



REPORT FOUR

A Better Fire and Rescue Service for the ACT:

Recommendations for Reform

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**UNITED FIREFIGHTERS
UNION OF AUSTRALIA**



ACT BRANCH

1. Introduction

This is the fourth and final report in a series commissioned by the United Firefighters Union in the Australian Capital Territory Branch to inform its 2019 enterprise bargaining process.

Report One focused on the context and role of ACT Fire and Rescue (the Service), as well as its organisational and governance arrangements. We concluded there are strong demand pressures facing the Service in the coming years, arising from population growth, the concentration within Canberra of cultural assets of great national significance, the increased popularity of electric vehicles, the roll-out of light rail and, most importantly, climate change. We concluded that the Service's organisational arrangements and governance were not fit for purpose, making a difficult task managing the Territory's fire risk far more difficult than it needs to be.

Report Two assessed various measures of efficiency and effectiveness. We compared the ACT Fire and Rescue Service to services in other states and territories and showed that it is arguably "best in class".

The third report turned attention to funding mechanisms and finance. We showed that the Service is largely funded out of the Territory budget, and increasingly from the Fire and Emergency Services Levy, which has grown rapidly over the last decade. The Government has a policy commitment to fund a high percentage of the Territory's fire and rescue services this way. We concluded that the ACT budget is in strong shape and pointed to recent policy changes allowing the Government to run small operating deficits in order to maintain service delivery in light of rapid population growth. We also concluded that the Fire and Rescue levy is poorly designed, in that it is both inequitable and inefficient as a funding source. To compound matters, it is also less than transparent.

In this final report we summarise the broader set of recommendations for reform.

- Report One – context, administrative arrangements and demand pressures facing the Fire Service.
- Report Two – considers evidence on the efficiency and effectiveness of the Fire and Rescue Service.
- Report Three – contains recommendations for change, from organisational arrangements to funding.

2. Core finding: a strong case for more resources

The case for a substantial increase in staffing numbers in the ACT Fire and Rescue Service is strong. The Service faces major demand increases arising from substantial population growth and the increase in residential, commercial and industrial properties this brings with it.

In addition, the ACT has a legacy problem arising from lax building and planning standards that have seen fire-accelerating cladding used on an as-yet unspecified number of properties. The level of secrecy surrounding the ACT Government's investigations in this area is of major concern.

There are also important pressures arising from the spread of electric vehicles, which can unleash fires that are very difficult to extinguish. This is likely to be a bigger problem for the ACT because of the significance of the Commonwealth public service (likely to be big fleet purchasers) and also because ACT households are on average on higher incomes than households in the rest of the country, giving the means to buy more of these luxury goods than elsewhere.

The roll-out of the light rail service is also bringing with it substantial fire service challenges. New lifting equipment acquired for Platform on Demand vehicles supports the contention that those vehicles need to be fully crewed, but resources have not followed to enable this to occur.

Finally, climate change looms as an ever present and worsening threat to people and property, with the number and frequency of extreme weather events likely to escalate in coming years as the Government's own modelling amply demonstrates.

These substantial demand challenges raise the question of whether there is scope for productivity improvements within the Fire and Rescue Service. We have seen it is currently one of the most efficient and effective services in Australia, with a labour cost structure that is already relatively low and declining, and relatively few volunteers compared to other states and territories.

There is little scope for it to be able to meet the substantial challenges it now faces without major investment in new fire stations and staff needed to operate them as well as the crew numbers needed to make sure that the new light rail system is able to be fully serviced.

3. Organisational arrangements

There are strong grounds to conclude that the Emergency Services Agency should be housed in its own structure, independent of the ACT public service and answering to a single Minister.

While we recognise that this issue does not fall within the ambit of the current UFU Enterprise Bargaining claim we argue that it should be firmly on the table both now and until it is resolved.

At the same time as we recognise it is management's prerogative to ultimately organise service delivery models we believe what we have proposed, or a similar structure, would enhance organisational effectiveness and budget efficiency.

We observe that the current Justice and Community Safety Directorate structure reflects those found in local government where service delivery agencies are linked together under one management team, often as a way of better coordinating complimentary services and making them more responsive to immediate community needs. Given that the ACT Government carries both "local" and "state" government responsibilities it is understandable that this service delivery model is attractive. In fact it may be a very useful approach when co-locating other forms of local and territory wide services.

Emergency services, however, will always be a discrete state or territory service and should be managed and coordinated as such. They are services that are brought into play in foreseeably catastrophic circumstances and as such need to have the confidence of the whole Territory and be directly politically accountable through a Minister.



Image: Canberra 2003 bushfires, John Lafferty Photography

4. Budget

In the third report in this series we looked at some of the issues around budget and budget processes for the Emergency Services Agency. We indicated that there is a lack of transparency in the way funds are allocated across the agency in the context of a rapidly increasing Fire and Emergency Services Levy, and; where ACT Fire and Rescue is by far the largest component of the Agency.

