Independent review of shared services in fire and emergency services sector

Supplementary report

Report 2 of 2

SA Attorney-General's Department

1st May 2014

EY

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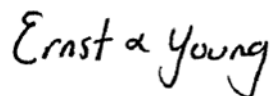45 Pirie Street
Adelaide SA 5000

1 May 2014

Supplementary report – Current state analysis

Dear Rick

Please find enclosed our draft supplementary report in relation to our independent review of shared services in fire and emergency services sector for the Attorney-General's Department. This supplementary report is to be read in conjunction with the main report titled 'AGD Independent review of shared services in fire and emergency services sector'.

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

Yours sincerely

Ernst & Young

Ernst & Young

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1.   Introduction and approach

This report has been compiled to provide an overview of the current state of Corporate Services provided at SAFECOM, the ESO's and external providers to the emergency services sector within South Australia. The report is to be read in conjunction with the draft AGD Emergency Services Review **Main Report** titled *'Independent review of shared services in the fire and emergency services sector',* issued by EY on 17 April 2014. The data in this report supplements the overall observations, findings and recommendations outlined in the main report.

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1.2   Introduction

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

In 2002 a report (the 'Dawkins report') was conducted to review the governance arrangements and the best way to support the operational focus of emergency services in South Australia and the efforts of volunteers and staff providing fire and emergency services. This review culminated in the establishment of SAFECOM in October 2005 as a shared service to manage the delivery of corporate services to the fire and emergency services sector.

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.

The review was undertaken to determine the best model to deliver a series of services as outlined by the SA Attorney Generals' Department. This included all services provided within SAFECOM along with additional services provided within the individual Emergency Services Organisation's (ESO) as well as services delivered by Agencies outside the emergency services sector.

SAFECOM currently delivers the following services:

▸ Finance

▸ Information Management Services (IMS)

▸ Procurement

▸ Human Resources

▸ Workplace Health and Safety

▸ Asset Management

▸ Administration

▸ Emergency Management

The current delivery model within the sector also has the ESO's providing some internal services which are termed as 'operational support'. These are:

▸ Assets and Logistics

▸ Training

▸ Community Education

The sector also has a number of services that are provided by either a lead agency within the sector or an agency outside of emergency services. These are referred to within this report as External Shared Services. These services are:

▸ Government Radio Network (GRN)

▸ SA Computer Aided Dispatch (SACAD)

▸ MFS Call Receipt and Dispatch

▸ Department of Planning and Infrastructure (DPTI) Accommodation and Major Projects

1.3   Approach

This review was undertaken utilising EY's global approach with a focus on collaboration and consultation within the ESO's.

The understanding of the current state was informed through four key processes:

▸ Consultation through interviews with both service customers, providers and other key stakeholders

▸ A work effort collection

▸ A voice of the customer survey

▸ A benchmarking exercise

1.3.1   Customer and provider interviews

EY undertook a series of structured interviews and workshops with key customers, providers and stakeholders within the Emergency Services Sector. These discussions followed a series of questions talking through the Structure, Processes, People and Technology within each of the in-scope services. Its aim was to understand what was working well, what required improvement, and what barriers to improvement exist.

A full list of interview attendees can be found at Appendix A.

1.3.2   Work Effort Collection

EY issued a collection template asking for all in-scope employees to allocate their effort across an agreed taxonomy of services. The taxonomy can be found at Appendix C. This data in conjunction with payroll data allows EY to analyse the FTE effort and cost of the provision of each of the in-scope services. The focus of the effort collection was on the services provided by SAFECOM.

1.3.3   Voice of the Customer

A Voice of the Customer survey was issued utilising a web survey that asked respondents to rate the performance and importance of each of the functions and sub functions agreed in the service taxonomy (Appendix C) allowing quantitative evidence and analysis of data relating to customers perceptions of the services provided. Respondents were asked to rate the operating model components for each function e.g. strategy, structure, people, process etc. Respondents were also given the opportunity to indicate the strengths, improvement areas and barriers to improvement for each function.

The VOC survey was issued to the 39 staff that makes up the Executive/Senior Management team of each of the four agencies.The survey was commenced by 38 people, with 23 completing the survey,

giving a completion rate of 60.5%. The responses were provided by a mix of customers, with the table below showing the agency which respondents who commenced the survey were from.

Agency	Survey Recipients	Completed respondents
CFS	10	6
MFS	8	7
SES	11	9
SAFECOM	10	1
Total	39	23

A full list of the VoC questions is included in Appendix B.

1.3.4   Benchmarking

A series of benchmarks were calculated and analysed based on the FTE effort and cost of the functions currently delivered by SAFECOM. Benchmarks are available for the traditional corporate services functions of Finance, IT, HR and Procurement. These are sourced from APQC which compiles data across government and cross-industry organisations. When benchmarks are presented it identifies the comparison type, i.e. government or non-government. Benchmarking provides a basis on which comparisons can be made on the cost and effort of service delivery. Caveats have been included where appropriate to ensure comparisons are meaningful.

2. Current state overview

EY conducted a series of interviews and workshops, a work effort collection and analysis, a benchmarking exercise along with a Voice of the Customer survey to form a detailed understanding of the current state of services within the emergency services sector.

The data collection focused predominately on SAFECOM; however Voice of the Customer data included additional functions that are not within SAFECOM.

SAFECOM has been established to provide Corporate Services to the Emergency Services sector as well as to act as a leader in setting the strategies and priorities within the sector. A number of cost savings reviews have resulted in FTE reductions within SAFECOM, with the origination reducing from 110 FTE in 2009/10 to 65.6 FTE currently as in scope under this review. This 65.6 FTE include project positions which are not funded on an ongoing basis. The current structure is provided in the diagram below.
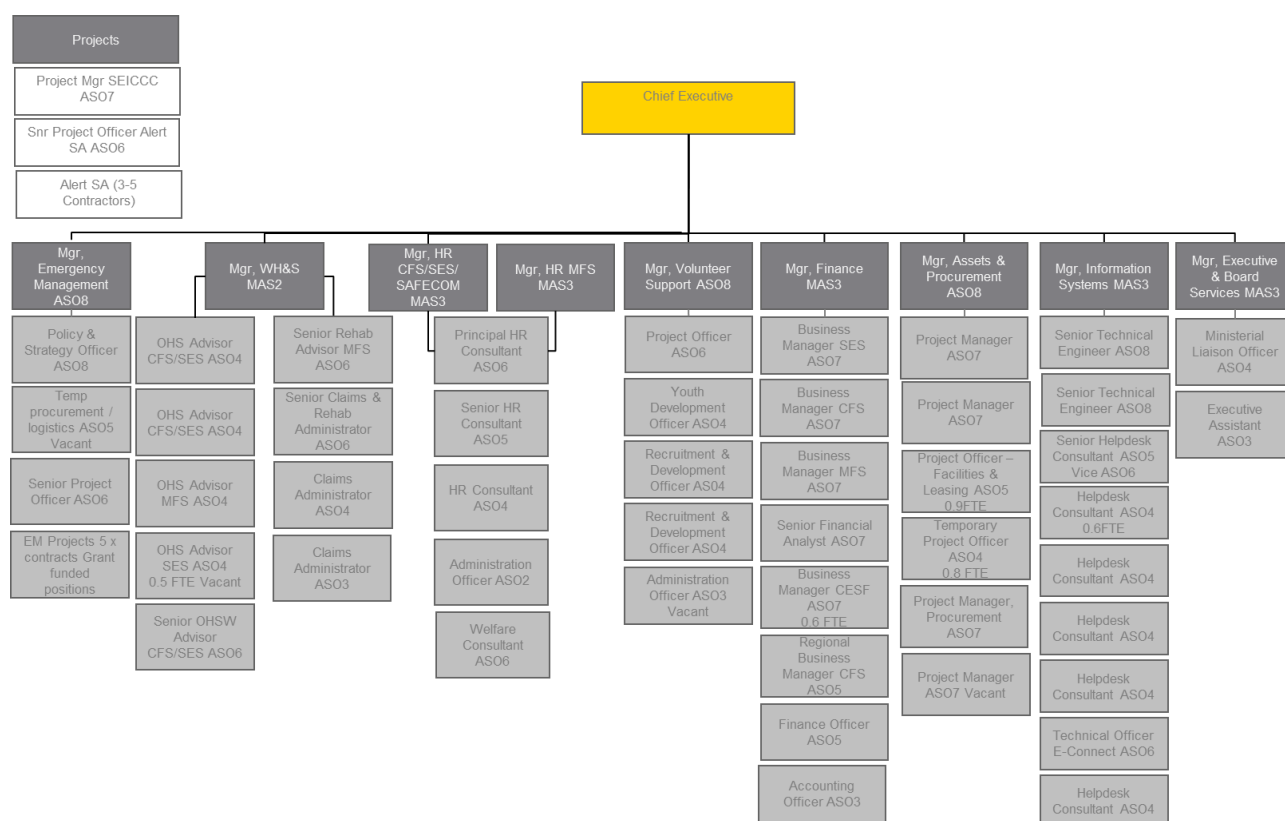
The key findings are summarised below and a function by function analysis follows.

2.1 Key messages and observations

The current state overview found a consistent set of themes which are summarised below:

‣ Compared to benchmarks SAFECOM consistently appeared to be under resourced while employing a high cost structure

‣ Voice of the Customer survey indicated a high level of importance of the services delivered within SAFECOM, yet the performance level was consistently low and in most cases below an Acceptable level

‣ The capability of the people within SAFECOM was in most cases viewed favorably, however the ability to service customers was impeded by the number of resources

‣ Customers felt a limited ability to influence outcomes given the governance and structure of SAFECOM

‣ The operating model components that consistently underperformed within the Voice of the Customer survey were Strategy, Management Structure and Continuous Improvement.

‣ There was general satisfaction with the services currently delivered by the Individual ESO's and the external services however real opportunities to share services are present for the individual ESO services.

3.   Current state analysis

The following outlines the work effort collection, benchmarks and Voice of the Customer responses.

The work effort overall at SAFECOM revealed 65.6 FTE, with 63% of effort delivered by staff that are classified as ASO6 and below and 37% of effort delivered by staff that are classified as ASO7 and above. The cost of services (salary and on costs) delivered at SAFECOM is $6.8m.
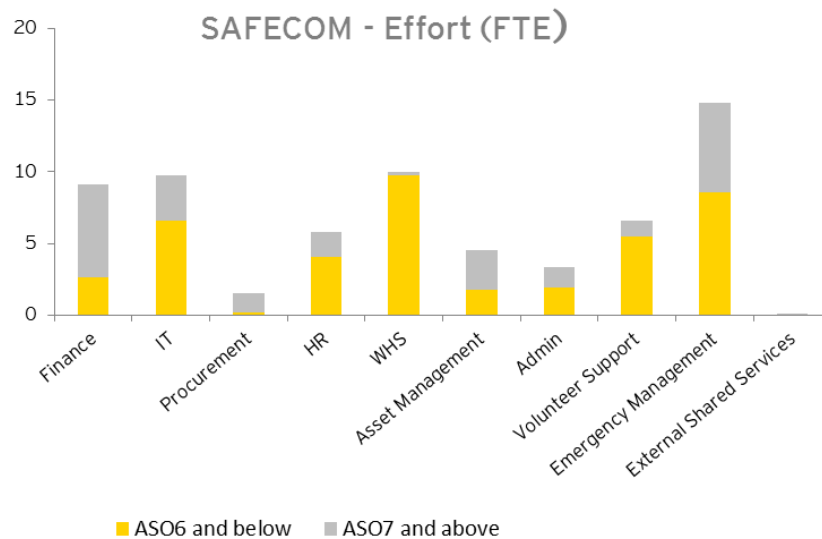

Figure 3a. SAFECOM effort by function

The table below provided the options provided in the survey for respondents to select from with the scale of Importance and Performance. This is the same scale that has been used in the commentary on the performance and importance of the functions.

| 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

Overall there was variability across the functions in terms of customers responses to each functions performance and importance, these are shown in the graph below.
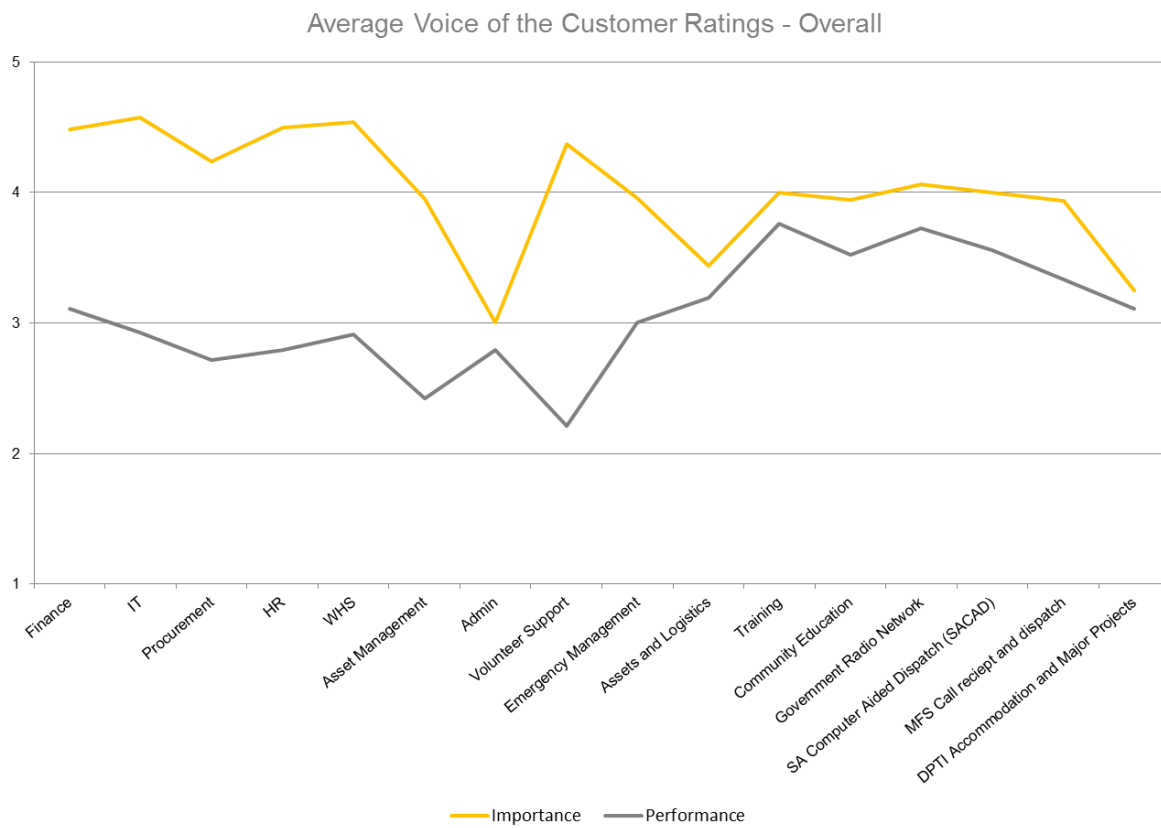
Figure 3b: SAFECOM VoC by function

This graph shows IT, Procurement, HR, WHS, Asset Management, Administration and Volunteer Support are performing below an Acceptable level, even though (with the exception of Admin) these are functions that are seen as Very Important.

