



Centre of Full Employment and Equity

The Case for Retaining TasFire Training

Report prepared for the United Firefighters Union, Tasmania Branch

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Abbreviations

ABS	Australian Bureau of Statistics
AAD	Australian Antarctic Division
CofFEE	Centre of Full Employment and Equity
ERT	Emergency Response Team
SFC	State Fire Commission
TBCITB	Tasmanian Building and Construction Industry Training
TFS	Tasmania Fire Service

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Executive Summary

Since 1992, TasFire Training has operated as a commercial arm of the Tasmania Fire Service, providing training in fire safety and response to a wide range of industries including health care, aged care, mining, manufacturing, hospitality and community organisations. As a consequence of funding cuts in the 2011-12 Budget the Tasmanian Fire Service has considered the closure of TasFire Training to save around \$200,000 per annum.

The contribution of TasFire Training and the consequences of closure

The economic and social benefits of training provided by TasFire Training include a general increase in fire awareness in the community, a reduction in the risk of fire and the ability to respond appropriately in the event that a fire occurs. The unique contribution of TasFire Training and the consequences of closing TasFire Training can be summarised as:

- Training directly contributes to the State Fire Commission's goal of assisting the community manage fire risks and respond appropriately when threatened by fire. TasFire Training provides subsidised training at workplaces where employers face funding constraints. Based on data for the first half of 2011-12 the annual value of subsidies for the current financial year will be over \$27,000.
- TasFire Training is well positioned to make a substantial contribution to improving fire safety for disadvantaged groups by expanding its role to include programs such as the *Project Wake Up!* transition, the School Fire Education Program, the Juvenile Fire Lighter Intervention Program and social marketing campaigns.

The TFS is committed to supporting the *Project Wake Up!* transition that involves community care organisations assuming responsibility for home fire safety assessments and remediation for vulnerable groups. The preferred option for the transition, identified in 2010, was for TasFire Training to provide training to staff of community care organisations.

TasFire Training developed and commenced delivery of training but this has been discontinued due to uncertainty over the future of the organisation. The closure of TasFire Training would require the TFS to provide support to community organisations by seconding operational staff to conduct the transitional training. This involves significant risks that have been specified as: (1) a longer transition period that would involve additional expenses and exposure to legal risk for TFS; (2) a risk that the transition of responsibility to the community care sector may fail if expectations of TFS support were not met; and (3) all other options for delivering transitional support (Options 2, 3 and 4) involve additional risks regarding quality, consistency, timeliness and cost' (Killalea, 2011: 2).

- TasFire Training delivers Emergency Response Team (ERT) training for high risk industries, such as mining and manufacturing that need to maintain employee safety, protect plant and equipment and respond to incidents that occur on site. ERTs undertake emergency procedures including evacuation and fire suppression at the early stages of a fire and are able work alongside Tasmania Fire Service Brigades. High risk industries that have ERTs trained by TasFire Training are frequently in isolated areas where brigade response times are extremely slow due to the distance from fire stations. In this situation having an effective ERT is critical to minimising the potential for loss of life and the extent of economic loss.

The need to source ERT training elsewhere (possibly interstate), if TasFire training closed, is likely to reduce the amount of training undertaken due to increased costs

and reduced flexibility for employers. The Tasmania Fire Service and the Tasmanian economy would incur greater costs if brigades encountered fires that were more severe due to later detection.

- TasFire Training is currently the only training provider in the state for the Australian Antarctic Division (AAD). In addition to the commercial value of this training, it makes a valuable contribution to the Tasmanian Government's objective of establishing Tasmania as a gateway to the Antarctic. Additional economic benefits for Tasmania include the resupply of ships and consumption expenditure in retail and hospitality while the training is being delivered. The current trend towards increased Antarctic activity offers opportunities for TasFire Training to expand these training programs.

If Tasfire Training ceased operating AAD training may need to be sourced interstate which would undermine the Tasmanian Government's objective of establishing Tasmania as the gateway to the Antarctic and reduce economic activity in the state.

- Although operating as a separate entity, TasFire Training remains an integral part of the TFS. TasFire Training provides the Tasmania Fire Service with a reserve firefighting capacity that can be utilised for operational duties as required. TasFire Training staff also provide information to industry regarding General Fire Regulations and Workplace laws on behalf of the TFS. The closure of TasFire Training would eliminate this reserve firefighting capacity, while the advice and information role for industry would need to be performed by other TFS staff.

Opportunities for improving the financial performance of TasFire Training

The development of a business plan for TasFire Training would provide an opportunity for a thorough review of the organisation; an elaboration of the goals and objectives of the organisation; an analysis of the business environment including the impact of competitors; the range and quality of training courses offered; a detailed marketing strategy; financial management plan; human resource policies and staff development plan; and opportunities to expand the community contribution by involvement in TFS programs to reduce the risk of fires such as *Project Wake Up!*.

In the process of developing a business plan, TasFire Training should consider the current suite of courses offered with a view to increasing market share for existing courses and extending the range of courses to meet current and emerging market demand. TasFire Training should reinstate the *Confined Space* and *Working at Heights* training as part of this strategy, which would enable TasFire Training to work toward a situation where it could become a one-stop-shop by providing the full range of courses required by employers.

The contribution of TasFire Training to achieving the SFC's goal of assisting the community manage fire risks and respond appropriately when threatened by fire should be acknowledged, estimated and supported by offsetting the subsidies and other community benefits against internal charges.

Internal charges should be reviewed to ascertain whether strategies could be developed to reduce these charges. The review could examine alternatives such as absorbing administrative and account processing functions into TasFire Training and using in-house IT systems

Summary

TasFire Training provides a valuable service to Tasmania in the form of training in fire safety and response. The closure of TasFire Training would reduce competition in the market and there is no guarantee that the void would be filled by other providers. The impact on the cost of courses and the availability of training in regional areas is unknown.

