

**UNITED FIREFIGHTERS UNION  
OF AUSTRALIA**



## **UFU ACT Branch Submission Concerning the A.C.T. 2020 21 Budget**

The UFU ACT Branch, representing the industrial and professional interests of career firefighters in the ACT, makes the following submission for consideration of the ACT Government.

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As a registered organisation established pursuant to the Fair Work Registered Organisations Act, our objects include:

- To improve the working conditions and general welfare of our members; and
- To advance the efficiency of the services of fire prevention, suppression and extinguishment.

Consistent with those objects, we are pleased to offer the proposals contained herein.

Should the reader require further information or clarification of any matters we have raised please contact the writer.

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## Executive Summary

Should the ACT Government choose to build on its 2018-19 budget with a timely investment in the expansion of ACT Fire and Rescue, it would deliver significant growth and substantial efficiencies.

This submission proposes an additional 94 firefighters (or 27% increase in funded establishment as reported to the Productivity Commission), would deliver 2 additional firestations and put 3 additional trucks on the road. It would expand the training capability and capacity, improve the overall health and wellbeing of firefighters and enhance the quality of emergency response available to Australian Capital Territory.

The major costs proposed are in capital investment: a total of \$43.35 over 3.5 years. This would provide significant stimulus to the ACT economy in terms of construction activity, growth, and increased secondary expenditure.

The expansion in Fire and Rescue capability, in recurrent terms, would grow the fire service by 94 additional firefighters (27%) at a total cost of as little as \$4.1 million over 3.5 years, when allowance is made for reduction of overtime and reduced salaries through staff turnover. It would improve the fire readiness of firefighters by dramatically reducing the incidence of recall to duty and in turn improving fatigue management.

If funded the initiatives herein would represent a highly effective use of the Fire and Emergency Services levy and provide for an increasingly modernised fire service to protect the ACT through significant population growth.

## Introduction and Context

In the 2019 – 20 Budget, the ACT Government delivered a welcome investment in the future of ACT Fire and Rescue. This investment was made at a critical time, in circumstances where the Productivity Commission had reported that attrition among firefighters had reached 6.3%.

The time is right to build on that commitment. The substance of our submission is supported by the 4 attached reports prepared by a research team led by Emeritus Professor Dr David Hayward of RMIT University.

The reports “A Better Fire and Rescue Service” are as follows:

- Report One: Context, Pressures and Organisational Challenges
- Report Two: Efficiency and Effectiveness: How does the ACT Compare?
- Report Three: Funding
- Report Four: Recommendations for Reform

While the reports (and accompanying costings) were initially prepared in support of the UFU’s enterprise bargaining claim, they are intertwined with ACT Government budget processes for at least the intended term of the proposed Fire and Rescue Enterprise Agreement: specifically, until the end of 2023.

### ***The Proposals***

Report Four – Recommendations for Reform identifies a number of initiatives including:

- a) New stations, new vehicles and expansion of staff;
- b) Reduce the level of attrition;
- c) Increase the “relief factor”;

These are expanded upon in the report itself, and include 2 main cost items:

- I. Recruiting additional firefighters;
- II. Introducing a comprehensive health and wellbeing program.

These are expanded upon below.

### ***Assumptions behind the costings.***

The proposals seek to build upon the excellent initiatives in the 2018 – 19 budget, which included a commitment to run 2 recruit colleges. At the time of writing this submission, we understood the commencement dates for these colleges to be in February and July 2020, with completion dates 20 weeks after commencement.

From discussions with ACT Fire and Rescue, we understand that it is intended to include up to 20 recruits in each of these colleges. We further understand that it is projected by ACT Fire and Rescue that these colleges will result in ACT Fire and Rescue returning to its funded establishment level. For the purposes of this submission, we have accepted that levels as being the number of 348 as reported by the Productivity Commission “Report Into Government Services” 2019.

Based on the above, this budget submission assumes that any subsequent colleges will result in an increase to the funded establishment of ACT Fire and Rescue, and consequently 2 recurrent cost components:

1. The cost of training additional firefighters; and
2. The costs of the salaries of firefighters additional to those already forming part of the funded establishment, from the commencement of training until the end of the 2023 Calendar year.

