



Independent Review of Queensland Fire and Emergency Services

**Prepared for Queensland Fire and
Emergency Services**

Final Report

2 November 2021

[KPMG.com.au](https://www.kpmg.com.au)

Photo sourced from QFES



Executive summary

Queensland has a well-established, long-standing and proud fire and emergency services history.

While various organisational arrangements have existed over time, the State's fire and rescue, emergency services and disaster management staff, comprising professional firefighters, community volunteers and auxiliary members – along with front-line support, emergency coordination, marine rescue and coast guard and broader resources beyond the remit of Queensland Fire and Emergency Services (QFES) – bring a dedicated commitment to protecting our community and responding in times of need.

Although QFES itself is a relatively recently formed organisation, the various elements that constitute QFES have protected Queenslanders, their property, and the environment for more than a century. The department brings together the Fire and Rescue Service (FRS), Rural Fire Service (RFS), State Emergency Service (SES), along with Disaster Management (DM) and the administration of grants to associated volunteer entities, primarily in Marine Rescue (MR) functions, under the one umbrella organisation. There is no doubt that each service, in their own right, contributes to maintaining the safety of the State.

In July 2021, the Queensland Government commissioned an independent review of QFES and its associated volunteer entities to ensure the long-term sustainability of service delivery and outcomes for the Queensland community and its safety. In accordance with the Terms of Reference, the Review has examined the effectiveness, efficiency, and sustainability of QFES and its associated volunteer entities in the delivery of fire and emergency services in Queensland, including through assessing the scope, functions, and suitability of the QFES structure and funding arrangements.

As the primary provider of fire and rescue, emergency services and disaster management coordination in Queensland, QFES has an established role across the four phases of the State's emergency management and disaster response system. The PPRR framework – Prevention, Preparedness, Response and Recovery – as set out in the *Queensland Prevention, Preparedness, Response and Recovery Disaster Management Guideline*, seeks to ensure a balance between the reduction of risk and the enhancement of community resilience, whilst maintaining effective response and recovery capabilities¹. The framework drives the system-level activities in relation to emergencies and disasters in Queensland. However, the frequency, severity and complexity of fire events, emergency activities, and broader disaster response requirements is changing and intensifying. The rapidity of these changes presents a need to ensure that Queensland's future arrangements for fire and emergency services are equipped to meet new kinds of challenges.

As a stark and recent observation, the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report was released in August 2021. It indicates that climate change is affecting every continent and region, along with every facet of the weather, and that escape from its impacts is no longer possible. It is envisaged that the impacts of climate change will exacerbate the demand for fire and emergency services globally. The report modelled distinct scenarios demonstrating future temperature rises are assured, and the only available course of action will be mitigation to avoid worse effects. Various findings were outlined by the IPCC in relation to Australia, including:

- Relative sea level rose at a rate higher than the global average in recent decades and sandy shorelines have retreated. The relative sea level rise is projected to continue in the 21st century and beyond, contributing to increased coastal flooding throughout Australia (high confidence);
- The frequency of extreme fire weather days has increased, and the fire season has become longer since 1950 (medium confidence). The intensity, frequency and duration of fire weather events are projected to increase throughout Australia (high confidence);
- Heavy rainfall and river floods are projected to increase in Central Queensland (medium confidence);

¹ Queensland Prevention, Preparedness, Response and Recovery Disaster Management Guideline, Section 1.3.1.

- An increase in marine heatwaves and ocean acidity has been observed and is projected to continue (high confidence). Further, enhanced warming in the East Australian Current region of the Tasman Sea has been observed and is projected to continue (very high confidence);
- Sandstorms and dust storms are projected to increase throughout Australia (medium confidence);
- Cyclone frequency is projected to decrease, although the proportion of severe cyclones in Northern Queensland is expected to increase (medium confidence);
- The mean cool season rainfall is projected to decrease; however, more extreme rainfall events in eastern parts of Queensland are expected (medium confidence); and
- Agricultural and ecological droughts are projected to increase at 2°C global warming and greater for eastern parts of Queensland (medium confidence).

At a national level, the Royal Commission into National Natural Disaster Arrangements – often colloquially referred to as the ‘Bushfire Royal Commission’ – presented its report to the Governor-General on 28 October 2020. It noted that, “... *the 2019-2020 severe weather season provided only a glimpse of the types of events that Australia is likely to face in the future...*” and “*Better national coordination is required to enable significant reduction in disaster risks and impacts in the future. Australia is facing increasingly frequent and intense natural disasters, a significant number of which are likely to be compounding. Governments will need to prepare for more large-scale, multijurisdictional crises*”.²

Locally, the impact of emergencies and disasters on Queensland communities is also intensifying. Queensland is the second most prone region in Australia to catastrophic natural disasters. Since records began in 1967, the Insurance Council of Australia (ICA) has recorded 72 catastrophic natural disasters affecting Queensland with an insurance loss value per event greater than \$10m (averaging 1.4 per annum). Queensland has been affected by close to one-third of all catastrophic disasters captured by ICA since 1967, at a rate which has been increasing over time. According to ICA data collected between 1967-2019, the type of natural disasters that have impacted Queensland, in order of frequency, are: cyclones (44% of all disasters; \$6.8b in total insured damages); floods (23% of all disasters; \$6.1b in total insured damages); severe storms (14% of all disasters, \$1.4b in total insured damages); hail (12% of all disasters, \$2.8b in total insured damages); bushfires (2% of all disasters, \$0.2b in total insured damages); tornados; and earthquakes.^{3,4}

Based on all the prevailing evidence, there is a need to continue modernising service delivery arrangements, simplify operational structures and, most importantly, focus scarce resources on activities that seek to ensure Queensland’s fire and emergency services activities are best positioned to meet community requirements and the rapidly changing threat environment that exists.

To that end, this Review’s recommendations set out a pathway for a more integrated and streamlined fire and emergency services organisation, with greater clarity in terms of its functional responsibilities, increased focus on core fire and rescue-related services, and a clearer role in relevant disaster management activities. In recognition of the dynamic nature of future challenges likely to be faced, the Review also establishes the basis for more transparent, certain and efficient funding arrangements for the new entity.

QFES was established as a department on 1 November 2013 under the *Public Service Act 2008*, continuing a long history of fire, rescue, emergency, and disaster services in Queensland. The organisation also supports other emergency response volunteer organisations, including Surf Life Saving Queensland, Royal Life Saving Society Queensland, Australian Volunteer Coast Guard Association and Volunteer Marine Rescue Association Queensland. Whilst this Review sets out a pathway for future functional, structural, cultural and funding arrangements, no criticism should be perceived of QFES or other emergency response volunteer organisations. To the contrary, this Review seeks to build upon the commitment shown by Queensland’s fire and emergency services personnel and to establish a more robust platform that simplifies, focuses and funds the efforts of those dedicated staff and volunteers to equip them to best meet future challenges.

² Commonwealth of Australia (2020). *Royal commission into national natural disaster arrangements report*, Section 3.1.13

³ The ICA database includes natural disaster events including bushfire, cyclones, hail, flood, earthquakes and severe storms. While it is the most comprehensive source of data on disaster losses in Australia, it is not a comprehensive database of all disaster events. It excludes some disaster types (e.g., heatwaves) and has a focus on insured losses.

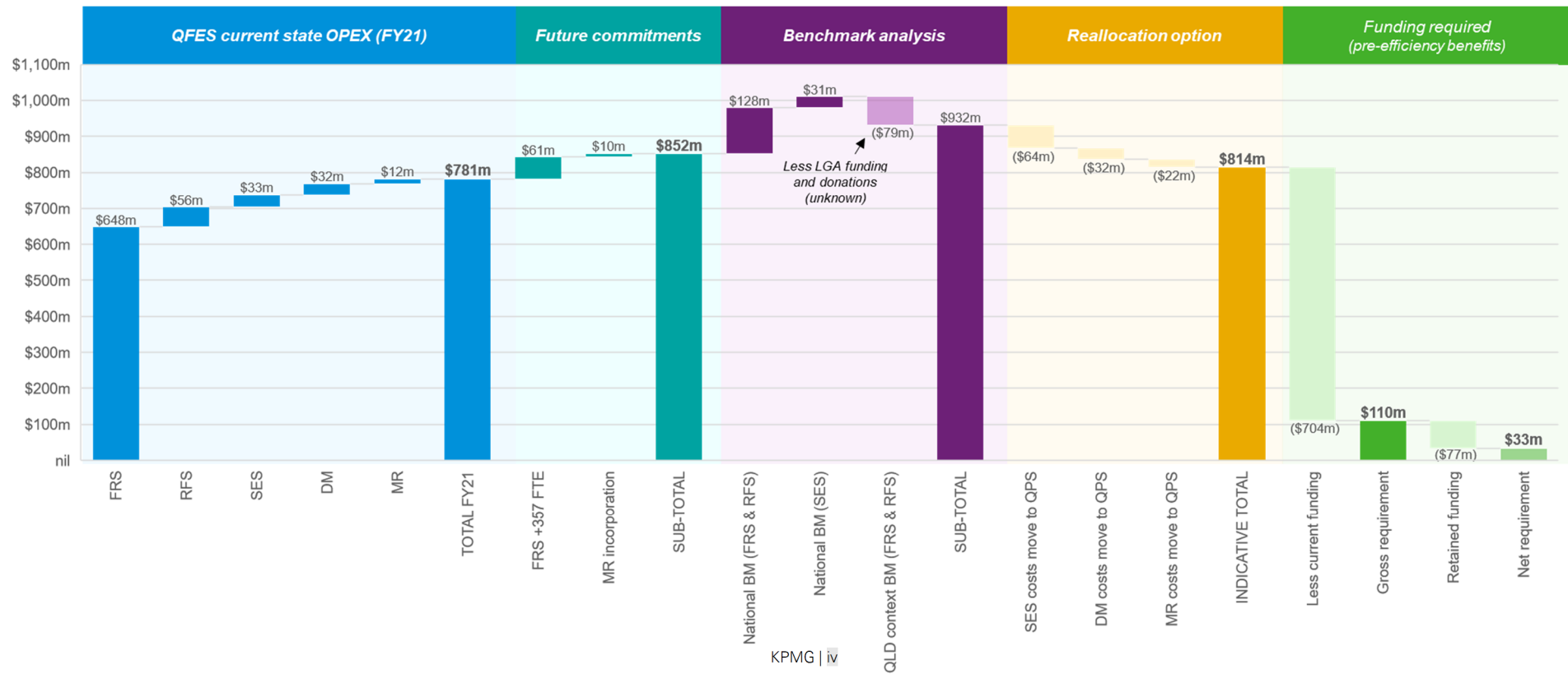
⁴ Total insured damages are recorded in 2020 AUD (e.g., adjusted for inflation).

The combined funding analyses to support the recommendations in this Report are set out in the diagram below. The diagram summarises: (1) the current state funding of QFES; (2) future government commitments impacting QFES; (3) implications of the inter-jurisdictional funding analysis conducted as part of this Review; (4) the impacts of key recommendations within this Report to reallocate certain services to the Queensland Police Service (QPS) and to offset costs associated with those services with a new SES Levy; and (5) the resultant efficiency target or funding requirement (or combination thereof).

As noted, future funding requirements are predicated on the adoption of a new 'SES Levy' sufficient to cover the costs associated with the services transferring to QPS, being SES, DM and MR. It is not proposed that funding be transitioned from QFES or the new entity to QPS. The revenue generated via the new 'SES Levy' should be directly attributed to QPS, removing the need for a detailed process to 'apportion' current resources between QFES and the QPS as part of machinery-of-government processes. This would allow both for future funding commitments to be addressed (by this new levy being provided by QPS), and the new, streamlined entity should retain the current funding associated with these services (~\$77m) to partially offset the funding required to align expenditure with comparable fire services in other Australian jurisdictions. To clarify, the reallocation option below shows the costs that will transition to QPS that are proposed to be met through new funding sources.

It should be noted the 'Net requirement' does not include any potential efficiency savings which may be identified through a detailed functional review focused on reducing duplication, a zero-based budgeting exercise to determine appropriate corporate services arrangements nor the (unknown) contribution of RFS levies administered by local government agencies. Each of these elements is subject to separate recommendations.

Figure 1-1: Summary breakdown from QFES current state to the recommended Reallocation option and associated funding requirement and sources



Recommendations

Function & Structure	
1	To simplify, emphasise and focus efforts in relation to fire and emergency services activities in Queensland, establish a new, integrated department consisting of the current Fire and Rescue Service (including Auxiliary staff), Rural Fire Service, FireCom and appropriate elements of QFES' current Corporate Services Division.
2	The State Emergency Service and Disaster Management functions be transferred through a machinery-of-government change to the Queensland Police Service.
3	In-line with the Queensland Government's commitment to the creation of a single Marine Rescue entity, the Marine Rescue functions within QFES (including grants arrangements for Surf Life Saving Queensland and the Royal Life Saving Society Queensland) be transferred through a machinery-of-government change to the Queensland Police Service.
4	Establish a future-focused service planning capability that supports data driven, risk adjusted resource allocation decisions, including workforce planning with a focus on increased use of auxiliary, that cascade across all services within the new organisation including, but not limited to, budget allocations, station and fleet locations, staffing levels, and technology investments.
5	Create the new entity as a department of the Queensland Government, with the Commissioner maintaining all the powers of a Chief Executive under the Public Service Act 2008.
6	Establish a specific Project Management and Cultural Reform Office to drive the implementation of recommendations and focus specifically on the cultural and organisational reforms necessary to give effect to the structural changes, ongoing integration of the new entity and drive collaboration between the elements of the new agency.
7	Conduct a detailed functional and structural review prior to the separation of functions from QFES, focused on: reducing duplicated functions and organisational layers to allow more effective decision making; examining opportunities to centralise administrative processes to reduce their impact on front line service delivery; and considering ways in which the existing workforce could be better utilised to address any latency that may be present in current staffing models.
Culture	
8	Establish a specific leadership program to support continued focus on a diverse and inclusive culture that is representative of the community, with a clear emphasis on continuing to modernise, diversify and establish operational and strategic leadership capabilities in a way that breaks down silos, drives an inclusive fire and emergency service and which ensures ethical decision-making and acceptable workplace conduct is central to operations.

9	<p>Develop and publish performance against (on a regular basis, ideally quarterly) an Outcomes Framework setting out:</p> <ul style="list-style-type: none"> • Outcomes-based fire (and broader emergency) services' performance measures; • Strategic effectiveness measures across the Prevention, Preparedness, Response and Recovery (PPRR) framework, but focused within the remit of the new organisation; • A formal interoperability plan, focused in two specific parts to drive interoperability between elements within the new organisation and more broadly to clarify the new entity's role within the emergency and disaster management system in Queensland; • A clear link between resource planning/service analysis and community outcomes; and • Goals to (and progress against) improve(d) operability across professional, auxiliary and volunteer firefighter organisations. <p>The Outcomes Framework should emphasise the breadth of the PPRR framework, adopting an 'all hazards' approach, and not be solely focused on traditional fire and rescue response activities.</p>
10	<p>The new agency undertakes a detailed workforce culture assessment, inclusive of volunteers, to improve collaboration, performance and workforce experience, as the basis for establishing reforms to support integration of fire and emergency services activities in a manner that aligns to the requirements of the community articulated through data driven, risk-based service planning.</p>
11	<p>In light of the significant need for a continued focus on establishing a diverse workforce, representative of the community the organisation serves and where all staff feel safe, respected and included, specific targets be established in-line with the Queensland Government's Inclusion and Diversity Strategy 2021-2025 for women, people with a disability, Aboriginal and Torres Strait Islander peoples, culturally and linguistically diverse people and the LGBTIQ+ community for each of the services and the corporate support functions within the new agency.</p>
<p>Efficiency & Funding</p>	
12	<p>Legislate for the provision of a State Emergency Service Levy.</p>
13	<p>Work with local government to establish a reporting requirement for Councils' funding, costs, assets and liabilities that support services currently provided by Queensland Fire and Emergency Services, including the Rural Fire Service Levy and local government expenditure for the State Emergency Service, to create a 'full financial picture' of the services operated by the new entity and the Queensland Police Service.</p>
14	<p>As part of the machinery-of-government changes to relocate State Emergency Service, Disaster Management and Marine Rescue functions, subject to the extent to which the State Emergency Service Levy ameliorates the cost impact of moving those functions to the Queensland Police Service, conduct a zero-based budgeting exercise to determine the elements (if any) of the Service Delivery Statement funding breakdowns (as set out in KPMG's report) to be re-allocated, focussing on budgeting within agencies to clarify the cost of service delivery. This should occur following the establishment of a State Emergency Service Levy which would likely offset the funding requirements relating to the State Emergency Service, Disaster Management and existing Marine Rescue moving to the Queensland Police Service.</p>

15	Following the necessary budget adjustments arising through machinery-of-government changes, adopt a staged process – using a risk-based approach that considers the changing nature of fire services, the impact of climate change and which leverages the newly created service planning capability recommended in this Report – to prioritise funding for the Rural Fire Service to address bushfire, landscape fire and broader rural and seasonal fire risks into the future.
16	Reduce the senior executive structure (Deputy Commissioner and Assistant Commissioner levels) of the new department to reflect the streamlined, more focused nature of the new entity, informed by the detailed structural and functional review set out at Recommendation 7. The structure should support a geographic leadership model that clarifies command and control arrangements.
Sustainability	
17	<p>In recognition of both the substantive changes arising because of the recommendations contained within this Report, and the age of the statutes, undertake the following legislative and policy reform projects:</p> <ul style="list-style-type: none"> • Review the <i>Fire and Emergency Services Act 1990</i> and the <i>Disaster Management Act 2003</i>, with a view to modernising both pieces of legislation and (with regard to the <i>Fire and Emergency Services Act 1990</i>) clearly addressing the role of professional and volunteer firefighters (including providing the same legislative protections to auxiliary and volunteer firefighters as afforded to professional firefighters); • Move the provisions of the <i>Fire and Emergency Services Act 1990</i> relating to the State Emergency Service into the <i>Disaster Management Act 2003</i>; • Clarify the Commissioner of Police as the Chief Executive for the purposes of the <i>Disaster Management Act 2003</i>; • Clarify that the Commissioner of Fire continues to play a key leadership role as part of the State’s emergency response and disaster arrangements where they relate to fire or emergency services activities within the remit of the new agency; • Update <i>Public Safety Preservation Act 1986</i> to reflect the importance of protecting economic, heritage and cultural sites (in addition to current considerations relating to life and property); • Examine the role of landholders in relation to prevention, preparation and response activities, with a specific focus on determining whether additional powers are required for firefighters to address at-risk circumstances and more rapid action as fire events escalate; • make consequential amendments arising as a result of the recommendations of this Review, where necessary; and • review and update the Queensland State Disaster Management Plan, following the machinery-of-government changes.
18	Develop a formal interoperability plan for the new organisation, supported through an appropriate legislative remit developed as part of legislative review activities recommended by this Review, with a long-term vision of clearly defining, drawing together and empowering the services provided by professional, auxiliary and volunteer firefighters. This plan should recognise the histories and respect the differing levels of expertise required of different services types and ultimately acknowledge the need to modernise approaches across the PPRR framework – specifically relating to fire and emergency activities. This should be done in a manner to address changing risk profiles, harmonise training activities and provide a more coordinated approach (across urban and rural operations) to planning, funding and support, to achieve a more integrated approach that meets the needs of the Queensland community into the future.
19	The implementation of reforms set out in this Report should adopt an approach that is staged, planned and that recognises certain high priority recommendations can be expedited, while others will require further consultation and engagement as part of the implementation process.

Important notice

Inherent Limitations

This Report has been prepared as outlined in the engagement contract. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently, no opinions or conclusions intended to convey assurance have been expressed. No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, Queensland Fire and Emergency Services or its stakeholders, management and personnel consulted as part of the process. KPMG has not undertaken an independent analysis of the underlying legislation associated with the operation of the Queensland Fire and Emergency Services, and this Report does not constitute legal advice. KPMG has indicated within this Report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the Report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the Report has been issued in final form. Any redistribution of this Report is to be a complete and unaltered version of the Report. Responsibility for the security of any distribution of this Report (electronic or otherwise) remains the responsibility of Queensland Fire and Emergency Services, and KPMG accepts no liability if the Report is or has been altered in any way by any person. The findings in this Report have been formed on the above basis.

Third Party Reliance

This report has been prepared at the request of Queensland Fire and Emergency Services, in accordance with the terms of KPMG's contract dated 19 July 2021. Other than our responsibility to Queensland Fire and Emergency Services, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

Acknowledgement

KPMG acknowledges the Aboriginal people of the many traditional lands and language groups of Queensland, and across Australia.

We acknowledge the wisdom of Aboriginal Elders both past and present and pay our respects to Aboriginal communities of today.

KPMG would also like to acknowledge the cooperation and support of numerous parties in the undertaking of this Independent Review.

KPMG acknowledges that the Review was undertaken in the context of significant operational pressures on QFES, their stakeholder group, as well as members of the Review Steering Committee. This included Queensland entering numerous periods of COVID-19 restrictions during the period of the Review.

KPMG notes the absolute cooperation of QFES throughout the Review period and would like to particularly acknowledge the contribution of Commissioner Greg Leach, Deputy Commissioner (DC) Mark Roche AFSM, Deputy Commissioner Mike Wassing AFSM and Acting Deputy Commissioner Adam Stevenson. We thank them, in addition to staff from the QFES secretariat, for their time and support in collating the materials necessary to form the evidence base of this Review. We would also like to extend our thanks to the QFES Assistant Commissioners (ACs), Executive Directors, and Chief Financial Officer who provided their valuable insight and expertise to inform the Review.

KPMG also acknowledges the continued guidance and oversight provided by the Steering Committee, established as part of this Review, and comprising representatives from the Department of the Premier and Cabinet (DPC), Queensland Treasury, Public Service Commission, QFES and the Queensland Police Service (QPS).

KPMG would also like to extend thanks to all stakeholders who were directly consulted as part of the engagement process, and those who took the opportunity to provide a submission for the purposes of this Review. These include representatives from QFES, industrial organisations, volunteer associations, marine rescue authorities, Surf Life Saving Queensland, Royal Life Saving Society Queensland, DPC, QPS, Queensland Treasury, Department of Transport and Main Roads, Department of Environment and Science (DES), Inspector-General of Emergency Management (IGEM), Queensland Reconstruction Authority (QRA), Local Government Association of Queensland, Queensland Auxiliary Firefighters Association, various Local Government Councils – as well as interstate authorities such as New South Wales Fire and Rescue. Finally, KPMG acknowledges the input of those operational staff, support staff, and volunteers from the Fire and Rescue Service, Rural Fire Service, and State Emergency Service who provided submissions for this Review.

Contents

1	Review context	2
1.1	Project background and context	2
1.2	Terms of reference	4
1.3	Government commitments	5
2	The 'current state' of QFES	7
2.1	History of QFES	7
2.2	Strategic Direction	8
2.3	Services delivered by QFES	11
2.4	Prevention, Preparedness, Response and Recovery	15
2.5	Current Capabilities	19
2.6	QFES financial performance and position	35
2.7	Current legislative arrangements	45
2.8	Stakeholders and their perspectives	49
3	Effectiveness, efficiency, and sustainability – QFES' future	59
3.1	Future challenges facing QFES	59
3.2	Financial and operational analysis	66
3.3	Benchmarking against other jurisdictions	74
3.4	Analysis of capabilities	100
4	Sustainable Future State	115
4.1	Future state model options	115
4.2	Design principles	119
4.3	Relative assessment of delivery options	120
4.4	Future arrangements	126
5	Basis of Recommendations	141
6	Implementation considerations	150
6.1	Implementation strategy	150
6.2	Phase 1 – Leadership and cultural alignment	152
6.3	Phase 2 – Refine and focus	154
6.4	Phase 3 – Go live and drive Efficiency	155
6.5	Phase 4 – Aspiration	155
6.6	Implementation risks	156
	Appendix A : QFES Planning and Performance Framework	158
	Appendix B : POISTED methodology	159
	Appendix C : List of consulted stakeholders	160
	Appendix D : KPIs across jurisdictions	162
	Appendix E : Underlying benchmark data	168

Glossary

Term	Description
AC	Assistant Commissioner
AVCGA	Australian Volunteer Coast Guard Association of Queensland
CAGR	Compound Annual Growth Rate
C4I	Command, Control, Coordination, Communications, and Intelligence
C6I	Command, Control, Coordination, Communication, Consequence, Community, and Intelligence
CIIP	Cultural Improvement Implementation Project
CIISC	Cultural Improvement Implementation Steering Committee
CPI	Consumer Price Index
DC	Deputy Commissioner
DELWP	Department of Environment, Land, Water and Planning
DENR	Department of Environment and Natural Resources
DES	Department of Environment and Science
DFES	Department of Fire and Emergency Services
DM	Disaster Management
DPC	Department of Premier and Cabinet
EML	Emergency Management Levy
EPMO	Enterprise Project Management Office
ESTA	Emergency Services Telecommunications Authority
FFMVic	Forest Fire Management Victoria
FRS	Fire and Rescue Service, a service within QFES
GIS	Geographic Information System
ICA	Insurance Council of Australia
ICC	Incident Control Centre
IGEM	Inspector-General Emergency Management
IPCC	Intergovernmental Panel on Climate Change
KPI	Key Performance Indicator
LGA	Local Government Authorities
MER Program	Monitoring, Evaluation and Reporting Program
MOU	Memorandum of Understanding
MR	Marine Rescue, a service supported by QFES via grants and intended to be brought within QFES in the future
NTPFES	Northern Territory Police, Fire and Emergency Service
PACC	People and Culture Committee
PCYC	Police Citizens Youth Club
PPE	Personal Protective Equipment
PPRR	Prevention, Preparedness, Response and Recovery
PSBA	Public Safety Business Agency
QFES	Queensland Fire and Emergency Services
QPS	Queensland Police Service
QRA	Queensland Reconstruction Authority
RFS	Rural Fire Service, a service within QFES
RFS Levy	Rural Fire Service Levy
RLSSQ	Royal Life Saving Society Queensland

Term	Description
ROC	Regional Operations Centre
ROGS	Report on Government Services
RTO	Registered Training Organisation
SAFECOM	South Australian Fire and Emergency Services Commission
SDC	State Disaster Coordinator
SDCC	State Disaster Coordination Centre
SDCG	State Disaster Coordination Group
SES	State Emergency Service, a service within QFES
SES Levy	State Emergency Service Levy
SLSQ	Surf Life Saving Queensland
SOC	State Operations Centre
TAMP	Total Asset Management Plan
VMRAQ	Volunteer Marine Rescue Association of Queensland



1. Review Context

1 Review context

1.1 Project background and context

Project Background

In July 2021, the Queensland Government commissioned an independent review of QFES. KPMG was engaged to complete this Review, which took place between July and October 2021. This document is the Final Report.

The objective of the Review was to examine the *“effectiveness, efficiency and sustainability of QFES and its associated volunteer entities in delivering fire and emergency services in Queensland, including through assessing the scope, functions and suitability of the QFES structure”*. The overarching focus of the Review was to *“ensure the long-term sustainability of (fire and emergency) services delivered and the best outcomes for the Queensland community and its safety”*.⁵

The approach to the Review was explicitly strategic in nature, rather than a detailed exploration of the individual activities of stations or units within the organisation.

Originally, the timeframe for the Review was set for a period of eight weeks; however, following feedback from stakeholders that additional time for the provision of submissions would be valuable, it was determined to extend the timeframe by a further four weeks to allow for additional input from interested parties.

As part of this Review, KPMG undertook the following:

- Analysed in excess of 200 documents provided by QFES and other stakeholders covering historical reviews, legislation, policies, processes, procedures, as well as the financial and operational performance of QFES and other interstate fire and emergency services;
- Held formal consultations with over 50 representatives from 26 key stakeholder groups across the State’s emergency and disaster management sector – including representatives of QFES, industrial organisations, volunteer associations, marine rescue authorities, Surf Life Saving Queensland, Royal Life Saving Society Queensland, Department of the Premier and Cabinet, Queensland Police Service (QPS), Queensland Treasury, Department of Environment and Science (DES), Department of Transport and Main Roads, Inspector-General of Emergency Management (IGEM), Queensland Reconstruction Authority (QRA), Local Government Association of Queensland, Queensland Auxiliary Firefighters Association, various Local Government Councils – as well as interstate authorities such as New South Wales Fire and Rescue;
- Received and analysed 51 submissions made to the Review by various stakeholders, including those who were not directly consulted as part of the Review process; and
- Attended six meetings with the Steering Committee, established to provide guidance and oversight during the course of this Review, and comprising members from relevant agencies.

Throughout the Review, QFES, associated entities, and other key stakeholders were responsive, collaborative, and professional. All parties involved demonstrated commitment and willingness to provide insights, data, and perspectives to improve the operations of QFES and, to the relevant extent, their own operations.

⁵ The full Terms of Reference for the Review are provided at Section 1.2 of this report.

Context, Scope and Overarching Environment of the Review

Although the provision of fire, rescue and emergency services activities has a long-standing history in Queensland, the current organisational arrangements constituting QFES are, in relative terms, recent.

QFES was established as a department on 1 November 2013 under the *Public Service Act 2008*, continuing a long history of fire and emergency response in Queensland. Although QFES itself is a relatively recently formed organisation, the various elements that constitute QFES have protected Queenslanders, their property, and the environment for more than a century. The organisation and its predecessors have played and continue to perform an essential role in the safety, security, and resilience of the Queensland community.

Given the breadth of QFES' services and the length of time that elements of the organisation have existed, as is to be expected, the stakeholder landscape in which QFES operates is complex.

The community, paid and volunteer workforces, and their respective representative bodies, as well as other key participants in the State's emergency and disaster management arrangements such as Local Councils, the Queensland Police Service (QPS) and the Queensland Reconstruction Authority (QRA), and oversight organisations such as the Inspector-General of Emergency Management (IGEM) all have legitimate interests in the performance of QFES. Additionally, major private and public landholders (such as the Department of Environment and Science (DES) and groups, such as Traditional Owners), also have an interest in the organisation.

Furthermore, the role and physical location of those stakeholders can also play a role in informing their perspectives of the requirements of the organisation. Community expectations surrounding personal responsibility and the State's ability to respond in times of emergency, coupled with different geographic requirements associated with the preparation for, prevention of, and response to, emergency and disaster situations (such as flooding and cyclone frequency in the north of the State compared to increased fire risk in the west and south of Queensland), all influence stakeholders' views as to the relative importance of QFES' various functions and, indeed, perspectives about the optimum and most sustainable approach to achieving outcomes for the Queensland community.

Additionally, the circumstances in which QFES operates are dynamic. The extent of bushfire activities across both Queensland and other Australian jurisdictions over recent years has clearly demonstrated the increasing length of fire seasons, and the severity of those events – particularly in southern parts of Australia – has showcased a rapidly escalating challenge for fire and emergency services. Beyond specific fire events, other natural disasters are also increasing in prevalence in Australia.

Each of these factors mean that the breadth of activities for which QFES takes responsibility – referenced in Queensland's Prevention, Preparedness, Response and Recovery Disaster Management Guideline – is increasing. This is before consideration of broader elements of QFES' activities, such as Marine Rescue elements, are considered. As a result, resourcing decisions are increasingly complex and, against a backdrop of increasing operating costs, such as the need to fund an additional 357 firefighters and support the recent incorporation of Marine Rescue, it is reasonable to consider the potential future challenges, stakeholder views, and requirements of the community into the future.

In part, elements of this consideration have previously occurred. Since the inception of the "One QFES Model" in 2017, multiple reviews have been undertaken in relation to specific services of the organisation, such as the State Emergency Service and Marine Rescue. In addition, various reviews have been undertaken into functional elements of the organisation – such as command and control arrangements, organisational structures, and human resources and cultural elements of the organisation. Numerous stakeholders have provided input into one or more of these reviews, and there is an increasing expectation that outcomes from these reviews will be acted upon.

In this context, the Queensland Government commissioned an independent strategic review to understand how fire and emergency services can be delivered effectively, efficiently, and in a manner that is sustainable to achieve the best outcomes for the Queensland community.

KPMG worked collaboratively with QFES and its stakeholders throughout the project and provided opportunities for the Steering Committee to comment on and validate the evidence base underpinning the Review. This evidence base has formed the basis for the analysis and recommendations outlined within this Report.

Finally, it is important to recognise that – as outlined below – the scope of the Review is explicitly focused on QFES, as distinct from Queensland’s broader disaster and emergency management system. Throughout the Review, KPMG has recognised the importance of a coordinated and inter-connected disaster and emergency management system and has been cognisant of the broader impacts that the proposed recommendations may have on this system. However, beyond the specifically consulted stakeholders and/or Steering Committee discussions that have been conducted, we have not sought to undertake review activities that broaden the Terms of Reference nor ‘over-reach’ our remit to consider the activities of other agencies or organisations.

1.2 Terms of reference

KPMG was appointed following the Queensland Government’s endorsement of the Review’s Terms of Reference in May 2021. The Terms of Reference are set out below:

1. *There will be an independent review of the capability and funding model of QFES and its associated volunteer entities to ensure the long-term sustainability of services delivered and the best outcomes for the Queensland community and its safety.*
2. *A reviewer will be engaged that is independent of QFES.*
3. *A Steering Committee will be established to provide guidance and oversight to the independent review on matters of process and governance, draft findings and recommendations, manage timeframes and ensure information and relevant personnel are made available to the reviewer. Membership of the Steering Committee will include representatives from the Department of the Premier and Cabinet (Chair), Queensland Treasury, Public Service Commission, QFES and QPS.*
4. *The reviewer will examine the effectiveness, efficiency and sustainability of QFES and its associated volunteer entities in delivering fire and emergency services in Queensland, including through assessing the scope, functions and suitability of the QFES structure.*
5. *The reviewer will identify whether opportunities exist to improve:*
 - i. *the delivery of fire and emergency services in Queensland, including the functions of the paid and volunteer services and how they are structured, in terms of effectiveness, efficiency and sustainability*
 - ii. *clarity regarding which types of emergency service entity should fall formally within the remit of QFES and, where it is considered they are outside QFES’ remit, what interoperability arrangements should be in place.*
6. *The reviewer will also examine the funding model for the delivery of fire and emergency services, which is to involve consideration of associated volunteer entities, including:*
 - i. *QFES’ current costs and financial position*
 - ii. *current and future demand and other pressures on QFES’ costs, including Government’s commitment to 357 additional firefighters over five years*
 - iii. *how QFES maintains and plans for future infrastructure, equipment, staffing and volunteer support*
 - iv. *QFES’ current and planned budget allocations between its functions and its associated volunteer entities.*
7. *The reviewer will identify operating model options to support a long-term, sustainable approach to funding of fire and emergency services in Queensland.*
8. *The reviewer will provide guidance and core operating principles to support implementation of any proposed operating model for QFES and its associated volunteer entities over the short and long term.*
9. *In conducting the review, the reviewer should:*
 - a. *consult with targeted stakeholders, including the Inspector-General of Emergency Management, the Local Government Association of Queensland, the United Firefighters Union Queensland, the Queensland Fire and Rescue – Senior Officers Union of Employees, Rural Fire Brigades Association of Queensland, the Together Union, Queensland State Emergency Service Volunteer Association,*

Australian Volunteer Coast Guard Association (Queensland), Volunteer Marine Rescue Association (Queensland), Surf Life Saving Queensland; Royal Life Saving Society Queensland and PCYC Queensland; and

b. refer to Attachment 2 (of the Terms of Reference) – QFES Report Synopses and consider the findings of previous reviews and reports on QFES and its associated volunteer entities, including fiscal sustainability, and corporate documents provided in-confidence to the reviewer by QFES.

10. *The reviewer will make recommendations about the above matters in a report to the Steering Committee within two months of commencement. At agreed points in drafting the report, the reviewer will consult with relevant entities, including central agencies, on draft findings and recommendations.*

'Associated volunteer entities' means volunteer entities to which QFES contributes funding through service agreements; namely, Queensland's two volunteer marine rescue entities – the Australian Volunteer Coast Guard Association and the Volunteer Marine Rescue Association Queensland; Surf Life Saving Queensland; Royal Life Saving Society Queensland and PCYC Emergency Services Cadet Program.

'Queensland Fire and Emergency Services' includes the Fire and Rescue Service, Rural Fire Service and the State Emergency Service.

'Delivery' of fire and emergency services includes management of fire and emergency services.

1.3 Government commitments

There are two specific Queensland Government commitments that impact elements of the Review, relating to funding and/or structural elements of the Terms of Reference, set out below. KPMG has considered these commitments as part of the analysis and subsequent recommendations.

357 New Firefighters (October 26, 2020)⁶

- “An extra 357 firefighters over the next five years will further strengthen Queensland’s frontline emergency response under a re-elected Palaszczuk Labor Government.”
- “The \$86m investment to significantly increase firefighter numbers would keep Queensland communities safe during disasters and emergencies.”
- “The 357 new firefighters will be in addition to the 100 firefighters and 12 communication officers brought into the service in the current term of Government.”
- “Most of these new positions will go to existing stations, which means more roster flexibility and more firefighters available to cover shifts when their colleagues are on deployment, training or leave.”

Single Marine Rescue Service (October 27, 2020)⁷

- “The Queensland Government will make a \$35.38m investment for replacement vessels and the establishment of an integrated marine rescue service.”
- “Palaszczuk Government will establish a Marine Rescue Queensland Implementation Working Group to progress the transition to an integrated state-wide Marine Rescue Volunteer service.”
- “This will deliver a state-wide marine search and rescue service which can coordinate with other emergency services, including the Queensland Police Service and Queensland Ambulance Service.”

There are also various other commitments that arise from activities such as the Queensland Government’s response to the Australian Royal Commission into National Natural Disaster Arrangements. It is noted that QFES has lead-agency responsibility for more than 40 recommendations endorsed by the Queensland Government arising from that Royal Commission alone.

⁶ Hundreds more firefighters for Queensland’s frontline - Anastacia Palaszczuk
<https://www.annastaciapalaszczuk.com.au/media-releases/hundreds-more-firefighters-for-queensland-s-frontline/>

⁷ Labor will deliver new boats for marine rescue volunteers - Anastacia Palaszczuk
<https://www.annastaciapalaszczuk.com.au/media-releases/labor-will-deliver-new-boats-for-marine-rescue-volunteers/>



2. The 'current state' of QFES

2 The 'current state' of QFES

To determine the effectiveness, efficiency, and sustainability of QFES and its current organisational arrangements, it is important to first understand the current strategic, operational, funding, and other arrangements that are in place, and which have evolved or have been formally considered over recent years. Therefore, this section provides an overview of the:

- Recent history of QFES (since the most recent strategic organisational review implemented in 2013), the continuous improvement journey that the organisation has sought to undertake, and the entity's current strategic direction;
- Other reviews that have been conducted since that time, into specific service or functional elements of QFES, which have sought to shape the direction and performance of the organisation;
- Structural and service delivery models, operational activities, and legislative arrangements that are currently in place;
- Current financial position of the organisation, including the present operating costs and financial position of QFES;
- Current and future demand requirements;
- Workforce metrics (inclusive of the commitment to 357 additional firefighters over five years);
- Planning mechanisms to support future service requirements, infrastructure needs and capital replacement/equipment activities; and
- Staffing and volunteer support and budget allocations between QFES' functions and its associated volunteer entities.

2.1 History of QFES

In 2013, the Police and Community Safety Review (the Keelty Review) was conducted to provide a foundation for public safety agencies to facilitate better processes and deliver sustainable outcomes to Queenslanders. The Keelty Review recommended streamlining emergency service structures, improving interoperability between agencies, and enhancing technological capability for productivity.

In response to the Keelty Review, QFES was established as a department by the Public Service Departmental Arrangements Notice (No. 8) 2013 on 1 November 2013. In 2014, the *Public Safety Business Agency Act 2014* (PSBA Act) amalgamated Emergency Management Queensland with Queensland Fire and Rescue Service to consolidate the fire and emergency role within QFES.

The PSBA Act legislated the following changes: renaming the *Fire and Rescue Service Act 1990* as the *Fire and Emergency Services Act 1990*; relocating provisions relating to the State Emergency Service (SES) from the *Disaster Management Act 2003* to the *Fire and Emergency Services Act 1990*; amalgamating the roles and functions of the former Department of Community Safety Chief Executive and the Fire Commissioner into the QFES Commissioner; and establishing the office of the Inspector-General of Emergency Management to review and assess the effectiveness of disaster management in Queensland.

In 2014, QFES also implemented the South Eastern Region Marine Plan to strengthen partnerships with agencies delivering emergency services in the marine environment. Since that time, QFES has supported the Volunteer Marine Rescue Association Queensland and Australian Volunteer Coast Guard Association through service agreements.

Following a decision of Government in late 2020, the Public Safety Business Agency (PSBA) was disbanded from 1 July 2021. Corporate services functions that were being provided by the PSBA to various agencies were transitioned back to QPS and QFES. The effect of this change has meant that those agencies are – notwithstanding some remaining elements of 'cross-reliance' between them – effectively now 'standalone' agencies that operate their corporate support agencies in the same manner as other Queensland Government departments.

2.2 Strategic Direction

Over the time that QFES has been in operation, it has established a strategic direction that seeks to improve the integration and interoperability of the various functions that reside within the organisation, whilst also recognising the distinct differences between the services that are provided. In that regard, QFES seeks to recognise and respond to the complexity in the environment in which it was established, and which has continued to evolve over time.

In the organisation's engagement with this Review, executives within QFES have indicated that work has been undertaken and remains ongoing to ensure that the department has the appropriate foresight to anticipate future challenges, opportunities, and community expectations, using this intelligence to inform future strategies and organisational planning processes.

The most recent overarching output from that work, *Strategy 2030*, was released in March 2019 as a long-term strategic direction to define and unite QFES through articulating a preferred future. The aim of *Strategy 2030* is for the organisation to have a clear and shared future vision. It is based around five guiding principles:

- **Capable Communities** – local solutions to local problems achieve sustainable outcomes;
- **Interoperable** – all parts of the system can work together effectively, in a coordinated way, and can connect to neighbouring systems when needed;
- **Intelligence** – the community are the partners of the department, and people working across QFES are empowered to make decisions with greater confidence;
- **Sustainable** – economic, environmental and social sustainability go hand in hand for a capable and adaptive Queensland; and
- **Adaptive** – building adaptive capacity with the community, the organisation and the emergency management sector will enhance the department's collective ability to manage the unexpected.⁸

According to QFES, since the public release of *Strategy 2030*, the document's guiding principles have been embedded into strategic and operational planning, enterprise risk management, reporting and governance.