The survey also collected customer ratings across seven operating model components with four consistently lowest performing components shown in the graph below.
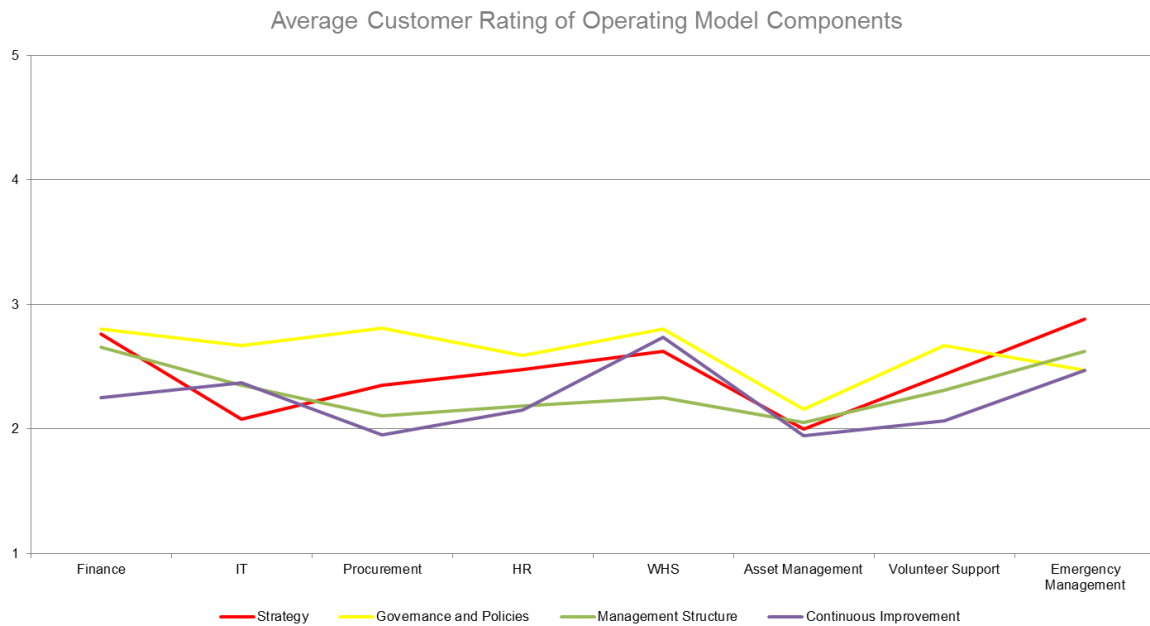
Figure 3c: SAFECOM VoC operating model ratings by function

The components of Strategy, Governance & Policies, Management Structure and Continuous improvement did not meet an Acceptable level of performance within any of the SAFECOM functions. A focus on these areas would likely improve the customer rating of overall performance of each of the functions.

An analysis of each of the in scope functions is outlined individually in the section.

3.1   Finance

The finance service is delivered out of SAFECOM, with a Finance Manager role heading the team. There is an ASO7 Business Manager embedded in each of the agencies, with reporting lines maintained to SAFECOM. The total personnel cost of Finance at SAFECOM has been calculated as $1.02m, across 9.2 FTEs the average cost per Finance FTE is $111k. The cost is calculated by totaling the apportioned salary costs (including on costs) of individuals who have allocated time to Finance. For example if the salary cost for a role is $100k, and 10% of their time was allocated to Finance, Finance would include a $10k cost for that individual. Therefore the work effort allocation of the individual dictates which functions their costs are attributed to. This methodology is adhered to by all the functions below.

3.1.1   Where is the effort?

Our effort analysis revealed 9.2 FTEs deliver Finance services within SAFECOM.

As indicated in the graph below, effort is predominately spent delivering three key services (48%): processing AP & expenses, managing financial performance and performing planning/budgeting/forecasting.
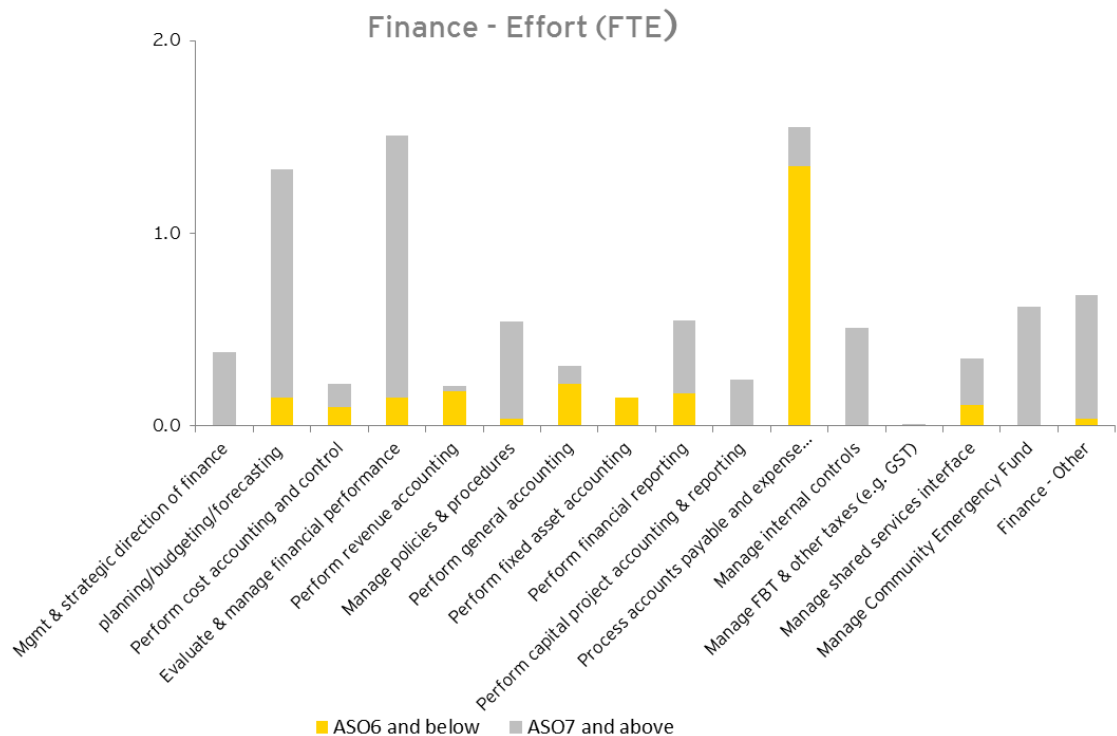

Figure 3.1.1.: Finance effort by activity

The work effort showed that 71% of finance effort is undertaken by personnel who are classed as an ASO7 or higher. This contributes to the high personnel cost of the finance function relative to their FTE numbers.

There is a significant amount of effort spent in the activity Process AP and expenses, with 1.55 FTE of effort in this activity. This is classed as low value transactional activity that should be serviced through SSSA.

3.1.2   Comparison to benchmarks

The following table outlines a number of benchmarks that have been captured to test the overall size of the function, the FTE numbers to serve the business, the cost of the function.

Ref	Benchmark	Gov	Top	Median	Bottom	SAFECOM
1	No. of FTEs for "perform planning/ budgeting/forecasting" per $1b[1] exp[2]	N	0.39	0.93	2.05	1.33
2	No. of FTEs for the process "evaluate and manage financial performance" per $1b exp	N	0.27	0.69	1.62	1.51
3	No. of FTEs for the process "manage financial policies and procedures" per $1b exp	N	0.14	0.34	0.91	0.54
4	No. of FTEs for the process "perform general accounting" per $1b exp	Y	0.66	0.93	1.98	0.31
5	No. of FTEs for the process "perform fixed asset accounting" per $1b exp	N	0.20	0.43	0.93	0.15
6	No. of FTEs for the process "perform financial reporting" per $1b exp	N	0.30	0.82	1.86	0.55
7	No. of FTEs for the process "perform capital project accounting" per $1b exp	N	0.15	0.30	0.74	0.24
8	No. of FTEs for the process group "process AP and expense reimbursements" per $1b exp	Y	1.16	2.63	7.48	1.55
9	No. of finance function FTEs per $1b exp	Y	12.80	19.96	34.86	9.16
10	Personnel cost[3] to perform the finance function per $1,000 exp	N	3.83	8.31	14.81	4.51
11	Personnel cost to perform finance function per finance function FTE	Y	76,524	83,825	90,717	110,916

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

2 APQC benchmarks are provided on a revenue basis. In government engagements the methodology involves substituting the agency/ sector revenue with expenditure as a proxy for revenue.

3 Benchmarks have been converted to Australian Dollars using the average exchange rate for FY14 up until 25 February 2014, sourced from the Reserve Bank of Australia.

Figure 3.1.2: Comparison to Finance benchmarks

It is important to note that while the FTE figures overall (benchmark 9) and personnel cost to perform the finance function (benchmark 11) is close to 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 not performed by SAFECOM. This may mean that the cost is likely to be closer to the top or perhaps the median benchmark

Based on comparison to benchmarks, benchmark number 9 indicates the number of Finance FTEs is leaner than the top benchmark performance (top performer 12.80 vs. SAFECOM 9.16). Benchmark 11, however, indicates the personnel cost of Finance is worse than the bottom benchmark performance (bottom performer $91k vs. SAFECOM $111k) indicating a high cost structure. Of the nine resourcing benchmark (benchmarks 1 -9), SAFECOM is operating at a leaner level than half of them.

It appears that SAFECOM is under resourced when looking across the Finance function, however the current structure is contributing to a high cost of finance per FTE. While the resourcing for the Finance function overall is leaner than the top performing benchmarks, SAFECOM does not have best practice technology and processes to enable efficient operations at this level of resourcing. The benchmarks also indicate under investment within a number of functions, particularly perform general accounting and perform fixed asset accounting.

3.1.3   Voice of customer results

Overall Finance received an average performance rating of Acceptable (3.11) and average importance rating of Very Important (4.48). The graph below indicates the average response to importance and performance of each of the finance sub-services.

There is a need for improvement of this function, given the gap between the ratings for importance versus performance. 8 of the 17 sub-services had a rating below 3, indicating lower than acceptable performance. However it is important to note that Finance was one of the higher performing functions across SAFECOM.

The largest gap between importance and performance was for Management & strategic direction of the function, Perform capital project accounting & reporting, Perform planning/ budgeting/ forecasting and Manage community emergency fund.
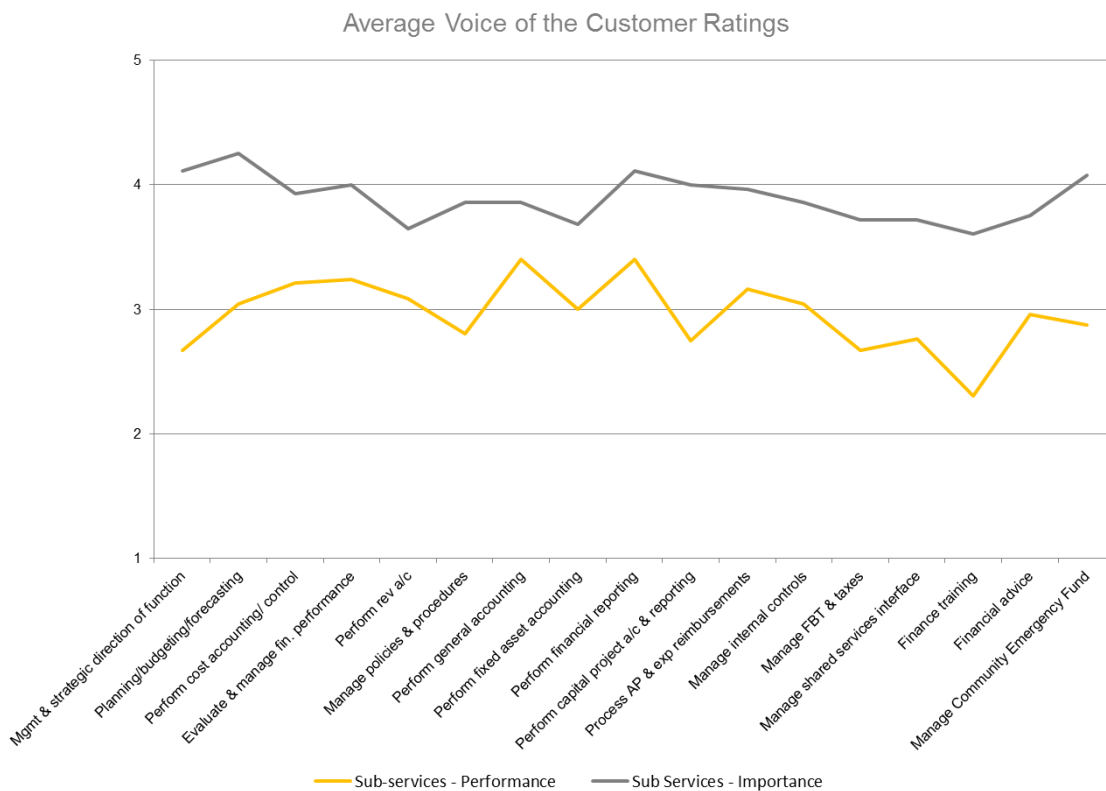

Figure 3.1.3a: Average Finance VoC rating by organisational area

Based on customer ratings of operating model components, Finance was performing at an Acceptable level, however there was a high level of dissatisfaction with continuous improvement and management structure components with more than 50% and 40% respectively, of respondents indicating these were operating at a level below Acceptable.

Finance (excl. N/A) - Ratings of Operating Model

Legend:
- 1 - Basic/ Critical need for improvement
- 2 - Developing/ Needs improvement
- 3 - Established/ Acceptable
- 4 - Advanced/ Performs well
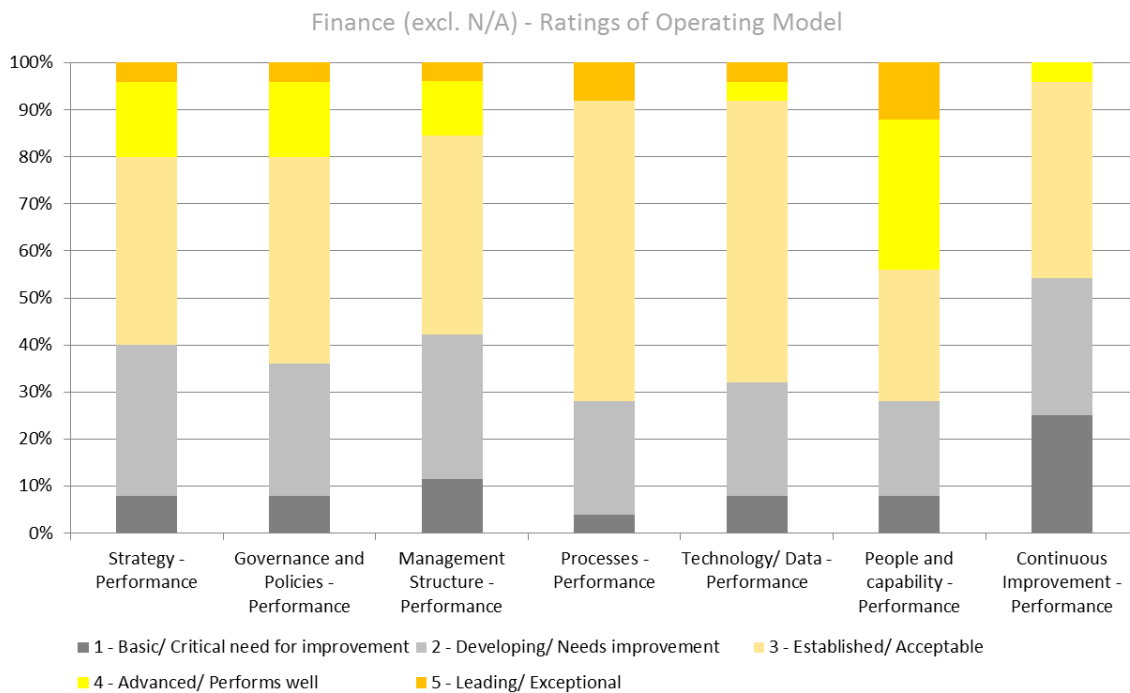- 5 - Leading/ Exceptional

Figure 3.1.3b: Performance by operating model component

3.1.4 Customer and provider feedback

The following table summarises key themes arising through the Voice of the Customer survey, interviews and workshops.

