m	2019-20 $m	2020-21 $m	4 year totals $m
Funding provided for replacement Rescue Pumper appliances	0.000	0.000	0.000	0.000	0.000
Total	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

4.3. Existing funding base over forward estimates

Table 9: Existing funding base over forward estimates

Description of funding over forward estimates	2021-22 $m	2022-23 $m	2023-24 $m	2024-25 $m	2025-26 $m	5 year totals $m	($ million) Ongoing
Funding provided for replacement Rescue Pumper appliances	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

5. Funding sought

5.1. Proposed funding sources and alternative funding sources

This funding is being sought through the Victorian Budget. Funding for this initiative may be sought via the Fire Services Property Levy. There are no other viable funding sources available.

5.1.1. Internal reprioritisation

FRV is under considerable demand and cost pressure and internal reprioritisation is not possible without a reduction in service delivery in other areas.

Reprioritisation from the Department of Justice and Community Safety (DJCS) to fund this initiative is not possible. The department's outputs are under considerable demand pressure, from the COVID-19 pandemic, rapid population growth, flow on impacts from the Community Safety Statement, legislative reform and other output specific demand drivers. All outputs are also facing material cost pressures through the cumulative and increasing impact of savings, efficiencies and cost reductions.

There are no outputs presently funded within the DJCS forward estimates where the scope can be changed to achieve similar outcomes to this initiative, nor is there scope to reduce the level/

quality of existing outputs without materially affecting service recipients, existing policy outcomes, and whole of justice system throughput and efficiency.

Reduced levels of funding for existing demand pressured outputs will materially affect DJCS service delivery model with consequent adverse implications for the Department's regional presence, employment, contractual obligations and output delivery.

If the additional resources are not provided, government policies and legislation may need to be amended, and/or acceptance of a material diminution in output delivery, for DJCS to remain within its appropriation limits.

5.1.2. Prior year offsets/reprioritisation

In previous years DJCS has been able to offset many demand pressures and directions to reprioritise through efficient and effective provision of outputs. However, escalating demand pressures and the cumulative and increasing impact of savings across all DJCS outputs, have exhausted any capacity for DJCS to support further reprioritisation or demand pressures within the DJCS portfolio's forward estimates without a reduction in output performance.

5.2. Budget impact – output funding sought

Table 10: Output costs

	2021-22 $m	2022-23 $m	2023-24 $m	2024-25 $m	2025-26 $m	Ongoing $m
Price change requested for provision of output						
Component 1	0.000	0.000	0.000	0.000	0.000	0.000
Component 2	0.000	0.000	0.000	0.000	0.000	0.000
Sub total (gross output price increase)	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Offset from internal reprioritisation	0.000	0.000	0.000	0.000	0.000	0.000
Sub total (net output price increase)	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Offset from revenue	0.000	0.000	0.000	0.000	0.000	0.000
Offset from other funding source	0.000	0.000	0.000	0.000	0.000	0.000
Net impact to Victorian Government	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

These costs are indicative only. They are subject to validation by DJCS Finance and to adjustments in line with DTF's costing guidelines.

5.3. Budget impact – capital funding

Table 12: Asset costs

	2021-22 $m	2022-23 $m	2023-24 $m	2024-25 $m	2025-26 $m	5-year total $m	TEI $m
Estimated Asset Investment Cash Flow							
Appliance	-	5.820	7.760	5.820	0.000	19.400	19.400
Component 2	-	0.000	0.000	0.000	0.000	0.000	0.000
Sub total (gross asset price increase)	**-**	0.000	0.000	0.000	0.000	0.000	0.000
Offset from internal reprioritisation	-	0.000	0.000	0.000	0.000	0.000	0.000
Sub total (net asset price increase)	**-**	0.000	0.000	0.000	0.000	0.000	0.000
Offset from revenue	-	0.000	0.000	0.000	0.000	0.000	0.000
Offset from other funding source	-	0.000	0.000	0.000	0.000	0.000	0.000
Net impact to Victorian Government	**-**	5.820	7.760	5.802	0.000	19.400	19.400

These costs are indicative only. They are subject to validation by DJCS Finance and to adjustments in line with DTF's costing guidelines.

