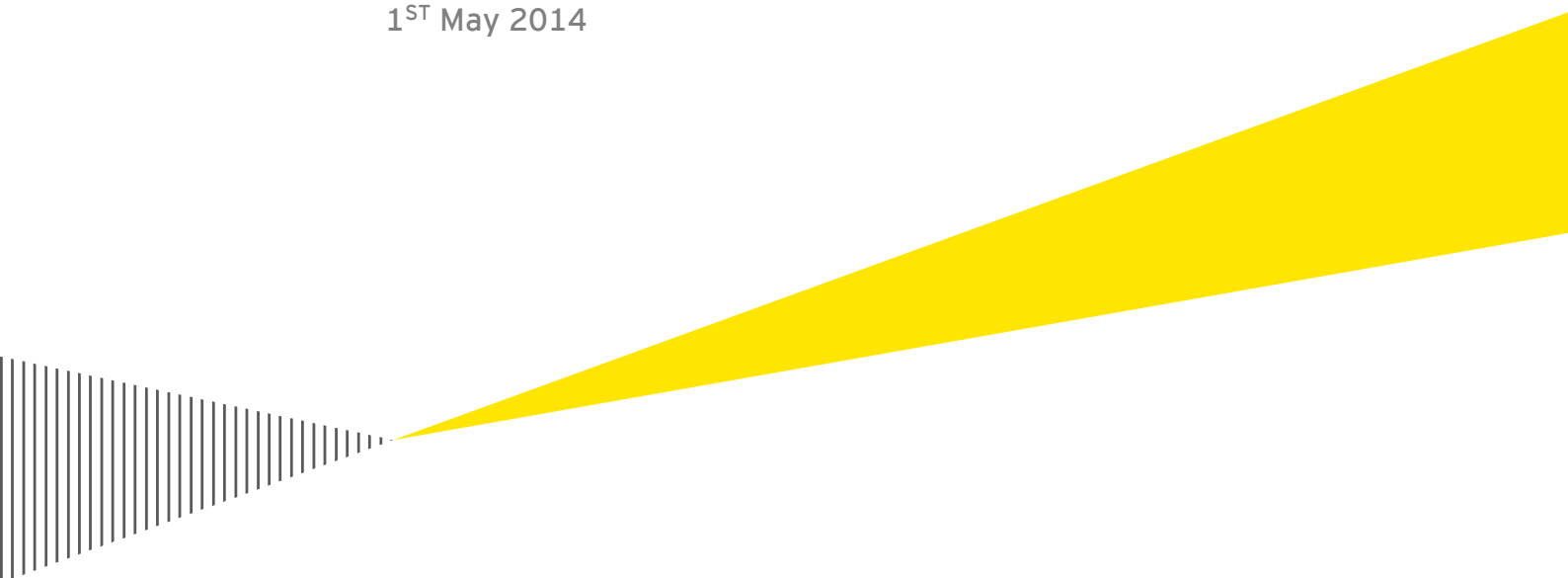# Independent review of shared services in the fire and emergency services sector

Main report
Report 1 of 2

SA Attorney-General's Department

1ST May 2014

EY
Building a better
working world

Rick Persse
Chief Executive
Attorney-General's Department
45 Pirie Street
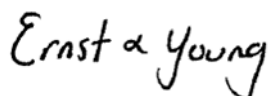Adelaide SA 5000

1 May 2014

AGD Independent review of shared services in fire and emergency services sector

Dear Rick

Please find enclosed our updated **draft** report in relation to our independent review of shared services in the fire and emergency services sector for the Attorney-General's Department.

Should you have any questions regarding this report please contact Mark Stewart on (08) 8417 1658.

Yours sincerely

Ernst & Young

Ernst & Young

Table of contents

1.   Executive summary

1.1   Disclaimer

This report was prepared at the request of The Attorney General (hereafter "the Client") solely for the purposes of a corporate services review for the Director General of the Community Safety Directorate and it is not appropriate for use for other purposes.

This report may only be provided to the Attorney General's Department (hereafter "Department") for the purposes of a corporate services review for the Director General of the Community Safety Directorate. However, the Department and any other party other than the Clients who access this report shall only do so for their general information only and this report should not be taken as providing specific advice to those parties on any issue, nor may this report be relied upon in any way by any party other than the Clients. A party other than the Clients accessing this report should exercise its own skill and care with respect to use of this report, and obtain independent advice on any specific issues concerning it.

In carrying out our work and preparing this report, Ernst & Young has worked solely on the instructions of the Clients, and has not taken into account the interests of any party other than the Clients. The report has been constructed based on information current as of 1st May 2014, and which have been provided by the Clients. Since this date, material events may have occurred since completion which is not reflected in the report.

Ernst & Young, nor the parties which have endorsed or been involved in the development of the report, accept any responsibility for use of the information contained in the report and make no guarantee nor accept any legal liability whatsoever arising from or connected to the accuracy, reliability, currency or completeness of any material contained in this report. Ernst & Young and all other parties involved in the preparation and publication of this report expressly disclaim all liability for any costs, loss, damage, injury or other consequence which may arise directly or indirectly from use of, or reliance on, the report.

This report (or any part of it) may not be copied or otherwise reproduced except with the written consent of Ernst & Young.

Liability limited under a scheme approved under Professional Standards Legislation.

1.2   Context

The Emergency Services provided to all South Australians consists of three major services:

▸ Country Fire Service (CFS) provides firefighting services to outer metropolitan, regional and rural SA

▸ Metropolitan Fire Service (MFS) provides structural and interface fire protection, and specialised fire and rescue services to the greater Adelaide metropolitan area and major regional centres

▸ State Emergency Services (SES) responds to emergency needs across the State with a focus on floods, storms and extreme heat

Corporate and enabling services are currently delivered through a number of arrangements, including traditional corporate and other services through SAFECOM (e.g. Finance, HR, Procurement), transactional services through Shared Services SA (e.g. payroll, AR/AP), external shared infrastructure services through the Attorney Generals Department (e.g. Government Radio Network), lead agency arrangements (e.g. MFS Call Receipt and Dispatch) and DPTI which provides support for large scale procurement and capital programs.

The Holloway review was completed in August 2013 making a number of recommendations, including an independent review of shared services in the Emergency Services sector. The review identified concerns about the capacity and capability of SAFECOM and the individual ESOs to provide the services required by the sector following successive budget cuts. This review has been commissioned on the basis of the Holloway review recommendation.

1.3 Scope and objectives

The functions delivered by SAFECOM were the primary focus of the review. Certain consideration was given to operational support services embedded within each ESO such as training and community education. A lesser focus was then placed on services provided by external providers such as GRN and SACAD. SAFECOM's performance and structure was of critical importance.

The overarching objective of the review was to determine the optimal and most appropriate service delivery model for administrative / support services for the sector. Consideration has been given to whether this remains the function of SAFECOM, a lead agency model or a departmental structure.

The detailed objectives, scope and approach to this review can be found in Appendix A.

1.4 Summary of recommendations

The following section summarises our recommendations to improve service quality.

The first recommendation is the cornerstone recommendation as it addresses the critical under-resourcing of corporate services.

Recommendation 2 focuses on enabling services embedded within each ESO and looks at opportunities for sharing of Assets & Logistics, Training and Community Education across the sector. This area appears to be a tangible location from which savings can be identified and re-invested.

Finally, recommendations 3-6 focus on improving the governance, performance management, and processes within corporate services to deliver improvements in service quality. Whilst these recommendations should yield some benefit, the implementation of recommendation 1 above is critical for step change improvement in the performance of SAFECOM

Recommendation 1 – Right size corporate services and streamline management

Hypotheses addressed: 1, 2, 3, 4, 6

Recommendation 1.1 – Right size corporate services to deliver on the service need

We recommended that SAFECOM invests further resources into corporate services. Our analysis indicates that further resources are required in the areas of Volunteer Support, HR, WHS, Assets and Procurement. Other areas which require investment and are no longer formerly within the remit of SAFECOM includes records management, insurance, media, risk management and internal audit.

Rationale:

This recommendation specifically addresses the significant under-resourcing of corporate services in the sector and is therefore the cornerstone recommendation and ultimate driver of step change improvement in service quality.

Recommendation 1.2 – Streamline management to improve cost effectiveness

We recommend SAFECOM increases its management spans of control and delayering of management to improve cost effectiveness. If SAFECOM could reduce their average cost / FTE by

$10k from $103k to $93k through this process, it would result in a saving of approximately $650k (circa 7 FTE) which could offset the costs of recommendation 1.1

Functions which may prove candidates for bringing together under one manager due to their underlying nature and similarities are:

▸ Finance, Procurement, Asset Management and Executive Support services (one leader)

▸ HR, WHS, Volunteer Support (one leader)

Rationale:

SAFECOM employs a higher cost / FTE ratio of $103k per FTE compared to benchmarks of between $64-$100k in other organisations that do not provide transactional services such as payroll, accounts payable and accounts receivable. The current span of control is 1 manager to 3 employees. General convention for a manager level is 8. Therefore the range would typically be somewhere between 6 and 10 with effectiveness diminishing beyond this range.

Resourcing impacts of recommendations 1.1 & 1.2:

The following table outlines the resourcing options for SAFECOM to consider and their associated cost impacts. It provides sensitivity analysis on resourcing levels (% of sector total) and cost structure (cost / FTE).

Additional investment required at different %s of sector total and cost/FTE					
		Cost / FTE ('000s)			
% of sector total	SAFECOM FTEs	$ 103k	$ 98k	$ 93k	$ 87k
5.5%	65.5	$-	($328)	($655)	($1,048)
6.0%	72	$670	$310	($51)	($483)
7.0%	84	$1,906	$1,486	$1,066	$562
8.0%	96	$3,142	$2,662	$2,182	$1,606
9.0%	108	$4,378	$3,838	$3,298	$2,650
10.0%	120	$5,614	$5,014	$4,414	$3,694

If SAFECOM could reduce its cost structure from $103k per FTE to $93k per FTE, and increased resourcing levels to a modest 6%, then no additional investment would be required. If resourcing was to increase to 7% of total sector FTEs, an investment in funding of approximately $1m would be required.

It should be noted that the streamlining of management roles is an option available to SAFECOM as the data suggests it operates a high cost structure. Should investigations conclude that an altered management structure would not deliver the intended savings, SAFECOM may then not wish to implement this aspect of the recommendation.

Recommendation 2: Conduct further analysis to share and streamline operational support services

Hypothesis addressed: 7

Our review found that opportunities exist for wider sharing of services extending to operational support services such as Assets and Logistics, Training and Community Education. Whilst these areas are working reasonably well, the opportunities to share and consolidate services make this a key priority for the sector. A detailed assessment of activities and work effort is required to optimise these services which may free up resources which can be re-invested into the under-funded

corporate services or other operational services. The key recommendations which may be considered once the detailed assessment has been completed includes:

▸ Embed certain Assets and Logistics services within SAFECOM or provide as lead agency

▸ Training and community education to be shared across the sector via SAFECOM or through a lead agency model

Rationale:

The outcomes of this review may free up additional resources which can be re-invested into critically under-funded areas across the sector. Many agreed that operational training in particular was a strong candidate where improved sharing can result in savings.

Recommendation 3 – Optimise the service model structure of SAFECOM

Hypotheses addressed: 2, 3

Recommendation 3.1 - Amalgamate volunteer support and HR to improve service consistency to volunteers

We recommend Volunteer Support and HR are amalgamated into one function within SAFECOM. This new function should undertake a business partnering arrangement and have staff co-located at regions to provide on the ground support to volunteers in areas such as training and conflict management.

Rationale:

In recognising the strategic importance of volunteers, services to these individuals should be on par with those received by paid staff where appropriate. The grouping together of these functions also recognises the similarity in services provided by volunteer support and HR and therefore the similarity in skills and training required to be successful in these roles.

Recommendation 3.2 - Remove Emergency Management from SAFECOM to allow an increased focus on corporate services.

Recommendation 3.3 - Conduct additional consultation to determine the most appropriate delivery location for Emergency Management.

We recommend Emergency Management is removed from the remit of SAFECOM and provided by another agency. Further work and consultation is required to determine the most appropriate delivery location for Emergency Management, which was outside the scope of this review.

Rationale:

Removing Emergency Management will SAFECOM to renew its focus on the delivery high quality corporate services. In other jurisdictions, Emergency Management is provided elsewhere.

There are a number of options available for the provision of Emergency Management, including the function being delivered by:

▸ Department of Premier and Cabinet

▸ SES on a lead agency basis

▸ SA Police

This recommendation will likely require changes to legislation as SAFECOM are currently allocated the responsibility for emergency management for the state.

Recommendation 4: Strengthen accountability and governance mechanisms

Hypotheses addressed: 2, 3, 5

A critical component of running an effective shared services function is to have appropriate governance and accountability mechanisms in place. There are a number of initiatives that SAFECOM must undertake to improve governance in order to drive service delivery.

Recommendation 4.1 - An independent board member is appointed as presiding member of the SAFECOM board

The presiding member of the SAFECOM board should be an independent board member to promote better governance and accountability for the sector. A key requirement for the SAFECOM board should be to manage the performance of the business unit and this is best done through making this change. Other improvements to governance including refreshing the terms of reference, formalising change control processes, and formalising escalation paths are also considered under this recommendation.

Rationale:

The current structure of the SAFECOM CE chairing the SAFECOM Board is not in line with good governance practice and must be altered to promote better accountability throughout the sector. A change in legislation will be required to action this recommendation.

Recommendation 4.2 – Move control of the budget for corporate services to Agencies with an appropriate recharge model by SAFECOM

We recommend SAFECOM's budget be transferred to agencies to reflect a true purchaser/provider relationship between SAFECOM and the agencies. A fee for service arrangement should be then charged by SAFECOM for service delivery, which is paid for by the agencies.

We are not advocating for a complex charging or pricing model, rather a simple cost recovery mechanism based on an agreed service level that is simple and easy to apply.

Rationale:

This recommendation will enable protection for future budget cuts as the corporate services budget is held within the Agencies, who use it to buy their services.

This model is employed by other agencies like Shared Services SA where services are procured by other government departments on a fee for service basis. This approach drives governance and accountability as it provides clarity around service expectations and provides a lever which customers can pull to gain improved performance.

Recommendation 4.3 - Formalise the requirement for staff within SAFECOM to be available for operational emergencies

We recommend SAFECOM should include a requirement for new staff to take up operational roles during periods of peak fire and emergency activity. The competence of the individuals should be matched to operational roles where appropriate. Existing staff should also be encouraged to provide operational support. It is noted that a number of SAFECOM staff do currently take up operational roles during emergency periods which is well received by the ESOs.

Rationale:

This recommendation recognises the critical mass required by the agencies during peak periods and the requirement to re-purpose staff should extend to the corporate services entity where appropriate. However this should not occur to the significant detriment of corporate services activity which must still remain a priority for the sector, or at the expense of SAFECOM's own emergency response obligations under the EM plan.

Recommendation 5: Embed service management and performance management

Hypotheses addressed: 2, 3, 5

Similarly to governance above, service management and performance management are critical components to drive improvement in shared services. It is not just about service level agreements, but is rather a holistic approach to managing and evaluating the services delivered by SAFECOM to the agencies. This recommendation is underpinned by two sub recommendations:

Recommendation 5.1 - Embed a service management framework within SAFECOM and the sector underpinned by clear and agreed Service Level Agreements which help drive performance, accountability and a customer service culture

We recommend SAFECOM undertake a detailed process to define the services they provide to the agencies and obtain agreement for service expectations. These defined services should then provide the basis for evaluating and assessing performance through the development of SLAs. The success of Service level management is dependent on having well structured, business-oriented SLAs that are realistic, measurable and regularly validated. Service level management is more than the just defining and measuring SLAs. It identifies which measures are key drivers of performance, it provides a framework for assessing non-compliance to SLAs and understanding on what steps to take to address instances of non-compliance. It provides guidance on escalation paths when issues are not being adequately resolved and promotes the review and update of SLAs to ensure they remain relevant.

SLAs should be the tool to demonstrate performance as part of Service Level Management. They should be advertised internally by SAFECOM, as areas of pride, or areas where improvements need to be made. They should be shared and discussed with Agencies and they should drive upcoming team initiatives. Only what is important should be measured - i.e. what can be changed and what will have an effect on quality and effectiveness.

Rationale:

As well as reflecting better practice, this process will inform additional resources discussed in recommendation 1.1

Recommendation 5.2 - Embed performance management practices within SAFECOM and the sector based on agreed service level agreements and performance indicators

The board should conduct performance reviews of the CE of SAFECOM and the business unit with input from the ESO Chiefs and staff to drive accountability. Driving this accountability must be a priority for the SAFECOM Board and input must be gained for the customers of SAFECOM to ensure a balanced perspective.

The SLAs agreed above are used as a basis for performance management and these indicators should be cascaded down into individual performance management plans to enable the organisation to measure its effectiveness and be held accountable for non-performance. It is critical that these measures are simple, easy to implement and focus on the key drivers of performance. This will avoid

excessive time spent in reporting and managing the SLA process. However it is important to note that upfront time must be invested in this process in order to establish it correctly.

Rationale:

It's an old saying but "what gets measured gets done". Measuring performance and holding individuals accountable for performance will drive the right behaviours and encourage a service driven culture.

Recommendation 6: Implement a continuous improvement program and build relevant capability

Hypotheses addressed: 1, 2, 3

We recommend that SAFECOM funds a continuous improvement team with Lean experience who can resolve the key process issues identified from this review and embed a culture of continuous improvement. From our review we have highlighting four key areas which are candidates for improvement:

▸ The procurement process (where appropriate – for the areas under SAFECOM's control)

▸ The supplier payments and expense reimbursement process

▸ The Asset construction process (where appropriate – for the areas under SAFECOM's control)

▸ The delivery of soft skills training and conflict management (this area is a joint responsibility between SAFECOM and operational managers)

Rationale:

Embedding a culture of continuous improvement is better practice, particularly in relation to shared service organisations.

1.5   Summary of hypotheses and key findings

Eight major hypotheses were derived during the scoping phase of the project that highlighted performance issues across corporate services requiring further investigation and analysis. We then sought to either support or dismiss these hypotheses using a combination of quantitative (benchmarks, surveys) and qualitative (interviews, better practices and EY experience) evidence.

- ▸ **Hypothesis 1** – Efficiency

- ▸ **Hypothesis 2 & 3** – Service quality

- ▸ **Hypothesis 4** – Cost effectiveness

- ▸ **Hypothesis 5** – Governance

- ▸ **Hypothesis 6** – Service location

- ▸ **Hypothesis 7** – Sharing of enabling functions

- ▸ **Hypothesis 8** – External shared services

The following table summarises the key hypotheses and associated findings. More detail, including associated evidence to support these hypotheses is provided in Section 2.

Hypothesis #	Hypothesis description	Key findings
1	**Efficiency** – Service quality is being impacted by under-resourcing.	**Finding:** ▸ The analytical benchmark data supported the view that the sector is under-resourced to deliver corporate services to the sector. SAFECOM was leaner than the top performing benchmarks across Finance, Procurement, HR and IT. Given the top performing benchmarks have the requisite streamlined processes and technology enablement to deliver a high performing function, it can be surmised that the sector is under-resourced

Government Agency	CS FTE	Total FTE	% CS FTE to Total FTE
Agency 1	269	1,570	17%
Agency 2	278	1,390	20%
Agency 3	187	1,206	16%
SAFECOM (FTEs only)	65.6	1,200	5%
SAFECOM (full workforce)	65.6	2,710	2.4%

▸ The table below highlights the decrease in FTE faced by SAFECOM over the past seven years. Please note the numbers below exclude project roles which is why the SAFECOM totals do not match the table above

Agency	2007/08	2009/10	2011/12	2013/14
SAFECOM	112.4	97.6	72.1	49.8
Sector Total	1,119.6	1,199.4	1,186.6	1,154.7
% SAFECOM Staff	10.0%	8.1%	6.1%	4.3%

Hypothesis #	Hypothesis description	Key findings
		Conclusions: ‣ Hypothesis 1 is supported **This is the cornerstone finding in our review and is a major driver of the performance issues. This critical lack of resourcing requires immediate attention**
2	**Service quality -** Performance concerns exist with SAFECOM's current service quality, creating significant operational and political risks to ESOs	**Finding:** ‣ Service quality was below average as measured by voice of the customer surveys[1]. These services highlighted that a number of SAFECOM's services are performing below expectations on a performance scale of 1-5. Below is the graph which depicts the performance and importance of each SAFECOM function as rated by customers and providers

Average Voice of the Customer Ratings for SAFECOM Services

‣ Key issue areas were:
  ‣ Volunteer support
  ‣ Asset management
  ‣ Procurement
  ‣ HR
‣ However what is acceptable to ESOs has not been clearly and objectively defined and agreed between SAFECOM and the agencies. Only IT and Volunteer support have defined service level agreements in place
‣ It was believed that the lack of resources was the key driver for reduced performance. Areas such as volunteer support, asset management and procurement have witnessed severe reductions in FTE numbers resulting in reduced on the ground support for agencies. This has taken time away from operational activities
‣ Other functions such as strategic services, records management and insurance were provided by SAFECOM and then were discontinued due to budget pressures. The agencies have since had to deliver these services internally and refocus activities away from operational priorities to do so.
‣ It was remarked that there was reduced support from the SAFECOM WHS team for tasks such as workplace safety audits and documentation around incidents, driving greater effort for staff and volunteers. Whilst this was issue was mentioned by a number of groups, the WHS team has not seen a reduction in FTE and the issues raised may be attributed to the harmonisation of WHS legislation
‣ Dissatisfaction with the Asset construction process has resulted in agencies adopting their own processes with limited consultation from SAFECOM. This behaviour by agencies results in risks to the sector as due process as per treasurer's instructions may not be adopted.
‣ Lack of support and delays experienced with certain HR processes such as

---

[1] The surveys were issued to the Executive/Senior management teams of each ESO. A total of 39 individuals were asked to complete the survey of which 23 completed the survey.