In addition, the submission assumes that firefighter salary costs include:

- Increases to firefighter base salary rates in recognition of emergency medical response and swift water rescue allowances, currently under negotiation;
- Salary increases payable under the wage offer generally applying to the ACT public sector up to and including 1 June 2021;
- Additional CPI based wage adjustments forecast at 0.9% for each 6 months up to 1 December 2023.
- Increases to other work-related allowances in the vicinity of 30% in respect of the following skill-related allowances currently under negotiation;
  - Breathing Apparatus
  - Command control
  - Compressed foam app op 2
  - Driving Instructor Allowance
  - Fire Engineering allowance
  - Fire Investigator
  - Fire Prevention Allowance
  - HAZMAT/CBR Level 2
  - Ladder driving allowance
  - On call
  - SFF Qualified station officer
  - SO Qualified District Officer
  - USAR Level 2
  - Vertical rescue level 2
- Costs of preventative health medical screening, and training of firefighter fitness leaders currently under negotiation. The note to Table 1 elaborates on this.
- An attrition rate of 6.3% has been assumed for 2020, reducing to 5.5% in 2021 and 4.5% in 2022 and 2023. This is based on the declining number of firefighters in defined benefit superannuation schemes: Commonwealth Superannuation Scheme (CSS) and Public Sector Superannuation (PSS). At the time of writing, these numbers were 28 and 128 respectively, and will decline as these firefighters retire.
- Savings (in the vicinity of \$6.1 million based on FB4 salaries) associated with retirements of firefighters with long service periods and their replacement with recruit firefighters on entry level salaries.

## Additional Firefighters

The acquittal of the total number of additional firefighters (94) necessary to support the expansion of ACT Fire and Rescue is as follows:

- 24 to crew a pumper for Acton (city) fire station (end 2021);
- 12 to complement a possible 12 to be transferred through Communications Centre Restructure to constitute a crew of 24 for the aerial pumper already purchased (end 2020);
- 24 to crew a pumper for Molonglo Fire Station fire station (end of 2023);
- 24 to increase the “relief factor” to facilitate the reduction of overtime and accrued leave balances;
- 10 to support increased training, posy occupancy building inspections, and improved logistical support.

A detailed excel spreadsheet model of the calculations used by the UFU in developing our costings has been provided to the Emergency Services’ Agency.

The costings (and estimated savings offsets) attached to the above recurrent costs are shown in the table below.

**Table 1: Increased recurrent expenditure**

	2020/21	2021/22	2022/3	Total	additional cost July to Dec 2023	Total July 2021- Dec 2023
<b>Health</b>						
Fitness Trainer Training	\$99,220	\$11,444	\$11,673	\$122,338	11,907	\$134,244
Checks	\$244,902	\$269,464	\$295,653	\$810,018	\$316,720	\$1,126,738
<b>Total health</b>	\$344,122	\$280,908	\$307,326	\$932,356	\$328,626	\$1,260,982
<b>New recruits</b>						
Training	\$606,961	\$1,234,975	\$1,257,304	\$3,099,240	\$637,111	\$3,736,351
Active	\$43,006	\$2,718,308	\$6,264,237	\$9,025,552	\$4,603,858	\$13,629,409
<b>Total New</b>	\$649,968	\$3,953,282	\$7,521,542	\$12,124,792	\$5,240,968	\$17,365,760
<b>Allowances (additional)</b>	\$103,596	\$159,206	\$217,276	\$480,078	\$133,970	\$614,048
<b>Total Additional</b>	\$998,466	\$4,381,952	\$8,034,471	\$13,537,226	\$5,703,564	\$19,240,790
<b>Attrition (N)</b>	20	17	13		12	
Salary(FB4)	\$1,917,556	\$1,670,486	\$1,300,528	\$4,888,570	\$1,222,193	\$6,110,763
<b>Total - attrition wages</b>	<b>-\$919,090</b>	\$2,711,466	\$6,733,943	\$8,526,318	\$4,481,371	\$13,130,027

Health costs assume 2 firefighters trained to become fitness instructor per platoon, with 8 instructors (2 per platoon) trained in year 1, and 1 a year thereafter, at a cost of \$11,000 per Cert IV course. All firefighters offered annual health check valued at \$1,000, rising by 2% per year with inflation. 70% take-up rate assumed. Wages do not include on-costs.

## Savings Effects of Overtime Reduction.

The ballooning overtime bill in ACT Fire and rescue, stemming from chronic understaffing, has been widely reported. In simple terms, a significant proportion of hours worked by firefighters covering shifts additional to their regular shifts increases the unit cost per hour of firefighter work. The overwhelming bulk of the overtime bill is attributable to the coverage of shifts through recall to duty (at penalty rates of 150% to 200%), instead of through the engagement and deployment of dedicated relief staff (at ordinary time rates).