5.3.1. Lease and service concession liability recognition

Table 13: Lease and service concession liability

Financial impact	2021-22 $m	2022-23 $m	2023-24 $m	2024-25 $m	2025-26 $m	Outside estimates period	TEI $m
New lease liability – CAM	-	0.000	0.000	0.000	0.000	0.000	0.000
New lease liability – Department	-	0.000	0.000	0.000	0.000	0.000	0.000
New service concession liability	-	0.000	0.000	0.000	0.000	0.000	0.000
Total recognition of lease liability	**-**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

5.3.2. Budget impact – CAC and depreciation equivalent revenue

Table 14: CAC and Depreciation

	2021-22 $m	2022-23 $m	2023-24 $m	2024-25 $m	2025-26 $m	5-year total $m	Ongoing $m
CAC & Depreciation Revenue Equivalent							
Capital Assets Charge	-	0.000	0.000	0.000	0.000	0.000	0.000
Depreciation Expense		0.000	0.000	0.000	0.000	0.000	0.000
Sub total (gross asset price increase)	**-**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Offset from internal reprioritisation	-	0.000	0.000	0.000	0.000	0.000	0.000
Sub total (net asset price increase)	**-**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Offset from revenue	-	0.000	0.000	0.000	0.000	0.000	0.000
Offset from other funding source	-	0.000	0.000	0.000	0.000	0.000	0.000
Net impact to Victorian Government	**-**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

These costs are indicative only. They are subject to validation by DJCS Finance and to adjustments in line with DTF's costing guidelines.

5.4. Scalability of the recommended position

While there is some scalability of the recommended solution, any scaling back of the recommended solution will not deliver the benefits to full extent. The proposed solution is not expected to offer scalability whereby the cost per component will alter if the scope or volume is reduced or increased.

5.5. Split of funding request by location of delivery

Table 15: Funding by area of Victoria

Component	Area	Gross output 5-year total	TEI
Component Appliances	Metro	0.000	0.000
	Regional	0.000	0.000
	Statewide	19.400	19.400
Subtotal		**19.400**	**19.400**
Component X	Metro	0.000	0.000
	Regional	0.000	0.000
	Statewide	0.000	0.000
Subtotal		**0.000**	**0.000**
Component X	Metro	0.000	0.000
	Regional	0.000	0.000
	Statewide	0.000	0.000
Subtotal		**0.000**	**0.000**
Total		**19.400**	**19.400**

Costs are gross and include indexation. CAC and depreciation are excluded.

5.6. Revenue impacts

5.6.1. Existing revenue

Table 16: Existing revenue

Existing revenue financial impact	2021-22 $m	2022-23 $m	2023-24 $m	2024-25 $m	2025-26 $m	5 year Total $m	Ongoing $m
Existing revenue in the forward estimates	0.000	0.000	0.000	0.000	0.000	0.000	0.000

These costs are indicative only. They are subject to validation by DJCS Finance and to adjustments in line with DTF's costing guidelines.

5.6.2. New revenue

Table 17: New revenue

New revenue financial impact	2021-22 $m	2022-23 $m	2023-24 $m	2024-25 $m	2025-26 $m	5 year Total $m	Ongoing $m
New revenue initiative 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Impact on existing revenue increase/ (decrease)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net revenue impact	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

These costs are indicative only. They are subject to validation by DJCS Finance and to adjustments in line with DTF's costing guidelines.

6. Deliverability

6.1. Assessment and management of risks and sensitivities

FRV has already undertaken an extensive consultation process for the design and functionality, to ensure that the new appliances are fit for purpose in the geographical areas they will be deployed to. Standardising an agreed design and functionality specification will ensure that minimal modifications will be require for future production runs. This will create procurement and production efficiencies and greater certainty of costs over the medium term.

Due to COVID-19 there is a shortage of Scania chassis, manufacturing capacity and materials. It is critical that funding is provided to ensure that FRV is able to place order for delivery over the funding period. Maintaining an ongoing asset replacement schedule as part of long-term strategic plan will ensure that assets are replaced on time and on budget, recognising only a small number can be manufactured in any 12 month period.

Stakeholder management

FRV has worked collaboratively with the Country Fire Authority (CFA) and the United Firefighters Union (UFU) to develop specifications for Victoria's firefighting fleet across a range of appliance types. There is broad agreement across these stakeholders that a sustained and long-term strategy for the replacement of Victoria's ageing fleet is critical to support service delivery and keep the Victorian community and firefighters safe.

6.2. Impacts

Social impacts

Positive social impacts are generated by priority infrastructure and investment options that uplift ESO capability and service delivery to the community.