In-line with contemporary organisational planning practices, QFES reports that actions consistent with *Strategy 2030* and aimed at managing enterprise risk form the basis of the Commissioner's performance agreement, and flow to the performance expectations of the QFES senior executive. QFES also plans to embed formal performance agreements at the senior level and more broadly across the organisation to achieve linkages between the actions of today and the vision for the future.

These outcomes are achieved through the QFES Planning and Performance Framework (the P&P Framework) – as outlined in **Appendix A** – which has been established to demonstrate the line-of-sight from whole-of-government objectives and commitments through to strategic, operational, and individual planning and performance monitoring activities. Each level of the framework seeks to inform the next layer and there is an interdependent relationship between them.

QFES continues to ensure that its strategic activities are aligned to the guiding principles of *Strategy 2030* as it works towards realising its vision of a safe and resilient Queensland in the face of fires, emergencies, and disasters. QFES achieves this alignment by developing Strategic Plans, which are rolling four-year outlooks that identify QFES' priorities and key activities being undertaken to operationalise *Strategy 2030*. In this respect, QFES has indicated to the Review that it is continuing to work towards the following 2021-25 outcomes:

- QFES – A strong, collaborative and sustainable QFES recognised for contemporary and adaptable fire, emergency and disaster service delivery;
- Collaboration – Collaboration occurs with communities and partners before, during and after fires, emergencies and disasters; and
- Community – Communities are connected and capable in the face of fires, emergencies, and disasters.

⁸ QFES. (2021). *Strategy 2030*. <https://www.qfes.qld.gov.au/sites/default/files/2021-03/QFES-Strategy-2030-Full.pdf>

Through the implementation of *Strategy 2030* and in working towards achieving the department's vision and outcomes, QFES is looking to contribute to the following Queensland Government objectives for the community:

- Safeguarding our health – safeguard people's health and jobs by keeping Queensland "pandemic-ready"; and
- Backing our frontline services – deliver world-class frontline services in key areas such as health, education, and community safety.

At a practical level, QFES' position is to strive for a stronger focus on: building community resilience at a local level; maintaining strong response capabilities whilst driving prevention and mitigation action; seeking opportunities to enhance interoperability across services within government and with the community and private sectors; and consolidate and build on sources of data and skills in analysis to underpin delivery of intelligence-based decision making. QFES notes this intention is multi-faceted, aimed towards QFES, the emergency management sector, government more broadly, and the community.

Community Insights Survey

To ensure QFES' services continue to meet the community's expectations, QFES conducts an annual Community Insights Survey. The survey's key objective is to measure the level of risk perceptions, preparedness, and practices for fire and emergency events across Queensland households. A report on the survey results is made publicly available each year.

The latest survey conducted in 2020 shows an increase in community expectations for QFES' responsibility in preparing households for disasters and emergency events (up from 61% to 64% of respondents who 'mostly' or 'completely' expect QFES to be responsible); however, the community's preference is for flexibility in QFES' resource distribution depending on greatest need as opposed to QFES having a permanent presence in the respondent's local community (62% of respondents wishing to see a needs-based approach; 38% of respondents considering a static approach to be preferable).

The community's perceived risk is highest for storms, heatwaves, and pandemics (62% to 69%), with fire related risks perceived to be significantly less (bushfires at 33% and structural fires at 21%). Inversely, the Community Insights Survey shows the community has a perceived preparedness for bushfires and structural fires at 60% each, whereas the perceived preparedness for storms, heatwaves, and pandemics is above 70%.

2.2.1 Strategic metrics

QFES has worked with stakeholders and the community to develop its strategic initiatives for the medium- and long-term. These initiatives have been designed to consider the growing complexities surrounding emergency and disaster events in the changing environment. Over the near term, QFES is working towards achieving its 2019-2023 strategic initiatives, which encompass steps towards the long-term principles.

QFES reports that the priority areas are empowering volunteerism and culture; digital transformation; service alignment to community need; uplifting stakeholder engagement; and sustainable asset and systems investment. Notable actions within the last reporting period include, but are not limited to:

- Continued sponsorship of Rural Fire Service (RFS) and SES grants;
- Numerous support initiatives for diverse members of the community;
- Review of the Digital Transformation program;
- Development of an Asset Management System;
- Queensland Olympic Games bid;
- Tropical Cyclone Impact Model trial with Geoscience Australia;
- Operation Community Connect – a multi-agency Preparedness initiative;
- Implementation of the QFES Engagement Strategy;

- New partnership with the Department of Agriculture and Fisheries and the Department of Tourism, Innovation and Sport to deliver the Shark Control Program;
- Service Agreement with Surf Life Saving Queensland for the Drone Trial Program;
- Renewed partnerships with Energy Queensland and Powerlink to support SES and RFS; and
- Increased Social Media engagement.

QFES continually measures its year-on-year service delivery performance, seeking to bolster community safety through minimising the impact of fire, emergency events and disasters on the people, property, environment, and economy of Queensland.⁹

Table 2-1: QFES Key Performance Metrics

Performance area	Queensland's metrics
Fire & Rescue Service	<ul style="list-style-type: none"> • Rate of accidental residential structure fires reported (per 100,000 households) • Response times to structure fires including call taking time: 50th & 90th percentile • Percentage of building and other structure fires confined to room/object of origin • Estimated percentage of households with smoke alarm/detector installed • Percentage of building premises inspected and deemed compliant at first inspection • Rate of Unwanted Alarm Activations per Alarm Signalling Equipment
Rural Fire Service	<ul style="list-style-type: none"> • Percentage of volunteers satisfied with the experience of volunteering for the Rural Fire Service
State Emergency Service	<ul style="list-style-type: none"> • Percentage of volunteers satisfied with the experience of volunteering for the State Emergency Service • Percentage of State-wide State Emergency Service volunteers that meet minimal operational training requirements
Disaster Management	<ul style="list-style-type: none"> • Percentage of disaster management training participants with enhanced capability • Percentage of major disaster events that have a formal debrief
Local Government/Community	<ul style="list-style-type: none"> • Percentage of local government areas with service delivery engagement occurring • Percentage of local government areas that have taken part in a Queensland Emergency Risk Management Framework workshop • Percentage of Indigenous councils that have taken part in a Queensland Emergency Risk Management Framework workshop • Percentage of exercises that involve partner organisations and the community
Department-wide	<ul style="list-style-type: none"> • Percentage of volunteers who feel they can effectively contribute their skills/experience to QFES • Percentage of training activities identified as suitable for multi-service attendance that are attended by more than one service • Percentage of our people who recognise a 'whole of QFES' approach to service delivery • Percentage of core business and operational systems requiring integration that are connected • Percentage of capital project approvals informed by sustainability criteria

⁹ QFES. (2020). *Annual report 2019-2020*.

2.3 Services delivered by QFES

There are a range of different services and functions that are performed by QFES, across the entirety of Queensland.

In 2019-2020, QFES responded to 2,630 structure fires, 6,630 road crash rescue incidents, 7,649 flood and other natural disaster calls, 233 hazardous materials calls and 8,851 bushfires.¹⁰ Further, QFES maintains a network of Building Approval Officers, who are significantly experienced in operational firefighting, to deliver on the department's building fire safety obligations across Queensland.¹¹ Additionally, the department is resourcing a temporary Cladding Support Unit encompassing operational staff with extensive fire safety technical knowledge and administrative support to deliver priorities of the Queensland Government's Safer Buildings Taskforce.¹² QFES also supports SES activities, coordinates DM activities and provides grant funding support to volunteer MR services, such as AVCGA and VMRAQ.

The roles and responsibilities of each service within the wider umbrella of QFES is detailed below.

2.3.1 Fire and Rescue Service

Members of the Fire and Rescue Service (FRS) are the primary responders to fire in urban and urban fringe environments, carrying out the core responsibilities of the *Fire and Emergency Services Act 1990*. Evolving to meet the changing needs of the community, FRS officers train and specialise in providing multi-hazard responses to a broad range of incidents and events, including: road crash rescue services; breathing apparatus and hazardous materials activities; fire investigation; vertical rescue; floodwater rescue; confined space rescue; trench rescue; and urban search and rescue.

In addition to response and recovery, FRS also has a key responsibility in prevention and preparedness to avert emergency incidents. Key activities involve delivering community education, building fire safety, hazard identification, risk assessment and collaborating with communities to prevent, prepare and mitigate disasters. FRS provides various safety programs including the: 'Fight Fire Fascination' program for youth; 'Safehome', to eliminate fire and safety hazards around the home; and 'Collaborating 4 Inclusion', to protect vulnerable populations.

FRS serves the community through permanent crews working in shift patterns, communication centres providing 24/7 coverage, and auxiliary crews within regional areas. There is a total of 244 FRS stations, of which 72 are permanently staffed, 159 are staffed by auxiliaries and 13 are composite.¹³ Permanent staff are responsible for delivering front-line response, community education, inspection, and maintenance. They are led by their Station Officer, who is responsible for their coordinated response, planning, and management of the station.

As noted above, the FRS delivers services with permanent crews working in shift patterns, as well as drawing on auxiliary crews in many regional areas. Auxiliary crews are made up of casual, station-based firefighters who are on call to respond to emergency incidents when the demand arises. Their key role is to provide support where necessary and participate in ongoing training and maintenance programs to continually acquire relevant skills and ensure they meet turnout response times. In terms of headcount, there are over 1,900 auxiliary firefighters and 33 auxiliary support officers.¹⁴ They operate out of approximately 190 fire stations across the State.¹⁵ Due to the on-call nature of auxiliary firefighters, they are calculated as 0.1 of an FTE for the purposes of resource planning, in-line with the Queensland Government's Minimum Obligatory Human Resource Information (MOHRI) framework.

¹⁰ ROGS-2021-Emergency Services Dataset for FRS and RFS

¹¹ QFES. (2021). *QFES independent review strategic direction*.

¹² QFES. (2021). *QFES independent review strategic direction*.

¹³ QFES. (2021). *QFES independent review context*.

¹⁴ QFES. (2021). *QFES independent review context*.

¹⁵ Queensland Auxiliary Firefighters Association Incorporated. (2021). *About us*. <https://www.qafa.asn.au/about-us/>

2.3.2 Rural Fire Service

The Rural Fire Service (RFS) is a predominantly volunteer service which delivers its functions in rural, semi-rural and urban fringe areas, providing fire and emergency services coverage to 93% of Queensland. RFS is responsible for the provision of: firefighting; fire prevention; community education services; permits to light fires; and deployments and assistance during emergencies and disasters. RFS is community-driven, and acts as the primary lead in bushfire mitigation and response.

RFS serves Queensland through 1,400 bodies including rural brigades, primary producer brigades, village brigades, iZone brigades (covering the urban-rural fringe areas), and special service delivery brigades. QFES supports these brigades through procuring appliances, equipment and sheds as well as delivering essential training and additional volunteer support services.

RFS is made up of approximately 31,000 volunteers with 2,400 Fire Wardens.¹⁶ Volunteers often join their local brigade and receive routine training from full-time or auxiliary staff. In addition to the responsibilities listed above, RFS volunteers also conduct fundraising to support local brigades.

2.3.3 State Emergency Service

The State Emergency Service (SES) was originally established in 1975 via the (since repealed) *State Counter-Disaster Organisation Act 1975* as a progression of the Queensland Civil Defence Organisation. Today, it is established under the *Fire and Emergency Services Act 1990*. It is a community-based, not-for-profit volunteer emergency service enabled by the State and local governments and sponsor partnerships. There are 75 units across the State, which are primarily responsible for responding to cyclone, storm, and flood events, technical rescue, flood boat rescue, vertical rescue, road crash rescue and deployment to assist other jurisdictions in times of crisis. The SES also supports other agencies such as QPS, through the provision of search and rescue and emergency traffic management. In accordance with the *Fire and Emergency Services Act 1990*, the SES has further responsibilities in relation to helping communities to prepare for, respond to, and recover from an event or disaster, as well as undertaking activities to raise the profile of SES and raise funds to support the service in its performance of other duties.

Under current arrangements, QFES provides personal protective and operational equipment to SES groups. The department also operates an annual capital grant program to assist SES groups with the acquisition and maintenance of vehicles, such as flood boats and accommodation maintenance, and provides subsidies to local governments to support the operation of SES groups. Local governments are responsible for the ongoing maintenance of assets and provide substantial support. Given this shared arrangement, QFES has developed Memoranda of Understanding (MOUs) with most local governments in Queensland.

There are 75 units across Queensland, consisting of 298 groups. These total to approximately 52 FTE operational staff and 6,000 SES volunteers including active, probationary, and reserve resources.¹⁷

2.3.4 Marine Rescue

In Queensland, volunteer Marine Rescue (MR) services are delivered by the Australian Volunteer Coast Guard Association of Queensland (AVCGA) and the Volunteer Marine Rescue Association of Queensland (VMRAQ).

QFES notes that the majority of blue water response activities are self-activations to the boating community for rescue and/or preventative purposes, rather than specific taskings. However, where such taskings do occur, the two organisations operate in support of QPS to deliver search and rescue capability, given that QPS is the State's search and rescue authority in-line with the *Intergovernmental Agreement (IGA) on National Search and Rescue Response Arrangements 2017*. The organisations also deliver other support to the emergency services sector and boating community. They are funded by the Queensland Government, through QFES, via service agreements.

¹⁶ QFES. (2021). *Rural fire service*. <https://www.qfes.qld.gov.au/about-us/frontline-services/rural-fire-service>

¹⁷ QFES. (2021). *QFES independent review context*.

In response to sector concerns and following the completion of the Blue Water Review commissioned by QFES, the Queensland Government announced its commitment to a single volunteer marine rescue service for Queensland. The implementation and funding arrangements of this single service are yet to be finalised. QFES contends that bringing marine rescue within an agency where it can benefit from broader support services and shared infrastructure will contribute to sustaining marine rescue services. Increasing collaborative mechanisms and connecting marine rescue to other emergency services is key to enhancing interoperability which drives better outcomes for the community.¹⁸

The AVCGA comprises 21 flotillas and an estimated 1,200 members across the State, who are responsible for responding to marine search and rescue incidents and supporting QFES and other agencies in instances such as marine fire and medical evacuation from vessels.

VMRAQ delivers similar marine research and rescue functions through its 26 squadrons and approximately 1,400 members across Queensland.¹⁹

2.3.5 Disaster Management

QFES collaborates with departments, local governments, and communities to execute Disaster Management (DM) activities in-line with the *Disaster Management Act 2003* and *Disaster Management Regulation 2014*. QFES has outlined prevention, preparedness, response, and recovery functions in the *Queensland State Disaster Management Plan*, which aims to build the State's capacity to prepare for, respond to, and recover from, disaster events. QFES support staff undertake mapping and predictive services; emergency warning services; community engagement; state-wide disaster monitoring and reporting; disaster planning; risk management; and operational readiness, response and recovery support.

The DM stream also supports the execution of the Commissioner's responsibilities under the *Disaster Management Act 2003*, including the development of DM plans and guidelines, support for DM groups at all levels of the arrangements, and maintenance of the State Disaster Coordination Centre (SDCC). The SDCC supports the Queensland Disaster Management Committee to coordinate State level operational response capabilities during disaster operations and ensures that relevant information about an emergency event is disseminated. QFES leads the planning and logistics capability of the SDCC, and maintains its systems, processes, and concept of operations. The QPS Disaster Management Unit and a Bureau of Meteorology (BoM) senior forecaster (contracted by QFES) are also permanently situated at the centre.²⁰

QFES also resources a Watch Desk facility, responsible for monitoring, collating and analysing emergency management information from numerous sources to inform key stakeholders. The facility also coordinates SES tasks and is a single point of dissemination for Emergency Alert campaigns across the State.²¹ Further, QFES maintains a community warnings capability that comprises media and online platforms, and shares responsibility with the BoM for the utilisation of the Standard Emergency Warning Signal.²²

Across the State, QFES employs Emergency Management Coordinators (EMCs) to engage with local governments, agencies, and community groups to build local disaster management capability and capacity. In addition to providing a broad range of DM activities, EMCs report through their respective regional Assistant Commissioners and are responsible for delivering the Queensland Disaster Management Training Framework (QDMTF) and other emergency management training to key stakeholders. The network of EMCs, Assistant Commissioners and QFES representatives on local government groups aim to maintain the department's incident response capability for complex disasters across all hazards, and support decision making at the local level.²³

¹⁸ QFES. (2021). *QFES independent review strategic direction*.

¹⁹ QFES. (2021). *QFES independent review context*.

²⁰ QFES. (2021). *QFES independent review strategic direction*.

²¹ QFES. (2021). *QFES independent review strategic direction*.

²² QFES. (2021). *QFES independent review strategic direction*.

²³ QFES. (2021). *QFES independent review strategic direction*.

In the case of a potential disaster, incidents are classified at a level which determines the response provided by QFES and other key stakeholders. Should the incident exceed the capacity of the local area to respond and require wider support for sustained operations, QFES will establish a Regional Operations Centre (ROC) to coordinate resources and operations. ROCs receive situational information to inform their operational decision-making from the Incident Control Centre (ICC), which is managed by QFES. ROCs are responsible for developing a regional situational report, outlining their current operations, status of operations, and items of strategic interest. This Report is provided to the State Operations Centre (SOC), which is the control centre for State level operations and accommodates other emergency and support organisations. The ICC, ROC and SOC are QFES entities focused on the control of QFES resources within the disaster response, with liaison points to other agencies as required. Within the disaster management arrangements, local, district and state coordination centres provide for disaster coordination across all agencies and partners.

The SOC is maintained by QFES and monitors operational readiness at local, regional, and State levels. The QFES Commissioner has authority to appoint a Commander of State Operations in circumstances where the SOC has been activated or assumes direct responsibility of this position in the absence of delegation.²⁴

In the event the incident exceeds the capacity of the local area to respond, requires significant support; requires a high concentration of resources, and poses serious risk to life, infrastructure, and the economy – DM arrangements are activated (these arrangements are discussed further in Section 2.7.3). When this occurs, the ICC, ROC and SOC provide situation reports to respective DM groups at the appropriate level.²⁵

2.3.6 Other Associated Volunteer Entities

QFES also supports many other volunteer entities that form part of the State's emergency management sector, supporting them to deliver on their responsibilities. Part of the QFES *Strategy 2030* is interoperability, which promotes a level of integration across all entities. QFES strengthens this capability through their continual support of organisations such as the Police Citizens Youth Club (PCYC) and lifesaving organisations.

PCYC Queensland is a leading, not-for-profit organisation providing youth community programs, services and facilities. QFES provides funding to the PCYC program. This program delivers emergency services and leadership skills to youth aged 12-17 years, with mentoring from volunteer adult leaders and emergency services personnel. There are over 375 cadets and 115 mentors across 20 units operating throughout Queensland.²⁶

QFES provides funding to Surf Life Saving Queensland (SLSQ) and Royal Life Saving Society Queensland (RLSSQ) through service agreements.

SLSQ encompasses several diverse arms including lifesaving services, community education, membership services, surf sports, fundraising and commercial training, all contributing to a vision of zero preventable deaths in Queensland public waters. There are 34,000 SLSQ volunteers operating through 57 SLSQ Clubs across the State.²⁷

RLSSQ is the leader in drowning prevention and water safety education in the State and is the peak body for water safety. For the aquatics industry, RLSSQ is the State's principal organisation in vocational training. QFES provides funding specifically for the operations of Bulcock Beach, Tallebudgera Creek, and Airlie Beach.

²⁴ QFES. (2020). *Queensland bushfire plan*.

²⁵ QFES. (2020). *Queensland bushfire plan*.

²⁶ QFES. (2021). *QFES independent review context*.

²⁷ QFES. (2021). *QFES independent review context*.

2.3.7 Corporate Services

QFES' corporate services provide a range of enabling functions to support the frontline service offerings.

The Strategy and Corporate Services Division is comprised of:

- Strategy;
- Asset Services;
- Assurance/Systems;
- Finance and procurement; and
- QFES People.

The division is responsible for leading the department's strategic framework and vision, driving performance, and providing the tools and system for frontline service delivery across QFES. The division works closely with other public safety agencies to ensure the department's planning and policy enhances the capability of its people and that services and equipment are contemporary, agile and are able to meet the service delivery needs of Queensland's communities.

2.4 Prevention, Preparedness, Response and Recovery

Queensland uses the Prevention, Preparedness, Response and Recovery (PPRR) framework as the basis of its comprehensive approach to DM. The PPRR framework aims to achieve a balance of risk reduction and effective response and recovery, relying on both integrated system-level responses (across the various agencies that lead and support Queensland's disaster management system) and clear operational arrangements for each of those agencies. The PPRR framework also advocates the importance of community involvement to effectively build resilience.

The four elements of the PPRR framework are interdependent. They do not follow a linear sequence; however, activities may overlap and support each other. To achieve resilient communities and strong DM, all elements of the PPRR framework must be robust.²⁸

QFES has the accountability, established by the *Disaster Management Act 2003*, for the preparation and publication of DM guidelines to be implemented across State, district, and local groups. Under Section 4A of the Act, these guidelines encompass the PPRR framework.

QFES identifies that the current diversity and distribution of the QFES workforce makes it is uniquely positioned to connect communities, demonstrate leadership at the local level and retain trust in its services.²⁹

A summary of QFES' activities across the PPRR framework is detailed below.

2.4.1 Prevention and preparedness

QFES has suggested that it carries out its responsibilities regarding primary prevention and preparedness through: engaging with central agencies on national policy and strategy development; administering the *Disaster Management Act 2003*; contributing to key regulatory and policy frameworks; supporting a coordinated response to the Bushfire Royal Commission; and upholding relationships with Commonwealth agencies. Through conducting these activities, QFES contends that it achieves its objectives to lead, influence, and support evidence-based policies and frameworks that reduce the risk of disaster.³⁰

²⁸ Queensland Prevention, Preparedness, Response and Recovery Disaster Management Guideline.

²⁹ QFES. (2021). *QFES independent review strategic direction*.

³⁰ QFES. (2021). *QFES independent review strategic direction*.

Other prevention and preparedness functions carried out by QFES include:

- Supporting the Queensland Disaster Management Arrangements (QDMA) to ensure coordinated action across the PPRR framework;
- Developing the Emergency Management Sector Adaptation Plan for climate change, which was launched in September 2018, detailing the sector's approach to managing risks and opportunities associated with climate change;
- Co-leading the exercise function across the State with QPS to test, improve and prepare the system for hazards and events;
- Leading the development of COVID-19 exercises for the Queensland Disaster Management Cabinet Committee, State Disaster Coordination Group (SDCG), and local governments;
- Running hazard-specific exercises with key stakeholders to improve interoperability and partnerships;
- Maintaining a record of plans and Geographic Information System (GIS) mapping of critical infrastructure partners, to enable disaster mitigation and response;
- Contributing to an updated, whole-of-government exercise framework to improve DM capability across Queensland;
- Coordinating and reporting preparedness activities during severe weather seasons to support agencies in helping communities prepare for and respond to disasters;
- Facilitating intelligence briefings on the season outlook;
- Working with volunteer community educators and regional engagement officers to deliver education programs for school students and vulnerable groups;
- Sharing preparedness information with the community via multi-media platforms;
- Supporting emergency transport arrangements, mobile emergency communications facilities and logistic capabilities (e.g., catering and water supplies);
- Maintaining an early warning capability through the SDCC QFES watch desk – receiving and disseminating intelligence across the system to anticipate and mitigate the impact of emergent events;
- Investing in systems, technologies, and methodologies to predict and model the impact of multi-hazards to support direct mitigation activities;
- Developing and implementing the Queensland Emergency Risk Management Framework (QERMF) as well as publishing the State Disaster Risk Report; and
- Conducting land use planning, bushfire approvals, smoke alarm enhancements, and working to reduce responses to unwanted alarms.

2.4.2 Response

QFES has indicated to the Review that it applies its resources to address incidents and events across 'all hazards'. The department contends that several key advances have been made in relation to its role in responding to disaster and emergency situations, including:

- QFES claims its role in supporting DM arrangements has matured and supports the effective functioning of the system as the department supports local decision making that informs response and recovery;
- QFES contends that through drawing on a range of capabilities under a single command and control structure, there has been greater effectiveness in joint operations in terms of increasingly flexible, cost-effective, and rapid responses;
- QFES contributes to international deployments and high-profile domestic incidents;
- QFES indicates that the SES Task and Management System provides detailed job descriptions directly to responding crews, which enables faster, safer, and more efficient responses;

- Aerial firefighting capabilities have continued to evolve and have become integral to bushfire responses;
- Equipment and procedures for flood boat rescue and storm damage operations have been upgraded;
- Advanced predictive tools are being used to inform operations and map hazards;
- Scientific expertise regarding emergency incidents is being used to develop community protection strategies;
- Extinguishing mediums are evolving to improve fire control and decrease water usage and property damage; and
- There has been wider use of technical equipment to support increasingly targeted responses such as thermal imaging cameras and unmanned aerial vehicles.

2.4.3 Recovery

QFES aims to develop trust with the community and build resilience at the local level by supporting recovery efforts. QFES indicates the organisation has a clear role in supporting the State's recovery from disaster situations. The department also contends that it undertakes a range of activities that support recovery across the community, infrastructure, economy, and environment. These activities include undertaking rapid damage assessments and sharing this data across relevant stakeholders to enable a more informed and faster recovery effort, and the specific role of SES in coordinating and conducting clean-up efforts following severe weather events. Further, QFES indicates that it works to prevent secondary damage and establishes recovery hubs during incidents to expedite recovery.

Additionally, QFES has identified an opportunity in the future to lead implementation of post event multi-disciplinary assessment teams that can assess affected areas and identify emerging risks. However, the organisation has acknowledged this service would require additional resources and, as such, this remains a longer-term goal.³¹

2.4.4 Changing focus of PPRR

QFES acknowledges that the provision of direct response and recovery initiatives is significantly resource intensive. As such, government agencies are shifting their focus to prevention and preparedness activities to reduce pressure on response and recovery services and provide more impactful and cost-effective outcomes for the community. QFES cites national research that supports the notion that every dollar invested in prevention returns between \$2 to \$8 in terms of avoidable losses resulting from disasters.³²

To provide the greatest return on investment for the State, QFES is working to evolve its service delivery to enhance the focus on prevention and preparedness. The organisation has indicated that effectively influencing land use planning approaches and building codes could reduce the number of communities at risk of future disaster. Such approaches could also prevent the impact of incidents by ensuring homes, buildings and public infrastructure are fit for purpose and able to withstand local hazards. Additionally, training local volunteers across all hazards enables improved community responses and may reduce pressure on external agencies and recovery services. Further, developing joint capability and implementing frameworks for joint operations can reduce duplication in service delivery and enable efficiencies.³³

QFES has acknowledged that this shift in focus poses challenges as the reduced costs and avoided losses stemming from preventive work are derived over the long term and may be attributable to other stakeholders beyond just QFES. Additionally, given likely concerns caused by future disaster risk (see Section 3.1.2), QFES posits that successful prevention will not necessarily negate the need for effective response and recovery services.³⁴

³¹ QFES. (2021). *QFES independent review strategic direction*.

³² QFES. (2021). *QFES independent review strategic direction*.

³³ QFES. (2021). *QFES independent review strategic direction*.

³⁴ QFES. (2021). *QFES independent review strategic direction*.

2.4.5 Interoperability

QFES operates in a complex environment that requires the co-ordination, cooperation, and collaboration across a range of Federal, State, local government agencies and volunteer organisations. Internally, QFES has several discrete service elements that need to connect and operate effectively as part of a single organisation. To this end, interoperability can mean several different things, ranging from the ability at a system level for various organisations to engage with other parts of the State's or even country's fire, disaster, and emergency management systems, to being able to operate effectively internally as a coordinated organisation which brings together its relevant parts in a manner that allows for an integrated, cohesive set of activities – whether in relation to prevention, planning, response, or recovery initiatives. At its simplest level, interoperability means the capacity to ensure a coordinated, connected, and cohesive plan or activity to be ready for, or to address, a specific need or requirement.

It is recognised that, on an organisational level, interoperability has been a significant driver behind the establishment of QFES. QFES' *Strategy 2030* indicates that QFES' preferred future includes all parts of the system being able to work together effectively, in a coordinated way and connecting to neighbouring systems when needed.

QFES holds the view that the single, inclusive QFES model enables quick and effective decisions to be made when deploying staff and assets based on risk. This view is purported on the basis that QFES does not have to conduct negotiations, which would take time (potentially across multiple agencies) to secure resources, which can be reprioritised and redirected to areas that are most in need. QFES cites the March 2021 floods in New South Wales as a recent example, where the department rapidly deployed 130 specialist crews from FRS and SES to provide support for flood boat operation, swift water and water rescue, incident management, and storm damage response. QFES further takes the view that, internally, its services are supported by the enabling functions of corporate services that create economies of scale, greater buying power, as well as consistent and efficient approaches to enhance interoperability.

QFES does, however, acknowledge the ongoing challenge associated with elements of interoperability. While QFES holds the view that maximising the ability for all services to come together during emergencies and disasters to best leverage their joint capabilities is seen as a positive model by fire and emergency services in other jurisdictions, the organisation also notes that the individual strengths of services are key to this success. The organisation is continuing to work to expressly recognise each service's strong identity. QFES recognises that getting this balance correct is complex and requires ongoing 'calibration'.

QFES also identifies another ongoing challenge in the interoperability of its information and communication technology, with the organisation still relying on legacy systems that are reportedly not sufficiently interconnected and, in some instances, incompatible. QFES notes that this challenge most commonly impacts operational communications including:

- Computer Aided Dispatch in the provision of a modern solution that maintains safety for the public and first responders; and
- Regional Radio Communications, in the provision of state-wide coverage through networks, services and reliable equipment.

Neither of these challenges are new and have been identified by QFES (and indeed reported on publicly) previously. It is also noted that determining appropriate approaches for these matters is an ongoing focus across government, given the significant resource implications associated with each of them.

2.5 Current Capabilities

QFES has established a capability framework in support of its activities, based on the POISTED methodology, which is an acronym of: People; Organisation and structure; Information, Support and Planning; Training; Equipment; and Documentation. A copy of the POISTED methodology for inputs to capabilities, as provided by QFES, can be found in **Appendix B**.

QFES defines capability as the ability to perform or achieve certain actions or outcomes and, for QFES, capability is about having the right people, with the right training and the right equipment in the right place at the right time.

QFES contends the strength of the capability approach is that it focuses on outcomes, rather than inputs. Consistent with such processes applied in other jurisdictions, QFES has identified eight key capabilities linked to QFES' service delivery and comprised of several capability elements. The capabilities are incident management; fire suppression; search and rescue; hazardous materials management; disaster management; building safer communities; resource management; and strategy and governance.

Further strengthening this process is the implementation of the capability and investment model (a system planning model) that describes how QFES will bring together all the information at its disposal to inform a prioritisation and approval process for future investment. The model is an end-to-end process that assists the organisation to identify internal and external influences, as well as demands and risks that will shape or change QFES' future capabilities. The model also guides decision-making to ensure that QFES is prioritising and investing in the appropriate capabilities to position the organisation to be able to serve Queensland communities, both now and into the future.

During the information gathering phase of the model, a wide range of sources, including service and regional perspectives, contribute to an understanding of the operating environment, any problems associated with the capability, and the benefits of change. During the approval phase, governance processes are applied to guide the consideration of investment briefs and prioritisation of investment.

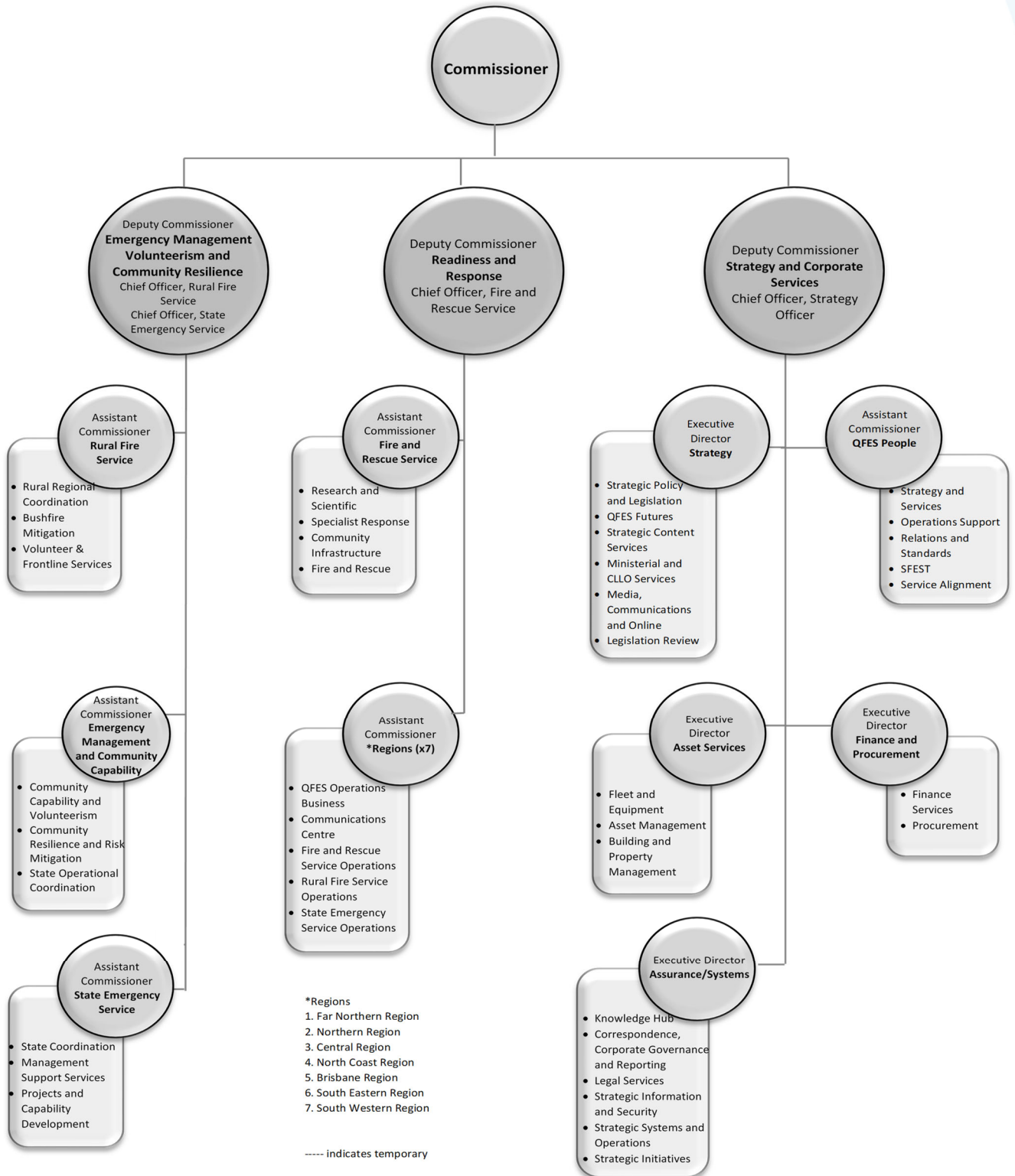
QFES started the capabilities project in 2016 and, as of October 2021, expects that to fully embed the model will take several more years, as many disparate processes supporting individual elements of QFES' service delivery, such as fleet and capital works planning, workforce strategies, and training frameworks, will be gradually aligned to the capability and investment process. In due course, however, a single comprehensive process will deliver the oversight necessary to prioritise and schedule investment in the most effective way and ensure resources are aligned to risk.

2.5.1 Organisation and structure

Organisational Structure

The current organisational structure of QFES is represented in the figure below.

Figure 2-1: QFES organisational structure



Source: QFES. (2021). QFES independent review context

Divisions

QFES is led by a Commissioner, with three divisions:

- Emergency Management, Volunteerism and Community Resilience;
- Readiness and Response Service; and
- Strategy and Corporate Services.

The Office of the Commissioner advises and supports the Commissioner and the senior executive team in decision-making and ensuring objectives are met.

The Emergency Management, Volunteerism and Community Resilience Division is responsible for providing overall strategic leadership, direction and support to RFS, SES and other volunteer groups involved in emergency response and leading departmental and whole-of-government disaster management across PPRR. This division leads strategies for recruitment and retention of a sustainable and skilled volunteer workforce, collaborating with local governments to develop management and volunteer capability.

The Readiness and Response Services Division ensures the response and capacity of QFES' operational staff and volunteers for incidents and emergencies in accordance with the *Fire and Emergency Services Act 1990* and *Disaster Management Act 2003*. The division provides leadership and direction across regions, and works in partnership with other State agencies, local government, and communities to build resilience and operational capability and respond to incidents.

The Strategy and Corporate Services Division is responsible for leading QFES' strategic agenda and vision, ensuring performance outcomes and providing the tools and systems for frontline service delivery. The division collaborates with other agencies to ensure QFES' planning and policy achieves interoperability and uplifts capability.

The C6I system

The Command, Control, Coordination, Communication, Consequence, Community, and Intelligence (C6I) framework is a contemporary approach to emergency incident management that supports community resilience and underpins the QFES regionalisation model. The elements of the framework comprise:

- **Command** – the internal direction of the resources of an agency including the authority that a commander exercises over personnel. Command pertains to the people and operates vertically within an organisation. Clarity in the lines of command is integral to effective operational service delivery.
- **Control** – the overall direction of activities in an emergency including the authority over the activity of other organisations not normally under command. Control relates to the situation and operates horizontally across organisations.
- **Coordination** – the bringing together of organisations to ensure effective emergency and disaster management before, during, and after an event. Coordination pertains to the resources and operates across organisations.
- **Communication** – the provision of information across the agency, partners, stakeholders, and the community to prepare for, respond to, and recover from emergencies.
- **Consequence** – the management of the effect of emergencies on individuals, the community, infrastructure, and the environment.
- **Community** – the understanding of, and connection with, community leaders and networks to support local decision-making and community resilience.
- **Intelligence** – a systemic process for analysing information to provide useful data that informs decision-making.

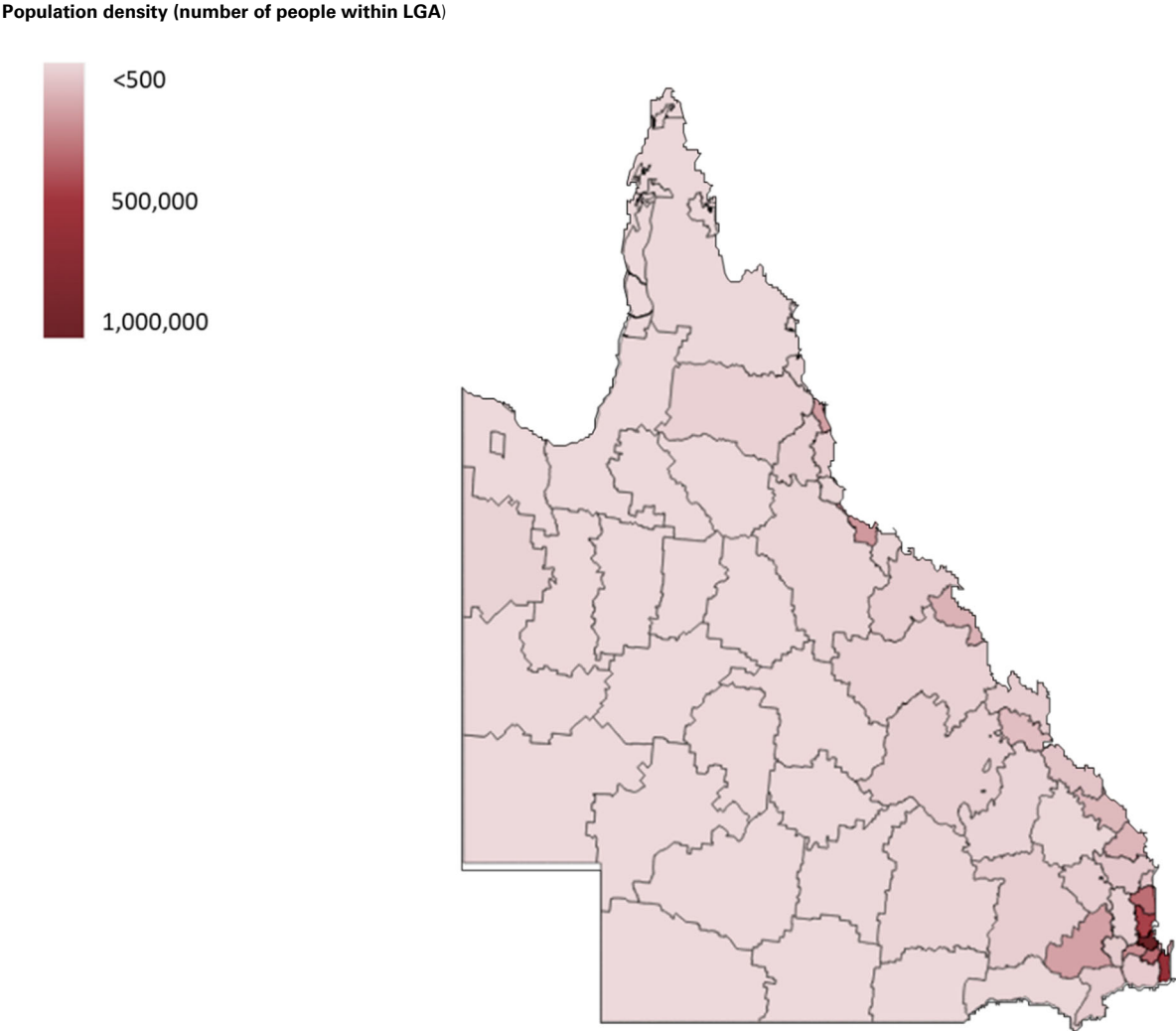
In 2018, QFES commissioned an independent review regarding the Command, Control, Coordination, Communication, and Intelligence (C4I) functions. As a result of this Review, QFES has begun to consider consequence and community elements of the C6I framework, although acknowledges achievement of the full approach will likely occur gradually and over the long-term.³⁵

QFES has identified that stakeholders have raised concerns about the lack of clarity in terms of the responsibilities of each service delivered by QFES, as accountabilities have been obscured by the department’s interoperability agenda.³⁶

2.5.2 Geographical and population coverage

QFES is responsible for the provision of its functions across Queensland’s 173 million hectares³⁷ of land with its varying climates, conditions and natural environments. The State is home to a population of approximately 5.2 million people³⁸ spread across the State. Population dwellings across the eastern seaboard are higher; however, there are significant concentrations of communities and workforces inland which must be protected. QFES serves the entire Queensland population across urban, urban fringe, and rural environments.