In recent years, the UFU estimates that the overtime bill has increased significantly as shown below:

*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. (“A Better Fire Service for the ACT – Recommendations for Reform”. Hayward et. Al. August 2019. p. 8)*

Assuming that the recruitment and training currently being undertaken by ACT Fire and Rescue, in addition to that proposed, results in a return to ACT Fire and Rescue’s funded establishment by the end of the 2020 calendar year, it is inevitable that a substantial reduction in overtime will occur. This is a highly desirable outcome as the high incidence of recall to duty is having an unacceptable impact on firefighter fatigue, and in turn a reduction of surge capability.

Even so, for the purposes of this submission we have assumed no reduction in the overtime bill until 2020-21.

If we also assume that there are no major incidents (e.g. large fires running for several days) generating further recalls to duty impacting on the ACT in the period of forecasts addressed by this submission, the UFU estimates that the overtime bill could reduce by as much as 77% in the 2023 calendar year. For example, the estimated \$6.13 million overtime bill in 2018-19 could have potentially been reduced by as much as \$4.77 million if a full complement of relieving staff were available in that year.

A conservative estimate would see a gradual progression to the level of overtime reduction set out above. The table below sets out the potential recurrent savings based on such a gradual progression.

**Table 2: Estimate of Overtime Savings**

Overtime reduction estimates			
Year	estimated \$m	estimated reduction	
2018-19	\$ 6.13	%	\$m(2018-19)
2019-20	\$ 6.13	0%	\$ -
2020-21	\$ 4.71	23%	\$ 1.42
2021-22	\$ 3.30	46%	\$ 2.83
2022-23	\$ 1.41	77%	\$ 4.72
<b>Total potential saving</b>			<b>\$ 8.97</b>

The above calculation is provided for illustrative purposes and is expressed in constant 2018-19 dollars

If the above reductions were realized, the nett cost of recruitment of additional firefighters, increased allowances, pay increases and health and wellbeing initiatives set out in Table 1 would be reduced from just over \$13 million, to just over \$4 million over 3.5 years.

The above estimate is based on the total overtime worked in the 2018-19 financial year, and an analysis of the overtime patterns shown in overtime documents for the period March 2018 – March 2019 obtained by the UFU under an order of the Federal Court in 2019. While the 2<sup>nd</sup> period does not exactly correlate to the first, it does show the equivalent of an entire fire season of stand up arrangements on days of high fire danger. It is this pattern that is front and centre of the analysis insofar as it shows “unavoidable overtime” i.e. overtime which would likely be required even if there were sufficient relief staff. We deducted this “unavoidable overtime” (approx. \$610,000) from the total (\$6.132m) and estimated that the remainder could be reduced by 80% if a full complement of relievers were employed.

We emphasise that the above savings projections are conservative, insofar as they assume:

- no reduction in the overtime bill until 2020-21, even though such a reduction is likely
- overtime hours averaged at FB4 rates, while much of the overtime is at FB5, 6 and 7;
- a basis of non-indexed 2018-19 dollars, while the remainder of this submission is fully indexed.

### **Summary of recurrent expenditure**

The UFU estimates that the total recurrent expenditure, spread over the 3.5 years to the end of calendar year 2022-23 would be in the vicinity of \$4.162 million.



## Capital Item 1: New Fire Stations for Acton and Molonglo

In recent years the ESA has expended significant resources in modelling likely response times for a city fire station and a fire station in the Molonglo area. In the 2018-19 budget, this work was buttressed through the appropriation of \$939,000 for due diligence investigation and preliminary design for new fire and ambulance stations at city and Molonglo.

To bring these proposals into fruition, additional sites will need to be secured and capital appropriations made to ensure that the fire stations are built.

Building a new city or Acton fire station will create an appropriate long-term location for an aerial pumper, with the possibility of further crews in future. An indicative cost would be in the vicinity of that allocated for the rebuild of Belconnen fire station.

A new fire station at Molonglo would require a similar investment.

### Recommendation

“That the ACT Government fund the cost of a new city (Acton) fire station”

Indicative cost: \$18 million.

“That the ACT Government fund the cost of a fire station in the Molonglo area”. Indicative cost: \$18 million.

## Capital Item 2: Upgrade to Training Facilities

Recruit firefighters at the Hume training complex use a temporary demountable structure as a “transition area” between “dirty” activities such as fire training, and “clean” activities such as classroom-based teaching and assessment. This facility urgently requires replacement.

