

STANDING COMMITTEE ON COMMUNITY DEVELOPMENT



Tasmania Fire Service

**Inquiry into the State Fire Commission
Submission from the State Fire
Commission
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INTRODUCTION

Tasmanian firefighters have served the Tasmanian community since the earliest days of European settlement. Maintaining a legislative responsibility since 1883, the present day Tasmania Fire Service (TFS) was established by the *Fire Service Act 1979*.

TFS is as diverse and far-reaching as the Tasmanian communities that it protects. Our people are a mix of career, retained and volunteer members and support staff. With a combined workforce of almost 5,500 people and more than 230 brigades, TFS is not just a major employer and service provider, but a community of its own, committed to achieving its strategic goals for a safe Tasmania.

TFS career workforce provides a multifaceted service. Strategic risk reduction planning, all-hazard response, community education and organisational governance are key service delivery areas. TFS operational personnel are equipped and trained for structural firefighting, bush firefighting, vehicle and transportation incidents, road crash rescue, urban search and rescue, hazardous materials and the effective deployment of resources and information through our fire communication centre. Importantly, our community fire safety personnel contribute directly to the resilience of the State through education and community engagement.

TFS support staff provide the foundation of good governance, resource management, finance and people management to the organisation and, in times of emergency, often also facilitate operational roles within deployed units and operation centres. Volunteers provide depth and capacity to TFS that cannot be achieved through our permanent workforce.

Our volunteers are multi-skilled and undertake a range of planning and prevention activities to ensure our communities are ready for the impact of fire, in particular, our greatest risk of the bushfire season. Importantly they respond, in conjunction with our career firefighters, to incidents and emergencies within their respective communities. Indeed, volunteers are often the very fabric of the community and their commitment of time and effort in maintaining competence and training levels promotes a sense of teamwork, respect and community spirit. Together, we inform emergency management skills on multiple levels.

The current climate of fiscal restraint, declining government revenue and increasing accountability poses significant challenges for the provision of support services. There is a critical need to ensure that the Department of Police and Emergency Management (DPEM) and TFS provide high levels of public value, prioritise the delivery of front line services and demonstrate effective and transparent governance.

Furthermore, Australia has adopted a comprehensive and integrated approach to the development of its arrangements and programs for the effective management of emergencies and disasters – an approach Tasmania supports.

2014-2015 AND 2015-16 STATE FIRE COMMISSION BUDGET

The State Fire Commission (SFC) is a non-profit statutory authority. The major sources of revenue to the Commission are contributions from landowners (fire service contribution), insurance policy holders (insurance fire levy), motor vehicle owners (motor vehicle fire levy) and the State Government. In addition, the Commission raises revenue through the sale and maintenance of fire equipment, the provision of training services to both the public and private sector, alarm monitoring fees, plan approval fees, avoidable false alarm charges and fire investigation reports.

Chapter 27 of the State Budget Papers details the operations of the SFC. The categories used in this presentation differ slightly from those in the SFC Corporate Plan and eliminate inter-government transactions. The figures are however based on the same set of financial numbers.

The current SFC Corporate Plan was prepared in March 2015 and endorsed by the Commission and Government as per the *Fire Service Act 1979* prior to the preparation of the State Budget.

The transfer of State Emergency Service (SES) funding responsibility to SFC has been included and there is a 2 % growth rate in salaries which reflects the public sector situation.

The reduced cash balances reflected in the Corporate Plan indicate that while it will be possible to fund the transfer of SES budget to SFC in the short term with no further increases in the Fire Service Contribution, this would be difficult to sustain without deleterious impacts on the longer term capital program, should a solution not be implemented.

A summary of all SFC funding and expenditure, with details of movements between 2014-15 and 2015-16, are provided below.

Revenue and other Income from Transactions

The Total Operating Revenue of the SFC for 2015-16 is estimated at \$77.176m, an increase of \$4.7m or 6.5% over the previous year.

Taxation

Taxation includes the Fire Service Contribution, Insurance Fire Levy and Motor Vehicle Fire Levy.

Fire Service Contribution

The Fire Service Contribution paid by land owners is projected to rise from \$36.8m to \$38.9m an increase of \$2.1m or 5.5%. The additional revenue will assist the Commission cover increases in salaries, additional operating costs and the funding of its capital program.

The overall increase of 5.5% may be higher (or indeed lower) in some municipalities than others given the formula in the *Fire Service Act 1979* used to determine the individual amounts that Councils are required to collect. The formula is based on land values and incorporates an adjustment rate that ensures that individual council increases and decreases do not change dramatically between one year and the next as a result of volatile land

revaluations. For 2015-16 the span of increases in the Fire Service Contribution across various Councils is between 2.6% and 9.2%.

The increases/decreases on an average property above the minimum fire service contribution are calculated to be:

Permanent brigade area +\$12 (Average now \$267)

Composite brigade area +\$9 (Average now \$199)

Retained (Gazetted) brigade area +\$3 (Average now \$61)

Volunteer (General Land) brigade area +\$5 (Average now \$81)

The Minimum Fire Service Contribution will increase to \$38.

Insurance Fire Levy (Commercial)

The Insurance Fire Levy collected by Insurance Companies is a prescribed percentage of total premium income on prescribed classes of insurance.

The Insurance Fire Levy is estimated to rise from \$18.0m to \$18.2m, an increase of \$0.2m or 1.1 per cent. The increase is based on estimated collections.

Under the *Fire Service Act 1979* the Commission is required to be provided with a percentage of the total premium income payable to insurance companies.

The percentages for prescribed classes of insurance which are provided by way of Regulation are:

2% for marine cargo insurance,

14% for aviation hull insurance, and

28% for other classes of insurance.

Motor Vehicle Fire Levy

The Commission receives income raised through a fire levy applied to all registered vehicles. This is collected by the Department of State Growth as part of the vehicle registration fee and forwarded to the Commission.

The levy is subject to movements in the Consumer Price Index and a formula in the *Fire Service Act 1979* that calculates the amount to be charged to each vehicle registration each financial year.

The levy will remain at \$17 per registration (motor cycles exempt) in 2015-16. Each year the levy is indexed by CPI. The indexed value is rounded up or down to the nearest dollar.

Revenue from the Motor Vehicle Levy in 2015-16 is estimated at \$7.6m an increase of \$0.2m and this is based on current revenue trends and the estimated number of registrations provided by the Department of State Growth.

Pensioner rebates paid by the Commission are likely to total \$0.6m for 2015-16.

Interest Revenue

- The estimate for 2015-16 of \$51,000 has been reduced from \$150,000 in 2014-15 due to an overall reduction in cash balances.

Grants (State and Commonwealth Government Contributions)

This budget item has increased from last year by \$1.9m because last year it excluded Commonwealth Government Contributions, which were reported elsewhere and State funding for the Bushfire Mitigation Program of \$0.79m wasn't included in the Budget Papers as it was previously paid through Parks and Wildlife Service.

The budget of \$5.0m includes the State Contribution of \$3.8m and the Commonwealth Contribution of \$1.2m. Details of each are:

State Government Contribution

Under the *Fire Service Act 1979* the Treasurer is required to provide a contribution towards the operating costs of the State Fire Commission.

The State Government contribution for 2015-16 is \$3.8m. This includes:

- the continuation of funding of \$790,000 for the Bushfire Mitigation Program
- the continuation of funding for the Fuel Reduction Unit which has deliverables of \$770k
- the continuation of funding the Red Hot Tips Program of \$154k.

Commonwealth Government Contribution

The Commonwealth Contribution of \$1.2m includes a subsidy of \$0.9m from the National Aerial Firefighting Centre to assist with the hire of helicopters which will be used for aerial reconnaissance and water bombing in the fire season. A general fire contribution of \$0.3m is estimated to be provided.

Sale of Goods and Services

Revenue from the sale of goods and services of \$5.9m is a marginal increase on the previous year.

Other Revenue

Other Revenue of \$1.6m for 2015-16 is an increase of \$0.4m. Other Revenue includes a large number of small items the most significant being Road Accident Rescue reimbursements from the Motor Accident Insurance Board of \$220,000 and communications revenue reimbursements from Ambulance Tasmanian of \$219,000. Each year approximately \$200,000 to \$300,000 additional revenue is received and for 2015-16 a contingency for this has been made.

Operating Expenses

Total Operating Expenses for 2015-16 are estimated at \$81.1m, an increase of \$4.9m or 6.4% over the budget for 2014-15.

Employee Entitlements

The budget for salaries, wages and related expenses shows an increase on 2014-15 of \$1.9m principally due to changes in expected award increases.

Depreciation and Amortisation

The allocation for 2015-16 of \$6.9m is \$0.6m higher than the previous year due to newly capitalised assets. Whilst depreciation is not a cash expense, the Commission aims to invest an equal amount into its capital program to avoid deterioration of the asset base.

Supplies and Consumables

Supplies and Consumables are expected to increase by \$2.0m to \$21.9m in 2015-16 due to funding \$2.5m for the State Emergency Service which, while funded in 2014-15, was not in that year's Corporate Plan.

Borrowing Costs

Borrowing costs are expected to rise from \$0.2m to \$0.3m because of increased need for seasonal short term borrowing required as a result of expected reductions in the Commission's cash balance.

Other Expenses

Other Expenses includes insurance expenses together with payment of collection costs to Local Government (for Fire Service Contribution) and rebates to certain community groups (e.g. pensioners). The workers compensation premium was also increased with the introduction of the presumptive cancer legislation.

Capital Program

The State Fire Commission has allocated \$4.6m for its capital program for the 2015-16 financial year.

The allocation for 2015-16 includes:

Fire Appliances (Trucks)

As part of a five year replacement program \$2.5M has been allocated in 2015-16 to build 25 light tankers with CAFS (compressed air foam system).

Passenger Vehicles

An allocation of \$0.7m has been provided for passenger vehicle replacements in 2015-16. This is a reduction of \$0.1m on the previous year. Generally passenger vehicles are replaced when they reach an age of three years and they have accumulated 60,000 kilometres. The number of vehicles to be replaced in 2015-16 is being reviewed due to the decrease in the budget, but it will be in the order of 24.