Structure/ Governance	People
- Generally there is consensus that the centralised model with embedded staff is working effectively - There is an issue around ownership of the embedded staff - Dual reporting lines – hard line (SAFECOM) vs. dotted (Agencies) creating conflict of interest situations and difficulties with performance management - SLAs are not in place for embedded staff - There is an issue of critical mass - agencies are too small to have their own finance functions - Agencies are not aware of what a finance team should be providing in terms of strategic support	- Embedded staff are high quality with strong capabilities, however these people pose a single point of failure. Opportunities exist to investigate the possibility of rotating business managers around the agencies to mitigate this risk - There is currently a large reliance on the goodwill of the embedded individual performing finance role which is linked to the abovementioned risk around succession planning. Customers were concerned that should their respective business manager change, they would receive a lower level of finance service - The agencies have a good relationship with the SAFECOM finance team - Commitments of finance staff to operational activities during emergencies leads to a service delivery issue for staff. This often results in high levels of fatigue that need to be managed by the organisation - While the capability is good, the team appears under resourced to deliver on their requirements
Process	**Technology**
- Opportunity for transactional based finance activities to be centralised within SAFECOM - Currently the workload of the embedded business manages ranges from the provision of strategic financial advice to processing of petty cash. High cost resource undertaking low value activities - Opportunity for improvement in capital budgeting for long term investments, planning and management	- The length of time taken to run reports through Crystal reports impedes fiscal management

3.2 IT

The IT function which is named Information Management Services is currently centralised within SAFECOM and provides services to all three agencies. This means that IMS does not co-locate staff to agencies, but rather has centrally based staff which provide helpdesk and other IT support out to regions as required.

The total personnel cost of IT at SAFECOM has been calculated as $952k across 9.8 FTEs the average cost per IT FTE is $98k.

3.2.1　Where is the effort?

Our effort analysis revealed 9.8 FTEs deliver IT services within SAFECOM.

As indicated in the graph below, 86% of effort is spent delivering three key functions; Deliver & support IT services, Develop & maintain IT solutions and Deploy IT solutions.
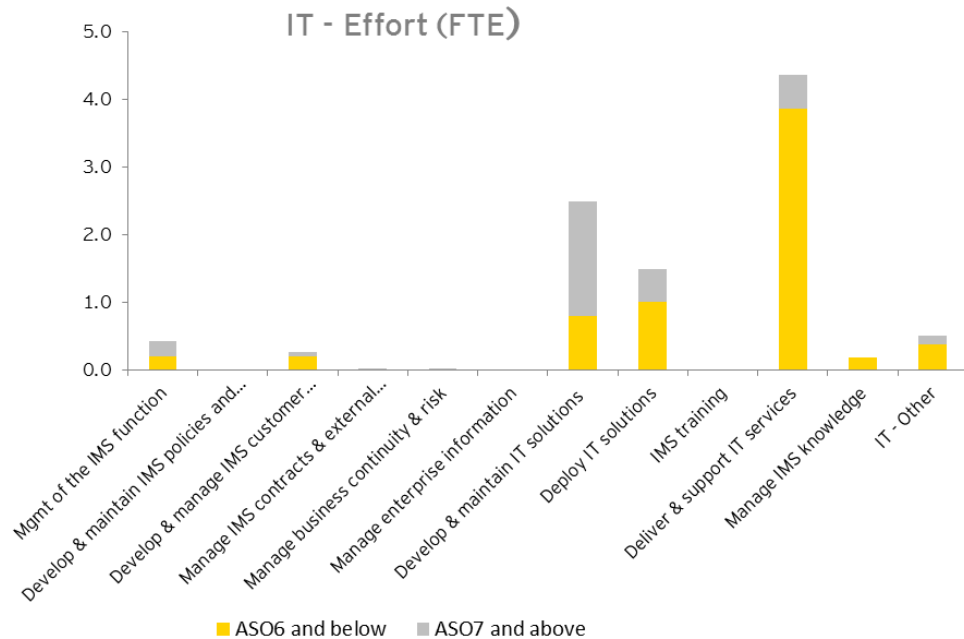

Figure 3.2.1: IT effort by activity

The work effort showed that 68% of IT effort is undertaken by personnel who are classed as ASO6 or lower. At a sub function level, however 89% of effort in Develop & maintain IT solutions is delivered by personnel at an ASO7 or above level. This high level of effort delivered by senior personnel is contributing to the high cost structure of this function.

3.2.2   Comparison to benchmarks

The following table outlines a number of benchmarks that have been captured to test the overall size of the function, the FTE numbers to serve the business and the cost of the function.

Ref		Gov	Top	Median	Bottom	SAFECOM
1	No of IT FTEs for "manage the business of IT" per $1b[1] exp[2]	Y	0.47	1.14	1.78	0.43
2	No of IT FTEs for "develop and manage IT customer relationships" per $1b exp	Y	0.82	1.46	1.82	0.26
3	No of IT FTEs for "manage business resiliency and risk" per $1b exp	Y	0.79	1.93	2.92	0.01
4	No of IT FTEs for "develop and maintain IT solutions" per $1b exp	Y	1.96	3.00	11.46	2.50
5	No of IT FTEs for "deploy IT solutions" per $1b exp	Y	2.27	3.35	6.54	1.50
6	No of IT FTEs for "deliver and support IT services" per $1b exp	Y	4.78	9.09	12.40	4.36
7	No of IT FTEs for "managing IT knowledge" per $1b exp	Y	0.58	1.40	1.82	0.18
8	No of FTEs that perform IT processes per $1b exp	Y	16.20	25.28	46.71	9.76
9	Personnel cost[3] of "manage the business of IT" per $1k exp	N	0.16	0.31	0.74	0.23
10	Personnel cost of "develop and maintain IT solutions" per $1k exp	N	0.49	1.38	3.30	1.30
11	Personnel cost of "deploy IT solutions" per $1k exp	N	0.32	0.94	1.87	0.66
12	Personnel cost of "deliver and support IT services" per $1k exp	N	0.95	1.99	4.34	1.62

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

2 APQC benchmarks are provided on a revenue basis. In government engagements the methodology involves substituting the agency/ sector revenue with expenditure as a proxy for revenue.

3 Benchmarks have been converted to Australian Dollars using the average exchange rate for FY14 up until 25 February 2014, sourced from the Reserve Bank of Australia

Figure 3.2.2: Comparison to IT benchmarks

Based on comparison to benchmarks, the number of IT FTEs is leaner than the top benchmark performance (top performer 16.20 vs. SAFECOM 9.76) as shown at benchmark number 8. The personnel cost, however, shown at benchmarks 9, 10, 11 and 12 show performance generally closer to median, indicating a lower than benchmark number of FTE at a closer to median cost.

The benchmarks indicate that IT services within SAFECOM are under resourced, as SAFECOM is significantly below the top benchmark in all but one service. Benchmarks 1 – 8 are resourcing level benchmarks and SAFECOM in comparison is shown to be leaner in all but one of these. A top performing organisation would be expected to have better practice technology and processes in place to enable a small lean function, where this is not the case at SAFECOM.

It appears that SAFECOM has under invested in personnel within the IT function.

3.2.3   Voice of customer results

Overall IT received an average performance rating of slightly below Acceptable (2.93) while the average importance rating was closer to Critical (4.57).). IT was also one of the higher performing SAFECOM functions. Below is a summary graph showing the average response to importance and performance of each of the IT sub-services.

There were 11 sub services for IT included in the survey, of this 11 only 2 received a rating of Acceptable (3) or above. This coupled with the disparity between the ratings for performance and importance indicates a need for improvement within this function. With a greater focus required for Manage business continuity and risk, Develop & maintain IT solutions and ICT training.
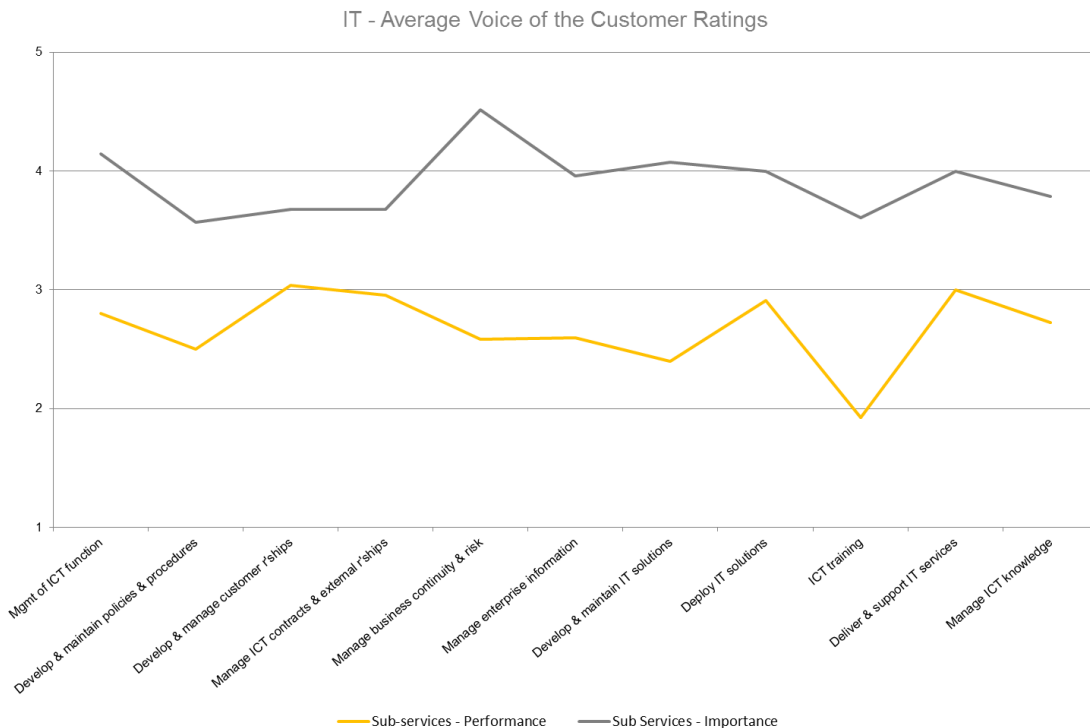

Figure 3.2.3a: Average IT VoC rating by organisational area

The chart below highlights the customer responses to each of the operating model components within IT. This shows that at least 50% of respondents rated strategy, management structure and continuous improvement as need some level of improvement. The best performing component was people and capability, where 81% of respondents rated this as Acceptable or better.
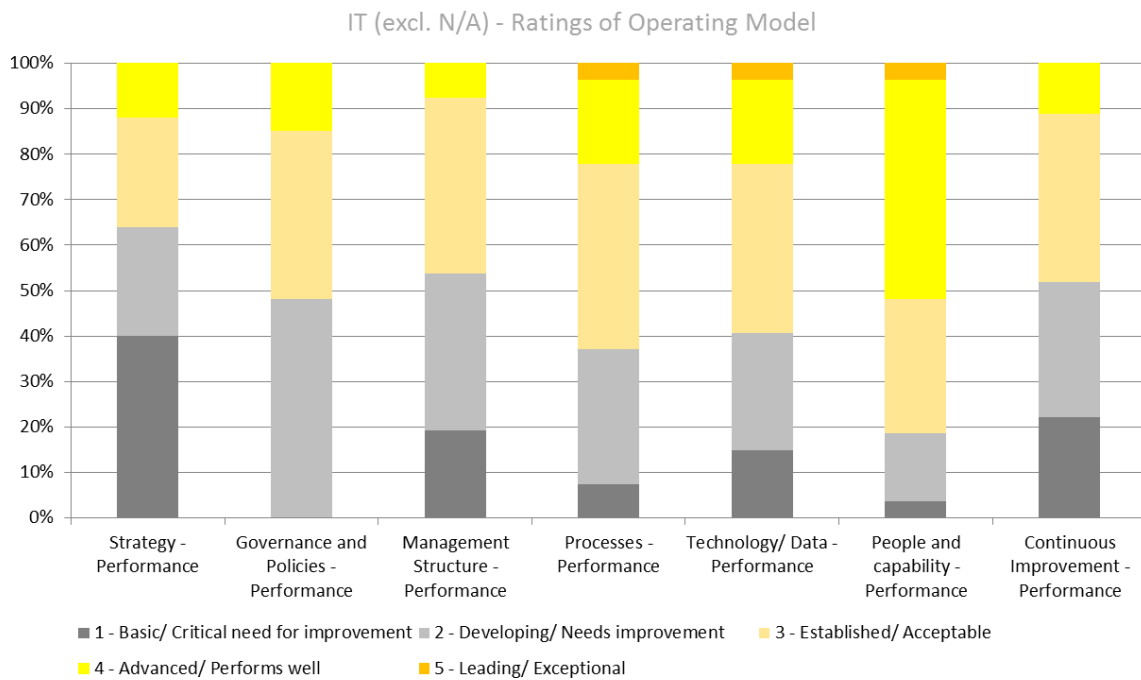

IT (excl. N/A) - Ratings of Operating Model

- 1 - Basic/ Critical need for improvement
- 2 - Developing/ Needs improvement
- 3 - Established/ Acceptable
- 4 - Advanced/ Performs well
- 5 - Leading/ Exceptional

Figure 3.2.3b Performance by operating model component

3.2.4 Customer and provider feedback

The following table summarises key themes arising through the Voice of the Customer survey, interviews and workshops.

Structure/ Governance	People
‣ Agencies own the IT budget which makes it difficult for SAFECOM IT to deliver and implement capital work projects. For example there are difficulties in coordinating asset replacement rollouts across agencies at the same time due to individual agency budget pressures ‣ There was general consensus that IT could continue to be performed centrally ‣ SLA's exist however they are not effective in driving the correct behaviours by the agencies ‣ There is a reliance on relationship and the goodwill of individuals with no reprise for poor performance ‣ Governance board established to improve service delivery has been successful	‣ No capacity for innovation / strategic planning due to lack of resources. Team is only reactive/day-to-day responses and desktop support able to be provided due to current resource constraints ‣ Service delivery demands from the agencies has increased whilst FTE numbers have remained static within SAFECOM, leading to capacity issues within the IT team ‣ The IT management structure is very flat and there is no backup support for management ‣ Personal development opportunities are limited due to lack of staff, backfill or training budget
Process	**Technology**
‣ Customer satisfaction is not currently measured effectively so it's difficult to identify and develop process improvement initiatives. SAFECOM could implement a survey receive feedback on performance and improvement opportunities ‣ Critical reliance on information management and successful systems in times of emergency (social media, website – community expectation) ‣ Opportunity to improve process governance and documentation ‣ Policy and procedure documentation is currently outdated due to insufficient resource availability, resulting in an increased risk exposure for SAFECOM ‣ The IT Helpdesk is currently performing well	‣ Systems and desktops are generally consistent across the agencies ‣ Team is very flexible and accommodating in comparison with most other government agencies allowing ESO's to trial innovative systems and approaches that require new technology approaches. ‣ An increased level of website and social media usage place pressure on IT infrastructure, particularly around peak operational periods where website traffic surges significantly.

3.3 Procurement

The Procurement and Asset Management function is delivered under one Manager within SAFECOM. Staff delivering procurement sit centrally within SAFECOM. There are 1.6 FTE of effort delivering services within the procurement function at a cost of $185k.