Hypothesis #	Hypothesis description	Key findings

recruitment and classification changes

- Interviews suggested that staff capability was viewed favourably by ESOs
- However given the severe reduction in FTEs outlined in Hypothesis 1, the level of service provided by SAFECOM is commendable with many remarking that it is higher than would be anticipated given the resource constrained environment

Conclusions:

- Hypothesis 2 is supported
- Our review found that the structure of the model is not a key issue, capability of staff was generally well regarded and as such performance issues can be attributed to other aspects of the operating model including lack of resourcing, governance, systems, and processes

| 3 | **Service quality** - Volunteers are receiving a reduced level of support from SAFECOM functions, creating a high risk of losing volunteers | **Findings**

- A significant reduction in FTEs within the Volunteer Support Branch has occurred since 2008/09 resulting in lower levels of service to volunteers and a greater level of administrative burden on these key resources. Key areas affected are:
    - Leadership and management training (soft skills)
    - Conflict management and resolution
    - Recruitment and retention
- However the VSB team asserts that the number of training courses delivered has stayed at constant levels and consistent with the current SLAs in place. Notwithstanding this, training was consistently raised as an issue for volunteers. These contrasting views require further analysis to understand the root cause of the frustrations. This allows both parties to devise most suitable solution to bridge the gaps of understanding, expectation and service quality
- The table below highlights a 45% reduction in VSB FTEs and an 11% reduction in volunteer numbers |

Description	2008/09	2010/11	2012/13	% reduction
Volunteers	17,067	16,284	15,133	11%
Volunteers Support Branch FTE	11 FTE	10 FTE	6 FTE	45%
Ratio VSB FTE: Volunteers	1 : 1,552	1 : 1,628	1 : 2,522	

Conclusions:

- Hypothesis 3 is supported
- The risk of losing volunteers is high and would have significant impacts on the sector

Hypothesis #	Hypothesis description	Key findings
4	**Cost effectiveness** - SAFECOM operates a high cost structure compared to other similar agencies and benchmarks, which could be redesigned to improve service delivery	**Finding:** ‣ Although corporate services is 'lean' from an FTE perspective (hypothesis 1), the actual cost per FTE for SAFECOM is high relative to other SA Government agencies providing similar services, as demonstrated below. Approximately 37% of the FTE effort is classified as ASO7 and above. This does not mean that corporate services are expensive as hypothesis 1 clearly shows that it is under-funded, rather this means that the 'structure' is expensive

Government Agency	CS FTE	Cost2	Cost per FTE
Agency 1	269	$17.3m	$64k
Agency 2	278	$25.9m	$93k
Agency 3	187	$18.7m	$100k
APQC Finance function benchmark			**$77k**
SAFECOM	65.6	$6.7m	**$103k**

Conclusions:
‣ Hypothesis 4 is supported
‣ Benchmarks suggest that SAFECOM operates a high cost structure which should be measured in relation to the service expectations of the business unit in order to determine reasonableness
‣ Given the services SAFECOM provides, opportunities appear to exist for SAFECOM to reduce its cost structure through delayering of management roles and some role re-design. These costs can then be redirected to hiring additional resources where FTE numbers have been severely reduced such as HR, volunteer support, asset management and procurement
‣ It is believed that SAFECOM should look to reduce their average cost per FTE to approximately $93k. The premium to APQC benchmarks recognises that the SAFECOM function does not deliver payroll, accounts payable and payroll services. This would result in a saving of around $650k which would equate to an additional 7 FTE if reinvested

| 5 | **Governance** - The governance structures in place for SAFECOM must be strengthened to improve service delivery | **Findings:**
‣ The lack of clarity around roles, expectations and service levels between SAFECOM and ESOs make it difficult for the ESOs to influence outcomes.
‣ There are limited consequences in place for SAFECOM should they deliver poor performance
‣ The structure of the SAFECOM board, which has the CE of SAFECOM as the presiding member of the Board (as per the legislation), makes performance management problematic. The CE should be accountable to an independent Board
‣ A lack of formal escalation paths and contract change processes for service issues are driving uncertainty and dissatisfaction. Whilst these processes may occur, they require further documentation and formalisation
‣ Some services delivered by SAFECOM were deemed non corporate services such as emergency management and may be candidates for removing from SAFECOM's scope to allow the function to focus on core corporate services

Conclusions:
‣ Hypothesis 5 is supported
‣ Strengthening governance mechanisms will improve service quality through |

---

2 This refers only to salary costs of personnel including on costs and is simply the salary cost of each employee multiplied by their FTE level. This does not include Goods and Services.

Hypothesis #	Hypothesis description	Key findings
		allowing the ESOs to have greater input into service expectations and ensuring SAFECOM is accountable for meeting these expectations

6	**Services are not being delivered in the right location** - A lead agency model or devolving of all services back to ESOs, will improve performance.	**Findings:**
		
		‣ An effective corporate services model balances efficiency and effectiveness through a 'best of breed' model. These models determine the service location based on a combination of factors including the ability to leverage scale, governance model, and the strategic importance of service delivery. In general, 'commodity based and expertise' activities are centralised for economies of skill and scale, whilst others such as Finance business partnering and strategic HR are often delivered closer to the business via a business partnering arrangement. No one model is the right model. The devolution of functions often leads to:
		
		   ‣ A weaker control environment
		   ‣ A reduced ability to cover absences
		   ‣ Moving the focus for management to corporate and administrative activities instead of on operational activities
		   ‣ A reduction of consistency or sharing across the sector
		
		‣ Using better practice frameworks, we reviewed the location of the service delivery and found the location was adequate
		
		Conclusion:
		
		‣ Hypothesis 6 is dismissed
		‣ The appropriateness of the location of service delivery is not the root cause of the performance issues
		‣ The request for services to be devolved is more about protecting against future service delivery declines and budget cuts. This is not a reason to devolve the services back to the ESOs
		‣ A lead agency model is unlikely to result in any significant performance improvement and will still create similar service management issues

7	**Sharing of enabling functions** - There are opportunities to share certain functions between ESOs	**Findings:** ‣ Mixed views were expressed around the ability to share Assets & Logistics, Training and Community Education across the sector ‣ The agencies agreed that some functions such as curriculum development for training could be shared, however the cultural differences between the ESOs would be a barrier to achieve successful sharing ‣ The surveys indicated that all three functions were performing acceptably and therefore were not deemed a critical area of concern **Conclusions** ‣ Hypothesis 7 is supported ‣ Whilst these services are not a critical area of concern, there appears a real and tangible opportunity that sharing of these enabling services may free up some scarce resources to invest in corporate services delivery. Detailed analysis of these functions must be a priority area for the sector going forward.

Hypothesis #	Hypothesis description	Key findings
8	**External shared services** delivered by AGD, DPTI and ESO are working reasonably well and require limited improvement	**Findings:** ‣ The anecdotal and analytical evidence supported the hypothesis with most respondents being in favour of maintaining the status quo as these functions were not critical areas of concern ‣ The surveys indicated an acceptable level of performance and the majority of respondents advocated for the delivery model to remain unchanged. This is highlighted in the table below which shows the % of respondents indicating which entity they would prefer to provide the service

External Shared Services	AGD	Other	ESO	DPTI	SSSA	SAFECOM
GRN	81%	10%	5%	-	5%	-
SACAD	62%	10%	24%	-	5%	-
Call receipt and dispatch	24%	10%	57%	-	5%	5%
Accommodation and Major Projects	-	-	10%	86%	5%	-

Conclusions:

‣ Hypothesis 8 is supported

‣ We recommend that the critical concerns around corporate services are first addressed prior to reviewing these services as they are performing relatively well

1.6   Implementation plan

The table above has been summarised into a high level implementation plan with some indicative timeframes.
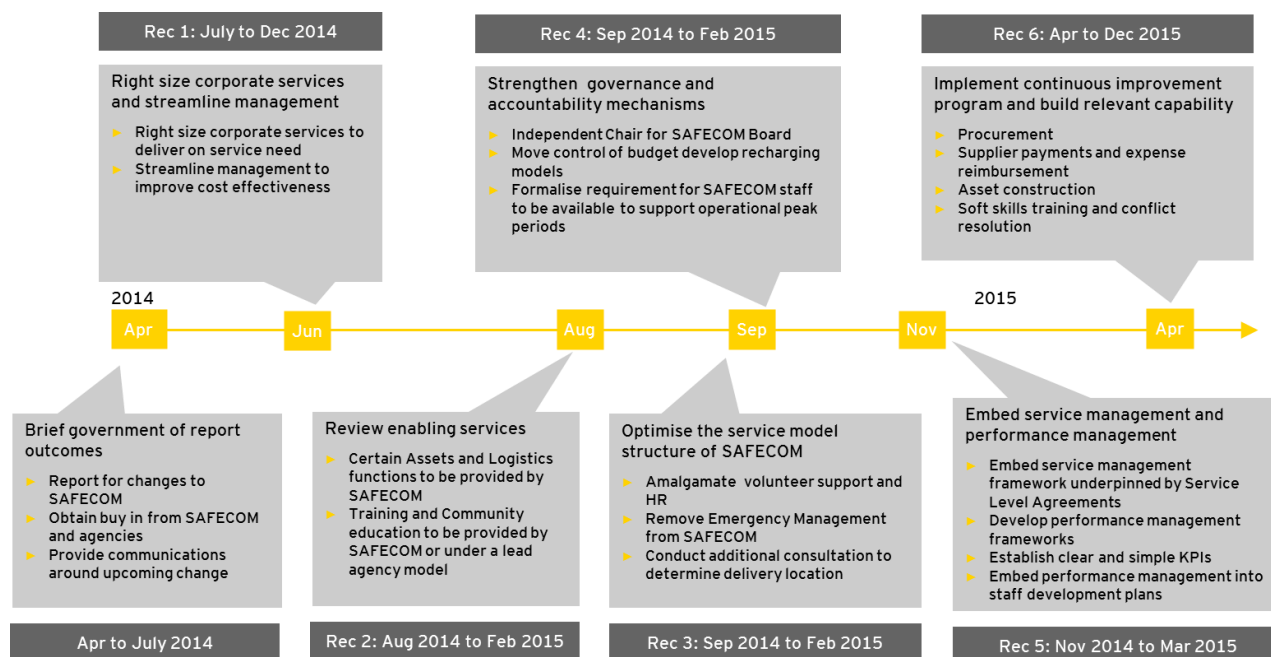
2. Current state understanding

2.1 Overview of the current services model

SAFECOM was originally tasked to undertake strategic policy planning, governance and resource allocation for the overall fire and emergency services sector. However with successive budget cuts and perceived issues around Board composition and structure, SAFECOM's ability to provide strategic policy planning and resource allocation has been severely inhibited.

Below is a table which highlights the FTE reduction experienced by SAFECOM taken from the 2013 Holloway review. Please note the numbers below are permanent FTE and do not include project FTEs which are included in other tables.

Workforce Summary (FTEs)[3]							
Agency	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
CFS	96.3	102.8	124.8	118.8	119.4	133.1	133.1
MFS	880.5	918.3	938.4	929.3	964.1	939	931.6
SES	30.4	40.4	38.6	37.6	31	40.4	40.2
SAFECOM	112.4	104.6	97.6	86.3	72.1	69.2	49.8
Sector Total	1,119.6	1,166.1	1,199.4	1,172	1,186.6	1,181.7	1,154.7
% SAFECOM Staff	10.0%	9.0%	8.1%	7.4%	6.1%	5.9%	4.3%

SAFECOM is now primarily responsible for delivering a number of distinct corporate and non-corporate services to the sector. This includes the more traditional corporate services such as finance, procurement, human resources, asset management, information technology, executive and board services and workplace health and safety. It also includes some non-traditional corporate services such as emergency management for the state and volunteer support for the sector. SAFECOM consists of approximately 50 FTE with an additional 15 project specific FTE.

In addition to SAFECOM, the emergency services sector receives services from other government departments such as SA Attorney Generals Department, who provide access to the Government Radio Network (GRN) and South Australian Computer Aided Dispatch system (SACAD). It also receives services from Shared Services SA which provides payroll and accounts payable/receivable and DPTI who assists in managing major procurement and construction projects. Additionally MFS provide call and receipt dispatch services to the other ESOs. The Holloway review suggests there are 100 FTE involved in the provision of these non SAFECOM services.

The scope of this review also includes a brief assessment of three key functions which are delivered internally by each ESO. These functions were highlighted in the Holloway review as opportunity areas for sharing. These are:

▸ Assets and Logistics

▸ Training

---

[3] Sourced from Review of the Fire and Emergency Services Act 2005, Hon Paul Holloway, August 2013

▸ Community Education

The following table highlights the FTEs for each Agency that delivers the respective functions above.

Function[4]	MFS	CFS	SES	Total
Assets / Logistics	15	10.8	4	29.8
Training	23	20	6	49
Community Education	22	22.8	1	45.8
Total	60	53.6	11	124.6

Below is a table which outlines the current state of the service delivery model. It identifies the primary owners of corporate and non-corporate services across the sector for each in scope function.

Function	SAFECOM	Local Agency	SSSA	Lead Agency	External Shared Services
Finance	✔		✔		
Procurement	✔				✔
Asset Management	✔				
Human Resources	✔				
Workplace Health & Safety	✔				
Information Management Services	✔				
Executive Administration	✔	✔			
Emergency Management	✔				
Volunteer Support	✔				
Training		✔			
Community Education		✔			
Assets and Logistics		✔			
Government Radio Network					✔
SA Computer Aided Dispatch System					✔
MFS call receipt and dispatch				✔	
DPTI Major projects					✔

---

4 Sourced from Review of the Fire and Emergency Services Act 2005, Hon Paul Holloway, August 2013

2.2   Where is the effort in corporate services

As an input to this review, a work effort collection was undertaken, where SAFECOM employees provided the time spent across the services and sub-services that they provide. This allows an analysis of the effort from an FTE perspective spent on each function along with the personnel cost of delivering the service which is on a per annum basis and in $000's.

The work effort is summarised in the graph and table below.
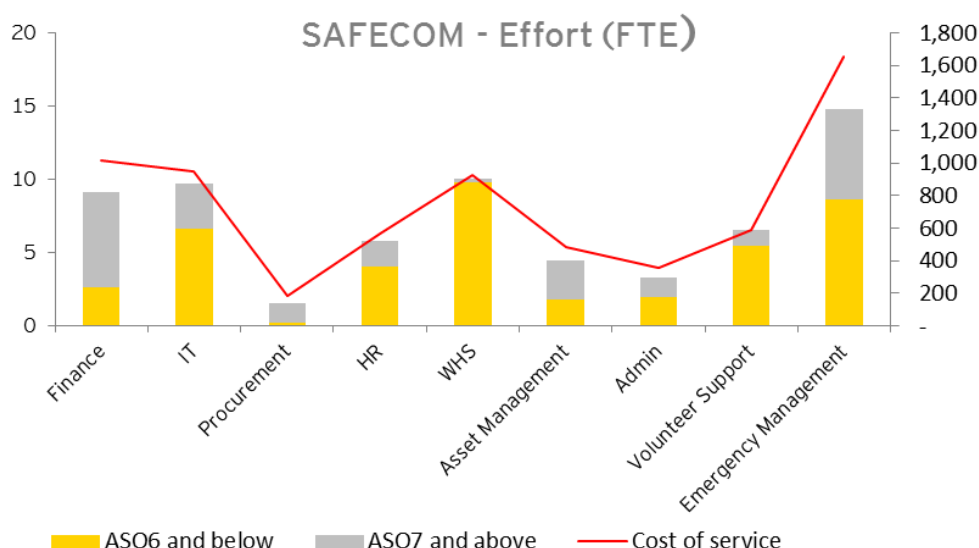
Overall effort was collected for 65.6 FTE delivering 10 functional services at a cost of $6.8 million. This figure is slightly different to the ones quoted in the Holloway due to the timing of analysis.

At an ASO level, 37% of the effort was delivered by personnel that were an ASO7 and above, while 63% was delivered by ASO6's and below.

Function	Effort (FTE)	Cost p/a ($ 000's)
Finance	9.2	1,015
IT	9.8	952
Procurement	1.6	185
HR	5.8	567
WHS	10.0	930
Asset Management	4.5	485
Admin	3.3	355
Volunteer Support	6.6	586
Emergency Management	14.8	1,656
Other	0.1	20
Total	**65.6**	**6,750**

A detailed analysis of the work effort can be found in the Supplementary report.

2.3 Hypotheses based analysis

Eight hypotheses impacting the service quality of corporate and enabling services have been tested via management interviews and data analysis. These hypotheses were developed from our initial round of consultations. The hypotheses are assessed through three key frameworks culminating in a conclusion. These areas are:

▸ Anecdotal evidence from research, interviews and workshops - This was obtained throughout the review through interviews and workshops along with internal research. Interviews and workshops were held with both the providers of corporate services (SAFECOM), the customers of corporate services (SES, MFS, and CFS), the volunteer management teams within the two volunteer organisations and other interested stakeholders (AGD, SAFECOM Board).

▸ Analytical evidence - A series of methods were used to collect analytical evidence. These were a Voice of the Customer survey issued to SAFECOM and Agency staff to gain their perspectives on the services provided by SAFECOM, the services delivered internally by ESO, and certain External Shared Services. The VOC survey was issued to the 39 staff that makes up the Executive/Senior Management team of each of the four agencies. A total of 23 staff completed the survey, the results of which are included in the analysis below. A work effort collection was also undertaken which captured the FTE effort spent within SAFECOM on their service delivery, allowing us to determine cost and effort of each function. This informed a benchmarking exercise of cost and effort when compared to EY's APQC database. Further details on the surveys and ratings scales used can be found in Appendix D.

▸ Better practice evidence - Better practice evidence is based on our collective experience and previous reviews both nationally and internationally, coupled with our best practice research.

Hypothesis 1: **Efficiency** – Service quality is being impacted by under-resourcing.

- Consistent views were expressed in all interviews and surveys that the sector and particularly SAFECOM is under resourced to deliver corporate services.
- There have been significant FTE reductions through outsourcing to Shared Services and budget cuts which have resulted in what many feel is unsustainable FTE numbers to support the sector. Over the same period the FTE numbers in the Agencies have seen a net increase.
- The table below highlights the reduction in SAFECOM FTE across the past seven years in relation to the overall sector FTE. It is clear to see a severe reduction in FTEs moving from 112 FTE in 07/08 to 50 FTE in 13/14, a greater than 50% reduction.

Workforce Summary (FTEs)[5]							
Agency	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
SAFECOM	112.4	104.6	97.6	86.3	72.1	69.2	49.8
Sector Total	1,119.6	1,166.1	1,199.4	1,172	1,186.6	1,181.7	1,154.7
% SAFECOM Staff	10.0%	9.0%	8.1%	7.4%	6.1%	5.9%	4.3%

- Providers and customers both agreed that the under resourcing of the sector in corporate services is leading to significant operational and compliance issues in the sector and must be corrected with increased funding in order for the emergency services to be delivered.
- Many interviewees stated that the lack of FTEs in corporate services have had a high impact on volunteers and operational staff by increasing the demands on them by the individual ESOs driving resentment and a lack of engagement. This issue was viewed to be at a critical boiling point with volunteers overwhelmed by the level of administrative effort required by them when they commit to joining the emergency services.
- This issue is further exacerbated during peak operational periods as agency and some SAFECOM staff are re-purposed for emergency operation roles and forego their substantive roles, placing further stress on the completion of corporate and administrative activities.

Benchmarks[note1]	Govt	Top	Median	Bottom	SAFECOM
No. of Finance FTEs per $1b expenditure[note2]	Y	12.80	19.96	34.86	9.16
No. of FTEs that perform IT processes per $1b expenditure	Y	16.20	25.28	46.71	9.76
No. of FTEs that perform the HR function per $1b expenditure	Y	8.73	15.50	30.22	5.77
No. of business entity employees per HR function FTE (HR to FTE only)	Y	104.99	70.88	41.52	208.15
No. of business entity employees per HR function FTE (HR + VSB to FTE +volunteer FTE2)	Y	104.99	70.88	41.52	219.43
No. of FTEs that perform the procurement process per $1b expenditure	Y	6.16	7.79	12.33	1.57

Note 1 - Benchmarks have been scaled from the APQC measure of ''per billion dollars of revenue'' to an equivalent Emergency Services Sector using the total expense base of the sector $225m as a proxy for revenue. Please note that we have not included the cost of volunteer hours within the total expense base. Whilst the volunteer effort is a key impact on the sector, for the purposes of benchmarking we have used the budgeted expenditure of the sector in line with good benchmarking practice.

Note 2 - APQC benchmarks are provided on a revenue basis. In government engagements the methodology involves

---

[5] Review of the Fire and Emergency Services Act 2005, Hon Paul Holloway, August 2013

substituting the agency/ sector revenue with expenditure as a proxy for revenue. Benchmark was calculated using 1,200 FTE plus 15,100 volunteers converted at 0.1FTE to give a full sector FTE of 2,710. In this instance HR and Volunteer Support branch FTE effort was combined to depict the group servicing the entire sector workforce. Please note that other volunteer groups such as Volunteer Marine Rescue and Surf Life Saving SA have been excluded from the volunteer analysis. Whilst SAFECOM and the sector do provide certain services to these groups, they have been deemed out of scope as the focus of the review is on the three primary emergency services agencies.

