

**Songer, Rachael (DCS)**

**From:** John Lawrence <johnl@live.com.au>  
**Sent:** Thursday, 23 October 2014 10:27 PM  
**To:** DCS:Minister Piccolo  
**Cc:** Beattie, Chris (SES); 'Susan Caracoussis'; 'Warren Hicks (SES:MET)'; Palmer, Wayne (SES); Halleday, Derren (SES); 'Kain Neale'; 'Mat Brooks'; 'Leesa Vlahos'; 'Lee Odenwalder'; napier@parliament.sa.gov.au  
**Subject:** Emergency Services Sector Proposed Restructuring - Round Table 3 - Comments

Minister,

Your presentation at Round Table 3 has proven to be another disappointing document. Again, no evidence was presented to support the proposed model. If you think that this is the way to go, then you must have the evidence to back-up your proposal. As an Engineer, in addition to being a volunteer, I need to make decisions based on the evidence (e.g. calculations, material certificates, quality testing, strength testing, etc.). If I do not, then structures fail or fall down – consider the CTV Building in Christchurch. Without evidence supporting your proposed new structure it will fall down also.

You say that you are committed to supporting volunteers, but we keep hearing that much of this is being driven by the UFU, whose agenda is to remove volunteers from the emergency services sector. I have been informed that over 10% of SES Unit Managers and many members have indicated that they will resign if this new structure is established. They obviously do not feel supported. Others will probably stay on only because of their commitment to the communities that they serve and in spite of, rather than in support of, this restructure.

Getting back to the evidence, I understand that in Queensland, you were clearly asked, by an SES member, why you were considering such changes when SA already had the best structure in place. Restructurings such as this have failed in the other states and have been bad for volunteers, so why are you intent on doing the same here, especially when over 90% of the sector is made up of volunteers.

I assume that you have read the Ernst & Young report (*Independent review of shared services in the fire and emergency services sector – Main report*) that was released in May this year. The following quotes are from section 1.5, "Summary of hypotheses and key findings".

*Hypothesis 1                      Efficiency – Service quality is being impacted by under-resourcing.  
Hypothesis 1 is supported. **This is the cornerstone finding in our review and is a major driver of the performance issues. This critical lack of resourcing requires immediate attention.***

*Hypothesis 2                      Service quality – Performance concerns exist with SAFECOM's current service quality, creating significant operational and political risks to ESOs.  
Hypothesis 2 is supported. Service quality was below average as measured by voice of the customer. **It was believed that the lack of resources was the key driver for reduced performance.** Areas such as volunteer support, asset management and procurement have witnessed severe reductions in FTE numbers resulting in reduced on the ground support for agencies. This has taken time away from operational activities. **Our review found that the structure of the model is not a key issue, capability of staff was generally well regarded and, as such, performance issues can be attributed to other aspects of the operating model including lack of resourcing, governance, systems, and processes.***

*Hypothesis 3                      Service quality – **Volunteers are receiving a reduced level of support from SAFECOM functions, creating a high risk of losing volunteers.**  
Hypothesis 3 is supported. **A significant reduction in FTEs within the Volunteer Support Branch has occurred since 2008/09 resulting in lower levels of service to volunteers and a greater level of administrative burden on these key resources. Key areas affected are:***

- **Leadership and management training (soft skills)**



- **Conflict management and resolution**
- **Recruitment and retention**

Training was consistently raised as an issue for volunteers. **The risk of losing volunteers is high and would have significant impacts on the sector.**

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

*Hypothesis 4 is supported. It is believed that SAFECOM should look to reduce their average cost per FTE to approximately \$93k. The premium to APQC benchmarks recognises that the SAFECOM function does not deliver payroll, accounts payable and payroll services. This would result in a saving of around \$650k which would equate to an additional 7 FTE if reinvested.*

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

*Hypothesis 5 is supported. **Strengthening governance mechanisms will improve service quality through allowing the ESOs to have greater input into service expectations** and ensuring SAFECOM is accountable for meeting these expectations.*

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

*Hypothesis 6 is dismissed. **The appropriateness of the location of service delivery is not the root cause of the performance issues.***

*Hypothesis 7                      Sharing of enabling functions – There are opportunities to share certain functions between ESOs.*

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

So an independent review by a reputable accounting firm found the following:

- The main problem is the critical lack of resourcing to SAFECOM (by the Labor Government), which requires immediate attention.
- The structure of the model is not a key issue; the lack of resources was the key driver of reduced performance.
- The reduced level of funding has reduced the level of support to volunteers from SAFECOM resulting in an increased risk of losing volunteers.
- Whilst some functions, such as curriculum development for training could be shared, the cultural barriers between the ESOs would be a barrier to successful sharing.

In essence, E&Y are saying that most of the problems could be sorted out by funding SAFECOM properly (and what agency could survive after nearly \$20million has been cut from its budget over several years), and that any attempt to combine the different Services will run foul of the different cultures of the Services.

This issue of the different cultures is not a topic that has been addressed in anything produced on this subject to date and it is a significant issue. Interestingly, David Carman (GM SES) gave a presentation on organisational culture at last weekend's SES Unit Managers' Forum and a point that he made is that different organisations have different cultures that are appropriate to them. The three ESOs have different cultures and trying to combine them will result in many problems.

But is the E&Y report to be believed? What evidence is there to support their conclusions? In section 1.3 of their Supplementary Report they outline their approach to obtaining the required information/evidence:

*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*

Their evidence is presented throughout the report so that their conclusions are supported by facts, unlike the other papers that have been produced during this exercise.

In section 3.4.4 of the Supplementary Report the following observations are made:

- *Challenge of managing MFS due to IR/Union approach which is used as a defence mechanism to oppose influence and change.*
- *Three separate silos of training due to cultural differences (timing of delivery is the major issue) and potential for consolidation.*
- *There are complexities/ idiosyncrasies in managing volunteers (CFS/SES) which demand greater attention and skills.*

These observations highlight the fact that an amalgamation of the three services is not a good idea.

My overall conclusion from reading the E&Y report and reading the papers that you have produced is that you (i.e. the Labor government) has caused many of the current problems by under-funding SAFECOM and, despite protestations that you support volunteers, you are now trying to rectify the situation by doing what the UFU wants to the detriment of volunteers. (My understanding is that the position of the UFU is that volunteers do not have a place in the EM sector).

If you are both honest and serious about supporting volunteers in the Emergency Services sector then, please, go back and have another look at what E&Y had to say. Imagine the cost to the State if what you do results in the massive loss of volunteers and the slack then has to be picked up by paid staff. Millions of dollars of additional costs would be the consequences, something this State cannot afford. You and, more importantly, the State needs the ES volunteers when those extreme weather experiences, catastrophes, road crashes and such occur. We, the volunteers, are there 24/7 and our cost to the State is minimal, whilst our contribution is significant.

Sincerely,

John

**John Lawrence, MAIES**

Unit Manager | Edinburgh Unit | SOUTH AUSTRALIAN STATE EMERGENCY SERVICE

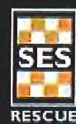
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