Importantly, the opportunity for TasFire Training to make a valuable contribution to improving fire safety for vulnerable Tasmanians would be lost. The review of *Project Wake Up!* demonstrated that the program was currently reaching only a small proportion of the target population and was poorly coordinated with community organisations. The opportunity exists for TasFire Training to greatly extend the reach of fire safety measures for vulnerable groups by providing a professional training program to community organisations. These organisations are responsible for undertaking home assessments that could be extended to include fire safety assessments and remedial action.

Failure to expand the fire safety role by providing training to community organisations responsible for vulnerable groups, combined with the cessation of subsidised training for funding constrained organisations would result in a suboptimal amount of fire safety training and adversely affect outcomes in a state that has a higher fire rate, a higher fire death rate and a greater proportion of high risk groups than the national average.

Prior to any decision on the future of TasFire Training, a comprehensive review should investigate the full contribution of the organisation to the Tasmanian Economy and community, as well as the impact of the closure in relation to: (1) the level of fire awareness and the ability of industry and the wider community to respond appropriately to fire incidents; (2) the cost of fire; and (3) the operational capabilities of the TFS.

The full contribution of TasFire Training, including community contributions has not been quantified to date. Quantification of the current and potential non-commercial contributions would demonstrate that the benefits of these activities far outweigh any short-term financial savings that would be made by the closure of TasFire Training.

1 Introduction

The United Firefighters Union commissioned the Centre of Full Employment and Equity (CofFEE) at the University of Newcastle to examine the operation of TasFire Training and recommend strategies that could be pursued to improve the financial viability of the organisation.

The future of TasFire Training has been threatened as a result of the State Government's decision to reduce revenues for the Tasmania Fire Service by:

- Reducing the government contribution by \$1 million per annum; and
- Reducing indexation of the Fire Contribution Levy from 5 per cent per annum to 3 per cent per annum.

In a letter dated 7 September 2011 Mike Brown, the Chief Officer of the TFS stated: 'It is our view that there is a very strong case for ceasing the operations of TasFire Training in order to assist with achieving TFS required budget savings' (Brown, 2011). The closure of TasFire training is expected to provide annual savings of approximately \$200,000.

This stance is in stark contrast to the current *Corporate Plan 2010-11 to 2012-13* that states that TasFire Training and TasFire Equipment 'provide valuable fire safety services and education to the community' (SFC, 2011: 14) and establishes the objective to 'Continue to implement opportunities to maintain TasFire Training's market position' (SFC, 2011: 8).

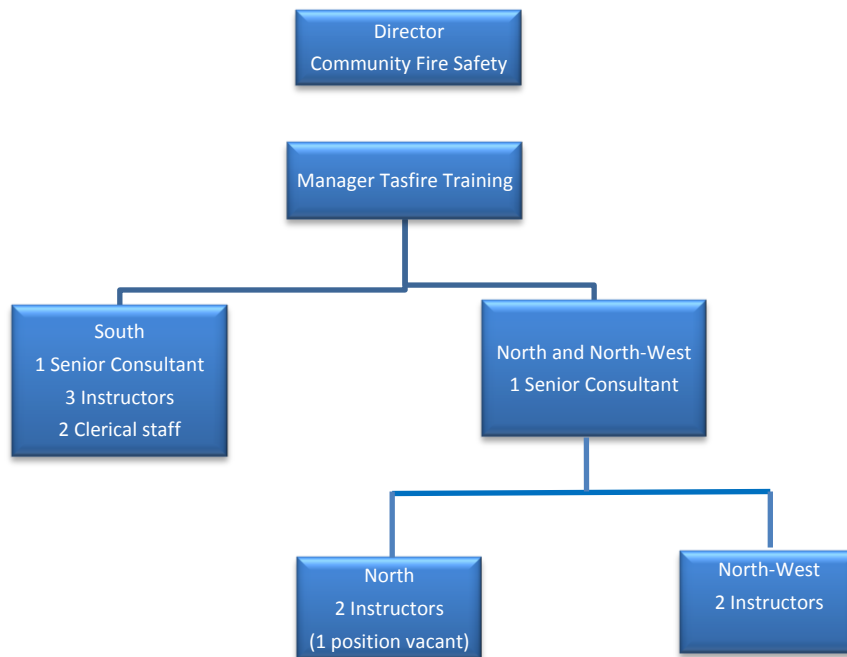
This report outlines the current situation of TasFire Training and investigates options for enhancing its operational and financial performance. The report is organised as follows. Section 2 provides a description of the structure and functions of TasFire Training. Section 3 details the unique characteristics of TasFire Training; the training courses that are exclusive to TasFire Training, as well as its community contribution to fire reduction and response. An overview of the operating environment is presented in Section 4. The adverse economic and social impacts of the future closure of TasFire Training are outlined in Section 5. The final section presents possible strategies for TasFire Training to enhance its financial performance by increasing revenues and reducing expenditures.

2 Functions of TasFire Training

Since its formation in 1992, TasFire Training has operated as a commercial venture of the TFS that is required to recover costs and is subject to competitive neutrality principles. TasFire Training delivers training in all aspects of fire prevention, fire safety and emergency response to improve workplace safety throughout Tasmania (TFS, 2011). TasFire Training is part of the Community Fire Safety Division and operates from three TFS training centres: Cambridge in the South, Youngtown in the North and Burnie in the North-West.

Figure 1 shows the organisational structure of TasFire Training. There is a manager with overall responsibility for the three centres. In the South there is a Senior Consultant, 3 Instructors and 2 Administrative staff. Another Senior Consultant is responsible for both the North and North-West. There is one Instructor in the North and Two in the North-West.

Figure 1 Structure of TasFire Training



All TasFire Training instructors have strong backgrounds within the firefighting industry as career and volunteer firefighters who have had exposure to a wide variety of emergency incidents.