3.3.1 Where is the effort?

The graph below indicates the split of this procurement effort across five sub services. As shown in the graph, effort is more or less spread evenly across all functions, as would be expected with the small number of FTE delivering this service. The data also shows that 89% of the effort is delivered by personnel who are classified as an ASO7 level or above.
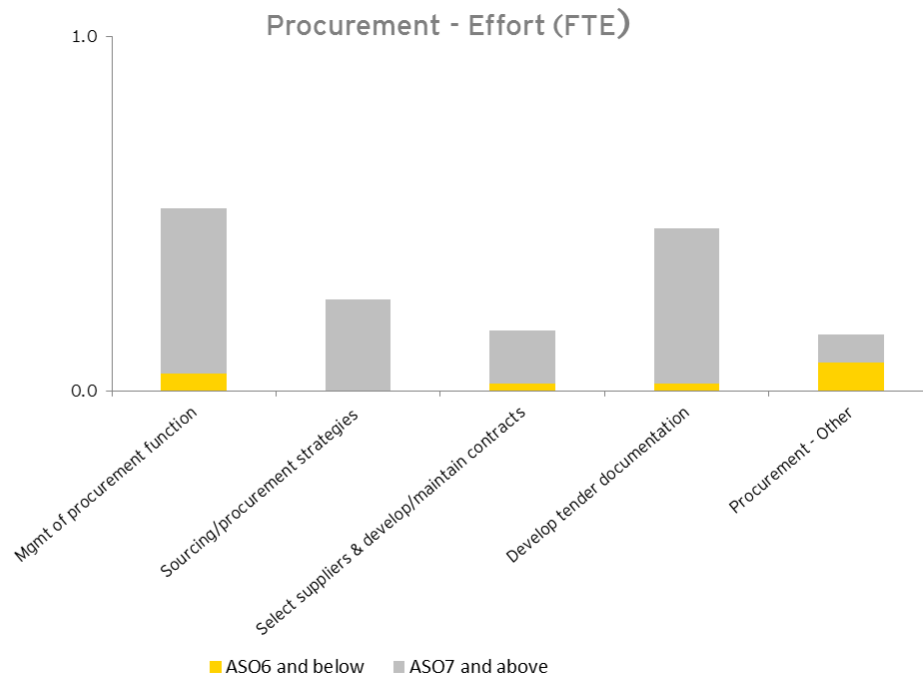

Figure 3.3.1: Procurement effort by activity

3.3.2 Comparison to benchmarks

The following table outlines a number of benchmarks that have been captured to test the overall size of the function, the FTE numbers to serve the business and the cost of the function.

Ref		Gov	Top	Median	Bottom	SAFECOM
1	No. of FTEs that perform the process "develop sourcing strategies" per $1b[1] exp[2]	N	0.13	0.42	1.73	0.26
2	No. of FTEs that perform the procurement process group per $1b exp	Y	6.16	7.79	12.33	1.57

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

2 APQC benchmarks are provided on a revenue basis. In government engagements the methodology involves substituting the agency/ sector revenue with expenditure as a proxy for revenue.

Figure 3.3.2: Comparison to Procurement benchmarks

Comparing SAFECOM's procurement function to the APQC benchmarks (both 1 and 2), show that the function is resourced leaner than the top benchmark. Given the commentary and processes in place at SAFECOM, this likely indicates an underinvestment in procurement resources within the sector.

3.3.3 Voice of customer results

Procurement was rated as slightly below Acceptable in terms of performance (2.71) and as Very Importance (4.24) in terms of importance. Given this gap between customer perception of importance and performance it indicates a need for improvement of services within this function.

The largest gap between importance and performance was for management of the function and develop tender documentation.
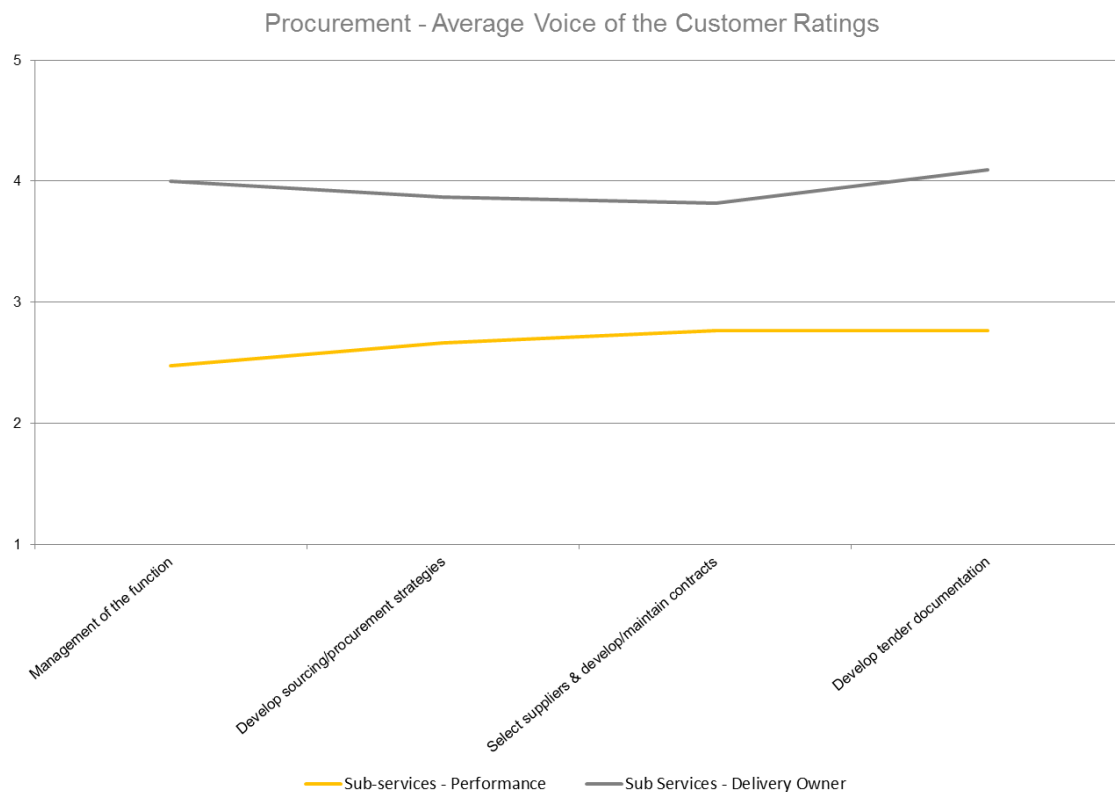

Figure 3.3.3a: Average Procurement VoC rating by organisational area

The graph below summarises customer responses of ratings of the operating model components within Procurement. This shows a need for improvement in continuous improvement, where nearly 80% of customers rated this as a 2 or below. It also shows that the management structure, people & capability and technology/data are contributing to the customer satisfaction with more than 50% of respondents rating these as a 2 or below.
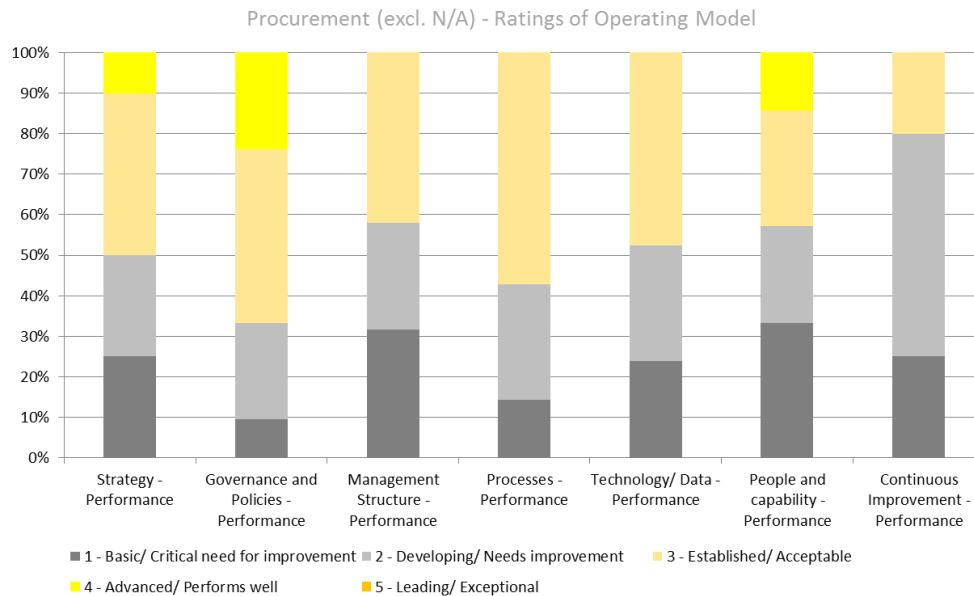

Figure 3.3.3b: Performance by operating model component

3.3.4   Customer and provider feedback

The following table summarises key themes arising through the Voice of the Customer survey, interviews and workshops.

Structure/ Governance	People
• No clarity around roles/responsibilities as part of procurement process is leading to duplication of services and tensions between agency and SAFECOM teams • Governance and Policy at the State level is provided adequately by the State Procurement Board but this has not devolved well down to agency level	• Significant relationship strain between customers and provider • Perceived lack of capabilities by customers of the function leading to reduced confidence in services. This has resulted in agencies performing tasks themselves • People within the function are not closely aligned with the organisation and misunderstand the organisation's requirements • There appears to be insufficient FTEs for workload demands resulting in a decline in service delivery from a SAFECOM perspective, the level of resourcing was consistently sighted as an issue • Duplication of resources (procurement staff in SAFECOM and also within agencies particularly in BSO roles at a regional level) • There is a single point of failure within this function
Process	**Technology**
• Duplication of processes (potential for cost savings) as agencies have their own staff that also perform procurement activities • Lack of strategic planning is preventing innovation / cost savings / necessary upgrades and acquisitions • Processes remain undocumented, information provided to agencies only when it becomes obvious that there is a gap • Records management in this area has also been identified as 'high risk' with 'stop gap' measures implemented to appease several audits • Tender support processes have been remarked to be slow	• Poor use of technology for recording procurement and contracts • Implementation of either a sector wide or agency specific asset management database system/s would greatly improve investment decision making and optimise use and life-cycle tracking of existing assets

3.4   HR

The HR function is delivered by SAFECOM through staff located centrally and co-located at agencies. There is one HR Manager co-located with, and allocated full time to, MFS. There is another HR Manager who is responsible to deliver services for CFS and SES but who is located centrally and works with agencies as required. These two Managers are responsible for running the HR function.

The work effort shows that there is 5.8 FTE of effort within the HR function, with a cost of delivering the FTE effort of $567k. The average cost per HR FTE is $98k.

3.4.1 Where is the effort?

Below is a graph showing the work effort of HR across thirteen sub services. It shows that 56% of HR effort is spent delivering 4 services; HR advisory, Other, Managing CHRIS and Managing investigations. It also shows that 70% of the effort is delivered by personnel that are classified as an ASO6 or below.

The graph indicates that minimal effort is spent on reward and retain employees (0.1 FTE). It also shows that 1.96 FTE of effort is spent in transactional/ processing tasks such as manage reporting process, manage employee inquiry process, manage and maintain employee data and manage CHRIS.

Human Resources - Effort (FTE)

Legend: ASO6 and below (yellow), ASO7 and above (grey)
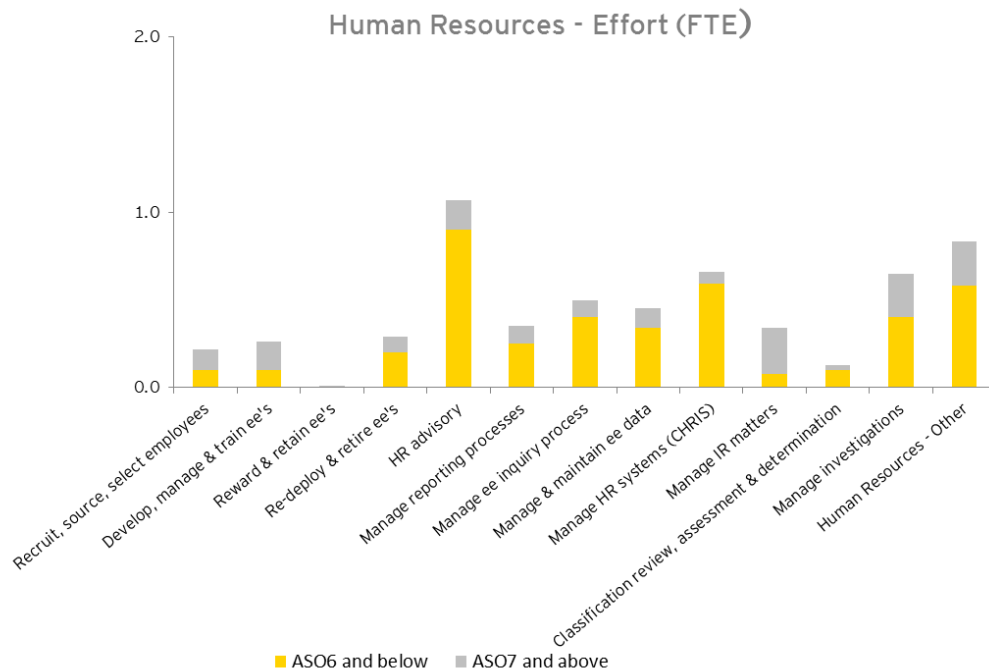
Figure 3.4.1: HR effort by activity

3.4.2   Comparison to benchmarks

The following table outlines a number of benchmarks that have been captured to test the overall size of the function, the FTE numbers to serve the business and the cost of the function.

Ref		Gov	Top	Median	Bottom	SAFECOM
1	No. of FTEs that perform process group "recruit, source, and select employees" per $1b[1] exp[2]	Y	3.09	4.78	64.47	0.22
2	No of FTEs that perform process group "reward and retain employees" per $1b exp	Y	1.22	2.38	8.38	0.01
3	No. of FTEs that perform process group "redeploy and retire employees" per $1b exp	Y	0.95	4.08	17.79	0.29
4	No. of FTEs that perform process group "manage employee information" per $1b exp	N	0.57	1.48	4.03	0.45
5	No. of FTEs that perform the HR function per $1b exp	Y	8.73	15.50	30.22	5.77
6	Personnel cost[3] to perform the HR function per business entity employee	Y	326.5	800.4	1,388.1	472.3
7	No. of business entity employees per HR function FTE	Y	104.99	70.88	41.52	208.15

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

2 APQC benchmarks are provided on a revenue basis. In government engagements the methodology involves substituting the agency/ sector revenue with expenditure as a proxy for revenue.

3 Benchmarks have been converted to Australian Dollars using the average exchange rate for FY14 up until 25 February 2014, sourced from the Reserve Bank of Australia

Figure 3.4.2: Comparison to HR benchmarks

The benchmarks show SAFECOM operating at a resourcing level which is significantly under the top performing benchmarks within HR. As SAFECOM is not operating at a best practice level in terms of technology, data and processes, these benchmarks indicate under resourcing for the HR function. Benchmarks 1 – 5 indicate significantly less resources within SAFECOM than a top performing organisation.

The personnel cost per business unit FTE (benchmark 6) also reflects an under investment in the function. While SAFECOM is slightly more than the top performing benchmark given the operational activity, the unionisation of the workforce and the current systems and process in place, it would be expected that this would be closer to a median performing organisation.

It is interesting to note that the top performing benchmark has 1 HR FTE servicing 105 FTE's while at SAFECOM this has been calculated as 1 HR FTE servicing nearly double at 208.15.

3.4.3 Voice of customer results

Overall HR was rated between a Very Important and Critical function (4.5), while the performance was rated below Acceptable (2.79). All sub services, with the exception of Recruit, source, select employees and HR Advisory where rated below 3, indicating a need for Improvement.