▸ The above table shows that SAFECOM is operating at a level leaner than the top performing benchmark across the four traditional Corporate Services functions; Finance, IT, HR and Procurement.

▸ While the personnel cost to perform the finance and HR function is leaner than the top performing benchmark, this is distorted as APQC includes services in their benchmark that are currently outsourced to SSSA (such as AP and AR for Finance and Payroll for HR), and not performed by SAFECOM. This may mean that the cost is likely to be closer to the top or perhaps the median benchmark. The procurement process looks significantly lean but also doesn't include the Business Support Officers undertaking low level procurement activities within each agency as they were deemed out of scope for this review. This is the same for finance and HR where low level BSO activity has not been captured.

▸ An organisation that is classed as top performing would be expected to have best practice systems and processes in place to enable an efficient function. As this is not the case within SAFECOM, it demonstrates under resourcing across these functions.

▸ We have compared SAFECOM to our internal database of other SA State Government Corporate Services provider, shown in the table below. It shows as a percentage SAFECOM is significantly under resourced when compared to other Corporate Service functions.

Government Agency	CS FTE	Total FTE	% CS FTE to Total FTE
Agency 1	269	1,570	17%
Agency 2	278	1,390	20%
Agency 3	187	1,206	16%
SAFECOM (FTEs only)	65.57	1200	5%
SAFECOM (full workforce)	65.57	2,710	2.4%

▸ The full workforce Total FTE has been calculated based on 1,200 FTE plus 1,510 volunteer FTE equivalent (based on applying 0.1 FTE per volunteer with the volunteer base of 15,100). Please note that other volunteer groups such as Volunteer Marine Rescue and Surf Life Saving SA have been excluded from the volunteer analysis. Whilst SAFECOM and the sector do provide certain services to these groups, they have been deemed out of scope as the focus of the review is on the three primary emergency services agencies.

▸ The Report on Government Services 2014 by the Federal Productivity Commission includes a breakdown of the spend per state on Fire Services. This table shows the SA Fire Service has the second lowest funding per person based on the eight states and territory throughout Australia. The SA figure is also significantly smaller than the average national spend per person. Please note that this figure does not include the State Emergency Services agency.

2012-13	Unit	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Aus.
Total	$M's	1,030.2	1,239.6	499.3	461.0	210.0	86.1	74.9	47.0	3,648.2
Population	M's	7.3	5.7	4.6	2.5	1.7	0.5	0.4	0.2	22.9
Per Person	$	140.18	218.26	108.29	186.43	126.37	168.06	197.41	198.41	159.27

▸ The following information was provided as an input to the review, it details the FTE allocation within SAFECOM at a functional level at two points in time.

FTE Allocation	2009/10	2013/14	% Change
CE's Office	11	4	64% reduction
Finance	12	9	25% reduction
Assets and Procurement	14	6	57% reduction
Workplace Health and Safety	14	10	29% reduction

Human Resources	10	7	30% reduction
Information Management	12	11	8% reduction
Training	1	0	100% reduction
Strategic Services	6	0	100% reduction
Volunteer Services Branch	11	6	45% reduction
Public Affairs	7	0	100% reduction
Emergency Management	4	3	25% reduction
Total	102	56	45% reduction

▸ There are some variations between the above table and the work effort, due to the point of time nature of the work effort along with the inclusion of project staff in the review. The above table shows there has been a significant reduction in the CE's Office, Assets and Procurement and Volunteer Services Branch, with these functions (excluding CE's Office) receiving lower performance ratings through the Voice of the Customer survey.

▸ It is also of note that three services have been eliminated through their reduction to 0 FTE, these were Training, Strategic Services and Public Affairs. This aligns to anecdotal evidence whereby ESOs advised that services had been cut, with limited consultation and the ESO's had to absorb the work. This often results in a loss of efficiency and effectiveness as more senior roles have taken on the activity through necessity. This results in a lack of expertise in delivering a service at a high cost.

Better practice evidence

▸ Better practice stipulates that corporate services should be prioritised by organisations and therefore resourced appropriately to deliver a quality service. Whatever model is employed for corporate services, the level of resources is critical to ensuring service quality and a lack of resources in any model will render a service ineffective.

▸ The front line services for the sector are predominantly provided by volunteers which is an extremely attractive financial outcome for the SA Government as paying for these services in full would incur a large financial cost. Therefore the view to cut funding to a sector which delivers an important service to the community at a low cost is inconsistent with better practice principles of management. Further cuts to the sector will likely cripple the agencies and render them unable to recruit and retain volunteers, resulting in an overall increase in costs should volunteers not be able to deliver front line operations.

EY conclusion

▸ The review supports this hypothesis and it is clear that the sector is significantly under-resourced in corporate services and is lean in comparison to leading benchmarks.

▸ A process must be undertaken to assess in detail the service needs and requirements with an appropriate staffing plan developed to adequately meet those requirements.

Hypothesis 2: **Service quality** - Performance concerns exist with SAFECOM's current service quality, creating significant operational and political risks to ESOs

- All ESOs expressed concerns around the performance and service quality of SAFECOM. All agreed that along with reduced performance, there were limited mechanisms in place for the agencies to hold SAFECOM accountable for lower performance and therefore influence them to provide a better outcome. Whilst Service Level Agreements (SLAs) are in place for IMS and Volunteer Support, there are no overall SLAs between SAFECOM and the ESOs. The Chiefs of the ESOs all indicated that the lack of SLAs and associated service management made it very difficult for them to influence service performance at SAFECOM.

- The Chiefs suggested that the SAFECOM Board had limited influence over the SAFECOM business unit due to the composition of the Board. However the Chiefs do sit on the SAFECOM Board and through this mechanism are able to discuss and debate the performance of the SAFECOM business unit. This is discussed further in Hypothesis 4

- Services such as Finance and IMS were viewed reasonably favourably while others such as Assets and Procurement and Volunteer Support were highlighted as areas of significant concern.

- Most agreed that the root cause of the reduction in service quality can be attributed to the loss of FTE for SAFECOM. When SAFECOM was first established many remarked on receiving good quality services and that the model was working well. However the reduction of FTEs has had a severe impact on service quality.

- The staff from SAFECOM were all viewed quite favourably by the ESOs, particularly the SAFECOM business managers who are out-posted to each Agency. There were no significant issues with capability and customer focus of staff, but again the concern was around the sufficiency of resources.

- SAFECOM hold their own budget and do not provide corporate services under a 'fee for service' arrangement as do other shared service functions such as Shared Services SA.

- Due to successive and deep budget cuts, functions that were previously in the remit of SAFECOM have been devolved and taken up by individual ESOs creating operational and staffing challenges. Strategic services, Insurance and Records Management are examples of these functions as, while they continue to be a requirement for the sector, due to lack of resources were discontinued by SAFECOM as a service. The ESOs stated there was a lack of consultation and communication between them and SAFECOM around these key decisions highlighting a lack of customer service culture by the SAFECOM business unit. However SAFECOM refuted this account and insisted that the decision to cut services was accompanied by heavy consultation with all agencies reaching a consensus on which services should be discontinued. Upon reviewing the information provided it was clear that consultation was conducted prior to discontinuing the services.

- Key processes which were areas of concern:
    - Procurement process is time consuming and at times the right supplier is not always selected
    - Supplier payments and expense reimbursements take too long. This is typically an issue with Shared Services SA
    - The asset construction process does not work well for all parties involved. The agencies feel that SAFECOM suggest unnecessary amendments which results in additional complexity and cost. This has led to agencies refusing to include SAFECOM for construction projects. SAFECOM have defined a process for asset construction in line with Treasurer's Instructions and other procurement guidelines. This process however is not consistently followed by the agencies
    - There is a lack of soft skills training delivered to staff and volunteers across the sector. However the VSB suggests that training levels have remained consistent and in line with SLAs. The issue then may be in the method, content or delivery of the training as the end users have expressed dissatisfaction
    - There is a lack of conflict management support to staff and volunteers, particularly for volunteers out in regions. This is a critical issue and must be viewed as a joint responsibility by the agencies and SAFECOM. Line managers at agencies need to prioritise conflict management and SAFECOM must deliver improved services and support to enable these line managers to rapidly and sustainably resolve issues
    - There is a general lack of on the ground support for finance and HR processes. Agencies view SAFECOM more as a consultant which provides advice as opposed to an agency that delivers the work end to end. This is symptomatic of the dramatic under resourcing of corporate services as highlighted in Hypothesis 1

- Overall customers indicate limited satisfaction with the services currently provided, with not a single service receiving a performance average rating of 4 or above. Of the 9 SAFECOM functional areas included in the Voice of the Customer survey, 7 received an average rating of below 3, where 3 indicates an established/ acceptable level of performance. However it is important to note that what is acceptable has not been clearly defined by all parties. This makes the assessment of acceptable quite subjective between individuals.

- The functions that received an average performance rating below 3 were: IT, Procurement, HR, Workplace Health and Safety, Asset Management, Admin and Volunteer Support.

- With the exception of Admin and Asset Management, the poorer performing functions were all rated as at least a 4 on average, in terms of importance, with a rating of 4 indicating Very Important.

- The largest gap between average performance and importance ratings was for Volunteer Support, where on average

importance was rated as 4.37, whilst the average performance was rated as 2.2. Volunteer Support was the lowest rated function for performance.

Average Voice of the Customer Ratings for SAFECOM Services
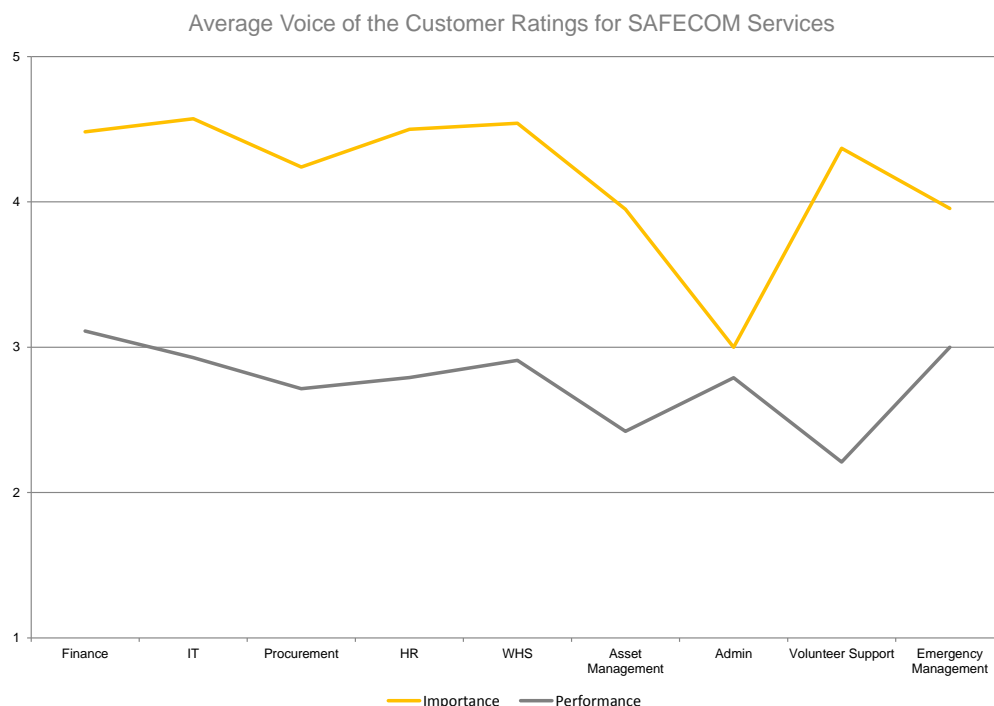
- The ability to contrast customer versus provider responses was unavailable due to the small number of SAFECOM responses to our survey.
- A detailed analysis of each function is included in the Supplementary Report, however a synopsis of the performance of each function follows:
  - **Finance:** Overall finance was rated as an acceptable level of performance when compared to other SAFECOM functions and there was agreement that it was an important function. There were some sub-functions that required improvement, with the key areas being; management of the strategic direction of finance, planning/ budgeting/ forecasting, capital project accounting and reporting and manage community emergency fund. The operating model components indicated a level of satisfaction with people and capability, however improvement was required for continuous improvement, strategy, and management structure. Given the significant under-resourcing of corporate services achieving an acceptable rating in finance is a commendable feat.
  - **IT:** Overall IT was rated between very important and critical in terms of importance, however was rated slightly below acceptable for performance. Two sub-functions were rated as acceptable, with majority rated needs improvement. Customers rated ICT Training as requiring a critical need for improvement. While the IT function has the opportunity to improve, the operating model component showed that the people and capability within the function was good, however strategy, management structure and continuous improvement all need improvement. Again given the lack of resources and the increase in demand and complexity for IT services by the agencies, the outcome is commendable.
  - **Procurement:** All sub-functions in procurement were rated below acceptable, and overall the function received a performance rating indicating Needs Improvement. The function, however, was rated by customers as very important, showing a strong need to improve the performance of the function. The operating model responses indicated that the problem was with all areas of the operating model, particularly continuous improvement, management structure as well as people and capability.
  - **HR:** Overall HR was rated as between very important and critical, while performance was rated on average as needs improvement. The largest gaps between importance and performance were for develop, manage, train employees and manage IR matters, while recruit, source, select, retain employees was rated above 'acceptable'. The operating model showed dissatisfaction with continuous improvement, management structure and technology/ data.
  - **WHS:** Overall Workplace Health and Safety received a customer rating of slightly below acceptable and between very importance and critical. When looking at the sub-services, only Injury Prevention was rated as needing improvement while all other functions were rated as acceptable. The management structure within WHS was also an area which required improvement. Given the complexities WHS faces in this sector and the severe under-resourcing, the outcome reflects a capable team.
  - **Asset Management:** Asset Management as a function was rated as very important, however its performance was rated closest to needs improvement. All sub functions received a rating below acceptable, resulting in one of the worst performing functions. The operating model indicates the problem is across all components, with the highest need for improvement for management structure, continuous improvement and strategy.

- **Admin:** Admin was rated as slightly below acceptable with a rating of important. Of all the SAFECOM functions, admin had the lowest gap between importance and performance. While all sub functions received a rating below acceptable, the key services requiring improvement were provide policy advice and service to the Minister's Office, community consultation and facilitation of sensitive issues and coordinate and update various policies and procedures. The operating model indicated that strategy, technology/ data and continuous improvement require some level of improvement.

- **Volunteer Support:** When contrasting importance against performance Volunteer Support was the lowest performing SAFECOM function. However this rating must be taken in the context of resourcing as this function has reduced by approximately 45% over the past few years. This has been the primary cause of the service issues as the capability of the staff was viewed favourably. The Importance of this function was rated as very important and Performance was rated as needs improvement. The sub-functions with the lowest rating and greatest gap between importance and performance were Create and Manage CFS and SES volunteer resources, Recruitment and retention of volunteers, and Develop and train volunteers (soft skills). The operating model components which rated the lowest were People & Capability, Management Structure and Continuous Improvement.

- **Emergency Management:** Emergency Management was rated by customers as very important and performance was rated as acceptable at the overall functional level. However when rating the sub functions of emergency management, customers rated these as needing improvement with one area, deliver logistics, rated as critically needing improvement. The operating model shows there is a need for improvement within Technology/ Data and Continuous Improvement.

- A customer service and continuous improvement culture is at the heart of a successful corporate services function, whether it is in the form of shared services, or embedded in business units. The importance of respect, communication and consultation cannot be understated and is one of the key ingredients for high performance.

- In order to build the right culture, organisations must establish the right governance and service management principles and tools. Tools such as SLAs are necessary to formalise and communicate the roles of responsibilities of two parties, however they are not the primary driver in achieving the right service management culture. They form part of a broader program which puts the needs of the customer at the forefront of the organisations mission and operations.

- Performance management must be a priority for any leading shared services function with clear and measurable KPIs derived from agreed SLAs. These KPIs should be cascaded to business units and individuals throughout a shared services function in order to embed a commitment to performance management and customer service. Staff must be incentivised to meet customer demands with their compensation linked to performance.

- The customers of a shared service must have the ability to influence the quality of the service they receive

- Operational units often hold the budget and operate on a fee for service basis which serves as a tool to drive service quality. Should there be issues in performance, a recourse is available to operational units to contest the service.

- The review supports this hypothesis and agrees that there are performance issues in the provision of corporate services delivered by SAFECOM driven by a number of factors, and the structures and governance in place is such that ESOs do not have sufficient influence to drive improved service quality.

- Key drivers of performance issues appear to be under resourcing of corpora rate services, a lack of clarity around service delivery and expectations and limited performance management to drive appropriate behaviours.

- However given the severe reduction in FTEs outlined in Hypothesis 1, the level of service provided by SAFECOM is commendable with many remarking that it is higher than would be anticipated given the resource constrained environment

Hypothesis 3: **Service quality** - Volunteers are receiving a reduced level of support from SAFECOM functions, creating a high risk of losing volunteers

- Reduction in support provided to volunteers was a key theme expressed in all discussions. The volunteers for the CFS and SES are the cornerstone for the entire service and it is their dedication and commitment which makes these organisations successful. A critical issue facing these volunteer organisations are the declining number of volunteers due to an ageing volunteer force and a difficulty to attract younger people to these roles.

- The volunteer support branch (VSB) within SAFECOM are responsible to provide policy, planning, administrative advice and support, leadership and management training, recruitment and retention, recognition and promotion of volunteers and their employers, and conflict management. However the VSB team asserts that the number of training courses delivered has stayed at constant levels and is consistent with the current SLAs in place. Notwithstanding this, training was consistently raised as an issue for volunteers. These contrasting views require further analysis to understand the root cause of the frustrations. This allows both parties to devise most suitable solution to bridge the gaps of understanding, expectation and service quality

- As with other functions, the VSB have experienced a significant reduction in FTEs rendering them unable to execute on their key responsibilities, in particular training, conflict management and administrative support. However it is important to note than the staff delivering volunteer support across the sector were viewed favourably by their customers. The performance concerns stemmed largely from a lack of resourcing.

- Volunteers expressed concern around this lack of support as it is making it increasingly difficult to recruit and retain volunteers as the administrative burden on these roles is too high. The CFS and SES have also seen a rise in conflicts out in the regions which, when not resolved quickly, has often resulted in individuals leaving the organisation.

- Due to the staffing constrains, none of the individuals within the VSB are allocated out to regions and all are based centrally within Adelaide. This was a cause of concern by the SES and CFS who felt that proximity to the regions was critical in order for the function to operate successfully.

- Volunteers maintain and manage bank accounts at a brigade/unit level out in regions and often do not receive sufficient finance support to undertake the administration aspect of these accounts in accordance with Treasurers Instructions. This Lack of finance support to volunteers resulting in control weaknesses for the sector as proper reconciliations are not always performed.

- Volunteers are in favour of the use of credit cards as it is by the far the most convenient form of payment and ensures the suppliers are paid on time. However the use of these cards is not always audited by SAFECOM or the Agencies leaving it prone to misuse.

- As mentioned above SAFECOM was also responsible for providing Records Management services to the sector, however successive budget cuts saw SAFECOM withdraw this services to agencies. This has resulted in a key risk to the sector as there is now limited support in ensuring robust records are maintained for the sector. Given the seriousness of the work undertaken and the recent examples of coronial inquiries, it is of critical importance that records are well maintained. According to our discussions this is not always the case and a key control risk to the sector.

- Many of the functions performed by the VSB appear to mirror the HR functions provided to paid staff. There is therefore an apparent disconnect between services provided to volunteers and services provided to paid staff. Given the critical importance of volunteers, this distinction does not appear to reflect the priorities of the sector.

Description	2008/09	2009/10	2010/11	2011/12	2012/13	% reduction
Volunteers	17,067	16,583	16,284	15,452	15,133	11%
Volunteers Support Branch FTE	11 FTE	11 FTE	10 FTE	6 FTE	6 FTE	45%
Ratio VSB FTE: Volunteers	1 : 1,552	1 : 1,508	1 : 1,628	1 : 2,575	1 : 2,522	

- The table above shows the number of volunteers across the sector over the last 5 years with the number of FTE in the Volunteer Services Branch.
- The table shows that after the reduction in FTE in 2011/12 the volunteer branch went from servicing 1,628 volunteers for every FTE to 2,575 volunteers to every FTE. A significant reduction in the number of FTE does not generally bring efficiencies unless systems and processes have been invested in prior to the reduction.
- EY has received an internal Memo that was circulated post the reduction of staff, highlighting the services that could be no longer delivered due to the lower number of FTE within the service.
- Over the 5 year period shown in the table above, there was an 11% reduction in the number of volunteers, yet a 45% reduction in the number of FTE servicing the volunteer workforce.
- Please note that other volunteer groups such as Volunteer Marine Rescue and Surf Life Saving SA have been excluded from the volunteer analysis. Whilst SAFECOM and the sector do provide certain services to these groups, they have been deemed out of scope as the focus of the review is on the three primary emergency services agencies. The inclusion of these volunteer groups would only further highlight the resourcing issue for volunteers across the sector.

VOC Survey

- According to the VOC survey and associated analysis in Hypothesis 3, the Volunteer Support function received the lowest performance rating whilst receiving one of the highest importance ratings. This is a clear indicator that the performance of the function is not meeting the needs of the customers and is driven largely through the resource reduction.