Training is provided to a range of industries:

- State and Federal Government agencies;
- health care, including hospitals and aged care;
- mining;
- manufacturing;
- hospitality; and
- community organisations, including child care centres, women's shelters and other non-government organisations.

Current training courses are detailed in Table 1 below. Emergency Response Team (ERT) training is customised to the needs of individual employers.

Table 1 TasFire Training Courses

Course	Components	Duration	Price (\$)
Emergency Response Teams (for high risk industries)	<ul style="list-style-type: none"> Hazardous material incidents First response to fire incidents Fire control and emergency rescue Operating breathing apparatus and firefighting pumps 		
Fire extinguisher	<ul style="list-style-type: none"> Identification of portable firefighting equipment Safe use of portable firefighting equipment Practical experience in extinguishing live fires 	1 hour	90
Wardens	<ul style="list-style-type: none"> Roles and responsibilities of wardens Preparing for emergencies Evacuation procedures Communicating in emergencies 	4 hours	210
Chief Wardens	<ul style="list-style-type: none"> Roles and responsibilities of chief wardens Acts and regulations relating to the Emergency Control Organisation Managing evacuations Responding to emergencies Liaising with emergency services Strategies in emergency prevention management Communications systems Recovery planning 	8 hours	310
Breathing apparatus	<ul style="list-style-type: none"> Conduct pre-donning checks and tests on breathing apparatus Start up and control procedures Operate breathing apparatus Closing down and maintaining equipment 	4 hours	210
Fire safety and Extinguisher	<ul style="list-style-type: none"> Prevent fires in the workplace What to do if fire occurs in the workplace Safe use of portable firefighting equipment Practical experience in extinguishing live fires 	2.5 hours	120
Fire safety	<ul style="list-style-type: none"> Common causes of fires in the workplace How to prevent fires in the workplace What to do if a fire occurs in the workplace Identifying portable firefighting equipment 	2 hours	50

Source: TasFire Training: http://www.tasfiretraining.com.au/training.html#p7APMt1_4.

3 The unique contribution of TasFire Training

TasFire Training contributes economic and social benefits to the people of Tasmania by increasing the levels of fire safety awareness and emergency response skills in the workplace, with the additional benefit that these participants utilise this knowledge to improve safety in their households and the wider community (TFS, 2011).

The benefits of training provided by TasFire Training include:

- A general increase in fire awareness in the community, a reduction in the risk of fire and the ability to respond appropriately in the event that a fire occurs;
- Reduced economic and social costs of fire, including:
 - Reduced financial cost of fire damage;
 - Less disruption to business if people who have undertaken training are able to implement the strategies they have learned to minimise damage to business premises; and
 - Reduced disruption and social welfare costs by reductions in loss of life, injury and damage to residences.

3.1 Emergency Response Team (ERT) Training

Emergency Response Team training is aimed at high risk industries that need to maintain employee safety, protect plant and equipment and respond to incidents that occur on site. Industries such as the mining and manufacturing sectors use emergency response teams as an effective response to emergency incidents. Onsite teams are trained to respond to incidents that threaten both human and physical resources. This training enables employees to initiate preventative procedures/actions, inclusive of evacuation and fire suppression at the early stages of a fire or other emergency.

There are currently no other training providers in Tasmania providing ERT training. TasFire Training is uniquely placed to provide this type of training since instructors have an operational firefighting background and are able to base training on their knowledge of TFS operating procedures so that ERTs are able to provide a response that is well coordinated with responding TFS firefighters.

The importance of effective ERTs cannot be overstated. High risk industries that have ERTs trained by TasFire Training are frequently in isolated areas where brigade response times are extremely slow due to the distance from fire stations. In this situation having an effective ERT is critical to minimising the potential for injury or loss of life and the extent of economic loss. The economic flow on effects to the Tasmanian economy of this function are substantial. The cost of repairs to buildings, plant and equipment are far lower, the period of disruption to employment is reduced and the cost of welfare provision for those affected is lower than would otherwise be the case.

3.2 Training for the Australian Antarctic Division (AAD)

In 2010 TasFire Training won the tender for AAD training and is currently the only training provider in Tasmania capable of providing this training. TasFire Training provides training to AAD staff at four locations. In addition to the standard 7 day training package other courses such as portable fire extinguisher, extinguisher maintenance, breathing apparatus, rescue extraction and Voyager support have been provided. Training to the AAD generates revenues averaging \$100,000 per annum

In addition to the commercial value of this training, it makes a valuable contribution to the Tasmanian Government objective of establishing Tasmania as a gateway to the Antarctic. The recently released *Developing Tasmania's Antarctic Sector: A vibrant industry in a global market*, states:

The Antarctic sector is an integral part of Tasmanian society and history which is making a significant contribution to the Tasmanian economy. Further developing that resource has the potential to convert it into a major Tasmanian industry with very substantial long term economic and social benefits for Tasmania (Department of Economic Development, Tourism and the Arts, 2011: 4).

The sector's flow-on benefits for Tasmania are largely associated with the investment by entities involved in scientific research, cultural activities, education (including training) and governance matters (Department of Economic Development, Tourism and the Arts, 2011: 5).

The report has identified initiatives and associated actions required to fully capitalise on these opportunities. Initiatives include:

- Build Tasmania's capacity and reputation as a centre for Antarctic skills development and education and promote Antarctic careers;
- Comprehensively brand and promote Tasmanian polar capabilities;
- Raise awareness of Hobart as an Antarctic gateway;
- Maximise opportunities for Tasmanian businesses arising from the replacement of Antarctic vessels by international Antarctic organisations;
- Leverage existing Tasmanian maritime and polar capability to win additional business with other polar nations; and
- Attract additional East Antarctic nations to Hobart.

Ships berth in Tasmania and take on supplies while crew members undertake training provided by TasFire Training. In the absence of this training there is a possibility that ships may continue to combine the training and provisioning functions, but do so at another location such as Melbourne. In this case, the associated expenditure in retail and hospitality that currently boosts consumption expenditure in Tasmania would be lost.