Land and Buildings

An allocation of \$0.6m has been provided for Land and Buildings. This is a reduction of \$400k on 2014-15 as a part of a savings strategy to contribute to the funding of SES. The actual stations to be replaced are being reviewed in order to meet the reduced funding.

New stations will provide much needed facilities to our dedicated volunteer fire fighters and the fire stations will become an important asset to their communities.

A one-bay station is estimated to cost \$171,000 and a two-bay station \$250,000. The acquisition of land is an additional cost.

Plant and Equipment

The plant and equipment allocation of \$0.8m is a reduction of \$0.1m compared with the budget in 2014-15. This includes communications equipment, computer hardware and software, and other plant and equipment.

THE TRANSFER OF THE STATE EMERGENCY SERVICE (SES) REPORTING RESPONSIBILITY TO THE SFC/TFS

Background

As part of the 2014 state budget announcements, the Minister announced that there would be a change for TFS and SES in that the SES Director would report to the TFS Chief Officer (who in turn reports to the Secretary DPEM).

Annual resourcing for the SES is now incorporated into the State Fire Commission budget.

Importantly, with the change in reporting arrangements there is no reduction in the SES or TFS operational resourcing and no change to the contributions from local government in the immediate term.

Already, the SES and TFS work together and have many synergies; both have a large pool of dedicated volunteers, respond to emergency incidents, operate within the same regional boundaries and have many collocated premises. SES has 32 premises which are owned by councils, TFS, Ambulance Tasmania or Tasmania Police. 13 of these premises are co-located with TFS. Last year, SES moved into the new Devonport Police Station and there may be more opportunities for the sharing of facilities in the future.

Many initiatives for closer collaboration and resource sharing have already been identified within the areas of emergency management policy and planning, operations and training, facilities and assets, learning and development and community education and awareness. In addition, the SES volunteers now have the opportunity to benefit from the additional support of the TFS volunteer management system.

The new reporting and budget arrangements for SES will strengthen this relationship and see many opportunities for greater collaboration and sharing of resources, whilst preserving their important identities and cultures.

It should be noted that, under the *Emergency Management Act 2006*, the Director SES still reports directly to the State Controller on issues relating to emergency management and is the Executive Officer of the State Emergency Management Committee, of which the State Controller is the Chair. At the moment, the State Controller is the Secretary of the Department of Police and Emergency Management.

TFS is currently exploring a number of possible initiatives to further align the TFS and SES. These possibilities include: co-location of Incident Command Centres, TFS/SES exchange leadership appointments, integration of Regional/State Headquarters and a joint review of emergency service legislation.

Integrated Incident Control System Training and Conduct

Common Operations / Incident Control Centres.

TFS has recently undertaken major upgrades to Incident Control Centres at Youngtown, Three Mile Line, and State Headquarters. These facilities are equipped with video conferencing equipment, state of the art mapping software, integrated and scalable IT systems and, in the case of State Headquarters, provisions for media doorstops direct to the ABC. SES, on the other hand, are due for an upgrade of existing SES facilities; including the requirement for an extensive IT replacement program.

Noting that SES would traditionally utilise a control centre during floods/storms and/or task-specific operations, and TFS during times of wildfire or hot day response, it follows that common control centres could be shared across both Services.

TFS infrastructure is superior to those currently maintained in SES. Obviously there is a need to ensure TFS systems will support SES requirements; however any cost of upgrade is likely to be significantly less than a replacement program.

An integrated control system would provide the optimal utilisation of existing infrastructure in Regional locations. SES would be able to access excellent facilities without the requirement to build new infrastructure while also providing the opportunity to build a closer relationship between TFS and SES.

SES have expressed concern that, even during major bushfire operations, there is a great deal of SES tasking and coordination required. For this reason, SES have indicated a preference to maintain independent command and control centres. However, TFS leadership is confident sufficient systems, facilities and break-out areas are maintained in all major locations to accommodate a dual-use environment.

Provision of functional operational support.

TFS and SES both should increase the level of functional operational support to each other on Incident Management Teams (IMT). This would increase operational ability and outputs and increase the synergy of effort in all-hazard situations. Rapid Impact Assessments would be better coordinated to provide an effective bridge between emergency response and recovery.

TFS/SES exchange leadership appointments on a rotating basis.

This strategy would identify a suitable TFS/SES officer/manager to take on a fixed-term role in either TFS or SES as required. This would provide developmental opportunities for individuals and increase the depth of knowledge from a whole of organisation perspective. Through this increased knowledge future possibilities for further alignment could be identified and implemented. The increased inter-service knowledge and understanding would further enhance a

common approach to emergency management planning and implementation. For this strategy to be successful consideration would need to be given as to how potential vacancies are managed where there are limited staff numbers and potentially difficulty in backfilling roles.

Co-location of Regional Headquarters/administration centres.

This strategy would see the co-location of SES and TFS Regional headquarters in the North West, North and Southern parts of the State. TFS and SES State Headquarters would also be co-located in State Headquarters at the corner of Argyle and Melville Street. A clear intent of co-location is to better align, where possible, volunteer management and training and organisational learning and development. SES volunteers would have the opportunity to benefit from the additional support of the TFS volunteer management system. It would also reflect the fact that approximately 20 per cent of volunteers work with both the TFS and the SES and volunteers often work together when responding to incidents.

Co-location would facilitate a more strategic approach to asset management and high quality facilities would be available in all regions. It would also enable the SES to have access to best practice engineering systems and it would facilitate effective and efficient use of shared resources.

The TFS has already provided land at 3 Mile Line for the development of a workshop for the storage of vehicles and equipment for both the SES and Tasmania Police. This workshop has been completed and contains areas for the following

- TASPOL bomb squad
- SES unit (relocated from Wivenhoe premise)
- Vehicles involved in a coronial enquiry and compounded by TASPOL
- Large vehicle wash bay
- Storage areas
- Training room
- Radio room
- Kitchen facilities

In addition to this a project plan has been developed to relocate the operational SES Unit from South Burnie and relocating them into the Burnie Fire Station with office space being allocated for the Regional Manager at 3 Mile Line.

If this proposal is approved it will see all three SES sites incorporated into TFS buildings.

- TASPOL and SES Wivenhoe have already relocated to 3 Mile Line
- South Burnie SES Unit relocated into Burnie Fire Station
- SES Office in Wilson Street, staff relocated to Burnie Fire Station and 3 Mile Line

Joint Review of Emergency Management Legislation

A review of the *Emergency Management Act 2006* was approved in 2012. The SES was assigned responsibility for coordinating the review and a discussion paper was released for consultation in December 2012. Following the 2013 Tasmanian Bushfire Inquiry the review was put on hold as the government accepted Recommendations 100 and 101 of the Inquiry which proposed *'that the Department of Justice conduct an independent review to develop a suitable model for integrated and interoperable emergency management arrangements in Tasmania'* and that *'the Emergency Management Act 2006 should be amended accordingly.'*

The Department of Justice's Review of Emergency Management is yet to be released. However, it is probable that the Review will recommend changes to the Emergency Management Act which may require consequential amendments to the Fire Service Act. This would provide an opportunity to review both Acts not only to ensure consistency in emergency management but also to reflect the changed funding and reporting arrangements for the SES. It is envisaged that this review would also encompass the Tasmanian Emergency Management Plan (TEMP). While it is acknowledged that the TEMP is not legislation, it is logical to review it in the context of all emergency management legislation and plans. It also provides an opportunity to re-design the Acts into common emergency management legislation.

Financial Implications

The SES budget allocation for 2014-15 is \$2.85 million. This amount has not been impacted by the transfer in funding arrangements to the SFC.

The SES budget was previously funded from the Tasmania Police budget – however the State Government will no longer provide that money to Tasmania Police.

Ongoing funding for SES of \$2.538 million in 2015-16 will increase to \$2.706 million in 2018-19 and this has been incorporated into the SFC Corporate Plan.

There has been broad acknowledgement that the current funding model for SES is not sustainable into the future. As any changes to the funding model will involve significant consultation with stakeholders, the Government has provided an additional \$1.5 million in 2015 -16 to SFC to ensure that communities are kept safe and that there is no effect on the Capital Program.

THE FUNDING OF THE SES

Background

As noted above, the 2014-15 State Budget announced that annual State Government resourcing for the SES will be incorporated into the State Fire Commission budget.

Previously, the majority of resourcing for SES was provided by the Department of Police and Emergency Management, with multiple other funding sources from all levels of government.

The announcement stressed that the change in reporting arrangements would not lead to any reduction in the SES or TFS operational resourcing, nor any change to the support from local government in the immediate term.

Additionally, it was announced that the change was not an 'amalgamation' of the SES and TFS organisations and would not impact on the roles of either operational arm. Further, it would not lead to any change to roles or functions, staffing, the number of volunteers, identity, branding or internal reporting arrangements.

SES currently operates with a State Fire Commission allocation of \$2.494 million. This has been facilitated by virtue of section 107 of the Fire Services Act which states the '*Chief Officer can expend out of the funds of the Commission any sum of money for any purpose approved by the Minister, notwithstanding this expenditure may not be authorised under any provision of this Act.*' The Minister approved this expenditure on 5 January 2015. DPEM supplements the SES budget to a total budget allocation of \$2.85 million. SES also receives an annual allocation of \$300,000 from the MAIB to support road crash rescue.

Commonwealth funding is provided to SES under the National Partnership Agreement for Natural Disaster Resilience (NPA) in accordance with the agreed Tasmania Implementation Plan. Under this plan, SES receives \$135,000 for the Emergency Management Framework Support Program - to administer and manage \$1.17 million of Commonwealth funding per year (until the end of 2014-15) for three competitive grants programs (Emergency Volunteer Fund, Natural Disaster Resilience Grants Program and State Emergency Management Program). The Commonwealth has indicated that it will support a new NPA from 2015-16 inclusive.

SES has no direct control of any local government funding, but under the *Emergency Management Act 2006*, the councils are responsible for the establishment and maintenance of municipal SES volunteer unit facilities. Councils must also support the operations of these units to provide a capability to assist the community in an emergency, this may include taking ownership of the SES unit vehicles and funding vehicle maintenance, fuel, insurance, etc. SES

manages these arrangements by negotiating and establishing MOUs with each council to clarify support arrangements and any standards.