- The importance of the volunteers cannot be understated in this environment. An excellence in service quality is mandatory for an organisation's critically important stakeholders, of which volunteers are for the emergency services sector. Better practice would suggest that the stakeholders should be serviced through an appropriate resourced team with the right skills and expertise, who deliver the service at the right location. This may be a mix of centrally located who conduct policy and planning activities for the sector, and out-posted staff who deliver critical services to the front line as and when needed.
- Skills and services of a similar nature provided to different stakeholders should be grouped to drive consistency and quality. The functions provided by VSB appear to be of a similar nature to HR and may be best delivered and improved by combining the resources of both teams to deliver better quality services to both paid staff and volunteers.

- It is clear that volunteers have received a reduction in service from SAFECOM due to a myriad of factors, foremost of which is the reduction of FTE in the VSB.
- It is imperative that the services to volunteers must improve to forestall further losses in volunteer numbers
- There appears to be a distinction in groups servicing volunteers and paid staff. The services provided across VSB and HR appears similar in nature but is delivered by separate teams resulting in differing service levels/customer experience for similar services.

Hypothesis 4: **Cost effectiveness** - SAFECOM operates a high cost structure compared to other similar agencies and benchmarks, which could be redesigned to improve service delivery

‣ SAFECOM Chief Executive has nine direct reports who each hold a Manager position within the function. These nine managers plus the Chief Executive represents 16% of SAFECOM's FTEs including project staff.

‣ Most interviewees agreed that SAFECOM employs a heavy management structure which results in a higher cost function.

‣ Based on discussions with SAFECOM staff, the managers within the function are heavily involved in delivering the work required of the function as opposed to simply performing management activities.

‣ ESOs remarked that although SAFECOM may appear top heavy, strong reliance is placed on the skills and experiences of senior SAFECOM staff to deliver work. SAFECOM was seen more as a consultant to the sector by ESOs and therefore may warrant a higher cost structure than other corporate service counterparts in other government agencies.

‣ SAFECOM are currently analysing ways in which they can reduce their cost structure starting with the IT team.

Analytical evidence

‣ SAFECOM has been benchmarked in terms of cost against a series of government and cross industry benchmarks from APQC.

Function	Benchmarks 1	Govt	Top	Median	Bottom	SAFECOM
Finance	Personnel cost to perform the finance function per $1k exp	N	3.83	8.31	14.81	4.51
	Personnel cost to perform finance function per finance function FTE	Y	77k	74k	91k	111k
IT	Personnel cost for manage the business of IT per $1k exp	N	0.16	0.31	0.74	0.23
	Personnel cost for develop & maintain IT solutions per $1k exp	N	0.49	1.38	3.30	1.30
	Personnel cost for deploy IT solutions per $1k exp	N	0.32	0.94	1.87	0.66
	Personnel cost to deliver and support IT services per $1k exp	N	0.95	1.99	4.34	1.62
Procurement	Personnel cost for develop sourcing strategies per $1k exp	N	0.13	0.31	1.01	0.14
	Personnel cost for select suppliers and develop/maintain contracts per $1k exp	N	0.22	0.43	1.13	0.09
HR	Personnel cost to perform the HR function per business entity employee (FTE only)	Y	326.5	800.4	1,388.1	472.3

1 Benchmarks have been converted to Australian Dollars using the average exchange rate for FY14 up until 25 February 2014. This was sourced from the Reserve Bank of Australia. Annual budgeted expenditure has been used instead of revenue (which is the original APQC measure) as budgeted expenditure is used as a proxy for Government entities.

‣ While the personnel cost to perform the function is closer to the top performing benchmark, this is distorted as APQC includes services in their benchmark that are currently outsourced to SSSA (Finance and HR) and not performed by SAFECOM, meaning that the cost is likely to be closer to median. The same is true in reverse for the cost per FTE. This depicts a high cost function, however is again distorted as lower cost roles are performed at SSSA and so the average cost is increased. It is EY's view however, that SAFECOM is a high cost service when taking into account these distortions.

‣ With the exception of Procurement and HR, all benchmarks showed a cost no better than median, however the previous resourcing benchmarks indicated under-resourcing, i.e. resourcing lower than the top performing. Linking these

together SAFECOM is resourced with less than the top performing benchmark but is costing more than the median benchmark, indicating a high cost of service delivery.

Function	Average FTE Cost
Finance	$110,916
IT	$97,553
Procurement	$118,146
HR	$98,301
WHS	$92,897
Asset Management	$107,723
Admin	$106,960
Volunteer Support	$88,922
Emergency Management	$111,794
SAFECOM	$102,939

▸ The table above highlights function by function the average personnel cost made up of salaries and wages, superannuation and additional on-costs. This does not include Goods and Services and is calculated by sourcing the salary costs for each individual and combining it with the function which the employee has allocated time to as part of the work effort. For example if the Finance Manager allocated time to Procurement, their relevant FTE of effort and salary costs would be included in the Procurement function equal to the value allocated. The average personnel cost within SAFECOM is $103k. Procurement appears to be the highest average cost function suggesting that focus should be primarily strategic in nature given the seniority of resources. Anecdotal evidence does not fully support this view.

▸ Please note that Emergency Management includes specialist senior resources working beyond the emergency services sector both for the state and nationally. These specialist resources are a factor in the high cost for EM.

▸ Below is a table compiled based on our internal benchmarks from other SA Government reviews which compare SAFECOM to three other SA Government agencies, demonstrating a higher cost of the function than at the other three agencies. The costs below only include salary and on costs and do not include Goods and Services. They are calculated by totalling the salary costs of each employee and contractor in scope. This same methodology was applied to the other Government agencies.

▸ This is further supported by the Finance benchmark above which suggest the Bottom performing organisations have an average cost of $91k per Finance FTE, as compared to SAFECOM which has an average cost of $111k per Finance FTE.

Government Agency	CS FTE	Cost	Cost per FTE
Agency 1	269	$17.3m	$64k
Agency 2	278	$25.9m	$93k
Agency 3	187	$18.7m	$100k
SAFECOM	65.5	$6.7m	$103k

▸ The graph below shows the work effort collected within SAFECOM split between effort that is classified as 'ASO7 and above', and 'ASO6 and below'. The analysis highlights that 37% of effort falls within the category 'ASO7 and above' and 63% of FTE effort is within the 'ASO6 and below' category. This top heavy structure contributes to the high cost structure of the function.

▸ Based on the graph we can see there is a significant amount of activity undertaken by ASO7's and above, particularly in Finance, Procurement, Asset Management and Emergency Management. The classification of staff within SAFECOM is top heavy and contributing to the high cost of the service.

SAFECOM - Effort (FTE)
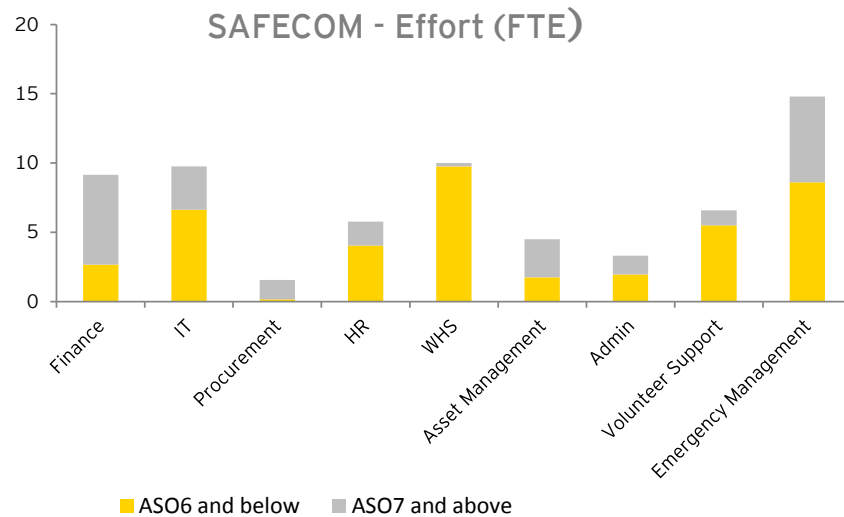
ASO6 and below   ASO7 and above

▸ Activities should be delivered by the least cost resource available that can perform the activity at an acceptable level.
▸ Better practice organisations optimise the balance of resources to ensure there is a sufficient numbers at junior levels performing the activity required.

▸ The review supports this hypothesis as it is clear to see that SAFECOM operates a high cost structure when comparing it to benchmarks and other SA Government averages. However the appropriateness of the cost structure must be taken into account with the role of the service as there may be instances where a higher cost structure is deemed reasonable. A clear understanding of the service expectations is therefore critical in determining the appropriateness of the cost structure.

Hypothesis 5: **Governance** - The governance structures in place for SAFECOM must be strengthened to improve service delivery

- The SAFECOM business unit reports up to the SAFECOM Board which is chaired by the SAFECOM Chief Executive and has representation from each Agency, the Volunteers Associations, the United Firefighters Union and Independent Members.

- Concerns have been expressed by all Agencies that SAFECOM Board should have an independent Chair and the role not be performed by the SAFECOM CE as it is a conflict of interest and difficult to objectively manage the performance of SAFECOM.

- Governance concerns have also been expressed around a lack of formal escalation processes in place for the business unit. This formal process would seek to define the steps required should issues arise at an operational level that need to go to management and then to the Board for resolving. This currently occurs in an ad hoc manner with many remarking that it is difficult to get resolution for issues due to a lack of formality.

- Another governance issue is the lack of formal change control processes which governs the services provided by SAFECOM. Over the years there have been a number of services that are no longer provided by SAFECOM (Insurance, Records Management, Strategic support) for a variety of reasons. ESOs remarked that there was a lack of due process, consultation and communication supporting this change of service scope, which is inherently a governance issue.

- However further information provided by SAFECOM highlighted that a robust consultation process was undertaken prior to any decisions around service reduction. These mixed views suggest that while a process was undertaken, agencies were dissatisfied to some extent with the method and outcome. Further work is required to understand the nature of the agencies dissatisfaction in order to improve and formalise the change control processes.

- SAFECOM are legislated to provide strategic support, emergency management, resource allocation, and corporate services to the sector. They currently perform emergency management and corporate services only due to a number of factors including resource constraints and governance. The performance of these two functions is not formally managed through KPIs or performance measures.

- The service delivery model employed by SAFECOM for it's in scope services came under question by the agencies. There were mixed views by agencies as to whether certain functions were best delivered by SAFECOM, within each ESO, or through a Lead agency model.

- It was argued by interviewees that some of SAFECOM's functions require close proximity to the agencies in order to be delivered effectively such as Volunteer Support and Emergency Management. Which are two non-traditional corporate services functions. Other individuals felt that functions such as Finance and HR should be devolved to agencies as the Chiefs of the ESOs are accountable for financial management and the health and wellbeing of their employees for the sector. It was felt that this accountability should come with a certain level of control around the resources needed to fulfil their obligations.

- It is clear from the anecdotal evidence that the governance in place is an issue and limits the effectiveness of corporate services delivery. The inconsistent views on where services should be delivered and who should deliver them require further analytical and better practice insights to arrive at the right solution.

Analytical evidence

- The Voice of the Customer survey asked respondents to rate seven operating model components for each in scope function. The graph below shows the average customer rating across the three components related to governance, structure and service delivery.

- The result show that these three components were on average rated below Acceptable (3 indicates acceptable) across all functions.

- Asset Management shows below trend performance across all components, particularly strategy and Strategy appears is also an issue within the IT function.

- There is a problem with the Management Structure component within Procurement, HR, WHS and Asset Management.

Average Customer Rating of Operating Model Components
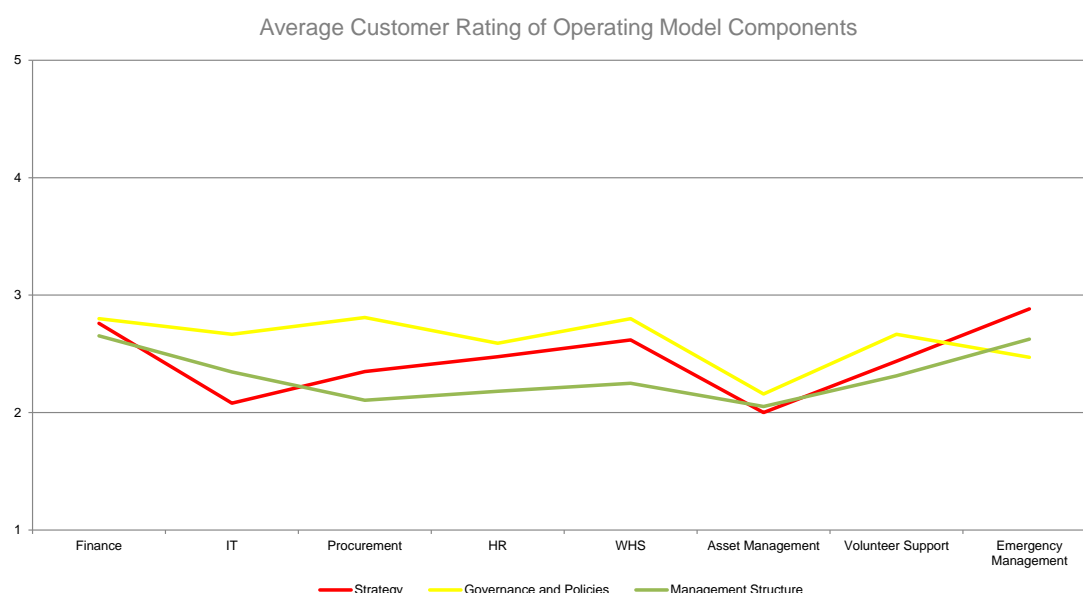
▸ The VOC survey included a question asking respondents to identify where the services for each function should be delivered from and is summarised in the table below.

▸ It shows views were divided, however there was a stronger preference for more services to be delivered within the ESOs.

▸ It should be noted that whilst we value gaining customer insights on the performance and delivery model of services, it is only one component used to evaluate the optimal model which we will ultimately recommend.

Preferred Delivery Owner	ESO	SAFECOM	SSSA	AGD	OTHER	DPTI[1]
Finance	51%	37%	5%	5%	3%	
IT	24%	68%	0%	4%	4%	
Procurement	44%	40%	2%	6%	8%	
HR	52%	40%	3%	0%	5%	
WHS	46%	53%	0%	1%	0%	
Asset Management	62%	36%	0%	0%	1%	N/A
Admin	52%	43%	0%	0%	4%	
Volunteer Support	78%	22%	0%	0%	0%	
Emergency Management	35%	48%	0%	13%	4%	
External Shared Services	24%	1%	5%	42%	7%	21%

1 - DPTI was provided as an option for the External Shared Services category only, it is not applicable for all other functions

Control findings

▸ There are a number of deficiencies and weaknesses highlighted by the Auditor General in the FY13 SA Fire and Emergency Services Commission Annual Report. These included; deficiencies in record keeping and absence of key supporting documentation, recommendations for Non-current assets, business continuity planning, financial authorisations, creditor account payment performance, FMCP's and weaknesses at SSSA.

▸ The structure in place for a corporate services function should promote strong governance and allow the performance function to be objectively and consistently assessed.

▸ The diagram below highlights how a better practice governance framework for shared corporate services.

Strategic Management

Strategic Management should:
▸ Provide strategic direction, sponsorship and leadership
▸ Dictate requirements, strategies and timeframes
▸ Promotes effective partnership with the agencies
▸ Drive solutions and innovation

Customer relationship management

Relationship management includes:
▸ Customer satisfaction
▸ Ongoing management, monitoring and reporting of customer relationships
▸ Utilises KPIs and SLAs

Operational management

Operational management includes:
▸ Day-to-day operational management
▸ Monitoring and reporting of performance
▸ Driving performance improvement
▸ Operation and issue resolution
▸ Financial management
▸ Continuous improvement

▸ Services should be delivered from the right location based on the nature of the work, the skills and resources required, the proximity to the business, and the opportunity for economies of scale.

▸ The diagram below highlights a better practice service delivery model framework for corporate services.

Service Delivery	Definition
Shared Services Centre (central unit)	Provides transaction processing in an effective and efficient manner. Services are provided under a service partnering arrangement e.g. Accounts payable, payroll
Centre of Excellence (central unit)	Provides guidance and frameworks to business partners and performing overall decision support and analysis e.g. Overall marketing framework, IR specialists, website mgt
Corporate (central unit)	Designs and monitors an effective governance structure and common guidelines, providing expert advice e.g. Risk frameworks, HR/finance standards, policy
Business Partners (service partner)	Business decision support activities, strategic advice, oversight of policy compliance and analysing business results. Business Partners are co-located in the business e.g. financial advice, decision support
Functional areas/ Departments (service user)	The users of support services and thus have responsibility in the process of service delivery. This responsibility is usually limited as accountability is often held by a central unit or service partner

- The review supports the hypothesis that the governance structures in place are not adequate to meet the needs of the sector and must be refreshed to allow a robust approach to performance management.
- Control issues highlighted in the sector are also a governance concern and must be addressed immediately as part of any change to the governance model.
- It is clear there are divergent views on where functions should be delivered. Later in this report we investigate the optimal service delivery model and provide recommendations to better align the model to leading practice.

Hypothesis 6: **Services are not being delivered in the right location** - A lead agency model or devolving of all services back to ESOs, will improve performance

- Given the issues in performance by SAFECOM and the severe reduction in FTEs experienced by the sector, the three ESO chiefs have developed a proposal which outlines a lead agency model for certain functions and for other functions to be devolved from SAFECOM back to Agencies. This model was advocated in the context of preserving what services remained and that further savings are still required across the forward estimates. The proposal stipulates the following:
    - CFS to be the lead agency for volunteer management, injury management, CrimeTrack services, and Community Emergency Information Warning Systems (CEIWS)
    - SES to be the lead agency for Emergency Management
    - MFS to continue to be the lead agency for call receipt and dispatch and Information Management Services (IMS)
    - All other functions including Finance, HR, Procurement, Asset Management etc. are to be devolved to the local Agencies
- As part of the engagement a workshop was held which considered various model options available to the sector in the structure and delivery of corporate services. These model options included retaining the current model, moving to a lead agency, devolving all of SAFECOM's functions or sharing more functions across the sector. The workshop highlighted the fact that any one of these options in their pure form would not deliver the efficiency and effectiveness benefits demanded by the sector. It was surmised that it would take a more robust approach of analysing individual functions guided by better practice principles and contextual understanding to agree the most appropriate service delivery model.
- There were mixed views from the agencies on the effectiveness and appropriateness of the lead agency model. Concerns were raised by CFS and SES staff and volunteers around the MFS call receipt and dispatch process and whether the service is fair and equitable and therefore didn't support a positive view of a lead agency model. Whilst certain Agencies were clear in their view that a devolved model with some lead agencies as noted above was the only way forward, others maintained that SAFECOM may have some use in functions such as IMS or policy for Finance and HR.
- Volunteers in particular were of the view that a lead agency model would not work as the cultural differences between the ESOs were too great and that the Agency leading their respective functions would prioritise their own interests above that of the sector. The independence provided by SAFECOM underpinned Recommendation 29 in the CFS Volunteers Association document titled 'Building the CFS – 2014 and beyond' which stated that SAFECOM should take up responsibility of the Call Receipt and Dispatch function as they are non-agency specific.
- Providers of the corporate services functions did not view the lead agency model favourably and insisted that it would not work due to the culture differences and lack of collaboration between the ESOs. It was also felt that while the leadership and management teams at the ESOs were strong operationally, they would struggle with having to performance manage and develop corporate services staff, and that this would distract them from their operational concerns.
- A number of stakeholders consulted suggested that the root cause of the service quality issues for SAFECOM is the lack of staffing. There was a strong view that devolving SAFECOM functions would cause a higher cost function as any efficiencies gained in bringing together functions would be lost.
- The view of the ESOs in support of the lead agency model suggested that the model would be cost neutral or save the sector money which could be re-invested into more people as the management layer in SAFECOM could be removed as the junior staff would be incorporate under the ESO's current management structures. This hypothesis was refuted by SAFECOM who insisted that their managers are undertaking key activities as well as managing the function and therefore could not be so easily removed.
- A key benefit of a more devolved model is stronger alignment between operational and support staff which can enable improved outcomes through better communication and a better understanding of the operational imperatives. Whilst this benefit can be somewhat derived through a co-located model, it is something that must be considered when weighing the options available.

- Anecdotal evidence suggested Managers in SAFECOM are spending time on activity rather than purely a managing role. This evidence was tested through high level analysis of the work effort data collected and supported the sentiment that Management within SAFECOM spend a significant amount of time undertaking activity. A number of managers had allocated time to performing activities and not simply to management of the function.

- The right model has the right services in the right location delivered by people with the right skills. Better practice in this field considers each service against a set of criteria in order to analyse its appropriate delivery location. The outcomes of this analysis can be different between organisations and are often a blend of organisational challenges and industry factors which guide the assessment.

- An effective corporate services model balances efficiency and effectiveness through a 'best of breed' model. These models determine the service location based on a combination of factors including the ability to leverage scale, governance model, and the strategic importance of service delivery. In general, 'commodity based and expertise' activities are centralised for economies of skill and scale, whilst others such as Finance business partnering and strategic HR are often delivered closer to the business via a business partnering arrangement. No one model is the right model.

- Better practice suggests that devolving functions will result in a higher overall cost as the scale gained by grouping services together is lost. The cost and time taken to manage professional staff is also a cost challenge for operational units and is often not fully appreciated.

- Having to manage corporate and administrative staff also takes the focus of operational managers away from operations

- The devolving of functions will likely decrease the strength of the control environment as professional staff are more incentivised to adopt the recommendations of their operational managers even if it is against their better judgement. There is also reduced ability to embed controls such as segregation of duties or multiple approvers for transactions due to limited staff availability.