3.3 Community benefits

TasFire Training directly contributes to the SFC's goal of assisting the community manage fire risks and respond appropriately when threatened by fire. TasFire Training provides subsidised training at workplaces where employers face funding constraints that mean they would not be able to fund a sufficient quantity of training at market rates. Based on data for the first half of 2011-12 the annual value of subsidies for the current financial year will be over \$27,000.

TasFire Training's community activities could be expanded through participation in *Project Wake Up!* that has the potential to reduce the risk of fire for vulnerable groups that are over represented in Tasmania. In the past the program has been restricted to aged care clients but there is a need to extend it to other groups that could include people with disabilities and other, e.g. family day care providers living in isolated areas.

The *Project Wake Up Situational Analysis* (TFS, 2010) demonstrated serious deficiencies in past performance due to reliance on delivery by career and volunteer firefighters. Program performance was superior in career brigade areas than in volunteer areas despite the proven greater risks in rural and regional areas. Delivery of the program was expensive in career

areas where four firefighters and an appliance were required to be on site due to the necessity to be available to respond to incidents. Moreover, only around 2 per cent of the target group were serviced by *Project Wake Up!*

Any attempt to substantially expand the program in its current format would be constrained by rapidly accelerating costs and staffing constraints. Responsibility for fire safety assessments is being transferred to aged care and disability organisations.

The *Project Wake Up!* situational analysis recommended that the TFS (2010: 7):

Identify, build and maintain relationships with partner agencies in health, aged care and disability service sectors state-wide; and explore opportunities for collaboration in improving client safety.

A draft Options Paper (Killalea, 2011) on the transitional support arrangements for *Project Wake Up!* identified 6 options:

- Option 1: *PWU* transitional training to community care organisations is delivered by TFT as a Community Service Obligation (CSO).
- Option 2: *PWU* transitional training to community care organisations is delivered by one or more firefighters (LFF or above) seconded from the Operations Division to the Community Education Unit for this purpose.
- Option 3: *PWU* transitional training to community care organisations is delivered by Operations Division firefighters on shift.
- Option 4: *PWU* transitional training to community care organisations is delivered by Operations Division firefighters as paid overtime.
- Option 5: The Chief Officer's decision of December 2010 that 'Home fire safety is [to be] incorporated into existing community care services *with TFS support*' is reversed. TFS continues to deliver *PWU* in its current form.
- Option 6: The Chief Officer's decision of December 2010 that 'Home fire safety is [to be] incorporated into existing community care services *with TFS support*' is reversed. TFS ceases delivering *PWU* in its current form without providing any additional support to agencies.

Option 1 was selected as the preferred option in 2010 and transitional arrangements provided for a period of two years for the transition of responsibility for client home fire safety to community care agencies with TFS support (Killalea, 2011). After Option 1 was identified as preferred option – TasFire Training providing training to the community care sector- it was heavily promoted by the Community Development Officer to the community care sector.

TasFire Training has developed courses to train staff from aged care and disability organisations to conduct comprehensive assessments of client needs and organise installation of essential fire safety equipment. This would increase coverage substantially thereby improving safety for disadvantaged groups. It would also deliver substantial savings to the TFS, which currently spends approximately \$300,000 per annum on *Project Wake Up!* and this expenditure would increase substantially if there was greater take-up of the program.

There is also scope to extend TasFire Training's role to include community education programs such as *Project Wake Up!*, the School Fire Education Program, the Juvenile Fire Lighter Intervention Program and social marketing campaigns are delivered by the Community Education Unit.

Training provided by TasFire Training also provides general social benefits through increasing the awareness of trainees who are better prepared to assess fire risks and respond appropriately. These skills should be highly valued in a community such as Tasmania that has a higher risk profile than other states and has a significantly higher incidence of structure fires. While the community benefit provided by TasFire Training is significant, the SFC notes that 'To date the indirect benefit to the Commission and the community has not been measured' (SFC, 2011: 3).

3.4 Contribution to Tasmania Fire Service operations

Although operating as a separate entity, TasFire Training remains an integral part of the TFS. Some staff maintain operational competencies and are available to perform operational duties when required. In 2010-11, four TasFire Training staff were required to perform operational duties during times of bushfire for a total of 280 hours which was equivalent to \$15,850 in salary costs. Two staff from the South recently completed two weeks at Hobart Fire Brigade prepping for potential assistance. Last summer staff from the South completed some Air Operations support for a total of seven weeks, with the four staff members involved completing two days training prior to deployment. This deployment will occur again this year for a period of up to ten weeks. Staff have also assisted in suppression of fires threatening Hobart.

In addition to availability for operational firefighting duties, TasFire Training staff make a significant contribution to industry in the form of information provided on behalf of the TFS regarding a broad understanding of General Fire Regulations and Workplace laws and their statutory obligations. This includes providing advice and assistance with regard to evacuation procedures, interpretation and application of legislation and standards. Examples provided by TasFire Training staff include:

- Providing employers with advice on how to interpret the confined space definitions and understand the requirements that must be met under AS2865 when an area is defined as a confined space. Further advice has included tailoring work practices to focus on conducting risk assessments for work to be performed in situations where many of the factors associated with confined spaces are present, even if it is not technically classified as a confined space;
- Advising employers of the information and contact numbers that should be included in the Emergency Procedure Manual;
- Providing comments and suggestions on the content of evacuation plans including when to call the fire service, undertake fire suppression and the like, as well as including plans to cover bomb threats, dealing with suspicious mail items and hazardous material spills; and
- Advising on how to establish firm specific procedures for rescue in case of emergencies, including documenting the procedures and training staff

4 The operating environment

TasFire Training provides training throughout Tasmania which is an economy characterised by a large number of small firms. Of the 37,951 businesses in Tasmania in June 2009, only 5 per cent employed between 20 and 199 persons and less than 1 per cent had more than 200 employees (ABS, 2011a). The demand for TasFire Training's courses is affected by general economic conditions and competition with other training providers.