Figure 2-2: Queensland population across Local Government Areas³⁹



³⁵ QFES. (2021). *QFES independent review building organisational capability*.
³⁶ QFES. (2021). *QFES independent review building organisational capability*.
³⁷ ABS. (2020). *Data by region*. <https://dbr.abs.gov.au/region.html?lyr=ste&rqn=3>
³⁸ ABS. (2021). *Population growth, Queensland, March quarter 2021*. <https://www.qgso.qld.gov.au/issues/3091/population-growth-ql-202103.pdf>
³⁹ ROGS-2021-Emergency Services Dataset.

Regionalisation Model

QFES delivers services through a regional model, dividing the State into seven distinct regions: Far Northern; Northern; Central; North Coast; South Western; South Eastern; and Brisbane.

In terms of geography:

- Far Northern Region covers 269,224 square kilometres and stretches from Cardwell in the southeast to the Torres Strait Island communities in the north and the Gulf of Carpentaria in the west;
- Northern Region spans from Ingham to the Gulf, the length of the Qld and Northern Territory border to Birdsville, and to Bowen in the south, encompassing 600,000 square kilometres;
- Central Region stretches from the Whitsunday Islands to Agnes Water, encompassing tropical islands and the southern end of the Great Barrier Reef. Moving inland, the Region extends to the Bowen and Galilee Basins and west to Haddon Corner at the South Australian border. Major centres in the Region include Mackay, Rockhampton, Gladstone, Emerald and Longreach;
- North Coast Region covers the coastal areas of Bundaberg, Hervey Bay and the Sunshine Coast and inland to the North and South Burnett. The Region is divided into two Zones, Wide-Bay Burnett and Sunshine Coast;
- South Western Region runs from Toowoomba in the east, west to the South Australian border and south to the New South Wales border;
- South Eastern Region includes local government areas and major cities of the Gold Coast, Logan, Ipswich, the Scenic Rim, Lockyer Valley, and Somerset; and
- Brisbane Region covers approximately 5,160 square kilometres and includes the Moreton Bay Regional Council, Brisbane City Council, Redlands City Council, and part of the Somerset Regional Council (part). The Region is divided into three zones (Northern Zone, Central Zone, and Southern Zone).

QFES has indicated it is currently in the process of developing a place-based service delivery model to provide regions with the necessary resourcing, authority, and accountability to deliver appropriate services in a consistent manner, with built in provision to adapt services where required to respond to variable risks.⁴⁰ In-line with the place-based model, State-level units will establish strategies and standards whilst regions will work with communities to develop and deliver services that are tailored to local needs.

QFES envisages this model will empower frontline staff, support staff and volunteers at the local level, and increase community connectedness. The department has modelled adjusted regional structures that will deliver three streams: operational services; regional disaster management and community resilience; and regional operational support services.⁴¹

The way in which resources are allocated varies according to region.

As depicted in the table below, those regions that comprise major metropolitan cities and urban centres, being Brisbane Region and South Eastern Region, have the highest proportion of permanently staffed FRS fire stations and the lowest proportion of auxiliary and composite FRS fire stations. These regions also have the lowest number of RFS brigades and SES groups. The Emergency Services Complex is located in Brisbane and houses state-wide functions such as the QFES SOC and SDCC, along with Brisbane Region functions such as its Fire Communications Centre.

⁴⁰ QFES. (2021). *QFES independent review building organisational capability*.

⁴¹ QFES. (2021). *QFES independent review building organisational capability*.

Table 2-2: Resources broken down per region as at June/July 2021

	Far Northern	Northern	Central	North Coast	South Western	South Eastern	Brisbane
FRS	25 Stations	20 Stations	38 Stations	46 Stations	40 Stations	37 Stations	38 Stations
	72% Auxiliary	55% Auxiliary	71% Auxiliary	80% Auxiliary	88% Auxiliary	46% Auxiliary	24% Auxiliary
	16% Composite	25% Composite	21% Composite	15% Composite	8% Composite	5% Composite	3% Composite
	12% Permanent	20% Permanent	8% Permanent	4% Permanent	5% Permanent	49% Permanent	74% Permanent
RFS	184 brigades	182 brigades	402 brigades	215 brigades	344 brigades	91 brigades	36 brigades
SES	52 groups	34 groups	61 groups	45 groups	41 groups	25 groups	22 groups

Source: QFES

In addition, whilst not yet integrated into QFES, MR currently comprises two volunteer associations (AVCGA and VMRAW) which deliver further services.

2.5.3 People

To support achievement of *Strategy 2030* and QFES' Strategic Plan, QFES develops a rolling four-year Strategic Workforce Plan. This plan ensures QFES has the right structure and people to deliver QFES' strategic objectives.

Current workforce profile

Given the number of services that fall within the remit of QFES, the organisation has a diverse workforce widely dispersed across the State and comprising: FRS permanent and auxiliary staff; RFS staff and volunteers; SES staff and volunteers; DM professionals; and corporate support staff. As at 30 June 2021, QFES has a workforce profile of 3,400 Full Time Equivalent (FTE) paid staff, with a further 37,000 volunteers.⁴²

QFES' FTE paid staff include (approximately):

- 21 FTE Senior Executives (firefighting and non-firefighting);
- 2,340 FTE FRS staff (excluding auxiliaries);
- 190 FTE auxiliary firefighters (note this QFES calculates this number at 0.1 FTE per person and the auxiliary headcount is approximately 1,904);
- 110 FTE rural fire officers;
- 138 FTE communication officers;
- 53 FTE SES operational staff; and
- 556 FTE support staff (Non-Firefighting excluding Communication Officers and SES Operational staff).⁴³

In relation to the paid workforce, 78% of these staff were in firefighting positions. Non-firefighting roles include support staff engaged in delivering disaster risk management, land use planning,

⁴² QFES. (2021). *QFES independent review context*.

⁴³ QFES. (2021). *QFES independent review context*.

mapping and predictive services, emergency warnings, and frontline communications systems support.⁴⁴

As indicated previously, the Queensland Government has committed an extra 357 firefighting positions over the next five years, commencing from 2020-21. QFES has acknowledged that delivering this commitment will entail significant recruitment and training effort. It will also present a future funding challenge to ensuring sustainability.⁴⁵

Volunteers

The QFES volunteer workforce includes:

- 31,000 RFS volunteers;
- 6,000 SES volunteers including Active, Probationary and Reserve;
- 33 auxiliary support officers;
- 160 peer support officers;
- 55 research and scientific volunteers;
- 28 AUS-1 Disaster Assistance Response Team volunteers; and
- 19 chaplains.⁴⁶

QFES has identified that its volunteer workforce has been integral to sustainably resourcing the State's emergency management service given Queensland's wide geographic spread, variety of ecosystems, dispersed population, and diversity and frequency of disasters and hazards.⁴⁷

The department also acknowledges several challenges to maintaining this staff cohort into the future including an ageing population, time-poor society, digital distraction, and competing priorities.⁴⁸

In response to these concerns, QFES has recognised the potential for increased utilisation of the volunteer workforce. The department has also identified the need for a more flexible volunteer model, based on emerging trends of volunteerism and greater investment in the systems and resources that support and coordinate volunteer effort.⁴⁹

In 2018, QFES developed a Volunteerism Strategy which will guide QFES to evolve from a traditional to a contemporary model of volunteerism, to better meet the needs of its workforce and the communities it serves.⁵⁰ As part of this process, QFES has acknowledged significant concerns about the future of SES volunteering arrangements without considerable change to the approach utilised to attract and retain this cohort.

Similarly, MR services are delivered by an estimated 3,500 volunteers (based on QFES' estimates provided to KPMG as part of the 2020 Blue Water Review). The 2018 Review into Volunteer Marine Rescue Organisations in Queensland by Campbell Darby DSC AM notes MR has difficulty attracting and retaining volunteers given:

- Volunteers believe the community and government do not value their services;
- Costs involved to become a volunteer, including need to pay for your own uniform and training; and
- A material proportion of volunteer time is spent on fundraising activities (estimated to be up to 80%).

⁴⁴ QFES. (2021). *QFES independent review context*.

⁴⁵ QFES. (2021). *QFES independent review building organisational capability*.

⁴⁶ QFES. (2021). *QFES independent review context*.

⁴⁷ QFES. (2021). *QFES independent review building organisational capability*.

⁴⁸ QFES. (2021). *QFES independent review building organisational capability*.

⁴⁹ QFES. (2021). *QFES independent review building organisational capability*.

⁵⁰ QFES. (2018). *Volunteerism strategy*.

Culture

There have been various historical reviews which have examined the culture of QFES and made associated recommendations. In 2014, the Queensland Government commissioned Ms Margaret Allison to lead an independent review of a sexual harassment complaint in QFES.

That review found that both QFES and the PSBA failed to respond effectively to that complaint. It also identified systemic organisational issues within QFES that limited the organisation's ability to respond appropriately and effectively to such matters generally. The report made 30 recommendations to improve the environment in which women firefighters are recruited, trained, assigned, supported, and promoted. All recommendations were accepted by Government, subject to consultation on implementation arrangements with relevant stakeholders.

Immediately following the Allison Review, a QFES Cultural Improvement Implementation Project (CIIP) and Cultural Improvement Implementation Steering Committee (CIISC) were established to lead the implementation of organisational reforms necessary to address the issues identified in the Allison Review. The scope of the CIIP expanded to include the broader cultural issues faced within QFES and address identified barriers to a diverse and inclusive organisation. In 2016, the CIIP was concluded, and the team was reported to have 'addressed the barriers and enablers to the implementation of the 30 Allison Review recommendations and promoted QFES' commitment to achieve cultural reform'.

In 2017-18, QFES established the People and Culture Committee (PACC) to develop, implement, and evaluate strategies and activities to promote a positive organisational culture. QFES also released its *Fairness, Equity and Inclusion Framework*, defining QFES' strategic direction and commitment to inclusion and diversity. In 2020-21, QFES replaced the PACC with the People Committee, which focuses on 'QFES having the right workforce, paid and volunteer, with the right skills, operating in a safe environment, within an effective and appropriate workplace culture'.⁵¹ The People Committee is a replacement for the PACC, but has a broader remit as it encompasses the former WHS and Workplace Representatives Committees.

It is noted that in its 2018-19 Annual Report, QFES indicated that a *"QFES People and Culture Strategy, expected to be released in 2019-20, (will) sets (sic) the strategic vision for culture. The strategy will be supported by a Culture Framework which will provide guidelines, principles and a revised process focussing on a more mature approach to continuous cultural development for QFES. The framework is expected to be finalised by 31 December 2019."* Drafting of the Framework has been completed; however, the culture approach has subsequently been refocused as a values-based approach to ensure that it meets contemporary needs. This new approach is currently in development.

In 2018, QFES engaged external consultants to undertake a cultural transformation health check and consider the proposed future actions of the department's cultural transformation program of work. QFES has indicated the findings from this Review are informing the current development of the QFES People Strategy, which will promote a values-based culture and support the delivery of the QFES *Strategy 2030*.⁵²

In 2018, Major-General McNarn was commissioned by the then QFES Commissioner to undertake a review of QFES' major disaster operations. The review identified that a key weakness within the organisation is the lack of a robust C4I system (this system has been superseded by the C6I system, which is detailed further in Section 0). This weakness was attributed to, *"the legacy structures, processes and systems inherited at the time of QFES formation. In part this reflects the politics, clash of cultures and compromises that accompanied integration"*.⁵³ That review explains that the formation of QFES brought together distinct services under one organisation, and none of these services were willing participants in the integration, stating:

⁵¹ QFES. (2020). *Annual report 2019-2020*.

⁵² QFES. (2021). *QFES independent review building organisational capability*

⁵³ McNarn, M. (2018). *C4I Foundations Review: Command, Control, Coordination, Communication and Intelligence*.

*“There was resistance to the move and antipathy toward members of other services. Each group brought different cultures, legacy systems, standards, processes, language, doctrine, training, political and union or association stakeholders, understanding of skill sets and different understandings of the requirements of the community and the government representing that community”.*⁵⁴

Additionally, that review makes the observation that, *“Coordination is not a strength of QFES in all Services and consequently is a significant weakness which must be addressed. It impacts support to Local Government, cooperation and collaboration with other agencies and highlights leadership, relationship and cultural issues internally and externally. It requires education, cultural change and effective communications to improve coordination internally and externally”.*⁵⁵

The McNarn review made several recommendations to support the organisational culture of QFES, including in terms of diversity of leadership. QFES has indicated to KPMG that many of these were implemented, including the development of the QFES Leadership and Performance Framework; however, a significant proportion remain in progress or have been reportedly absorbed into business-as-usual activities (see Section 3.4.1).

Information made available to the Review indicates that of the 16 executive leadership positions in QFES (i.e., positions at the Commissioner, Deputy Commissioner, and Assistant Commissioner level), only one is filled by a female employee.

As of July 2021, the gender and background of QFES’ entire workforce, inclusive of volunteers, was as follows:

- 19.4% of the total QFES workforce, inclusive of volunteers, were women. In terms of service breakdowns, women accounted for approximately 5.0% of FRS staff, 13.1% of the auxiliary workforce, 13.2% of RFS volunteers, and 38% of SES volunteers. As at May 2021, 22.2% of QFES leadership positions (i.e., Director, Executive Director, Assistant Commissioner, Deputy Commissioner and Commissioner roles) were held by women.⁵⁶
- 2.06% of the paid workforce across QFES identified as Aboriginal and/or Torres Strait Islander. In terms of service breakdowns, those people who identified as Aboriginal and/or Torres Strait Islander accounted for 2.5% of FRS staff and 1.68% of auxiliary staff. It is noted QFES does not capture ethnicity information for volunteers.

As at May 2021, individuals with disability accounted for 1.3% of the paid workforce across QFES (not inclusive of volunteers).⁵⁷ It is acknowledged QFES does not report against metrics regarding gender and diversity in the department’s Annual Reports.

2.5.4 Support and planning

Support and planning determines how QFES maintains and plans for future infrastructure, equipment, and volunteer support. QFES has indicated that support inputs to capability are currently being enhanced on several key fronts, the most significant of which is the organisation’s capital works and asset management program.

The planning process driving QFES’ capital investment considers numerous factors including:

- Service demand to inform the location and functionality of new and replacement facilities and disposal of existing assets;
- Population growth as an indicator of future service demand;
- Community expectations;

⁵⁴ McNarn, M. (2018). *C41 Foundations Review: Command, Control, Coordination, Communication and Intelligence*.

⁵⁵ McNarn, M. (2018). *C41 Foundations Review: Command, Control, Coordination, Communication and Intelligence*.

⁵⁶ QFES. (2021). *Strategic workforce plan 2021-2024*.

⁵⁷ QFES. (2021). *Strategic workforce plan 2021-2024*.

- Input into the planning process from QFES' regions, particularly in identifying capability gaps that can be addressed by capital investment proposals;
- Asset performance and functionality; and
- Risks associated with the use of existing facilities.

QFES has recently implemented a business case development process for all capital investment planning. As part of this approach, business cases include justification for the placement of facilities based on several factors including:

- Calls for services (current/forecast);
- Response times (current/forecast);
- Functional requirements (current/forecast) versus existing land size; and
- Availability of suitable land.

QFES indicated to the Review that this process is being matured to ensure alignment with whole-of-government infrastructure investment planning and will see greater use of data to identify capability gaps, develop and evaluate asset investment options, and identify the best investment option.

The capital investment planning process is consistent with the information gathering processes under the new QFES capability and investment model and, over time, QFES purports that these processes will be more closely connected and eventually combined.

Roadmap to uplifting investment and planning

QFES is currently developing its data analytics capability with implementation to be spread across three phases as summarised below:

- **Phase 1 - Demand analysis:** Currently underway with anticipated completion by December 2021. QFES' goal is to develop a holistic picture of demand to support investment decision making. It will consider local demographics, demographic trends, infrastructure, environmental factors, and growth indicators for each service (FRS, RFS and SES);
- **Phase 2 - Obtain operational inputs from regions:** The second phase will mature the development process by obtaining operational inputs directly from the QFES regions on the outputs developed under Phase 1. Such inputs are to include operational expectations or impacts based on organisational feasibility and community risk. The outcome of Phase 2 is an agreed plan. It will also adjust the capital plan and commence the connection of the process to the capability and investment model noted above; and
- **Phase 3 - Implementation of the agreed plan and continuous quality assurance:** QFES' Assets, People and Finance are to deliver the agreed plan across each region. The Strategic Intelligence and Planning branch would be required to assist if any changes are required to the agreed plan. Any changes would also need to be evidence-based and fit within QFES' capabilities.

Phase 1 has been progressed with selected FRS fire stations. Its application and inputs will be expanded to also cover the RFS and SES services.

Asset Management

In respect to asset management, QFES utilises its Queensland Government's Total Asset Management Plan (TAMP) process, based on the State's overarching framework for assets. The TAMP does not currently include the assets of SES and MR.

With the transition of all assets controlled by QFES back onto its balance sheet (previously held with PSBA), QFES has initiated a review of its entire asset portfolio to understand the true picture across several criteria - including numbers, value, condition, capacity, and functionality. This also includes capturing all assets it uses that are 'owned' and maintained by other parties such as local governments. This approach should allow QFES to develop more effective strategies to maximise the efficiency and effectiveness of its existing asset portfolio and inform future investment decisions.

In the interim, QFES notes the most significant issue impacting the maintenance of its assets is the lack of access to quality asset attribute and performance data. Currently, such data is either not being captured, is out of date, inaccurate, or located in separate non-integrated databases. These challenges make it difficult to understand the asset portfolio and, subsequently, manage the portfolio's maintenance requirements. QFES indicated to the Review it is in the process of developing a proposal for the implementation of a multi-asset integrated asset information management system or network.

The TAMP notes the following maintenance management issues and responses in respect of QFES' assets.

- **Land and Buildings** – QFES' initial analysis has identified underinvestment in planned building and service maintenance resulting in a potentially significant maintenance backlog. This issue appears to have arisen not only from the lack of quality asset attribute and performance data but from a lack of maintenance plans that looked across the entire lifecycle of the assets. How to address the potential maintenance backlog is currently being considered as part of the QFES Accommodation Review.
- **Plant and Equipment** – To ensure compliance with National Heavy Vehicle legislation, each QFES region develops and delivers a service maintenance program for its FRS appliances based on a QFES approved servicing regime. Whilst that regime was independently reviewed in 2018, it has not been updated to consider changes in assets' usual patterns or advances in maintenance related technologies. As part of the development of the TAMP for fleet assets, QFES has indicated the FRS appliance maintenance regime will be updated appropriately, ensuring ongoing legislative compliance and industry best practice.

Separately to the TAMP, QFES advises that the establishment of a sustainable forward fleet program remains a significant challenge. The department has had to accelerate the uplift of the FRS fleet given legacy issues, which left some appliances in use well beyond their 20-year life.

- **SES equipment** – The majority of equipment utilised by SES was purchased by QFES and has subsequently become the operational responsibility of local governments. Whilst there are MOUs between QFES and most local governments regarding roles and responsibilities for assets and equipment, it has been indicated to KPMG that these documents do not outline the standard of management or maintenance for the assets utilised by SES staff and volunteers. QFES is currently working with those organisations to standardise the approach to ensure assets remain fit for purpose, operationally available, and safe to use.
- **ICT** – QFES acknowledges that, given its previous appropriate reliance on shared services arrangements (i.e., the PSBA), there is a lack of maturity within the organisation relating to ICT asset management. Owners of ICT assets are either not identified or are unaware of their obligations and responsibilities. QFES Systems and Services has recently produced the first combined investment plan and ICT roadmap for consideration. QFES believes this plan and roadmap provide visibility to the lifecycle, value, and replacement timelines of QFES' major ICT assets.

QFES advises that the transfer of assets to QFES (with estimated book value of over \$690m) from PSBA to QFES associated with an issue of accounting control with respect to Australian Accounting Standards, has created business challenges for the organisation. This is reportedly due to the significant underspend in the maintenance and reinvestment in fleet, capital works, and asset management capabilities. In particular, QFES highlights the lack of an asset management methodology or system to manage the portfolio of assets.

In response to the above, QFES has established a dedicated Asset Management Unit to drive the design, implementation, and management of a fully integrated asset management business system.

The new asset services directorate aims to:

- Be a one-stop-shop for all QFES capital planning and delivery (providing end-to-end asset management services);
- Transition current design standards of stations to a new contemporary design which is fit for purpose;

- Provide strategic asset management services which include:
 - asset assessment;
 - asset design;
 - business case development; and
 - strategic procurement options;
- Provide advice to regions and services in relation to asset lifecycle management; and
- Initiate research and development into future asset needs and supply.

QFES does not yet have a plan to apply the service capability uplift for volunteer services.

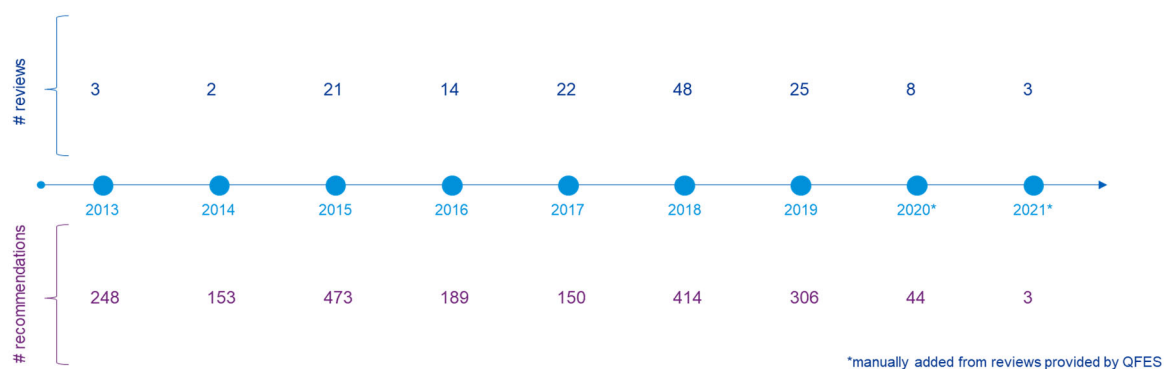
Implementation capability

QFES has indicated to the Review that the department is in the process of uplifting its implementation capability.

Since the establishment of QFES in 2013, 146 reviews⁵⁸ of functions, aspects, or strategic matters affecting the organisation have been conducted. These have related to functional elements such as the SES; funding arrangements for 'Blue Water Marine Rescue' activities; human resources and cultural matters such as the Allison Review; and overarching structural and operational reviews. Various stakeholders have provided input into one or more of these reviews.

The figure below outlines the number of review activities conducted over the period since the commencement of QFES, and the number of recommendations (in total) arising from those activities.

Figure 2-3: Summary of number of reviews and recommendations



Source: Central Repository of Reviews; supplemented with reviews provided by QFES for the last 18 months which were not captured as the Central repository was de-commissioned by QFES.

Historically, approval and oversight of priority projects have been undertaken by QFES governance committees with the assistance of the Enterprise Project Management Office (EPMO). EPMO worked through a project and program management lifecycle of Engage, Approve, Organise, Deliver, and Close with a focus on significant strategic projects. The prioritisation was based on weighted criteria, set out below.

⁵⁸ This is the number of reviews that have been identified by and/or provided to KPMG as part of the 'discovery' process for the Review. It is possible additional review activities have been commissioned for which information has not been provided to KPMG.

Benefits

- Importance to Queensland Government and QFES;
- Strategic alignment;
- Capability alignment;
- Risk of not proceeding;
- Non-financial benefits/outcomes; and
- Financial benefits/outcomes.

Ease of Implementation

- Complexity;
- Timeframe to implement;
- Level of dependencies; and
- Impact on QFES resources and bandwidth.

QFES has indicated to the Review that the EPMO has been placed on temporary hold due to the competing demand for resources, and the pressing need for QFES to simplify and streamline processes to make them sustainable under current resourcing arrangements.

The current project prioritisation oversight currently sits within the remit of the QFES governance committees. The Strategic and Budget Committee approves new projects and monitors the effective delivery of projects, with exception reporting to the Audit and Risk Committee and Board of Management.

QFES has indicated that decisions regarding the priority of projects for approval are based on the elements of a 'Strategic Decision Lens':

- How well is the proposed decision aligned to organisational values – respect, integrity, courage, loyalty, trust;
- How is the decision likely to contribute to the guiding principles – capable communities, interoperable, intelligence, sustainable, adaptable;
- How might the proposed decision impact strategic capability;
- How is the proposed decision likely to impact enterprise risk;
- How much is known about the context and issues related to the proposed decision; and
- How feasible is the proposed decision.

Going forward, QFES is working towards full implementation of the Capability and Investment Model, which includes a prioritisation stage where items derived from capability scoping are refined through analysis and interrogated through the governance committees. The key considerations for the Capability and Investment Model will be benefit verses impact analysis; feasibility and sustainability analysis; alignment across capabilities; and analysis of cost.

2.5.5 Information and technology

Given the nature of QFES' service delivery, the timely flow of accurate and meaningful information to the right recipients is critical. Failures can be life threatening. The analysis of data and sharing of intelligence are crucial inputs to enhancing decision-making that can drive more efficient and sustainable operations.

ICT model

In 2020-21, QFES increased its capability for cyber security, completed a technology refresh across all services, undertook a Geographical Information System upgrade, and conducted upgrades to the Regional Fire Communication Centres.⁵⁹

Despite these initiatives, QFES has identified significant challenges in delivering the information inputs to achieve this capability. Firstly, numerous costly and significant ICT upgrades and replacements are becoming critical at a similar time. Several systems are either at end of life or approaching end of life due to long term investment challenges, as the focus has been on capital programs regarding facilities and/or fleet requirements. Systems requiring upgrades or replacement include network assets, audio-visual equipment, computer aided dispatch, the volunteer portal, and the Operations Management and Volunteer Information Management systems. Additionally, the continued push for consistency and interoperability has resulted in those ICT services that have a single entity focus being subsumed into or delayed by the wider ICT agenda.⁶⁰

QFES has indicated that the dis-establishment of the PSBA presents the opportunity to design a new ICT model that enables flexibility in implementing tailored strategies to meet agency requirements without sacrificing cross agency collaboration. The department has acknowledged that, given the significant investment in ICT over recent years (\$34 million in 2019-20), an effective approach is required to manage this investment, meet its unique business requirements, and achieve an appropriate return on investment.⁶¹

QFES has suggested the implementation of a decentralised model, would produce more effective ICT outcomes for each service. This model would see the separation of ICT functions from public safety agencies. QFES has indicated that should this model be implemented, the department would continue to work across agencies for major interoperability projects. It envisages the benefits of a decentralised model for QFES would include:

- The model would provide one point for decision making, enabling QFES to make rapid decisions and tailor ICT selection and configuration;
- The model would allow QFES to become fully integrated and prioritise investment based on its specific business needs, as the department would have complete responsibility for all ICT requirements (including infrastructure, systems, information management, applications, data management, and levels of support);
- The model would produce a more resilient ICT system, through eliminating the need for outsourcing and reliance on service providers;
- The model would increase opportunities for innovation as QFES could make independent decisions and leverage fit-for-purpose technology; and
- The model would render QFES accountable for ICT risks and user experience, thereby resulting in more targeted and swift responses to external factors.⁶²

⁵⁹ QFES. (2021). *QFES independent review building organisational capability*.

⁶⁰ QFES. (2021). *QFES independent review building organisational capability*.

⁶¹ QFES. (2021). *QFES independent review building organisational capability*.

⁶² QFES. (2021). *QFES independent review building organisational capability*.

Data and Intelligence

Intelligence enables the provision of accurate and timely assessment of risks before the onset of disaster and emergency events, which supports tailored warnings for communities and operational decision making. In this regard, comprehensive intelligence drives proactive planning rather than reactive responses, and enables decision makers to deploy resources into areas where they will have the most impact. To achieve the best outcomes, the same information must be readily accessible to all stakeholders. QFES utilises the GIS to publish spatial data to the community and inform risk. GIS enables the integration of spatial systems across government, and enables users to capture, store, manipulate, analyse, and present geospatial information.⁶³

QFES has acknowledged its disaster management intelligence capability is evolving in response to several reviews identifying the necessity for a common framework and a more robust approach to disaster data coordination. In this context, the organisation is implementing numerous data initiatives, including: the establishment of an intelligence framework and implementation plan; the facilitation of online platforms that enable content sharing across stakeholders; and the development of a training curriculum to integrate intelligence enhancements. QFES has indicated that developing this capability will continue to remain a key area of focus for the future.⁶⁴

Community Information and Warnings

QFES contributes to a range of community information and warning initiatives. Through its media unit, via the emergency warnings system, QFES is responsible for the provision of time-critical information to the community to advise on emergency conditions and relay safety directions that maintain the protection of people and property. The department has started transitioning this role to a separate emergency warnings unit. This unit is charged with issuing warnings as well as overseeing the broader public information capability and readiness for operations at the State, regional and local level. However, QFES has indicated it does not currently have the FTE positions or funding to achieve full implementation of this transition, and therefore this is a long-term goal.⁶⁵ Notably, the volume of warnings issued over time has increased from approximately 350 in 2017-18 to over 3,150 in 2019-20.⁶⁶

Additionally, QFES has contributed funding, expertise, and support to the development of the new Australian Fire Danger Rating System and the implementation of the Australian Warning System. This support includes contributing to usage costs, and system upgrade and extension costs.⁶⁷ QFES has taken a leadership role in relation to the program of work underpinning the Australian Warning System. This system is being implemented in response to jurisdictions across the nation agreeing to improve consistency in messaging for key hazards such as fire, flood, storm, cyclone, and severe heat. The warning system for bushfire was implemented in December 2020, and QFES is standing up a multi-agency working group under the SDCG to progress implementation for the remaining hazards. QFES will also lead an accompanying education campaign across the State.⁶⁸

2.5.6 Training, Equipment and Documentation

Training

The QFES School of Fire and Emergency Services is a Registered Training Organisation (RTO), providing nationally recognised qualifications to the department's staff and volunteers. Training is delivered from the Queensland Combined Emergency Services Academy and regional offices across the State, both in-person and online. QFES also utilises virtual and augmented reality technologies to deliver training, albeit the use of these technologies is limited. In addition to this, RFS brigades and SES units receive locally based training delivered by volunteers with coordination and support from regional and area office staff and have access to some training delivered by external RTOs.⁶⁹

⁶³ QFES. (2021). *QFES independent review building organisational capability*.

⁶⁴ QFES. (2021). *QFES independent review building organisational capability*.

⁶⁵ QFES. (2021). *QFES independent review building organisational capability*.

⁶⁶ QFES. (2021). *QFES independent review building organisational capability*.

⁶⁷ QFES. (2021). *QFES independent review building organisational capability*.

⁶⁸ QFES. (2021). *QFES independent review building organisational capability*.

⁶⁹ QFES. (2021). *QFES independent review building organisational capability*.

In response to the increased demand for the development and delivery of flexible and innovative learning, QFES is currently analysing the curriculum and modes of training delivery to identify opportunities for efficiencies and improved outcomes. The department has recognised the importance of undertaking a comprehensive training needs analysis as well as expanding the use of virtual and augmented reality options. However, these technologies are considered costly and require the identification of appropriate funding sources. QFES has also acknowledge that while the COVID-19 pandemic resulted in the production of innovative and engaging training materials, it highlighted the shortcomings of virtual learning and the continued need for in-person training to develop high risk or complex specialist skills.⁷⁰

Equipment

QFES has extensive and specialised equipment requirements. The department is currently implementing various initiatives aimed to achieve economies of scale, whilst preserving the ability of services to determine the catalogue of equipment that best suits their needs.⁷¹ These initiatives comprise:

- Redistributing fleet management functions to establish service-led requirements mapping that is supported by centralised specialist specification development, procurement, and build delivery;
- Introducing the fleet management system, Fleet Wave;
- Implementing a regional model whereby regional mechanical workshops resume accountability for day-to-day decision making around their work program and budget. This will be complemented by a State-based model whereby State services are responsible for creating standards, policy and procedures, compliance, maintenance system support and reporting, fleet planning, builds, and delivery of appliances;
- Realigning annual work plans to incorporate an investment planning approach for the delivery of uniforms, PPE, and operational equipment for all operational services. Additionally, the department will be approaching the market between 2021-2023 to establish contracts with external service providers to deliver standardisation, interoperability, and value for money in relation to this equipment; and
- Progressing activities to consider the most appropriate approaches to current warehousing arrangements by mid-2023.

Documentation

As is the case with many organisations with formal command and control arrangements, QFES uses the term 'doctrine' to refer to the organisation's policies, standards, procedures (operational and business), work instructions, standing orders and tools, and forms.

QFES has identified that it uses doctrine to impart knowledge and learning to staff and volunteers, as well as prevent confusion and reduce ambiguity by promoting confidence in decision-making. Given the volume and complexity of services delivered by QFES, the department has acknowledged it has a substantial suite of doctrine and experiences challenges in maintaining the currency of documentation. This poses unique risks given the potential safety implications of outdated procedures and operational instructions.⁷²

QFES has undertaken a doctrine rationalisation project archiving obsolete documents and identifying where document content has application across all services to reduce duplication.⁷³ The second phase of this project entails working with stakeholders to assign accountability for doctrine and creating a review schedule. QFES content experts contribute to the design of national fire and emergency services doctrine progressed through specialist Australasian Fire and Emergency Service Authorities Council (AFAC) committees. QFES has recognised that this activity, in turn, influences and supports QFES in preparation of its internal doctrine.⁷⁴ Additionally, QFES works with the Australian Building Codes Board on fire safety matters pertaining to the National Construction Code.

⁷⁰ QFES. (2021). *QFES independent review building organisational capability*.

⁷¹ QFES. (2021). *QFES independent review building organisational capability*.

⁷² QFES. (2021). *QFES independent review building organisational capability*.

⁷³ QFES. (2021). *QFES independent review building organisational capability*.

⁷⁴ QFES. (2021). *QFES independent review building organisational capability*.

2.6 QFES financial performance and position

This section provides an overview of QFES' financial performance and financial position from FY15 (the first full year after QFES' inception) to its current state as at the end of FY21, as well as QFES' operational and capital expenditures forecast to FY25. The forecast does not include future government commitments, such as the additional 357 FRS firefighters, nor the funding required for a single service MR entity, as future commitments are considered in Section 3.

The figures do not include any funding or assets provided to QFES' services from external sources. For example, the figures exclude any RFS Levy received directly by RFS brigades from local governments and any fundraising activities/donations from the community to RFS and SES entities. These funds do not form part of QFES' financial statements given they are not part of the revenue provided through the State's Consolidated Revenue nor through the Emergency Management Levy.

In that regard, there is a recognised lack of transparency and understanding of the corporate structure of RFS brigades. For example, QFES was unable to demonstrate whether each brigade is a separately incorporated entity and/or if that entity (or another party) holds the funds received from the RFS Levy or community donations. The risk created by this lack of transparency has previously been identified and publicly reported upon, as early as the Queensland Audit Office's *Report to Parliament No. 3 for 2008 Management of Rural Fire Services in Queensland*. The lack of clarity also impacts QFES' ability to equitably allocate resources to RFS brigades and units (and, therefore, more broadly) given the lack of transparency of their other sources of income/assets. Similar complexity exists in regard to certain SES equipment and asset management activities, with QFES and local governments sharing responsibility for SES' asset management. The dispersed responsibility results in challenges regarding oversight of facility, fleet, and equipment readiness.

Finally, it is important to acknowledge the funding pressures faced by QFES as an organisation, which are (again) explored in more detail in Section 3.

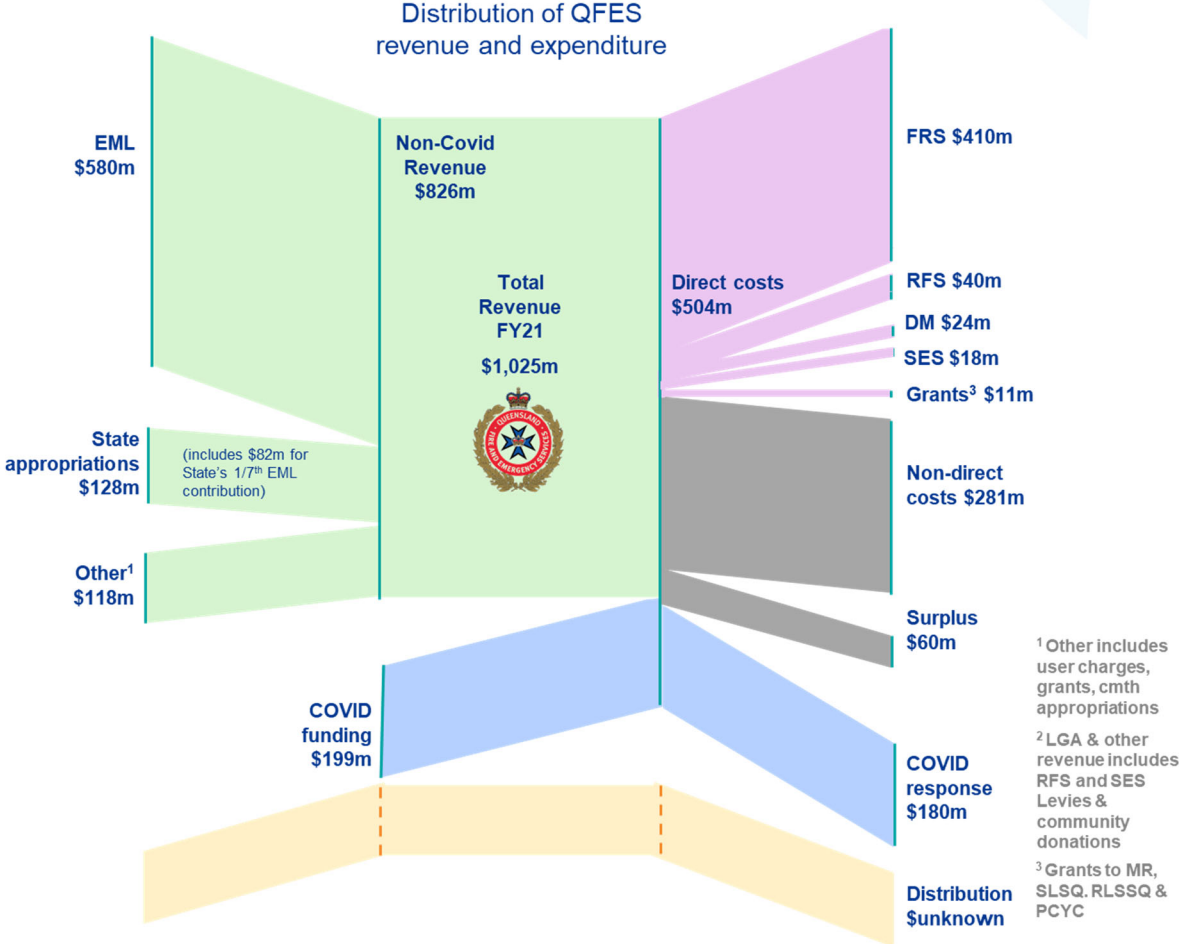
QFES' budget for 2021-22 totalled more than \$859m, comprising of just over \$800m for operating expenses and \$58.6m for capital programs. Excluding COVID-19 related hotel quarantine revenue, the operating budget of \$800.19m represents an increase of 5% on the 2020-21 budget. Many Queensland Government agencies are subject to the State's Savings and Debt Plan being implemented to support economic recovery and achieve a target of \$3b in savings over the forward estimates. However, it is important to acknowledge that QFES – given most of its revenue is derived through the Emergency Management Levy (EML) – is 'partially protected' from the full impacts of savings measures that other agencies need to achieve. Therefore, on one level, a 5% increase in operational revenue should be acknowledged as a considerable uplift.

Nonetheless, while an operating budget increase has been realised, QFES' view is that the organisation is faced with increased funding pressures in the years ahead. This outlook is not unexpected based on previous fiscal sustainability reviews that were provided to KPMG as part of this Review. It should be acknowledged that QFES has made considerable efforts to address elements of this challenge, and since FY15 QFES has not incurred budget shortfalls and achieved budget surpluses in the past two financial years (FY20 and FY21).

2.6.1 Overview

An overview of QFES' FY21 actual revenue and expenses is detailed in the figure below.

Figure 2-4: Overview of QFES' revenue and expenses for FY21



The figure shows that in FY21, QFES received total revenue of \$1,025m, split across the following COVID-19 and non-COVID-19 related revenue sources:

- **Non-COVID revenue sources** – EML and State appropriations represent ~70% and ~16% of QFES' non-COVID-19 revenue, respectively, totalling \$826m; and
- **COVID revenue sources** – Additional State appropriations and reimbursements by Queensland Health to reimburse QFES' COVID-19 related expenses. The expenses relate to the COVID-19 hotel quarantine provided by the State through QFES' SDCC. This revenue has mostly matched COVID-19 related expenses incurred in FY21; however, it also included a reimbursement of ~\$25m of COVID-19 related expenses incurred in FY20. There will likely continue to be timing differences until COVID-19 related expenses and subsequent reimbursements cease. This additional COVID-19 revenue in FY21 contributed to the FY21 surplus.

Appropriately, QFES does not report on its other revenue sources for RFS and SES. These services generate an unknown amount of revenue from an unknown quantity of local governments and community donations, which go directly to local groups or brigades.

In FY21, QFES had the following split of operating expenses:

- **Direct service line costs** – FRS receives the majority of the revenue with direct costs representing approximately 50% of QFES non-COVID-19 revenue (\$410m of \$826m) as compared to approximately 5% for RFS, 2% for SES, 2% for DM and 1.5% for MR;
- **Non-direct costs** – a high level overview of non-direct costs is summarised below. A more detailed breakdown can be found under the subsequent heading:
 - Corporate Services (\$93m) – includes PSBA / Queensland Shared Services costs, audit fees, services received below fair value, and other corporate costs;
 - Strategy and communication (\$79m) – includes strategic services, strategy branches, and other strategy and communication related costs;
 - Depreciation & amortisation (\$37m);
 - Training (\$25m);
 - Fleet management (\$19m);
 - Uniforms and logistics (\$14m);
 - EML and contributions collection costs (\$7m);
 - Offices of the Commissioner, DCs and ACs (\$5m);
 - Community capability, volunteerism, resilience and risk mitigation (\$2.5m); and
 - COVID-19 response (\$180m).