- Organisations will also have less ability to cover unexpected or long term absences as there is not sufficient staffing available.

- There is also less ability to share insights and improved processes across the sector resulting in variability in service quality depending on the individuals employed by each agency.

- The following diagram highlights the benefits of sharing corporate services as opposed to purely centralised or decentralised models.
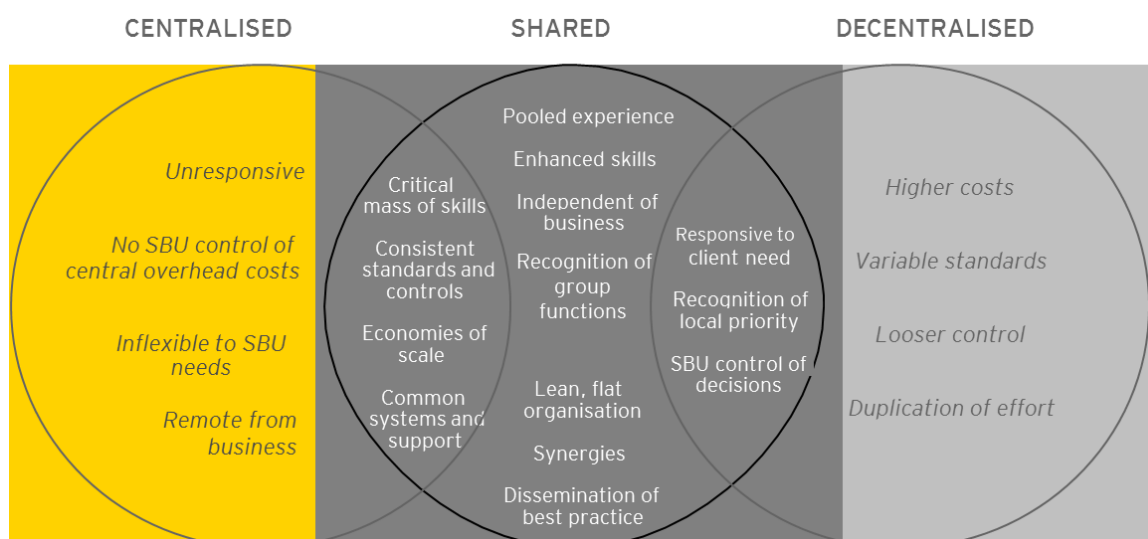
- We agree that issues exist with the delivery of current services. However, we do not support the hypothesis that devolving core corporate and shared services functions would result in an optimal outcome. Based upon a range of experiences we believe that the mechanisms (and resources) are not in place to drive appropriate levels of service and support to ESOs.

- We also believe that the solution to improving core corporate services support and operational support services should be addressed separately or in a phased approach. This will ensure that core corporate support services are addressed initially with appropriate performance management mechanisms in place. Once these are established the consideration to share more complex and operationally important services may be addressed.

Hypothesis 7: **Sharing of enabling functions** - There are opportunities to share certain functions between ESOs

- The Holloway review indicated three functions where there may be opportunities to share or centralise delivery across the three agencies. These functions are delivered internally by each Agency and are:
  - Assets and Logistics
  - Training
  - Community Education
- Mixed views were provided by Agency staff as to the ability for these functions to be shared in some way across the sector. Most agreed that while opportunities may and should exist, the cultural differences, particularly between the MFS and the volunteer agencies were too great for any real cooperation to be successful.
- It was also noted that staff who undertake these functions are often re-purposed for critical operational roles during peak periods. The ability for ESOs to re-purpose these staff is a critical and must also be considered under a more optimised or shared delivery model. The current importance of these staff to peak operational activities is another key reason that ESOs have been so far reluctant to partake in increased sharing across the sector.

Assets and Logistics

- Many interviewees did not see the potential of sharing their assets and logistics resources with other agencies given their different requirements and priorities and the perceived lack of resources in their own agencies. However the similarity in roles and activities to the SAFECOM asset management function suggests that opportunities do exist to reform, restructure and better share this service across the sector.

Training

- Interviewees agreed that there are core training courses that each of the operational staff and volunteers must undertake across the three agencies with little to no difference between these core courses. It was believed that aspects of these courses, whether it be curriculum development or training delivery could be shared across the sector. Examples of these courses are:
  - Road Crash Rescue
  - Breathing Apparatus
  - AIMS (Australasian Information Management System) for injury management and prevention
  - HAZMAT
- Many agreed that training was a strong candidate for improved sharing of resources and can be an area which delivers real savings for re-investment

Community Education

- The interviews and workshops highlighted that SES are significantly under resourced in this area. The table below from the Holloway review highlights that SES have approximately 1 FTE in Community Education while MFS and CFS have around 22 FTE. The latter two organisations are much larger, however the SES still have a requirement to deliver community education across the state across a number of areas such as floods, storms, and extreme heat.
- There were again mixed views from the interviews and workshops with many suggesting that the education requirements are very different between the agencies and therefore there is little benefit in sharing. Some remarked that the peak operational periods are different between the SES and CFS with CFS having a clear peak during the summer months, while SES can have operational peaks throughout the year. This therefore engendered the suggestion that in lower peak periods the community education resources at CFS could be shared with SES in either a lead agency or lending basis. This was refuted by CFS as their non-peak operational periods are the peak periods for their community education resources and it was felt by CFS that their resources were not sufficient to meet their own demands.

▸ Below is Table 3 from the Holloway review, which provides an overview of FTE across functions that were identified as having the potential to share across the sector.

Functions[6]	Sub functions	MFS	CFS	SES
Assets/ Logistics	Management/ Admin/ Other	5	2	3
	Fleet management	1	4	-
	Engineering	5	-	-
	Building	2	1	-
	Telecom	1	1.8	1
	Fire Alarms	1	2	-
	Sub Total Assets/ Logistics	**15**	**10.8**	**4**
Training	Management/Admin	5	5	2
	Ops Training	12	6	2
	Specialist Training	3	4	1
	Staff & Curriculum Development	3	5	1
	Sub Total Training	**23**	**20**	**6**
Community Education	Management/ Admin	2	5	-
	Community Education Officer	4	7.8	1
	Dev Assessment	16	5	-
	Other (Project/ policy/ website)	-	5	-
	Sub Total Community Education	**22**	**22.8**	**1**

▸ The survey asked respondents the ability to share ESO Services, the responses are summarised in the table below.

▸ Respondents indicated that predominately there is some ability to share each of the three sub-services within the ESO's

▸ However in the comments section of the survey almost all respondents indicated that sharing of these resources may be highly problematic and result in lower levels of service due to cultural issues.

ESO Individual Services	No ability to share	Some ability to share	Can be shared
Assets and logistics	25%	55%	20%
Training	5%	75%	20%
Community Education	20%	55%	25%

▸ These services were among the highest rated in terms of performance in the Voice of the Customer survey, with each having a rating higher than Acceptable. The overall average rating of performance of the functions within the survey was 3.07. Asset and Logistics, Training and Community Education each received a performance rating above this average.

---

[6] Review of the Fire and Emergency Services Act 2005, Hon Paul Holloway, August 2013

Average Voice of the Customer Ratings
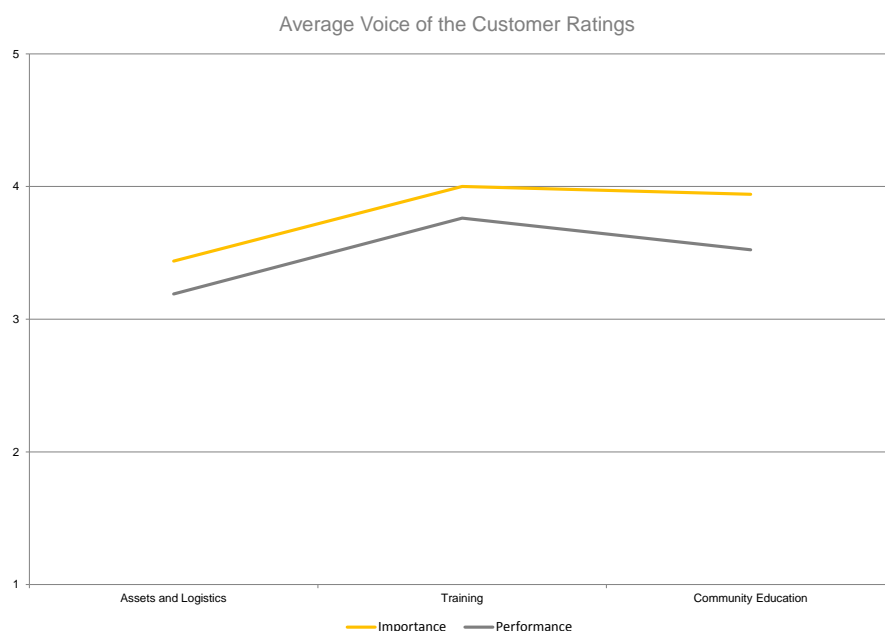
Legend: Importance — Performance

- Leading practice organisations are more and more considering a shared services delivery model for operational activities.
- Shared Services as a strategic initiative is increasingly more common, and more encompassing models are evolving quickly.

- The three areas of assets and logistics, training and community education are not big problem areas for the sector with high levels of performance relative to importance. However real and tangible opportunities exist in sharing these services across the sector and these opportunities should be investigated as a matter of urgency. These opportunities may well yield savings which can be re-invested in under-funded areas across both corporate and operational services.
- Areas such as asset construction, engineering, fleet management and curriculum development all also appear to be candidates for collaboration across the sector.
- As proximity to the business is critical to these components, it is believed that these functions should remain embedded within the agencies for the time being with their ultimate location informed by the detailed analysis.

Hypothesis 8: **External shared services** delivered by AGD, DPTI and ESO are working reasonably well and require limited improvement

- The sector receives certain corporate and enabling functions from external organisations. There is also a function which is provided by one of the agencies on a lead agency basis to the sector. These functions were in scope of the review and are:
  - Government Radio Network (GRN) – provided by Attorney Generals Department
  - South Australian Computer Aided Dispatch (SACAD) – provided by Attorney Generals Department
  - Call Receipt and Dispatch services (CRD) – provided on a lead agency basis by MFS
  - Accommodation and Major Projects – provided by DPTI
- There were reasonably consistent views expressed throughout the meetings and interviews that the GRN and SACAD services were working quite well and no immediate concerns or improvement opportunities exists.
- DPTI, whilst expensive due to their 12% surcharge on projects, provide a reasonably good quality service according to most stakeholders consulted.
- Issues were raised regarding the CRD function, particularly by the volunteer agencies who suggested that the lead agency model did not work for this function are there were instances when the preferences of the individual agency administering the function was prioritised over the other two agencies. As mentioned above, recommendation 29 in the CFS Volunteers Association document titled 'Building the CFS – 2014 and beyond' stated that SAFECOM should take up responsibility of the Call Receipt and Dispatch function as they are non-agency specific.
- Whilst these concerns were raised by some, most parties suggested that the CRD function should remain within MFS. This is further supported in the analytical evidence below.

Analytical evidence

- Customers rated the importance and performance of the sub-functions within the External Shared Services function, the average responses are depicted in the graph below.
- Performance on average was rated above a 3 where this is classified as 'Acceptable' in terms of Performance.

External Shared Services - Average Voice of the Customer Ratings
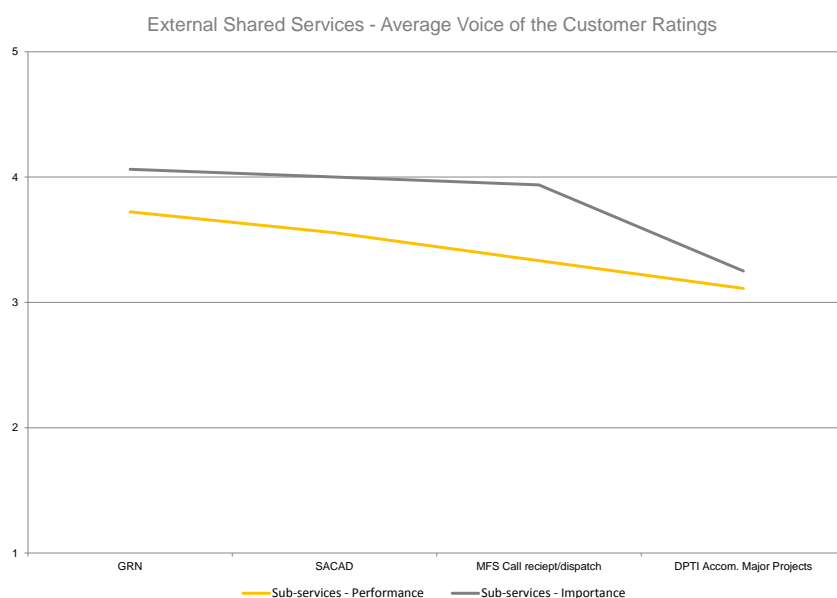
- The survey asked customers to provide a response as to where each of the External Services should be provided from, these responses are summarised in the table below.
- Responses primarily indicate maintenance of the status quo.
- Again it is important to note that although our analysis does place importance on the views of customers and providers, these views are only a component of the final outcome which also analyses better practice, our experience and the preferred models of similar organisations.

External Shared Services	AGD	Other	ESO	DPTI	SSSA	SAFECOM
GRN	81%	10%	5%	-	5%	-
SACAD	62%	10%	24%	-	5%	-
MFS Call receipt and dispatch	24%	10%	57%	-	5%	5%
DPTI Accommodation and Major Projects	-	-	10%	86%	5%	-

Better practice evidence

▸ Organisations should focus on addressing the key risk or problem areas in order to target improvements in the places which are needed the most. Once this has been achieved, other less problem areas should be targeted in line with a continuous improvement mandate.

EY conclusion

▸ This review supports the hypothesis in line with better practice as areas of lower concern should be sidelined until the areas of critical concern are adequately addressed.

▸ Surveys and feedback indicate that these functions are performing reasonably well and therefore there is insufficient evidence to suggest a change will drive improved performance.

3.   Designing the future state

As part of the engagement a workshop was held which considered various model options available to the sector in the structure and delivery of corporate services. These model options included retaining the current model, moving to a lead agency, devolving all of SAFECOM's functions or sharing more functions across the sector. The workshop highlighted the fact that any one of these options in their pure form would not deliver the efficiency and effectiveness benefits demanded by the sector. It was surmised that it would take a more robust approach of analysing individual functions guided by better practice principles and contextual understanding to agree the most appropriate service delivery model.

3.1   Design principles

To inform our proposed recommendations we have outlined a core set of design principles to provide an objective, consistent and transparent basis for evaluating design options and selecting the preferred organisational structure. The key design principles influencing the design are summarised below:

- **Strategic alignment**: Ensure the structure is aligned with the overall emergency sectors strategic objectives and proposed future changes to the sector

- **Consistency and harmonisation:** Ensure the structure drives consistency in service delivery across the organisation

- **Flexibility and communication:** This principle considers how good practices will be shared and adapted across the sector and supports the development of a performance driven culture. Flexibility also allows the structure to support operational peaks as is common in the sector

- **Efficiency and economies of scale:** Organise for improved efficiency and eliminate duplication of effort, while maintaining appropriate balance between customer focus and process efficiency

- **Governance:** Simplify management structures which promotes a strong control environment and reporting lines to ensure spans of control reflect the complexity of work

- **Improved capability:** Structure drives improved capability throughout the organisation to achieve better outcomes

- **Environmental context:** The structure needs to be financially prudent in the current cost constrained environment of SA Government

- **Practical and workable:** A structure that makes sense to the sector and considers specific nuances and characteristics around which services require close proximity to the agencies

These design principles were used to determine the optimal service delivery model by informing where services and functions should be delivered from.

3.2   Proposed future state delivery model

The proposed future state delivery model is detailed below in a table which highlights the proposed primary deliverer for each in scope function:

Function	SAFECOM	Local Agency	SSSA	Lead Agency	External Provider
Finance	✓		✓		
Procurement	✓				✓
Asset Management	✓				
Human Resources / Volunteer Support	✓				
Workplace Health & Safety	✓				
Information Management Services	✓				
Executive Administration	✓	✓			
Emergency Management	✓	←――――――――――→			
Training		✓			
Community Education		✓			
Assets and Logistics		✓			
Government Radio Network					✓
SA Computer Aided Dispatch System					✓
MFS call receipt and dispatch				✓	
Major projects					✓

Provided below is a more detailed breakdown of what functions are delivered within each group across the sector as part of our wave 1 recommendations outlined later in the report. A better practice service delivery model framework was used to inform the allocation of activities to locations. This is outlined below:

Service Delivery	Definition
Shared Services Centre (central unit)	Provides transaction processing in an effective and efficient manner. Services are provided under a service partnering arrangement e.g. Accounts payable, payroll
Centre of Excellence (central unit)	Provides guidance and frameworks to business partners and performing overall decision support and analysis e.g. Overall marketing framework, IR specialists, website mgt
Corporate (central unit)	Designs and monitors an effective governance structure and common guidelines, providing expert advice e.g. Risk frameworks, HR/finance standards, policy
Business Partners (service partner)	Business decision support activities, strategic advice, oversight of policy compliance and analysing business results. Business Partners are co-located in the business e.g. financial advice, decision support
Functional areas/ Departments (service user)	The users of support services and thus have responsibility in the process of service delivery. This responsibility is usually limited as accountability is often held by a central unit or service partner

The detailed breakdown provided below is a change from the current model with more services to be delivered through a business partner approach where FTEs are allocated to agencies and co-located wherever possible. This drives improved business understanding and allows the corporate resource to take instructions and deliver a more tailored service to the agencies. Both the group centre and business partner roles are provided by SAFECOM operating an integrated model. The focus of process improvement programs should be to remove administrative burden from local agencies.

Group Centre SAFECOM	Business partner SAFECOM	Local Agency	Lead Agency	External Organisation (SSSA / AGD)
Finance				
‣ Strategy, Policy and planning ‣ Preparation of budgets and reports ‣ Emergency Levy ‣ Management of function ‣ General, fixed asset and project accounting ‣ Tax ‣ Manage SSSA ‣ Manage controls ‣ Process payments	‣ Decision support ‣ Budgeting and cost analysis ‣ Budget preparation ‣ Financial advice ‣ Financial forecasting	‣ Manage credit card transactions ‣ Assist with volunteer bank statements setup and reconciliation ‣ Credit card audits		‣ Process accounts payable ‣ Process accounts receivable
Procurement				
‣ Policy and planning ‣ Tender preparation and support ‣ Developing sourcing strategies ‣ Management of the function ‣ Manage controls	‣ Procurement advice ‣ Spending analysis ‣ Embedding sourcing strategies	‣ Purchasing ‣ Contract management ‣ Provide input on requirements		‣ Accounts payable

	Group Centre SAFECOM	Business partner SAFECOM	Local Agency	Lead Agency	External Organisation (SSSA / AGD)
Asset Management					
	‣ Asset strategy ‣ Manage sector asset plan and program ‣ Establish asset databases	‣ Dispose of assets ‣ Manage asset construction ‣ Facilities management	‣ Provide input on requirements ‣ Records and maintain databases ‣ Facilities management		
Human Resources / Volunteer Support					
	‣ Strategy, planning, policy and process ‣ Performance management process ‣ Recruitment plan and process for sector ‣ Workforce strategy ‣ Managing employee data ‣ Training curriculum development ‣ Redeploy and retire staff ‣ Reward and retain (plans/process) ‣ Reporting	‣ HR and volunteer advice ‣ Facilitating recruitment activities and events ‣ Training delivery ‣ IR support and advice ‣ Classification review and assessment ‣ Redeploy and retire staff ‣ Reward and retain (delivery)	‣ Training delivery ‣ Performance management of staff		‣ SSSA payroll support
Workplace Health & Safety					
	‣ WHS advice ‣ Policy and program development ‣ Data and reports ‣ Claims management	‣ Assist with compliance activities ‣ Workplace/site inspections ‣ Deliver wellbeing & intervention programs ‣ Deliver Employee Assistance Program (EAP) ‣ Undertake critical incident debriefing	‣ Completion of incident / accident reports ‣ WHS audits		
Information Management Services					
	‣ IT strategy, policy and procedures ‣ Helpdesk support ‣ DRP and BCP ‣ Manage and secure data ‣ Develop and maintain IT solutions (incl. infrastructure and applications)	‣ IT training			

Group Centre SAFECOM	Business partner SAFECOM	Local Agency	Lead Agency	External Organisation (SSSA / AGD)
Executive Administration				
‣ Policies and procedures ‣ Executive support ‣ Policy advice ‣ Reports ‣ FOI and audit		‣ Local policies and procedures ‣ Local executive support		
Emergency Management				
‣ Policy and framework ‣ Ministerial and cabinet briefings ‣ Administer programs ‣ Chair committees ‣ Logistical support				
Training				
		‣ Remains unchanged for each agency under wave 1		
Community Education				
		‣ Remains unchanged for each agency under wave 1		
Assets and Logistics				
		‣ Remains unchanged for each agency under wave 1		
Government Radio Network				
				‣ Provided by AGD
SA Computer Aided Dispatch System				
				‣ Provided by AGD
Call receipt and dispatch				
			MFS to continue to provide as a lead agency	
Major projects				
‣ Project management support				‣ Provided by DPTI for higher value construction projects

Attributes	Proposed benefits & alignment to design principles

• The following functions which currently sit within SAFECOM are to remain and should employ a mix of centralised and out-posted staff to deliver their services across the sector:
   • Finance
   • Procurement
   • Asset Management
   • HR
   • Volunteer Support
   • Work Health and Safety
   • Information management System
   • Executive and Board Services
 	
• These models work best when business partnering is prioritised, therefore further FTE should be co-located where possible out in agencies in order to develop a deeper sector understanding and improve the quality of service delivery.
	• This structure is best aligned with the design principles above as it:
	   • Promotes consistency across the sector
	   • Achieves benefits from scale as each agency requires similar services
	   • Promotes business proximity for certain functions which can be achieved through out-posting of staff
	   • Allows flexibility as staff can be moved across the sector to meet peak demands
	   • Allows improved access to specialists for the sector.
	   • Improved opportunities for staff development within the corporate services functions.
	   • More specialised/dedicated roles leads to improved service if the right governance and performance measures are in place.
	   • Better governance model for driving process change and ensuring adherence to standard work practices.
	