The composition of industry has changed significantly in the past quarter century. In general, growth has been concentrated in tertiary or service industries while primary and secondary industries have been in decline (ABS, 2011b). Perhaps the most significant transformation is the decline in manufacturing which contracted from 13.8 per cent of total employment in 1985 to only 8.9 per cent by 2011. The major growth industries have been: health care and social assistance (3.6 per cent); accommodation and food services (1.6 per cent); and administrative and support services (1.5 per cent). Construction finished the period with employment growth of 1.8 per cent but is highly sensitive to economic fluctuations.

Since the onset of the GFC the rate of economic growth has slowed and employment has been stagnant. Total employment remained constant between January 2008 and January 2012 (232,300 in 2008 and 232,500 in 2012) (ABS, 2012). The fact that full-time employment has contracted from 160,400 to 149,600 and the unemployment rate has increased from 5.0 per cent to 7.2 per cent over this period indicates that there is a large amount of labour underutilisation.

The current economic circumstances are likely to have exacerbated the decline in employment in some of the industries that have used TasFire Training services in the past. In times of economic stress, such as the conditions that have prevailed over the past four years or so, firms are likely to curtail activities that are not essential to immediate production requirements. Therefore, we would expect that the poor economic conditions will have contributed to a diminution of business opportunities for TasFire Training, and other training providers, as firms have reduced or postponed staff training until their circumstances improve.

As economic growth accelerates and employment increases there will be a need for increased training that will provide opportunities for an increase in courses and participants for TasFire Training, which should increase revenue flows.

Trainers competing with TasFire Training include operational firefighters who engage in training on a part-time basis and two commercial operators; Life and Rescue International operates in Hobart and Launceston, and Protector Alsafe operates in Hobart, Launceston and Burnie. The training courses are shown in Table 2 (Life and Rescue International) and Table 3 (Protector Alsafe). Limited information on both these training organisations is available on their websites. Further investigation would be necessary to collect all data on courses.

Table 2 Life and Rescue International training courses

Course	Duration	Price	Max places
Confined Space	Up to 24 hours		10
Confined Space Awareness	4 hours		10
Confined Space Refresher	8 hours		10
Height safety			
Industrial rope access			
Emergency response and rescue			
Advanced fire fighting			
Fire extinguisher			
Fire Warden/ Chief Warden			
Breathing Apparatus			
Emergency escape from EWP			
Special hazards			
Pole top rescue			
Tower rescue			
Transformer access and rescue			
CPR			
In water rescue			
Mines rescue			
Risk management			
Vertical rescue			
Hazardous materials			
Gas detection			

Source: Life and Rescue International <http://www.lri.com.au/>.

Table 3 Protector Alsafe training courses

Course	Duration	Price	Max Places
Operate Breathing Apparatus	1 day	275	12
Operate Breathing Apparatus - open circuit	2 days		8
Enter and Work in Confined Spaces	1 day	275	12
Enter Confined Space Refresher with Breathing Apparatus	1 day		8
Enter Confined Space Refresher without Breathing Apparatus	1 day		12
Enter Confined Space with Breathing Apparatus	2 days		8
Enter Confined Space without Breathing Apparatus	2 days	550	12
Gas Test Atmosphere	4 hours	200	12
Undertake Confined Space Rescue	5 days		8
Chief Warden and Building Evacuation	4 hours	150	12
Operate Fire Extinguisher	2 hours	75	12
Control Minor Incidents	2 hours		12
Undertake First Response to Fire Incidents	1 day		12
Warden and Building evacuation	4 hours	150	12
Apply Advanced First Aid	3 days		12
Apply First Aid and Perform CPR	1 day	140	15
Non-Accredited Low Voltage Rescue and Perform CPR	5 hours		12
Perform CPR	4 hours		12
Heights Incident First Response	2 days		8
Undertake Vertical Rescue	5 days		8
Work Safely at Heights	1 day	260	12

Source: Protector Alsafe <http://www.protectoralsafe.com.au/services/training>

TasFire Training has a distinct advantage over competitors in that the organisation is part of the Tasmania Fire Service and is staffed by personnel with extensive backgrounds in the industry. In addition to the fact that TasFire Training staff are correctly perceived as trusted professionals they are fully cognisant of the operating procedures of TFS firefighters and can impart this knowledge to trainees. These characteristics enable TasFire Training to compete on quality which may mean that the organisation is successful in obtaining business even if it is not the lowest price provider.

5 The potential impact of the closure of TasFire Training

The closure of TasFire Training would have adverse economic and social impacts:

- **Impact on staff.** Eleven staff would be directly affected if TasFire Training closed.
- **Impact on training availability.** The TFS has not conducted an appraisal of the impact of the closure of TasFire Training on the availability, quality or cost of training in Tasmania but concedes that clients may face difficulty accessing training in the short to medium term. The withdrawal of TasFire Training services without an existing comparable training provider in the state would cause disruption to industry

and impose financial and other costs. In the absence of competition from TasFire Training, other providers may increase prices, particularly in the short-term.