This situation is inconsistent with sound governance and accountability principles within a public sector environment. The public who are being levied at increasing rates have a right to know how those funds are being expended together with the overall strategic direction of the agency.

Both the public and agency staff, especially Fire and Rescue staff, should have access to information that assures them the level of support afforded each agency is commensurate with its size and importance. These are important checks and balances in the delivery of essential services, especially in a context where Fire and Rescue are first responders on a daily basis.

If the current situation is allowed to continue it is our view that it will give rise to considerations that the Levy or part thereof could be used as a slush or emergency fund to address politically sensitive issues. Good public sector governance should ensure that such a situation is avoided.



5. Annual Report

The Emergency Services Agency should prepare and publish an Annual Report which details both its strategic planning as well as how the un-hypothecated Levy and other monies are spent within the four services.

6. New stations, new vehicles and expansion of staff

The substantial expansion of Canberra's population and built form which is occurring simultaneously with the rise of terrorist threats and climate change lead to the conclusion that there is a compelling case for at least two new fire stations — one in an existing inner Canberra location and one in a rapidly growing outer suburb — and a substantial increase in staffing to enable those stations to be fully crewed. There is also a strong case for an additional aerial pumper due to the growth in the stock of high rise commercial and residential buildings, as well as increased crewing of the existing POD vehicles on a 24/7 basis, which is required to keep the light rail service and its passengers safe.

We note that the most recent budget provided for the new stations and also for training of 36 firefighters. This is a welcome recognition that more staff are needed. But it is well short of what is required. We note here that the budget is silent on how these new staff are to be paid for, implying that they are to fill gaps left by the relatively high number of staff who leave. We recommend that the Fire Service confirm that the 36 firefighters to be trained next year are net additions to the existing staffing level and not replacements.

This begs the question of how many additional firefighters does the ACT need, net of attrition. We have provided two estimates. The first is shown in Table 1, which estimates the number of additional firefighters needed to ensure that the ACT has the same level of total (paid and volunteer) firefighters per 100,000 population as is the case for Australia as a whole. We have assumed that one volunteer is equivalent to one fifth of a full-time, paid firefighter. The first row of the table shows that currently the paid and volunteer firefighting capacity in the ACT is 73.6% of the Australian average (measured by fire fighters per 100,000 population). The second row shows the number of paid firefighters in the ACT in 2017/18. The third shows that the ACT needs an additional 124 firefighters to meet the national average, giving the ACT 472 firefighters. The final row shows that this will need to reach 503 firefighters by 2023 if it is to meet the needs of a growing population.

Table 1: Estimated number of additional paid firefighters needed in the ACT in order to ensure the same level of service provision as Australia as a whole

ACT firefighting capacity as % of national average (a)	73.6%
Actual paid firefighters in ACT 2017-18	348
Additional required to meet national average	124
Total firefighters	472
Required by 2023 (assuming a 6.5% pop increase)	503

Notes: a) Calculated by adding volunteer and EFT paid firefighter numbers per 100,000 population for ACT and Australia

Source: All data other than population growth figures are from the Productivity Commission's 2019 report into Government Service Provision (Chapter 9 table 9A.6). Population projections are from ABS Cat No: 3222.0 - Population Projections, Australia, 2017 Series B.

A second way to calculate the additional firefighters needed in the ACT is to estimate the number of staff needed to operate the 2 new fire stations, the aerial pumper and the POD vehicles so that all are fully operational. We have also estimated the number of additional support staff that will be needed for training etc. We have estimated these numbers in Table 2.

Table 2: Estimated EFT needed to staff 2 new fire stations and vehicles

Reported Paid Firefighters in ACT 2017-18	348
<i>Additional Firefighters 10 / 14 Roster:</i>	
Crew aerial pumper	24
Crew POD trucks for 24/7 response	18
Open City Fire Station	24
Open Molonglo Fire Station	24
Sub Total	438
<i>Additional day work firefighters</i>	
Increase training capacity	26
Increase Operational support services	5
Increase Community safety capability	3
TOTAL	472

Note: This table does not take account of the UFU claim to increase the relief factor, as discussed below.

Remarkably, the net additional firefighters (124) and the total number of firefighters (472) needed according to this method are exactly the same as the numbers shown in Table 1.

7. Reduce the level of attrition

There is an urgent need to address the Fire and Rescue Service's very high level of attrition. There are various ways this could be achieved, but we recommend focusing on reducing the amount of overtime that is currently being expected of staff. The main way to do this is through additional staffing in the way we propose.

We also propose the introduction of a wellness program. The latter would involve a full, comprehensive annual medical checkup for each firefighter, which would include an evaluation of fitness, as well as overall health including mental wellbeing. It is imperative that this be a voluntary program. We expect the take up rate to be high — in the order of 70%.