	• It is also a financially prudent structure as devolving of the function would likely increase the cost of delivery and allows for an improved governance and control environment as it allows more segregation of duties and back for staff when on unexpected or planned leave.
	
	• This structure is also best aligned to Recommendation One of the Holloway review, should that be endorsed. In an environment where there is one Chief Officer across the three fire and emergency service agencies, it stands to reason that there would be one Executive Director of Corporate Services reporting through to this chief and providing corporate services via an integrated model to all agencies. It is unlikely the proposed chief will allow each agency to operate separate finance, HR and IT functions which may result in disparate systems and variability in reporting and outcomes.
	
	• Leading practice organisations in both government and private sectors operate an integrated or shared services model for these traditional corporate service functions, especially when the environmental context is one of cost containment and high control.

• Volunteer Support should be combined with HR given the nature of the services delivered. There should be no distinction made between the services delivered to a paid staff member vs. a volunteer as the current structure promotes a separation between these two parties. • This combined function must employ an out-posted staff mix and have volunteer support staff located at regions. These out-posted members are to be guided and instructed by the Agencies to provide the best support to the volunteers. This is critical as there is currently under representation of volunteer support staff in regions.	• Volunteers will benefit from the professionalism and skill of a combined HR and VSB resource pool and will be able to access a greater level of support. • VSB can leverage the insights and practices HR employ across recruitment, training and retention. • A greater scale can be achieved allowing a portion of FTEs to co-locate to regions in order to better support the volunteer agencies.

Attributes	Proposed benefits & alignment to design principles

‣ Opportunities exist to review the method and service organisation responsible to deliver Emergency Management (EM) for the State. This function consumes a reasonable amount of time for the CE of SAFECOM which could otherwise be utilised in building the performance and quality of SAFECOM's corporate services. There are a number of options available for the provision of EM including the function being delivered by:
 	
  ‣ Department of Premier and Cabinet. This is in line with other States
 	
  ‣ SES on a lead agency basis. There appear to be some synergies with SES's current role in EM particularly for the logistical support function. This may not be as suitable from a policy viewpoint
 	
  ‣ SA Police
 	
‣ Detailed analysis has not been conducted as part of this review and a wider stakeholder group must be engaged prior to a recommendation.
	‣ There are different benefits and drawbacks depending on which option is agreed for the delivery of EM. Should SES deliver the function as a lead agency, this would provide much needed critical mass for SES to re-purpose staff during peak operational periods. However this re-purposing should not be performed at the cost of emergency management tasks for the state.
	
	‣ The benefit of moving this function out of the remit of SAFECOM is that it allows the CE of SAFECOM to devote more time to managing the performance of the unit and away from EM duties. Simply removing EM duties from the role of the CE may also yield this benefit.

‣ Assets and Logistics, Training, and Community Education are to remain embedded within each agency for the time being as these were not flagged as critical issue areas. However opportunities do exist to amalgamate Assets and Logistics with the SAFECOM's Asset Management team, however significant improvement to that service is first required before this amalgamation should be considered. ‣ The operational importance and need for close business proximity for both Training and Community Education means that a component of these functions should always remain embedded within the agencies but opportunities do exist for them to be delivered via an integrated model. A partnership/cooperation agreement or lead agency arrangement could and should be trialled for these functions. Due to the critical under-funding experienced in the sector a review of these areas is critical if it has the potential to free up resources which can then be re-invested. However further work is required therefore no current service delivery model changes are recommended as part of this report.	‣ Opportunities do exist to bring together these functions and take advantage of standardisation, consistency and role specialisation. The critical under-funding of the sector means that these opportunities should be investigated as a matter of urgency
‣ External Shared services were not flagged as a key issue area therefore the recommendation is for the current service delivery model to be maintained.	‣ This allows the sector to best manage change and focus their already sparse resources on high issues areas.

Based on our understanding of corporate services for the fire and emergency services sector, we have assessed the current state as 'developing'. Whilst performance in certain functions are seen as acceptable, key issues across governance, structure, people, process and performance management means that there is a lot more to be done. It is believed that with a refreshed service delivery model and the implementation of the recommendations listed below, the corporate services of the sector can move to an 'advanced' state within 18 months.

Maturity Profile – SAFECOM

Advanced
- ► Customer focus with a commitment to service quality
- ► SLAs with clear communication of requirements
- ► Performance metrics cascaded from business units to staff
- ► Continuous improvement program for all processes
- ► Properly resourced with well trained leaders
- ► Innovative use of technology to provide services

Value Add

Leading

Advanced

Current State

Established

Potential Target State

Under - developed

Basic

Under-developed
- ► Limited use of KPI's
- ► Limited use of SLAs resulting in unclear roles and responsibilities
- ► Under-resourcing of key functions
- ► informal processes to manage changes in service

Business Alignment

4. Recommendations

4.1 Recommendation 1 - Right size corporate services and streamline management

The critical under resourcing of SAFECOM must be addressed with further investment in resourcing to deliver a step change in performance. It is our view that without additional resources SAFECOM can only achieve marginal improvements through the implementation of recommendations 2-6 below.

Recommendation 1.1 – Right size corporate services to deliver on the service need

Explanation

We recommended that SAFECOM invests further resources into corporate services. This recommendation requires SAFECOM to undertake a detailed analysis of the service need on a functional basis. Once the service expectations are clearly defined, an analysis should be performed on the resources required to deliver according to the expectations. This will allow SAFECOM to more accurately assess the size and FTE profile of each function.

SAFECOM must match their resource profile to the needs, wants and expectations of the customers. The first step in this is actually defining and formalising what customers want and agreeing on what acceptable service looks like. Once service expectations are agreed, SAFECOM is then able to analyse its level of resourcing and highlight areas which require further investment.

Please see the table later in this section which outlines the cost impacts of increasing resources.

Rationale

SAFECOM was found to be significantly under-resourced for corporate services when comparing it to other SA government organisation or benchmarks. This under-resourcing is the cornerstone hypothesis of this review and is the key issue driving unsatisfactory performance of corporate services across the sector.

Actions to implement

- Conduct a detailed assessment of service need on a functional basis. Based on this assessment formulate a FTE profile which would be required to deliver on the service need.

- Conduct a gap analysis between desired FTE profile and current FTE profile.

- Draft a business case which details the additional resources required and the return on investment.

- Once funding for additional resources is secured, embark on a recruitment and training campaign to address the gaps.

What benefits it provides

- Allows SAFECOM to deliver on core corporate services by having the right level of resources matched to the service expectations of the organisation.

- Addresses the cornerstone hypothesis that the sector is under-resourced to deliver corporate service.

- Improves the performance of the SAFECOM business unit

- Reduces the administrative burden on agencies as they are better supported for corporate services

Recommendation 1.2 - Streamline management to improve cost effectiveness

Explanation

We recommend SAFECOM increases its management spans of control and delayering of management to improve cost effectiveness. Our analysis indicated a high number of management roles within the structure. SAFECOM should look to delayer management roles in order to reduce the cost / FTE ratio.

If SAFECOM could reduce their average cost / FTE by $10k from $103k to $93k through this process, it would result in a saving of approximately $650k (circa 7 FTE) which could offset the costs of recommendation 1.1

The diagram below illustrates the process SAFECOM must look to undertake in order to reduce their cost / FTE.

Reviewing activities within roles and pushing work down the organisation to lower grades.
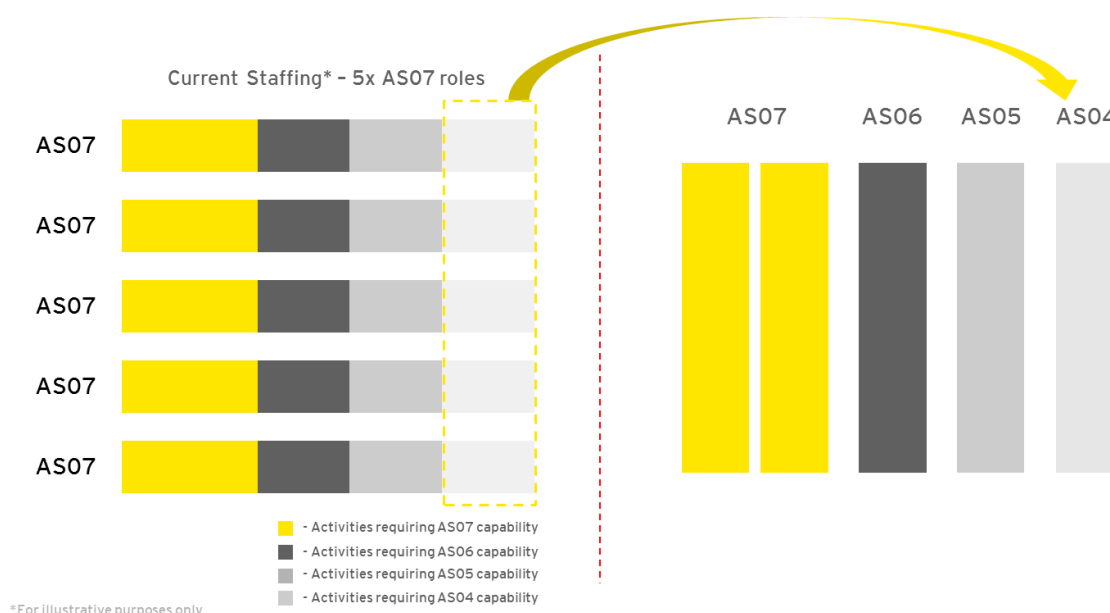
We believe SAFECOM can reduce their average cost / FTE to $93k. The premium to APQC benchmarks recognises that the SAFECOM function does not deliver payroll, accounts payable and payroll services. If viewed in isolation to recommendation 1.1 above, this would result in a saving of approximately $650k which would equate to an additional 7 FTE.

Savings resulting in the delayering of management could be re-invested into more junior staff positions in functions struggling for critical mass to deliver services. From our discussions and analysis these areas are volunteer support, HR, WHS, Asset Management and Procurement. Other areas which are not currently under the remit of SAFECOM but are strong candidates to receive further support include records management, insurance and media. Savings may also be used to improve critical risk management functions such as internal audit which have languished without sufficient support.

Rationale

SAFECOM employs a higher cost / FTE ratio of $103k per FTE compared to benchmarks of between $64-$100k in other organisations that do not provide transactional services such as payroll, accounts payable and accounts receivable. The current span of control is 1 manager to 3 employees. General convention for a manager level is 8. Therefore the range would typically be somewhere between 6 and 10 with effectiveness diminishing beyond this range.

It should be noted that the streamlining of management roles is an option available to SAFECOM as the data suggests it operates a high cost structure. Should investigations conclude that an altered management structure would not deliver the intended savings, SAFECOM may then not wish to implement this aspect of the recommendation. Additionally, under certain circumstances a high cost structure may be deemed appropriate, however given the roles and functions delivered by SAFECOM, it is our opinion that SAFECOM must consider actions to reduce this high cost structure.

Actions to implement

▸ Conduct a detailed assessment of manager and senior staff activities to identify the time spent on management and high value activities vs. lower level tasks that can be performed by a more junior resource.

▸ From this assessment identify the number of manager / senior roles required. Also consider the changes recommended later in the report to volunteer support and Emergency Management when performing this analysis.

▸ Redesign the manager job roles and the associated job specifications.

▸ Determine whether these roles can be filled by existing resources. Assess training, change management and recruitment requirements.

▸ Cost savings made by removing excess management roles should be re-invested into more junior roles to increase service delivery capacity in lower performing areas.

Functions which may prove candidates for bringing together under one leader due to their underlying nature and similarities are:

▸ Finance, Procurement, Asset Management and Executive Support services (one leader)

▸ HR, WHS, Volunteer Support (one leader)

What benefits it provides

▸ Reduces undue layers of management and reallocates resources to undertaking activities and delivering the actual service.

▸ Lowers the cost / FTE ratio and improves service quality as more resources are available to undertake the work

Resourcing impacts of recommendations 1.1 & 1.2:

The following table outlines the resourcing options SAFECOM may wish to consider and their associated cost impacts. It provides sensitivity analysis on resourcing levels (% of sector total) and cost structure (cost / FTE). The outputted numbers are the incremental cost impact of selecting the relative sensitivity. For example 6% of sector total at a cost / FTE of $98k will require an additional investment of $310k.

Additional investment required at different %s of sector total and cost/FTE								
		Cost / FTE ('000s)						
% of sector total	SAFECOM FTEs	$ 103k		$ 98k		$ 93k		$ 87k
5.5%	65.5	$ -	($ 328)	($ 655)	($ 1,048)			
6.0%	72	$ 670	$ 310	($ 51)	($ 483)			
7.0%	84	$ 1,906	$ 1,486	$ 1,066	$ 562			
8.0%	96	$ 3,142	$ 2,662	$ 2,182	$ 1,606			
9.0%	108	$ 4,378	$ 3,838	$ 3,298	$ 2,650			
10.0%	120	$ 5,614	$ 5,014	$ 4,414	$ 3,694			

If SAFECOM could reduce its cost structure from $103k per FTE to $93k per FTE, and increased resourcing levels to a modest 6%, then no additional investment would be required. If resourcing was to increase to 7% of total sector FTEs, an investment in funding of approximately $1m would be required.

SAFECOM must first define the service need and then seek to match the resources to the need.

4.2 Recommendation 2 - Conduct further analysis to share and streamline operational support services

Explanation

Our review found that opportunities exist for wider sharing of services extending to operational support services such as Assets and Logistics, Training and Community Education. Whilst these areas are working reasonably well, the opportunities to share and consolidate services make this a key priority for the sector. A detailed assessment of activities and work effort is required to optimise these services which may free up resources which can be re-invested into the under-funded corporate services or other operational services.

There are three services that are delivered on a devolved basis by each individual agency where increased sharing across the sector can yield benefits. These are:

- Assets and Logistics

- Training

- Community Education

Key recommendations which may be considered once the detailed assessment has been completed includes:

Embed certain Assets and Logistics services within SAFECOM or provide under a lead agency model

- The areas of asset management, asset construction and fleet management lend themselves by their very nature to be candidates for an integrated or shared services function.

- There are clear similarities in scope and purpose between the asset management team within SAFECOM and this overlap causes duplication of effort across the sector.

- Significant improvements in the Asset Management function within SAFECOM would first be required before a recommendation such as this should be considered.

- This service could also be provided on a lead agency basis if deemed more appropriate.

Training and community education to be shared across the sector

- These are critically important functions to the agencies and require close proximity to the business. There are clear areas which would benefit through committed cooperation across the sector, in particular the curriculum development for training as many courses are consistent between agencies. Examples of these are:

  - Road crash rescue

  - Breathing apparatus

  - Injury management

- Other areas specific to training which are candidates for sharing includes:

  - Common online training content and system management

  - Common RTO (Registered Training Organisation) compliance

- Common RPL (Recognition of Prior Learning) and RCC (Recognition of Current Competencies) administration

- Common training nomination and panelling administration

▸ Variances exist in the level of resourcing support each agency for community education. A table in the Holloway review suggests that MFS and CFS both have access to approximately 22 FTE for this functions while SES have 1 FTE. There are therefore clear benefits to the SES in the sharing of resources across the sector.

▸ Given the business criticality it is envisioned that these services could be provided under a lead agency agreement across the sector to ensure that these staff members stay within the agencies to provide a level of critical mass needed for operational peaks. If that is not deemed suitable these functions could be transferred to SAFECOM who can act independently and provide the service for the sector under a business partnering arrangement which allows for a significant number of FTEs to be co-located in agencies.

Rationale

This area appears to be a real and tangible opportunity for the sector to optimise the way services are delivered in order to free up additional resources which can be re-invested into critically under-funded areas across the sector. This should be a critical consideration for the sector and a detailed review should be treated as a matter of urgency.

Actions to implement

▸ Develop a detailed taxonomy for all functions in scope.

▸ Conduct a work effort analysis to understand how much time staff are spending in which areas.

▸ Develop a statement of work which defines the proposed changes to the functions using the information above. This includes:

- Defining the staffing required to deliver the service in a new way (e.g. lead agency)

- Defining the financial impact by comparing costs of the new model contrasted with savings proposed under restructuring the service

- Defining and agreeing the suite of services provided by a new model and the level of service which can be achieved

▸ Identify if process maps and work instructions are currently available for the services. If these are limited, document and agree process maps and work instructions.

▸ Transition to the new service delivery model.

What benefits it provides

▸ A more efficient use of resources across a sector which is already struggling to meet their demands. Generation of savings to re-invest into under-funded areas within the sector.

▸ A more consistent approach to training and community education by taking a sector wide view.

▸ A reduction in duplicated efforts across agencies freeing up capacity for other roles.

▸ Greater role specialisation resulting in improved outcomes.

4.3 Recommendation 3 - Optimise the service model structure of SAFECOM

The operating model structure employed by SAFECOM can be further optimised to drive improvement. Certain functions are separated within the organisational structure which from our analysis should be amalgamated. Other functions are candidates for moving out of SAFECOM's remit to allow increased focus on corporate services which require critical improvement.

Recommendation 3.1 - Amalgamate volunteer support and HR to improve service consistency to volunteers

Explanation

We recommend Volunteer Support and HR are amalgamated into one function within SAFECOM. This new function must undertake a business partnering arrangement and have staff co-located at regions to provide on the ground support to volunteers in areas such as training and conflict management. These functions are within the scope of the service level agreement between VSB and the ESOs but are not currently performed well. It is critical to increase the presence of volunteer support staff out at regions and therefore deliver a better overall service.

A clear analysis of the services required by the ESOs in the volunteer space will allow the HR/VSB unit to more accurately forecast their associated resource requirements. Should the resources be insufficient a business case for funding should be developed and submitted to the relevant government agency.

Rationale

In recognising the strategic importance of volunteers, services to these individuals should be on par with those received by paid staff where appropriate. The grouping together of these functions also recognises the similarity in services provided by VSB and HR and therefore the similarity in skills and training required to be successful in these roles.

Actions to implement

- Conduct a detailed analysis of the organisation structure of HR and VSB.

- Identify roles which overlap and consider whether removal is appropriate.

- Realign services delivered to roles and assign more roles to business partnering for VSB and HR.

What benefits it provides

- Provides an improved and more consistent service to volunteers

- Allows the current volunteer support to leverage HR processes which are similar in nature to ones received by volunteers

- Provides critical mass to deliver similar functions which allows for staff to be out-posted to regions delivering a more connected service

Recommendation 3.2 – Remove Emergency Management from SAFECOM to allow an increased focus on corporate services.

Explanation

An opportunity exists to move Emergency Management out from the remit of SAFECOM. There are a number of options available for the provision of EM including the function being delivered by:

▸ Department of Premier and Cabinet. This is in line with some other States

▸ SES on a lead agency basis. There appear to be some synergies with SES's current role in EM particularly for the logistical support function. This may not be as suitable from a policy viewpoint

▸ SA Police

Recommendation 3.3 - Conduct additional consultation to determine the most appropriate delivery location for Emergency Management.

Explanation

Further work is required including consultation of all these groups in order to determine the most appropriate deliver of this critical service.

This recommendation will likely require changes to legislation as SAFECOM are currently allocated the responsibility for emergency management for the state.

Rationale

Removing Emergency Management will SAFECOM to renew its focus on the delivery high quality corporate services. In other jurisdictions, Emergency Management is provided elsewhere.

Actions to implement

▸ Conduct a detailed analysis of the activities undertaken by the EM function at SAFECOM. The work effort analysis compiled in the review can be used to supplement this analysis

▸ Engage with stakeholders across government such as DPC and Local Government to determine the most appropriate location of service delivery

▸ Agree the best location and develop a road map for transitioning the function

What benefits it provides

▸ Allows for the CE SAFECOM to devote more time to managing the performance of the unit and away from Emergency Management duties.

4.4 Recommendation 4 - Strengthen accountability and governance mechanisms

A critical component of running an effective shared services function is to have appropriate governance and accountability mechanisms in place. There are a number of initiatives that SAFECOM must undertake to improve governance in order to drive service delivery:

Recommendation 4.1 - An independent board member is appointed as presiding member of the SAFECOM board

Explanation

It is recommended that the CE of SAFECOM should no longer occupy the position of presiding member of the SAFECOM Board. An independent board member should be appointed to this position in line with good governance practices and to promote better governance and accountability for the sector.

The relationships between SAFECOM and the ESOs should be formalised and provide the ESOs with sufficient levers to direct and evaluate the delivery of corporate services they receive.

A key requirement for the SAFECOM board should be to manage the performance of the business unit and this is best done through making this change. This governance and accountability should be driven throughout management and operations layers of SAFECOM. Legislation will need to be adjusted to align the structure of the board to good governance practice.