- **Potential economic impact.** Any reduction in the competency of ERTs to respond to emergencies could impose significant costs for business in the form of larger damage bills and also increase the risk of injury or death. Cessation of training to the AAD would undermine the Tasmanian Government's vision of establishing Tasmania as the gateway to the Antarctic. This training is currently not available from any other provider in the state. Therefore, it is feasible that the AAD may be required to source the training on the mainland. This could have a negative impact on the Tasmanian economy, both in relation to the loss of training revenue and the loss to spending throughout the economy while crews are undertaking training, e.g. accommodation, entertainment and hospitality and retail expenditures.
- **Impact on the community.** TasFire Training currently provides training to community organisations at discount rates. The closure of TasFire Training would mean that funding constrained organisations would be likely to reduce training levels if they were required to pay full commercial rates.
- **Vulnerable groups.** Past experience with *Project Wake Up!* demonstrated that the majority of vulnerable people have not benefited from the program. TasFire Training has developed and commenced running courses to train community care staff in fire safety assessments, although these courses have been discontinued due to uncertainty about TasFire Training's future. An internal TFS Memorandum (Killalea, 2011: 2) warns that:

If the previously agreed option of *PWU* transitional training to community care organisations being delivered by TFS as a Community Service Obligation (CSO) is withdrawn, risks related to the duration and outcome of the transition arise.

The commitment to the option of TasFire Training providing training to the community care sector was reaffirmed at a TFS meeting on 19 August 2011. It was further agreed that the TFS would support the transition by one of the other options in the event that TasFire Training was closed (Option 2, 3 or 4). This would result in increased risks, specified as: (1) a longer transition period that would involve additional expenses and exposure to legal risk for TFS; (2) a risk that the transition of responsibility to the community care sector may fail if expectation of TFS support were not met; and (3) all other options for delivering transitional support (Options 2, 3 and 4) involve additional risks regarding quality, consistency, timeliness and cost' (Killalea, 2011: 2).

- **Wider social impact.** TasFire Training directly contributes to the SFC's goal of assisting the community manage fire risks and respond appropriately when threatened by fire. All persons who undertake training in fire awareness and response as part of their employment carry those skills into their private lives. These skills are an asset to the community in general because they increase the awareness of potential dangers and the ability to respond to emergency situations when they arise. Moreover, ERTs currently assist to minimise the risk from bushfires by participating in back-burning operations and responding to bushfires. Any reduction in ERT competencies would impact adversely on the ability to respond to emergency situations.
- **Impact on the Tasmania Fire Service.** Some of the TasFire Training instructors are operational firefighters who currently maintain their skills and are called upon to participate in operational duties as required. This reserve capacity would no longer

exist if TasFire Training was wound up. In addition, the advisory role provided to employers and the community by TasFire Training would need to be taken over by other TFS staff. Any reduction in fire awareness and the ability to respond appropriately (due to reduced training) could increase costs for the TFS due to the need to respond to more numerous (and potentially more serious) fire incidents.

Recommendation 1

Prior to any decision on the future of TasFire Training, a comprehensive review of the operation should be undertaken to investigate the full contribution of the organisation to the Tasmanian Economy and community, as well as the impact of the closure in relation to: the level of fire awareness and the ability of industry and the wider community to respond appropriately to fire incidents; the cost of fire; and the operational capabilities of the TFS.

6. Opportunities for improving the financial performance of TasFire Training

As a commercial entity of the Tasmania Fire Service, TasFire Training is subject to competitive neutrality principles that require that it derives no net advantage from being part of the TFS. To comply with the competitive neutrality requirements the TFS levies internal charges for services and facilities provided, including rent, financial, administrative and information technology services.

The competitive activities of TasFire Training are constrained by the organisation being part of the TFS. TasFire Training has not used less expensive commercial services or low cost accounting software that may deliver significant savings compared to TFS services. TasFire Training also faces additional charges that would not apply to a private sector training organisation of a similar size. For example, in the past TasFire Training would not have been subject to Payroll Tax.

Moreover, decisions by the TFS have impinged on the ability of TasFire Training to make decisions on a purely commercial basis. The TFS has restricted the range of courses that TasFire Training can offer to those considered as “core business”. Courses that were previously provided, such as *Confined Space* and *Working at Heights* training have ceased, while new courses have not been approved. TasFire Training has also been restricted from applying to provide training to firms that operate outside Tasmania. This places TasFire Training at a distinct disadvantage in the marketplace because it is not able to grasp commercial opportunities that are available to competitors.

TasFire Training has been operating at a loss since 2004-05 and the deficits have increased substantially during this time. For 2011-12, it is expected that the deficit will be around \$313,000 when internal charges are included and \$221,000 when internal charges are excluded.

In addition to the restrictions imposed by the TFS, the fact that TasFire Training does not have a business plan is likely to have contributed to a failure to develop effective strategies to arrest the deteriorating financial situation. TasFire Training also makes significant community contributions that have not been estimated and taken into account. This section examines strategies that could be pursued to improve the financial performance of TasFire Training.

6.1 Business plan

TasFire Training has been operating since 1992 but does not have a business plan. The process of developing a business plan would provide TasFire Training with an opportunity to review all aspects of its operation:

- Develop a mission statement and overarching goals and objectives;
- Market research to review the demand for training and facilitate a review of courses: content, length of courses, pricing etc. Analysis of changes in employment by industry and identification of training needs of expanding industries;
- Review of the operations of competitors: who they are; what courses they offer; where courses are offered; cost etc.;
- Consideration of expansion of the range of courses offered in light of the findings from market research. This could include reinstating courses that were previously discontinued, new courses, or courses developed to compete with other training providers. Expanding the range of courses could accommodate client preferences for using only one training provider;
- Promote the funding available to construction industry employers through the Tasmanian Building and Construction Industry Training Board (TBCITB). Investigate any subsidies available for participants such as the Productivity Places Program or any other Commonwealth or state government subsidies;
- Develop a marketing plan to determine who to market courses to and the method of advertising, including reviewing the TasFire Training website, updating the listing on the training.com.au website, listing in the yellow pages and other business directories, designing promotional materials etc. Utilise the unique qualities of TasFire Training to market courses; part of the Tasmania Fire Service with trainers who have extensive industry experience and are ideally placed to provide training that dovetails with the operations of TFS firefighters;
- Human resource policies including staff administration and management, and training and development;
- Establish financial management procedures, assess training needs and ensure that staff receive appropriate financial management training; and
- Establish a methodology and timeframes for future reviews of the relevance of training courses and services.