A strategic asset review conducted by SES in 2011-12 and updated in September 2014 revealed that, on average, each council contributes around \$20,000 towards their SES Unit each year (this does not include depreciation or associated council staff and on-costs). The actual level of funding by each local Government authority varies significantly. An audit is currently being undertaken to identify the exact value of local government support for SES including in-kind support.

The current funding model for SES relies on a number of revenue streams across local, state and federal government levels and also the MAIB.

These contributions are primarily operational expenses, such as vehicle and unit facility operating and administrative expenses. While seven councils allocate funds directly to SES to manage on their behalf, most manage this expenditure internally; hence SES has little or no control of this expenditure.

SES does not have a SES Unit facilities budget and is totally reliant on external bodies to maintain its facilities. When improvements to facilities are required, SES must seek additional funding or support from the councils, competitive grant programs or one-off budget initiatives. Two recent examples are the Zeehan SES Unit and the Mersey SES Unit. For the former, SES received a one-off election commitment through the previous government, a Commonwealth grant and some in-kind support to extend the existing Zeehan Fire Station. The latter received considerable support from DPEM and a one-off \$45,000 commitment by the Devonport Council to extend the new Devonport Police Station.

The annual SES Unit vehicle budget is limited to \$120,000-\$150,000. For 2014-15, the budget was entirely consumed by a single grant to Circular Head Council to replace their primary rescue truck.

Whilst the SFC was able to meet the funding requirement in 2014-15 from Reserves this is not a sustainable model. Cash balances for the Commission are predicted to decrease to a nil balance.

Therefore, a review of funding arrangements for SES will be considered during 2015-16 with a view to developing the most sustainable funding model for this service into the future.

THE FUTURE FUNDING ARRANGEMENTS FOR THE SFC AND SES

As noted above, the current funding model for SES consists of a mixture of State Government, Local Government and Commonwealth funding arrangements. As part of the 2014-15 State Budget announcements it was agreed to review the funding arrangements for SES to deliver the most sustainable funding model for this service into the future.

Furthermore, various sustainability and procurement governance issues concerning SES asset management and the maintenance of appropriate standards for its fleet and unit facilities have been identified.

Wise Lord and Ferguson were engaged to conduct an independent strategic review of SES in June 2013, which confirmed that there were a number of related organisational risks. These risks included:

- Current governance and financial arrangements with local government limit the ability of SES to strategically manage their financial assets.
- SES unable to budget effectively as unable to forecast revenue streams or contributions from local government. Local Government contribution varies under current arrangements.
- Number of risks associated with Workplace Health and Safety.
- Ability of SES to respond to large scale prolonged incident is limited under current arrangements.
- With National Agenda placing greater emphasis on risk assessments, community resilience and disaster planning there is a risk that planning requirements, both statutory and delegated, may not be able to be met.

The Report confirmed that the current governance arrangements with council ownership and control of key SES assets, such as facilities and vehicles, were not sustainable. Some councils support SES units very well, financially or in-kind, but others struggle due to competing priorities, often despite a good deal of good will.

It is apparent that the operating environment of the SES currently requires funding of around \$5.4 million per annum. At present there is little certainty around any of the existing funding sources.

The *Emergency Management Act 2006* requires that local council establish units and provide certain levels of equipment and/or facilities whilst the Director SES is responsible for the units and the outcomes. This creates a potential conflict with the Director potentially having limited capacity to influence the appropriateness of resourcing yet being accountable for outcomes. Ultimately, the risks associated

with this model are reflected in the first three risks identified by Wise Lord and Ferguson, as outlined above.

To accommodate the funding issues faced by the SES, the ambiguity in the governance and the control over assets, a fresh funding model is required. Given the model currently in place for TFS, the similarity in operations and the advantages of a consistent model consideration should be given to:

- expansion of the role of SFC to incorporate SES
- remove the requirements from local government to resource local units and place this requirement on the Chief Officer, TFS
- extend the Fire Contribution Levy to meet the need of both the SFC and the SES
- enable the provision of additional funding from State Government to deal with protracted or unfunded incidents.
- explore with the MAIB the opportunity to replace the existing funding for Road Crash Rescue on a case by case basis with a fixed term fixed sum agreement.

This would mean that there was greater combined expertise and experience in key functional emergency management areas and an efficient all hazards approach and reduced duplication in emergency management planning across the state.

Other advantages that would be apparent include:

- increased interoperability and common standards in equipment, resources, procedures and processes that would lead to more effective operations and allocation of resources.
- better matching of resource allocation to identified hazards and risk management needs.
- cost effective emergency management including efficiencies to reduce support costs.
- central funding model which matches resources to risk across Tasmania and is not limited by community or local government capacity to contribute.

- cost effective and logical arrangements for servicing and maintaining vehicles, equipment and developing and supporting volunteers.
- improved and standardised resources and equipment for SES.
- greater resource sharing across land management and local government boundaries.
- greater opportunities for collaborative purchasing arrangements which deliver cost benefits and greater equipment and resource standardisation.
- joint collaborative learning model.
- organisational specialisation and concentration on volunteer management, administration, development and support.
- configuration of the most optimal operational command and management structure.
- capacity for greater investment in roles and functions that match skill and interest and the opportunity for a broadening of the skills base.
- retention of operational expertise and skills due to greater opportunities for employment.
- greater surge capacity.
- streamlined Chain of command.
- seamless transition from emergency response to relief and recovery.
- improved response and recovery actions that are not constrained by local government or other boundaries.
- effective and accountable command and control arrangements.

This model will take some time to implement and whilst consultation surrounding a longer term funding model is undertaken, the interim measures to be considered include:

- maintain Fire Service levy at the current level.
- explore further opportunities for savings from within TFS and SES with an emphasis on a reduction of duplication or inefficiencies.

- continued additional funding through the DPEM as per existing arrangements.
- additional government funding to meet a proportion of the costs until such time as these can be absorbed through the levy. This will not constitute an abrogation on the part of the Government of its responsibilities for emergency management and will not represent a cost shifting exercise onto rate payers. Any changes will be cost neutral to local government communities on a state-wide basis in the first instance. Over time the level of service required will be defined and efficiencies realised with the change in reporting arrangements.
- in the absence of additional funding streams a delay in capital expenditure will be required which will impact upon the SFC's asset base.

THE STRUCTURES OF THE DEPARTMENT OF POLICE AND EMERGENCY MANAGEMENT (DPEM)

Under the *State Service Act 2000*, the Secretary of the Department is the Head of Agency, the powers and functions of which are set out in section 34 of the State Service Act. The Head of Agency is responsible for the efficient and effective running of the Government Department. In the case of DPEM, the Secretary has ultimate responsibility for Police, TFS, SES and FSST. The Secretary is able to delegate a range of his powers and functions to other officers (for example the Chief Officer TFS) but he can also rescind these delegations at any time. The Secretary is not able to delegate his power of delegation, the power to terminate a State Service employee or the power to appoint senior executive officers.

The Police Commissioner, under the direction of the Minister, is responsible for the efficient and effective management and supervision of the Police Service. The position of Commissioner of Police is legislated under *the Police Service Act 2003*. The Commissioner is appointed by the Governor.

The Chief Officer is the chief executive officer of the Fire Service as set out in the *Fire Service Act 1979*. He is responsible, amongst other things, for the control and management of fire-fighting resources of the Fire Service and the training of officers and fire-fighters. On operational matters concerning TFS the Chief Officer reports directly to the Minister for Police and Emergency Management.

While TFS is a statutory authority under the *Fire Service Act 1979*, it is not recognised as a statutory authority under the State Service Act. As such, the Chief Officer TFS is not a Head of Agency and for State Service matters essentially reports to the Secretary. In effect the Secretary has delegated a range of functions and powers to the Chief Officer, but the Secretary has ultimate responsibility.

As noted above, under the *Emergency Management Act 2006*, the Director SES still reports directly to the State Controller on issues relating to emergency management and is the Executive Officer of the State Emergency Management Committee, of which the State Controller is the Chair. At the moment, the State Controller is the Secretary of the Department of Police and Emergency Management.

Therefore, it can become unclear when the Director SES should report directly to the State Controller or when he should report through the Chief Officer TFS. Likewise, it can become unclear when the Chief Officer should report directly to the Minister as specified in the Fire Service Act or when he should report through the Secretary of DPEM on matters concerning the administration of the State Service Act.

There is also potential tension in determining how involved the Secretary should become in the operations of the TFS or how far the Chief Officer should become involved in the operations of the SES.

THE DPEM CORPORATE SERVICES REVIEW, INCLUDING THE SCOPE AND CONDUCT OF THE REVIEW AND ITS IMPLICATIONS

Background

To ensure the emergency service needs of people living in or visiting Tasmania are met by skilled and well-equipped police officers, firefighters and state emergency service personnel those first-responders need to be supported by effective support services.

As part of the Government's 2014-15 Budget savings strategies, DPEM undertook a review to ensure a cohesive and sustainable model for the delivery of corporate services across the operational arms of the Agency. This was to ensure funding is primarily focussed on frontline services and not unnecessarily diverted towards administrative functions.

Auditors Wise, Lord and Ferguson were commissioned to undertake a review of the existing service delivery model for corporate support activities across all portfolio areas. This included reviewing organisational structures, systems and processes to eliminate areas of duplication wherever possible.

The initial review was conducted in consultation with the senior executive and relevant Corporate Services personnel and, importantly, was directed at establishing a strategic direction and governance framework for the delivery of corporate services taking into account the evolving nature of these services and the broader whole of government support roles.

The key focus areas of the review were the functions of:-

- Financial management and payroll services
- Asset management services (including garaging services, engineering services, fleet services and fleet management)
- Information management services (including records management)
- Information technology services, and
- Communication services.

Upon the completion of the Review, the Steering Committee elected to adopt a single Corporate Services model which will support all areas of the Department including Tasmania Police, Tasmania Fire Service, State Emergency Service and Forensic Science Service Tasmania.

It was decided that functional responsibilities for corporate services would be split between the two existing Directors and that the position of Deputy Director, Corporate Services would not be filled. The two key functional areas are a Finance and Physical Resources stream and an Information and Communications stream. Both Directors report directly to the Secretary.