The lowest rated sub service was Manage IR for the sector (2.35), and this sub service along with Develop, manage & train employees had the largest gap between the importance and performance ratings.
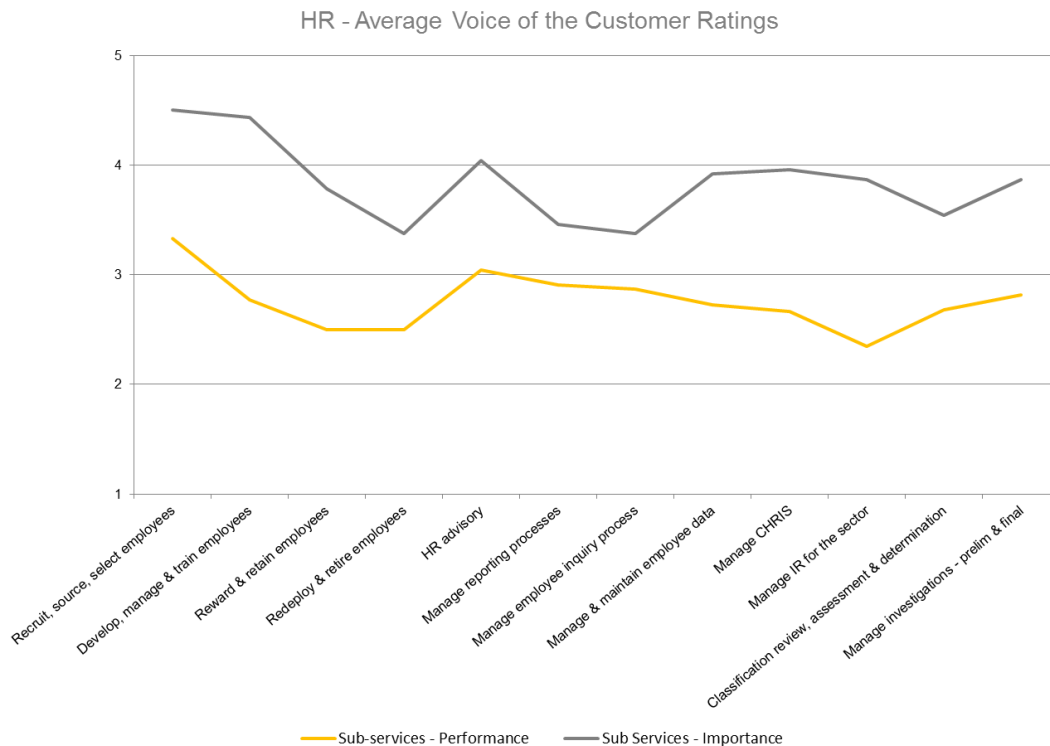
Figure 3.4.3a: Average HR VoC rating by organisational area

Following is a graph showing customers responses to the operating model components in the Voice of the Customer survey.

This shows the performance problems within HR are around three key components management structure, continuous improvement and technology/ data. The responses show limited levels of satisfaction across all components, with the best performing, people and capability having 36% of respondents still selecting Critical need for improvement or Needs improvement.
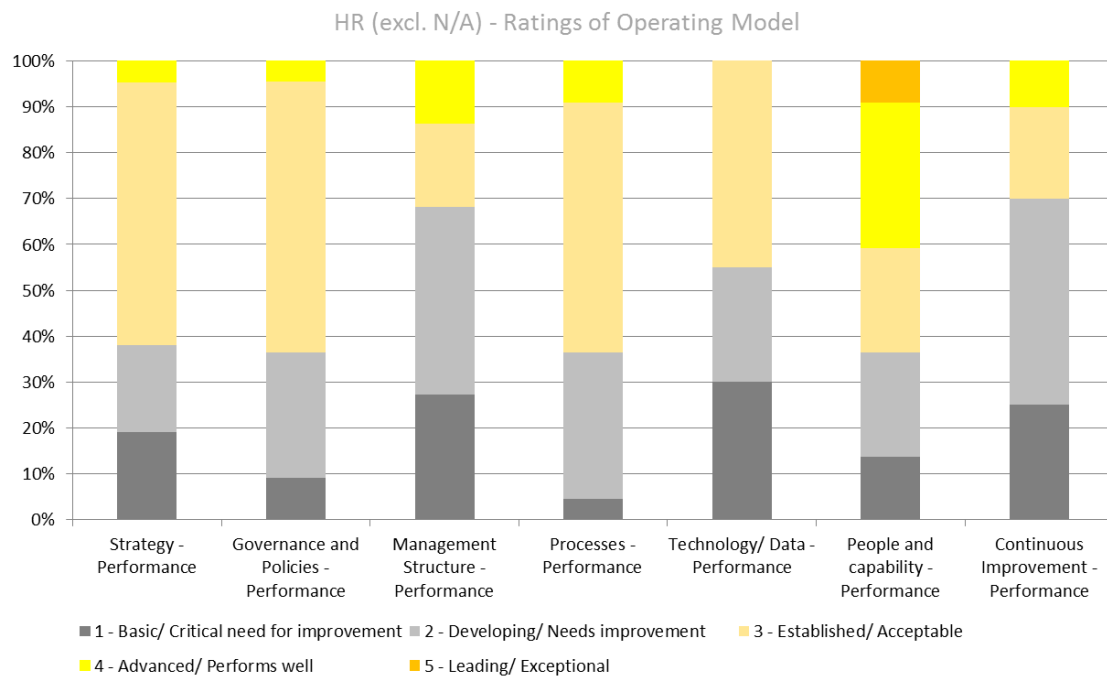

HR (excl. N/A) - Ratings of Operating Model

Legend:
- 1 - Basic/ Critical need for improvement
- 2 - Developing/ Needs improvement
- 3 - Established/ Acceptable
- 4 - Advanced/ Performs well
- 5 - Leading/ Exceptional

Figure 3.4.3b: Performance by operating model component

3.4.4 Customer and provider feedback

The following table summarises key themes arising through the Voice of the Customer survey, interviews and workshops.

Structure. Governance	People
- Model for HR operates differently across agencies with a full time dedicated resource out-posted at MFS and a shared centrally based resource for CFS and SES - Challenge of managing MFS due to IR/Union approach which is used as a defence mechanism to oppose influence and change - Overall lack of influence and authority to enforce changes/follow through recommendations in agencies	- Consistent view that staff are high quality with strong capabilities - FTE numbers are low compared to workload demands, with reliance on a few key individuals, the theme of inadequate resourcing was consistent - Delivery issue for staff in dual corporate services/operational roles in emergency situations (neglected tasks or higher work demands/overtime). Includes managers responsible for overseeing teams. - Lack of backfill / support staff resulting in high leave balances which cannot be - High overtime / TOIL costs driven by peak demand periods for emergency support - Retention leave funded by government. However, backfilling of employees taking retention leave paid at double time placing extra financial budgetary pressure on agencies - Emergency response times create greater demand for activity in this function and exacerbates processes. Need flexibility in staff numbers
Process	**Technology**
- Three separate silos of training due to cultural differences (timing of delivery is the major issue) and potential for consolidation - Performance management process needs review and improvement. Being done by the agencies currently but only once annually and not sufficiently - SLAs are ineffective. Reliant on relationships and established communication channels. Formal meetings with agencies every Monday has been instrumental in this - Operational focus in agencies. There is a need for management/soft-skill training. Cannot be implemented without agency support and buy-in - There are complexities/ idiosyncrasies in managing volunteers (CFS/SES) which demand greater attention and skills - Classification review process has been poor in the past	Lacking technological systems and support to ensure accurate data for personnel

3.5 Workplace Health and Safety

Workplace Health and Safety (WHS) has 10.0 FTE delivering four key WHS sub services at a cost of $930k. The team is centrally based and provide resources as required to the agencies.

3.5.1 Where is the effort?

The work effort data for WHS is provided in the graph below and shows the largest amount of effort is spent on WHS & Injury prevention with 5.04 FTE. This accounts for 50% of the effort within the function. The data also reveals that 97% of effort within this function is delivered by personnel with an employee classification of ASO6 or below.

Figure 3.5.1: WHS effort by activity

Benchmarks are not available for this function,

3.5.2   Voice of customer results

Customers rated WHS between Very important and Critical (4.54) in terms of importance and slightly below Acceptable in terms of performance (2.91). This gap between importance and performance indicated the WHS service delivery requires improvement.

When looking at the sub service, it is only WHS & injury prevention which was rated below 3, however the gap between importance and performance for both WHS & injury prevention (1.47) and Injury management (1.25) indicates improvement is required.
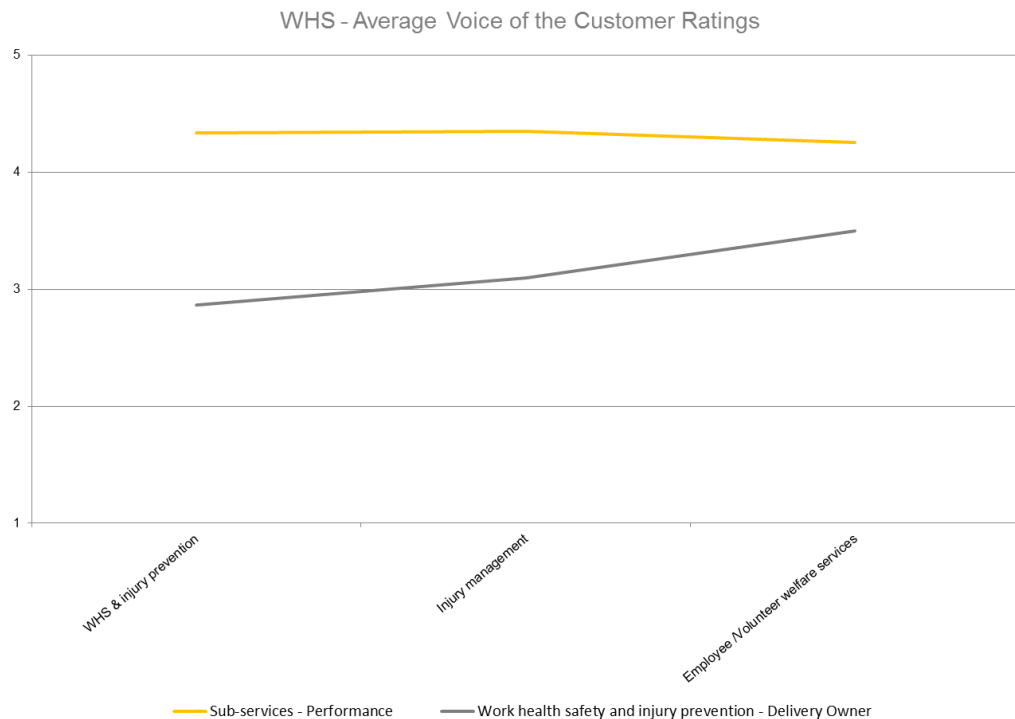
Figure 3.5.2a: Average WHS VoC rating by organisational area

The graph below shows the customer rating to the operating model components. This shows a need for improvement within the management structure predominately with nearly 60% of respondents rating this as Needs improvement or Critical need for improvement. There was still close to 40% of respondents indicating Needs improvement or critical need for improvement across all operating model component within WHS.
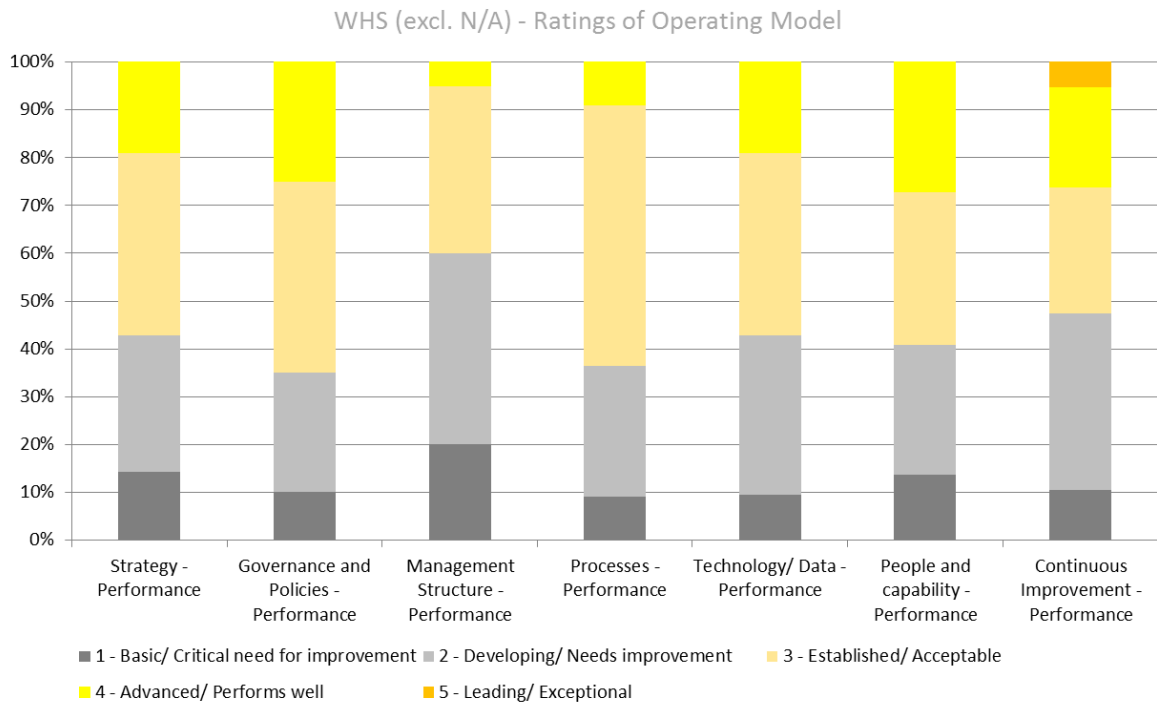
Figure 3.5.2b: Performance by operating model component

3.5.3 Customer and provider feedback

The following table summarises key themes arising through the Voice of the Customer survey, interviews and workshops.

Structure/ Governance	People
‣ Recent changes in legislation have driven demand and higher admin burden for WHS ‣ Concerns over independence/fearless advice with WHS staff embedded in agencies	‣ This function is critical to the agencies. General satisfaction with services, but lack of ownership is an area of concern. Belief that centralisation does not meet the legislative requirements ‣ People capability is good, however FTE numbers are too low due to budget cuts, resulting in high workloads, fatigue and accrued leave ‣ Service delivery harder to maintain ‣ Reduced capability to handle claims, teamed with high community/political scrutiny, creates greater risk of PR backlash/inflated issues ‣ New compensation legislation to increase number of claims to be processed; currently inadequately resourced to handle ‣ Loss of necessary touch points in regional areas with volunteers, which allowed proactive monitoring, early intervention, better claims management (raised by both provider and customer) ‣ View that there is a need for soft skills/leadership training to enable higher quality interactions/cooperation with WHS and earlier intervention and adoption of initiatives ‣ Delivery issue for staff in dual corporate services / operational roles in emergency situations (impact to service delivery due to neglected tasks or higher work demands/overtime). This includes managers responsible for overseeing teams ‣ Process success between SAFECOM and the agencies is reliant on key individuals and relationships
Process	**Technology**
‣ Lack of soft skills training to operational managers/brigade leaders preventing the improvement of incident management/quality of interactions at management levels ‣ Volunteers expressed concerns over the administrative burden to complete accident and injury forms and safety audits. Processes are cumbersome and there is a lack of support ‣ Employee Assistance program works extremely well	‣ Greater use of technology could improve report and analysis

3.6   Asset management

Asset Management is delivered in a team combined with Procurement within SAFECOM. The team has a flat structure led by an Assets and Procurement Manager at an ASO8 level. The work effort data shows that Asset Management is delivered by 4.5 FTE at a cost of $485k, giving an average cost per FTE of $108k.