Formalise governance processes including escalation paths, conflict management and change control processes

Rationale

The current structure of the SAFECOM CE chairing the SAFECOM Board is not in line with good governance practice and must be altered to promote better accountability throughout the sector. A change in legislation will be required to action this recommendation.

Actions to implement

▸ Adjust the Board structure as per the recommendation above.

▸ Refresh the terms of reference for the Board and any sub committees.

▸ Define and formalise an escalation path for resolving issues from the operational level, through to management and all the way to the board.

▸ Define and formalise a change control process to ensure that changes to services are governed by a strict process requiring impact assessment and approval by all relevant parties.

▸ Define and formalise the management and operational role within the governance structure.

Benefits it provides

▸ Increased ability for the SAFECOM Board to be able to hold the SAFECOM CE accountable for service delivery

▸ Clear terms of reference allows board members to better understand their role and responsibilities

- Clear and formalised processes in place to manage change and escalations

Recommendation 4.2 - Move control of the budget for corporate services to Agencies with an appropriate recharge model by SAFECOM

Explanation

We recommend SAFECOM's budget be transferred to agencies to reflect a true purchaser/provider relationship between SAFECOM and the agencies. A fee for service arrangement should be then charged by SAFECOM for service delivery, which is paid for by the agencies.

We are not advocating for a complex charging or pricing model, rather a simple cost recovery mechanism based on an agreed service level that is simple and easy to apply. An appropriate recharge model must be developed and agreed by all parties prior to finalising this process. The model should be simple and easy to apply and understand. Please refer to Appendix B for a chargeback model example.

SAFECOM should be provided a period of non-contestability to allow them to establish their services to an acceptable standard. We suggest three years. After the three year period lapses, the ESOs are free to procure corporate services externally should SAFECOM not meet the established performance metrics as evaluated by the Board.

Rationale

This recommendation will enable protection for future budget cuts as the corporate services budget is held within the Agencies, who use it to buy their services. This addresses the concerns around SAFECOM being a target for future cost savings.

This model is employed by other agencies like Shared Services SA where services are procured by other government departments on a fee for service basis. This approach drives governance and accountability as it provides clarity around service expectations and provides a lever which customers can pull to gain improved performance.

Actions to implement

- Undertake an in depth analysis of services to be provided under the fee for service basis

- Evaluate and agree the recharging model for each service provided

- Move the budgets to agencies accordingly

What benefits it provides

- Improved accountability for service delivery and provides a lever of influence for agencies over corporate services

- Provides clarity of service expectations and reporting around service delivery

- There are consequences in place for a lack of delivery which incentivises SAFECOM to deliver

- Corporate services budgets may be better safeguarded by agencies against future budget cuts

Recommendation 4.3 - Formalise the requirement for staff within SAFECOM to be available for operational emergencies

Explanation

When recruiting for new staff, SAFECOM should include a requirement for staff to take up operational roles during periods of peak fire and emergency activity. The competence of the individuals should be matched to operational roles where appropriate. Existing staff should also be encouraged to provide operational support. It is noted that a number of SAFECOM staff do currently take up operational roles during emergency periods which is well received by the ESOs.

Employing an integrated model allows for an increased ability for staff to be re-purposed as their workload can be better shared under an integrated model as opposed to a devolved model.

Rationale

This recommendation recognises the critical mass required by the agencies during peak periods and the requirement to re-purpose staff should extend to the corporate services entity where appropriate. However this should not occur to the significant detriment of corporate services activity which must still remain a priority for the sector, or at the expense of SAFECOM's own emergency response obligations under the EM plan.

Actions to implement

▸ Include a section in new Position Descriptions outlining the requirement for staff to be available for operational activities during peak periods

▸ Suggest this requirement for existing staff

What benefits it provides

▸ Agencies are able to access further resources to support operational peak periods

▸ Provides corporate services staff with an improved understanding of emergency services operations giving them valuable industry insight which should improve the delivery of corporate services

4.5   Recommendation 5 - Embed service management and performance management

Similarly to governance above, service management and performance management are critical components to drive improvement in shared services. It is not just about service level agreements, but is rather a holistic approach to managing and evaluating the services delivered by SAFECOM to the agencies. This recommendation is underpinned by two sub recommendations:

Recommendation 5.1 - Embed a service management framework within SAFECOM and the sector underpinned by clear and agreed Service Level Agreements which help drive performance, accountability and a customer service culture

Explanation

SAFECOM should undertake a detailed process to define the services they provide to the agencies and obtain agreement for service expectations. These defined services should then provide the basis for evaluating and assessing performance through the development of SLAs.

The focus must be on driving a culture of customer service and continuous within the business unit and providing transparency to the agencies. Better practice is to focus on Service Level Management rather than just SLAs/OLAs. This means not just monitoring and reporting on SLAs to the service recipient through the governance structure, but focusing on the improvement of results, based on current and past performance and current business needs and priorities.

The success of Service Level Management is dependent on having well structured, business-oriented SLAs that are realistic, measurable and regularly validated. Service Level Management needs to be undertaken in close cooperation between the service provider and the final service recipient. SLAs should be the tool to demonstrate performance as part of Service Level Management. They should be advertised internally by SAFECOM, as areas of pride, or areas where improvements need to be made. They should be shared and discussed with Agencies and they should drive upcoming team initiatives. Only what is important should be measured - i.e. what can be changed and what will have an effect on quality and effectiveness.

SLA targets can be dynamic - there needs to be a clear understanding of what drives the targets and how/why/when they can be changed. In some agreements, SLA targets are linked to the charging mechanisms - the higher the target, the higher the service charge.

Rationale

As well as reflecting better practice, this process will inform additional resources discussed in recommendation 1.1

Actions to implement

▸ Develop a service management framework to guide service delivery for SAFECOM that covers off SLAs, performance measurement and reporting, issue escalation, and change controls.

▸ Collate a catalogue of SLAs and associated KPIs that can be used to measure performance.

▸ Select only key measures which focus on critical areas of importance.

▸ Share these measures across both corporate services and operational agencies to obtain buy in and agreement.

What benefits it provides

▸ A clear understanding of service expectations and a way to objectively measure service performance. Service level agreements:

  ▸ Provides specific, quantifiable information about measuring and evaluating the delivery of services

  ▸ Supplements the services contract by detailing the specific operating and support requirements for each service provided

  ▸ Identifies each metric against which the vendor's performance will be measured

  ▸ Protects vendor and customer. By knowing the targets it must reach, the vendor can provide evidence that it has achieved them

  ▸ Helps determine the success or failure of the contract.

▸ A tool which helps drive a culture of customer service and service quality.

Recommendation 5.2 - Embed performance management practices within SAFECOM and the sector based on agreed service level agreements and performance indicators

Explanation

The board should conduct annual performance reviews of the SAFECOM CE and the SAFECOM business unit with input from the ESO Chiefs and staff. Driving this accountability must be a priority for the SAFECOM Board and input must be gained for the customers of SAFECOM to ensure a balanced perspective. This recommendation is better enabled through changing the chair of the Board detailed above.

SLAs/OLAs should be directly linked to the Governance model. They should be used as a tool to drive performance discussions and identify further opportunities for improvements. The methods of measurement and monitoring should be transparent to all the parties in the governance structure.

These indicators should be cascaded down into individual performance management plans to enable the organisation to measure its effectiveness and be held accountable for non-performance. This process must be used as a tool to drive a culture of customer service within the organisation.

It is critical that these measures are simple, easy to implement and focus on the key drivers of performance. This will avoid excessive time spent in reporting and managing the SLA process. However it is important to note that upfront time must be invested in this process in order to establish it correctly. This is seen as a worthy investment of time as it will generate lasting benefits.

Rationale

It's an old saying but "what gets measured gets done" Measuring performance and holding individuals accountable for performance will drive the right behaviours and encourage a service driven culture.

Actions to implement

▸ Embed measures into the performance reviews of corporate services staff.

▸ Promote and celebrate positive outcomes and highlight areas of concern regularly with the staff so that they buy in to the importance of meeting the measures.

▸ Review SLAs and KPIs for appropriateness bi-annually and make adjustments as required.

What benefits it provides

▸ A framework which allows SAFECOM to rapidly diagnose and address key issues in performance and execute plans to close any performance gaps.

▸ Customers are able to have inputs into the performance management of the corporate services deliverer.

4.6 Recommendation 6 - Implement a continuous improvement program and build relevant capability

Explanation

We recommend that SAFECOM funds a continuous improvement team with Lean experience who can resolve the key process issues identified from this review and embed a culture of continuous improvement. Given the issue of under-resourcing, SAFECOM should identify and discover innovative ways to deliver their existing services within the current constraints.

In order to do this organisations are running value stream mapping sessions which are used to define customers, their requirements, and to illustrate non value adding activities for a particular process.

The value stream maps look to highlight:

▸ Waste

▸ Rework

▸ Low quality inputs into processes

▸ Backlogs/wait times

▸ Processing times

▸ Improvement areas

▸ Capability gaps

Value Stream Map Example
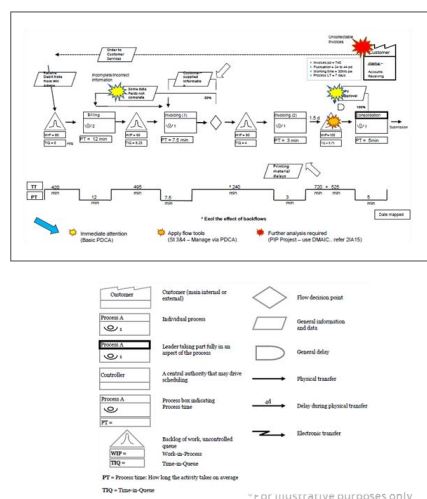
From these sessions process improvements can be targeted to key pain points and areas where improvement will bring the greatest benefit to the organisation.

During our review we have highlighted four key processes which are candidates for re-engineering. After these processes have been improved, SAFECOM must conduct a separate exercise to identify a catalogue of processes which also require re-engineering and improvement.

The procurement process

▸ The process is not viewed as timely and sometimes does not deliver the right outcome. Therefore all aspects of the process must be considered including; the skills and capabilities of the individuals involved, the administrative burden of the process itself, and the use of technology to enable further streamlining.

▸ It is recognised that process does involve other external stakeholders such as the State Procurement Board. SAFECOM and the sector should focus on improving areas under their control but should also brainstorm ideas for improvement in how they interact with other stakeholders and should present these ideas to these stakeholders.

The supplier payments and expense reimbursement process

▸ This includes analysing the performance of Shared Services SA and ensuring the interface is working as efficiently and effectively as possible.

▸ Understanding the process end to end to eliminate waste or duplication and automate through technology where possible.

The Asset construction process

▸ Clarify and agree the objectives, roles and responsibilities of SAFECOM and agencies. These groups must come together and co-develop a solution which addresses the concerns of each. Clear and regular communication must be undertaken in order to improve the process.

▸ This co-developed process should be streamlined, embedded and monitored for compliance.

The delivery of soft skills training and conflict management

There appears to be a lack of resources within these functions to deliver an effective service. SAFECOM should explore innovative and practical ideas which can support the delivery of training within the current resourcing levels.

▸ An investment in technology may be required to enable adequate delivery of training and conflict management.

▸ This is a critical area of concern for the agencies and work must be performed to increase the performance of this process. A detailed assessment of the requirements can help inform a business case for further funding, whether in resources or technology.

▸ This is a joint responsibility between SAFECOM and the operational managers at ESOs. Both parties must work together to devise an improved process going forward.

Rationale

Embedding a culture of continuous improvement is better practice, particularly in relation to shared service organisations.

Actions to implement

▸ Establish a core continuous improvement team who are trained in Lean thinking and who can action these recommendations

▸ Identify key pain process pain points that are priority for improvement (utilising feedback from staff and findings in this report).

▸ Identify stakeholders for each process.

▸ Utilise lean principles or a similar process improvement methodology to conduct value stream mapping of each process and identify improvement opportunities.

▸ Implement quick wins immediately.

▸ Collate longer term improvement opportunities which require more investment in a business case for change.

What benefits it provides

▸ Improved processes resulting in greater levels of satisfaction from the customers of corporate services.

▸ Improved morale for corporate services tasks as time is not wasted on irrelevant or poorly structured activities.

▸ Optimised use of resources to deliver critical services and a reduction of waste and duplication.

5.   Implementation plan

Proposed below is a high level implementation plan with some indicative timeframes for completion.

Establishing a high performing shared services function is a challenging endeavour. It is important to balance the time and consultation needed to embed changes correctly vs. the desire to gain momentum and act fast. It is critical for SAFECOM and the sector to balance both in order to deliver sustainable improvements which add real value to the front line.

Our view is that implementation of these recommendations should occur relatively soon – over the next 6 to 12 months, and culminate over the next 18-20 months. This is important to minimise uncertainty and demonstrate to a change fatigued sector that bold action is occurring to improve corporate services.

The following diagram provides an indicative outline as to how the implementation of the recommendation could occur. The time frames will need to be reviewed and endorsed by the executive. This implementation plan is only achievable with top level endorsement across all agencies. Many of these activities will occur in parallel to each other.

Rec 1: July to Dec 2014	Rec 4: Sep 2014 to Feb 2015	Rec 6: Apr to Dec 2015
Right size corporate services and streamline management	**Strengthen governance and accountability mechanisms**	**Implement continuous improvement program and build relevant capability**
▸ Right size corporate services to deliver on service need ▸ Streamline management to improve cost effectiveness	▸ Independent Chair for SAFECOM Board ▸ Move control of budget develop recharging models ▸ Formalise requirement for SAFECOM staff to be available to support operational peak periods	▸ Procurement ▸ Supplier payments and expense reimbursement ▸ Asset construction ▸ Soft skills training and conflict resolution

2014 ── Apr ─── Jun ──────── Aug ─── Sep ─── Nov ──── 2015 ──── Apr ──▶

Brief government of report outcomes	Review enabling services	Optimise the service model structure of SAFECOM	Embed service management and performance management
▸ Report for changes to SAFECOM ▸ Obtain buy in from SAFECOM and agencies ▸ Provide communications around upcoming change	▸ Certain Assets and Logistics functions to be provided by SAFECOM ▸ Training and Community education to be provided by SAFECOM or under a lead agency model	▸ Amalgamate volunteer support and HR ▸ Remove Emergency Management from SAFECOM ▸ Conduct additional consultation to determine delivery location	▸ Embed service management framework underpinned by Service Level Agreements ▸ Develop performance management frameworks ▸ Establish clear and simple KPIs ▸ Embed performance management into staff development plans
Apr to July 2014	Rec 2: Aug 2014 to Feb 2015	Rec 3: Sep 2014 to Feb 2015	Rec 5: Nov 2014 to Mar 2015

Successfully delivering corporate services is a significant challenge faced by government and non-government organisations. Some key elements for successful implementation include:

▸ Clear, open and ongoing communications across the sector with respect to the proposed changes and associated implications.

▸ Strong communication that change is possible by addressing specific components of the model and not only by devolving all corporate services.

▸ A well-executed and properly resourced implementation plan that reflects not only structural change but expectations of service, capability and process change to drive improvements.

▸ A strong emphasis on creating a culture of client focus and service excellence.

Appendix A   Scope, objectives, and approach

Scope

The following services and functions were deemed in scope for the review:

Agency	Functions
SAFECOM	‣ Volunteer support ‣ Finance ‣ Procurement ‣ Asset management ‣ Occupational health and safety (prevention and claims management) ‣ Information technology (systems and helpdesk) ‣ Administration (Board support and freedom of information) ‣ Human resources ‣ Emergency management
ESO Individual services	‣ Assets and logistics ‣ Training ‣ Community Education
External shared services	‣ Government Radio Network (GRN) ‣ South Australian Computer Aided Dispatch System (SACAD) ‣ MFS Call receipt and dispatch ‣ Department of planning, transport and infrastructure (DPTI) (Accommodation and major projects)

The service delivered by SAFECOM was the primary focus of the review in line with recommendation two from the Holloway review. However some time was spent assessing the effectiveness of the ESO individual services and External Shared Services with a view to define any opportunities for improvement.

Objectives

The overarching objective of the review is to determine the optimal and most appropriate service delivery model for administrative / support services for the sector. Consideration has been given to whether this remains the function of SAFECOM, a lead agency model or a departmental structure.

Specifically, the following was required:

Objective	Activity
Analysis of current operations	‣ Identification of functions and services provided by SAFECOM and each individual ESO ‣ Confirmation of cost estimates and FTE numbers involved ‣ Consideration of the management structure for service provision
Business needs assessment	‣ Analysis of any gaps or duplication in services, systems and capabilities ‣ Analysis on contemporary delivery of services across the private and public sector ‣ Identification of benchmarks and good practice in terms of services provided, structure, cost and alternative delivery models
Analysis of options	‣ Identification of which functions can potentially be undertaken by either SAFECOM or any of the three ESOs in a lead agency configuration ‣ Determination of the optimal delivery model in which shared services can be delivered to the sector or whole of government, regardless of structure, to ensure the best outcome for the sector as a whole ‣ Identification of the benefits, costs, savings and risks of options suggested

Approach

The emphasis was on a collaborative approach with regular opportunities for validation of the findings by a working group.

Phase 1 - Project Initiation and Planning	Phase 2 - Analysis of Current Operations	Phase 3 – Delivery model	Phase 4 – Draft report	Phase 5 – Final Report
► Hold initial workshop with project team ► Agree workplan ► Analyse key stakeholders / groups ► Obtain and review organisational charts and background information ► Obtain and review first cut of in-scope FTE data ► Also includes status meetings and updates	► Service Directory and effort analysis ► Stakeholder interviews ► Voice of the Customer ► Benchmarking ► Utilise fact base to identify improvements	► Hold workshop to define options and evaluation criteria ► Agree shortlist of options ► Analyse and contrast options ► Agree preferred delivery model	► Draft business case report ► Quality review of draft and revise ► Discuss and obtain feedback	► Prepare final report ► Quality review ► Distribute and close project ► Present findings

Appendix B   Chargeback methodology example

Chargeback methodology

- Analyze costs
- Billable items ↔ Atomic units
- Pricing model
- Chargeback tools
- Chargeback solution

Chargeback system
- ► A chargeback system is an accounting strategy that applies the costs of products and services to the business unit in which they are used.
- ► This system is unlike the traditional accounting models where a centralised department bears all the costs of an organisation, and those costs are treated simply as corporate overheads.
- ► Chargeback systems are sometimes called "responsibility accounting" because this sort of accounting demonstrates which departments or individuals are responsible for significant expenses.

Methodology for creation of a chargeback model
- ► The methodology involves analyzing and documenting of relevant costs.
- ► It also involves identifying billable items and the smallest unit that will be available as a service to customers. A unit here is measurement of resource that drives data collection, billing and reporting.
- ► It includes defining a pricing strategy by choosing pricing options for each billable item.
- ► The method also involves identifying and deploying the tools necessary to collect billable data and to mediate the data into a billing record.

Shared services chargeback models
- ► **Overhead:** It is a simple process, wherein the control is through the budget process. It understates the cost of operating units and the shared service organisations. However, it distorts service or product profitability.
- ► **Charge "revenue generating" business units:** It is controlled through the budget process only with allocation based on revenue generation or other methods.
- ► **Sequential charging:** Controlled again through the budget process, this method allocates on the basis of a variety of methods.
- ► **Simultaneous charging:** It is a perfect world solution and is potentially complicated.
- ► **Optimized solution:** It is primarily a combination of various models. In this services with immaterial costs are bundled into overhead and allocation is done on the basis of logical methods (square feet, head count, contracts etc).

Charge business units

HR | Facilities | IT

Business A | Business B

Sequential charging

HR

Facilities

IT

Simultaneous charging

HR | Facilities | IT

Business A | Business B
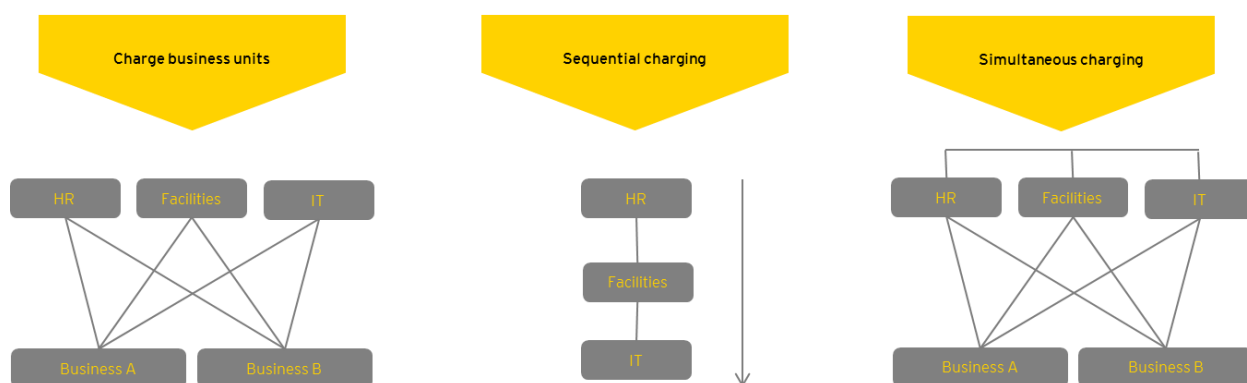
Source: "Best Practices for Shared Services Chargeback," CN Johnson & Associates Inc. 2009, http://www.cnjohnson.com/Shared%20Services%20Best%20Practices.pdf, accessed 14 December 2011

Appendix C   Stakeholders consulted

Name	Title
Toni Richardson	Manager, Volunteer Support
Peter Lambropolous	Manager, Finance
Paul Sargent	Manager, Assets and Procurement
Brian Johnson	Manager, Workplace Health and Safety
Richard Manton	Manager, Information Systems
David Place	Chief Executive
Lyn Lambert	Manager, HR
Grant Lupton	Chief Officer, MFS
Greg Crossman	ACFO People & Culture
Glenn Benham	ACFO Community Safety
Greg Nettleton	Chief Officer, CFS
Ann De Piaz	Executive Director Frontline Service Delivery Support
Andrew Lawson	Executive Director Frontline Service Delivery
Chris Beattie	Chief Officer, SES
Dermot Barry	Deputy Chief Officer, SES
Graeme Wynwood	Manager Operations & Logistics Support
Darryl Wright	Manager, Volunteer Marine Rescue
Robyn Faraguna	Manager Administration
CFS Volunteer Committee	Representatives from Region 1, 2, 3, 4, 5, 6, Health and Safety, Youth Advisory, Deputy of Volunteer Association, Chair of COAG
SES Executive Advisory Group	Representatives from Northern Adelaide, South East, Hills Fleurieu, York Peninsula, Executive Officer of Volunteers Association, Chairman Volunteers Association

Appendix D   VOC survey questions

The survey provided to customers and providers to corporate services was made up of the following questions.