It was decided fully integrated support services would minimise duplication and ensure high levels of support to front-line activities. This approach will not only ensure skilled and experienced technical support is available to front-line activities but support services are also be able to respond and provide assistance in an emergency or incident. Moreover, the benefits from scale and leveraging across the Agency restrict growth in the cost of essential support services, whilst enabling a greater percentage of funding to be dedicated to frontline activities, where the greatest community benefit exists. A shared services model also provides better career and training options for staff and an increase in surge capacity potential should a major incident arise.

Whilst support services will be integrated, it is important to acknowledge that the responsibility for the delivery of specific emergency services will remain with the individual emergency service organisations. This means that the statutory roles and responsibilities of Tasmania Police, the TFS and the SES will remain operationally distinct and the role of the Commissioner of Police and the Chief Officer leading those services will not be compromised.

To oversee the integration a small Project Team was established. The Project Team worked with the Directors and Managers from all areas of Corporate Services to identify:

- The role of corporate services for the Agency and how this role will be achieved, and
- The roles of specific business units and how these roles will be achieved.

Following these discussions a Change Proposal for the delivery of Corporate Services was developed. The purpose of this document was to outline the proposed changes for each business unit to assist all stakeholders to discuss and provide feedback. The Change proposal was made available for all staff, the United Firefighters Union (UFU) and the Community and Public Sector Union (CPSU). The three week consultation period closed on 10 August 2015, however some organisations received an extension of time, including the CPSU and the UFU. There were a total 12 submissions from stakeholders in relation to the Change Proposal, including one from the CPSU.

All individuals, workplaces or organisations that made a submission were provided with a response to the issues raised.

The issues raised and action taken included:

- A number of issues/queries relating to specific workplaces – these matters were directed to the Managers of the relevant work areas for consideration and follow-up, as required.
- Inaccurate references/details in the proposal – where appropriate, amendments have been made.
- Tasmanian State Service Award (TSSA) Appendix 9 conditions – separate negotiations are being conducted with the relevant unions in relation to future terms and conditions (see below).

- Management of differences in organisational cultures - the differences are acknowledged, however, the fundamental principles and rules of the public sector apply to both organisations in a very similar manner. Any issues regarding interpersonal interaction that are in breach of these are to be dealt with in accordance with these rules.
- Corporate values – the Agency is aware of the need to align values across the organisation and it is intended that this will be approached from a “bottom up” method. It is proposed that a working group with representatives from DPEM, TFS and SES be formed to further scope out how values alignment can best be achieved.
- Communication – it is acknowledged that some aspects of communication could have been handled differently. However there has been a significant effort put in to ensuring that all work groups have the opportunity to meet with both Directors and members of the Project Team to discuss issues arising from integration. Further, work unit Managers meet regularly and it is expected that information shared in these forums is disseminated to their work groups.
- Perceived reductions in employee numbers – this is not correct. While there are some vacancies within work units, these positions have not been abolished. A commitment was given at the start of the integration process that no employee would be in danger of losing their job. Some changes in employee numbers are a result of structural reviews not connected to the integration process. This has been noted in various places in our responses to issues raised about specific work units.
- Reduced office accommodation space - the Agency aims to make the most efficient use of office space it has available. Office accommodation is always managed to ensure that staff work areas are compliant with all relevant office accommodation and WHS standards.
- Service delivery to clients post integration – a Memorandum of Understanding is being prepared outlining the general terms and principles that will govern the provision of Corporate Services to other areas of the Agency.

None of the issues raised prohibited the co-location of business units. Draft Accommodation Plans were put out for consultation with all staff and unions in April 2015. Property and Procurement Services worked with Managers from the areas subject to accommodation moves to facilitate the co-location of Finance and Budget Services, Information Services and Information Technology. Finance and Budget Services were co-located on 5 November 2015 on Level 6, 47 Liverpool Street. Removalists and contractors worked on clearing storage space and undertaking minor works to enable the move of Information Technology and Information Services to Level 1, TFS Headquarters, Corner of Melville and Argyle Streets. This occurred on 27 November 2015.

Memorandum of Understanding

To ensure the general terms and principles that will govern the provision of Corporate Services to other areas of the Agency are clear, a Memorandum of Understanding (MoU) between stakeholders has been developed. The MoU facilitates the provision of Corporate Services to the Agency which are understood, appropriate and balance business requirements with available resources. The specific purpose of the MoU is to:

- define the roles and responsibilities, including governance and reporting arrangements for both parties.
- facilitate partnership and cooperation between DPEM Corporate Services and their clients.
- build commitment to a strong long-term relationship.
- define the suite of services to be provided by DPEM Corporate Services.
- define the reciprocal obligations of clients to support the operational requirements.
- provide mechanisms for issue management and conflict resolution.
- establish a framework for an agreed level of service.

Review of other DPEM and TFS support areas

Wise, Lord and Ferguson have commenced a review of other DPEM and TFS support areas, in particular Human Services and Executive Support. Meetings have been held with all members of the Steering Committee, the DPEM Commanders Human Resources and Executive Support, the TFS Director Human Services and the Principal Staff Officer and two Managers from Corporate Services.

WLF will consider and report on:

- the current status of the Corporate Services integration.
- the key benefits realised from the integration.
- any risks identified, both current and emerging.
- opportunities to further integrate and streamline the delivery of support services within the Agency.
- recommendations to assist the Agency to continue to develop the most efficient and effective model for the combined delivery of support services.

Budget Issues

The cost of Corporate Services salaries pre-integration is \$12,003,002 (source: Wise Lord & Fergusson Corporate Services Review Report September 2014).

An immediate saving has been the removal of one Senior Executive Service role (Deputy Director Corporate Services DPEM) at a saving of approximately \$120,000.

The cost of the Wise Lord and Ferguson report was \$22,000.

The direct costs incurred by the TFS in relation to the project to date exclusively relate to salaries or to seconded fire service employees who are working with the project. Approximately \$50 000 is projected to the end of the financial year, attributed to salaries to those employees. The remainder of the costs are being met by the Department of Police and Emergency Management.

Industrial Relations Issues associated with Integration

There have been a number of industrial relations issues that have arisen as a result of the planned integration of Support Services.

DPEM Corporate Services employees receive the rate of salary as prescribed in Part II of the Tasmanian State Service Award (the Award), that is, they work 36 hours and 45 minutes per week between the hours of 7.00 am to 7.00 pm, whereas, certain conditions of employment for TFS Corporate Services employees are prescribed in Appendix 9 of the Award, namely:

Communications Services Employees

These employees receive the salary prescribed in Part II of the Award plus an additional 4.8% in remuneration in compensation for working additional ordinary hours of work – 38 hours per week.

These conditions currently apply to 8 TFS employees.

Engineering Services Employees

These employees receive the rate of salary as prescribed in Part II of the Award plus an additional 6.5% in remuneration in compensation for working additional ordinary hours of work and for an increase in the span of hours. The average hours worked is to be 38 with a span of hours 6.00 am – 10.00 pm. Employees work 9 days of 8.27 hours in a 10 day work cycle.

These conditions currently apply to 22 TFS employees.

All other TFS employees

These employees receive the rate of salary as prescribed in Part II of the Award plus an additional 6% in remuneration in compensation for working additional ordinary hours of work (38 hours per week) and for wearing of a corporate uniform.

These conditions currently apply to 36 TFS Corporate Services employees. Employees in other Divisions of TFS also receive these conditions.

Given the integration of Corporate Services delivered to DPEM and TFS the situation will arise where employees of DPEM and TFS are working in the same work units and completing the same work but are receiving different levels of remuneration, some will be provided with uniform, and be working different

standard hours. In respect of Engineering Services employees, they will also be working a different span of hours.

This situation is not ideal and a range of options to standardise the remuneration levels, hours of work and other conditions have been examined.

Extensive consultation has been undertaken with employees and the CPSU and the Australian Manufacturing Workers Union (AMWU) on future employment conditions for corporate support employees and, more generally other TFS employees who are employed under the Tasmanian State Service Award. Negotiations are still ongoing with the CPSU and AMWU but the Department's negotiating position is essentially:

- all employees currently covered by Appendix 9 of the TSSA will continue to receive their current terms and conditions, including relevant allowances, contained in Appendix 9 until such time they resign from their current position or on promotion to new position in the Agency. Hours of work will not be altered until this change.
- all employees currently covered by Appendix 9 of the TSSA will no longer be required to wear a TFS uniform; rather, an employee representative group will be convened to consider issues relating to a possible optional future corporate uniform. This will not impact on allowances referred to above.
- all new positions and all vacancies will be filled in accordance with TSSA terms and conditions. Appendix 9 terms and conditions will not apply to any new role or existing vacancy. New Statements of Duties will be developed accordingly.
- the opportunity to apply to access the Workplace Renewal Incentive Program (WRIP) will be made available to all employees throughout the Department. This will be managed in accordance with the Managing Positions in the State Service Guidelines around offering WRIPS. This process is purely focussed on re-profiling of the agency workforce in areas determined to be appropriate.
- an option will be made available to TFS employees currently covered by Appendix 9 to receive an upfront payment equivalent to the difference between TFS salary and DPEM salary for 12 month period. Any TFS employee who took up this option would then receive the same remuneration and work the same hours as a DPEM employee.

Negotiations concerning the most appropriate implementation methodology are currently ongoing with the CPSU and AMWU.

THE FUNDING OF THE FUEL REDUCTION BURN PROGRAM

Background

The Government has committed \$28.5 million over four years to significantly increase fuel reduction burning across the State. Strategically reducing risk in the areas that provide the most protection to communities is the priority; therefore, areas of both private and public land will be included – a “tenure-blind” approach.

Responsibility for the delivery of this program sits with the Department of Primary Industries, Parks, Water and Environment (DPIPWE) under Minister Groom. However, the program straddles 3 ministerial portfolios.

TFS is one of three main organisations involved with the management of bushfires in Tasmania, along with the Parks and Wildlife Service and Forestry Tasmania.

A high-level Steering Committee oversees the coordination and implementation of the program. Steering Committee members are: Secretary DPIPWE (Chair), Secretary DPAC, Chief Officer TFS, CEO Forestry Tasmania and Chair State Fire Management Council (SFMC). The Steering Committee met for the first time in November 2014.

Ian Sauer, Chairperson of the SFMC, has been appointed by the Steering Committee as spokesperson for the program.