3.6.1   Where is the effort?

Asset Management is delivered through 8 sub services with 72% of the effort within three key functions; Record & maintain databases; Manage construction program and Other. Activity in other includes attending monthly meetings, updating policies & procedures, maintaining contract registers and providing advice to staff.

The work effort shows that 61% of the FTE effort is delivered by personnel classified as ASO7 or above, contributing to the high average FTE cost for this function. It also reveals limited investment in developing an Asset Management strategy.
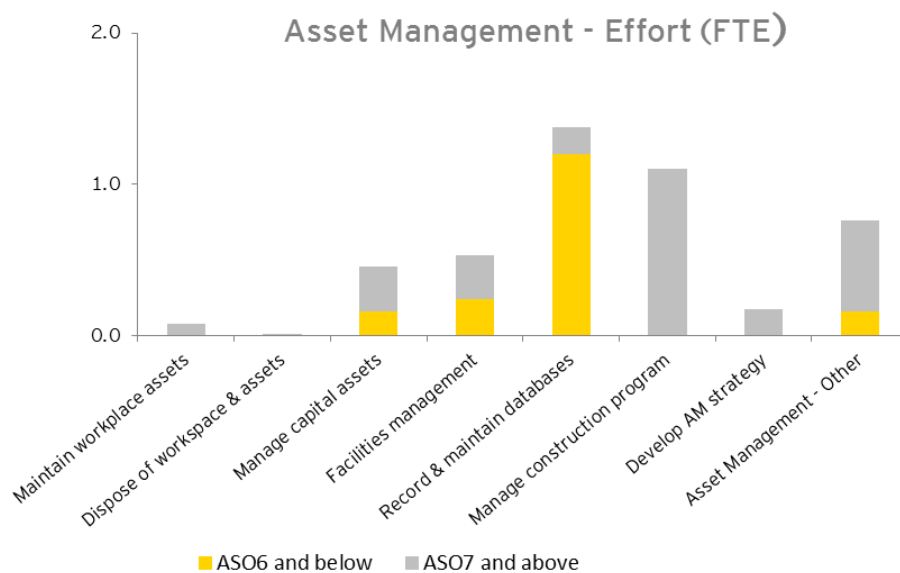
Figure 3.6.1: Asset Management effort by activity

Benchmarks are not available for this function,

3.6.2   Voice of customer results

Overall Asset Management was rated as Very Important (3.95) and performance was rated as Needs Improvement (2.42). When looking at the sub services, all services received a rating below 3, with the lowest Records & maintain databases (2.06) and the highest Manage construction program (2.68). Asset management was one of the lowest performing SAFECOM functions.

The largest gaps between Importance and Performance could be seen within Facilities management, Record and maintain databases and Manage capital assets.
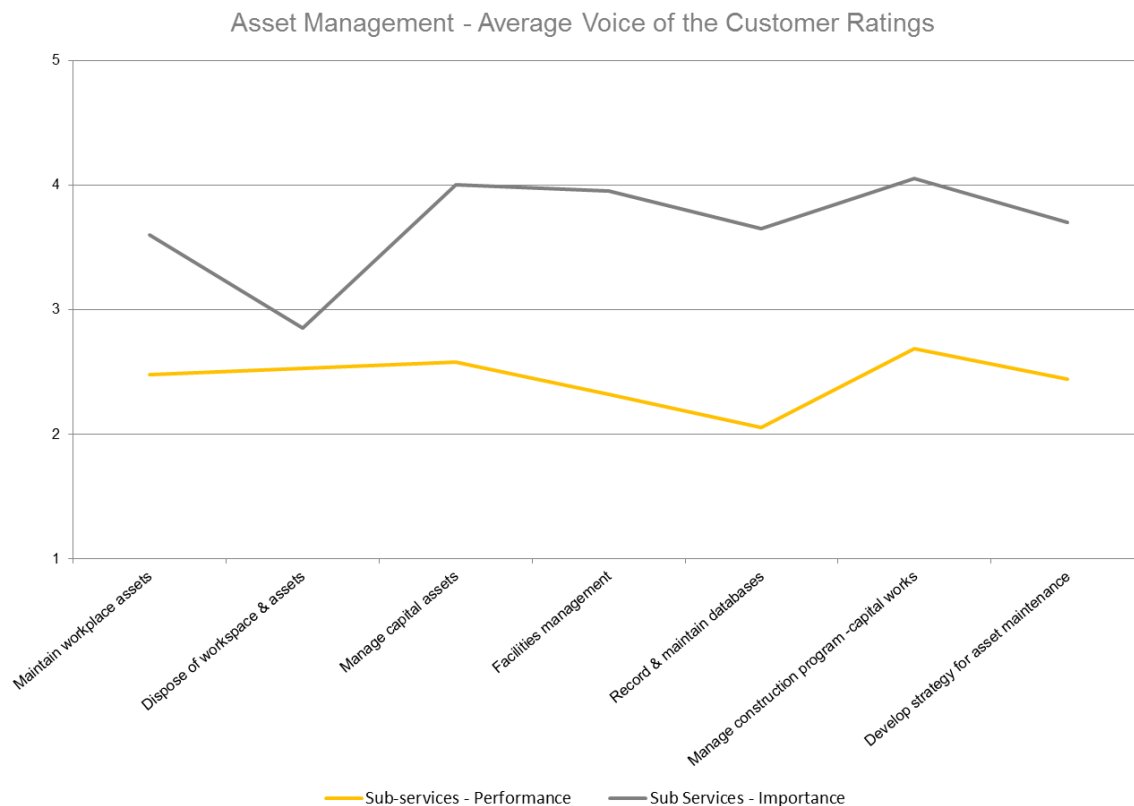
Figure 3.6.2a: Average Asset Management VoC rating by organisational area

The graph below shows the customer rating to the operating model components. This shows a need for improvement within the management structure with over 70% of respondents rating this as Needs improvement or Critical need for improvement, followed closely by continuous improvement and strategy. There was at least 50% of respondents indicating Needs improvement or critical need for improvement across all operating model component within Asset Management.
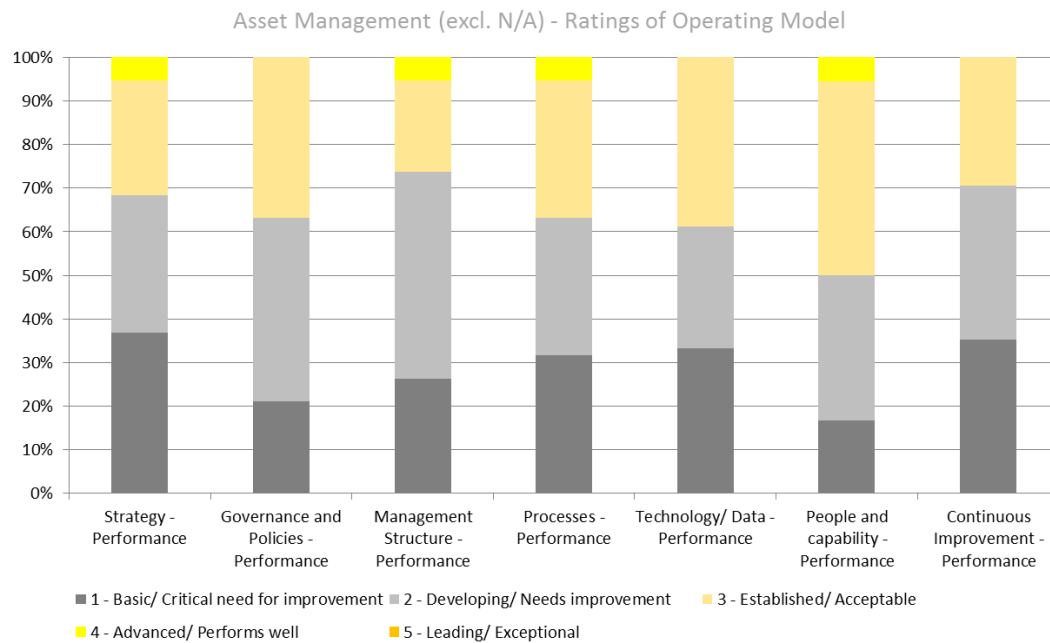
Figure 3.6.2b: Performance by operating model component

3.6.3 Customer and provider feedback

The following table summarises key themes arising through the Voice of the Customer survey, interviews and workshops.

Structure/ Governance	People
‣ Misalignment around service delivery and quality (need for customer focus, SLAs and clear service definition) ‣ Capital works program needs to be closely linked to assessment of community risk and operational performance	‣ High turnover of staff within the AM particularly at a senior level ‣ Belief that the function is under resourced given the number of buildings and sites under management across the state
Process	Technology
‣ Process for capital works >$1m is working effectively as projects are managed by DPTI (largely for MFS work) ‣ Current process for capital works < $1m is not operating effectively as designed ‣ Process governance appears to be an issue ‣ Non-adherence to documented processes set by SAFECOM by agencies and lack of consultation ‣ Provider view that agencies have little tolerance for due diligence of process causing a lack of adherence/consultation ‣ Customer view that there is a lack of customer focus/perspective from the provider and they are seen as a blocker in the process ‣ Introduction of whole of government facilities management AGFAMA resulted in loss of control over repairs and maintenance. With costs increasing and limited savings realised	‣ There is opportunity for improvement through technology based asset identification and recording systems

3.7 Administration

The work effort reveals 3.3 FTE are delivering seven Administration sub services at a cost of $355k, giving an average cost per FTE of $107k. Whilst this may appear high given the nature of work, this function encompasses the role of the CE.

3.7.1 Where is the effort?

Administration effort is predominately focused on Providing policy advice and services to the Minister's office, with 63% of the total effort spent within this service. The work effort also shows that 41% of the effort is serviced by personnel who are classified as ASO7 or above, with 59% of effort by those classified as ASO6 or below.
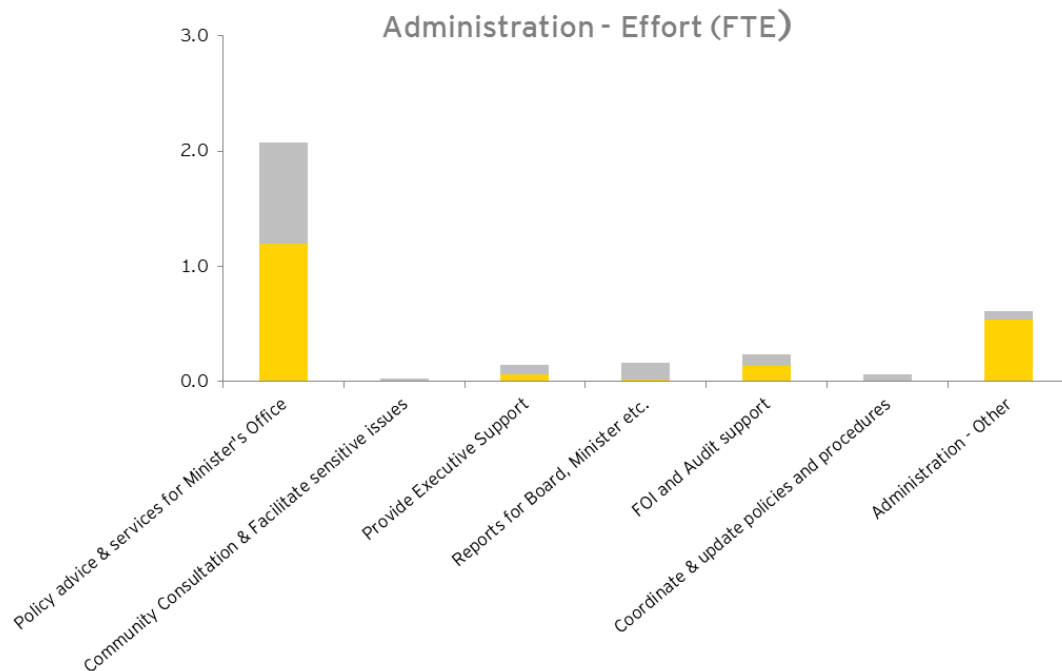

Figure 3.7.1: Administration effort by activity

Benchmarks are not available for this function,

3.7.2 Voice of customer results

Administration as an overall function was rated as Important (3.0) with performance slightly below Acceptable (2.79). All sub services received a rating below 3, indicating a Need for improvement. The largest gap between importance and performance was for Community consultation & facilitation of sensitive issues, Provide policy advice & support to the Minister's office as well as Coordinate and update various policies and procedures. This function had the smallest gap between performance and importance of SAFECOM services.
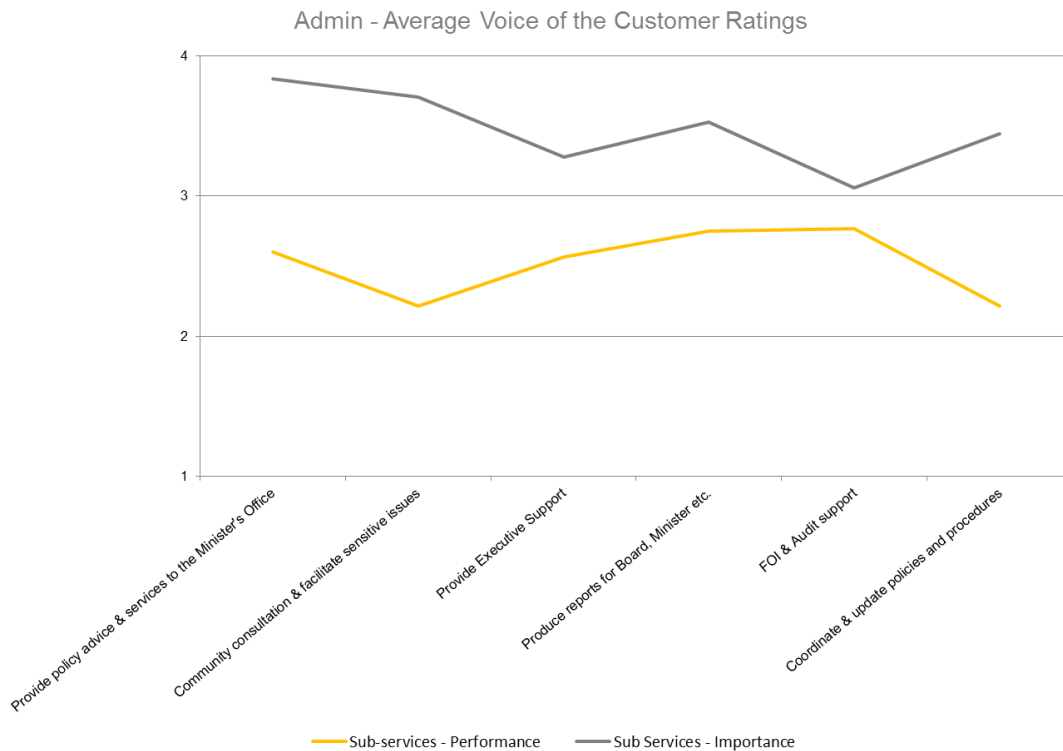
Figure 3.7.2a: Average Administration VoC rating by organisational area

Within Administration the operating components of continuous Improvement and strategy were shown to have a high number of respondents indicating a need for improvement with more than 50% indicating this for continuous improvement and more than 40% for strategy. People & capability along with processes had a higher level of Acceptable ratings.