1.   Please indicate which agency you are from.

CFS
MFS
SES
SAFECOM
AGD
Other

2.   The following questions were asked for each function

   a.   Please indicate your perception of the performance and importance of the function as a whole

Importance					
N/a - Not applicable/ no basis	1 - Unimportant	2 - Somewhat important	3 – Important	4 - Very important	5 - Critical

Performance					
N/a - Not applicable/ no basis	1 - Basic/ Critical need for improvement	2 - Developing/ Needs improvement	3 - Established/ Acceptable	4 - Advanced/ Performs well	5 - Leading/ Exceptional

   b.   Please provide any additional information or specific examples

   c.   Please rate the following components of the operating model for the function

   ‣   Strategy

   ‣   Governance and policies

   ‣   Management structure

   ‣   Processes

   ‣   Technology/data

   ‣   People and capability

   ‣   Continuous improvement

Performance					

N/a - Not applicable/ no basis	1 - Basic/ Critical need for improvement	2 - Developing/ Needs improvement	3 - Established/ Acceptable	4 - Advanced/ Performs well	5 - Leading/ Exceptional

d. Please add any commentary to support your ratings e.g. specific examples of functions or process that are working well or not so well

e. Please indicate your perception of the performance and importance of these sub functions. Please also indicate which entity you think is best placed to deliver this sub function under 'Delivery Owner'. Delivery owners include Emergency Service Organisations (CFS, MFS, SES), SAFECOM, Shared Services SA and the Attorney General's Department. Should you not be in a position to comment on these sub functions, please select 'n/a'. Please answer all questions

Finance	IT	HR
Management and strategic direction of the finance function	Management of the ICT function	Recruit, source, and select employees
Perform planning/budgeting/forecasting	Develop and maintain ICT policies and procedures	Develop, manage and train employees
Perform cost accounting and control	Develop and manage ICT customer relationships	Reward and retain employees
Evaluate and manage financial performance	Manage ICT contracts and external relationships	Re-deploy and retire employees
Perform revenue accounting	Manage business continuity and risk	HR advisory
Manage policies and procedures	Manage enterprise information	Manage reporting processes
Perform general accounting	Develop and maintain information technology solutions	Manage employee inquiry process
Perform fixed asset accounting	Deploy information technology solutions	Manage and maintain employee data
Perform financial reporting	ICT training	Manage human resource information systems (CHRIS)
Perform capital project accounting and reporting	Deliver and support information technology services (infrastructure and applications)	Manage all industrial relations matters for the sector
Process accounts payable and expense reimbursements	Manage ICT knowledge	Classification review, assessment and determination
Manage internal controls		Manage investigations - preliminary and final
Manage Fringe Benefit Tax (FBT) and other taxes (e.g. GST)		

Manage shared services interface
Finance training
Financial Advice
Manage Community Emergency Fund

Procurement	WHS	Asset Management
Management of the procurement function	Work Health Safety and Injury Prevention	Maintain workplace assets (including Asbestos records)
Develop sourcing / procurement strategies	Injury Management	Dispose of workspace and assets
Select suppliers and develop/maintain contracts	Employee/Volunteer Welfare Services	Manage capital assets
Develop tender documentation		Facilities management
		Record and maintain data bases
		Manage construction program - capital works
		Develop strategy for asset maintenance in accordance with Government requirements and asset management plan

Administration (Board Support and FOI)	Volunteer Support	Emergency Management
Provide policy advice and services to the Minister's Office	Create and manage CFS and SES volunteer resources (planning, policies, and strategies)	Policy and framework development
Community Consultation and Facilitate sensitive issues	Manage recruitment and retention of volunteers (CFS and SES)	Lead and Administer Agreements and Programs
Provide Executive Support to Board, Advisory Committees, Review committees and other working groups	Develop and train CFS and SES volunteers through the provision of "soft skills" training	Chair, membership and support for Committees
Produce Reports for Board, Minister etc.	Manage recognition program for employers of volunteers and retained firefighters (CFS, SES, MFS)	Deliver Logistics Functional Service.
Freedom of Information and Audit support	Provide independent advice to volunteers on HR matters (conflict, policies) and manage volunteer inquiry process	Facilitate Local Government integration to state level arrangements.
Coordinate and update various policies and procedures	Manage reporting processes for volunteer trends (CFS and SES)	Ministerial and cabinet briefings
	Co-ordinate the Cadet program and youth strategies (CFS and SES)	
	Community promotional activities	

ESO Individual Services	External Shared Services

Training	Government Radio Network (GRN)
Assets and logistics	South Australian Computer Aided Dispatch System (SACAD)
Community education	MFS Call Receipt and Dispatch
	DPTI Accommodation and Major Projects

The options for delivery owners for the above question were:

Delivery owner				
ESO	SAFECOM	SSSA	AGD	Other

f.   Please add any commentary to support your ratings e.g. specific examples of functions or process that are working well or not so well

g.   Please list the top 3 strengths and/or 'what works well' in this function and give reasons why

h.   Please list the top 3 improvement opportunities for this function and any recommendations as to how these opportunities can be realized

i.   Please list any barriers to improvement

j.   If you have any additional comments, please include these below

Appendix E   Services definitions

The below table outlines the service taxonomy utilized throughout this engagement

No.	Functions and sub-functions	Descriptions
1	**Finance**	
1.1	Management and strategic direction of the finance function	Establish the strategic vision and initiatives of the finance function, manage finance resources and workload, establish measures and monitor performance of the finance function.
1.2	Perform planning/ budgeting/ forecasting	Preparation and management of the whole of agency budgeting including the development of agency budgeting frameworks and related practices. Coordination and management of the whole of agency budgeting process including the development of agency budgeting frameworks and related practices. Includes treasury budget process/interface, budget and estimates committee, mid-year budget reviews, agency budget paper preparation, State Budget Portfolio statements
1.3	Perform cost accounting and control	Maintenance and management of generic job costing (data capture) and reconciliation to general ledgers. Variance analysis, measurement and evaluation of performance etc. to allow managers to evaluate, control and account for resources.
1.4	Evaluate and manage financial performance	Management accounting/analysis including month end management and executive reporting, financial analysis supporting business cases, cabinet submissions, preparation of portfolio and other management reports. Also includes reports produced to evaluate investment programs. Includes management reporting, executive reporting. Does not include financial statement preparation or transactional reports
1.5	Perform revenue accounting	Establish credit policies and process customer credit. Invoice customer and process accounts receivables and manage collections. Reconciliation of accounts.
1.6	Manage policies and procedures	Develop, maintain and publish accounting and taxation policies, negotiate and manage service level agreements. Develop and maintain procedures in accordance with accounting policies.
1.7	Perform general accounting	Includes preparation and posting of journals and chart of account maintenance, budget loads into the general ledger, job submissions. Includes maintenance of the general ledger system. Include all other general ledger reconciliations not performed under a specific sub-function (I.e. A/P, A/R, Payroll, Fixed Assets, GST, FBT, Job costing etc.). monitoring accuracy of data, running object reports, maintaining and reconciling local spreadsheets to support effective monitoring, preparing transfer of expenditures to rectify discrepancies and monitoring the action of these transfers Includes data collection and reconciliation from subsidiary or related entities to form a consolidated position. Includes COA maintenance and general GL month end processes
1.8	Perform fixed asset accounting	Data entry of asset addition, disposal and valuation into financial asset registers, processing and reconciliation of transactions between the fixed asset and general ledger systems for accounting and financial reporting purposes. Excludes the management of assets and facilities for operational purposes (e.g. stocktaking, performing valuations, and negotiation of purchase or disposal and maintenance activities).

No.	Functions and sub-functions	Descriptions
1.9	Perform financial reporting	Includes preparation of transactional cost centre/business unit reports and consolidated financial reports. Perform consolidated reporting/review of cost management reports. Prepare financial statements. Balance sheet reconciliations. Production of all regulatory reports and returns for external bodies (e.g. WorkCover, Insurance etc.)
		Preparing BU and consolidated financial accounts
		Insurance returns
		WorkCover reporting
1.10	Perform capital project accounting and reporting	Maintenance and management of generic project system (data capture) and reconciliation to general ledgers.
1.11	Process accounts payable and expense reimbursements	Includes time taken to respond to queries, resolve queries, code and any processing of accounts payable/expense reimbursements
1.12	Manage internal controls	Establish, operate, monitor and report on internal controls including management of delegations of authority, addressing/monitoring Auditor Generals recommendations, financial management compliance program
1.13	Manage Fringe Benefit Tax (FBT) and other taxes (e.g. GST)	Completion of BAS and FBT returns and the lodgement of these returns following approval, internal audits and review. Provision of a tax help desk facility and other support including training. Includes reconciliation of the control/subsidiary accounts.
1.14	Manage shared services interface	Manage service level agreement, meetings, shared services contact point, handle shared services queries
1.15	Finance training	Development and delivery of financial management training internally to the finance function and/or business
1.16	Financial Advice	
1.17	Manage Community Emergency Fund	
2	Information Technology	
2.1	Management of the ICT function	Development of agency-wide ICT strategy and frameworks. Includes portfolio management, investment frameworks, governance models, information security and management policies, enterprise architecture, and any other overarching policies and procedures as they relate to the enterprise. Includes Senior Management positions with responsibility for all, or a significant number of sub functions within the IT function. Responsibilities include providing overall direction, managing resources, ICT budget, administration and team relations etc.
2.2	Develop and maintain ICT policies and procedures	Development, documentation and ongoing maintenance of ICT policies and procedures
2.3	Develop and manage ICT customer relationships	Resources dedicated to managing client relationships relating to multiple sub-functions within the IT function to customers/clients. Includes developing business and user requirements, sourcing and selecting systems, manage service level agreements, obtain and analyse customer satisfaction, manage demand for IT services
2.4	Manage ICT contracts and external relationships	Resources dedicated to managing contracts or service level agreements for the provision of services to the agency by an external service provider (government or private) relating to multiple sub-functions. Includes management of licensing arrangements and compliance to license agreements.
	Manage business continuity and risk	Develop and manage business resilience, regulatory compliance as well as perform risk management. Develop and implement security, privacy, and data protection controls.
	Manage enterprise information	Develop information and content management strategies. Define the enterprise information architecture. Manage information resources. Perform enterprise data and content management.

No.	Functions and sub-functions	Descriptions
	Develop and maintain information technology solutions	Technical development and maintenance, upgrades/enhancements etc. Manage IT solution life cycle and develop solution strategies, retire solutions. Both local and centralised systems.
	Deploy information technology solutions	Roll out and implementation of systems, delivery of new programs and change management. Plan and manage releases.
	ICT Training	Develop and deliver IT training, for both ICT staff and the business
	Deliver and support information technology services (infrastructure and applications)	Management and support of ICT infrastructure, network (LAN and WAN), mainframes, midrange servers, security devices, desktops, laptops, printers, multifunction devices and other peripherals. Includes: ‣ Support and maintenance of data network and server infrastructure ‣ Storage management (SANs, NAS) ‣ SOE management (server and desktop) ‣ Network and desktop security implementation ‣ Facilities management and cabling (e.g. computer rooms) ‣ Support and maintenance of security devices (e.g. firewalls, proxy servers) ‣ Manage and deliver ICT helpdesk (i.e. queries, incidents, back up/recovery procedures) ‣ ICT Support - staff / volunteers / 24x7 on-call service
	Manage ICT knowledge	Developing and maintaining the IT knowledge management strategy.
3	Procurement	
3.1	Management of the procurement function	Strategic activities carried out on an organisation wide basis relating to: ‣ Procurement policy & strategy development and dissemination across AGD ‣ Development & maintenance of strategic procurement plan, forward procurement plan and procurement profiles ‣ Reporting to the State Procurement Board and the AGD Procurement Committee ‣ Reviewing business processes and practices to ensure value for money outcomes ‣ Preparation, maintenance and management of standard procurement templates ‣ Manage procurement competency across the portfolio/agency (incl. identifying gaps, training requirements etc.) ‣ Manage procurement resources ‣ Develop and implement a procurement training framework ‣ Procurement reporting ‣ Researching and applying best practice initiatives
3.2	Develop sourcing / procurement strategies	Includes the development of procurement plans, clarifying purchasing requirements for the business, matching business needs to market and supplier capabilities, analysing organisation spend profile, collaboration with suppliers to develop sourcing opportunities
3.3	Select suppliers and develop/maintain contracts	Includes the selection of suppliers and maintaining contacts, certifying and validating supplier viability, contract negotiation as well as management of strategic contracts
3.4	Develop tender documentation	Assist in the development of tender documentation for each ESO.

No.	Functions and sub-functions	Descriptions
4	**Human Resources**	EY	79
4.1	Recruit, source, and select employees	Create position descriptions, determine recruitment methods and process, interview candidates, manage recruitment vendors, negotiate offers and selection process Includes responsibility for Government wide initiatives including workforce controls and reporting, Aboriginal recruitment, youth recruitment and reporting
4.2	Develop, manage and train employees	Manage employee performance review process, evaluate and review employee performance, manage employee leave, manage employee relations (including EBA negotiations, union consultation, WorkCover claims). Also includes disciplinary processes. Align employee and organisational developmental needs, develop training programs, align and assess employee competencies, manage and conduct training programs
4.3	Reward and retain employees	Manage reward and recognition programs, manage and administer employee benefits and remuneration processes, review and conduct employee satisfaction measures, develop family support and work/life balance programs Includes development of salary/compensation structure and remuneration assessment/research
4.4	Re-deploy and retire employees	Manage promotion and demotion process, manage separations, retirement, leave of absence, outplacements, redeployment of employees Includes management of excess employees
4.5	HR advisory	Advice on equity and diversity, job specifications, classifications, equal employment opportunity and reclassification assessment. Provision of information for briefings.
4.6	Manage reporting processes	Whole of government HR reporting and Agency specific HR reporting, including HR Dataset, ABS statistical information, WorkCover levy and reports to internal and external clients.
4.7	Manage employee inquiry process	Queries related to leave, payroll, employee benefits and contractual arrangements
4.8	Manage and maintain employee data	Creation of new employees, removal of leavers, updating employee status and critical data, manage year end processes and migration of data
4.9	Manage human resource information systems (CHRIS)	Human Resource Management Information System administration, including system related reporting, security, data integrity, disaster management, management and archiving of legacy systems, and system upgrades troubleshooting and training on systems. Also includes liaison between contract suppliers and payroll/HR staff, contract management of HRMS suppliers Includes management of outsourced relationship with Payroll provider
4.10	Manage all industrial relations matters for the sector	
4.11	Classification review, assessment and determination	
4.12	Manage investigations - preliminary and final	

No.	Functions and sub-functions	Descriptions
5	**WHS**	
5.1	Work Health Safety and Injury Prevention	‣ * Provision of consultancy advice for the sector ‣ * Policy development and maintenance ‣ * Assist and lead all ESO's in regard to review, measurement and compliance of their WHS & IM systems ‣ * Workplace/site inspections ‣ * Workplace accident/incident investigations and reports ‣ * Workplace risk assessments – generic; plant; chemical
5.2	Injury Management	‣ * Provide claims management for the sector ‣ * Consult with injured workers, managers, representatives and medical practitioners in relation to injury management ‣ * Provide internal/external rehabilitation and return to work for the sector ‣ * Provide statistical data and reports for the sector.
5.3	Employee/Volunteer Welfare Services	‣ * Manage wellbeing & intervention programs for SAFECOM, CFS & SES ‣ * Manage Employee Assistance Program (EAP) for SAFECOM, CFS & SES – includes managing the referral process, counselling and assessment ‣ * Undertake critical incident debriefing for CFS & SES
6	**Asset Management**	
6.1	Maintain workplace assets (including Asbestos records)	
6.2	Dispose of workspace and assets	
6.3	Manage capital assets	
6.4	Facilities management	
6.5	Record and maintain data bases	
6.6	Manage construction program – capital works	
6.7	Develop strategy for asset maintenance in accordance with Government requirements and asset management plan	
7	**Administration (Board Support and FOI)**	
7.1	Provide policy advice and services to the Minister's Office	Provide policy advice and Ministerial Liaison Officer service to the Minister's office
7.2	Community Consultation and Facilitate sensitive issues	Sector and community liaison and consultation – engage sector stakeholders on specific issues and matters of a sensitive or political nature with a view to securing cross-sector. Facilitate sensitive sector issues/projects e.g. Mt Barker, Stirling Station, MFS early retirement
7.3	Provide Executive Support to Board, Advisory Committees, Review committees and other working groups	'Provide Executive support to: ‣ SAFECOM Board ‣ Sector Advisory Committee ‣ Chief Officers' Meetings ‣ Audit and Risk Management Committee ‣ Building Projects Review Committee ‣ Audit and Risk Working Group

No.	Functions and sub-functions	Descriptions
7.4	Produce Reports for Board, Minister etc.	‣ Produce SAFECOM reports to the Board ‣ Board reporting to the Minister for Emergency Services ‣ Manage Cabinet business for SAFECOM and SES ‣ Prepare annual Estimates Committee briefings for SAFECOM & SES ‣ Produce SAFECOM Annual Report for tabling in Parliament ‣ Energy efficiency reporting
7.5	Freedom of Information and Audit support	‣ Determine FOI applications for SAFECOM, MFS and SES ‣ Coordinate response to audits
7.6	Coordinate and update various policies and procedures	‣ Prepare and monitor the Business Continuity Plan for SAFECOM ‣ Coordinate update of policies and procedures ‣ Protection Security Management – develop sector ISMF (Information security management framework)
8	**Volunteer Support**	
8.1	Create and manage CFS and SES volunteer resources (planning, policies, and strategies)	
8.2	Manage recruitment and retention of volunteers (CFS and SES)	Manage Police Check process on behalf of the sector (CFS, SES, MFS, SAFECOM) Manage Child Protection requirements for the sector (including training) (CFS, SES, MFS) Update human resources information systems (TAS) with information regarding non-operational training and police checks
8.3	Develop and train CFS and SES volunteers through the provision of "soft skills" training	
8.4	Manage recognition program for employers of volunteers and retained firefighters (CFS, SES, MFS)	
8.5	Provide independent advice to volunteers on HR matters (conflict, policies) and manage volunteer inquiry process	'Manage volunteer inquiry process by email and phone (CFS and SES)
8.6	Manage reporting processes for volunteer trends (CFS and SES)	
8.7	Co-ordinate the Cadet program and youth strategies (CFS and SES)	
8.8	Community promotional activities	Represent "volunteering" on behalf of the sector on committees or initiatives Promotional activities raising volunteer profile
9	**Emergency Management**	
9.1	Policy and framework development	'includes developing SA framework to implement the National Strategy for Disaster Resilience
9.2	Lead and Administer Agreements and Programs	Administer National Partnership Agreement on Natural Disasters Administer SA Resilient Australia Award Program Lead SA Emergency Risk Assessment & publication program.
9.3	Chair, membership and support for Committees	Chair, membership and project support on national EM Committees. Chair, membership and executive support on state EM committees.
9.4	Deliver Logistics Functional Service	

No.	Functions and sub-functions	Descriptions
9.5	Facilitate Local Government integration to state level arrangements	
9.6	Ministerial and cabinet briefings	
10	**ESO Individual Services**	
10.1	Training	
10.2	Assets and logistics	
10.3	Community education	
11	**External Shared Services**	
11.1	Government Radio Network (GRN)	
11.2	South Australian Computer Aided Dispatch System (SACAD)	
11.3	MFS Call Receipt and Dispatch	
11.4	DPTI Accommodation and Major Projects	

EY | Assurance | Tax | Transactions | Advisory

About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization and may refer to one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

Improving business performance while managing risk is an increasingly complex business challenge. Whether your focus is on broad business transformation or more specifically on achieving growth, optimizing or protecting your business having the right advisors on your side can make all the difference. Our 30,000 advisory professionals form one of the broadest global advisory networks of any professional organization, delivering seasoned multidisciplinary teams that work with our clients to deliver a powerful and exceptional client service. We use proven, integrated methodologies to help you solve your most challenging business problems, deliver a strong performance in complex market conditions and build sustainable stakeholder confidence for the longer term. We understand that you need services that are adapted to your industry issues, so we bring our broad sector experience and deep subject matter knowledge to bear in a proactive and objective way. Above all, we are committed to measuring the gains and identifying where your strategy and change initiatives are delivering the value your business needs.

ey.com