A Fuel Reduction Unit (FRU) has been established within the TFS, and has a key role in coordinating the implementation of the program across the whole-of-Government.

The Fuel Reduction Program utilises the resources of the TFS, the Parks and Wildlife Service, Forestry Tasmania and local councils to mitigate bushfire risk in a strategic, systematic way in urban, semi-rural and some wilderness areas.

The Fuel Reduction Program was successfully launched on 23 March 2015 by Minister Groom and Ian Sauer, with key agency representatives in attendance.

The Fuel Reduction Unit is implementing the business plan, implementation framework and a communications strategy, previously endorsed by the Program Steering Committee.

In the first 12 months of the program, 116 fuel reduction burns on 28,419 hectares of land including 2,008 hectares of private land, were completed.

Limited burning has continued through autumn and there will be some undertaken this spring when appropriate weather conditions prevail.

The program uses computer modelling to identify risk areas and then strategically plans burns to reduce the bushfire risk.

Whilst other fuel treatments can and will be employed (for example mechanical removal), planned burning remains the most cost effective tool available for managing vegetation fuels loads, at the scale that is currently required.

To prevent adverse outcomes, the implementation of the strategic fuel management program is being undertaken with good planning and skilful application. The program has only just commenced and is still building the necessary processes, resources and skills to fully implement the program.

Financial Implications

Prior to the Government allocating funding for strategic fuel management and the formation of the Fuel Reduction Unit, three positions were established in the TFS budget to assist the State Fire Management Council to meet its statutory requirements under the *Fire Service Act* to prevent or mitigate the risk of vegetation fires and manage vegetation fire management policy. TFS is of the view that this is an integral function of TFS and should be funded from the State Fire Commission budget rather than through the government investment of \$28.5m.

It should be noted that the funding for this Program is for four years but the Fuel Reduction Unit has been staffed with permanent employees in some instances. Some consideration will need to be given to how this Unit/Program is funded if it continues in some form beyond the four year current funding arrangement and if the Program does not receive Government funding.

COMMUNITY SAFETY PROGRAMS

Background

TFS routinely assesses fire-related risks in the community and delivers a range of evidence-based initiatives to address those risks.

Early initiatives focussed on social marketing campaigns, including campaigns in the mass media – television radio and press. These have been very successful at informing Tasmanians about bushfire and house-fire risk in particular. Many will recall the Bushfire DVD distributed by TFS in 2006 and subsequent years to about 80,000 Tasmanian homes in bushfire-prone areas. The marketing campaign that accompanied distribution of the DVDs was described by a market research company as the best campaign they had assessed in terms of people's recall of the bushfire messaging. Later, in a national survey, insurer AAMI described the Tasmanian community as better informed than any other in Australia about bushfire risk.

However, simply knowing about risk isn't sufficient; people need to be influenced to do something about it; they need to be encouraged to take steps to manage or mitigate their risk.

So in recent years, TFS's program delivery focus has shifted from simply informing Tasmanians about fire-related risk, whether it is in the home, at work or in bushfire-prone areas, to encouraging householders and communities to share responsibility for risk and provide them the knowledge and skills to mitigate the risk. This approach is consistent with the National Strategy for Disaster Resilience, and is indeed consistent with the United Nations Framework for Disaster Risk Reduction agreed in Sendai Japan in March 2015.

Evidence relied upon to inform TFS program delivery is based on findings from relevant inquiries (for example, the 2009 Victorian Bushfires Royal Commission, and the 2013 Tasmanian Bushfire Inquiry), and relevant research (for example, the 2003-13 Bushfire Cooperative Research Centre, and the 2013-21 Bushfire and Natural Hazards Cooperative Research Centre). TFS staff also work closely with the University of Tasmania in the development and evaluation of pilot programs before long-term investment decisions are made about some of its community resilience-building initiatives. TFS staff also actively participate in a number of national research and development projects funded by the National Emergency Management Program.

Some of the programs developed by TFS in response to research and major inquiries have won national best-practice awards. For example, Community Protection Planning, based on learnings from the Bushfires Royal Commission, and Bushfire-Ready Neighbourhoods, based on research from the Bushfire CRC and close on-going collaboration with the University of Tasmania, have both won national Resilient Australia Awards, in 2013 and 2014 respectively. These are recognised as national best practice programs for building the resilience of communities at risk from bushfire.

These programs have been developed, funded and rolled out in Tasmania as part of Tasmania's response to the National Strategy for Disaster Resilience.

Similar approaches are adopted for sub-disaster risks, such as the risk of fire in the home. Twenty years ago, the fire fatality rate in Tasmania was, on average, twice the national average. Now the rate is typically less than the national average, and for nearly three years to January 2015, there were no accidental fire-related fatalities reported in Tasmania. Also over the last 20 years, the house fire rate in Tasmania has approximately halved. Clearly, approaches to reducing house-fire and bushfire risks taken by TFS and adopted by Tasmanian households have been effective.

A significant contributor has been the TFS School Fire Education Program. It is designed to teach children from Prep to Grade 6 about basic home fire safety, and empower them to make safer choices about fire risk. The program is offered to all Tasmanian primary schools, and more than 95% of Tasmanian children participate in the program at least twice during their primary school education. There is substantial evidence that the program is effective in increasing fire safety knowledge and skills for both the children it reaches directly, and for adults in the community.

In order to continue to deliver these positive results, TFS officers continue to contribute to the national research agenda and to assess new opportunities to deliver effective programs.

Bushfire-Ready Schools is another positive initiative, and is similar in many respects to the United Nations School Safe program, which seeks to make schools disaster-proof in places like Turkey, where 70% of schools are now earthquake-proof. TFS is working closely with the Department of Education to ensure their schools are safe places of shelter for students, teachers and members of the public during severe bushfires.

So, as Tasmanians' knowledge about fire-related risks matures, programs that influence them to take action to mitigate their risks are being developed and rolled out, and funding has shifted from less-effective mechanisms to those which evidence indicates will be more effective.

TFS is considering ways it can share its success with regard to bushfire preparedness and community engagement with the SES to improve engagement with the community and to ensure community preparedness for storms and flood as well as fire.

Budget Implications

In 2015-16, as the Community Fire Safety Division's contribution to TFS budget savings, expenditure on summer and winter social marketing campaigns has been reduced by \$75,000 for each of those campaigns. Reducing expenditure on TV advertising has enabled funding to be retained for more effective, targeted, evidence-based programs.

Recent advice from Bushfire and Natural Hazard CRC researchers indicate that TV advertising is not a cost-effective way to influence people to prepare for bushfires and other emergencies. More effective ways include, for example,

community engagement and community development initiatives like TFS's Bushfire-Ready Neighbourhoods program.

It should be noted that the recent reduction in television campaigns specific to smoke alarms were not as a result of budget reduction. Rather, this information program was sponsored by Duracell Batteries.

Importantly, holistic community fire safety programs were not adversely affected by any budget reductions or fiscal savings; instead funds were targeted towards initiatives that displayed evidence of tangible impacts on public safety.

With regards to Community Education initiatives, it should be noted that:

- The School Fire Education Program was unaffected
- The Juvenile Fire Lighter Intervention Program was unaffected
- Project Wake Up! will be unaffected (but realise savings of \$40,000 due to the purchase of less expensive smoke alarms)
- Bushfire safety resources and home fire safety resources (DVDs, publications etc) were unaffected
- Community Protection Planning, and services delivered by TasFire Training, TasFire Equipment and Building Safety were unaffected
- Savings amounting to \$150,000 will be found in the bushfire safety and home fire safety social marketing campaigns. Expenditure of residual funds available for these campaigns (approx. \$60,000 for each campaign) will depend on advice from our marketing consultants to ensure we continue to deliver the most cost effective campaigns possible.

FIRE SERVICE RESOURCES INCLUDING FIREFIGHTER NUMBERS

Firefighter Numbers

In 1997, agreement was reached with the United Firefighters Union (UFU) on minimum staffing levels for firefighters and fire officers within TFS. The minimum numbers are:

- 285 uniformed career personnel to be employed within TFS;
- 208 officers and firefighters in career brigades; with 112 in Hobart, 58 in Launceston and 38 in Burnie/Devonport

These numbers are specified in the *Tasmanian Fire Fighter Industry Employee's Agreement 2014*.

As the nature of TFS business has changed since 1997, a greater establishment of firefighters and officers has been determined to enable effective service delivery to meet the new needs. The above minimum numbers have been maintained from an industrial perspective. Changes are not intended to be made to industrial instruments to reflect the increased establishment.

Firefighter numbers have increased over the past three years. On 30 April 2013, there were 306 FTEs. In 2014, 318 FTEs, and on 31 March 2015, 322 FTEs.

Every year TFS reviews current staffing levels including projected retirements and resignations to determine firefighter recruitment needs for the next three years. Maintaining firefighter numbers at establishment directly impacts on the ability of TFS to respond to community needs in regard to structural and bushfire incidents.

Fifteen Trainee Firefighters commenced employment in TFS on 4 August 2014 all have completed their initial training and probationary period.

A further 9 Trainee Recruits commenced on 24 August 2015. Following the completion of the Trainee Firefighter Development Program they have commenced operational firefighting duties at Launceston, Devonport and Burnie Fire Brigades.

It is anticipated that, due to retirements and separations, a further recruitment process will be undertaken in 2016. A final decision is subject to ongoing review of staffing numbers.

TFS aims to remove minimum staffing numbers from the Industrial Agreement. It is not considered appropriate for minimum staffing levels to be in an Industrial Instrument and it constrains TFS in managing its workforce appropriately.

Fire Truck Replacement Program

The Commission is committed to providing its fire fighters with safe and operationally effective fire trucks, allocated on a 'fit for purpose' basis. Through

economies of scale it has been possible to scope, design and fabricate on average, 29 operational fit for purpose fire fighting trucks per annum. Assisted by a higher volume of trucks per annum through mass production, the Commission has been able to develop a rolling and sustainable fire truck replacement program that will ultimately result in a decline in the maximum age of its operational fleet of trucks from in excess of 25 years, to somewhere in the vicinity of 20 years of age.