As the capital program is self-funded by QFES, the department must generate a surplus each financial year. The size of the surplus depends on the amount of the capital program for the year. A more in-depth review of QFES' revenue and expenses can be found under the subsequent headings.

2.6.2 Expenses

QFES' operational expenditure rose by \$146m (18%) in FY21 to \$964m; however, this was solely due to COVID-19 response costs for the State, being \$180m in FY21 and \$25m in FY20. Excluding COVID-19 response costs, QFES' operational expenditure in FY21 was slightly below that of FY20 (by \$8m).

A summary of QFES' operational expenditure, as well as more detailed breakdowns of the employee expenses and the supplies and services cost categories are detailed in the tables below. These tables only capture operational expenditure funded directly by QFES. They do not include any costs for other RFS and SES supplies and services that are provided for by external parties, such as local governments or direct purchases by RFS brigades or SES units (i.e., from revenue sourced from community donations).

In addition, it should be noted these tables include extraordinary disaster related expenses that vary from year-to-year. These costs materially impacted the operating results in FY20 and FY21 where QFES received Disaster Recovery Funding Arrangements from QRA of \$34m and \$32m, respectively. The QRA administers the Disaster Recovery Funding Arrangements, a joint Commonwealth and State initiative to provide financial assistance to help communities recover from eligible disasters. These additional grants are determined on a case-by-case basis and are not of a recurring nature.

The tables also include machinery-of-government changes (i.e., the increase in employee expenses also includes transition of functions from PSBA) which impacts the CAGR.

Table 2-3: QFES consolidated operating expenses

QFES Consolidated Opex	FY15	FY16	FY17	FY18	FY19	FY20	FY21*	CAGR
Employee expenses	\$330m	\$349m	\$377m	\$382m	\$415m	\$460m	\$453m	5.5%
Supplies and services	\$223m	\$233m	\$223m	\$226m	\$264m	\$295m	\$240m	1.9%
Grants and subsidies	\$17m	\$30m	\$18m	\$52m	\$27m	\$19m	\$23m	28.9%
Other expenses	\$50m	\$18m	\$15m	\$17m	\$13m	\$12m	\$12m	(15.9%)
Depreciation and amortisation	\$5m	\$5m	\$5m	\$5m	\$5m	\$7m	\$37m	77.7%
Revaluation adjustment	-	-	-	-	-	-	\$19m	n/a
COVID related expenses	-	-	-	-	-	\$25m	\$180m	n/a
Total Operating Expenses	\$625m	\$635m	\$637m	\$682m	\$725m	\$818m	\$964m	7.7%
Total excl. COVID-19 expenses	\$625m	\$635m	\$637m	\$682m	\$725m	\$793m	\$785m	3.9%

Source: QFES Financial Statements from FY15 to FY21. *FY21 figures are draft only and subject to final reviews and audit

Table 2-4: Breakdown of employee expenses

QFES employee expenses	FY15	FY16	FY17	FY18	FY19	FY20	FY21*
Wages & salaries – general [^]	\$223m	\$232m	\$251m	\$265m	\$277m	\$305m	\$303m
Wages & salaries – overtime [^]	\$23m	\$24m	\$26m	\$22m	\$34m	\$36m	\$27m
Employer superannuation contributions	\$28m	\$30m	\$33m	\$35m	\$37m	\$40m	\$41m
Long service leave levy	\$6m	\$6m	\$7m	\$7m	\$7m	\$9m	\$8m
Annual leave levy	\$30m	\$33m	\$35m	\$37m	\$38m	\$37m	\$40m
Workers' compensation premiums	\$6m	\$7m	\$13m	\$10m	\$13m	\$18m	\$20m
Fringe benefits tax expense	\$1m	\$1m	\$1m	\$1m	\$1m	\$0m	\$0m
Training expenses	\$2m	\$3m	\$3m	\$4m	\$5m	\$4m	\$2m
Other employee related expenses (incl. PPE)	\$11m	\$12m	\$8m	\$1m	\$4m	\$12m	\$12m
Total Employee expenses	\$330m	\$349m	\$377m	\$382m	\$415m	\$460m	\$453m

Source: QFES Financial Statements from FY15 to FY21. *FY21 figures are draft only and subject to final reviews and audit

[^] The split of general and overtime wages & salaries for the period FY15 to FY17 (in blue text) represents an assumption based on the average split of general and overtime wages over the period FY18 to FY21. QFES' annual reports for these periods did not include a split for overtime.

Table 2-5: Breakdown of supplies and services expenses

QFES supplies and services	FY15	FY16	FY17	FY18	FY19	FY20	FY21*
Aircraft related expenses	\$4m	\$5m	\$6m	\$3m	\$14m	\$32m	\$19m
Cleaning and laundering	\$0m	\$2m	\$2m	\$1m	\$2m	\$3m	\$2m
Communications	\$15m	\$19m	\$18m	\$20m	\$28m	\$34m	\$34m
Computer expenses	\$4m	\$4m	\$5m	\$6m	\$7m	\$7m	\$8m
Contractors	\$6m	\$6m	\$10m	\$8m	\$15m	\$15m	\$9m
Emergency management levy administration fees	\$6m	\$6m	\$7m	\$7m	\$7m	\$7m	\$7m
Marketing expenses	\$1m	\$1m	\$2m	\$2m	\$2m	\$3m	\$2m
Minor equipment purchases	\$13m	\$11m	\$9m	\$9m	\$9m	\$11m	\$12m

QFES supplies and services	FY15	FY16	FY17	FY18	FY19	FY20	FY21*
Motor vehicle expenses	\$16m	\$16m	\$17m	\$18m	\$20m	\$20m	\$17m
Lease expenses	\$0m	\$4m	\$5m	\$5m	\$6m	\$5m	\$5m
Employment housing	\$0m	\$0m	\$0m	\$0m	\$0m	\$0m	\$0m
Property expenses	\$7m	\$4m	\$5m	\$5m	\$5m	\$7m	\$5m
PSBA operating expense	\$122m	\$124m	\$101m	\$110m	\$107m	\$106m	\$82m
Repairs and maintenance	\$13m	\$15m	\$13m	\$12m	\$11m	\$14m	\$12m
Rural fire brigade operating expenses	\$3m	\$3m	\$3m	\$2m	\$4m	\$0m	\$0m
Travel and accommodation	\$6m	\$6m	\$9m	\$9m	\$11m	\$11m	\$9m
Other	\$8m	\$8m	\$11m	\$10m	\$17m	\$21m	\$17m
Total Supplies and services	\$223m	\$233m	\$223m	\$226m	\$264m	\$295m	\$240m

Source: QFES Financial Statements from FY15 to FY21. * FY21 figures are draft only and subject to final reviews and audit

In FY21, QFES' operational expenditure was impacted by the dis-establishment of the PSBA. This primarily impacted the treatment of asset ownership, which is now on QFES' balance sheet. The transfer of assets (and corresponding financial impacts) from PSBA to QFES was not associated with PSBA disestablishment but, rather, an issue of accounting control with respect to Australian Accounting Standards. As a result, depreciation and revaluation adjustments are now presented on QFES' profit and loss statement. The impact of this change resulted in an increase of depreciation expense by \$30m (historically depreciation charge was funded as a capital grant to PSBA via the supplies and services expense category) and a non-cash revaluation decrement to land.

Historically, QFES' operational expenditure has been increasing at an average rate of approximately 4% over the period FY15 to FY21, excluding the impacts of COVID-19. This is largely driven by a 5.5% per annum growth in employee expenses which historically represents more than half (around 55%) of total operating expenses (excluding COVID-19 impacts).

On average, overtime expenses represent around 10% (9.3%) of total employee expenses.

QFES advises the key drivers of overtime comprise the following:

- Maintaining minimum FRS crew sizes across each station per various agreements – this is most often impacted by the second, third and fourth points below;
- Backfill for training requirements;
- Backfill for vacant positions or relieving other staff on differing awards or ranks;
- Backfill for staff on leave;
- Incident continuing beyond end of shift;
- Staffing or deployment on major disasters or special events where there is a surge in demand;
- Mandatory attendance at firm meetings or events whilst on time-off;
- FRS urgent reporting obligations;
- Mt Isa operational staff claiming 2 hours overtime per week due to an exception to the rotating leave roster and lack of leave accrual; and
- Public servant overtime during times of heightened operational activity.

As would be expected, overtime expenses materially increased in major bushfire years (FY19 and FY20) and subsequently reduced in FY21. For the same reason, aircraft related expenses materially increased in FY19 and FY20. Workers' compensation premiums have also materially increased from \$6m in FY15 to \$20m in FY21. QFES notes this is primarily in respect of the presumptive legislative for deemed diseases introduced in 2015 which has increased workers compensation premiums by approximately \$10m per annum. The one-off increase in grant expenses in FY18 and FY19 relates to capital grants to PSBA for QFES' capital expenditure.

2.6.3 Revenue

QFES is largely self-funded with over 87% of revenue from the EML and user charges, including the State and Commonwealth allocations of the EML for land held by each party (the State's allocation is 1/7th of the EML).

A summary of QFES' revenue is detailed in the table below. This table does not include external revenue sources to RFS and SES, such as the RFS Levies to certain RFS brigades, community donations, and supplies and services funded by local governments.

Table 2-6: QFES consolidated revenue

QFES Revenue	FY15	FY16	FY17	FY18	FY19	FY20	FY21*
EML (net of pensioner discount)	\$435m	\$457m	\$484m	\$512m	\$541m	\$562m	\$581m
State appropriation - 1/7th EML	\$62m	\$65m	\$69m	\$73m	\$77m	\$80m	\$82m
State appropriation - other	\$16m	\$11m	\$10m	\$12m	\$26m	\$53m	\$46m
Commonwealth appropriation	\$3m	\$3m	\$3m	\$3m	\$3m	\$3m	\$4m
User charges	\$45m	\$53m	\$55m	\$54m	\$57m	\$55m	\$54m
Grants	\$58m	\$30m	\$22m	\$29m	\$21m	\$53m	\$52m
Other revenue	\$3m	\$3m	\$4m	\$3m	\$3m	\$3m	\$7m
COVID response	-	-	-	-	-	-	\$199m
Total Revenue	\$623m	\$622m	\$646m	\$686m	\$728m	\$810m	\$1,025m
Total excluding COVID-19	\$623m	\$622m	\$646m	\$686m	\$728m	\$810m	\$825m

Source: QFES Financial Statements from FY15 to FY21. *FY21 figures are draft only and subject to final reviews and audit

QFES' total revenue has increased by an average of 4.9% pa from FY15 to FY21 to \$825m excluding COVID-19 response revenue of \$199m in FY21. This is in-line with the growth rate of the EML (a combination of rate increases and growth in the number of levied properties), including the State's 1/7th appropriation for the EML, which represents most of QFES' revenue.

In FY19 and FY20, QFES' revenue requirements materially increased. The additional revenue to QFES predominantly came in the form of increases in other State appropriations, from \$12m in FY18 to \$53m in FY20; being increases of over 120% in FY19 and over 100% in FY20.

In addition, QFES obtained material increases in grants revenue in FY20 (over 150%) which were repeated in FY21, relating to the reimbursement of unfunded extraordinary disaster management expenditure. As noted in the prior section, these grants were from the QRA which administers Disaster Recovery Funding Arrangements. These grants are determined on a case-by-case basis and are not of a recurring nature.

QFES' other revenue streams, such as user charges and other revenues, have remained relatively consistent since FY15 (other than a one-off increase of other revenues in FY21 by over 100%), and thus have not kept pace with escalating service delivery costs. Due to the impact of rising costs, these revenue streams are less in real terms. User charges comprise alarm maintenance and monitoring, attendance charges, building and infrastructure fire safety, and the sale of goods and services.

Example of external sources of revenue for SES

The management of SES across Queensland is currently a shared responsibility between QFES and local governments. As such, QFES has signed MOUs with most local governments in Queensland which outline each party's rights and obligations.

The MOUs typically place the following responsibilities, and hence funding obligations, on local governments:

- All of the facilities costs, such as maintenance and repairs, grounds maintenance, security, insurance (facility and contents), electricity, telephone, council rates and associated charges, office equipment, consumables;
- Ownership and the majority of vehicle fleet operational expenditure, such as the provision and replacement of vehicles, maintenance and repairs and disposal costs;
- Ownership and operational expenditure associated with flood boats and trailers (except registration), operational response equipment, and road crash rescue equipment (except for repairs and maintenance); and
- Ownership and IT expenses other than IT support for software comprising TAMS, Nexus, Office 365, and the SES Volunteer Portal, as well as TAMS iPads.

QFES is primarily responsible for the following:

- Vehicles – registration and insurance;
- Flood boats and trailers – provision (but not ownership), registration and replacement;
- Operational response equipment – provision and replacement (but not ownership);
- Road crash rescue equipment – provision and replacement (but not ownership), and maintenance and repairs;
- Communications equipment and uniforms – provision and replacement, ownership, maintenance and repairs, and disposal; and
- IT support for TAMS, Nexus, Office 365, the SES Volunteer Portal, and the TAMS iPads.

2.6.4 Financial position

QFES has held a relatively stable balance sheet over the period FY15 to FY20 with a net asset position between \$56m to \$77m. It is noted that FY20 was impacted by COVID-19 where QFES incurred over \$25m in additional operational expenditure that was subsequently reimbursed by the State in FY21.

The transfer of assets (and corresponding financial impacts) from PSBA to QFES was not associated with PSBA disestablishment but rather an issue of accounting control with respect to Australian Accounting Standards. This resulted in the transfer of assets utilised in the operations of QFES, from PSBA to QFES, which increased the value of Property, Plant and Equipment by over \$690m.

A high-level summary of QFES' financial position from FY15 to FY21 is detailed in the table below.

Table 2-7: QFES Financial Position

QFES Financial Position	FY15	FY16	FY17	FY18	FY19	FY20	FY21*
Current Assets	\$82m	\$81m	\$85m	\$110m	\$104m	\$92m	\$150m
Non-Current Assets	\$34m	\$33m	\$26m	\$25m	\$22m	\$28m	\$740m
TOTAL ASSETS	\$117m	\$114m	\$111m	\$135m	\$126m	\$120m	\$889m
Current Liabilities	\$40m	\$50m	\$43m	\$64m	\$51m	\$59m	\$58m
Non-Current Liabilities	-	-	-	-	-	\$5m	\$5m
TOTAL LIABILITIES	\$40m	\$50m	\$43m	\$64m	\$51m	\$63m	\$63m
NET ASSETS	\$77m	\$64m	\$68m	\$71m	\$75m	\$56m	\$826m
TOTAL EQUITY	\$77m	\$64m	\$68m	\$71m	\$75m	\$56m	\$826m

Source: QFES Financial Statements from FY15 to FY21; * FY21 figures are draft only and subject to final reviews and audit

Capital expenditure

From FY15 to FY21, QFES has spent an average of ~\$60m per annum on capex. This has been split across land and buildings (42%), fleet (46%), plant & equipment (6%) and ICT (6%). A summary is detailed in the table below.

Table 2-8: QFES historical capex

QFES Capex	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Land and Buildings	\$14m	\$13m	\$30m	\$41m	\$22m	\$30m	\$43m
Fleet	\$17m	\$25m	\$26m	\$39m	\$37m	\$47m	\$17m
Plant and Equipment	\$4m	\$4m	\$3m	\$4m	\$2m	\$5m	\$3m
ICT	\$3m	\$5m	\$5m	\$4m	\$4m	\$3m	\$3m
Total Capex	\$38m	\$47m	\$64m	\$87m	\$65m	\$85m	\$66m

Source: QFES Management Accounts from FY15 to FY21

When actual capex is compared to budget, QFES has consistently underspent its capex budget by an average of 22.6% per annum since FY15, equating to an average of ~\$18.2m per annum. This has predominantly been in land and buildings by value (average underspend of 25.2%), as well as plant and equipment by percentage (average underspend of 43.4%). A summary of the actual to budget capex is detailed in the table below.

Table 2-9: QFES Historical Capex

QFES Capex	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Land and Buildings	(35%)	(49%)	(16%)	(26%)	(24%)	(32%)	6%
Fleet	(25%)	(9%)	(25%)	(18%)	6%	(6%)	(10%)
Plant and Equipment	(57%)	(57%)	(59%)	(46%)	(42%)	6%	(49%)
ICT	24%	98%	62%	(32%)	(51%)	(32%)	235%
Total Capex	(31%)	(27%)	(22%)	(24%)	(14%)	(18%)	0%

Source: QFES Management Accounts from FY15 to FY21

The underspend in capex appears to reflect a cash flow balancing item when either revenues are below budget or operating expenses are over budget.

Historically, funding for capital expenditure has been included in QFES' operational expenditure as a combination of PSBA costs (including depreciation) and capital grants to PSBA on behalf of QFES. With the dis-establishment of PSBA in FY21, QFES will directly manage capital expenditure moving forward. This will primarily be funded by annual depreciation charges, with any additional capital expenditure requirements to be funded from any operating surpluses or capital funding receipts.

2.6.5 Budgets

Like most Queensland Government agencies, QFES adopts an incremental budgeting approach which takes the prior year's actual figures and adds or subtracts a percentage to obtain the current year's budget. This is a commonly utilised budgeting methodology given its relative simplicity. However, it can often have the effect of reducing the transparency of inefficiencies (if they exist) and/or make it difficult to identify carry over (if any) from prior years. It is acknowledged, however, that alternative approaches such as 'zero-based budgeting' are far more time-consuming and are not commonly adopted on a regular basis by Queensland Government agencies. Additionally, it is recognised that QFES is largely a self-funded department via the EML and user charges, meaning there is little flexibility for material growth in operating or capital expenditures. This situation is due to fixed annual price increases in the EML and user charges. As such, additional funding is predominantly limited to those resources QFES may source through Consolidated Revenue (or which is able to be identified through internal efficiency measures).

A summary of the actual surplus or shortfall relative to QFES' budget is detailed in the table below. The budgets from FY15 to FY19 have targeted a breakeven result, with surpluses targeted in the past two financial years.

Table 2-10: QFES budget vs actual net operating result (excl COVID)

QFES net operating result	FY15	FY16	FY17	FY18	FY19	FY20	FY21*
Budget Revenue	\$621m	\$648m	\$676m	\$664m	\$702m	\$750m	\$858m
Budget Expenses	(\$620m)	(\$648m)	(\$675m)	(\$664m)	(\$702m)	(\$740m)	(\$801m)
Budget Surplus/(Shortfall)	\$1m	\$1m	\$0m	\$0m	\$0m	\$11m	\$58m
Actual Revenue (excl COVID)	\$623m	\$622m	\$646m	\$686m	\$728m	\$810m	\$825m
Actual Expenses (excl COVID)	(\$625m)	(\$635m)	(\$637m)	(\$682m)	(\$725m)	(\$793m)	(\$785m)
Actual Surplus/(Shortfall)	(\$2m)	(\$12m)	\$9m	\$3m	\$3m	\$17m	\$41m
Variance on budgeted expenses	1%	(2%)	(6%)	3%	3%	7%	(2%)

Source: QFES Budgets and Financial Statements from FY15 to FY21; * FY21 figures are draft only and subject to final reviews and audit

Historically, QFES has performed within 3% of exceeding its budgeted expenses, except in FY20 where costs increased by 7% due to a record bushfire season.

2.6.6 Forecasts

Forecast Revenue

QFES has forecast 3.5% Compound Annual Growth Rate (CAGR) in total revenues to FY25.

This is primarily due to the forecast growth in the EML at a 4.3% CAGR, with the State's 1/7th EML contribution slightly below at 4.1% CAGR. QFES' other revenue streams are forecast to remain relatively constant with grants reducing from \$20m to \$15m per annum from FY23 and user charges increasing at an average of 1.8% per annum. The forecast does not include COVID-19 related reimbursements which would offset any COVID-19 response related expenses. A summary of the forecast is detailed in the table below.

Table 2-11: QFES forecast revenue (combined)

Forecast Revenue	FY22	FY23	FY24	FY25
EML (net of pensioner discount)	\$602m	\$627m	\$654m	\$683m
State appropriation - 1/7th EML	\$84m	\$87m	\$91m	\$95m
State appropriation - other	\$47m	\$53m	\$51m	\$44m
Commonwealth appropriation	\$4m	\$4m	\$4m	\$4m
User charges	\$54m	\$56m	\$57m	\$57m
Grants	\$20m	\$15m	\$15m	\$16m
Other revenue	\$1m	\$1m	\$1m	\$1m
Total Forecast Revenue	\$811m	\$842m	\$873m	\$899m
CAGR (%)	-	3.8%	3.8%	3.5%

Source: QFES forecast management accounts

Budgeted Operational Expenditure

QFES has forecast 1.4% CAGR in total operational expenditure to FY25. This is primarily due to the forecast increase in employee expenses at a 2.7% CAGR and the forecast increase in supplies and services at a 2.1% CAGR.

The forecast does not include the total costs for the additional 357 firefighters (as noted in Section 0), which are forecast by QFES at \$19m in FY22 to \$61m per annum from FY26. However, the forecast does include targeted cost savings which QFES intends to allocate towards offsetting these additional firefighter costs. The targeting savings are \$4.5m in FY23 and FY24 rising to \$10.9 in FY25.

QFES' other operational expenditure categories (grants and subsidies, depreciation and amortisation and other expenses) are forecast to remain relatively constant. The forecast does not include COVID-19 response expenses which would be reimbursed by the State. A summary of the forecast is detailed in the table below.

Table 2-12: QFES forecast operating expenses (consolidated)

Forecast Operating expenditure (consolidated)	FY22	FY23	FY24	FY25
Employee expenses	\$500m	\$519m	\$529m	\$541m
Supplies and services	\$233m	\$236m	\$246m	\$248m
Grants and subsidies	\$30m	\$25m	\$23m	\$21m
Other expenses	\$12m	\$12m	\$13m	\$13m
Depreciation and amortisation	\$37m	\$37m	\$37m	\$37m
Total Forecast Operating Expenditure	\$812m	\$829m	\$848m	\$860m
CAGR	-	2.0%	2.3%	1.4%

Source: QFES forecast management accounts

Forecast Capital Expenditure

QFES' TAMP has forecast recurring capital expenditure requirements of \$60m per annum as broken down in the table below. This is the available funding, focused on areas that QFES has identified of highest need (within identified funding amounts), generally supporting activities that seek to best sustain existing capital requirements. It does not provide for the 'full funding' of increasing capital requirements associated with rural fleet, new buildings and other anticipated capital requirements. QFES does, however, have discretion within funding limits to allocate its capital expenditure funding.

Table 2-13: QFES forecast capital expenditure (consolidated)

Forecast Capex	FY22	FY23	FY24	FY25
Land and Buildings	\$25.5m	\$21.0m	\$21.0m	\$21.0m
Fleet	\$28.0m	\$28.0m	\$28.0m	\$28.0m
Plant and Equipment	\$3.0m	\$4.0m	\$4.0m	\$4.0m
ICT	\$4.0m	\$7.0m	\$7.0m	\$7.0m
Total Forecast Capex	\$60.4m	\$60.0m	\$60.0m	\$60.0m

Source: QFES TAMP

The TAMP does not include future capital investment needs beyond its business-as-usual requirements. KPMG sought further information from QFES regarding its future service requirements and/or capital investment planning and was provided with a list of priority investments, as well as staff resourcing requirements, by QFES late on 7 October 2021. Given the late timing of receipt, this information has not been fully considered in this version of the Report. KPMG notes the indicative value of the priority investments and additional resourcing requirements, as specified by QFES, are material.

QFES has provided KPMG with an indicative five-year capital plan for non-approved, unfunded projects. This plan predominantly focuses on future investment in stations and averages over \$40m per annum, approximately double the sustaining building capital expenditure within the TAMP.

The State Budget for FY22 includes a capital program to QFES totalling \$58.7m in capital purchases and \$0.9m in capital grants, which is within \$1m of the forecast capital expenditure funding for FY22. A summary of the budget is detailed below:

- Fleet – \$30.5m for replacement and new FRS and RFS appliances;
- Equipment – \$3.2m for operational equipment, including protective clothing, specialist and field-portable scientific analysis and detection equipment, compressors for self-contained breathing apparatus, swift water rescue craft, battery powered rescue equipment, accommodation shelters, satellite communications hardware for deployable disaster response, and slip-on units and trailers;
- Land and buildings – \$25.0m (predominantly relating to FRS);
- RFS capital grants – \$0.2m; and
- SES capital grants – \$0.7m.

In addition to the above, QFES' management accounts show it will spend a further \$3.7m on ICT.

2.7 Current legislative arrangements

The operations and functions of QFES are primarily governed by the following pieces of legislation:

- *Fire and Emergency Services Act 1990*;
- *Disaster Management Act 2003*;
- *Public Safety Preservation Act 1986*;
- *Transport Operations (Road Use Management) Act 1995*; and
- *Public Service Act 2008*.

2.7.1 Fire and Emergency Services Act 1990

QFES is established under the *Fire and Emergency Services Act 1990*. The Act sets out the purpose, funding arrangements and responsibilities of QFES in relation to preventing and responding to fires and emergencies. In accordance with this Act, QFES is responsible for:

- Preventing and responding to fire and emergency incidents;
- Providing rescue services and operations; and
- Establishing a framework for the management of QFES, SES, emergency service units established for an emergency service area, and the conduct of authorised rescue officers.

Section 8b of the Act outlines the functions of QFES, involving: protection of people and the environment, entrapment rescue, fire prevention (including back burning) and control, and cooperation with other emergency services. Section 53 of the Act provides fire officers various powers in dangerous situations. These involve:

- Taking any reasonable measure for the protection of people and the environment;
- Entry to all premises;
- Ability to destroy, damage and remove vegetation; and
- Lead people in emergencies.

It is noted there has been considerable contention regarding the coverage of the definition of 'fire officer' and/or 'public officer' (in other legislative contexts) in the context of volunteers and others supporting QFES' functions (as further referenced below).

The *Fire and Emergency Services Act 1990* provides for the creation of QFES and SES. Section 79 of the Act stipulates that any group of persons may apply to the Commissioner for registration as a Rural Fire Brigade. This 'registration' sits in contrast to the formation of QFES and the SES, which are explicitly established by the Act.

The legal status of Rural Fire Brigades has been ongoing issues for some time and has been raised in previous reviews. In response to recommendations from the *Queensland Parliamentary Review into the Management of Rural Fire Services in Queensland 2011* and *Malone Review into the Rural Fire*

Services in Queensland 2013, QFES and RFBAQ undertook joint engagement with brigades across Queensland and issued a factsheet entitled “Legal Status of Brigades”. This factsheet indicates that a rural fire brigade is an unincorporated association, which is not part of QFES and gains its powers of operation through authorisation of the Commissioner. It further stipulates members of brigades are not fire service officers under Section 8A and 25 of the *Fire and Emergency Services Act 1990*.

Division 3 of the Act legislates the formation, governance, functions, and powers of Rural Fire Brigades. Section 80 of the Act gives Rural Fire Brigades the power to make their own rules consistent with the Act and approved by the Commissioner. Within this, a Rural Fire Brigade is led by a first officer who may elect other leaders. The functions of the Rural Fire Brigade are firefighting, prevention and other functions appointed by the Commissioner. The Commissioner is responsible for Rural Fire Brigades’ training, equipment, and overall efficiency. The Rural Fire Service, which manages the Rural Fire Brigades on behalf of the Commissioner, is not established under legislation.

The SES is established under Chapter 4 of the Act. The SES’ functions are legislated to comprise search and rescue operations, supporting injured persons, protecting persons or property from danger, preparedness activities, fundraising activities and supporting officers. When a natural disaster occurs in a local government area, a SES coordinator may be appointed for response and recovery. Under Section 131, the Commissioner’s responsibilities are legislated, which include establishing management and support frameworks, policy development, and ensuring safety of SES members. The Commissioner may establish a SES station in a local government area and appoint a Local Controller to lead the unit. Command and control of the SES is vested in Local Controllers under Section 135 the Act.

Section 141 of the Act establishes the Emergency Service Units which are situated in rural locations. These units are unique groups which serve their local government area through firefighting, prevention, and SES functions.

There is no section within the Act which stipulates the management, roles, or responsibilities of volunteers who deliver the functions of QFES.

2.7.2 Queensland Disaster Management arrangements

Disaster Management Act 2003 and Public Safety Preservation Act 1986

The *Disaster Management Act 2003* and the *Disaster Management Regulation 2014* provide the legislative basis for DM arrangements in Queensland. The Act provides powers to uphold effective DM and, in turn, support communities in mitigating, preparing for, responding to, and recovering from adverse events.

At times, legislation other than the Act may provide powers more suited to an event, such as the provisions within the *Public Safety Preservation Act 1986*. The *Public Safety Preservation Act 1986* provides powers to assist police in protecting members of the public in terrorist, chemical, biological, radiological, or other emergencies that create or may create: danger of death, injury, or distress to any person; loss or damage to any property; or pollution of the environment.

The *Disaster Management Act 2003* requires the establishment of local, district and State groups:

- Section 29 of the Act: a local government must establish a Local Disaster Management Group (a local group) for the local government’s area.
 - Section 10 of the *Disaster Management Regulation 2014* requires the Chairperson of a local group must be a Councillor of a local government.
 - Section 57 of the Act: a local government must prepare a plan for DM in the local government’s area.
- Section 22 of the Act: A District Disaster Management Group (a district group) is established for each disaster district.
 - Section 6 of the *Disaster Management Regulation 2014* requires that a Chairperson and Deputy Chairperson of district groups be appointed by the QPS Commissioner.
 - Section 53 of the Act: a district group must prepare a plan for DM.

- Section 55 of the Act: a district group may review its district disaster management plan where the group considers it appropriate, however the group must review the effectiveness of the plan at least once a year.
- Section 16 of the Act: The Queensland Disaster Management Group is established.
 - Section 4 of the *Disaster Management Regulation 2014* establishes the Premier as Chairperson of the State group.
 - Section 21 of the Act: the QPS Commissioner must appoint an Executive Officer of the State group.
 - Section 21B of the Act: the Chairperson of the state group must appoint one of the following persons as a State Disaster Coordinator (SDC) to coordinate disaster operations for the group (after consulting with the QPS Commissioner):
 - A QPS Deputy Commissioner; or
 - Another person the Chairperson decides, after considering the nature of the disaster operations;
 - The Chairperson may only appoint a person, other than a QPS Deputy Commissioner, as SDC, if the Chairperson is satisfied the person has the necessary expertise or experience.

In accordance with Section 5 and Section 9 of the *Disaster Management Regulation 2014*, the QFES Commissioner may nominate at least one person to each local and district disaster management group in the State. QFES allocates staff in each Region in the form of Emergency Management Coordinators to “coordinate the commitment and implementation of continuous improvement initiatives to enhance the resilience of local communities.” These officers provide training, advice, capability building response, and support to the Queensland Disaster Management framework and stakeholders. They also represent QFES as a member of, or advisor to, disaster management groups. However, it is noted that, in some locations, QFES’ representation on local and district groups is filled by a Senior Regional Officer, rather than an Emergency Management Coordinator. It has also been reported to KPMG that the role and functions of Emergency Management Coordinators are highly variable depending on the geographic region and approaches adopted by local governments, other State Government representatives, and even QFES staff within DM governance structures.

QPS has very clearly defined legislative roles and responsibilities for response coordination at the local, district, and State level for DM under the Act and the Regulation. Police have the powers to declare ‘an emergency situation’ which is defined under Section 43A the *Public Safety Preservation Act 1986* as:

- “any explosion or fire, oil or chemical spill;
- radioactive material;
- accident involving an aircraft, vessel or vehicle;
- any impact of a naturally occurring event such as flood or landslide; or
- any other accident or event.”

Police also have powers under Section 64 of the *Disaster Management Act 2003* to declare a disaster situation with the approval of the Minister. Despite the clear legislative and leadership role for QPS in emergency and disaster events, the QFES Commissioner is appointed as the Chief Executive of the *Disaster Management Act 2003*.

In practice, although QFES administers the *Disaster Management Act 2003*, the operational responses to disasters in Queensland are provided by, and coordinated through, other agencies and groups, perhaps with the exception of specific fire events. Legislation and doctrine stipulate that local governments are primarily responsible for disaster management through their Local Disaster Management Groups, of which QFES has membership (rather than authority). The Local Disaster Management Groups are supported by the District Disaster Management Groups and Queensland Disaster Management Group. District Disaster Management Groups are chaired by someone nominated by the QPS Commissioner, and the Queensland Disaster Management Group comprises a full-time Executive Officer appointed by QPS. Therefore, in the event that a hazard responded to by QFES (e.g., bushfire) led to a disaster, then the Local Disaster Management Group would become responsible for managing the disaster.

2.7.3 Doctrine

There are number of key pieces of doctrine underpinning Queensland's DM arrangements, including:

- Queensland Disaster Management Strategic Policy Statement;
- Queensland State Disaster Management Plan;
- Emergency Management Assurance Framework;
- Standard for Disaster Management; and
- Queensland Prevention, Preparedness, Response and Recovery Disaster Management Guideline.

Queensland State Disaster Management Plan

The Queensland State Disaster Management Plan is a requirement under Section 49 of the *Disaster Management Act 2003*, which stipulates the State group must prepare a plan and further (under Section 51) that the State group may review or renew the plan when the group considers it appropriate. Section 63 of the Act allocates responsibility to QFES for preparing guidelines to inform the Queensland Disaster Management Group, district groups and local governments about the preparation of disaster management plans, matters to be included in plans, and other matters about the operation of a district or local group considered appropriate. The current State Disaster Management Plan is dated 2018 and has been scheduled for review and update, although this project is yet to be delivered.

State Disaster Coordination Group

The SDCG supports the SDC in that role's statutory responsibilities, including coordinating disaster response operations for the Queensland Disaster Management Group and ensuring that strategic decisions of the Queensland Disaster Management Group are implemented. The chairing arrangements for the SDCG are set out on page 12 of the State Disaster Management Plan, listing QPS as the Chair of the SDCG. Terms of Reference for the SDCG were amended to reflect changes to the chairing arrangements for the SDCG to be shared between QPS, QFES and QRA, "*depending on whether SDCG is responding to a disaster event, recovering from an event or considering disaster management policy issues*", as follows:

- "*Preparation and Prevention Phase (consideration of disaster management policy issues) – when SDCG is meeting as business-as-usual to consider disaster management policy issues the meeting will be co-chaired by QFES and QRA.*
- "*Response Phase – during the response phase of the disaster event SDCG will be chaired by QPS.*
- "*Recovery Phase – during the recovery phase where wither recovery operational issues or recovery policy issues are being coordinated, SDCG will be co-chaired by QRA and QFES.*"

2.7.4 Transport Operations (Road Use Management) Act 1995

The *Transport Operations (Road Use Management) Act 1995* details road rules across Queensland. Section 167 of the Act exempts drivers of emergency vehicles from civil liability, provided the driver is taking reasonable care, the vehicle sounds an alarm/flashing, and the situation is reasonable. It is noted this section extends to 'officials' – meaning the Minister, Chief Executive, Commissioner, Authorised Officer, relevant Emergency Services Officer, and a person acting under the direction or authorisation of an authorised officer or a relevant emergency service officer.

2.7.5 Public Service Act 2008

The purpose of the *Public Service Act 2008* is to administer the public service and the management of respective employees, and to provide for matters concerning agencies and others involved in the public service. QFES was established as a department, incorporating the FRS, RFS, SES, and DM services on 1 November 2013 under this Act. Some staff of QFES are employed under the *Public Service Act 2008*.

Section 25 sets out the management and employment principles for public services, which QFES falls into. Management principles involve effective service provision, impartiality, collaboration with government and other agencies, progressive administration, efficient resource management, and equality of opportunity. Employment principles involve best practice human resource management, equitable and flexible working environments, a diverse and highly skilled workforce, and employment on tenure as the default basis of employment.

The *Fire and Emergency Services Act 1990* does not establish the RFS nor stipulate the management, roles, and responsibilities of staff who deliver the functions of QFES. As noted in previous review activities (most notably the 2013 Malone Review into the RFS in Queensland), the legislative arrangements may be insufficient for the effective and sustainable provision of services delivered by the RFS, Rural Fire Brigades and/or QFES volunteers. Consideration of this issue is beyond the scope of this Review but should form part of recommended legislative review activities stipulated by this Report.

2.8 Stakeholders and their perspectives

2.8.1 Stakeholder landscape

QFES operates within a complex and inter-dependent network of stakeholders, working alongside numerous groups in the provision of fire, emergency, and DM services for the Queensland community.

These key stakeholder groups are denoted in Figure 2-5 comprise:

- **Local Stakeholders:** Local stakeholders are impacted by the services delivered by QFES. They include community organisations, local governments, as well as industrial bodies and membership organisations. Notably, QFES has indicated that whilst its objective is to maintain positive and productive relationships with a diverse range of industrial bodies and membership organisations, responding to their interests has the potential to result in 'organisational inertia'.⁷⁵ In that regard, it is the responsibility of the Commissioner and Senior Executive to exercise authority where appropriate to ensure the momentum and agility of the department in achieving its purpose.⁷⁶
- **State Government stakeholders:** QFES works closely with public safety agencies including QPS, Queensland Ambulance Service, and IGEM, as well as other agencies such as QRA. These relationships are formed on the basis of transparent information sharing, and joint responses in the delivery of emergency and DM services.
- **Services delivered through QFES:** QFES has dedicated paid workforce and volunteers across the State in both urban and rural fire functions, the SES, and in DM functions. The delivery of these services relies on collaboration across the paid workforce, auxiliary force, volunteers, and many of the other stakeholder groups as identified in the figure below.
- **Federal/national stakeholders:** QFES contributes to national fire and emergency management policy and coordination through its membership in national forums. In that regard, QFES interacts with agencies such as the Department of Home Affairs (and other States and Territories) through national DM arrangements.
- **Volunteer partner associations:** Through service arrangements and partnerships, QFES supports other volunteer groups that provide emergency services to the Queensland community including SLSQ, RLSSQ, and PCYC.

⁷⁵ QFES. (2021). *Independent review building organisational capability*.

⁷⁶ QFES. (2021). *Independent review building organisational capability*.

Figure 2-5: QFES stakeholder groups



2.8.2 Consultation and feedback process

The Review has been underpinned by a targeted consultation and engagement process, allowing a diverse range of stakeholders to provide input into the deliberations regarding the effectiveness, efficiency, and sustainability of QFES.

The Terms of Reference require that the Review, “consult with targeted stakeholders, including the Inspector-General of Emergency Management, the Local Government Association of Queensland, the United Firefighters Union Queensland, the Queensland Fire and Rescue – Senior Officers Union of Employees, Rural Fire Brigades Association of Queensland, the Together Union, Queensland State Emergency Service Volunteer Association, Australian Volunteer Coast Guard Association (Queensland), Volunteer Marine Rescue Association (Queensland), Surf Life Saving Queensland; Royal Life Saving Society Queensland and PCYC Queensland”, and that “the Supplier must provide a presentation to the Steering Committee on its final report.”

To achieve these requirements within the specified time, the Review conducted a series of consultations with the stakeholders listed above, as well as a small number of subsequently identified stakeholders. **Appendix C** provides a complete list of stakeholders consulted as part of the review process. In addition, submissions to the review were invited from identified stakeholders (above), staff and volunteers.

The formal consultation activities focused on facilitating targeted discussions pertaining to the perceived effectiveness, efficiency, and sustainability of QFES. Additionally, these discussions aimed to capture stakeholder views regarding the structure and functions of QFES, as well as opportunities for improvement.

All stakeholders that were engaged through the formal consultation process were subsequently provided the opportunity to make a written submission to the Review through sending written documentation to an independently monitored KPMG mailbox. The opportunity to formulate a written submission was also extended to volunteers and staff from the stakeholder groups, as well as local councils, who were not directly consulted as part of the Review process (noting the Local Government Association of Queensland was directly consulted and provided the opportunity to inform other Councils of the consultation process). In total, 51 written submissions were received by the Review.

For the purposes of maintaining the confidence of participants in the Review and in supporting the ability to provide frank and direct feedback, KPMG confirmed to all stakeholders – whether formally consulted or those providing written submissions – that their commentary would be neither directly attributable to them (or their organisation) nor would they be directly identifiable through any of their feedback. Similarly, as part of the submission process, respondents were advised that their submissions would only be used for the purposes of the Review (except in instances where submissions gave rise to matters beyond the Terms of Reference which obligated KPMG to report the matter, such as where allegations of official misconduct or breaches of the Queensland Public Service Code of Conduct necessitated specific reporting obligations be met by KPMG).

The key themes that emerged from these consultations and submissions are documented in Section 2.8.3 (Thematic stakeholder views).

2.8.3 Thematic stakeholder views

The key themes that emerged from the engagement activities are detailed in the following table.

