

## Functional support for Emergency Services Sector

The Emergency Service Sector (ESS) in South Australia comprises the Country Fire Service (CFS), Metropolitan Fire Service (MFS), State Emergency Service (SES), Volunteer Marine Rescue (VMR) and the South Australian Fire and Emergency Services Commission (SAFECOM)

The ESS 2025 Strategic Plan outlines our priorities over the coming decade to harmonise, align and modernise our operational capability and capacity. We have defined 21 strategic programs for action that will deliver the outcomes we seek.

These individual programs focus on supporting our frontline people and the communities they serve. We need a consistent planning and performance framework along with sector wide plans for Finance, People, Capability, ICT and Public Information, Community, Engagement & Media.

The sector is blessed with hardworking, committed and highly trained people, both staff and volunteers alike. Of paramount importance is their reputation in the community and maintaining the trust of all South Australians.

Central to CFS, MFS, SES and VMR doing their job to the highest standard is having the right “back office” when it comes to functional support. That functional support needs to be provided in an efficient manner that does not compromise the operational capabilities of the emergency service organisations (ESO).

Volunteers and operational staff are the major component of the ESS workforce and without appropriate support from the ESO's and from SAFECOM we run the risk of losing the goodwill and commitment of these people and any degradation of frontline support (eg: training, equipment, services etc) places South Australia at risk both operationally and financially.

In May 2014 Ernst and Young (EY) undertook an independent review of the shared services in the fire and emergency services sector.

Key findings from that report included:

- Further resources are required in the areas of Volunteer Support, HR, WHS, Assets and Procurement. Other areas which require investment and are no longer formerly within the remit of SAFECOM include records management, insurance, media, risk management and internal audit
- SAFECOM employs a higher cost / FTE ratio compared to benchmarks and the current span of control is 1 manager to 3 employees compared to typical government structures of one to somewhere between 6 and 10
- Opportunities exist for wider sharing of services extending to operational support services such as Assets and Logistics, Training and Community Education
- SAFECOM's service model could be improved by amalgamating volunteer support with HR under a business partnering arrangement with CFS and SES and by transferring emergency management functions to SES on a lead agency basis or other agency as determined through consultation
- There are significant opportunities to improve governance, accountability service and performance management and continuous improvement mechanisms.

Recommendations from that report were:

- Right size corporate services and strategic management
- Conduct further analysis to share and streamline operational support services
- Optimise the services model structure of SAFECOM

- Strengthen accountability and governance mechanism
- Embed service management and performance management
- Implement a continuous improvement program and build relevant capability

In September 2015 EY undertook further work to design an integrated services model for providing functional support to the ESS. An integrated services model (were it to be implemented) undoubtedly has the potential to "...improve consistency and quality of (corporate) services as well as reduce the instances of duplication". However, the EY review and its draft report remains silent on the potential impact of such a change on the quality and availability of **operational services** delivered by the sector. This a significant challenge as all three ESO's rely on their internal functional support staff for incident management, operational coordination functions and surge capacity.

The report identifies a theoretical model for optimal FTE allocation based on reported work effort from a subset of employees from across the sector. However, the report does not attempt to address EY's finding from 2014 that confirm the sector is under-resourced to deliver corporate services and is leaner than the top performing benchmark organisations across Finance, Procurement, HR and IT by a factor of three (considering paid workforce only) to six (assuming a volunteer relies on 1/10<sup>th</sup> the corporate support effort of a paid staff member).

**Finding:**

- ▶ The analytical benchmark data supported the view that the sector is under-resourced to deliver corporate services to the sector. SAFECOM was leaner than the top performing benchmarks across Finance, Procurement, HR and IT. Given the top performing benchmarks have the requisite streamlined processes and technology enablement to deliver a high performing function, it can be surmised that the sector is under-resourced

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

*EY Independent review of shared services in the fire and emergency services sector Date 1<sup>st</sup> May 2014*

Based on consultation and analysis, it appears that there are no significant FTE savings to be had. Therefore the focus needs to be on providing complete, consistent and better functional support to the sector. In moving to an Integrated Services model it would be easy to create a perception that SAFECOM had grown headcount at the expense of the ESOs.

This might become counterproductive as 'back office' is always seen as being the easy target for cost cutting versus reducing frontline services. This is despite the fact that the head count allocated to functional support is very lean and supports a workforce of 17,000 across 425 CFS Brigades, 36 MFS Stations and 67 SES Units. Additionally there would be significant effort required to move to an integrated services model and equally significant risk involved for no immediate financial benefit. Accordingly there is little appetite to implement the Integrated Services model for functional support on a sector wide basis.

SAFECOM also needs to provide a modest but appropriate level of project management support for Project Darwin and the associated 21 strategic priorities. These projects are not going to become reality without the application of good project management disciplines. What also needs to reside within the Project Management Office is the analytical capability to support both the ESOs and the various functional support areas. Evidence and fact based decision making is critical to our future success and this originates from accurate business analytics.

All of this change and evolution needs to be undertaken in an environment of tight budgets and with strong financial management discipline. SAFECOM and the ESO's all have budget pressures. In simplistic terms the ESS *needs to live within its means* and we need to adjust expectations, both externally with the community and internally with all stakeholders, so that we have the budget to deliver what we promise.

The future state of functional support to ESS has been laid out in presentations given to management and staff in late October. The presentation is on the SAFECOM website. These plans were then reviewed in the supplementary report prepared by EY.

Both the EY Draft report dated 25 September 2015 and the EY Supplementary report dated 28 October are attached.