New trucks are allocated to brigades on a priority basis, matched to criteria including risks such as terrain, vegetation, topography and zoning. Older, still serviceable trucks that are replaced with new ones, are upgraded and reallocated to brigades using the same rationale for allocation. The commissioning of one new fire truck has a flow on effect, with the potential to increase the resourcing and capability of several brigades state wide. This process ensures that brigades are provided with the most suitable fire trucks having regard to their need and the level and type of risk in their area. Funding has also been allocated to upgrade the fleet of front line heavy pumper appliances, stationed within the career brigade's state-wide.

The State Fire Commission has allocated \$16.5m for its five year fire truck replacement and refurbishment program which commenced in 2014-15. The rolling five year fire appliance replacement program has identified the need to replace 125 appliances in the five year period.

A budget allocation of \$2.5m has been provided in 2015-16 to purchase and fabricate 25 Toyota Land Cruiser Light Tankers with CAFS (Compressed Air Foam System).

The new vehicles which are purpose designed and built locally, provide greater safety and efficiency for brigades responding to fires. The CAFS facility is leading edge technology and extremely effective for structure fires and bush/urban interface.

In 2014-15 the program saw the construction of 14 heavy tankers, including the addition of CAFS facilities on each one.

These new trucks will all play a crucial role as frontline fire vehicles and will afford the community the highest level of protection against fire. The new trucks are highly functional with CAFS adding versatility to their capability. They are very reliable and safe for fire crews and will assist TFS crews to fight fires and combat other emergencies.

One of the advantages of the new vehicles is their improved functionality, and, in-cab seating for a crew of five, negating the need for crew to be seated on the rear of the truck, as well as burnover protection in the form of wheel spray suppression systems and radiant heat shielding within the passenger cell.

Over the three years beginning 2016-17 the program allows for the further construction of approximately 30 light tankers, 25 medium tankers and up to a

further 30 light or medium tankers are to be built. All of these appliances will have a CAFS facility.

During this three year period it is also planned to build an aerial platform appliance for a cost of \$1.2m.

Budget Issues

The reduction in the order for new trucks from 32 to 25 is not due to budget cuts or because of the funding of SES through SFC. The order for new trucks has been reduced to a level that TFS Engineering Services has the capacity to build within normal working hours, without the requirement to pay overtime. The fleet replacement program remains on target.

Fire Station Replacement Program

The State Fire Commission has committed \$600,000 for the fire station build program in 2015-16.

The allocation of funds to various projects is currently being considered by the Commission to ensure the best outcomes are achieved from this program.

A number of projects have been earmarked for consideration and project plans are being developed.

All new stations will include a separate Personal Protective Equipment storage, meeting room, toilets, kitchenette and storage and office facilities. Concrete hard standing at the front of each station will also be provided.

The new stations will provide improved facilities to our dedicated volunteer firefighters and the fire stations will become an important asset to their communities.

Stations are being designed to provide the highest levels of separation for firefighters turn out gear from fire appliance diesel exhaust.

A one bay station is estimated to cost \$171,000 and a two bay station \$250,000. The acquisition of land is an additional cost.

Personal Protective Clothing (PPC)

The TFS has delivered its first major order of the new structural ensemble Gemini TX from the LHD Group. This will see all career staff and the larger six volunteer brigades from across the state issued with world class firefighting protective clothing.

Stage One has seen a commitment of \$870,485 for the 2014-15 financial year and has saved \$260,000 by utilising the AFAC collaborative purchasing agreement to piggy back off the back of the New Zealand Fire Service purchasing contract. Stage Two roll out is now being reviewed with a much

smaller commitment of \$150,000 for the financial year 2015-16. This has seen a further eight volunteer brigades issued with the protective clothing late in the 2015 calendar year.

The current lime green Nomex structural firefighting clothing continues to be issued as the need arises to maintain operational readiness within brigades. This clothing was tested and was found to be still compliant with the Australian Standard 4967-2006.

The PPC has specific laundering and storage requirements to ensure it continues to meet Australian Standards. As a result, it is only being issued to firefighters once the laundering arrangements are finalised. PPC has been issued in the North West Region and Northern Region and was issued in the South from 6 October 2015. Hobart Fire Brigade has had the interim alterations completed to accommodate the racking and isolation from living spaces and engine bays. Funds have been allocated to complete capital works required to meet longer term storage requirements in Hobart Fire Brigade.

The alterations required to provide space for racking, sealing of living spaces and PPC storage from exhaust contaminants have been completed at Glenorchy, Mornington and Bridgewater with only air handling and heating of areas to be finalised.

TFS is in the process of scoping the work that will be required in volunteer stations.

It has been suggested that due to funding of SES by SFC that there has been a reduction in the amount of training and development that is delivered, the number of cancer mitigation programs being rolled out and in the purchase and maintenance of emergency response equipment. SFC would like to make the following observations on these areas.

Training and Development

2014-15 saw a number of significant developments in operational training. In late 2014, TFS participated in a Registered Training Organisation (RTO) audit by the Australian Skills Quality Authority (ASQA), the national VET training regulator. As a result, TFS completed a significant body of work to ensure compliance with the Standards for Registered Training Organisations in 2015.

For the first time, TFS delivered a structured training program for station officers moving to senior station officer positions. Candidates were selected based on operational needs and attended the first of three two-week development blocks. Considerable work was also completed on a transition group that moved between the recognition process to the new development program. TFS invested significantly in curriculum development during 2014-15 with the focus on the Senior Station Officer Development Program. This Program is a new initiative aimed at developing capable fire managers and leaders for the future. A mix of people management, resource management and fire safety curriculum were completed and the first SSO Development Program began in April 2015 as a pilot.

Development of Incident Management Team (IMT) training materials continued with funding from the Federal Attorney- General's department. Considerable progress was made towards its completion by the December 2015 deadline. Training materials were developed and pilot programs rolled out across four jurisdictions, including TFS, ACT Emergency Services, South Australian Country Fire Service and Northern Territory Emergency Services. TFS led the development of training materials and development of pilot programs.

National funding has been sought for development of a new Volunteer Brigade Basics DVD that will support brigades in conducting basics training. A focus group was established to develop the materials, which are now under review and due for completion at the end of 2015.

Operational training staff reviewed and validated a significant amount of both career and volunteer accredited and non-accredited courses. Significant effort was also invested to enhance the Volunteer Training Pathway and incorporate new units of competency and improved training outcomes. Effort was also made on development of a new curriculum for the Trainee Firefighter Development Program which commenced in August 2015.

A full review was also undertaken of training ground risk assessments and safe work method statements to enhance the safety of staff using TFS training facilities.

The TFS Strategic Learning and Development Plan has been operating for 12 months. Learning and development outcomes during this time have focussed on training delivery achievement and the plan's high priority projects. Learning is also informed by the personal development plans arising from TFS Workplace Feedback System—the TFS's performance management system. Participation in the system continues to vary, however, a recent review and new reporting systems are expected to deliver improved outcomes in 2015-16.

Work on scoping the TFS Capability Framework began with completion scheduled for 2015-16. The framework will outline the required capabilities for all work undertaken across all levels of TFS. Development of this framework is fundamental to the systematic recruitment, development, and retention of high performing members.

Significant career and volunteer member training activity continued in 2014- 15. TFS training is conducted at the workplace, at TFS training centres in each region by volunteer and career training instructors, and at external providers. All volunteers are required to complete the Induction program and all operational volunteers must complete Brigade Basics. Remaining skills not covered in these programs only need to be undertaken by a proportion of volunteers depending on their individual roles and community risk levels. Given the average 10% turnover in volunteer numbers each year, it is not possible for volunteers to achieve a 100% skill achievement level in Induction and Brigade Basics.

DPEM, Techsafe and TFS continued to collaborate on joint training initiatives designed to complement interoperability between agencies in the areas of forensic and science examination. The three entities participated jointly in national counter-terrorism exercises during the past 12 months.

Cancer Mitigation Programs

There has been some suggestion that funding has not been available to run cancer mitigation programs. TFS is dedicated to ensure the health and wellbeing of all firefighters, both career and volunteer and has undertaken a broad range of strategies to mitigate potentially harmful exposures.

Diesel Particulates Monitoring Program

The World Health Organisation in 2012 classified diesel engine exhaust as a carcinogenic to humans (Group 1), based on sufficient evidence that exposure is associated with an increased risk for lung cancer. There is no current documented legislation or national standard for the control of diesel particulate matter. TFS is aware that our members are exposed to diesel particulate and we have a duty of care to know what the level of exposure is and what activities we undertake that contributes to it. This will enable us to implement and manage strategies to reduce the risk of exposure to members.

Operational members both career and volunteer may be exposed to some level of diesel particulates while attending call outs, training and if they are within the station during these times. The level of exposure and the risks associated with the exposure levels require identification and analysis. The purpose of the monitoring program is to identify the level of exposure to operational members both career and volunteer.

There is concern across the organisation that operational members, both career and volunteer, are being exposed to diesel particulates through the exhaust emissions of appliances in engine bays, exhaust fumes filtering into duty offices, living areas and through PPE contamination.

Results from the monitoring will provide TFS with a foundation of managing occupational hygiene and addressing and rectifying station layout issues in our stations across the state.

TFS has previously conducted diesel particulate monitoring in stations as have other fire agencies across Australia. Results have shown low levels of exposure, which are under the Australian Institutes of Occupational Hygienist recommended exposure levels. TFS feels it is important to continue to monitor exposures and test levels of diesel particulate using the most current sample testing methods.

A Diesel Particulates Working Party was established by TFS to consider the proposed approach to diesel particulate monitoring and assessment strategies. They also determined what testing to be undertaken to identify TFS member's exposure to diesel particulates and ensure that the management of diesel particulate is appropriately prioritised based on the assessed risk of exposure.

A total of \$50,000 has been allocated to this Program.

Emergency Response Equipment

TFS continues to work cooperatively with other agencies in providing effective and efficient communications systems. Now as part of the integration process within DPEM the combined Communications Systems and Technology group are looking at consolidating infrastructure and enabling effective and efficient provision of services for our operational communications systems for Fire, Police and SES.

TFS continues to work cooperatively on the whole of government radio project to ensure optimum systems to support TFS operations and its members in order to achieve the best outcome possible for the Tasmanian community. Central to future planning is the capacity to leverage of infrastructure investments at a whole-of-government level to obtain best possible coverage.