Table 2-14: Key themes from consultation

Theme	Summary of feedback/description of theme
EFFECTIVENESS	
There are divergent views as to the effectiveness of the combination of functions within the current QFES structure and operating model	<p>There is clear alignment within stakeholders that 'fire-related' functions should remain within a single organisation. However, the views of stakeholders in relation to other functions that currently reside within QFES (SES functions, MR functions, DM functions) differ significantly.</p> <p>At one end of the spectrum of stakeholders' perspectives was a 'no change' view, with strong support for a model that 'brings together' the current functions of QFES. These stakeholders indicated benefits of the current model as including increased collaboration between services resulting in improved responses for the community; increased opportunities for cross-training between services; and less duplication in service delivery and training. It is appropriate to acknowledge that this view was held by a relatively small minority of stakeholders.</p> <p>At the other end of the spectrum were views that, given the importance of fire-related activities, QFES' focus should solely be on fire and emergency related functions. In most instances, these stakeholders held the view that such a focus should be inclusive of all elements of prevention, preparedness, response, and recovery - although there was a view put to the Review that the focus of a fire and rescue services agency should be directed exclusively at 'response' activities. At this end of the spectrum, there were various views regarding the future location of functions relating to SES, MR and/or DM. The realignment of SES, MR and/or DM functions was perceived to promote the level of adaptiveness required to meet the changing climate conditions and challenges facing Queensland communities.</p> <p>Some stakeholders advocated for the delivery of fire and emergency services through standalone agencies, with their own respective funding and executive leadership. Proponents of the current structure of QFES indicated that cultural issues and inefficiencies continue to occur in other jurisdictions where the provision of fire and emergency services is siloed. However, those stakeholders who advocated for total service decentralisation identified the presence of a high level of bureaucracy and unequitable distribution of funding and support across the services under the current model.</p>
Any future functional arrangement that sees a focus for QFES on fire-related activities presents workforce and cultural risks that require mitigation	<p>Where stakeholders have held the view that QFES' functions should be more focused on fire and emergency-related activities, they have recognised two key risks with that approach.</p> <p>The first risk is the perception that such an approach embeds a view that 'response' is the only important element of fire activities; at the expense of the progress being made to address areas of preparation, preparedness, and recovery. This risk is considered significant given the importance of the broader remit of QFES in addressing challenges associated with climate change, supporting educational activities and similar elements outside the 'response' elements of the State's PPRR framework. There is concern that the progress achieved so far to uplift broader PPRR capability will be lost.</p> <p>The second risk is that any potential 'return' to a more fire-related organisation may give rise to cultural challenges that have previously been identified – particularly addressing diversity challenges (gender diversity, ethnic diversity). It was recognised broadly by almost all stakeholders that the historic view of the fire service being 'a system built by men and for men' is not contemporary, does not reflect modern societal expectations, and should not be a view that is in any way facilitated. To that end, stakeholders held the view that should a return to a more streamlined organisation be considered, it would need to be supported explicitly with actions to continue to drive contemporary PPRR and human resources related outcomes.</p>

Theme	Summary of feedback/description of theme
The QFES regionalisation model, in its current format, poses challenges and concerns for internal and external stakeholders	<p>Various stakeholders raised concerns with the QFES regionalisation model as it currently stands. Whilst the reasoning for implementing this model was considered justifiable and appropriate by most stakeholders, it was reported to have – in effect – created several different operating structures. This has caused confusion and challenges for both staff and volunteer services. Stakeholders indicated it had also exacerbated competition between the FRS, RFS and SES, given that each service has been required to compete for engagement with the Regional Assistant Commissioner. This competitive tension was reported by stakeholders to be amplified by the fact that there has been a limited number of Regional Assistant Commissioners with a background in RFS or SES. As such, there was a perception reported by a significant number of stakeholders that the expertise of QFES senior executive staff was disproportionately aligned to traditional FRS activities.</p> <p>Further, external stakeholders acknowledged the regionalisation model has resulted in inconsistency in operations and communication, perceived to be stemming from the existing structure and culture of QFES. These stakeholders acknowledged that whilst a regional led approach is vital, increased efforts are required to ensure consistency in communication and funding arrangements.</p>
QFES is highly effective in responding to service requirements, (i.e., in the 'response' phase) but is continuing on an improvement journey in terms of delivering prevention and preparedness services	<p>It was generally acknowledged the response activities delivered by QFES are of a very high standard, with one commentator recognising that "When there is a crisis or emergency event, QFES can be relied upon to deliver". There were a very limited number of stakeholders that noted individual exceptions to that theme but, overall, the view was that QFES responds very, if not exceptionally, well.</p> <p>There was also almost universal agreement that the prevention and preparedness activities of QFES were not at the same standard. While most stakeholders acknowledged that the improvement journey relating to these elements was continuing to progress, there was considerable frustration expressed – again, by a significant majority of stakeholders – that the timeframe taken to achieve gains along the improvement journey was inadequate. There was strong support for the need to continue this focus given the changing dynamic of fire and emergency requirements (i.e., more complex challenges, less 'straight-forward' urban fire events, long periods of attention required to address risks such as bushfire seasons, et cetera). However, most stakeholders held the view that the current remit of QFES meant that there was insufficient focus on the 'core' elements of its activities, which was one of the factors that drove sub-optimal progress across the prevention, preparedness, and recovery activities.</p>
The majority of QFES staff and volunteers have an affinity to their specific service (i.e., rural fire service, SES, marine rescue) rather than to overarching organisation (QFES)	<p>Most stakeholders identified strong affinity to specific services in which they worked, rather than to the overarching organisation that is QFES. Stakeholders with historic perspectives highlighted the view (on multiple, separate occasions) that the original intention of the QFES model was not to establish 'one homogenous entity', and there was value in recognising the distinction between services (potentially including certain roles/functions being identified as 'QFES'). It was posed by many stakeholders that each service has a unique culture and traditions, which stakeholders felt should be preserved. It was identified that both staff and volunteers contributed many unpaid hours to a particular service and join to feel a sense of connection to a specific service. Attempts to amalgamate the breadth of QFES' various services at an operational level, particularly in areas where functions were distinctly different (such as MR) were likened to grouping the Army, Navy and Airforce into one force without any recognition of the unique contribution of each service.</p>
There is a need to continue to address cultural challenges	<p>While it was acknowledged that work to address cultural challenges has been undertaken, it was agreed effectively by all stakeholders that there were multiple cultural issues that continue to require focus (the importance of these varied depending on the stakeholder). These included:</p> <ul style="list-style-type: none"> • A level of animosity/lack of respect between certain services which impacted their ability to collaborate, distribute funding, and efficiently deliver services (recognised, in different ways and with different perspectives, amongst effectively all stakeholders) • A view that professional fire functions (viz, FRS) had a more dominant/more important role within the overarching QFES model (again, recognised by basically all stakeholders, but with different perspectives depending on the organisation); • Diversity – across all elements of the term – continued to be identified as limited, impacting the ability to support modern leadership approaches (as recognised by effectively all stakeholder groups);

Theme	Summary of feedback/description of theme
	<ul style="list-style-type: none"> • A continued emphasis on activities beyond the 'response' elements of fire and emergency events is required (again, as recognised by effectively all stakeholder groups); and • Resistance to change from particular groups would create considerable implementation risks associated with any reforms to further modernise QFES. <p>The domination of a fire and rescue culture, at the expense of valuing the contribution of other services, has been posited by most stakeholders to have caused several of the above concerns. Additionally, many stakeholders acknowledged a lack of individuals with backgrounds in volunteer services working in higher positions across QFES (i.e., Assistant Commissioner, Superintendent and Chief Superintendent roles). These factors have been suggested to be precluding opportunities to improve inclusion and diversity across the organisation.</p>
<p>In operational settings relating to disaster management, there is a lack of consistency in relation to roles and responsibilities</p>	<p>Almost all stakeholders expressed a view that, operationally, there is a lack of clarity around roles, responsibilities, and accountabilities in relation to DM activities. The context around this commentary stems from multiple elements:</p> <ul style="list-style-type: none"> • QFES (including FRS and SES), QPS, local government, the QRA (and indeed many others) have a role in relation to DM activities; • Federal arrangements do not align to the approach adopted operationally in Queensland (particularly with regard to DM payment arrangements, which are beyond the remit of the Review); • There is inconsistency in the application of local operational arrangements (in some regions, Emergency Management Coordinators take lead roles, in others QPS staff take lead roles, and in other areas other QFES staff (i.e., other than Emergency Management Coordinators) take lead roles in relation to DM activities (across the breadth of the PPRR framework); • Recent events have actively demonstrated this lack of clarity (the K'gari bushfire event was referenced by various stakeholders in this regard, in addition to 2018-19 bushfire events); • There was reported to be an absence of service standards that measure the extent to which outcomes are being achieved in disaster management; and • Opaque legislative arrangements and resultant operational documentation were reported by a significant number of stakeholders to present conflicting information in relation to roles, responsibilities, and activities of various stakeholders. <p>Stakeholders also referenced extracts from a number of previous reviews, specifically the below from the McNarn Review in 2018: <i>"The successful operation of QFES during the past five years is to be commended, but this is not an indication of a robust C4I system. It reflects first, immense personal effort by individuals during crisis management; second, that Queensland, while dealing with several major events, has not had an extreme event on the scale of the 2010/11 floods or past wildfires; and third, simply luck."</i></p> <p>Stakeholders indicated that confirmation of QFES' precise role within the State's DM system would reduce duplication, conflict, and confusion. It would also support decisions made by government in response to recent formal commissions of inquiry relating to bushfires, and other recommendations stemming from external review activities. There was also suggestion (from a limited number of stakeholders) that it may be beneficial for an agency with the overarching responsibility for PPRR to assume responsibility for the <i>Disaster Management Act 2003</i>. As Queensland does not have one agency that manages the full spectrum of PPRR, one stakeholder (not IGEM) indicated that IGEM could assume this responsibility.</p>
EFFICIENCY	
<p>The traditional focus on defined work practices poses challenges to the improved efficiency of</p>	<p>Numerous stakeholders indicated that traditional work practices, particularly as they relate to delivering a service in a "silo", impedes the progression of innovative changes to QFES' service delivery model. Various examples were provided by stakeholders, with the main ones being summarised as:</p>

Theme	Summary of feedback/description of theme
QFES' service delivery model	<ul style="list-style-type: none"> • Increased efficiencies would be able to be achieved through having professional firefighters working outside the traditional remit of fire and rescue; • There was a sense of duplication in certain roles between regions, across services and head office; • There are inconsistent and inefficient administrative services across the organisation; • There is inherent latent capacity in traditional service models; • There is inconsistency of service planning and needs analysis, both at an organisation-wide level and specifically within the services that make up QFES, with a lack of emphasis on risk elements and community requirements; and • Industrial arrangements in other jurisdictions will likely translate to the Queensland environment, which will further embed challenges to improving efficiency in the future unless considerable change is to take place.
There are divergent views as to the adequacy of the current funding envelope to meet current and future demand for services	<p>Some stakeholders indicated the view that current funding arrangements are adequate to deliver the service in scope of QFES, provided efficiencies were able to be realised. Generally, these stakeholders were external to the organisation. It was acknowledged by these stakeholders that any uplift in funding would require a corresponding demonstration of an expanded value proposition for the State. At the other end of the spectrum, some stakeholders (likely closer to a majority) indicated a significant need to increase funding in support of growing community expectations and requirements on the organisation.</p> <p>These stakeholders (both internal and external) held the view the current funding envelope does not adequately cover current commitments. This was a particularly focused view on volunteer services. One stakeholder (not the SES) made a prediction that the SES would likely cease to exist in Queensland in five to ten years if significant changes are not made to better support volunteers (although this view was not solely related to funding arrangements). Additionally, other stakeholders acknowledged that the RFS's and SES's reliance on disparate funding sources (i.e., QFES, local government, sponsorship, donations) often impedes efficiency. There were also concerns raised with the reliance on MOUs between local governments and QFES to support the operations of SES – acknowledging that as the responsibilities and demand for SES services increases over time, local government funding to uphold effective operations will be unsustainable.</p> <p>Additionally, it was recognised that in-line with projections of the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (and various other reports/evidence that pre-date the release of that document), fire services (and broader contributors to the system, such as DES, DM functions and other key stakeholders) will be obliged to deal with more intense and frequent events.</p>
Volunteers require adequate support	<p>Numerous stakeholders expressed the need to continue to address the perception that the tens of thousands of volunteers supporting various QFES activities do not have a cost. To properly attract and retain a strong volunteer cohort, and to maintain appropriate engagement, stakeholders held strong views that there is a need for continued investment (and acknowledgement of this investment) in training, equipment, and communication. Additionally, volunteer services were clear in their views that they must have access to appropriate systems and technology that support their operations.</p> <p>Stakeholders indicated there is minimal alignment across Service Delivery Statements and the QFES Strategic Plan measures related to volunteer satisfaction, and there have been increased workload pressures across volunteer services in the context of declining volunteer numbers. Additionally, there were suggestions made that previous reviews highlighted the lack of knowledge possessed by QFES regarding the capabilities of SES and RFS, which resulted in concerns when decisions were made around the deployment of these services. Many stakeholders posited that there needs to be enhanced support for a contemporary and community focused volunteer fire prevention, mitigation, and response service. It was noted in these discussions that this would likely require a considerable shift in the historic and current cultural differences that exist with volunteer services, and likely a fundamental re-consideration of the capabilities, profile, and funding of fire and emergency related activities. This was universally acknowledged. Volunteer stakeholders also called for increased access to necessary training, systems, and equipment that supports them in effectively delivering services.</p>

Theme	Summary of feedback/description of theme
SUSTAINABILITY	
<p>Challenges facing QFES are increasingly complex and require a more strategic positioning of the organisation with better access to data and increased analytics capabilities</p>	<p>Effectively all stakeholders acknowledged the changing nature of QFES' work, particularly regarding fire-related activities. 'Demand' for urban structure fire response activities was recognised as reducing over time, but growing expectations in relation to road traffic crash, technical rescue, bushfire activities and other services and functions (across the broader remit of the PPRR framework than simply 'Response' activities) have increased. The outlook of Queensland was acknowledged by stakeholders to involve population growth resulting in some rural regions transitioning towards urban areas. Further, it was universally recognised that the frequency and severity of larger-scale and more challenging fire and emergency events is increasing. These elements – the greater complexity and more significant support requirements – were considered to form a core part of increasing community expectations of QFES (and broader organisations operating in the disaster management space). In seeking to fundamentally address these challenges, stakeholders adopted different views.</p> <p>Some stakeholders held the view that it was important to focus specifically on 'core business' to demonstrate achievement of community expectations, whereas other stakeholders acknowledged the broader requirement of all public sector organisations to 'do more with less'. There was, however, an almost uniform view that recent work to define capabilities (where it was known to stakeholders) was beneficial, and that a focus on better collecting, analysing, and using data to maximise the efficiency of operations and the future sustainability of QFES' activities was essential. Internal stakeholders acknowledged that steps in achieve data-driven approaches to service needs analysis were only recent but were areas of emphasis for the organisation into the future.</p> <p>Finally, it was almost universally recognised that QFES should have access to the necessary data and analytics that enables the deployment and mobilisation of resources according to the dynamic nature of risk, rather than using static or traditional models to determine prevention, planning, and response activities. In that regard, most stakeholders (particularly external stakeholders) believed QFES needs to develop capabilities and resources for future community needs and expectations, or to acquire skillsets in partnership with other organisations to achieve more rapid and more flexible responses to future challenges posed to fire and emergency functions.</p>
<p>To ensure the sustainable operation of QFES into the future, legislative change is required</p>	<p>Most stakeholders identified a need to revise and contemporise the current legislative frameworks that support fire, emergency, and DM activities (i.e., <i>Fire and Emergency Services Act 1990</i>, <i>Disaster Management Act 2003</i>, <i>Public Safety Preservation Act 1986</i>). There was a common view the legislation as it stands is 'clunky', 'outdated' and 'requires modernisation'. The <i>Fire and Emergency Services Act 1990</i> is seen to have had historical legislation (such as provisions from the former <i>State Counter Disaster Organisation Act 1975</i>) 'dropped into' or 'added onto' it, meaning various elements were considered to be out of date/no longer contemporary. Similarly, it was noted the <i>Fire and Emergency Services Act 1990</i> does not make any reference to RFS volunteers; thereby not being considered reflective of the current organisation that is QFES.</p> <p>As an extension of the commentary noted by stakeholders above in relation to DM arrangements, there was general consensus (that is, more than half and likely closer to three quarters) amongst stakeholders that current legislative arrangements were either unclear or very unclear. This view particularly centred around the distinction in roles between QFES and QPS, especially given the visibility of QPS staff across the breadth of DM activities.</p> <p>Additionally, there were concerns raised that the current legislative arrangements do not identify rural firefighters as 'emergency workers' or 'public officers'. The implications of not having rural fire brigades formally established under legislation was consistently acknowledged as providing minimal legal protection for rural fire brigade volunteers in the performance of their duties. It was recognised that this is not a new issue, and that efforts have previously been made to address this concern, but stakeholders with an interest in this topic provided multiple examples of recent situations that had given rise to considerable concerns.</p>
<p>Inability to implement change</p>	<p>Multiple stakeholders noted either the perception (or in some instances, actual examples that were known to them through their active involvement) of previous review activities not being acted upon. One stakeholder commented they had "Never seen anything like it". Broadly, this theme was categorised by stakeholders to be perceived a result of two specific issues: (1) a lack of funding to support the issues identified by those reviews; and (2) a lack of capability to implement and give effect to change. Stakeholders acknowledged considerable barriers that exist</p>

Theme	Summary of feedback/description of theme
	<p>in relation to both issues, with various discussions about the EML, the influence of industrial organisations, the history and traditions of the different services within QFES, the anecdotal views about career impacts arising as a result of challenges to the 'status quo' (pre-dating even QFES as an organisation), and others. However, there was an over-riding recognition amongst most stakeholder groups that despite the challenges and demonstrated difficulty in implementing change in the past, there is a need to give effect to changes now that will establish longer-term sustainable outcomes and set out an improvement journey that facilitates a more focused and integrated organisation that can address changing community and environmental requirements.</p>
<p>Corporate services investment under the QFES model was generally viewed as having been limited, although duplication either does (or is perceived) to exist</p>	<p>Stakeholders noted that the QFES interoperability agenda, and broader reforms to support a modern fire and emergency organisation (such as investment in systems relating to asset management, data and analytics, broader information technology requirements, et cetera) were hampered by the lack of investment in corporate service systems, processes, and people. The most cited example relevant to this theme was the QFES technology roadmap, which looked to uplift QFES' technology capability and was ceased in-line with broader commitments to spend reduction. There were, however, a limited number of stakeholders that believed there had been an over-investment in corporate services functions at the expense of other important services. Generally, this feedback was thematic rather than grounded in any specific examples. The common theme, however, amongst most external stakeholders and some internal stakeholders was that duplication of administrative functions exists. Multiple external stakeholders provided examples of instances where they either were aware of, or at least perceived, 'creep' to have occurred across QFES' operations. They described situations where they had either experienced or seen activities being undertaken by QFES that were within the remit of other organisations, or at least should have been. Similarly, internal stakeholders also provided examples (more focused on administrative tasks) where overlap was occurring or where there was a lack of clarity about corporate functions being performed (i.e., similarly named roles or activities being performed in regions and in head office).</p>
<p>There is significant disparity in the power and influence of stakeholders</p>	<p>There was consensus that QFES operates within a complex and inter-dependent network of stakeholders, and each of these stakeholders appear to have different levels of authority and/or organisational power. It was perceived that certain industrial organisations have significant influence on the activities of the organisation. QFES was perceived to have varied levels of engagement and different levels of effectiveness in its relationships with particular stakeholders such as rural fire brigades, local councils, and volunteer organisations. In relation to the latter point, there was a call for open, transparent, and genuine consultation and collaboration with these stakeholder groups on what was perceived to be a level playing field. It is important to acknowledge on this point that no observation about this view is made; however, it is interesting to note the common perspectives amongst stakeholders that there is a 'pecking order' of stakeholders.</p>



3. Effectiveness, efficiency, and sustainability - QFES' future

3 Effectiveness, efficiency, and sustainability – QFES' future

3.1 Future challenges facing QFES

Having established what is effectively the 'current state' of QFES' operations as well as the views of stakeholders in relation to the organisation, this section of the Report seeks to consider the efficiency, effectiveness, and sustainability of the department and any evidence that gives rise to a 'case for change'. In doing so, it is useful to explain the context of that analysis. We have sought to broadly – as would be expected of a strategic review – look at these elements.

By effectiveness, we have taken the approach of reviewing factors relating to the way in which the organisation is achieving its published purpose of, "Helping the community to prevent, prepare for, respond to, and recover from the impact of fire and emergency events". By efficiency, we have sought to understand the organisation's use of resources including focused efforts and, where possible, allocations to determine how it is achieving its objectives. These objectives have been considered in comparison to other Australian jurisdictions. Finally, in terms of sustainability, we have sought to consider those elements - such as the current functions, funding arrangements, and legislative mandates that exist - that will either hinder or support QFES into the future.

As part of this process, we have first considered the breadth of challenges that are currently facing QFES and, where applicable to the Review, other Queensland entities operating across the DM and emergency services sphere in the State. We have also considered evidence from other fire and emergency services organisations in Australia (and in limited circumstances from comparable overseas jurisdictions). Clearly, since the establishment of QFES, the context, operating environment, and challenges which the organisation faces have all continued to increase in complexity.

3.1.1 Bushfires

The Australian Royal Commission into National Natural Disaster Arrangements - often colloquially referred to as the 'Bushfire Royal Commission' - was announced in February 2020. Whilst the announcement was made in response to the 2019-2020 bushfires, the Commission examined natural disasters more broadly including floods, bushfires, earthquakes, storms, cyclones, storm surges, landslides, and tsunamis. The Terms of Reference were comprehensive and required investigation into the roles, responsibilities, and coordination arrangements between Federal, State and Territory, and local governments in relation to natural disasters. It also assessed whether actions should be taken to mitigate the impacts of natural disasters and modify the legal framework governing the Australian Government's involvement in responding to national emergencies. The report was presented to the Governor-General on 28 October 2020.

The Commission indicated that consecutive and compounding natural disasters will place increasing stress on existing emergency management arrangements. It noted that, "...the 2019-2020 severe weather season provided only a glimpse of the types of events that Australia is likely to face in the future..." and "Better national coordination is required to enable significant reduction in disaster risks and impacts in the future. Australia is facing increasingly frequent and intense natural disasters, a significant number of which are likely to be compounding. Governments will need to prepare for more large-scale, multijurisdictional crises"⁷⁷.

The final report made 80 recommendations focused on improvements to national preparedness, mitigation, response, and recovery from natural disasters. Many of these recommendations were directed specifically to States and Territories, or collectively to the Australian Government and States and Territories. In making these recommendations, the report acknowledged that up to 2020, more

⁷⁷ Commonwealth of Australia. (2020). *Royal commission into national natural disaster arrangements report*, Sections 3.113 and 3.114.

than 240 inquiries had been undertaken in relation to natural disasters in Australia and that several recommendations made by these historical inquiries had not been implemented. As such, the report identified that progress on implementing recommendations from the Bushfire Royal Commission should be monitored and communicated nationally.

The Queensland Government's response to the Bushfire Royal Commission was tabled by the Premier and Minister for Trade in Parliamentary Estimates Hearings on 16 July 2021.⁷⁸ The Queensland Government supported, or supported in principle, all recommendations either directed at State and Territory governments or requiring involvement from State and Territory governments - except for recommendation 21.2 (a single national approach to fundraising laws). The recommendations supported by the Queensland Government included having a structured process to regularly assess the capacity and capability requirements of fire and emergency services, considering both current and future natural disaster risk.

The Bushfire Royal Commission recommended a range of functions in its final report that States and Territories should consider when establishing an IGEM in their jurisdiction. Most of these functions are within the responsibilities of Queensland's IGEM as per Section 16 of the *Disaster Management Act 2003*. However, some functions which are not covered by this legislation were not supported by QFES for inclusion into the Act. These include tracking and reporting on the extent to which the State Government has implemented recommendations, accepted by the Government, or made by previous inquiries into climate adaptation, natural hazard resilience, natural disasters, and disaster risk reduction. KPMG understands that IGEM offered to monitor, evaluate, and report to Government on the status of all recommendations made by the Bushfire Royal Commission and accepted by the Queensland Government, however this was not supported by QFES.

The Queensland Government has indicated that implementation of the Bushfire Royal Commission's recommendations is still progressing, with 11 recommendations considered to be delivered (as at 30 June 2020). Several of these recommendations reinforce previous findings and recommendations of reviews. In 2020, the Queensland Government – through IGEM – established a Monitoring, Evaluation and Reporting Program (MER Program), to monitor, evaluate and report on its review recommendations. As at 30 June 2021, the MER Program was monitoring six IGEM reviews, totalling 110 recommendations (60 of which are still outstanding, and not all of which relate to bushfires):

- 2020–21 K'gari (Fraser Island) Bushfire Review;
- 2019–20 Paradise Dam Preparedness Review;
- 2018–19 Monsoon Trough Review;
- 2018–19 Queensland Bushfires Review;
- 2018–19 Efficacy of Recovery Governance Review; and
- 2017–18 Cyclone Debbie Review.

QFES has sole lead agency responsibility for 20 of the 60 outstanding recommendations (13 of these stemming from the K'gari Review), and co-lead responsibility for a further 14 outstanding recommendations (six of these pertaining to the K'gari Review). It is noted the progression of particular recommendations is contingent upon QFES undertaking State level doctrine reviews, such as:

- Reviewing the PRR Guideline will progress seven recommendations. It is noted QFES has responsibility for reviewing the Guideline as per the State Disaster Management Plan and *Disaster Management Act 2003*, though KPMG understands the Guideline has not been fully reviewed since January 2018. Advice has been provided by QFES that maintenance of the Guideline occurs on an on-going basis, and that a full review is planned to address recommendations arising subsequent to the K'gari fire and earlier matters;
- Reviewing the State Disaster Management Plan will progress six recommendations;

⁷⁸ Queensland Government. (2020). *Royal commission into national natural disaster arrangements – Queensland Government response*.

- Reviewing the Queensland Bushfire Plan will progress six recommendations;
- Reviewing the State Disaster Risk Assessment will progress one recommendation; and
- Incorporating the Queensland Offers of Assistance Policy into the PPRR Guideline will progress two recommendations from the Monsoon Trough Review and the Efficacy of Recovery Governance Review. It is noted these recommendations were initially made in the Cyclone Debbie Review, although were superseded by the further reviews. The policy provides advice on the appropriate management of donations and volunteers.

A single reason for the lack of progress in relation to the 34 outstanding recommendations for which QFES has responsibility to either lead or co-lead is difficult to establish, and the Review has not sought to apportion blame or find fault as to the progress of the recommendations. However, the breadth of activities covered by the various recommendations (relating to flooding, bushfires, tropical cyclones, and governance activities) clearly makes the task of coordinating elements to address the recommendations – despite Queensland’s ‘all hazards’ approach to disaster management – more difficult, with various parties being involved (and having different levels of input and influence), increased complexity required in approval processes and a need to prioritise competing demands and priorities that extend beyond agency remits.

In light of the increasing risk, breadth, and significance of these various items, and noting the clear emphasis of structural fire, rescue, and bushfire events demonstrated through QFES’ funding prioritisation - as well as the significance of the devastating impacts resulting from recent fire seasons in New South Wales, Victoria, Queensland, and other international jurisdictions - there appears to be a need to create an organisational focus on those elements that are best aligned to QFES’ ‘core’ activities; with a view to empowering other agencies to ‘share the load’ associated with key improvement initiatives. In that regard, the Review believes it is imperative that, strategically, QFES re-double its efforts in relation to fire/bushfire preparedness.

3.1.2 Climate change and incidence of natural disasters

The IPCC Sixth Assessment Report was released in August 2021, and canvasses current and future natural disaster risk. It indicates that climate change is affecting every continent and region, along with every facet of the weather, and that its impacts are no longer avoidable. It is envisaged the impacts of climate change will exacerbate the demand for fire and emergency services globally.

The report modelled five distinct scenarios and found that future temperature rises are assured, and the only available course of action will be mitigation to avoid its worse effects. Human influence has warmed the climate at an unprecedented rate over the last 2,000 years, with surface temperatures being 1.09°C higher in 2011–2020 than 1850–1900. Simulations indicate that the 1.5°C mark may be exceeded between 2025 and 2037, causing further implications in terms of extreme weather events.

The following findings were made in relation to Australia:

- Relative sea level rose at a rate higher than the global average in recent decades and sandy shorelines have retreated. The relative sea level rise is projected to continue in the 21st century and beyond, contributing to increased coastal flooding and shoreline retreat along sandy coasts throughout Australia (high confidence).
- The frequency of extreme fire weather days has increased, and the fire season has become longer since 1950 (medium confidence). The intensity, frequency and duration of fire weather events are projected to increase throughout Australia (high confidence).
- Heavy rainfall and river floods are projected to increase in Central Queensland (medium confidence).
- An increase in marine heatwaves and ocean acidity has been observed and is projected to continue (high confidence). Further, enhanced warming in the East Australian Current region of the Tasman Sea has been observed and is projected to continue (very high confidence).
- Sandstorms and dust storms are projected to increase throughout Australia (medium confidence).
- Cyclone frequency is projected to decrease, though the proportion of severe cyclones in Northern Queensland is expected to increase (medium confidence).

- The mean cool season rainfall is project to decrease, however more extreme rainfall events in eastern parts of Queensland are expected (medium confidence).
- Agricultural and ecological droughts are projected to increase at 2°C global warming and greater for eastern parts of Queensland (medium confidence).

The findings of the IPCC support conclusions made by the Commonwealth Scientific and Industrial Research Organisation’s Climate and Disaster Resilience Technical Report, that “*Climate and disaster risks are growing across Australia. This is due to intensifying natural hazards under a changing climate and increasing exposure and vulnerability of people, assets, and socio-economic activities in expanding hazard areas*”.⁷⁹

In March 2021, KPMG issued an analysis of the economic and social costs of natural disasters in collaboration with QFES. The report found that over the past 20 years, Queensland recorded the highest aggregate value of natural disaster related insurance losses nationally and experienced the most expensive natural disasters in the country, when compared to all other States and Territories. Three scenarios regarding future natural disasters in Queensland were modelled and the following findings were made:

- Relative to the past two decades, the average annual economic cost of natural disasters over the period 2021-2040 will increase by \$6.25b (250%), assuming the frequency and severity of future natural disasters remains similar to that of the last 20 years;
- Relative to the past two decades, the average annual economic cost of natural disasters over the period 2021-2040 will increase by \$6.95b (280%), assuming the severity of future natural disasters is about 10% greater than was the case in the last 20 years; and
- Relative to the past two decades, the average annual economic cost of natural disasters over the period 2021-2040 will increase by \$7.98b (320%), assuming the severity of future natural disasters is about 25% greater than was the case in the last 20 years.

Over a longer period of analysis, it is clear the impact of emergencies and disasters on Queensland communities is also intensifying. Queensland is the second most prone region in Australia to catastrophic natural disasters, with the most dispersed population of all Australian jurisdictions. Since records began in 1967, the Insurance Council of Australia (ICA) has recorded 72 catastrophic natural disasters affecting Queensland with an insurance loss value per event greater than \$10m (at an average of 1.4 per annum).

Queensland has been affected by close to one-third of all catastrophic disasters captured by ICA since that year, at a rate which has been increasing over time. According to ICA data collected between 1967-2019, the type of natural disasters that have impacted Queensland, in order of frequency, are: cyclone (44% of all disasters; \$6.8b in total insured damages); flood (23% of all disasters; \$6.1b in total insured damages); severe storm (14% of all disasters, \$1.4b in total insured damages); hail (12% of all disasters, \$2.8b in total insured damages); bushfire (2% of all disasters, \$0.2b in total insured damages); tornado; and earthquake.^{80,81}

These findings, in conjunction with the observations collated in the IPCC report, reflect the likely increased need for fire and emergency services in Queensland to mitigate the costs associated with the projected rise in frequent and severe natural disasters across the State. To that end, the efficiency and sustainability of the current approach demonstrated by the QFES structural arrangements – with a broad remit across the extensive range of functions relating to DM, urban and rural fire, technical rescue, MR, SES, and other activities – is at best questionable based on the prevailing challenges. Coupled with the uncertainty and lack of clarity that is demonstrated – particularly at an operational level – by stakeholder feedback in relation to disaster management arrangements, the Review believes that better alignment of leadership of the State’s DM function, as well as a more effective and sustainable arrangement supporting SES activities, could be achieved through the re-alignment of these functions.

⁷⁹ CSIRO. (2020). *Climate and disaster resilience technical report*.

⁸⁰ The ICA database includes natural disaster events including bushfire, cyclones, hail, flood, earthquakes, and severe storms. While it is the most comprehensive source of data on disaster losses in Australia, it is not a comprehensive database of all disaster events. It excludes some disaster types (e.g., heatwaves) and has a focus on insured losses.

⁸¹ Total insured damages are recorded in 2020 AUD\$ (e.g., adjusted for inflation).

3.1.3 From reaction to prevention – the changing nature of work

Fire and rescue authorities across the globe have been increasingly transforming their strategy and focus from reaction to prevention. Underpinning the shift away from reactive firefighting towards proactive activities such as completing fire safety checks and installing smoke alarms, is the notion that the most effective way to save lives is to prevent fires and other emergency incidents from occurring.

The implementation of more preventative focused strategies has been correlated with improved performance outcomes across numerous jurisdictions.

An analysis into the effectiveness of fire prevention within a Fire and Rescue Service in north west England found that over the 10-year period studied (2006 – 2016), the fire and rescue service spend per head of population on fire prevention appeared to have been effective in reducing the number of fire instances.⁸² Another review into this same service found that the innovative focus on prevention led to a 39% reduction in the number of accidental fires in the home.⁸³ The relationship between increased fire prevention activities – such as ongoing community education and outreach programs – and the reduced frequency of fire incidents, has also been canvassed in other academic reports.⁸⁴ It has been estimated that every dollar invested in prevention returns between \$2 to \$8 in terms of avoidable losses resulting from disasters.⁸⁵

Whilst fire and rescue authorities play a pivotal role in fire protection and preparedness activities, they must transform again to reflect the new era of risk and demand.

The challenge in a QFES environment is a combination of competing priorities, differing service arrangements, and historic base from which the organisation has evolved. As indicated in Section 2.6 – QFES financial performance and position (within the overview and forecast subsections) and further in the financial analysis section hereafter (Section 3.2.1), Queensland's FRS – with a traditional response focus – receives around 83% of the total funding of QFES in its entirety. As noted by stakeholders, the 'response' elements of QFES' activities are considered nation, if not world, leading. However, stakeholders almost universally also indicated the view that prevention, preparedness, and recovery activities were either being prioritised to, or performed at, a lesser standard by QFES.

As noted in Section 3.2.3, the time of FRS staff is estimated to be split approximately 20% on reactive (or response) activities and 80% on non-reactive functions. Notwithstanding further analysis demonstrated in Section 3.2.3 showcasing potential latency capacity within an element (at least) of QFES' operation, the overarching data available to this Review would suggest that Queensland, like other jurisdictions, has started a shift in the operational activities being performed by professional firefighters in their day-to-day functions. This has not yet impacted on stakeholders' perceptions.

What should not be confused is the relationship between an organisational structure that brings broad functions together and the effectiveness of the PPRR framework. There is no evidence that has been presented to the Review that would suggest that the kind of change demonstrated by FRS is a result of the service sitting within a QFES environment (i.e., driven because of cross-connectivity between other services such as the SES or MR). To the contrary, as previously noted, most stakeholders have lamented the fact that silos continue to exist. While it is acknowledged that a lack of data relating to utilisation/work time analysis of services other than FRS makes a definitive assessment difficult, the evidence presented by the FRS arrangements would appear to indicate that a broader remit of activities has been achieved, irrespective of the overarching organisational arrangements. As such, the case for an integrated approach – at least in its broadest sense – is difficult to sustain based on the transition from a 'response-led' approach to more proactive fire and emergency services activities.

⁸² Taylor, M., Appleton, D., Keen, G., & Fielding, J. (2019). Assessing the effectiveness of fire prevention strategies. *Public Money & Management*, 39(6), 418-427.

⁸³ Audit Commission. (2005). *Fire and rescue comprehensive performance assessment, Merseyside fire service*.

⁸⁴ Clare, J., Garis, L., Plecas, D., & Jennings, C. (2012). Reduced frequency and severity of residential fires following delivery of fire prevention education by on-duty fire fighters: Cluster randomized controlled study. *Journal of Safety Research*, 43(2), 123-128.

⁸⁵ QFES. (2021). *QFES independent review strategic direction*.

In no way, however, should the significance of that transition be downplayed. As extensively noted by public commentary, and most recently comprehensively outlined in the IPCC report, greater emphasis will be required on preventing and responding to the increased demand for services stemming from natural disasters including extreme and frequent fire weather events. This focus may see a shift away from the historically concentrated efforts of fire and rescue services in urban areas, towards increased activity in regions and rural areas.

There has been global commentary made that the number of deaths resulting from accidental dwelling fires has decreased over time and can be attributed to the cumulative effect of building and furniture regulations, societal changes, technological improvements, the increase in smoke alarm ownership, and the fire prevention and protection work carried out by fire and rescue authorities.^{86,87} In Queensland, the CAGR of accidental residential structure fires reported (per 100,000 households) from FY14 to FY20 was 4%.^{88,89} However, the severity and frequency of recent natural disasters, including the 2019-20 Black Summer bushfire, has been unprecedented and these events are predicted to rapidly intensify in the future.⁹⁰

Furthermore, fire and emergency services are evolving from agencies focused on executing response-based activities, to organisations aiming to reduce disaster risk and enabling resilient communities. Globally, services are making efforts to achieve these priorities through building the knowledge, skills, and capabilities of communities to mitigate the risk associated with local hazards and effectively recover from disasters. Frameworks and strategies such as the *Sendai Framework for Disaster Risk Reduction 2015-2030* (Sendai Framework) have driven the recognition that creating resilient communities is a key disaster management tactic.⁹¹

3.1.4 Risk weighted and data driven approaches to planning and deploying resources

The Bushfire Royal Commission identified the need for decision making to be underpinned by data and information that contributes to an understanding of disaster risk. It further indicated that collaborative planning is an essential element of preparation and response. Fire and rescue authorities must adopt a data driven and risk-based approach to deploying resources and managing critical infrastructure such as stations, fleet, and crewing, to deliver better value for money services for their communities.

To match resources to risk, authorities need an understanding of the differing levels of risks and needs of the jurisdiction they service. New electronic technologies and the increasing availability of comprehensive data sets will create future opportunities and possibilities for fire and rescue services to prepare for and respond to natural disasters. The below details examples of the ways in which fire and rescue authorities are capitalising on data and technology to manage and deploy their resources - in turn reducing risk, increasing efficiency, and driving better outcomes.

- A metropolitan authority in England applied a data-driven approach to calculating risk, balancing their areas' number of recent incidents against their risk factors and the amount of prevention and protection work they delivered. This enabled them to prioritise areas for prevention and fire safety audit work; compare stations and areas objectively with elected members; and support the planning of new stations as well as the merged activity of two less busy stations.⁹²
- NSW FRS is currently working with an enterprise software agency to develop a new information management system that provides accurate and real-time access to data about its volunteers' capabilities, enabling the service to make more effective decisions around staff deployment.

⁸⁶ Knight, K. (2013). *Facing the future: Findings from the review of efficiencies and operations in fire and rescue in England*.

⁸⁷ Ahrens, M., & Maheshwari, R. (2020). Home Structure Fires. *National Fire Protection Association*.

⁸⁸ QFES. (2014). *Annual report 2013-2014*.

⁸⁹ QFES. (2020). *Annual report 2019-2020*.

⁹⁰ Abram, N., Henley, B., Gupta, S., Lippmann, T., Clarke, H., Dowdy, A., ... Boer, M. (2021). Connections of climate change and variability to large and extreme forest fires in southeast Australia. *Communications Earth & Environment*, 8(2), 1-17.

⁹¹ United Nations Office for Disaster Risk Reduction. (2015). *Sendai Framework for Disaster Risk Reduction 2015-2030*.

⁹² Knight, K. (2013). *Facing the future: Findings from the review of efficiencies and operations in fire and rescue in England*.

- A rural authority in the United Kingdom used detailed risk analysis to show that moving two stations to new locations would enable a further 13,900 people to be covered in their 10-minute emergency standard.⁹³
- Operational data was integrated within a tailored assessment tool to demonstrate that crewing pattern alterations could be made to better match the demand of the United Kingdom Fire and Rescue Service.⁹⁴

Further to the above, smart cities, smart buildings, biometrics, artificial intelligence, predictive analytics, and real-time streaming insights into data will likely create future opportunities for the improved efficiency and effectiveness of fire and rescue authorities. In addition to helping services with service planning, artificial intelligence solutions such as computer vision, machine learning, and deep learning can support frontline workers across fire and rescue services to make more informed decisions when responding to incidents.

While QFES was able to demonstrate elements of initial progress in relation to the use of data and risk-based frameworks for the conduct of service needs analysis, forward operational planning and immediate response activities, there was no explanation presented to the Review as to why it has taken seven to eight years for what should be considered contemporary practice to be initiated. The sustainability of an organisation that necessitates that long of a period of time to progress important aspects of its strategic and operational priorities must be questioned.

3.1.5 Addressing latent capacity and moving to a more flexible workforce

The traditional model of crewing fire stations 24 hours a day is beginning to shift towards more flexible workforce models, adapting to contemporary requirements where the operational utilisation rates of modern fire and rescue services are generally low. Across the globe, authorities have adopted various approaches including seasonal crewing during holiday periods; implementing shift swapping systems whereby staff are encouraged to voluntarily work shifts where there are staffing deficiencies and take time off when there is surplus staffing; and introducing a resource pool of staff who are called upon at short notice to respond to staffing issues as these arise and work flexibly to cover sickness, training, and annual leave. Innovative solutions to staffing arrangements can generate significant cost savings for fire and rescue services, although these should be based on business cases and risk assessments, incorporating input from employer and employee representative bodies as well as Health and Safety Executives.

The current operational design and delivery of fire and rescue services has been likened to an insurance policy, as there needs to be an ongoing level of capability available to respond in the event of fires and natural disasters. This inevitably results in latent capacity, which is a key feature of fire and emergency services across the world. Many international authorities have addressed latent capacity directly by reducing staffing, whereas others have focused on making it more productive by adding value to broader remits (extended activities across the equivalent of Queensland's PPRR framework) or other sectors, including ambulance services, social care, and youth services.⁹⁵ Regarding the latter, reviews have suggested that authorities consider the extent to which such approaches are being used to maintain existing levels of latent capacity, as opposed to making the most productive use of the latent capacity they had to maintain.⁹⁶

A key advantage of making use of latent capacity is that this minimises the time the system spends in a disrupted state and enables resources to be quickly reassigned to handle an event and ultimately save lives.⁹⁷ The predicted change in weather conditions is likely to create a continued need for a sophisticated and well-resourced fire and emergency response that can be rapidly deployed.

⁹³ Knight, K. (2013). *Facing the future: Findings from the review of efficiencies and operations in fire and rescue in England*.

⁹⁴ Maher, K., Bateman, N., & Randall, R. (2019). Fire and rescue operational effectiveness: The effect of alternative crewing patterns. *Production Planning and Control*, 31(14). doi:10.1080/09537287.2019.1701232

⁹⁵ National Audit Office. (2015). *Financial sustainability of fire and rescue services*.