Recommendation 2

TasFire Training should develop a business plan that includes: an elaboration of the goals and objectives of the organisation; an analysis of the business environment including the impact of competitors; the range and quality of training courses offered; a detailed marketing strategy; financial management plan; human resource policies and staff development plan; and opportunities to expand the community contribution by involvement in TFS programs to reduce the risk of fires such as *Project Wake Up!*.

6.2 Expansion of training for the Antarctic

The Tasmanian Government envisages opportunities for significant expansion of existing business opportunities relating to the Antarctic (Department of Economic Development, Tourism and the Arts, 2011: 5):

Building on existing relationships, particularly those with the AAD and the French Antarctic program, will generate economic growth. There is also potential to expand links with other East Antarctic nations and to forge new links with countries involved in, or considering involvement in, the region. Hobart will seek to position itself as a centre of excellence and collaboration interacting with countries such as China, Romania, Russia, Japan, India, the United States of America, New Zealand, Italy and Korea. For many of these Antarctic partners Hobart will be the preferred supply base for all Antarctic-related goods and services.

In addition to the training provided to AAD there is currently an expansion in training provision to crew members of the P&O owned support vessel, *Aurora Australis*. This vessel is being increasingly utilised for scientific research requiring an increase in crew numbers, and therefore additional training.

The new standard for International Maritime safety standards provides an impetus to additional training to meet the higher requirements for preparedness and responsiveness to emergencies. As a consequence, training has increased from the previous average of 1 to 2 days to reach 6 days in 2011 and there is scope for further expansion. There will be a need for training for the crew of another P&O ship, the French Antarctic research vessel, the *L'Astrolabe*.

Successful implementation of the development of Tasmania as the gateway to the Antarctic may present opportunities for TasFire Training to further expand training provision.

6.3 Confined Space and Working at Heights training

TasFire Training provided *Confined Space* and *Working at Heights* training but these courses were discontinued in December 2010 despite being among the more profitable courses. The decision to discontinue these courses was attributed to a review of TasFire Training by the TFS that 'decided that our focus for the future will be to deliver training with a primary focus of prevention and/or response to fire in the workplace' (Young, 2010). There is no indication that this decision was based on commercial considerations.

Table 4 Confined space training, 2007-08 to 2010-11

Year	Courses	Participants	Revenue	% of Total revenue
2007-08	140	1104	256,950	22.8
2008-09	110	864	205,412	16.6
2009-10	96	681	166,172	14.9
2010-11	58	391	81,292	7.8

Source: TFS

The cessation of *Confined Space* and *Working at Heights* training has exacerbated the financial pressures faced by TasFire Training. Table 4 details the number of *Confined Space* courses conducted, the number of participants and total revenue from these courses from 2007-08 to 2010-11. In 2007-08, *Confined Space* training provided 22.8 per cent of TasFire Training revenue. The reason for the decline in revenue in subsequent years is not

immediately apparent and requires further investigation. However, it may be related to the onset of the GFC, structural change in the economy or loss of market share to competitors.

6.4 New courses

In addition to the restoration of *Confined Space* and *Working at Heights* training, TasFire Training could examine new courses that could be included in the training program. Consideration could be given to courses: (1) that are currently offered by competitors; (2) that are conducted by similar public sector training organisations located in other states, such as ComSafe Training Services in NSW or Workplace Emergency Management in Victoria; and (3) courses previously developed but not implemented by TasFire Training. Possible courses include but would not be limited to: first aid, CPR, dangerous goods, vertical rescue, white card (for building sites), hazard abatement, commercial fire investigation, teambuilding and leadership skills.

Recommendation 3

In the process of developing a business plan, TasFire Training should consider the current suite of courses offered with a view to increasing market share for existing courses and extending the range of courses to meet current and emerging market demand. TasFire Training should reinstate the *Confined Space* and *Working at Heights* training as part of this strategy, which would enable TasFire Training to work toward a situation where it could become a one-stop-shop by providing the full range of courses required by employers.

6.5 Community benefit

As mentioned previously, TasFire Training makes a substantial contribution to increasing fire awareness and safety throughout the community. These wider community benefits should be fully costed. While not strictly defined as a Community Service Obligation, the provision of subsidised training to community organisations further contributes to the TFS goals.

As mentioned previously, the opportunity exists for TasFire Training to play an extensive role in promoting community fire safety for vulnerable groups by providing training to community organisations to incorporate fire safety into the home assessments they currently conduct. These organisations could then ensure that necessary fire safety precautions were implemented in conjunction with other needs such as home modifications or repairs. This would provide substantial cost reductions to the TFS and provide a more effective service than is currently the case through *Project Wake Up!* The cost of resources utilised but not fully remunerated would need to be calculated and attributed to community benefit contributions in TasFire Training Accounts.

Recommendation 4

The contribution of TasFire Training to achieving the SFC's goal of assisting the community manage fire risks and respond appropriately when threatened by fire should be acknowledged, estimated and supported by offsetting the subsidies and other community benefits against internal charges.

6.6 Internal charges

Competitive neutrality guidelines apply to significant business activities of Budget Dependent General Government Sector agencies and Public Trading Enterprises (New South Wales Treasury, 2001). There are different methodologies available to calculate “full cost attribution” that ensures that public sector organisations do not obtain a net competitive advantage due to their public sector status:

- Fully distributed costs include both the direct costs of the production of a good or service and an allocation of indirect costs, such as capital costs and corporate support.
- Avoidable costs are those costs that would be avoided by an agency if the good or service was not provided. If an entity could earn revenue equal to or in excess of its avoidable costs it would not impose any costs on any non-commercial activities of the agency.