TFS will work with the Tasmanian Government radio Network to ascertain whether a single network should be best supported by a single frequency network or a dual frequency network.

TFS is also participating in the development of the Whole-Of-Government computer aided despatch system ESCAD, which will negate the need for individual systems implementation within TFS. Recent outage event at the Ambulance Tasmania Communication Centre highlighted the value of common systems as Ambulance Tasmania staff were able to relocate temporally to TFS FireComm and continue operations while a fault was rectified.

In line with the 2015/2016 Corporate Plan, TFS continues to replace ageing paging system infrastructure (paging transmitters and associated links) across the state. TFS continues to replace backhaul network links systems and will convert several more analogue system links to digital based IP systems to enable better flexibility and diversity and improved disaster recovery. These old systems have given good service for the past 15 years.

TFS continues to improve and replace systems through works programs and current works include radio sites at St Helens and Wynyard.

TFS continues to install Automatic Vehicle Location (AVL) devices into all TFS vehicles and this will provide close to real time information of vehicle location. This information will be used to provide situational awareness for dispatch and command centres during emergency incidents, as well as improving safety for personnel travelling to and from remote work locations. To the end of July 2015 250 units had been installed

THE PROTECTION OF THE COMMUNITY.

The State Government provided funding for three years from January 2010 to support the development of Community Protection Plans throughout Tasmania.

The objective was to develop plans to mitigate the impact of fire and other natural hazards on Tasmanian communities, with an initial focus on bushfire. Given the nature and number of plans being developed, the focus remains on bushfire.

The program produces three types of plans; bushfire protection plans for local communities, bushfire response plans for emergency responders, and bushfire mitigation plans to address fuel management for at-risk communities and critical infrastructure.

A feature of the planning process is the involvement of community representatives in plan development, as well as local police, firefighters, SES personnel, local government representatives and infrastructure managers.

The program received national recognition in 2013, winning the State & Territory Government category of the Resilient Australia Awards.

Protection plans enhance the safety of Tasmanians by providing community members with local emergency planning advice and information, including the location of shelters of last resort called 'nearby safer places'.

These plans are published on the internet and widely publicised in communities for which they have been developed.

Response plans identify where vulnerable people may gather during bushfires, community infrastructure and other assets prioritised for protection, safe access and egress routes, and water supplies for firefighting. These plans focus firefighters on the primacy of public safety and the protection of assets that will contribute to community recovery.

Mitigation plans assist Fire Management Area Committees address community bushfire risk. A best-practice planning framework is used to address fuel management across different land tenures. This work is undertaken in consultation with the State Fire Management Council and TFS's Fuel Reduction Unit.

Response plans and mitigation plans are available to all emergency management partners (Fire, Police, SES, Parks & Wildlife, Forestry Tasmania and local government) on the TFS intranet.

Eighty-seven bushfire protection plans and response plans covering approximately 208 of the most bushfire-prone communities in Tasmania have been developed to date. More are in draft.

Mitigation plans for at-risk communities and specific assets are also being developed.

Mitigation plans have been completed for seven at-risk communities.

The Bushfire-Ready Schools initiative is an example of asset-specific mitigation planning. Schools are assessed for their bushfire risk. Of 238 Department of Education schools, 159 have been assessed and detailed plans to mitigate risks from radiant heat and ember attack have been completed for 109 schools. Fifty schools have been assessed as low risk, not requiring bushfire mitigation plans. Plans have also been developed for three private schools and one nursing home in high-risk areas.

Once bushfire risk mitigation plans have been implemented, students and staff are able to shelter safely there during bushfires.

Recognising the value of community protection planning, TFS is funding the project beyond the initial three years.

THE BUDGET HISTORY OF THE SFC FROM 2008-09 TO PRESENT

The budget history of the State Fire Commission, and the actual expenditure against these budgets are detailed below in Tables 1 and 2.

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue							
Insurance Fire Levy	-14,400	-15,100	-15,700	-16,000	-16,400	-17,800	-18,000
Fire Service Contribution	-28,429	-29,850	-31,343	-32,283	-33,574	-34,917	-36,837
State Government	-3,550	-3,050	-3,575	-2,575	-2,313	-2,050	-3,802
Commonwealth Govt	-413	-420	-660	-745	-1,298	-1,332	-1,377
Motor Vehicle Fire Levy	-5,400	-5,700	-6,000	-6,400	-6,750	-6,820	-7,388
Fire Prevention Charges	-4,502	-4,390	-5,300	-5,580	-5,694	-5,665	-5,868
Non-Operating Revenue	-779	-764	-852	-1,018	-1,068	-1,528	-1,330
Total Revenue	-57,473	-59,274	-63,430	-64,601	-67,097	-70,112	-74,602
Less Operating Expenses							
Salaries and Wages	37,691	39,285	41,038	42,570	44,582	46,841	49,811
Public Relations, Subscriptions and Consultants	980	1,040	1,397	1,398	1,513	1,618	1,967
Learning and Development	700	700	820	808	898	1,000	1,080
Operations	5,360	5,560	6,496	6,729	7,572	7,922	8,195
SES Contribution						0	0
Uniforms and Protective Clothing	900	950	1,000	850	850	900	900
Accounting and Finance	9,560	9,790	10,273	10,707	11,206	12,246	13,021
Repairs and Maintenance	1,700	1,700	1,603	1,550	1,601	1,700	1,734
Equipment Purchases < \$1,000	650	650	680	697	720	1,000	1,590
Total Operating Expenses	57,541	59,675	63,307	65,309	68,942	73,227	78,298
Operating Surplus/Deficiency	-68	-401	123	-708	-1,845	-3,115	-3,696
Capital							
Land and Buildings	640	630	640	775	740	1,846	1,000
Motor Vehicles	800	1,100	800	800	800	850	800
Appliances	3,600	2,840	2,900	615	150	4,860	3,200
Plant and Equipment	750	1,223	1,223	1,045	1,428	1,503	930
Total Capital (including MCP's)	5,790	5,793	5,563	3,235	3,118	9,059	5,930

Table 1 – SFC Budget 2008/09 to 2014/15

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue							
Insurance Fire Levy	-15,574	-17,016	-16,322	-17,556	-17,200	-17,658	-17,009
Fire Service Contribution	-28,434	-29,856	-31,348	-32,289	-33,581	-34,924	-36,845
State Government	-3,310	-3,863	-4,165	-2,596	-2,596	-2,596	-3,201
Commonwealth Govt	-573	-855	-1,250	-823	-571	-427	-723
Motor Vehicle Fire Levy	-5,739	-6,457	-6,389	-6,826	-6,911	-6,902	-7,680
Fire Prevention Charges	-5,480	-8,523	-5,982	-5,607	-5,668	-5,856	-5,933
Non-Operating Revenue	-2,058	-1,125	-1,419	-2,396	-1,945	-1,511	-2,015
Total Revenue	-61,168	-67,694	-66,876	-68,092	-68,471	-69,873	-73,407
Less Operating Expenses							
Salaries and Wages	37,951	40,051	41,767	43,482	45,258	48,311	49,770
Public Relations, Subscriptions and Consultants	1,350	1,150	1,371	1,128	1,433	1,970	1,986
Learning and Development	547	486	544	589	741	944	898
Operations	5,301	5,548	6,884	6,074	6,544	7,134	7,164
Uniforms and Protective Clothing	1,134	712	686	705	859	998	1,686
SES Contribution	0	0	0	0	0	0	2,494
Accounting and Finance	9,844	13,004	10,330	9,922	11,384	11,971	12,903
Repairs and Maintenance	1,488	1,521	1,645	1,618	1,492	1,908	1,666
Equipment Purchases < \$1,000	943	867	931	1,105	1,105	1,290	899
Total Operating Expenses	58,558	63,340	64,159	64,621	68,816	74,525	79,466
Operating Surplus/Deficiency	2,609	4,355	2,717	3,470	-344	-4,652	-6,060
Capital							
Land and Buildings	1,313	677	771	677	2,164	1,840	524
Motor Vehicles	602	817	1,222	627	530	1,341	860
Appliances	2,615	3,259	1,658	3,746	3,197	4,728	3,998
Plant and Equipment	1,334	2,053	1,747	2,773	3,540	1,279	1,170
Total Capital (including MCP's)	5,864	6,806	5,398	7,823	9,430	9,187	6,552

Table 2 – SFC Actual Revenue and Operating and Capital Expenditure 2008/09 to 2014/15 (excluding wildfire expenses)

In the years from 2008-09 to 2011-12 the SFC was generating healthy operating surpluses which resulted in accumulation of cash at the conclusion of each reporting period, as can be evidenced from the cash flow statement in Table 3 below.

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash Flows from Operating Activities							
Receipts from Operating Activities	60,425	69,176	69,017	70,541	86,723	77,466	77,391
Payments to Suppliers and Employees	(54,489)	-60,712	-60,468	-60,670	-81,743	-72,539	-76,990
Interest Paid	(337)	-336	-315	-283	-250	-242	-190
Interest Received	165	98	365	493	516	145	43
Net Cash provided by Operating Activities	5,764	8,226	8,599	10,081	5,246	4,830	254
Cash Flows from Investing Activities							
Proceeds from Sale of Equipment	323	412	417	562	128	759	342
Payments for Property, Plant and Equipment	(6,049)	-6,584	-5,490	-7,921	-9,428	-9,173	-6,492
Net Cash used in Investing Activities	(5,726)	(6,172)	(5,073)	(7,359)	(9,300)	(8,414)	(6,150)
Cash Flows from Financing Activities							
Repayment of borrowings	(1,500)	-1,368	-1,368	-3,330		-1,368	
Proceeds from borrowings	1,500	1,368	1,368	3,330			580
Net Cash used in Financing Activities	-	-	-	-	-	(1,368)	580
Net Increase/(Decrease) in Cash and Cash Equivalents	38	2,054	3,526	2,722	(4,054)	(4,952)	(5,316)
Cash and Cash Equivalents at the Beginning of the Financial Period	6,846	6,884	8,938	12,464	15,186	11,132	6,180
Cash and Cash Equivalents at the End of the Financial Period	6,884	8,938	12,464	15,186	11,132	6,180	864

Table 3 – SFC Cash Flow Statement 2008-09 to 2014-15

The SFC has previously been subject to criticism for carrying what has been perceived to be excessive amounts of cash on its books. This criticism was particularly acute during the Global Financial Crisis and in the years immediately thereafter.