⁹⁶ Knight, K. (2013). *Facing the future: Findings from the review of efficiencies and operations in fire and rescue in England*.

⁹⁷ Petterson, S., Agis, J., Rehn, C., Asbjornslett, B., Brett, P., & Erikstad, S. (2020). Latent capabilities in support of maritime emergency response. *Maritime Policy & Management*, 47(4), 479-499.

Therefore, some level of latent capacity will be required, but how this latent capacity is utilised is a challenge to ensuring the financial sustainability of fire and rescue authorities.

In Queensland, the auxiliary workforce is particularly well placed to provide additional levels of flexibility within the fire and emergency services environment. As previously noted in the Review, there is a total of 244 FRS stations, of which 159 are staffed by auxiliaries and 13 are composite.⁹⁸ Auxiliary crews are made up of casual, station-based firefighters who are on call to respond to emergency incidents when the demand arises. Their key role is to provide support where necessary and participate in ongoing training and maintenance programs to continually acquire relevant skills and ensure they meet turnout response times. In terms of headcount, there are over 1,900 auxiliary firefighters and 33 auxiliary support officers.⁹⁹ Due to the on-call nature of auxiliary firefighters, they are calculated as 0.1 of an FTE for the purposes of resource planning, in-line with the Queensland Government's MOHRI framework. They provide a service that flexes to meet the demand. Increasing the capability and capacity of the auxiliary workforce would provide QFES increased flexibility across its workforce, which would improve both the efficiency and sustainability of operations of the organisation.

3.2 Financial and operational analysis

3.2.1 Service analysis (QFES functions and volunteer entities)

QFES currently has four services, comprising FRS, RFS, SES and DM. QFES also administers and oversees grants to associated volunteer entities comprising AVCGA, VMRAQ, SLSQ, RLSSQ and PCYC. The first four of these entities (AVCGA, VMRAQ, SLSQ and RLSSQ) form the MR service for the purposes of the service analysis, with the grant to PCYC (~\$0.4m in total per annum) allocated across SES and RFS. A breakdown of the direct and non-direct costs is detailed in the table below.

Table 3-1: Breakdown summary of QFES' direct and non-direct costs

QFES direct and non-direct costs	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Direct costs							
FRS	\$320m	\$326m	\$331m	\$336m	\$361m	\$419m	\$410m
RFS	\$24m	\$27m	\$30m	\$27m	\$30m	\$32m	\$40m
SES	\$14m	\$15m	\$16m	\$15m	\$16m	\$18m	\$18m
DM	\$9m	\$10m	\$10m	\$12m	\$20m	\$21m	\$24m
MR (AVCGA, VMRAQ, SLSQ & RLSSQ)	\$9m	\$9m	\$9m	\$9m	\$9m	\$11m	\$13m
TOTAL Direct costs	\$375m	\$386m	\$396m	\$399m	\$436m	\$501m	\$504m
Non-Direct costs							
Corporate services (PSBA/QSS fees), audit fees, services below FV & other	\$164m	\$147m	\$113m	\$160m	\$136m	\$123m	\$93m
Strategy costs, incl strategic services, strategy branches & other strategy	\$32m	\$37m	\$56m	\$68m	\$88m	\$93m	\$79m
Depreciation & amortisation	\$5m	\$5m	\$5m	\$5m	\$5m	\$7m	\$37m
Training	\$16m	\$16m	\$29m	\$22m	\$25m	\$29m	\$25m
Fleet Management	\$7m	\$9m	\$7m	\$8m	\$9m	\$9m	\$19m
Uniforms and Logistics	\$11m	\$20m	\$15m	\$5m	\$11m	\$14m	\$14m
EML and Contributions (budget)	\$6m	\$7m	\$7m	\$7m	\$7m	\$7m	\$7m
Office of the Commission, DC and AC's	\$5m	\$6m	\$7m	\$5m	\$5m	\$7m	\$5m

⁹⁸ QFES. (2021). *QFES independent review context*.

⁹⁹ QFES. (2021). *QFES independent review context*.

QFES direct and non-direct costs	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Community capability, volunteerism, resilience and risk mitigation	\$2m	\$3m	\$3m	\$3m	\$3m	\$3m	\$3m
COVID-19 response	-	-	-	-	-	\$25m	\$180m
Total Non-Direct costs	\$250m	\$249m	\$242m	\$284m	\$289m	\$318m	\$460m
Total Direct & Non-Direct Costs	\$625m	\$635m	\$637m	\$682m	\$725m	\$818m	\$964m
Total excl. COVID-19 expenses	\$625m	\$635m	\$637m	\$682m	\$725m	\$793m	\$785m

Source: QFES management accounts

To obtain the indicative standalone costs of each service, it is necessary to apportion the non-direct costs to the relevant service. To achieve this, the QFES finance team applied a methodology to allocate QFES' non-direct costs, including corporate overheads, to each service (inclusive of FRS, RFS, SES, DM, and MR). KPMG has not undertaken a review of the methodology but has sought to understand and replicate the approach as part of our analysis.

The allocation was based on a cost driver analysis of 289 different cost categories. The drivers comprise direct allocation to one of the services based on FTEs, volunteers, or a manual split across various services where applicable. It is important to note the QFES methodology used has been developed solely for the purposes of the analysis required as part of the Review. It is not a 'formally endorsed' cost allocation approach used by QFES and may not form the basis of any subsequent allocation of corporate/non-direct costs in the event that services were to be relocated to other agencies within government.

A summary of the allocation of non-direct costs to each service is detailed in the table below.

Table 3-2: Allocation of QFES' non-direct costs to each service line

Allocation of QFES' non-direct costs by service	FY15	FY16	FY17	FY18	FY19	FY20	FY21
FRS	\$221m	\$218m	\$208m	\$248m	\$250m	\$249m	\$238m
RFS	\$12m	\$12m	\$14m	\$15m	\$17m	\$18m	\$17m
SES	\$12m	\$13m	\$12m	\$13m	\$14m	\$16m	\$15m
DM	\$5m	\$6m	\$8m	\$7m	\$8m	\$7m	\$8m
MR + associated volunteer entities	-	-	-	-	-	-	-
COVID-19 response	-	-	-	-	-	\$27m	\$183m
Total Non-Direct costs	\$250m	\$249m	\$242m	\$284m	\$289m	\$318m	\$460m

Source: QFES finance team

The above allocations result in the following percentage splits across each service.

Table 3-3: Split of non-direct costs by service (excluding COVID-19 response)

Split of non-direct costs by service (excluding COVID response)	FY15	FY16	FY17	FY18	FY19	FY20	FY21
FRS	88%	88%	86%	87%	87%	85%	86%
RFS	5%	5%	6%	5%	6%	6%	6%
SES	5%	5%	5%	5%	5%	6%	5%
DM	2%	2%	3%	3%	3%	3%	3%
MR + associated volunteer entities	<1%	<1%	<1%	<1%	<1%	<1%	<1%
Total Non-Direct costs (excl. COVID)	100%	100%	100%	100%	100%	100%	100%

Utilising the above allocations of non-direct costs per service, we obtain the following total costs per service and splits of total operational expenditure across services.

Table 3-4: Total cost per service and split of operational expenditure by service

QFES' Opex by Service	FY15	FY16	FY17	FY18	FY19	FY20	FY21
FRS	\$540m	\$544m	\$539m	\$584m	\$611m	\$668m	\$648m
RFS	\$35m	\$39m	\$43m	\$42m	\$47m	\$50m	\$56m
SES	\$26m	\$27m	\$28m	\$28m	\$30m	\$34m	\$33m
DM	\$15m	\$16m	\$18m	\$19m	\$28m	\$28m	\$32m
MR + associated volunteer entities	\$9m	\$9m	\$9m	\$9m	\$9m	\$11m	\$12m
Total excl. COVID-19 expenses	\$625m	\$635m	\$637m	\$682m	\$725m	\$792m	\$781m
COVID-19 expenses*	-	-	-	-	-	\$27m	\$183m
Total Operational expenditure (incl. COVID-19 expenses)	\$625m	\$635m	\$637m	\$682m	\$725m	\$818m	\$964m
Split of Operational expenditure by Service	FY15	FY16	FY17	FY18	FY19	FY20	FY21
FRS	86.5%	85.7%	84.5%	85.6%	84.3%	84.4%	82.9%
RFS	5.6%	6.1%	6.8%	6.2%	6.4%	6.3%	7.2%
SES	4.2%	4.3%	4.5%	4.1%	4.1%	4.4%	4.2%
DM	2.3%	2.5%	2.8%	2.9%	3.8%	3.6%	4.1%
MR + associated volunteer entities	1.4%	1.3%	1.4%	1.3%	1.3%	1.4%	1.6%
Total split (excl. COVID-19 expenses)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: QFES finance team overhead allocations on total expenses as per QFES' management accounts from FY15 to FY21. Total operational expenditure from the management accounts are within 0.01% of total operational expenditure as reported in QFES' Financial Statements for the same periods, noting QFES' Financial Statements for FY21 are draft only and subject to final reviews and audit.

* The management accounts show COVID-19 expenses slightly higher compared to the Financial Statements by ~\$1.8m in FY20 and ~\$3.7m in FY21.

Using the QFES cost allocation methodology, FRS represents ~83% or more of QFES' total operating costs since FY15 (peak of 86.5%), excluding COVID-19 expenses. The remaining operating costs are split amongst RFS (7.2%), SES (4.2%), DM (4.1%), and MR (1.6%) in FY21.

As noted previously, historically, QFES' operating costs have been increasing at an average rate of ~4% over the period FY15 to FY21, excluding the impacts of COVID-19. At a service level, this is largely driven by a 3.2% per annum growth in FRS which represents most operating costs. However, the operating costs for each of the remaining four services have been growing above 4.0% per annum, the most notable being DM with average growth of 14.6% per annum since FY15.

Further, the above split of operational expenditure for RFS and SES does not include the third-party funding and associated expenses. This comprises any RFS Levy, community donations and/or other forms of third-party funding, including local government shared contributions for SES.

3.2.2 Revenue and expenses (including Government commitments)

QFES revenue

QFES derives ~87% (FY21) of its current funding from the EML (including the State's 1/7th EML contribution) and user charges. These revenue sources are relatively consistent with annual increases to the underlying rates of the EML and the user charges tied to government indexation policy and therefore movements in the Consumer Price Index (CPI). Given the above, QFES' funding is largely capped to cover current business-as-usual activities, unless QFES is able to obtain additional funding from existing or alternative sources.

QFES states that the current low CPI environment is directly impacting the organisation's revenue growth, resulting in a revenue gap when compared to forward projections. QFES highlights that employee expenses as per QFES' enterprise agreements (QFES' largest operating expense) are increasing at a greater rate than EML growth. QFES expects salaries to increase by 2.5% per annum which may result in an additional \$5m per annum funding gap to QFES from FY22 onwards.

In respect of the EML, QFES notes that it was not aligned to the current and broader nature of services provided by QFES, including the provision of DM services.

In addition, further funding gaps arise when QFES builds or modifies a station. This is due to the lag between land purchase, capital build, staffing and application of boundary changes (from 1 July each year subject to consultation). QFES has indicated the levy increases from boundary changes rarely generate sufficient revenue to cover the cost of the additional service, although KPMG has been unable to test that advice as part of the Review.

In respect of user charges, approximately 25% are generated from false alarm attendance charges. As noted in Section 3.2.3, these charges are discretionary and are typically issued for multiple false alarms or reckless or negligent behaviour. An opportunity exists to include a service fee for all false alarms to both increase revenue sources and to further encourage building owners or occupiers to be continually proactive in managing fire alarm systems.

It is clear there are a range of issues that relate to the EML, which include:

- The EML is exposed to property market volatility;
- Funding is not keeping pace with the rise in employee expenses, including salaries, overtime, workers' compensation premiums, staff uniforms and protective equipment;
- Funding is not keeping pace with the rise in supplies and services, including equipment maintenance and repairs, operating leases, communications expenses, aircraft related costs and travel and accommodation;
- There is potential loss of EML revenue due to classification changes; and
- Lack of clarity over what the 1/7th State EML contribution includes as it has been based on an approximation of what was provided under previous schemes, as opposed to being linked to a property-based calculation.

External revenue sources

Certain RFS brigades and SES units receive funding from local governments and the community through levies, donations and contributed local government funding to the SES. There is a lack of transparency within QFES regarding the quantum and distribution of these external funding sources which leads to an inequitable distribution of resources within these services.

This lack of transparency complicates future decision making and negotiations if determining any funding uplifts to such services where local governments are also co-contributing, either directly or indirectly via an existing levy.

A desktop analysis identified 29 local governments which collect an RFS Levy in addition to the EML totalling ~\$6m. This indicative information was sourced from either disclosure in local governments' financial reporting (where available) or directly from RFS where it was known. However, given there is

no universal approach to capturing nor reporting this data, it is not possible to verify the total quantum of the amounts that may be involved. At the very least, QFES requires transparency over these funding sources to allow for such information to be factored into decision-making. This is both a key efficiency and sustainability issue which would support the organisation's ability to at least plan holistically from a budget perspective.

More broadly, as part of the legislative review activities recommended as part of this Review, it would be appropriate for the Queensland Government to enter into discussions with local governments in relation to the establishment of clearer, more transparent disclosure (and potentially agreed funding arrangements) in relation to current 'shared' responsibilities, such as those of the SES.

Government commitment – Additional 357 firefighters

As noted in Section 1.3, in October 2020, the Queensland Government committed to providing an additional 357 firefighters over the next five years.

QFES has estimated this commitment will commence from FY21 and grow over an implementation period of five years resulting in recurring operational expenditure commitments of \$61.3m per annum from FY26 onwards. The recurring forecast costs include labour costs (\$47.1m), supplies and services (\$12.2m), fleet costs (\$1.8m) and depreciation charge (\$0.2m), when the full cohort of the 357 new firefighters are employed.

Government commitment – Single Marine Rescue Service

As noted in Section 1.3, in October 2020, the Palaszczuk Government committed to a \$35.38m investment for replacement vessels and the establishment of an integrated marine rescue service. This will deliver a single, state-wide marine search and rescue service which can coordinate with other agencies as required.

Preliminary reviews into the recurring costs of the integrated MR service suggests QFES will require additional funding of at least \$10m per annum. These costs are to be confirmed. QFES will also incur initial integration costs and potential acquisition costs of the vessels from AVCGA and VMRAQ. These costs are material but yet to be confirmed.

QFES will face funding pressure for the additional operating costs likely required to operate the single MR service. The operating expenses alone are preliminarily estimated at over \$10m per annum, plus initial acquisition and integration costs, and recurring vessel management and replacement costs. The costs are to be confirmed from the current Blue Water Review.

3.2.3 Incidents and utilisation

Incidents (FRS and RFS)

The total number of FRS and RFS incidents to which QFES has responded has remained relatively consistent since FY14, at approximately 71,000 per annum, despite an average increase in QFES' operating expenses of ~4% per annum. Relative to population growth in Queensland, this has resulted in a reduction in the incident rate per person from 1.51% to 1.35% over the period FY14 to FY21.

A summary of the incidents to which QFES responded is detailed in the table below. The table also includes the total number of responses (as distinct to incidents). The incidents figure relates specifically to the number of events responded to, whereas the responses figure shows the number of appliances that FRS and RFS sent in response to the total number of incidents.

Table 3-5: Number of incidents responded to by QFES (FRS and RFS)

No. incidents responded to	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
System initiated false alarms	17,438	18,488	17,631	18,156	17,659	17,521	16,535	16,728
Mobile property crashes	14,460	14,546	14,397	14,346	14,270	14,348	13,530	15,315
Other false and good intent calls	5,349	5,638	5,848	6,600	6,958	7,602	8,396	7,587
Assist other agencies	2,551	3,132	3,449	3,608	4,230	4,676	5,170	6,241
Landscape fires	11,097	10,038	9,227	8,735	8,382	10,351	8,998	5,929

Other incidents	4,521	4,378	4,356	4,064	3,933	4,160	4,809	4,314
Hazardous conditions	3,652	3,737	3,546	3,673	3,535	3,376	3,238	3,040
Outside rubbish fires	3,394	3,047	3,004	3,019	3,013	3,274	4,217	3,010
Structure fires	2,713	2,712	2,770	2,641	2,612	2,628	2,656	2,503
Other rescue incident	1,452	1,649	1,639	1,821	1,817	1,804	1,772	1,909
Vehicle fires	2,158	1,972	1,973	2,025	2,202	2,119	2,134	1,858
Special structure fires	1,076	1,030	908	977	882	953	976	951
Storm or natural disaster	238	909	133	741	296	500	132	178
Outside storage fires	216	188	157	154	162	167	176	115
Other fires and explosions	84	115	97	92	79	98	94	88
Swift water rescue	34	146	25	88	58	54	80	45
Explosions	57	49	52	50	47	48	42	40
Other water related rescue	27	65	40	29	39	45	49	40
TOTAL no. incidents	70,517	71,839	69,252	70,819	70,174	73,724	73,004	69,891
TOTAL no. responses	130,166	132,606	126,666	128,224	125,291	142,712	140,173	126,185

Source: QFES

A summary of the incidents by vehicle hours is detailed in the table below.

Table 3-6: Number of vehicle hours spent on incidents (FRS and RFS)

Vehicle hours spent on incidents	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Landscape fires	88,195	59,528	60,147	71,040	44,601	141,997	116,729	45,495
Mobile property crashes	14,567	14,133	13,549	13,376	13,868	14,139	13,141	15,473
Structure fires	11,255	11,230	11,341	11,492	10,628	10,856	11,273	11,742
System initiated false alarms	10,125	11,005	10,408	10,672	10,573	10,733	10,229	10,501
Assist other agencies	2,404	3,889	3,094	4,551	3,750	5,422	4,831	5,161
Hazardous conditions	5,471	5,985	5,329	6,007	5,565	4,511	4,356	4,676
Other false and good intent calls	3,703	2,873	3,361	3,248	3,318	3,664	3,992	3,573
Other rescue incidents	1,466	1,746	2,065	2,243	2,332	2,445	2,650	2,799
Vehicle fires	3,215	2,869	2,827	2,867	3,066	3,424	3,780	2,785
Outside rubbish fires	2,991	2,823	2,304	2,382	2,230	2,525	2,848	2,536
Other incidents	3,082	5,172	3,345	3,535	2,781	2,927	4,769	2,359
Outside storage fires	732	563	543	505	492	1,316	557	1,639
Special structure fires	1,162	1,160	1,107	1,251	1,003	1,140	1,148	1,162
Storm or natural disaster	1,772	7,581	1,440	7,642	1,254	1,515	304	530
Swift water rescue	142	423	90	470	359	561	339	218
Other water related rescue	239	218	100	90	151	251	527	168
Explosions	150	181	135	47	315	72	73	69
Other fires and explosions	29	37	58	40	34	41	55	42
TOTAL no. vehicle hours	150,700	131,416	121,243	141,458	106,320	207,539	181,601	110,928

Source: QFES

From a service perspective, FRS responds to over 93% of total incidents as compared to 6.6% by RFS. However, from a vehicle utilisation perspective, FRS vehicle hours spent on incidents represents 62% of total hours as compared to 38% for RFS. The material increase in RFS appliance utilisation is largely driven by RFS vehicle hours spent on landscape fires (i.e., bushfires) which averages over 50% of total vehicle hours spent on incidents since FY14.

The above tables also show that, on average, over 33% of total incidents are in respect of 'system initiated false alarms' and 'false and good intent calls.' Further, these incident types consume, on average, over 10% of vehicle hours. It is noted that QFES generates user charges for responding to false alarms, with the fee being a discretionary charge (i.e., multiple false alarms or reckless or negligent behaviour) to encourage building owners or occupiers to be continually proactive in managing fire alarm systems. This Review has not included an analysis into the variable cost associated with responding to false alarms.

As previously noted, the trend in number of incidents and vehicle hours has remained relatively consistent over the period FY14 to FY21 for the majority of incident types. However, the following are notable exceptions:

- **Assisting other agencies** – number of incidents has **increased by 145%** from over 2,500 in FY14 to over 6,000 in FY21 and vehicle hours has increased by 115% over the same period; and
- **Other false and good intent calls** – number of incidents has **increased by 42%** from over 5,300 in FY14 to over 7,500 in FY21 whilst vehicle hours have remained stable at an average of 3,500 hours per annum.

The second largest demand on QFES' services is in respect of responding to motor property (vehicle) crashes. This incident type represents, on average, 20% of total incidents and consumes, on average, over 10% of vehicle hours.

From a fire incident perspective, exclusive of landscape fires (which fluctuate materially from a resourcing perspective), total fire related incidents average over 8,500 per annum, representing ~12% of total incidents and an average of 15% of total vehicle hours. These fire incident types comprise outside rubbish fires, structure fires, vehicle fires, special structure fires, outside storage fires and other fires and explosions.

Fire incidents have remained relatively consistent since FY14 despite increases in population and urbanisation. This may be due to a variety of factors such as improved education and awareness of fire risks, improved operating procedures and building design to cater for fire risks, including the uptake of portable fire extinguishers, increased use of smoke alarms and other factors.

The consistency of incidents, in particular fire related incidents, despite increases in population and urbanisation, may suggest that investment in prevention and preparedness activities is having an impact on the occurrence and severity of fire related incidents which therefore reduces the demand on fire response activities.

Utilisation of FRS

QFES primarily captures incident response utilisation data across its FRS stations and appliances, in-line with the measures selected and used by the Productivity Commission as part of its annual Report of Government Services (ROGS). A summary of QFES' utilisation of appliances within FRS stations is detailed in the table below. The analysis is done at a crew level to ensure stations with a different number of crews appliances are comparable. Incident utilisation is measured from dispatch time of the appliance to return service time.

Table 3-7: Incident utilisation across FRS stations

Station type	No. stations	Split of stations	Average Utilisation					5-year average utilisation
			FY17	FY18	FY19	FY20	FY21	
Permanent	71	30%	5.2%	5.1%	5.3%	5.5%	5.0%	5.2%
Composite	13	5%	3.4%	3.1%	4.5%	4.3%	3.8%	3.8%
Auxiliary	155	65%	1.1%	1.0%	1.4%	1.4%	1.0%	1.2%
WEIGHTED AVERAGE	n/a	n/a	2.4%	2.3%	2.7%	2.8%	2.3%	2.5%
Total Stations	239							
Avg incidents per day (FRS only)	183							
Avg incidents per station per day (FY21)	<1							

Source: QFES

The above statistics show FRS had an average of 183 incidents per day in FY21. When spread across 239 FRS stations, this equates to less than one incident per station per day, suggesting there is significant latent response capacity within FRS (noting the casual and on-call nature of the auxiliary workforce which is included in these figures).

The utilisation data above shows FRS spends a small percentage of capacity responding to incidents that impact, or may impact, the community. Further, utilisation rates have remained consistent over the last five years, which aligns to the consistent trend in total incidents/demand.

Permanent stations/crews are utilised at an average rate of 5.2% per annum, as compared to only 1.2% across auxiliary stations. The difference is understandable given that permanent stations are established where there is considered to be a greater demand/local community need for a full-time presence. The top 10 utilised stations have an average utilisation rate of 7% to 9%

The low incident response utilisation rates suggest there is significant latent response capacity for business-as-usual incidents across the current FRS permanent workforce. This is supported by the average number of business-as-usual incidents per station per day which is less than one.

To obtain an holistic view on utilisation, further analysis is required on non-incident utilisation across prevention, preparedness and recovery. Further, it should be noted that firefighters also have administrative obligations which need to be factored into utilisation calculations and determining any latent capacity.

Consideration also needs to be given to the appropriate level of business-as-usual resourcing to cover minimum demand requirements across PRRR, and potential utilisation of more flexible workforces to provide surge capacity in response to 'high demand' environments, such as responding to disasters.

In that regard, it appears that target response times are the primary driver for FRS resourcing allocations. It is noted that effectively all major comparison fire and emergency service jurisdictions in Australia have similar key community outcome statistics in respect of fire related deaths, hospitalisations and response times. These similar outcomes are consistently being delivered irrespective of differences in funding across jurisdictions and growth in operating expenses. This information is outlined further in Section 3.3.

Activity-based analysis of firefighters

This Review did not include a detailed activity-based analysis of firefighters' activities. However, a high level analysis was undertaken by KPMG in the 2016 QFES Fiscal Sustainability Review. The 2016 Review provided a high level overview of the activities conducted by FRS firefighters, which represents the majority of the paid workforce. The analysis was based on the time FRS firefighters recorded in QFES' Operations Management System (OMS) Database.

The analysis split the activities as 'Reactive' or 'Non-reactive' (i.e., incident response or non-incident response). At that point in time, Reactive activities represented 18% of total firefighter activities, whilst Non-reactive activities represented the remaining 82% of activities.

The Reactive activities were spread across responding to incidents as summarised under the incidents heading above (Section 3.2.3).

The non-reactive activities were spread across the following key activities:

- Training and competency acquisition (31%);
- Start of shift check (12%);
- Station maintenance; standard tests (7% each activity type);
- Employee wellness; inventory and equipment management; inspection; standby; area familiarisation; other activities (6% each activity type); and
- Public relations, exercises, station meetings, post-incident activities, appliance management, staff administration and community engagement (1% to 2% each activity type).

That review highlighted that training and competency acquisition activities exceeded the total time spent on reactive (incident response) activities by a factor of 1.4.

3.3 Benchmarking against other jurisdictions

3.3.1 Methodology

A benchmarking analysis has been conducted at a service level (FRS, RFS and SES) where possible, as well as at a consolidated level for the whole-of-QFES.

The benchmarking at a service level is considered to provide greater insights given it factors in the costs of the service on a standalone basis and is therefore less likely to be influenced by extraneous factors, as well as being more directly comparable to other benchmarks. By comparison, at a consolidated level, each State and Territory has a unique service delivery model which may include other services (i.e., police or ambulance services) that are not found within QFES. The benchmarking analysis attempts to 'carve out' any non-fire/non-emergency services costs to provide reasonable comparisons and insights to the services within QFES.

Benchmarking provides indicative insights only and is subject to limitations, which are outlined in the following section. To further refine the benchmarking analysis so that that insights are more aligned to a Queensland context, the analysis includes adjustments to align the benchmarking of fire services (FRS and RFS) to the most comparable jurisdiction by way of population density. This is considered a key driver influencing the level of community risk, particularly in respect of landscape fires, and this level of risk influences the required level of resourcing to deliver safe and effective fire and emergency services.

To obtain QFES' indicative standalone service costs, the same methodology that was outlined in Section 3.2.1 was adopted (that is, non-direct costs were apportioned to the relevant service in-line with the QFES finance team methodology).

Information on the comparable jurisdictions and services is from publicly available information, including but not limited to: financial statements; ROGS and organisation websites. The most comparable information in this analysis is the standalone FRS, RFS and SES services from New South Wales, Victoria and South Australia, given that there is a standalone set of financial statements for each service in those jurisdictions which allows further metrics to be benchmarked than could be achieved on a consolidated basis. It should be noted the SES benchmarking has been conducted on the relevant State or Territory financial statements which are exclusive of any local government funding / co-contribution for the SES. This aligns to the benchmarking for SES within Queensland which only represents the State's costs. It should not be assumed these are the full costs, nor that the State will take responsibility for full funding of the SES. This should remain a joint responsibility, with greater transparency of expenditure (and potentially agreement of funding amounts) at local government level.

In addition to the above, KPMG has included benchmarking analysis on Western Australia and the Northern Territory at a consolidated level. These States and Territories have service delivery models that make comparisons difficult, given the (different) combined nature of their activities. For the Northern Territory, we have removed costs relating to police services and allocated overheads to fire and emergency services based on the percentage split of fire and emergency service costs relative to the total costs. We also added the costs for RFS, which comes from the 'Bushfires NT' split of costs within that jurisdiction's Department of Environment and Natural Resources (DENR).

It should also be noted that each State and Territory has a dedicated environment, lands, national parks, and/or forests management agency or department. Many of these organisations also provide fire and emergency services; however, they are typically focused on public land and national parks. These fire and emergency services generally focus on preparedness, prevention, and recovery. However, these agencies also provide response services in some circumstances, such as Forest Fire Management Victoria (FFMVic).

FFMVic is primarily resourced by the fire and emergency management division within that jurisdiction's Department of Environment, Land, Water and Planning (DELWP). This division has a material cost base which has more than doubled from FY17 to FY20. The increase in costs is largely driven by record bushfire years in Victoria in FY19 and FY20. Overall, these additional department costs exceeded Victoria's total standalone RFS service costs (delivered by Country Fire Authority Victoria) in FY20.

For the purposes of this benchmarking analysis, the fire and emergency services/management costs have not been included in the respective State or Territory cost base. This is primarily due to the lack of publicly available information to allow a reasonable comparison of relevant fire and emergency services (that overlap that of the traditional FRS, RFS and SES services) provided by environment or national parks agencies and the underlying costs for those relevant services.

This approach seeks to ensure benchmarking is conducted on as consistent a basis as possible. That said, it is recognised the analysis will most likely understate the cost for Victoria's RFS, given the materiality of the cost base built within DELWP's fire and emergency management division. Even without these additional DELWP costs, the benchmarking analysis shows Victoria has the highest cost per capita and highest cost per FTE of RFS services; and adding these DELWP costs would only widen the gap relative to all other jurisdictions.

Further to the above, there are additional nuances that should be considered as part of the benchmarking analysis. Most of the FRS services include auxiliary (on-call/retained firefighters). However, in some cases, there is no publicly available information setting out the methodology adopted by a jurisdiction to determine an FTE figure for these resources. QFES adopts a 0.1 FTE for each auxiliary staff member. For consistency, we applied the same methodology to the equivalent 'Retained' firefighters in NSW FRS.

Finally, the benchmarking analysis assumed that each service in each jurisdiction largely performs the same services/activities as detailed in Tables 9.1 and 9.2 of the ROGS interpretative material paper. While this paper notes some differences in activities performed, KPMG's view is that the nature of those differences (notwithstanding the above adjustments that are highlighted) is unlikely to materially impact each service's cost base or the benchmarking analysis and that, in the absence of any other approach, this is the most reasonable comparison that can be made. It is important, however, to acknowledge that there are some limitations.

3.3.2 Key limitations

Benchmarking analysis provides indicative insights only. It does not validate a position or recommendation. However, it helps identify potential opportunities for improvement relative to the comparable peers that have been benchmarked. The benchmarking analysis was limited to other jurisdictions within Australia. No foreign jurisdictions were included in the analysis, given the limited timeframe of the Review and challenges associated with understanding the unique attributes of foreign jurisdictions to allow a reasonable 'like-for-like' comparison to be made.

The benchmarking analysis is based on a wide variety of information sources and therefore information has been presented as far as possible on a 'like-for-like' basis. However, there are instances where this 'like-for-like' basis is not able to be directly achieved. For example, the benchmarking analysis will be impacted by, but not limited to, the following items where each comparison State or Territory:

- Has a unique geography, climate, propensity to natural disasters, population, population density, natural forest/tree coverage, and other unique characteristics;
- Has a unique incident profile influenced by the above characteristics;
- Has a unique area of service coverage, including boundaries or overlaps across services;
- Has a unique approach in their use of auxiliary firefighters and/or volunteers;
- Is likely to have some unique service offerings and capabilities;
- Has unionised workforces which will each have unique terms and conditions, such as pay rates, penalty rates (i.e., overtime), minimum crew size and hours;
- Has differences in the ownership and transparency of various brigades, assets and funding sources/amounts, such as funding from local governments, levies, or community donations;
- Has differences in the provision of certain capabilities, either in-house, outsourced via other government agencies or third-party providers, or not having the capability; and/or
- Will be influenced by different strategic and political priorities, as well as different performance measures which are likely to impact service delivery.

Whilst the above are likely to be applicable and impact the benchmarking analysis, we have attempted to benchmark information that is reasonably comparable and that was prepared on a similar basis, wherever possible. In some cases, where information is missing or standalone, we have made reasonable assumptions. These assumptions have been noted in the benchmarking analysis, where relevant.

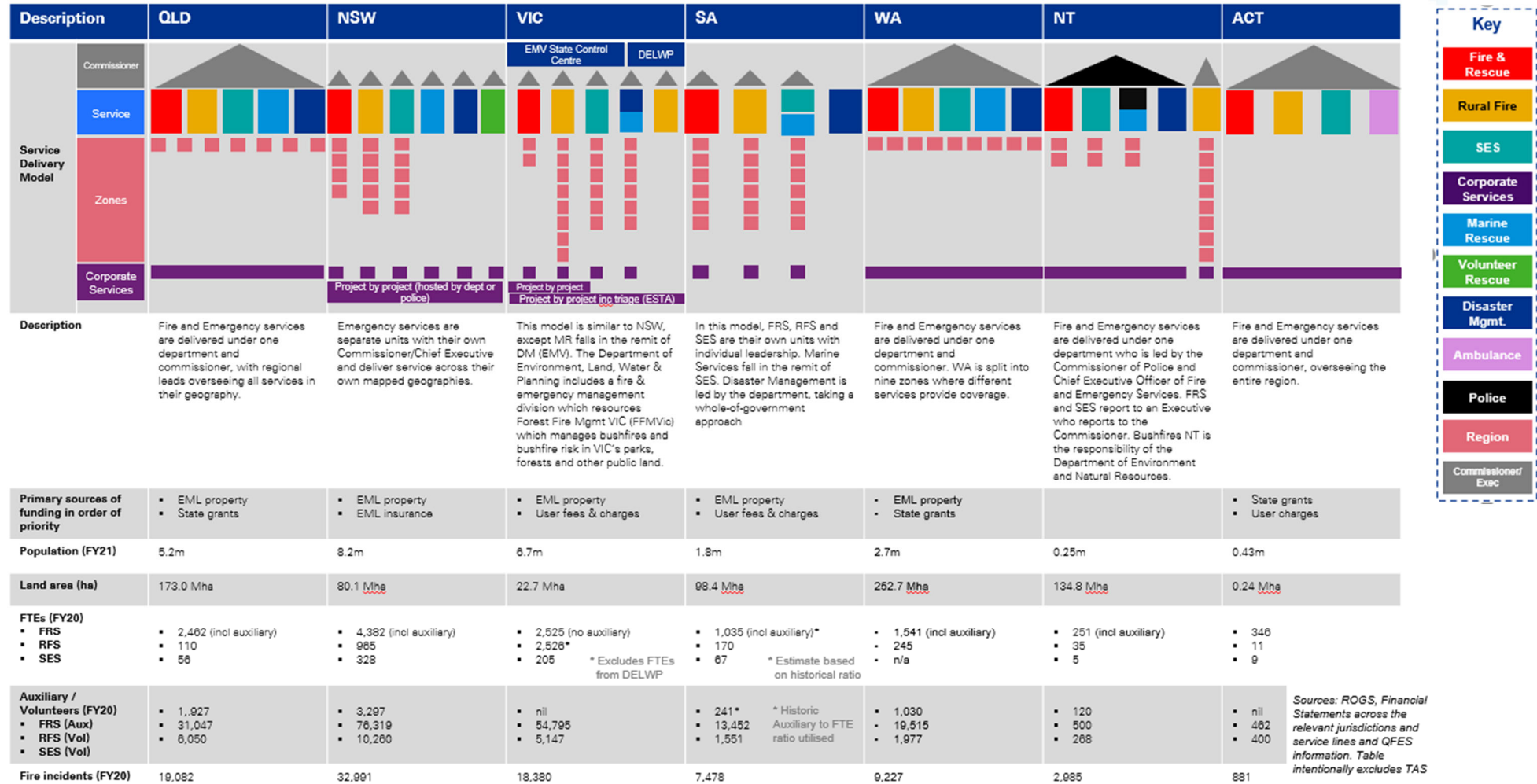
Most of the benchmarking analysis is based on FY20 information, unless noted otherwise. In some cases, historical averages have been utilised where it is more appropriate for that metric given the material impact that can be caused by once-off annual fluctuations.

Given the historical basis of the benchmarking analysis, the analysis does not include future commitments or plans relating to QFES' operations which are likely to impact the benchmarked metrics going forward (i.e., Government commitments outlined in Section 0).

3.3.3 Comparison of service delivery models across Australia

The figure below provides a diagrammatic overview of the various fire and emergency service delivery models across Australia, together with some key figures about each jurisdiction.

Figure 3-1: Overview of fire and emergency service delivery models across Australia and some key figures



Fire and emergency service delivery models have similarities in service offerings and differences in structural frameworks. All jurisdictions have a strong sense of volunteerism, particularly across RFS and SES type arrangements. Effectively, all jurisdictions (except the Australian Capital Territory given limited area size) operate under a regional model with zones from which they deliver services.

All jurisdictions have individual DM plans which call on all services and involve multiple agencies. Fire and emergency services are delivered under some form of an 'umbrella department' comprising multiple services in Queensland, Western Australia, the Northern Territory, and the Australian Capital Territory. However, it is noted that the relevant agencies differ considerably (i.e., in the Northern Territory, the police service forms part of the agency). Fire and emergency services are predominantly delivered as standalone functions in New South Wales, Victoria, and South Australia.

Queensland

In Queensland, fire and emergency services are delivered by QFES. A recent history of QFES can be found in Section 2.1 of this Report, along with details of the various services that make up the organisation. In summary, services within QFES include FRS, RFS, SES and DM, as well as grant funding for MR services (which, in-line with the Queensland Government commitment noted in this document, is soon to be integrated as a single service within QFES). QFES is led by one Commissioner and supported by Corporate Services.

QFES delivers service through a matrixed regional and functional service delivery model, with the regions mapping Queensland into seven zones where different services provide coverage. The RFS, SES, and MR are largely comprised of volunteers supporting communities.

New South Wales

Emergency services in New South Wales are delivered through standalone agencies. These are Fire & Rescue NSW (FRS equivalent), NSW Rural Fire Service (RFS equivalent), NSW State Emergency Service (SES equivalent), NSW Resilience, Marine Rescue NSW (MR equivalent) and Volunteer Rescue NSW. Each of these agencies are led by their own Commissioner/Chief Executive and supported by individual corporate services, with the exception of multi-agency projects.

FRS NSW, NSW RFS, and NSW SES deliver services under a regional model, segmenting the State into zones and appointing a command accordingly. Each of these services are supported by volunteer units or brigades, ensuring coverage of regional communities. New South Wales also has in operation the Volunteer Rescue Association NSW, which primarily supports Police in search and rescue activities.

In May 2020, NSW Resilience was established to amalgamate DM capability. Its purpose is to lead whole-of-government disaster and emergency efforts from prevention through to recovery.

Victoria

Emergency services in Victoria are delivered through standalone agencies. These are Fire Rescue Victoria (FRS equivalent), Country Fire Authority (RFS equivalent), Victorian State Emergency Service (SES equivalent) and Emergency Management Victoria. Each of these agencies are led by their own Commissioner/Chief Executive and supported by individual corporate services, with the exception of multi-agency projects. Emergency service communication in Victoria is centralised, led by the Emergency Services Telecommunications Authority (ESTA) and Emergency Management Victoria State Control Centre.

Like New South Wales, the agencies deliver services through regional models by segmenting the State into zones and appointing a command accordingly. The RFS and SES are supported by volunteer units or brigades, ensuring regional coverage.

Emergency Management Victoria is primarily responsible for DM and implementation of the State Emergency Management Plan. That agency is also responsible for Marine Search and Rescue (MR equivalent), which is entirely comprised of volunteers.

South Australia

Emergency services in South Australia are delivered through individual agencies; however, they are governed and funded by the overarching South Australian Fire and Emergency Services Commission (SAFECOM). The agencies within SAFECOM's remit are the SA Metropolitan Fire Service (FRS equivalent), SA Country Fire Service (RFS equivalent) and SES.

Each of these agencies are led by their own Commissioner/Chief Executive and supported by individual corporate services. The agencies operate under a regional model with 11 zones, with corresponding zone committees. The RFS and SES are comprised of volunteers ensuring protection for all communities. Marine services fall under the remit of SES and are comprised of volunteer groups across the State.¹⁰⁰

DM takes a whole-of-government approach, with the State Disaster Management plan involving a coordinated approach from SAFECOM.

Western Australia

In Western Australia, fire and emergency services are delivered under the Department of Fire and Emergency Services (DFES). Services within this are the Fire and Rescue Service (FRS equivalent), Bush Fire Service (RFS equivalent), State Emergency Service (SES equivalent) and Marine Rescue WA (MR equivalent). DFES is led by one Commissioner and supported by interoperable Corporate Services.

DFES delivers service through a regional model, mapping Western Australia into nine zones where different services provide coverage. The RFS, SES and MR are largely comprised of volunteers supporting communities. DFES also provides a Rural Fire Division which is a Command specialising in mitigating bushfire risk in Western Australia.

The State Emergency Management Committee is responsible for setting out DM guidelines. DFES' Office of Bushfire Risk Management plays a key role in this committee. Additionally, DFES has set out responsibility in the State Emergency Management Plan.¹⁰¹

Northern Territory

Emergency services in the Northern Territory are delivered by the Northern Territory Police, Fire and Emergency Service (NTPFES) and the DENR.

Services within NTPFES including the Police, Fire and Rescue service (FRS equivalent), Emergency Service (SES equivalent) and supporting Corporate Services. FRS and SES are led by Chief Officers who report to their Executive Director. This Executive Director reports to the overarching role of Commissioner of Police and Chief Executive Officer of Fire and Emergency Services, which is a combined leadership position (i.e., a single individual).

The Police, FRS and SES deliver services through a regional model, with North and South Commands. FRS and SES are supported through volunteers, ensuring coverage of remote and regional communities. Police are also responsible for MR services, which are delivered by the NT Australian Volunteer Coastguard.¹⁰²

The DENR is responsible for Bushfires NT (RFS equivalent). Bushfires NT is the lead government agency for rural fire management in the Northern Territory. Volunteer brigades deliver on the ground service through a regional model.¹⁰³

DM is a shared responsibility of all NT SES, outlined in the Territory Emergency Plan prepared by the NT SES.¹⁰⁴

¹⁰⁰ South Australia State Emergency Service. (2020). *Annual report 2019-20*.

¹⁰¹ State Emergency Management Committee. (2021). *State emergency management plan*.

¹⁰² NTPFES. (2020). *Annual report 2019-2020*.

¹⁰³ Department of Environment and Natural Resources. (2020). *Annual report 2019-20*.

¹⁰⁴ Northern Territory Government. (2021). *Territory Emergency Management Plan*.