These concerns highlighted the need for a purpose-built facility resembling a fire station, for recruits to become accustomed to the work practices and procedures of a fire station. This would include a purpose-built transition area.

In addition, the training demands of ACT Fire and Rescue require that at least 2 recruit courses each of 20 recruits need to be undertaken each year, for fire and rescue to grow as required. Further, an improved skills maintenance regime will see significantly increased utilisation of the Hume facility all year round.

These combined demands will require:

- An increase to the size of the teaching space available;
- An upgraded structural firefighting installation;
- A designated transition area;
- Improved amenities;
- Recline facilities for the backup Comcen site.

### Recommendation

That the ACT Government fund an upgrade to purpose-built firefighter training facilities at Hume, including the building of a designated transition area.

Cost: We estimate that \$7 million would provide for a significant upgrade to firefighter training facilities.

### Capital Item 3: Upgrade to Ainslie Fire Station

Proposals by the ESA in recent years to renovate the Ainslie Fire Station have resulted in disputation with firefighters over the ESA's spending priorities. It was proposed by the ESA to accommodate a second appliance at Ainslie, but this proposal had not been subject to consultation with firefighters or their representatives. The proposal was subject to Fair Work Commission proceedings and was ultimately deemed by all parties to be inappropriate.

Following the Fair Work Commission proceedings, plans were re-drawn which would see three possible phases of works in the short to medium term: the first phase associated with "privacy and dignity" in recline and ablution areas, and the second and third associated with improving firefighter safety through separation of "clean" and "dirty" areas of the station by means of the installation of "transition areas". The first of these phases is currently funded, while the second and third are not.

Proceeding to renovate Ainslie fire station to refurbish ablution and recline areas without addressing the pressing safety needs of firefighters would reflect a misguided set of priorities and would prolong a dispute currently before the Fair Work Commission. Firefighter exposure to carcinogens was acknowledged a by the Commonwealth Parliament in 2013 in enacting presumptive cancer legislation for firefighters. Firefighting is the only occupation in the world where 12 types cancers are presumed to occur through exposure at work.

International research and experience strongly support the prioritisation of transition areas in fire stations. Indeed, ACT Fire and Rescue's own "User Requirement Brief" for firestations prescribes their construction and use. Firefighters are exposed to thousands of carcinogenic and otherwise toxic substances in the course of their duties. Transition areas allow firefighters to keep soiled equipment and clothing separate from station "clean" areas, this reducing exposure to harmful substances. Transition areas are commonplace in more modern firestations, including the fire stations more recently built in the ACT such as Aranda.

In addition to the building of a transition area, we propose a further phase of works at Ainslie. The northerly aspect of the property warrants the construction of additional shade at the front of the property to provide a reduction of UV exposure to firefighters tending to appliances on the firestation apron, while reducing the heating effect of the sun in summer. The gymnasium facilities will be disrupted during the earlier phases of renovation, and the opportunity should be taken to upgrade them, particularly in light of the new firefighter health and wellbeing initiative. The firestation kitchen requires renovation, and finally the whole station should be repainted. These additional items would amount to approximately \$180,000.

#### Recommendation

Providing a transition area at Ainslie, and thus reducing the risk of occupational cancers among firefighters stationed there, would cost in the vicinity of \$350,000.

Adding a fourth phase of renovations, to include shading at front, renovated kitchen and gymnasium, and painting would cost a further \$180,000.

## Summary: Capital Items

The capital expenditure required is as follows:

**Table 3: Capital Items**

Item	Cost (\$m)	term
Acton Fire and Ambulance Station	18.00	2 years
Molonglo Fire and Ambulance Station	18.00	3.5 years
Hume Training Facilities	7.00	3 years
Ainslie Fire Station Health and Safety	0.53	1 year
<b>TOTAL</b>	<b>43.53</b>	<b>3.5 years</b>

## Conclusion

This submission seeks a total of \$47.692m over 3.5 years. Over \$43.53m is capital works, while approximately \$4.1m is recurrent spread over that 3.5 year period. It would deliver 2 additional fire and ambulance stations and put 3 additional fire trucks on the road. It would expand the training capability and capacity, improve the overall health and wellbeing of firefighters and enhance the quality of emergency response available to Australian Capital Territory.

The matters we raise are ultimately matters for government decision, and we would welcome the opportunity to meet and elaborate upon our proposals.