It is important to note that, if a fully distributed cost base is used to set a minimum revenue requirement to justify activities, it is possible that the agency could neglect opportunities to efficiently supply goods and services because this method includes costs (such as overhead costs) that would have been incurred anyway in running the non-commercial activities of the agency. For this reason the Commonwealth Competitive Neutrality Complaints Office (1998) advocated the use of an avoidable cost allocation method.

TasFire Training is subject to a range of internal charges from the Tasmania Fire Service for use of premises and services. The major internal charges for 2011-12 (Table 5) represent significant costs for a small organisation.

The largest internal costs relate to computer and administration costs of \$55,395. These charges include administrative support in the North and North-West and a range of charges for banking, processing payments and payroll and Technology One Costs (IT costs) and a fuel surcharge. If TasFire Training was an independent organisation it may be possible to reduce these costs by assuming responsibility for processing accounts and using alternative IT solutions. In addition, some of these costs do not constitute “avoidable costs” since they would still be incurred by the TFS if TasFire Training ceased operations.

The second largest internal charge is \$45,482 for rental of premises owned by the TFS. The TFS charges TasFire Training commercial rental for use of premises including the fireground, training rooms and other facilities such as kitchens. Many of these costs would still be incurred by the TFS in the absence of TasFire Training, since the premises are not divisible and therefore cannot be categorised as “avoidable costs”.

Insurance costs include various types of general insurance, motor vehicle insurance and workers compensation. Insurance costs for TasFire Training are calculated as a proportion of total TFS costs based on staffing. Other costs include depreciation and interest on asset holdings.

Table 5 Internal charges 2011-12

	North	North-West	South	Total
Rental of fireground (@ \$50 per hour)	2,650	4,100	12,750	19,500
Rental of office premises and training rooms				
Office	4,400	2,700	10,800	17,900
Classroom	1,414	277	810	2,500
Storage	207	806	2,475	3,488
Kitchen	382	343	1,369	2,094
Total for office and training rooms	6,403	4,126	15,453	25,982
Total rental	9,053	8,226	28,203	45,482
Computer/Admin costs				
Receipting of Banking				2,544
Processing of Credit Notes				196
Debt Collection				7,829
Processing of Creditor Payments				12,722
Statements				47
Payroll Processing				2,292
Remus Costs				1,041
I T Support				3,120
Technology One Costs				1,004
Fuel surcharge	354	800	865	2,019
Admin support-North and North West				22,581
Total computer/admin costs	15580	23553	16263	55,395
Insurance				
General insurance	2,009	288	862	3,159
Motor Vehicle	928	464	928	2,320
Workers Comp	2,578	368	1,105	4,051
Total insurance	5,515	1,120	2,895	9,530
Total	30,148	32,899	47,361	110,407

Source: TFS

Recommendation 5

Internal charges should be reviewed to ascertain whether strategies could be developed to reduce these charges. The review could examine alternatives such as absorbing administrative and account processing functions into TasFire Training and using in-house IT systems.

6.7 Secondary employment policy

As mentioned previously, some of TasFire Training's competitors are operational firefighters who engage in training on a part-time basis as a small business operation. These individuals are able to utilise the fact that they are employees of the TFS to establish a competitive advantage in the industry.

The TFS *Conflict of Interest* Instruction (TFS, 2005) points to the State Service Code of Conduct that states:

(8) an employee must disclose, and take reasonable steps to avoid, any conflict of interest in connection with the employee's State Service employment.

The Instruction provides a number of examples of behaviour that could be considered to involve a conflict of interest:

- *using confidential information or property owned by the TFS or State Government for the benefit of clients of your own business or that of a close friend or relative.*
- *carrying out activities for your own personal business during employment hours.*
- *working in your personal time in direct competition with the TFS.*
- *putting the interests of your personal clients and business before those of the TFS.*
- *using your role at the TFS to gain a benefit for your personal clients and business or your family or friends.*
- *working in a private capacity so that you are too tired to adequately carry out your duties for the TFS.*

Similar requirements are in place in other states. For example, the NSW Fire Brigades' (2001) Secondary Employment Policy states:

13.8 Employees must not advertise that they are employees of the NSWFB or use the NSWFB logo or copyright material in order to gain a competitive advantage in their secondary employment.

Operational firefighters who provide training courses in direct competition with TasFire Training are in breach of the Conflict of Interest Instruction.

Recommendation 6

The TFS should enforce the Conflict of Interest Instruction by prohibiting employees from conducting training courses that are provided or could be provided by TasFire Training.

7 Conclusion

TasFire Training provides a valuable service to Tasmania in the form of training in fire safety and response. The closure of TasFire Training would have a number of adverse consequences: (1) it would significantly reduce competition in the market; (2) it would reduce the range of courses available to employers because TasFire Training is currently the sole provider of some courses; (3) it would eliminate a reserve workforce for the TFS to draw upon for operations where necessary; and (4) it would reduce community awareness of fire safety and knowledge of appropriate responses to fire incidents.

There has been no research into the implications of the closure of TasFire Training on the training market in Tasmania. There is no guarantee that the void left by the closure of TasFire

Training would be filled by other providers. There is a possibility that training may need to be sourced from interstate which would have detrimental economic effects for Tasmania and increase costs for industry. The impact on the cost of courses provided in Tasmania and the availability of training in regional areas is unknown.

Importantly, the opportunity for TasFire Training to make a valuable contribution to improving fire safety for vulnerable Tasmanians would be lost. The review of *Project Wake Up!* demonstrated that the program was currently reaching only a small proportion of the target population and was poorly coordinated with community organisations. The opportunity exists for TasFire Training to greatly extend the reach of fire safety measures for vulnerable groups by providing a professional training program to community organisations. These organisations are responsible for undertaking home assessments that could be extended to include fire safety assessments and remedial action.

The full contribution of TasFire Training, including community contributions has not been quantified to date. Quantification of the current and potential non-commercial contributions would demonstrate that the benefits of these activities for Tasmania far outweigh any short-term financial savings that would be made by the closure of TasFire Training.

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