Australian Capital Territory

Emergency services are delivered in the Australian Capital Territory under the ACT Emergency Services Agency. That agency comprises the ACT Ambulance Service, ACT Fire & Rescue (FRS equivalent), the ACT Rural Fire Service (RFS equivalent), the ACT State Emergency Service (SES equivalent) and the Emergency Services Agency Enabling Services. The Enabling Services are operational services, providing logistic, fleet, governance, media and administrative support, as well as spatial, risk management, welfare and training/education services.

The ACT Emergency Services Agency delivers services under a functional model, where Chief Officers of each of the other services reports to the overarching Commissioner. The Emergency Services Agency serves the Australian Capital Territory holistically. The agency both receives support from, and in some instances supports, New South Wales. Comprehensive coverage is achieved through the support of each service's volunteer communities. The majority of RFS and SES members are volunteers. The Ambulance service is supported by St John Ambulance volunteering programs and the FRS is supported by the Community Fire Unit, which is comprised of volunteers in urban fringe areas.

DM responsibility is detailed in the *Emergency Plan 2014*, which is led by the Security and Emergency Management Committee of Cabinet. The plan details the Emergency Services Agency's roles and responsibilities in disaster events.¹⁰⁵

Summary

A high-level summary of the service delivery models across Australia, including responsibility for certain services, is detailed in the table below.

Table 3-8: Summary of service delivery models across Australia

State	QLD	NSW	VIC	SA	WA	NT	ACT
Umbrella or Standalone	Umbrella	Standalone	Standalone	Standalone	Umbrella	Umbrella	Umbrella
Functional or Regional operating model	Both	Regional	Regional	Regional	Regional	Regional	Functional
Total Services	5	6	4	4	5	5	4
MR responsibility	MR*	MR	EMV	SES	DFES	Police	N/A
DM responsibility	W-O-G	Resilience NSW	EMV	W-O-G	W-O-G	W-O-G	W-O-G
Comms responsibility	QFES	NSW Telco Authority	ESTA	SAFECOM	DFES	PFES	ESA
Provision of corporate services	Holistic	Standalone	Standalone	Standalone	Holistic	Holistic	Holistic

* Services currently provided by volunteer entities, but the State intends to integrate MR with QFES

Comparison of KPIs

A detailed table setting out the KPIs across comparable jurisdictions is included in **Appendix D**. The table demonstrates each jurisdiction has vastly different performance measures for similar services, and that few jurisdictions measure performance across the full scope of the PRR framework.

¹⁰⁵ ACT Justice and Community Safety Directorate. (2020). *Annual report 2020*.

3.3.4 Comparison of financial and operating metrics across jurisdictions

Given the varying models used across Australian jurisdictions, it is appropriate to seek to compare – in a manner that is as like-for-like as possible – the performance of organisations and (where possible) services using key financial and operating metrics.

The following tables set out a summary of interjurisdictional benchmarks at either an overarching or (where available) service level, and in some instances both, for organisations in other Australian States and Territories. Following the tables, several key observations are made between jurisdictions.

Summary of benchmarking analysis

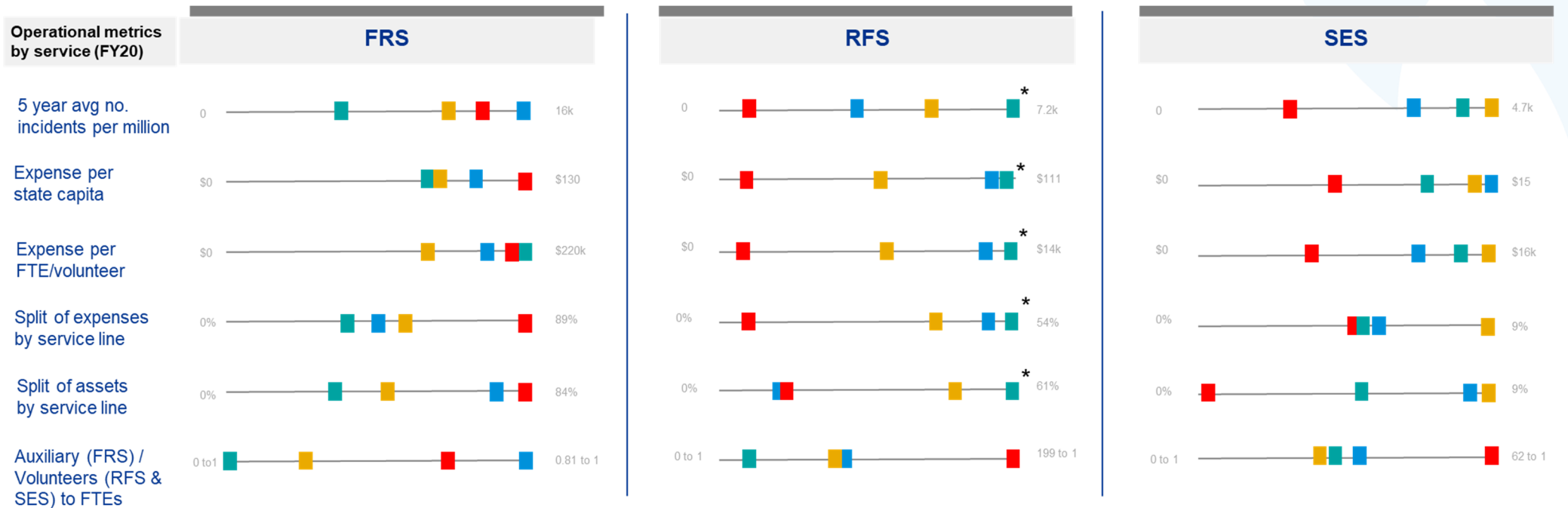
Table 3-9: Summary of key benchmarks (FY20 data or historic average as noted)

Metric (FY20 unless stated otherwise)		QLD		NSW		VIC [^]		SA		WA		NT [#]	
No. Auxiliary to FTEs	FRS	1,927 Aux	0.62	3,297 Aux	0.81	0 Aux	-	241 Aux	0.24	unknown	unknown	unknown	unknown
No. Volunteers to FTEs	RFS	31,047 Vol	199 to 1	76,319 Vol	79 to 1	54,795 Vol	22 to 1	13,452 Vol	79 to 1	14,208 Vol	unknown	500 Vol	unknown
	SES	6,050 Vol	62 to 1	10,260 Vol	31 to 1	5,147 Vol	25 to 1	1,551 Vol	23 to 1	1,977 Vol	n/a	292 Vol	58 to 1
Expense per capita	FRS	\$130		\$106		\$83		\$85		unknown		unknown	
	RFS	\$10		\$107		\$111		\$58		unknown		unknown	
	Fire total	\$140		\$213		\$195		\$143		unknown		unknown	
	SES	\$7		\$15		\$11		\$14		unknown		unknown	
	DM	\$5		excluded		excluded		excluded		unknown		unknown	
	MR	\$2		excluded		excluded		excluded		unknown		unknown	
	DEPT	\$154		\$227		\$206		\$157		\$178		\$258	
Expense per FTE	FRS	\$216k		\$196k		\$220k		\$145k		unknown		unknown	
Expenses per Volunteer	RFS	\$1.6k		\$11.4k		\$13.5k		\$7.6k		unknown		unknown	
	SES	\$5.7k		\$11.5k		\$14.3k		\$15.8k		unknown		unknown	
Split of total expenses	FRS	89%		47%		41%		54%		unknown		unknown	
	RFS	7%		47%		54%		37%					
	SES	5%		6%		5%		9%					
Split of assets	FRS	\$588m	84%	\$1,043m	76%	\$776m	34%	\$187m	43%	unknown	unknown	unknown	unknown
	RFS	\$112m	16%	\$212m	15%	\$1,389m	61%	\$208m	48%	unknown			
	SES	\$2m	0%	\$120m	9%	\$99m	4%	\$40m	9%	unknown			
	TOTAL	\$702m	100%	\$1,375m	100%	\$2,264m	100%	\$434m	100%	\$429m			
No. incidents per million* (5-year avg) & Average cost per incident* (all service lines)	FRS	13,418		15,848		6,051		12,208		unknown		unknown	
	RFS	954		3,324		7,129		5,655		unknown		unknown	
	SES	1,313		4,290		4,131		4,666		unknown		unknown	
	DEPT	17,468	\$8,001	25,080	\$6,849	17,427	\$10,507	26,861	\$6,070	12,299	\$13,048	33,902	\$7,067
Landscape fire deaths per million* (5-year avg)		0.2		0.7		0.2		1.0		0.5		0.0	
Fire deaths per million* (5-year avg)		4.5		3.8		3.9		3.5		3.9		11.4	
Fire hospital admissions per 100k* (4-year avg)		16		12		10		19		17		71	
Avg response time to structural fires* (State-wide to 90 th percentile) (5-year avg)		12.4 mins		14.2 mins		10.7 mins		14.7 mins		16.0 mins		17.9 mins	

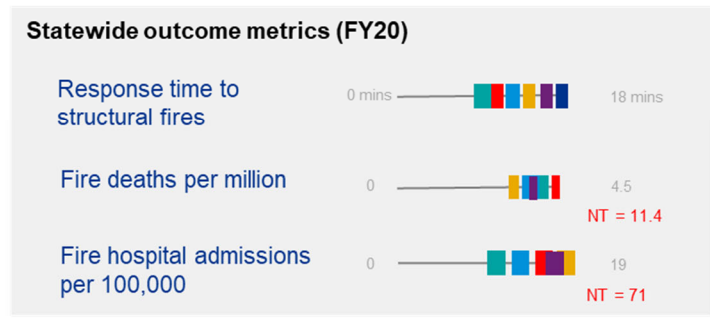
Sources: All figures are based on QFES data, Annual Reports of the respective jurisdictions and service lines or sourced from service line websites other than those marked with an * which are sourced from ROGS; Population data from ABS (also utilised in ROGS data).

Notes: [^] VIC costs include a pro-rata of ESTA costs, but the VIC RFS costs exclude any allocation for DELWP RFS related costs. VIC's split of assets excludes RFS related assets from DELWP; [#] NT costs include an allocation of overheads based on fire and NTES costs as percentage of total costs.

Figure 3-2: Snapshot of benchmarking analysis



* VIC's RFS expenses and assets excludes the costs and assets associated with DELWP's fire & emergency division. If these costs were included, the RFS expenses per capita would double from \$111 to \$223, the expenses per volunteer would double from \$13.5k to \$27.1k and the split of expenses by service line would increase from 54% to 70%. The value of the RFS assets in DELWP is unknown but assumed to be material given the size of the DELWP fire workforce of ~1,500 FTEs.



KPMG's key observations from the benchmarking analysis are summarised below, with a more detailed analysis, including other relevant metrics, detailed in the subsequent section of the Report.

Key observations

- At a consolidated level, QFES has the lowest consolidated expenditure per capita which is up to 25% to 32% below New South Wales and Victoria. However, there is a significant disparity across services in respect of their allocation resources. For example:
 - Queensland has the highest FRS expense per capita of \$130. This is up to 55% above Victoria and South Australia, and 23% above New South Wales;
 - Queensland has the lowest RFS expense per capita of \$10. By comparison, New South Wales and Victoria demonstrated expenditure that is approximately 10 times greater per capita, while South Australia's expenditure is around five times greater; and
 - Queensland has the lowest SES expense per capita of \$7. By comparison, New South Wales and South Australia spend more than double this amount, whilst Victoria's expenditure is approximately 65% higher.
- Queensland has a high FRS expense per FTE of \$216k. On a workforce level, this is slightly below the highest comparator, being Victoria (\$220k per FTE) and above that of New South Wales (\$196k per FTE) and South Australia (\$145k per FTE).
- Queensland has the highest volunteer to FTE ratios, as well as the lowest expense per volunteer. The variance is significant (well over 100%) which drives QFES' position as having the lowest expenditure per capita in volunteer services, relative to agencies where this data can be split out.
- QFES has the highest proportion of its expenses and asset base allocated to FRS, being 89% of expenditure on FRS and 84% of its asset base being allocated to FRS. By comparison, New South Wales, Victoria and South Australia demonstrate FRS shares of expenditure which range from 41% to 54% of total expenses, and their allocations of FRS assets range from 34% to 76%. As would be expected given there is a significant inverse relationship between service allocations, Victoria and South Australia have a far greater asset allocation to RFS as compared to Queensland and New South Wales.
- QFES owns nominal SES assets (<1% of total assets) as compared to New South Wales and South Australia (both 9%), and Victoria (4%). This is due to local governments in Queensland owning nearly all SES assets. This creates challenges (as previously referenced) regarding transparency around these assets and their effective and efficient utilisation.
- Demand for services (as demonstrated via incidents) varies across jurisdictions, with Queensland at the lower end of the total incidents scale at ~17,500 per million people (in-line with Victoria), as compared to 25,000 – 27,000 for New South Wales and South Australia. NT is considered an outlier at ~34,000 incidents per million. QFES predominantly responds to incidents via FRS (~77% of total incidents / ~93% of fire services incidents).
- Most jurisdictions appear to have similar community outcome fire metrics with minor differences at a statistical level. The selected fire metrics comprise landscape fire deaths per million, fire deaths per million, fire hospital admissions, and average response times to structural fires. The exception to this is the Northern Territory, which has nearly three times the fire deaths per million people and over four times the fire hospital admissions per 100,000 people.

There are an extensive range of comparisons, assessments and analyses that could be undertaken across the breadth of reported key performance and financial metrics to determine different reasons for the underlying results. A prevailing theme, however, is that the Queensland arrangements are disproportionately focused on FRS performance and expenditure and that, overall, QFES' funding is materially less at an organisational level relative to peer agencies in other Australian jurisdictions. Notwithstanding the funding differences, each jurisdiction (except for the outlier elements demonstrated by the Northern Territory) has similar community outcome metrics. More detailed analysis of benchmarking and financial data supports these overarching themes.

3.3.5 Detailed benchmarking analysis

A detailed benchmarking analysis has been performed to compare various aspects of QFES' key services to comparable services in other jurisdictions with directly comparable services. This involves comparisons between FRS, RFS, and SES in Queensland, New South Wales, Victoria, and South Australia. Each of these jurisdictions have their financial statements reported on a standalone basis, making like-for-like comparisons more readily possible.

We have been unable to obtain standalone service information for the remaining jurisdictions as they are consolidated with one another. In some cases, they are also consolidated with other emergency services, such as Police in the Northern Territory and Ambulance Services in the Australian Capital Territory. In these cases, we have conducted benchmarking analysis at a consolidated level, and select metrics at a consolidated level, which often includes the DM and MR services. The metrics benchmarked are broken down under the subsequent headings within this section. The underlying data for the benchmarking analysis is outlined in **Appendix E**.

Number of Auxiliary / Volunteers to FTEs

A comparison of the number of Auxiliary (FRS)/Volunteers (RFS and SES) to FTEs per service is detailed in the table below.

Table 3-10: Comparison of number of Auxiliary / Volunteers to FTEs

No. Aux/Vol's to FTEs	FY14	FY15	FY16	FY17	FY18	FY19	FY20
FRS – Auxiliary to FTEs							
QLD	0.88	0.73	0.71	0.68	0.67	0.65	0.62
NSW*	0.87	0.85	0.83	0.84	0.82	0.81	0.81
VIC	-	-	-	-	-	-	-
SA^	0.24	0.24	0.24	0.24	0.24	0.24	0.24
RFS – Volunteers to FTEs							
QLD	396.5	290.3	265.9	233.8	239.1	219.2	199.4
NSW	89.7	90.4	85.6	83.4	79.6	76.1	79.1
VIC	32.7	30.1	27.6	25.1	23.2	21.9	21.7
SA	108.2	101.0	96.8	<i>91.6</i>	85.1	81.9	<i>79.1</i>
SES – Volunteers to FTEs							
QLD	144.9	93.7	95.0	82.1	82.1	69.5	61.9
NSW	29.9	<i>33.4</i>	25.0	23.7	28.0	27.0	31.3
VIC	26.9	26.3	25.3	25.7	24.7	25.0	25.1
SA	40.1	37.9	30.8	<i>26.8</i>	<i>22.7</i>	<i>24.9</i>	<i>23.1</i>

Source: QFES for QLD data; Financial Statements from FY14 to FY20 from each service across New South Wales, Victoria and South Australia; Where volunteer or FTE numbers were missing, ROGS data was utilised instead as marked in *blue italic text*

* Note: to obtain a reasonable comparison of FTEs, the analysis applied a 0.1 FTE allocation to NSW 'Retained' on-call staff within FRS. This aligns to the ratio utilised by QFES for its auxiliary staff which forms part of FRS.

^ Note: the SA Auxiliary to FTEs ratio is based on the average historic ratio from FY14 to FY16 as no auxiliary data was available from FY17 onwards.

In relation to FRS, Victoria is the only State within this analysis not to utilise auxiliary/on-call firefighters in its FRS. New South Wales has the highest ratio of auxiliary to FTEs which suggests a more flexible and potentially lower cost per capita workforce. Queensland has the second highest auxiliary to FTE ratio; however, Queensland's utilisation of auxiliary staff and its effectiveness to reduce overall FRS costs is not considered in this standalone benchmark.

In relation to RFS, Queensland has the highest ratio of volunteers to FTEs at ~199 to 1 which is significantly above New South Wales, Victoria, and South Australia. Queensland's ratio is 2.5 times that of New South Wales and South Australia (~79 to 1) and over nine times that of Victoria (~22 to 1).

In relation to SES, Queensland has the highest ratio of volunteers to FTEs at ~62 to 1, which is significantly above New South Wales, Victoria, and South Australia. Queensland's ratio ranges from 2-2.7 times that of New South Wales, Victoria, and South Australia.

This analysis would suggest that volunteers within Queensland's RFS and SES receive relatively less support from FTE staff compared to other jurisdictions.

Number of firefighters to support FTEs (FRS)

A comparison of firefighters to support FTEs for the FRS is detailed in the table below.

Table 3-11: Comparison of firefighters to support FTEs (FRS)

Firefighters to support FTEs (FY20)	QLD	NSW	VIC
FRS			
Firefighters FTEs	2,462.0	3,874.7	2,124.0
Support FTEs	623.8	507.2	401.0
Firefighters to Support FTE ratio	3.9	7.6	5.3

Source: QFES for QLD data; FRS Annual Reports for FY20 for New South Wales and Victoria

Queensland has the lowest ratio of firefighters to support FTEs of any jurisdiction (3.9 to 1). By comparison, Victoria's ratio of firefighters to support FTEs has a 34% improvement, and New South Wales has a ratio that is almost double that of Queensland. This analysis demonstrates that Queensland is likely carrying additional support FTEs relative to other jurisdictions. However, it should be noted the analysis has received an estimation of the number of Queensland support staff allocated to FRS based on the split of overhead costs provided by QFES. In practice, there may be variances to the level of FTE support across the QFES services that do not align to this methodology, which could potentially materially impact the analysis.

Expenses per capita

A comparison of operational expenditure on a per capita basis, broken down by services and at a consolidated organisational level, is set out in the table below.

Table 3-12: Comparison of expenses per capita

Expenses per capita (\$)	FY14	FY15	FY16	FY17	FY18	FY19	FY20
FRS							
QLD	n/a	113.9	113.2	110.3	117.7	121.0	130.0
NSW	88.1	89.2	91.6	91.8	92.9	101.3	105.8
VIC	64.0	61.6	65.3	71.6	71.8	77.8	82.8
SA	78.4	80.5	89.2	83.1	118.3	108.3	85.1
RFS							
QLD	n/a	7.4	8.1	8.9	8.5	9.2	9.7
NSW	55.3	41.2	42.6	45.8	46.9	68.8	106.9
VIC	85.8	81.5	93.0	92.6	92.3	97.3	108.9
SA	44.9	43.7	44.9	43.6	51.5	55.2	58.3
SES							
QLD	n/a	5.5	5.7	5.8	5.6	5.9	6.7

Expenses per capita (\$)	FY14	FY15	FY16	FY17	FY18	FY19	FY20
NSW	11.4	12.7	12.0	14.2	12.9	13.4	14.6
VIC	8.5	8.2	8.4	8.9	9.5	9.6	10.3
SA*	8.9	7.9	9.0	11.0	14.3	12.7	13.9
CONSOLIDATED							
QLD	n/a	131.6	132.1	130.5	137.5	143.5	154.1
NSW^	154.7	143.0	146.1	151.9	152.6	183.4	227.2
VIC^	161.0	154.0	169.1	175.5	176.2	187.4	205.7
SA^	132.2	132.0	143.2	137.7	184.2	176.2	157.4
WA	138.8	142.3	147.9	154.5	154.3	167.1	177.7
NT	179.2	175.2	218.9	235.4	239.1	242.4	257.7

Source: QFES for QLD data; Annual Reports from FY14 to FY20 from each service across New South Wales, Victoria, and South Australia, as well as Western Australia and Northern Territory; Population data per state is from the ABS (population states & territories by quarter to 30 June)

* ROGS expenses used for SA SES from FY17 to FY20 (highlighted in blue text)

^ NSW, VIC, and SA consolidated expenses per capita do not include DM and MR costs

In relation to FRS, Queensland has the highest relative expenditure on a per capita basis, being 23% higher than New South Wales, 53% higher than South Australia and 57% higher than Victoria.

In relation to RFS, as would be broadly expected, the analysis is inverted. To that end, comparatively, Queensland has the lowest relative expenditure on RFS on a per capita basis. Queensland's RFS costs are six times below South Australia and 11 times below those of New South Wales and Victoria. This insight aligns to the comparatively high ratio of Queensland volunteers to FTEs as noted earlier in the Report.

For the SES, Queensland also has the lowest expenditure on a per capita basis relative to other jurisdictions. Queensland's SES costs are between 1.7 and 2.2 times below the expenditure in Victoria, South Australia, and New South Wales. Again, this would align with the comparatively high ratio of volunteers in Queensland compared to FTE staff, as previously noted.

At a consolidated level, comparatively, Queensland has the lowest level of expenditure on a per capita basis, being 2% below South Australia, 13% below Western Australia, 25% below Victoria, 32% below New South Wales, and 40% below the Northern Territory (refer to the Summary table at the beginning of Section 3.3.4 for complete set of these specific statistics). Realistically, this gap is likely to be wider as the New South Wales, Victorian, and South Australian consolidated expenditures do not include costs for DM and MR services.

It is noted the RFS and SES also receive additional funding for expenses from local governments and community donations. There is a lack of transparency regarding these funding sources and utilisation of such funds. Such costs are not included in this analysis which, if included, would likely reduce the indicative funding requirement.

Again, this benchmarking analysis suggests that – with the exception of FRS arrangements – at an overarching level, QFES' operational expenditure is relatively low compared to other jurisdictions. This is the case despite the relatively high expenditure in relation to FRS, which is more than offset by the relatively low expenditure in relation to other services within the organisation.

Expenses per FTE or Volunteer

A comparison of the expenses per FTE/volunteer is detailed in the table below. The primary labour force behind each service was utilised for the basis of the analysis, which is FTEs for FRS and Volunteers for RFS and SES.

Table 3-13: Comparison of expenses per FTE or Volunteer

Expenses per FTE or Vol (\$)	FY14	FY15	FY16	FY17	FY18	FY19	FY20
FRS (FTEs incl auxiliary)							
QLD	n/a	190,947	187,785	180,865	195,772	199,059	216,414
NSW	156,186	159,166	162,662	166,282	169,001	187,237	196,427
VIC	172,879	168,349	176,309	198,009	198,684	215,560	220,053
SA	140,102	144,877	161,345	149,458	202,085	180,031	144,822
RFS (Volunteers)							
QLD	n/a	982	1,086	1,239	1,190	1,389	1,612
NSW	5,587	4,176	4,464	4,885	5,123	7,760	11,393
VIC	8,510	8,614	10,065	10,433	10,866	11,827	13,514
SA	5,483	5,283	5,498	5,446	6,711	7,248	7,640
SES (Volunteers)							
QLD	n/a	3,495	3,609	4,158	4,033	4,575	5,699
NSW	9,740	9,903	10,618	13,478	11,203	11,328	11,540
VIC	10,776	10,394	10,423	11,698	12,780	12,685	14,347
SA	8,717	7,978	9,815	12,597	15,857	14,406	15,796

Source: QFES for QLD data; Annual Reports from FY14 to FY20 from each service line across NSW, VIC, and SA; ROGS data was utilised wherever cost of FTE/Volunteer data was unavailable in the above sources.

In relation to FRS, Queensland has the second highest cost per FTE, being 2% below that of Victoria but 10% above the cost per FTE in New South Wales, and 49% above the cost per FTE in South Australia.

At the other end of the spectrum, Queensland has the lowest comparative cost for RFS per volunteer relative to other jurisdictions. The difference is considerable, with Queensland's spending between 4.7 and 8.4 times less per volunteer relative to Victoria, New South Wales, and South Australia.

In relation to the SES, Queensland again demonstrates the lowest expenditure on a per volunteer basis compared to other jurisdictions. On this front, Queensland spends between 2 to 3 times less per volunteer than New South Wales, Victoria, and South Australia.

This assessment corroborates the overarching cost per capita analysis which suggests that Queensland has a disproportionately higher allocation of expenditure on FRS activities than RFS and SES activities when compared to the other jurisdictions.

If we look further into the FRS metric at the employee costs per FTE, QFES appears to have a lower employee cost per FTE as compared to New South Wales and Victoria, by 12% and 21% respectively. This would suggest QFES has a lower cost workforce; however, relative to New South Wales and Victoria, Queensland is spending more per FTE in non-employee operating costs (for FRS) which could be a sign of inefficiencies within the FRS operational expenditure. A breakdown of this FRS analysis is within **Appendix E**.

Number of incidents per million and expenses per incident (combined FRS and RFS)

A comparison of the number of incidents per million and expenses per incident is detailed in the table below. For the purposes of these benchmarks, we have included a combined FRS and RFS incidents per million and cost per incident metric given that these services have different areas of coverage, and therefore the number of incidents may heavily favour one over the other.

Similarly, the number of incidents does not provide insights into the size and complexity of the incident, such as large scale structural or landscape fires relative to smaller response activities. Additionally, each jurisdiction is unique. In that regard, each jurisdiction experiences a different frequency and mix of incidents and incident types. There may also be differences across jurisdictions

and respective services in relation to which types of incidents are captured in the data and the qualification to be a recorded incident. To minimise this risk, the benchmark analysis is based on the ROGS incident data which should be reported on a consistent basis, where possible.

One exception to the above is in respect of Queensland's SES incident numbers which are not included in the ROGS incident data. To ensure these incidents are included in the analysis, the SES incidents as provided directly by QFES have been utilised.

It should also be noted that Queensland's RFS and SES costs do not factor in third-party funding of costs which are (approximately) not captured within QFES' cost base.

Given all the above factors which influence these metrics, the cost per incident benchmark should be considered indicative only. This benchmark is also heavily influenced by the number of false alarm incidents, as well as false and good intent call incidents, which reflect over one-quarter of total incidents.

Table 3-14: Comparison of number of incidents per million and expenses per incident

No. incidents per million	FY15	FY16	FY17	FY18	FY19	FY20	5-year average
FRS and RFS only							
QLD	17,165	16,375	16,429	15,893	16,265	15,817	16,156
NSW	20,744	20,915	20,946	20,891	20,648	20,551	20,790
VIC	13,652	13,682	13,970	12,881	13,217	12,728	13,296
SA	21,550	22,400	24,666	21,122	21,120	21,668	22,195
FRS, RFS & SES							
QLD	17,165	17,209	18,225	16,946	18,057	16,906	17,468
NSW	26,042	25,634	24,936	23,173	25,186	26,470	25,080
VIC	17,293	16,990	18,845	17,008	16,647	17,643	17,427
SA	24,642	26,662	32,777	24,315	25,037	25,512	26,861
WA	13,128	12,463	12,753	11,785	12,303	12,191	12,299
NT	35,003	33,299	35,104	36,576	32,999	31,531	33,902
Expenses per incident (\$)	FY15	FY16	FY17	FY18	FY19	FY20	5-year average
FRS and RFS only							
QLD	7,066	7,409	7,255	7,935	8,005	8,836	7,888
NSW	6,282	6,414	6,572	6,689	8,236	10,347	7,652
VIC	10,633	11,708	11,877	12,887	13,412	15,288	13,034
SA	5,762	5,988	5,136	8,041	7,741	6,620	6,705
FRS, RFS & SES							
QLD	7,669	7,674	7,160	8,112	7,945	9,115	8,001
NSW	5,490	5,700	6,091	6,587	7,284	8,583	6,849
VIC	8,903	9,953	9,311	10,359	11,257	11,657	10,507
SA	5,358	5,370	4,201	7,575	7,039	6,168	6,070
WA	10,839	11,866	12,117	13,096	13,581	14,578	13,048
NT	5,005	6,572	6,706	6,536	7,347	8,174	7,067

Source: QFES for QLD cost data; Annual Reports from FY15 to FY20 for non-QLD cost data; ROGS for incident data other than QLD SES incidents which is from QFES; ABS for population data

Split of expenses by service

A comparison of the split of costs across each service per jurisdiction is detailed in the table below.

Table 3-15: Comparison of split in expenses per service line

Split of expenses (%)	FY14	FY15	FY16	FY17	FY18	FY19	FY20
QLD							
FRS	n/a	90%	89%	88%	89%	89%	89%
RFS	n/a	6%	6%	7%	6%	7%	7%
SES	n/a	4%	4%	5%	4%	4%	5%
NSW							
FRS	57%	62%	63%	60%	61%	55%	47%
RFS	36%	29%	29%	30%	31%	37%	47%
SES	7%	9%	8%	9%	8%	7%	6%
VIC							
FRS	40%	41%	39%	41%	41%	42%	41%
RFS	54%	54%	56%	53%	53%	53%	54%
SES	5%	5%	5%	5%	5%	5%	5%
SA							
FRS	59%	61%	62%	60%	64%	61%	54%
RFS	34%	33%	31%	32%	28%	31%	37%
SES	7%	6%	6%	8%	8%	7%	9%

Source: QFES for QLD data; Annual Reports from FY14 to FY20 from each service across New South Wales, Victoria, and South Australia

In relation to FRS, Queensland has the highest allocation of expenditure to FRS by a significant margin compared to other jurisdictions. Queensland's allocation of 89% of total expenditure to FRS is 35 to 49 basis points higher than other jurisdictions. As previously noted, Queensland's FRS costs are also the highest on a per capita basis compared to the other jurisdictions.

Regarding RFS, inversely, Queensland has the lowest allocation of expenditure relative to other jurisdictions. The Queensland split of total QFES expenditure allocated to RFS represents around 7% of total funds, which is 30 to 47 basis points lower than expenditure for this service in other States. Again, as previously noted, the RFS expenditure in Queensland is also the lowest per capita compared to the other States by a significant margin.

SES expenditure in Queensland is, however, comparable to allocations provided in other jurisdictions. Queensland's expenditure of approximately 5% of the QFES budget on SES activities is materially in-line with Victoria and New South Wales and four basis points less than expenditure allocated to SES services in South Australia. Notwithstanding this benchmark, Queensland's SES costs are comparatively the lowest on a per capita basis compared to the other States.

Split of assets by service line

A comparison of the split of assets across each service per jurisdiction is detailed in the table below. As previously noted, Queensland's SES assets are predominantly owned by local governments and therefore the assets recorded by QFES do not reflect the true asset base available to SES. The net book value of the SES assets owned by local governments is unknown.

Table 3-16: Comparison of split in assets per service

Split of assets	Amount	FY20 split (%)
QLD		
FRS	\$587.6m	84%
RFS	\$111.8m	16%
SES	\$2.3m	<1%
NSW		
FRS	\$1,042.6m	76%
RFS	\$211.6m	15%
SES	\$120.3m	9%
VIC		
FRS	\$775.7m	34%
RFS	\$1,389.3m	61%
SES	\$98.7m	4%
SA		
FRS	\$186.8m	43%
RFS	\$208.1m	48%
SES	\$39.6m	9%

Source: QFES for QLD data; Annual Reports for FY20 from each service across New South Wales, Victoria, and South Australia

As would be expected given the information showcased by the analysis of operating expenditure, FRS in Queensland also has the highest allocation of assets relative to other services compared to the same comparison in other jurisdictions. Queensland allocated around 84% of capital expenditure to FRS, which is 41 to 50 basis points greater than South Australia and Victoria, respectively. New South Wales is the closest comparator to Queensland, with 76% of its capital expenditure going to FRS assets.

In relation to RFS, the previously occurring theme continues to hold true. Queensland has close to the lowest allocation of capital expenditure to RFS assets, with 16% of the total QFES assets allocated to RFS. This is materially in-line with the 15% allocation of assets to RFS in New South Wales, but materially below the allocations in South Australia and Victoria.

As previously noted, the lack of SES asset information available in Queensland makes meaningful comparison difficult. Overall, consistent with previous analysis and acknowledging the absence of data relating to the complete set of SES assets held by local governments, this benchmarking suggests that QFES is overfunding FRS and underfunding RFS and SES when compared to the split of assets amongst the three services relative to New South Wales, Victoria, and South Australia.

Average growth in expenses over the last five years

A comparison of the growth in expenses per service, including the average five-year growth, is detailed in the table below.

Table 3-17: Comparison of growth in expenses

Growth in expenses (%)	FY16	FY17	FY18	FY19	FY20	Avg last 5 years
FRS						
QLD	1%	(1%)	8%	5%	9%	4.4%
NSW	4%	2%	3%	11%	6%	5.0%
VIC	8%	12%	3%	11%	9%	8.5%
SA	12%	(6%)	43%	(8%)	(21%)	4.1%
RFS						
QLD	10%	12%	(3%)	11%	7%	7.4%
NSW	5%	10%	4%	49%	57%	24.9%
VIC	17%	2%	2%	8%	15%	8.6%
SA	4%	(2%)	19%	8%	7%	7.0%
SES						
QLD	5%	4%	(2%)	7%	15%	5.9%
NSW	(4%)	21%	(8%)	5%	10%	4.8%
VIC	4%	10%	9%	2%	10%	7.2%
SA	16%	23%	31%	(10%)	10%	13.9%

Source: QFES for QLD data; Financial Statements from FY16 to FY20 from each service across New South Wales, Victoria, and South Australia

In relation to FRS, Queensland, New South Wales, and South Australia have experienced similar rates of growth in expenditure which has averaged between 4.1-5.0% per annum over the last five years. Victoria has experienced the highest average growth in FRS expenditure over the same period, of 8.5% per annum.

Regarding RFS, Queensland, Victoria and South Australia have demonstrated similar rates of growth in expenditure, averaging between 7-8.5% per annum over the last five years. New South Wales has experienced considerable growth in RFS expenditure over the same period, at 24.9% per annum, which is likely a result of the activities relating to and/or stemming from major bushfires in FY19 and FY20. While it would be reasonable to expect Victoria, which was also heavily impacted by these major bushfires, to have similar increases, it is noted that Victoria has a larger RFS service coverage and cost base. Hence, the materiality of the impact is lower in that jurisdiction compared to New South Wales. Additionally, Victoria's RFS also shares its responsibilities with FFMVic/DELWP which has a significant response force (and for which costs are not included in this analysis).

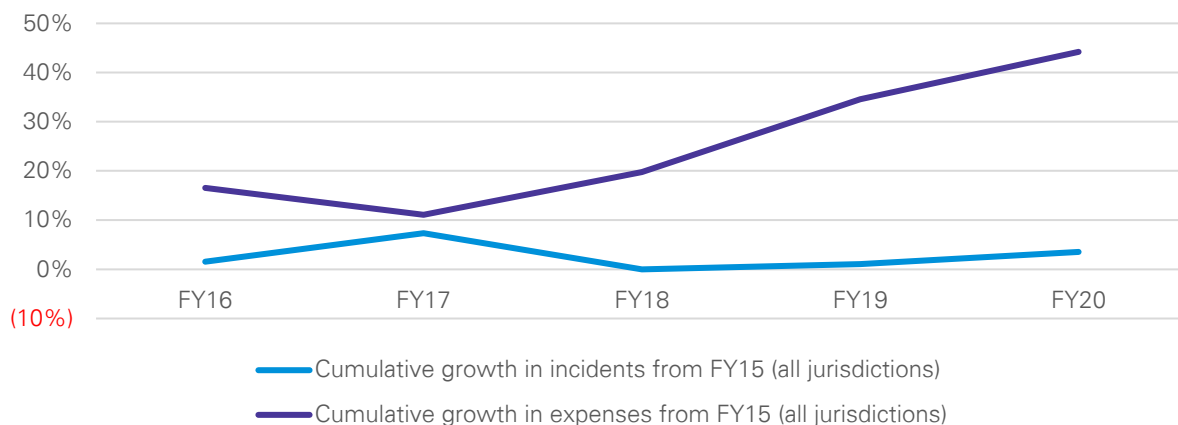
It is worth noting that SES expenditure growth has been similar across Queensland, New South Wales, and Victoria across the five-year window, averaging between 4.8% and 7.2% per annum. However, there is again an outlier, in that South Australia has experienced SES expenditure growth at 13.9% per annum over the five-year period.

Overall, while this analysis would suggest that QFES' expenditure growth has been consistent over the five-year period, unlike other jurisdictions, Queensland does not appear – in any particular service area – to have had any considerable 'catch-up' years (or, at the very least, significant increases in expenditure related to large events). To that end, the overall growth rate is at the lower end of that experienced in other jurisdictions. The analysis also appears to demonstrate that jurisdictions are prioritising additional growth in RFS expenditure relative to FRS expenditure (including in Queensland).

Growth in expenses to incidents over the last five years (FRS, RFS and SES)

A comparison of the average FRS, RFS and SES growth in expenditure (44%) relative to the average FRS, RFS and SES growth in incidents (4%) is detailed in the figure below. This benchmark has been developed at a consolidated level utilising the average of all eight jurisdictions in Australia (comprising Queensland, New South Wales, Victoria, South Australia, Western Australia, Northern Territory, Australian Capital Territory and Tasmania). This was done to show the trend across all jurisdictions in Australia given that each jurisdiction showed a similar trend with cumulative growth in expenses significantly exceeding cumulative growth in incidents. Three of the eight jurisdictions showed negative growth in incidents over the last five years ending FY20, with the remaining five jurisdictions showing incident growth of 2% to 14%. Whereas all jurisdictions experienced growth in operational expenditure between 24% and 72%.

Figure 3-3: Comparison of expenses growth vs incidents growth (all jurisdictions – FRS, RFS and SES*)

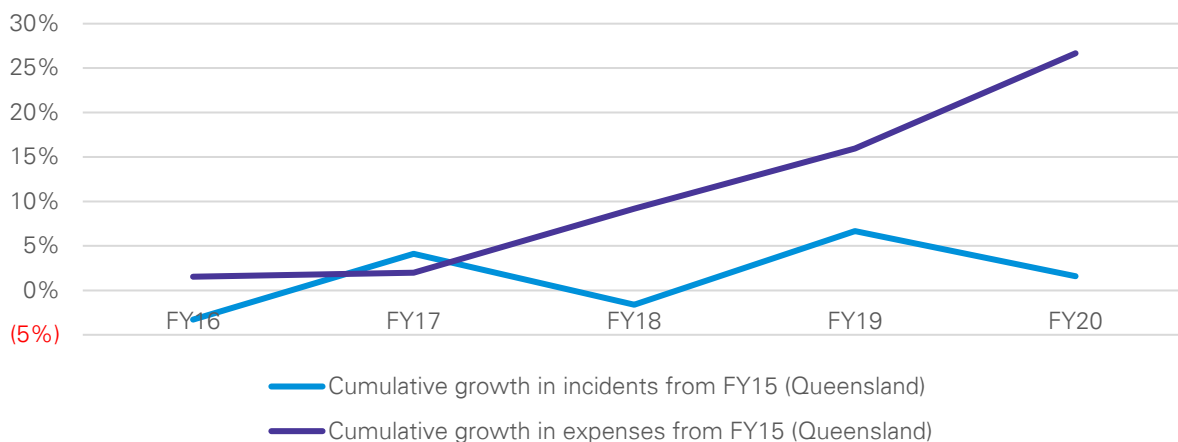


Source: QFES for QLD data; Annual Reports for New South Wales, Victoria, South Australia, Western Australia, Northern Territory and Tasmania; ROGS for Australian Capital Territory; Northern Territory expenses includes Bushfires NT and a pro-rata allocation of corporate & governance and shared services costs relative to total fire and emergency costs

* SES incidents data provided by QFES are from FY16 only. To compare growth from FY16, we have assumed SES incidents in base year FY15 to be the same as SES incidents in FY16.

A comparable analysis specifically for Queensland is set out in the figure below, reflecting effectively 2% cumulative incident growth and a 27% cumulative growth in expenses since FY15. As noted in the figure, SES incidents data provided by QFES are from FY16 only. To compare growth from FY16, we have assumed SES incidents in base year FY15 to be the same as SES incidents in FY16.

Figure 3-4: Comparison of expenses growth vs incidents growth (Queensland – FRS, RFS and SES*)



* SES incidents data provided by QFES are from FY16 only. To compare growth from FY16, we have assumed SES incidents in base year FY15 to be the same as SES incidents in FY16.

Number of FRS stations per million people and number of FRS FTEs per station

A comparison of the number of FRS stations per million people is detailed in the table below.

Table 3-18: Comparison of FRS stations per million people

FRS stations analysis	Stations per million	FTEs per station
FRS		
QLD	47	12.8
NSW	23	23.7
VIC	13	29.7
SA	22	27.2

Source: QFES for QLD data; FY20 Annual Reports for FRS services across NSW, VIC, and SA; SA stations from SA MFS website; Population data per state is from the ABS (population states & territories by quarter to 30 June)

Queensland has more than double the number of stations per million people of population than New South Wales, Victoria, and South Australia. However, Queensland's stations have an average around half (at least) the number of FTEs per station.

This would suggest that Queensland has a greater spread of stations, resulting in a subsequently lower FTE to station ratio. This is likely to increase Queensland's operating costs, given the greater number of fixed assets and smaller number of teams to resource across the State. The metrics could be due to a number of reasons, such as: Queensland's comparatively distributed population requiring greater service coverage; alignment to the other benchmarks outlined in this report demonstrating that Queensland has – historically at least – placed a greater focus on FRS service coverage and investment relative to other services; and/or the fact that Queensland may utilise a high proportion of auxiliary firefighters and dedicated auxiliary fire stations (65% of all stations are auxiliary). This would increase the total number of stations identified in the analysis but reduce the number of FTEs (auxiliary = 0.1 FTE).