Investment in fit for purpose appliances will ensure required service delivery for the increased number of people living in Victoria's metropolitan and regional cities, this includes a solid growth in high and super-high rise living. It will also support service delivery given the rapid growth and development on Melbourne's peri-urban fringe, exposing a large population to grass and bushfire threats. Many of whom have no or little experience with such threats and will be exposed if FRV has appliances out of operations without sufficient capacity.

While the effects of COVID-19 will reduce immigration in the short-term, 60 per cent of the state growth has traditionally been attributed to migration. The ageing population will continue to trend

upwards and 80 percent of Aboriginal and Torres Strait Islanders reside in the FRV area, requiring FRV to be adequately resourced to provide required service standards.

Environmental impacts

The appliances being procured through this proposal will meet modern emission control requirements.

The built environment continues to present a series of challenges for modern firefighting, from combustible cladding and non-compliant structures and materials, to stockpiling of hazardous waste and chemicals. The modern built environment increases the harmful environmental impacts of fires. The investment in fit for purpose appliances will help to mitigate the risk of negative environmental impacts arising from these materials.

Climate variability is set to exacerbate under the impacts of climate change. The 2019/20 bushfire season shortly followed by COVID-19, two unprecedented events demonstrate the real potential for cascading events in FRV's operating future. Provision of fit for purpose firefighting appliances will help to mitigate the risks caused by climate change and climate variability, improving firefighting response and reducing the effects of emergencies.

Decentralisation of energy production, including a proliferation of solar, battery storage and other renewables, as well as localised energy systems and potentially the development of micro-grids may present unseen challenges for FRV. Investment in fit for purpose appliances will increase FRV's capability and capacity to respond to hazards caused by the rapidly evolving energy storage landscape.

Economic impacts

This proposal has positive economic impacts through procurement of appliances through suppliers.

Increased likelihood of significant events and request for emergency services, along with competition by the emergency management sector for government resources, will potentially require the sector to do more with less. This will mean that FRV may be unable to fund ongoing maintenance of its existing and ageing asset portfolio without reprioritisation that would negatively impact on service delivery standards. This investment in fit for purpose appliances will help to ensure that FRV has the necessary capability and capacity to reduce the impacts of fire in the built and natural environment, while protecting life and property.

6.3. Readiness and implementation process

6.3.1. Governance

The project governance would sit within the FRV framework of a Deputy Commissioner being the Project Sponsor and a Project Control Group consisting of:

- Deputy Commissioner
- Executive Director Corporate Services
- Director Fleet Services
- Assistant Chief Fire Officer

Subject matter experts assisting:

- Legal

- Procurement
- Finance
- Project Manager

6.3.2. Project management and Change management

FRV has appliance design approved by the industrial body and project management resources what would be allocated to this business case. Change management is minimal due to the design being similar to current appliances.

6.4. Timelines and milestones

Table 18: Timelines and milestones

Implementation component/key milestone	Timeline
Tender released	July 2022
Contract signed	October 2022
Building Commenced	November 2022
Building Completed	June 2025
Operations commenced	June 2023 – June 2025

7. Staffing requirements

7.1. Staff/Contractors

This initiative does not include FTE. It will be delivered using FRV's existing project management resources.

Table 19: Staff/contractors for replacement appliances

Functional category		2021-22	2022-23	2023-24	2024-25	2025-26	Ongoing
[Component name]							
New VPS staff	Frontline	0.0	0.0	0.0	0.0	0.0	0.0
	Back office	0.0	0.0	0.0	0.0	0.0	0.0
	Contractor	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
New non- VPS staff	Frontline	0.0	0.0	0.0	0.0	0.0	0.0
	Back office	0.0	0.0	0.0	0.0	0.0	0.0
	Contractor	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
TOTAL STAFF		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

7.2. New Executive Officer positions

This proposal does not include new Executive Officer positions.

Table 19: New Executive Officer positions

New Executive Officer positions	2021-22	2022-23	2023-24	2024-25	2025-26	Ongoing
SES 1	0.0	0.0	0.0	0.0	0.0	0.0
SES 2	0.0	0.0	0.0	0.0	0.0	0.0
SES 3	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

7.3. Consultants

This initiative does not include consultants.

8. Exit Strategy

Program components will be staged and build contracts will include provisions for early termination. Should funding be withdrawn or provided only in part and insufficient for the proposed solution, the appliances will be delivered to the maximum extent possible within the available funding envelope.

Attachments

Attachment A – Financial Data Presentation

Attachment A – Financial Data Presentation

Output

Asset

CAC & Depreciation

Revenue