In 2011-12, after consultation with the Treasurer, the SFC took action aimed at reducing its cash balances, in particular the capital investment program of the SFC increased over the next three years. The annual increase in the Fire Service Contribution was also lowered from 5% in 2010-11 to 3% in 2011-12 and 4% per annum for the following two years.

During the same period however, the SFC began to incur significant additional expenditure in relation to the implementation of presumptive cancer legislation for firefighters and part of the increased resourcing required for the State Fire management Council in support of the proposal to introduce a fuel reduction burn program. There has been additional ongoing expenditure resulting from implementation of the Tasmanian Bushfire Inquiry recommendations. Examples include improved permanent resourcing in policy formulation and procedure review and documentation.

The impact on the financial position of the SFC has been significant with the net cash position (Cash less Short Term Borrowings) reducing from over \$15m at 30 June 2012 to \$0.284m as at 30 June 2015. It should be noted that the financial position as at 30 June 2015 includes expenses of \$2.494m as part funding contribution towards the costs of the State Emergency Service.

The timing of receipt of the Fire Service Contribution has a significant impact on the cash flow of the SFC. In 2014-15 the total revenue derived from the Fire Service Contribution was \$36.8m. This represents approximately half of the total revenue of the SFC and is receipted on a quarterly basis (c. \$9m per quarter). Therefore significant working capital is required to be available to the SFC to enable it to fund its ongoing expenditure. The requirement for working capital is significantly higher in the second half of the financial year due to the required funding of wildfire expenses which are incurred in the warmer months and reimbursed in late June each year.

The recent deterioration in the financial position of the SFC has caused the organisation to place an increasing reliance on borrowings in order to fund normal operations. This is not a sustainable position for the SFC and is being revisited in the context of the activities currently being undertaken by Wise, Lord and Ferguson and will also be re-visited in the preparation of the 2016-17 Corporate Plan. The scope of the Wise, Lord and Ferguson project is to perform a full cost analysis of the SES in Tasmania including all funding sources and in-kind support. The purpose of the analysis is to ascertain the full cost base of supporting the paid and volunteer units of the SES.

Specifically, the scope of this review includes ascertaining:

- the costs associated with the management of the SES funded through the Tasmania Fire Service;
- the costs of individual SES units funded through Local Government including assets and the associated depreciation.
- facility costs funded through in-kind or direct support provided by Local Government, Ambulance Tasmania, Tasmania Fire Service, or Tasmania Police.
- other costs supported or funded by other stakeholders or fundraising efforts of local SES units as applicable.

It should be noted that the timing of receipt of the Fire Service Contribution is such that 30 June represents a period of relatively high liquidity for the SFC. Reimbursements for wildfire fighting expenses are also receipted just prior to the end of the financial year and therefore cash balances represented in the SFC Corporate Plan reflect the organisations best financial position for the year with

the worst liquidity level being up to \$10m lower than the figure represented at 30 June in the Corporate Plan.

THE NEED FOR APPROPRIATE AND MODERN GOVERNANCE PRACTICES IN THE STATE FIRE COMMISSION

The Commission is a statutory authority created by the Fire Service Act 1979. The TFS is the operational arm of the Commission, delivering services to the community through career and volunteer brigades and Community Fire Safety.

The Commission consists of:

- (a) the Chief Officer (as Chair)
- (b) a person nominated by the United Firefighters Union (Tasmania Branch)
- (c) a person nominated by the Retained Firefighters Association
- (d) a person nominated by the Tasmanian Volunteer Fire Brigades Association
- (e) a person nominated by the Secretary of the responsible Department in relation to the *Public Account Act 1986*
- (f) 2 persons nominated by the Local Government Association of Tasmania

The Commission's primary purpose is to minimise the social, economic and environmental impact of fire on the Tasmanian community. This will be achieved through TFS implementing strategies to develop community self-reliance to prevent and prepare for fires, supported by a timely and effective response to emergencies. The TFS is also responsible for road accident rescue in assigned areas, managing incidents involving hazardous materials, undertaking urban search and rescue (USAR), and providing a response to terrorist incidents involving chemical, biological and radiological agents.

The functions and powers of the Commission are:

- (a) to formulate the policy in respect of the administration and operation of the Fire Service;
- (b) to co-ordinate and direct the development of all fire services throughout the State;
- (c) to develop effective fire prevention and protection measures throughout the State;
- (d) to develop and promulgate a State fire protection plan;
- (e) to standardize, as far as is practicable, fire brigade equipment throughout the State;
- (f) to establish and maintain training facilities for brigades;

- (g) to conduct such investigations into fires as it considers necessary, and to prepare reports and recommendations to the Minister arising from those investigations;
- (h) to conduct such investigations into the use of fire as it considers necessary, to instruct the public in the wise use of fire, and to disseminate information regarding fire protection measures and other related matters;
- (i) to advise the Minister on such matters relating to the administration of this Act as may be referred to it by the Minister, and on matters that, in the opinion of the Commission, should be brought to the attention of the Minister; and
- (j) to exercise such other functions vested in or imposed on it by this Act or such other functions relating to the preventing or extinguishing of fires as may be imposed on it by the Minister from time to time.

Certain aspects of the governance arrangements for TFS/SFC mirror those for government business enterprises, for example, the portfolio Minister must issue a ministerial charter specifying their broad policy expectations for the Commission, and the processes for developing corporate and strategic plans.

However, the Commission is largely composed of nominees of interest groups, particularly employee associations and local government, which is fundamentally inconsistent with it exercising the role of a governing board. It is also chaired by the Chief Officer of Tasmania Fire Service rather than an independent person.

Therefore, despite it having many attributes of a governing board, the Commission is assessed as a policy board operating in an area of whole of community effect.

Review of the Fire Service Act 1979

While it is appropriate that the Fire Service Act is reviewed at some time in the future due to the length of time since the last review, TFS does not support a wholesale review of the Fire Service Act at this time. TFS remains effective at managing fire risk to people and property under the current governance arrangements. However, there are a number of amendments to the Act that TFS considers would improve the governance and functions of the Commission.

Chair of the Commission

Under the Fire Service Act, the Chair of the Commission is the Chief Officer. It is the considered view of SFC that the governance provided through the Commission would be significantly improved by the creation of an independent chair. That is, the Chair would not be the Chief Officer of TFS. This would require some legislative amendment. The Chief Officer would remain CEO of the TFS.

While the Commission is not responsible for the appointment of the CEO, who is appointed by the Governor-in-Council, there are a number of advantages in having an independent Chair of the Commission. These include:

- a separate chairman empowers the Commission vis-à-vis the CEO. The Commission has a clear leader for whom its functioning is a top priority. In general, an independent chairman pays much attention to the functioning of the board - its agenda, the adequacy of the information provided, the quality of debate - because that's their primary role. This role enhances the board's oversight capabilities.
- The Commission is directly responsible for general oversight TFS' affairs and its management. As a result, installing the CEO, the one person directly responsible for that management, as Chairman could indicate a conflict of interest.
- An independent Chairman of the Commission can create an independent source of authority with tangible authority to address the concerns of the Commission.
- the CEO can focus on running the TFS without having to worry about leading the Commission. Furthermore, a chairman who is able to help represent the Commission externally can lighten the CEO's load substantially. Indeed, a high-status chairman can have tremendous value in representing SFC to governmental bodies, trade associations, employees and suppliers as well as assuming other responsibilities. Although strategy formulation is a core executive responsibility - clearly in the domain of the CEO - many chairmen can and do offer valuable input in the strategy discussion before a proposal is brought to the full Commission. Finally, the chairman can be a mentor, adviser and confidant to the CEO, providing someone to talk with more openly than might be possible with subordinates

The Corporate Governance Principles published by the Department of Treasury and Finance also state that the person holding the position of Chief Executive Officer should not concurrently hold the position of Chair of the organisation.

A natural time to consider the non-executive chairman position is with the appointment of a new CEO, particularly a first-time CEO. In such situations, the chairman can provide experienced counsel to the CEO and allow the new CEO to acclimatise to the new responsibilities and focus on the business. As a general rule, the outgoing CEO should not serve as chairman, except for a short-term, well-defined transition period.

Department of Justice Review of Emergency Management

The Department of Justice's Review of Emergency Management is yet to be released. However, it is probable that the Review will recommend changes to the Emergency Management Act which may require consequential amendments to the Fire Service Act.

Inclusion of the SES

The new reporting and budget arrangements for SES will strengthen this relationship and see many opportunities for greater collaboration and sharing of

resources, whilst preserving their important identities and cultures. There may need to be some consideration given as to whether these new arrangements need to be formalised through legislative amendment to the Fire Service Act. While TFS and SES will operate as separate units under the ultimate direction of the CEO/Chief Officer, there is a requirement to maintain the centralised governance mechanism of the Commission to coordinate and support each arm in the delivery of efficient services to the community and to provide assurance to the Minister and the Government of the day.

Some consideration may need to be given to the possibility of amending section 6 of the Fire Service Act to specify that the SES is also under the control of the Commission. However, it could be arguable that section 11 concerning Ministerial Direction to the Commission is sufficient as it currently stands.

It may also be necessary to examine legislative changes that may facilitate how the SES is funded through the Commission.

Funding for SES currently relies on section 107 of the Act which states that the 'Chief Officer can expend out of the funds of the Commission any sum of money for any purpose approved by the Minister, notwithstanding this expenditure may not be authorised under any provision of this Act.'

As it stands currently, funding from Insurance Companies, the Treasurer (through vehicle registration) and local councils is to defray the operating costs of all brigades, as it stands at the moment brigades do not include SES.

It may be desirable to change the definition of Brigade in the Act. Currently Brigades include a permanent Brigade, a composite Brigade or a volunteer Brigade. SES could be added as either a Brigade type or Section 26(1) could be amended to state that the Commission may establish Brigades and the State Emergency Service as defined/reflected in the *Emergency Management Act 2006*.

There may also be amendments to the Emergency Management Act to recognise the Chief Officer's role in administration and emergency management in the broader context and to acknowledge the SFC's role in the governance and financial management of the SES.