Admin (excl. N/A) - Ratings of Operating Model

Legend:
- 1 - Basic/ Critical need for improvement
- 2 - Developing/ Needs improvement
- 3 - Established/ Acceptable
- 4 - Advanced/ Performs well
- 5 - Leading/ Exceptional
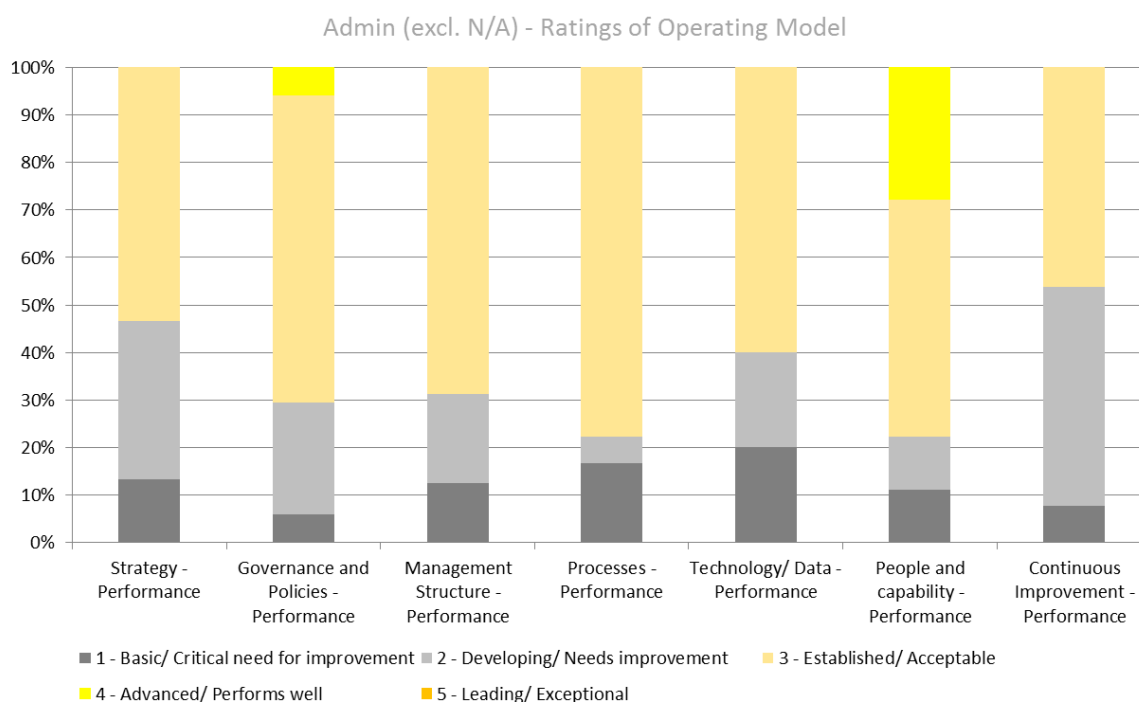
Figure 3.7.2b: Performance by operating model component

3.7.3   Customer and provider feedback

The following table summarises key themes arising through the Voice of the Customer survey, interviews and workshops.

Structure/ Governance	People
▸ The board needs to be truly independent with an independent chair ▸ Governance and policies is not performing as well due to resource levels, work volumes and differing requirements between the ESO and SAFECOM ▸ Views were divided as to whether this function as a standalone function should exist ▸ There were divergent comments on who was the provider of these services with some saying SAFECOM and others saying the services were delivered from within the ESO's	▸ There were divergent views on the capacity of this function with some noting it was under resourced while others considered it to be over resourced when compared to other critical functions
Process	**Technology**
▸ FOI system management works well	No significant technology concerns were noted

3.8   Volunteer Support

Volunteer Support services are delivered from SAFECOM with an ASO8 level Manager leading the function. All resources are based centrally with no co-location to agencies. The work effort shows 6.6 FTE are delivering the Volunteer Support services at a cost of $586k. Volunteer Support is delivered across nine sub services at an average cost of $89k per FTE.

3.8.1   Where is the effort?

Volunteer Support effort is delivered across nine sub services with 72% of the effort spent across four sub services; Develop & train volunteers, Create & manage volunteer resources, Volunteer recruitment & retention and Other. Activity within Other includes management of the function, updating web portals, advising on grant opportunities, administrative support and responding to media. 84% of activity is undertaken by personnel that are classified as ASO6 or below.
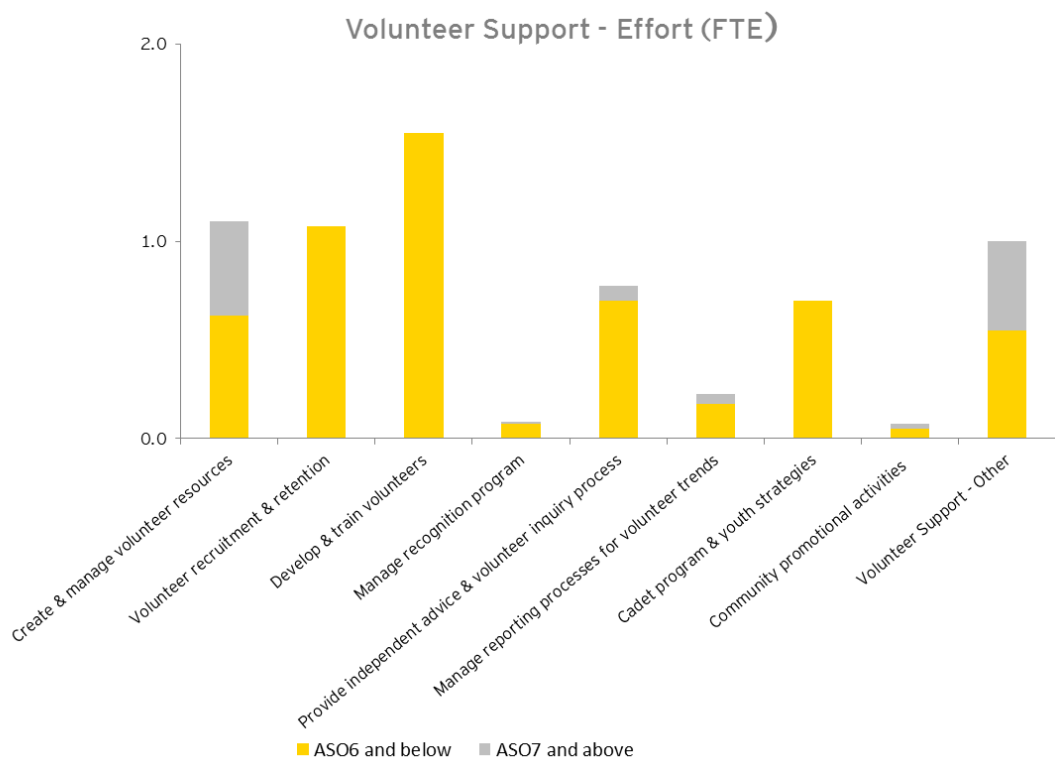
Figure 3.8.1: Volunteer Support effort by activity

Benchmarks are not available for this function,

3.8.2   Voice of customer results

Overall Volunteer Support was rated as Very Important (4.37) and the performance was rated as Needs Improvement (2.21), which was one of the lowest rated SAFECOM functions.

The graph below shows the survey responses for each of the sub services delivered by Volunteer Support. The graph shows a significant variance between importance and performance for Recruitment and retention of volunteers, this was also the lowest performing sub service within the function rated as 1.63. A rating of 1 indicates a Critical need for improvement and a rating of 2 indicates Needs improvement.

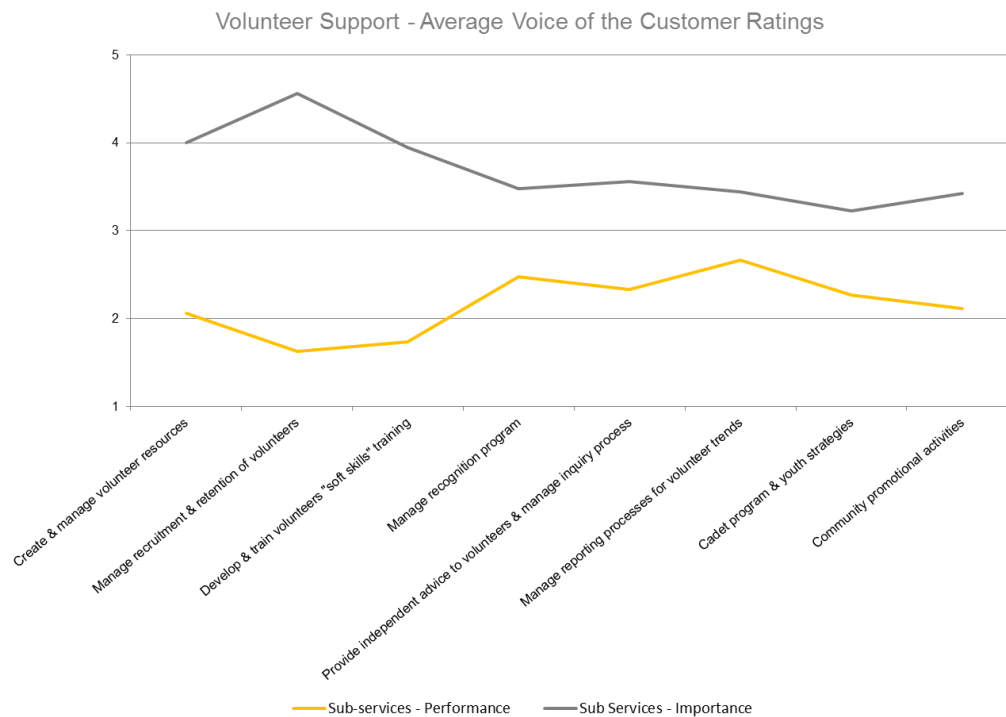All of the sub services had an average rating below 3 indicating some need for improvement.

Figure 3.8.2a: Average Volunteer Support VoC rating by organisational area

Customers were asked to rate the performance of each component of the operating model within the Volunteer Services function. This indicates a high level of Needs improvement responses across all components, with the most significant for people & capability, management structure and continuous improvement.
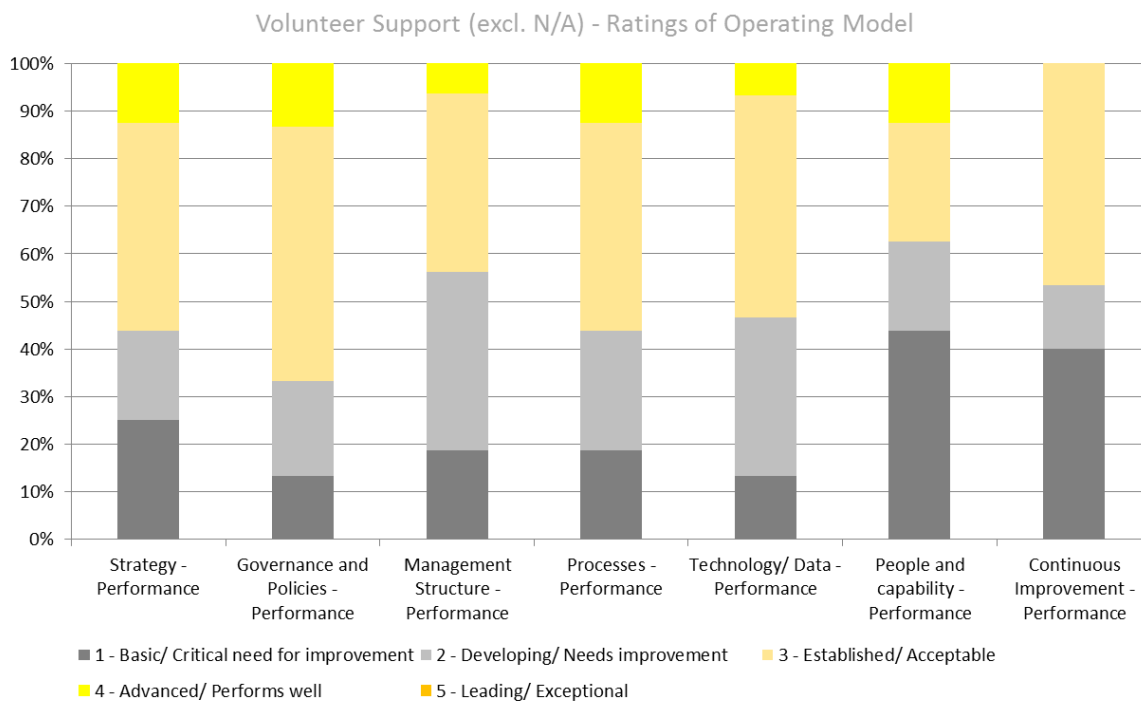

Figure 3.8.2b: Performance by operating model component

3.8.3 Customer and provider feedback

The following table summarises key themes arising through the Voice of the Customer survey, interviews and workshops.

Structure/ Governance	People
‣ No volunteer support staff are co-located at agencies or out in regions. Prior to the establishment of SAFECOM, volunteer support officers were based out in regions for both CFS and SES.	‣ FTE reduction due to budget cuts placing a strain on delivery and staff ‣ Customer view that quality of staff and capabilities in volunteer support is high, though insufficient numbers to deliver the necessary services and support required. There is concern over declining volunteer numbers ‣ Reliance on a few key individuals poses risk of process breakdown if they leave ‣ Inability to backfill positions. Only able to advertise for short term contracts rather than an ongoing role which limits the pool of talent ‣ Budget cuts forced scaling back of services as the remaining resource pool was insufficient to maintain delivery. This includes the removal of regional volunteer support officers which were a vital touch point with communities and volunteers ‣ Unable to engage in strategic/long term or innovative planning due to lack of resources
Process	**Technology**
‣ Lack of awareness of the role that volunteer support plays and a subsequent need for regional volunteer support officers. Consequently there is some resistance to volunteer support. Teamed with a lack of authority held by volunteer support to implement change/directions in agencies/through operational managers, has created some frustration points ‣ Recommendations following health check assessments have been ignored and there is insufficient power or time to follow up resulting in no change ‣ Soft-skills training is provided predominantly by volunteer support but there is some overlap with agencies ‣ Divergent views and support for soft-skills training which is delivered by volunteer support ‣ Provider believes more training is needed and greater funding/cooperation is necessary ‣ The lack of buy in by agencies has resulted in tension/limits on delivery ‣ Opportunity to share some administrative tasks with HR ‣ Provider view that it is role of agencies to manage volunteers workflow but there are attempts by some to push this back on volunteer support ‣ Currently employing a risk managed approach by identifying key areas of need and allocating staff accordingly. Can lead to prioritisation of one agency over another in times of need	‣ Potential for some automation/better information management/website support regarding email queries from volunteers as currently each email query is being manually and individually responded to

3.9 Emergency Management

Emergency Management is delivered centrally out of SAFECOM. The organizational chart shows the function is led by an ASO8 Emergency Management Manager. The work effort included project roles which are not funded on an ongoing basis, rather based on grant funding. The work effort shows 14.8 FTE delivering Emergency Management seven sub services at a personnel cost of $1,656k. This results in an average cost per FTE of $112k.

3.9.1 Where is the effort?

The work effort at the sub service level shows the majority of effort within Emergency Management is delivered within a single function, Lead & administer agreements and programs, with 9.33 FTE of effort or 63%.