In addition, we recommend the introduction of fitness training for each platoon, with 2 firefighters per platoon trained to Level Cert III so that they are able to coach their colleagues.

A substantial increase in staffing, the introduction of comprehensive medical assessments and the rollout of a fitness training program should all help reduce the level of attrition. The aim should be to reduce the level to the Australian average. This will bring with it the added benefit of reducing the costs of running the service, as turnover brings with it a need for a recruitment strategy, training and inefficiencies that arise from having to get new recruits service ready. This could be a potent means of helping to finance the additional firefighters needed to run the fire service.

8. Increase the “relief factor”

ACT Fire and Rescue is currently utilising an unacceptable and unsustainable incidence of “recall to duty” of firefighters. As a result, the firefighter overtime bill in 2015-16 was stated by the ESA to be \$4.1 million. For the 2017-18 financial year this increased to an estimated \$5.005 million, and for 2018-19 was estimated as \$6.132 million. This is based on over 117,000 overtime hours paid from 1 July 2017 to 26 June 2018, and over 142,900 hours paid for the year to 30 June 2019. The overtime bill rose by approximately 25% in 2 years, and a further 20% in one year.

Additionally, this shortage means that firefighters are being recalled to duty with as little as a 4-hour break in a 38-hour period. This is an unsustainable work, health and safety issue which must be resolved through proper recruitment and staffing.

The overtime is attributable to chronic understaffing, and a “relief factor” that does not take account of the number of days that firefighters are absent from duty for such reasons as leave, professional development, training, illness and injury.

An increase in the relief factor would reduce the incidence of hours paid at penalty rates, and thus reduce the average unit cost of firefighter working hours.

9. Review and restructure the Fire and Emergency Services levy

The Fire and Emergency Services Levy is in urgent need of review and restructure. This should be with a view to clarifying which services the levy funds, the proportion of total costs it is intended to fund, and this should in turn be clearly linked to the budgets (income and expense) of the services it helps pay for. The levy in its current form is unfair because it treats all households the same, irrespective of their income, wealth, and size and location of dwelling. The levy on businesses is on unimproved value, yet it is the improved value which better reflects the relative need of each business for fire services.

While the Fire and Emergency Services Levy is the primary source of funding of the fire service, there are other sources that are not well documented (contributions from the Commonwealth, and the Road Rescue Fee are the main ones). It would be sensible for the ACT Government to consider rolling the latter into the Fire and Emergency Services Levy, which in turn would become the single, hypothecated source of funding to cover all the ACT-related costs associated with running the fire service. Levels of funding, including levy rates by type and expenditures from the fund should be made transparent as part of the annual budget process.

The revamped Fire and Emergency Services Levy should be the means by which the proposed increase in staffing and resources for the Fire and Rescue Service is funded.

About the researchers

David Hayward

Dr David Hayward is Emeritus Professor of Public Policy and the Social Economy at RMIT University.

He is a former Dean of Business at Swinburne University (2004-2009), Dean of Social Science at RMIT University (2004-2016), and member of the Board of Directors of the Royal Melbourne Hospital (he Chaired the Finance Committee) (2008-2013). He is a life member of the Victorian Council of Social Service and in 2015 was invited to become a seconded member of its governing board (resigned in June 2018). In 2013, he was elected (twice re-elected unopposed) as Chair of RMIT's Academic Board (the University's principal academic committee), retiring in December 2018, during which time he also served on University Council and its Infrastructure and Information Technology sub-committee.

David's research interests are the funding of social policy, with a focus on the State Governments.

He has published widely, most recently on the NDIS (Journal of Critical Social Policy), the Social Economy (published by VCOS), and state and federal government elections (the Conversation). He is a regular commentator on social and economic affairs for ABC radio and The Age newspaper.

Vin Virtue

Vin is a private consultant in Human Resources and Service Delivery Structures in the public and private sector.

Vin had an extensive career with the Department of Education in Victoria. He was the Principal of three state secondary schools as well as having policy and operational roles as Assistant General Manager of Communications, Regional Director in Ballarat, Bendigo and Southern Metropolitan Melbourne, and as General Manager of School Operations.

In the early part of his career Vin also had experience as an elected Union official.

About the researchers

Liss Ralston

Urban Statistician, Centre for Urban Transitions, Swinburne University of Technology

Liss is a statistician at Swinburne Institute for Social Research. Her work involves questionnaire design, data cleaning and statistical analysis for surveys as well as data cleaning and analysis for large secondary data sets. Liss has extensive experience in working with a broad range of ABS data (including very large data sets; HES, SIH, HILDA , Census), Valuer-General's property data, Centrelink data, local council rates data and other data sets, as well as human demography data, including Census Data and GIS.

Liss has been engaged in private consultancies for Local Governments, National Library of Australia, community organisations and produces two reports for the Real Estate Institute of Australia on a quarterly basis.