Across Emergency Management 42% of effort is delivered by personnel who are classified as ASO7 or above. This is contributing to the high average personnel cost of the function, as outlined above of $112k per FTE.
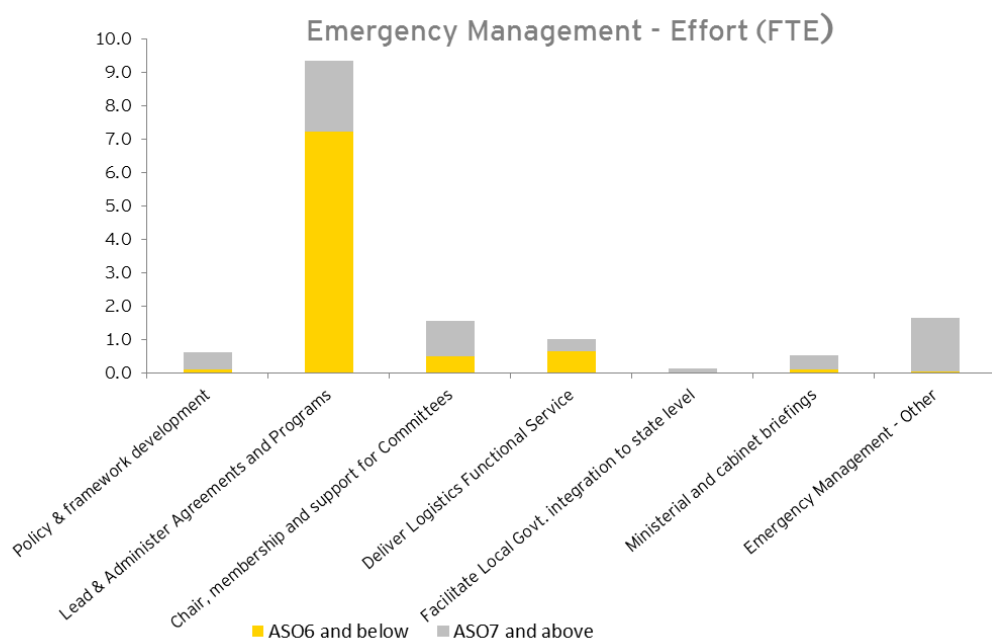
Figure 3.9.1: Emergency Management effort by activity

Benchmarks are not available for this function,

3.9.2 Voice of customer results

Overall the Emergency Management function was rated as Very Important (3.95) and performance was rated as Acceptable (3.0). The performance view was different when rated at a sub function level with all services receiving a performance rating below 3, indicating needs improvement.

The lowest performing sub service was Deliver logistics functional service, with an average rating of 1.81. A rating of 1 indicates a Critical need for improvement and a rating of 2 indicates Needs improvement.
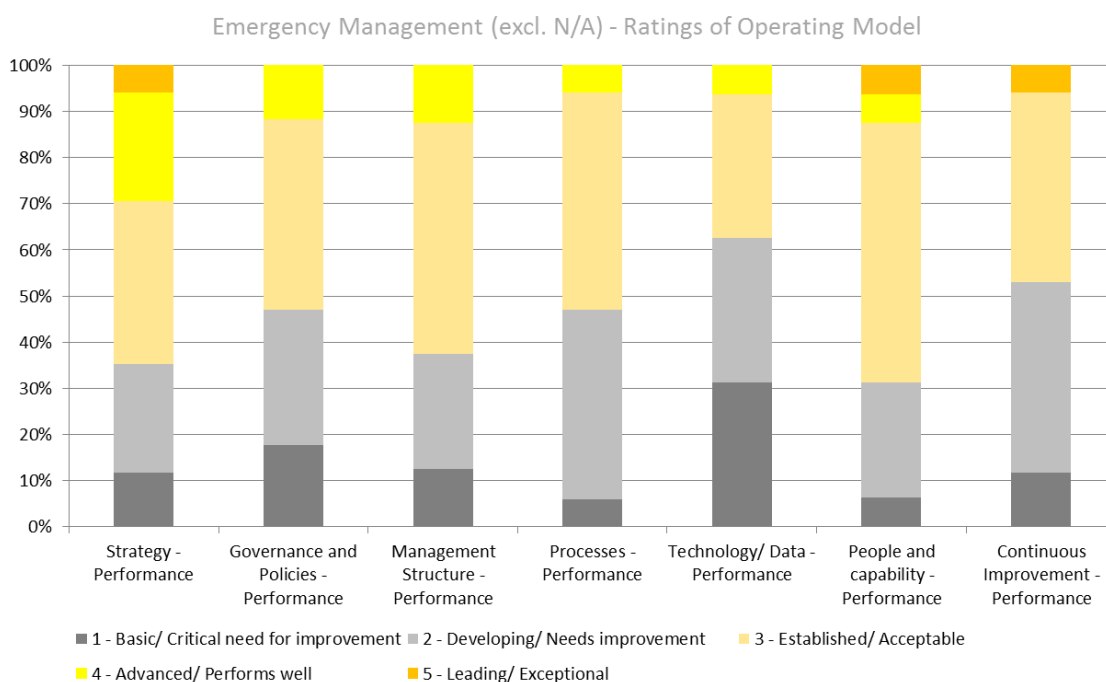
The data suggests that given the importance of this function, the performance requires improvement.

Emergency Management - Average Voice of the Customer Ratings

Legend: Sub-services - Performance | Sub Services - Importance
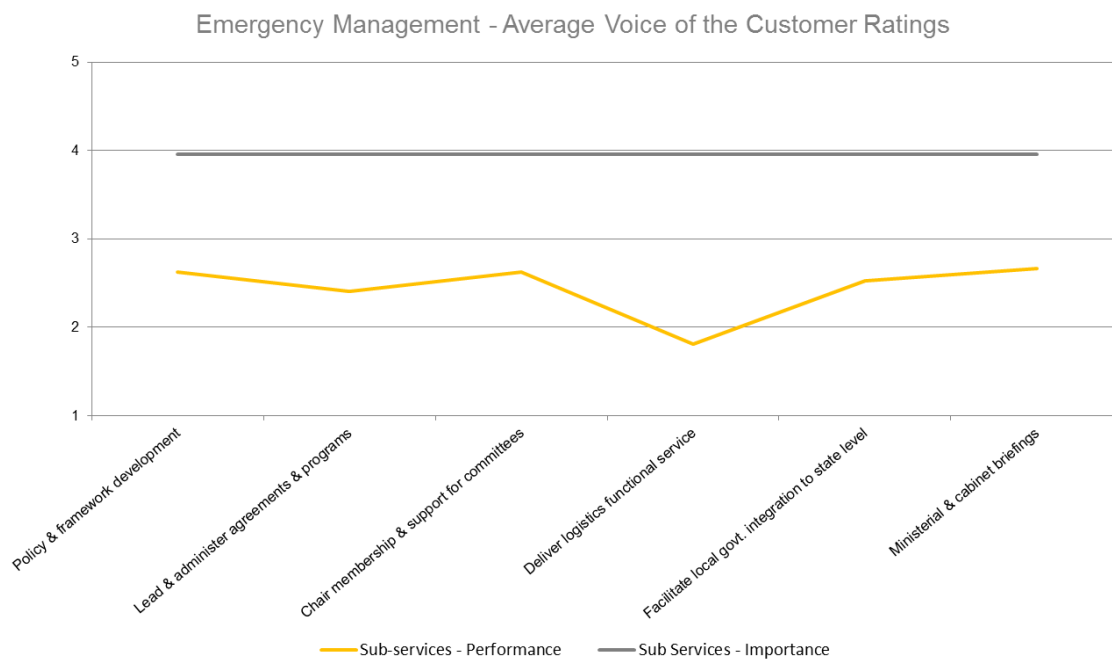
Figure 3.9.2a: Average Emergency Management VoC rating by organisational area
N.B Importance data for Emergency Management was collected at the functional level only, rather than at the sub service level

The operating model components indicates a level that Needs improvement across all components, with all receiving at least 30% of customers rating the component as a 2 or below. A specific focus on technology/ data and continuous improvement is required, given the percentage of customers that rated these components as 2 or below (63% and 53% respectively).

Emergency Management (excl. N/A) - Ratings of Operating Model

Legend:
- 1 - Basic/ Critical need for improvement
- 2 - Developing/ Needs improvement
- 3 - Established/ Acceptable
- 4 - Advanced/ Performs well
- 5 - Leading/ Exceptional

Figure 3.9.2b: Performance by operating model component

3.9.3 Customer and provider feedback

The following table summarises key themes arising through the Voice of the Customer survey, interviews and workshops.

Structure/ Governance	People
‣ There is some confusion from customers as to why this service sits within SAFECOM and divided views on where this would be best provided from	‣ Currently resourced through project based roles which are funded through grants and not on an ongoing permanent basis ‣ There are quality personnel in this function with the right capability
Process	**Technology**
‣ There is not enough involvement with the ESO's when planning and throughout policy development ‣ Principles of operation should be defined and circulated	No significant technology concerns were noted

3.10 Other areas

While work effort was not collected for ESO Individual Services and External Shared Services, they were included in the Voice of the Customer survey. An analysis of the survey responses follows below.

3.10.1 What are the other areas?

ESO Individual Services include:

- Asset & Logistics, examples include fleet management, engineering and Telecom
- Training, examples include ops training (Road Crash Rescue etc) and curriculum development
- Community Education, examples providing education and awareness programs across the state such as Bushfire awareness, Storm Safe etc

Although work effort was not collected for these functions, the following table was provided in the Holloway review, outlining the number of FTE's within each of the ESO Individual Services.

Agency	MFS	CFS	SES	Total
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 and Logistics	**15**	**10.8**	**4**	**29.8**
Training				
Management/ Admin	5	5	2	
Ops training	12	6	2	
Specialist training	3	4	1	
Staff and curriculum development	3	5	1	
Sub-total Training	**23**	**20**	**6**	**49**
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**	**45.8**
Total				124.6

3.10.2 Voice of customer results

The ESO Individual services were collected at the sub service level. The results in the graph below show that all ESO services were rated above Acceptable. The highest rating was for Training with an average response of 3.76.

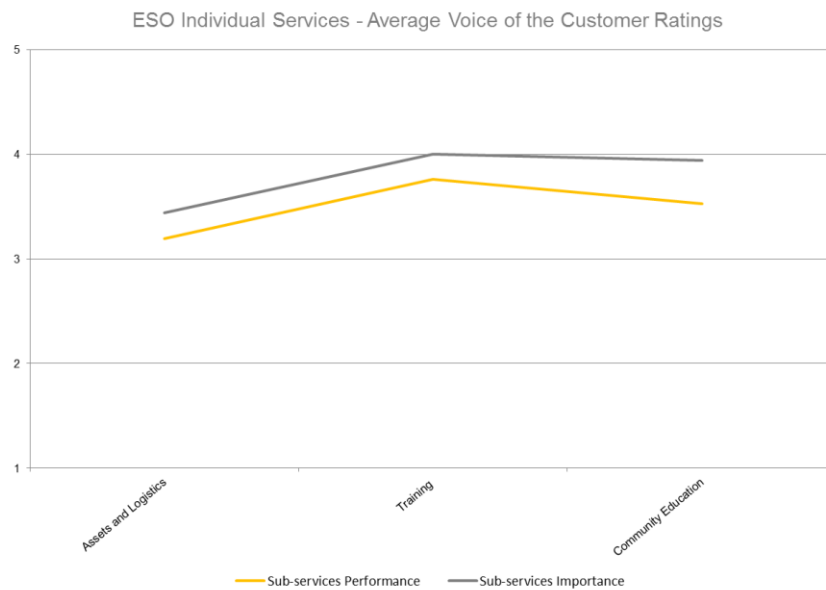The survey results indicate that overall this function is performing at an Acceptable level.

ESO Individual Services - Average Voice of the Customer Ratings

Sub-services Performance   Sub-services Importance

Figure 3.10.2a: Average ESO Individual Services VoC rating by organisational area

External Shared Services were also collected at the sub service level with the results depicted below. These results were similar to those of ESO services in that they were all rated above 3 Acceptable.

The highest rating was for GRN with an average rating of 3.72.

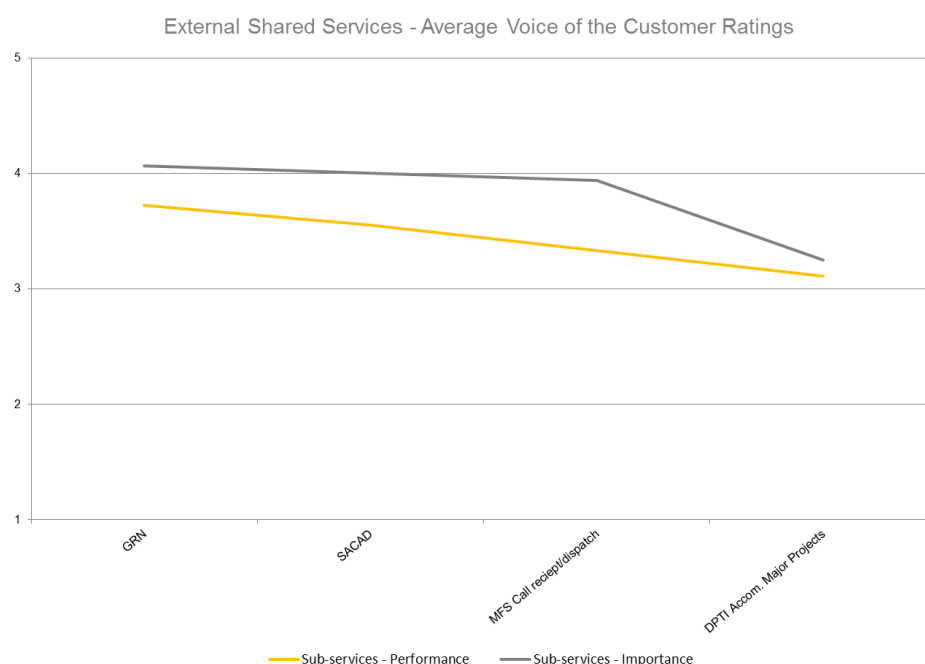The survey ratings indicate that overall this function is performing between an Acceptable and Performs well rating.

Figure 3.10.2b: Average External Shared Services VoC rating by organisational area

3.10.3 Customer and provider feedback

The following table summarises key themes arising through the Voice of the Customer survey, interviews and workshops.

Structure/ Governance	People
‣ Operating under a shared function may reduce the deliverables/ outcomes as a total across all ESO's ‣ Opportunity to align all 000 call centres across the agencies ‣ Opportunity to better align or share training, community education and assets and logistics across the sector. This can potentially deliver savings for re-investment into critically under-funded areas	‣ The training team has good capability ‣ The level of resourcing is "spread thin"
Process	**Technology**
‣ Each agency has very specific workplace and training delivery requirements that in practice limit the ability to share training resources and assessment methodologies ‣ The safety messages for community are similar ‣ The processes have been refined over many years of delivery (training) ‣ DPTI needs to work more closely with ESO's on capital projects	‣ The Bushfire hotline has a limit to the number of calls it can receive in an hour which needs to be addressed ‣ GRN and SACAD work well

3.11 Findings and recommendations

The overview of the current state in this report informs the findings and recommendations as outlined in the EY report titled Independent Review of shared services in fire and emergency services sector.

For findings and recommendations as a result of this review, please refer to the above mentioned report which was issued in conjunction with this supplementary report.

Appendix A   Stakeholders Consulted

The following is a list of stakeholders consulted throughout the review.

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 B   Voice of the Customer Survey

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 Operators (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

Procurement	WHS	Asset Management
		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 C   Service Taxonomy

The below table outlines the service taxonomy utilised 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).
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

No.	Functions and sub-functions	Descriptions
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.
	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

No.	Functions and sub-functions	Descriptions
	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
4	**Human Resources**	
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

No.	Functions and sub-functions	Descriptions
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	
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**	

No.	Functions and sub-functions	Descriptions
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 eg 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
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

No.	Functions and sub-functions	Descriptions
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	
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	

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