Key Community Outcomes

A comparison of the landscape fire deaths per million, fire deaths per million, fire hospital admissions per 100,000 people, and state-wide response times to structural fires (90th percentile, including call time) is detailed in the table below:

Table 3-19: Comparison of fire deaths, fire hospital admissions and response times to structural fires

Selected Community Outcomes	FY16	FY17	FY18	FY19	FY20	Avg last 5 years
Landscape deaths per million						
QLD	0.2	0.2	0.2	0.4	-	0.2
NSW	0.1	0.1	-	-	3.2	0.7
VIC	-	-	-	-	0.8	0.2
SA	1.2	-	0.6	1.7	1.7	1.0
WA	2.4	-	-	-	-	0.5
NT	-	-	-	-	-	-
Fire deaths per million people						
QLD	5.6	2.4	6.5	3.9	TBC	4.5
NSW	3.4	4.7	4.0	3.8	TBC	3.8
VIC	4.0	3.0	3.4	4.9	TBC	3.9
WA	3.5	4.6	2.9	1.7	TBC	3.5
NT	5.1	5.0	3.9	1.1	TBC	3.9
Fire hospital admissions per 100,000 people						
QLD	16.0	15.5	15.9	15.7	TBC	15.8
NSW	13.1	13.3	11.5	10.6	TBC	12.1
VIC	9.3	10.6	10.2	10.8	TBC	10.2
SA	19.6	18.2	17.6	19.3	TBC	18.7

WA	14.6	18.0	17.1	18.0	TBC	16.9
NT	76.2	69.8	73.8	64.7	TBC	71.1
Avg state-wide response time to structural fires (90%) (mins)						
QLD	12.2	12.5	12.3	12.6	12.5	12.4
NSW	14.4	14.5	13.5	14.0	14.5	14.2
VIC	10.6	10.8	11.0	10.4	10.8	10.7
SA	12.9	12.5	15.0	16.0	17.0	14.7
WA	15.7	15.4	15.5	17.1	16.4	16.0
NT	15.8	18.8	17.6	17.5	19.8	17.9

Source: ROGS

The analysis shows that all jurisdictions have averaged a low level of landscape fire deaths per million, between 0.2 and 1 per annum over the last five years. Similarly, fire deaths per million are also low amongst all jurisdictions, which have averaged between 3.5 and 4.5 deaths per million over the last five years.

With the exception of the Northern Territory, fire hospital admissions per 100,000 have been similarly consistent. All jurisdictions have averaged between 10 and 19 fire hospital admissions per 100,000 per annum over the last four years (the Northern Territory being a considerable outlier with an average of over 71).

Average state-wide response times to structural fires (90th percentile) are also relatively consistent across jurisdictions, with Queensland having responded to structural fires at the 90th percentile, inclusive of call time, within 12 and 13 minutes over the last five years. This exceeds the average response times of New South Wales, South Australia, Western Australia, and the Northern Territory, and only trails Victoria by fewer than two minutes. Comparatively, Victoria has the smallest land area of the jurisdictions and the highest population density. These factors may result in more favourable response conditions relative to other jurisdictions.

Conclusion

There are an extensive range of comparisons, assessments and analyses that could be undertaken across the breadth of reported key performance and financial metrics to determine different reasons for underlying results.

A prevailing theme, however, is that the Queensland arrangements are disproportionately focused on FRS performance and expenditure, and that overall QFES' funding is materially less at an organisational level relative to peer agencies in other Australian jurisdictions. Notwithstanding the funding differences, each jurisdiction (with the exception of the outlier elements demonstrated by the Northern Territory) has similar community outcome metrics.

This would suggest that, from an overarching efficiency perspective – and in the context of the key performance and financial metrics observed – QFES performs relatively well. It would also suggest that, notwithstanding this relative efficiency, there is likely to be little capacity for the organisation to continue to address the kinds of emergent challenges, dynamic events and changing community perceptions within its current funding envelope and/or without considerably changing its organisational approach and focus. While it may be argued there are sufficient funds for business-as-usual incidents (but, in-line with feedback to this Review previously outlined, many stakeholders would dispute this to be the case), it is clear that additional funding (should it be secured) needs to focus more specifically on those parts of the organisation that are in receipt of less (relative) expenditure than on those elements that receive disproportionately higher funding amounts.

Similarly, any change at organisational or functional levels is likely to require either (or both) additional funding and/or substantial and fundamental adjustment in operational arrangements to support continuous improvement initiatives and address the changing nature and risks associated with fire and emergency services. While it would seem therefore that QFES' current outcomes are being delivered in a manner that is efficient in community terms (for example, expenditure per capita being lower than all other jurisdictions), the disproportionate allocation of funding within QFES would also appear to demonstrate capacity to more effectively align funds within the organisation.

This would include more equitable distribution of funding to services such as RFS and SES to further enhance the State's ability to deliver more holistic, integrated services across QFES (should this be the organisational approach adopted in the future).

Accordingly, KPMG believes that into the future QFES (or its subsequent organisational iterations) should adopt a risk-based approach that considers the changing nature of fire services, the impact of climate change and which better leverages service planning capability to better balance existing (and prioritise any new) funding to focus on bushfire, landscape fire and broader rural and seasonal fire risks.

It is recognised that this kind of funding re-allocation/transition is not an immediate activity and would require active focus and a period of time (likely years) to take effect. Therefore, a stepped solution is recommended, with any new funding being prioritised based on risk and future service requirements.

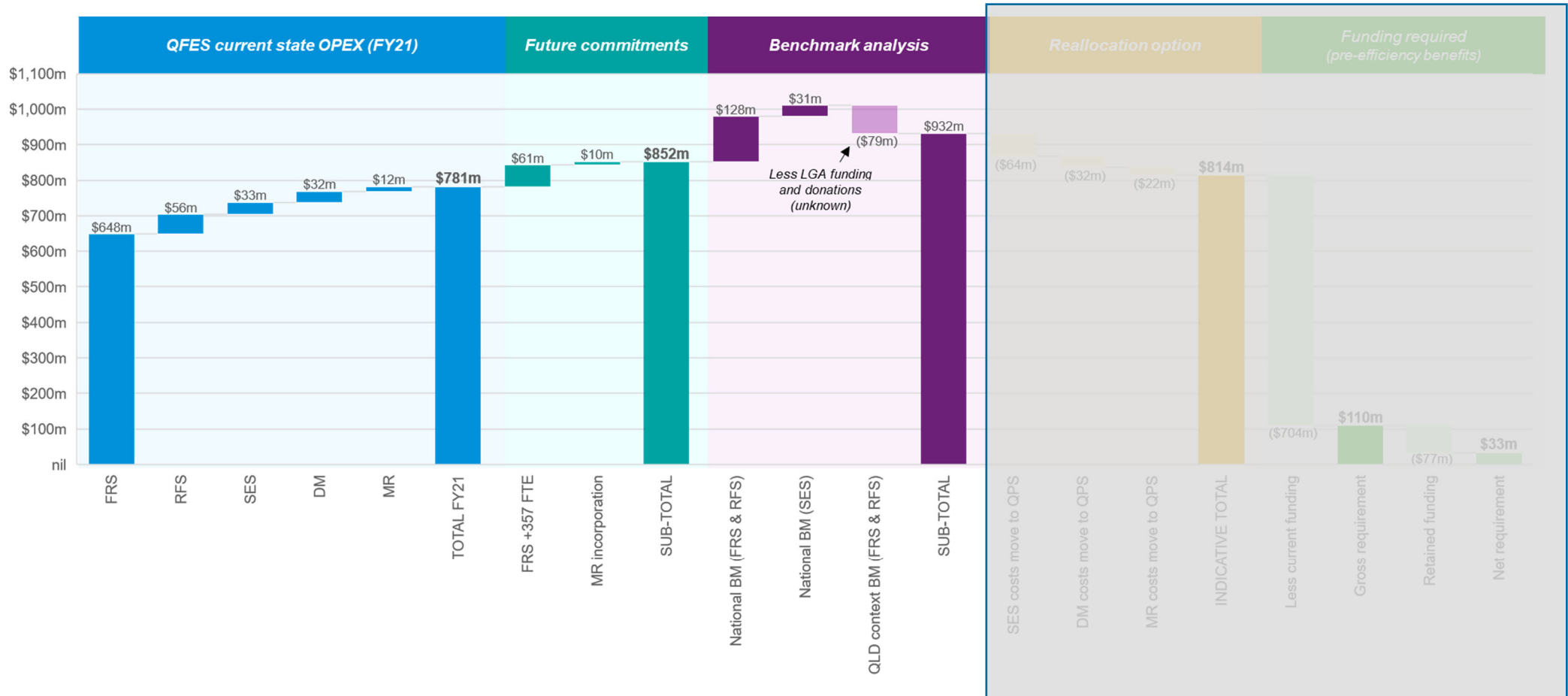
In that regard, the inter-jurisdictional analysis also adds weight to consideration of whether certain elements within QFES should be administratively located in other agencies which could potentially provide either or both larger economies of scale (and therefore support further efficiency enhancements) and/or allow QFES to focus its limited resources more specifically to priorities that best meet community expectations, address areas of relative highest risk and position services to best prevent, prepare for and respond to elements that may be considered 'core business'.

3.3.6 Application of financial benchmarking to QFES

Breakdown from QFES current state to the indicative funding requirement

The below waterfall diagram summarises the FY21 (and future year) financial arrangements for QFES, including: (1) the current state funding of QFES; (2) known future government commitments impacting QFES; (3) implications of the inter-jurisdictional funding analysis conducted as part of this Review; and in the 'shaded section' it also provides insight into (4) the impacts of key recommendations within this Report to reallocate certain services to the Queensland Police Service (QPS) and to offset costs associated with those services with a new SES Levy; and (5) the resultant efficiency target or funding requirement (or combination thereof). Details of these latter two elements (recommended 'Reallocation option' and an SES Levy to offset certain funding requirements) are considered in subsequent sections of this Report.

Figure 3-5: Summary breakdown from QFES current state to the recommended Reallocation option and associated funding requirement and sources



Explanation of the 'waterfall' analysis

Current state operating expenses

QFES' current state operating costs are \$781m (FY21), exclusive of COVID-19 related expenses and any operating surplus (as outlined in Section 3.2.1). This comprises FRS (\$648m), RFS (\$56m), SES (\$33m), DM (\$32m) and MR (\$12m).

Future commitments

As detailed in Section 0, QFES' future operational expenditure commitments comprise:

- The commitment for an additional 357 firefighters, with a recurring cost estimate of \$61m per annum (100% allocated to FRS in the diagram above); and
- The consolidation of MR as a single service entity within QFES, with a recurring cost estimate of \$10m per annum in-line with the Blue Water Review dated January 2020 (again noting this is an interim figure which KPMG understands is subject to increase pending current detailed costing activities being facilitated by QFES).

Benchmarking analysis

To obtain initial insights at a national level, benchmarking analysis was done of the respective services' operating expenses across New South Wales, Victoria and South Australia. The benchmarking analysis was calculated as follows:

1. Obtain the midpoint of the expense per capita for each service (FRS, RFS and SES) for FY17, FY18, FY19 and FY20 (population figure is based on the relevant financial year);
2. Apply the midpoint expense per capita for each service to Queensland's population for FY17, FY18, FY19 and FY20 to determine the benchmarked level of service funding;
3. Calculate the difference between the benchmarked level of funding for each service and Queensland's actual level of funding for each of the benchmarked years; and
4. Obtain the average of the above difference for the four benchmarked years to determine the overall benchmarked adjustments per service.

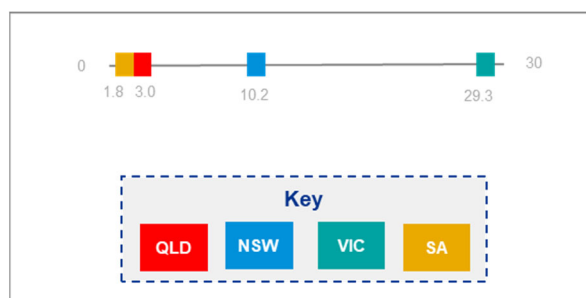
Given the recommendations made in this Report for the establishment of a streamlined, focused and more integrated fire agency, the individual service breakdowns (between FRS and RFS) have been combined to represent the net outcome of the disproportionately high operational expenditure on FRS in Queensland relative to other jurisdictions, and the disproportionately low operational expenditure in Queensland on RFS activities. This results in a 'gross' efficiency requirement of ~\$128m, and a further ~\$31m requirement to support increased SES activities comparable to expenditure in other benchmarked jurisdictions.

This increased SES expenditure is based on the State contributions across the benchmarked jurisdictions. It does not take into account any differences in local government funding towards SES as this is currently unknown both within Queensland and across the comparison jurisdictions. This should neither be perceived as the State Government assuming control for SES activities nor taking responsibility for full expenditure related to the SES (which remains, based on this analysis, a combined State and local government responsibility).

To enhance the granularity of the analysis, we have further sought to best compare expenditure in a manner that provides a more like-for-like 'Queensland context'. In doing so, this Review has considered the unique differences across jurisdictions that may impact community risk and service delivery. In this respect, we observed a material difference across jurisdictions in respect of population density, being a key factor influencing the level of community risk. This is particularly so in respect of landscape fires, and this level of risk influences the required level of resourcing to deliver safe and effective fire and emergency services.

A summary of the population density per 100 hectares for each benchmarked jurisdiction is detailed in the following figure.

Figure 3-6: Population density per 100 hectares



Note: Refer to Appendix E for underlying benchmark data in relation to population density

As shown, New South Wales (10.2) and Victoria (29.3) have significantly greater population densities relative to that in Queensland (3.0) and South Australia (1.8). This factor correlates to New South Wales and Victoria having the highest expense per capita in respect of their total fire services delivery (comprising both the FRS and RFS services).

Considering the above, it would be more appropriate for Queensland's fire services (i.e., FRS and RFS) to be benchmarked in comparison to South Australia which shares a closer community risk profile in respect of fire risks as opposed to the wider benchmarking analysis also comprising New South Wales and Victoria.

In this respect, we have further narrowed the inter-jurisdictional analysis to utilise South Australia's combined FRS and RFS expense per capita as a closer target for Queensland. In-line with the calculation methodology described above, the analysis is based on the average FRS and RFS expense per capita for the past four years to avoid one-off fluctuations in expenditure.

From an SES perspective, we have maintained the benchmarking analysis against New South Wales, Victoria and South Australia given the underlying operational expense data is not publicly reported by South Australia's SES from FY18 onwards via annual reports (akin to the other jurisdictions and as South Australia did prior to FY18).

The application of South Australia's expenditure – using the combined FRS and RFS arrangements – in a Queensland context reduces the benchmarked funding adjustment by \$79m, thus reducing the previously identified ~\$128m efficiency requirement to ~\$49m.

Overall, taking into account the current state funding (\$781m), known future commitments (\$71m), and the inter-jurisdictional comparators for SES (\$31M) and a contextualised integrated fire agency for Queensland (\$49m), the comparative operational expenditure on the QFES model is approximated at \$932m.

As noted in the leading text to the waterfall diagram above, this difference is significantly reduced by further recommendations contained within this Report (further detail subsequently provided), resulting in a net funding requirement (or internal efficiency enhancement) of \$33m for the proposed new integrated fire department.

It is important to note the indicative funding requirement does not take into consideration the external funding received by RFS and SES via local governments, community donations, and/or any other sources. As noted previously in this Report, the quantum of these amounts is unknown given that they are not collected by the State. Visibility of this revenue is important, as it would further offset the requirements demonstrated to bring RFS and SES expenditure in-line with other jurisdictions, and therefore reduce the quantum of additional funds required.

Similarly, it is important to note the indicative funding requirement does not take into consideration any operating efficiencies that may be achievable, which would further reduce the range of additional funds required. Conversely, the indicative funding requirement does not reflect the slightly higher population density Queensland has in comparison to South Australia, nor the greater natural forest coverage. These are likely to offset the reductions from external funding.

Regardless of these elements, what is clear is that additional funding is required for the new entity, with recommendations subsequently provided to ameliorate this cost impact. Further details are provided in Section 4.

3.4 Analysis of capabilities

As noted in the Terms of Reference, this Review is also required to analyse the capabilities of QFES. To undertake this analysis, KPMG has used the QFES capability framework (outlined at Section 2.5), and methodology included at **Appendix B**). In addition to the capability framework, KPMG has also included an analysis of the interoperability elements that are identified in QFES' service planning materials.

This analysis draws together elements of:

- QFES current state, including their observed challenges and opportunities for improvement;
- Stakeholder feedback;
- Relevant elements of benchmarking data;
- Financial and operational information provided by QFES; and
- Impacts of future challenges facing QFES (and, indeed, broader fire and emergency services organisations in Australia and globally).

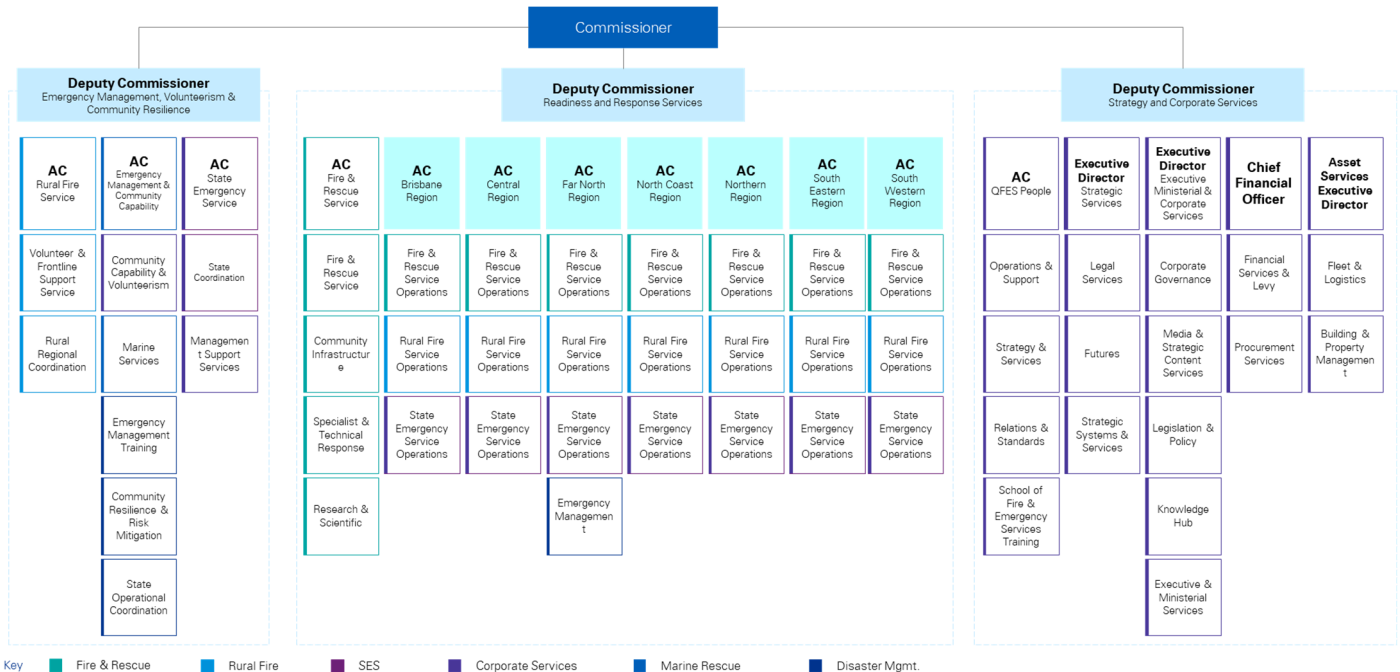
It should be noted that not all capabilities have been analysed. Rather, those capabilities deemed critical to the future delivery of fire and emergency services for the Queensland community have been included. In that regard, the overarching theme for the analysis is to seek to ensure the future effectiveness, efficiency, and sustainability of fire and emergency services in Queensland.

3.4.1 Organisational Structure

Organisational structure

KPMG has analysed the QFES organisational structure from the Commissioner to Assistant Commissioner level, and mapped roles against the services within the department. The figure below sets out that mapping.

Figure 3-78: Current senior organisational structure and service alignment of QFES



As is evident in the diagram, QFES' organisational arrangements at senior levels (and flowing through to operational levels) are depicted by a 'matrix' structure that includes both service (FRS, RFS, SES) responsibilities and regional roles (across seven regions). At an Assistant Commissioner level, both services and regions are represented. Interjurisdictional analysis demonstrated that this approach was uncommon in other States and Territories, and indeed perhaps is unique to Queensland.

Matrix organisation structures make logical sense when delivering multiple services across diverse geographies. However, this does not necessarily mean that both service and geography need be represented at leadership levels. Indeed, as noted by various stakeholders and in previous reports, there is confusion that arises both within and external to QFES – particularly in relation to DM activities – as to reporting lines. There would appear to be opportunities to consolidate roles.

The basis for the regionalisation model is to ensure that the varying requirements of communities across the State are acknowledged and appropriately addressed as part of QFES' activities. Other State agencies, such as QPS and QAS, also apply regional leadership models. However, a key stakeholder theme was that the combination and overlap of the regionalisation model, in its current format, poses challenges and concerns for internal and external stakeholders.

Stakeholder issues with the regional model included that:

- It has in effect created several different operating structures causing confusion and challenges for volunteer services;
- It has exacerbated tensions between the FRS, RFS and SES – as all services compete for engagement with the Regional Assistant Commissioner. This tension was reportedly amplified by the fact that there is a limited number of Regional Assistant Commissioners with a background beyond FRS activities (this is confirmed by exact statistics detailed in Section 2.5.3 People);
- There are different levels of experience and capability across the Assistant Commissioner cohort, with different emphases and priorities that do not always align to the overarching QFES priorities.

KPMG contends that the basis for the regional model in Queensland is sound, given the need to ensure that localised activities meet the different needs and priorities of regions. However, there appear to be several other root cause issues impacting the effectiveness of the model, including:

- Silos between services;
- Diversity of leadership;
- Complexity of the services being delivered; and
- Confusion regarding specific accountabilities.

Command and control

QFES is deploying command and control against a C6I framework to support incident management that supports community resilience. This builds upon the C4I framework applied in the McNarn Review, performed in 2018. KPMG has not re-analysed the findings of the details of the command and control framework, nor the specific details of the McNarn Review, as part of this Review.

Concerningly, however, given the strategic importance of command and control, the guidance provided to KPMG as part of this Review is that implementation of more than one-third (34%) of the recommendations from that specific project are incomplete/remain open, and that a further 51% of the recommendations from that specific project have been closed as incomplete but transitioned to business-as-usual (which may be appropriate, but which KPMG was unable to establish outcomes from) or closed with a reduced scope due to budget constraints. This progress is three years after the completion of the 2018 McNarn Review.

A summary of the status of the McNarn recommendations as provided by QFES below.

Status	Number of Recs	% of Recs
Closed - complete	15	15%
Open	35	34%
Closed – not complete within the project and to be part of business-as-usual	42	41%
Closed - reduced scope delivered due to budget & transitioned to business-as-usual	10	10%

It is KPMG’s view that a dedicated and specific project management function is required as a standing element within QFES to drive the implementation of recommendations. This should focus specifically on the cultural and organisational reforms necessary to give effect to the structural changes and ongoing integration activities. Implementation delivery capability is analysed further in Section 3.4.3 Support and Planning. It also indicates potential cultural issues around accountability and transparency of project implementation. It is worth noting that QFES also identifies the lack of clarity of roles is a driver for tension between the paid, auxiliary, and volunteer workforces, which links directly to the effectiveness of the command and control system.¹⁰⁶

KPMG also believes there is scope to rebase the senior executive structure of the new entity to reflect the focus on fire-related services, collapsing the combined, overlapping service-centric and regional model. The structure should support a geographic leadership model that clarifies command and control arrangements, and be reflective of a management structure commensurate with a contemporary organisation.

3.4.2 People

The current workforce profile is detailed in Section 2.5.3.

Fire and Rescue Service (paid firefighters)

In respect to the paid workforce, beyond the Government commitment for an additional 357 firefighters, QFES has not indicated to KPMG any plans to materially change its current workforce profile.

KPMG believes there is opportunity to unlock additional capacity within the FRS workforce to focus on the greatest impact to the community, across hazards and more specifically aligned to the objectives across the breadth of the PRR framework. As outlined in Section 3.2.3, current FRS utilisation is ~5% of the time for ‘Response’ activities. The 2016 QFES Fiscal Sustainability review undertaken by KPMG provided a high-level breakdown of the activities performed by FRS firefighters based on the time FRS firefighters recorded in QFES’ Operations Management System Database. However, as part of this Review, QFES has advised it does not routinely track and report on utilisation statistics for preparedness, prevention, or recovery activities.

This was reinforced by stakeholders, who regularly identified that adherence to traditional work practices impedes innovative changes to QFES’ service delivery model.

There may also be opportunity to reduce response demand. As highlighted in Section 3.2.3 over 50% of total incidents (and over 20% of total vehicle hours) are in respect to false alarms, false and good intent calls, and mobile property crashes. An opportunity exists to reduce the demand on QFES’ services in respect to these areas and QFES should continue to explore available options to reduce or eliminate the requirement to attend to all incident types. If QFES can materially reduce the number of responses in these key incident areas, it would reduce the demand on QFES and may present opportunities to utilise more flexible workforce practices that could improve efficiency and future operations.

Similarly, innovative ideas have been introduced in other jurisdictions that could be deployed by QFES to optimise the impact for communities and reduce overtime expense for the paid force, such as the

¹⁰⁶ QFES. (2021). *QFES independent review building organisational capability*.

offline policy used in New South Wales. In New South Wales, where particular fire stations are dealing with staff shortages, rather than replacing these staff with firefighters on overtime arrangements, the entire station is taken off-line and supplemented by coverage from nearby stations. It is acknowledged this policy has garnered negative attention from industrial organisations, which contend taking stations and trucks offline may exacerbate response times and poses risk to firefighters and the community.¹⁰⁷ However, Fire and Rescue NSW has confirmed stations can be taken offline without impacting response times across the area and contends that:

'Fire and Rescue NSW has an established procedure of managing all of its on-call fire stations, and the practice of taking fire trucks temporarily off-line is partly a result of changing demographics, improvements in technology, and a more modern understanding of fire safety and risks. Under Fire and Rescue NSW's risk-based approach, which was formalised in conjunction Fire Brigade Employees' Union in 2008, a fire truck is only temporarily taken offline when there are more than sufficient resources in the area to respond to emergencies. These decisions are based on data including ongoing incident response coverage of the area by other nearby appliances. The needs of the community are always taken into account when making a decision to take an appliance offline'.^{108,109}

Auxiliary workforce

Currently, there are 1,900 auxiliary firefighters (headcount), representing 190 FTE (based on QFES' approach to recognising the equivalent 0.1 FTE using Queensland's MOHRI framework). As per the analysis of other jurisdictions in Section 3.3.4, QFES' auxiliary workforce sits between New South Wales (which comprises 3,297 auxiliary staff) and Victoria (nil auxiliary staff).

The QFES *Strategic Workforce Plan 2021-2024* does not mention the auxiliary workforce.

KPMG believes this is a missed opportunity. The auxiliary workforce should be considered an essential bridge between the professional, paid force and volunteers, providing significant 'surge capacity' to address periods of increased demand (particularly during response activities) and supporting broader functions across the PPRR framework. Increasing the capability and capacity of the auxiliary workforce would provide QFES increased flexibility across its workforce.

It is acknowledged that existing industrial arrangements under which the auxiliary workforce operate are aligned to those arrangements of full-time FRS staff, and current award arrangements will need to be taken into consideration when planning for broader utilisation of auxiliary firefighters as part of future workforce planning activities recommended in this Report. Regardless, as the 'most flexible' mechanism available to address areas of increasing demand, the auxiliary workforce should form an essential part of future service planning.

Volunteer workforce

With approximately 37,000 volunteers, QFES has the third largest volunteer workforce in the nation (comprising RFS, SES and other volunteer groups), sitting below New South Wales (~86,000) and Victoria (~59,000).

Notably, results from the most recently reported QFES Volunteering for Queensland Survey indicated that only 58% of volunteers felt they could effectively contribute their skills and experience to QFES.¹¹⁰ This would suggest a significant portion of volunteers may not feel empowered or supported in conducting their roles.

In response to the QFES Volunteering for Queensland Survey, QFES released its Volunteerism Strategy in 2018. The Volunteerism Strategy identified numerous challenges in maintaining a strong

¹⁰⁷ Leeming, L. (2021, September 23). Firefighters on standby to drive ambulance vehicles. *The Herald Sun*. <https://www.heraldsun.com.au/news/nsw/fears-over-plans-to-temporarily-shut-down-30-fire-stations-across-nsw/news-story/fb4628a697d5a98811542318f3140587>

¹⁰⁸ Lattifi, A. (2021, September 13). Don't take Illawarra fire stations offline and use firefighters as paramedics: unions plead. *Illawarra Mercury*. <https://www.illawarramercury.com.au/story/7428147/illawarra-firefighters-paramedics-hit-out-at-frnsw/>

¹⁰⁹ Fire and Rescue NSW. (n.d.). *Dispelling the myths of taking fire stations temporarily off line*. <https://www.fire.nsw.gov.au/news.php?news=2166>

¹¹⁰ QFES. (2019). *Annual report 2018-2019*.

volunteerism culture and a contemporary volunteer community service. Correspondingly, the Volunteerism Strategy highlighted the need to invest in more flexible strategies to ensure QFES has the systems in place to attract, retain and support its volunteers both now and into the future.

Despite the Volunteerism Strategy, stakeholders have identified the ongoing challenges pertaining to attracting and retaining volunteers and the criticality of volunteers to service delivery. This was partly attributed to perceptions that the support and systems are not mature enough to meet their needs.

The Volunteerism Strategy looks to create a bespoke plan to meet the needs of volunteers across each area. It is the view of KPMG that QFES should continue to make efforts to sustain this workforce, to cost-effectively manage the projected rise in demand for services.

Rural Fire Brigades

The Review has acknowledged the unique challenges experienced by the RFS.

As identified in Section 2.6, there is a recognised lack of transparency and understanding of the corporate structure of RFS brigades. During the course of the Review, QFES was unable to demonstrate whether each brigade is a separately incorporated entity and/or if that entity (or another party) holds the funds received from the RFS Levy or community donations. The risk created by this lack of transparency has previously been identified and publicly reported upon, as early as the Queensland Audit Office's (QAO) *Report to Parliament No. 3 for 2008 Management of Rural Fire Services in Queensland*. The Report found there was:

- A lack of comprehensive forward planning processes to identify and manage all future risks to the sustainability of the RFS, and no formal mechanisms to ensure significant brigade issues were taken into account in the planning process;
- A lack of adequate systems in place to capture, analyse and report the level of brigade funding, limiting oversight of brigade resourcing needs and monitoring of equipment condition;
- Inadequate performance management systems that did not support effective decision making around management and resource allocation; and
- A significant gap between QFRS accepted minimum standards of brigade training and the actual levels, impeding the sustainability of the rural fire service.

In assessing these issues, the QAO report recommended: a forward planning process specific to rural fire management as part of the department's service planning process; the establishment of a structured risk management process for rural fire management; the implementation of a brigade issues management process; as well as systems and processes to monitor and analyse brigade funding, resourcing, and equipment needs. The Report also recommended the introduction of a performance management system and continued effort to address the brigade training gap.

Further to the above recommendations, the QAO Report called for the urgent clarification of the financial accountability of rural fire brigades, which at the time were being managed as separate entities with their own independent financial accounts, despite legislation providing for brigades to be part of the (then) QFRS structure. However, the lack of clarity of the corporate structure of RFS brigades, and transparency regarding sources of income and assets, continues to impact QFES' ability to equitably allocate resources to RFS brigades and units.

As identified in Section 2.7, the legal status of RFS brigades has been an ongoing issue for some time and has been raised in previous reviews. In response to recommendations from the *Queensland Parliamentary Review into the Management of Rural Fire Services in Queensland 2011* and *Malone Review into the Rural Fire Services in Queensland 2013*, QFES and RFBAQ undertook joint engagement with brigades across Queensland and issued a factsheet entitled "Legal Status of Brigades". This factsheet indicates that a rural fire brigade is an unincorporated association, which is not part of QFES and gains its powers of operation through authorisation of the Commissioner. It further stipulates members of brigades are not fire service officers under Section 8A and 25 of the *Fire and Emergency Services Act 1990*.

The implications of not having rural fire brigades formally established under legislation was consistently acknowledged by stakeholders as providing minimal legal protection for rural fire brigade volunteers in the performance of their duties. Stakeholders with an interest in this topic provided

multiple examples of recent situations that had given rise to considerable concerns. KPMG recommends that legislative review of *the Fire and Emergency Services Act 1990* and the *Disaster Management Act 2003* be undertaken, with a view to modernising both pieces of legislation and (with regard to the *Fire and Emergency Services Act 1990*) clearly addressing the role of professional and volunteer firefighters (including providing the same legislative protections to auxiliary and volunteer firefighters as afforded to professional firefighters), which may necessitate consideration of the a change to the legal status of RFS brigades.

Corporate services

As noted in Sections 2.3.7 Corporate Services and 2.5.1 Organisation and structure, beyond delivering the typical corporate services functions, QFES' administrative and corporate personnel provide specialist operational support. In certain circumstances, they can also transition to liaison, coordination, and logistics roles to provide surge capacity during large scale emergency and disaster incidents and periods of heightened response. Additionally, the Strategy and Corporate Services division is responsible for leading QFES' strategic agenda and vision, asset management, and providing the tools and systems for frontline service delivery inclusive of training. These services are vital to the paid, auxiliary, and volunteer workforce.

At present, the allocation of corporate services appears skewed to supporting FRS as 86% of non-direct costs in FY21 were apportioned to FRS (as indicated in Section 3.2.1 Service line analysis). By way of comparison, the split of non-direct costs across other services in FY21 was 6% for RFS, 6% for SES, 3% for DM and <1% for MR. This split has remained relatively consistent since FY15. It is acknowledged the allocation of increased support to FRS may reiterate cultural challenges identified by stakeholders in relation to the perception that urban/professional fire functions have a more dominant and important role within the overarching QFES model.

As noted in Section 3.3.5, Queensland has the lowest ratio of firefighters to support FTEs. This suggests Queensland is carrying additional support FTEs relative to other jurisdictions. KPMG believes that to deliver the savings proposed by QFES, there needs to be a reduction in the functions that need to be supported by corporate services personnel; QFES needs to leverage technological solutions; QFES needs to work with private sector partners; and/or QFES must standardise support arrangements to create efficiencies.

Diversity & Inclusion

KPMG strongly believes that QFES' workforce should be representative of the community it serves.

A comparison of the demographics of the Queensland population and the QFES paid workforce is set out below. It is acknowledged the Review was not provided with comprehensive demographic information (including ethnicity and reported disability) for the entire workforce, inclusive of volunteers. However, available information demonstrates that:

- In 2018, 19.1% of the Queensland population reported having a disability.¹¹¹ As at May 2021, individuals with disability accounted for 1.3% of the paid workforce across QFES;¹¹²
- In the 2016 Census, Aboriginal and/or Torres Strait Islander people made up 4.0% of the Queensland population.¹¹³ As at July 2021, individuals who identified as Aboriginal and/or Torres Strait Islander accounted for 2.1% of the paid workforce across QFES;
- In the 2016 Census, women accounted for 49.4% of the Queensland population, and this proportion has continued to rise over time; and^{114,115}

¹¹¹ Australian Bureau of Statistics. (2019). *Disability, ageing and carers, Australia: Summary of findings*. <https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release>

¹¹² QFES. (2021). *Strategic workforce plan 2021-2024*.

¹¹³ Australian Bureau of Statistics. (2020). *Census QuickStats 2016*.

https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/3?opendocument

¹¹⁴ Australian Bureau of Statistics. (2020). *Census QuickStats 2016*.

https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/3?opendocument

¹¹⁵ Queensland Government Statistician's Office. (2019). *Population and household characteristics*.

<https://www.qgso.qld.gov.au/statistics/theme/population/population-household-characteristics/women>

- As at July 2021, women accounted for 19.4% of the entire QFES workforce, inclusive of volunteers. This figure is below the gender balance target of 40-60%, set by the Champions of Change Coalition, of which QFES is a party.¹¹⁶ Comparisons of the latest figure provided by QFES, relative to other agencies included in the Champions of Change Coalition Impact Report 2020, has been included below.

Table 3-20: Comparison of gender diversity across other agencies

Fire & Emergency Agency	% Women represented (overall employees) in 2018	Difference (%) compared to QLD
NSW Rural Fire Service	23.9%	+4.5%
Fire and Rescue NSW	12.6%	-6.8%
Fire Rescue Victoria	11.7%	-7.7%
SA Metropolitan Fire	6.4%	-13.0%
Tasmania Fire Service	18.1%	-1.3%
NT Fire and Emergency Services	14.0%	-5.4%
Department of Fire and Emergency Services WA	23.0%	+3.6%
Fire and Emergency NZ	19.1%	-0.3%
SA Country Fire Service	45.3%	+25.9%
Forest Fire Management Victoria	36.2%	+16.8%
Emergency Management Victoria	59.1%	+39.7%
Tasmania SES	30.1%	+10.7%
South Australia SES	29.4%	+10.0%
New South Wales SES	36.4%	+17.0%

The Queensland Government's *Inclusion and Diversity Strategy 2021-2025* recognises the correlation between diverse and inclusive workplaces and employees who are engaged, productive, and effective. The strategy provides guidance in the form of diversity targets, indicating the:

- The target for employing individuals with disability in the public sector has been set at 8%;
- The target for employing individuals who identify as Aboriginal and/or Torres Strait Islander in the public sector has been set at 3%; and
- The target for employing women in leadership positions in the public sector has been set at 50%.

The strategy indicates that inclusion is more difficult to measure than diversity as it is 'embedded in organisational culture and the extent to which a person feels safe, respected and included'. Whilst culture is outlined further in the following section, it is acknowledged that stakeholders have identified concerns with achieving inclusion across the department. They indicated that diversity – across all elements of the term – continues to be limited, which in turn impacts the ability to support modern leadership approaches. They also contended that there is a lack of respect between certain services, hindering their ability to collaborate and deliver services efficiently.

KPMG believes that in light of the significant need for a continued focus on establishing a diverse workforce, representative of the community the organisation serves, and a workplace where all staff feel safe, respected, and included – specific targets should be established in-line with the Queensland Government's *Inclusion and Diversity Strategy 2021-2025*. These should relate to the communities identified in that strategy, including women, people with a disability, Aboriginal and Torres Strait Islander peoples, culturally and linguistically diverse people, and the LGBTIQ+ community, and apply to each of the services and the corporate support functions. In that regard, the QFES should work directly with the Public Service Commission to achieve specific and appropriate arrangements for the organisation that support the establishment of appropriate mechanisms to allow for enhanced

¹¹⁶ Champions of Change Coalition. (2020). *Impact report 2020*.

selection and recruitment processes and enhanced career pathways for groups that are under-represented within the organisation. This could include publicly committed targets, the use of 'merit pools' (as distinct from precise 'orders of merit') or further mechanisms that extend beyond the strategies outlined in the *Inclusion and Diversity Strategy 2021-2025* to positively reinforce the need to improve workforce diversity and representation.

Culture

QFES currently operates as a single entity encompassing three distinct services including FRS, RFS, and SES, with current plans underway to implement a more integrated, single MR service. Each service operates with its own identity, and there are various symbolisms of distinction, including the diverse badges, uniforms, and appliances that distinguish services as well as differentiate professional staff from volunteers. There appears to be a varied level of collaboration between services. For instance, fire services (i.e., FRS and RFS) access different fleets and stations in the execution of their operations, noting their different service focuses.

In many Queensland communities, emergency response is delivered wholly by, or in conjunction with, the auxiliary and volunteer workforces.

QFES has acknowledged one of the key challenges facing the department is balancing the highly technical and specialist nature of operational response against the need to sustainably deliver services across the entire State. It has identified that this challenge manifests into tensions between the paid and volunteer workforces, where there is overlap in their skills and experience which can be applied to a particular event. The department suggests the need for clearly defined roles and a collaborative approach to service delivery to resolve this tension.¹¹⁷

Notably, results from the most recently reported QFES Volunteering for Queensland Survey indicated that only 58% of volunteers felt they could effectively contribute their skills and experience to QFES.¹¹⁸ In response to this survey, QFES released its Volunteerism Strategy in 2018. The Volunteerism Strategy identified numerous challenges in maintaining a strong volunteerism culture and a contemporary volunteer community service. Correspondingly, the Volunteerism Strategy highlighted the need to invest in more flexible strategies to ensure QFES has the systems in place to attract, retain and support its volunteers both now and into the future.

In assessing the culture of QFES it is important to note that KPMG has not undertaken a detailed cultural assessment as part of this Review, given that this was not within the scope of the Terms of Reference. There have, however, been various historical reviews which have examined the culture of QFES and made recommendations – these have been detailed further in Section 2.5.3 People.

The Allison Review found that systemic organisational issues within QFES limited the department's ability to respond appropriately and effectively to matters related to sexual harassment and the like. The Allison Review made 30 recommendations to improve the environment in which women firefighters are recruited, trained, assigned, supported, and promoted.

In 2018, Major-General McNarn determined that the politics, clash of cultures, and compromises that accompanied QFES' integration had hindered coordination, both internally and externally. The McNarn Review pointed to each service having different cultures, systems, processes, doctrine, training, association/union stakeholders, and understandings. The McNarn Review made several recommendations to support the organisational culture of QFES. Whilst many of these were implemented, including the development of the QFES Leadership and Performance Framework, a significant proportion remain in progress or have been reported to have been absorbed into business-as-usual (see Section 3.4.1).

Whilst QFES' progression of review recommendations is acknowledged, each service within QFES still appears to operate distinctly with their own identity. There are various symbolisms of distinction, including the diverse badges, uniforms, and appliances that distinguish services as well as differentiate professional staff from volunteers. Most stakeholders identified strong affinity to specific services rather than to the overarching organisation that is QFES – speaking to the unique cultures and traditions which they felt should be preserved. In addition to the above, it was agreed effectively

¹¹⁷ QFES. (2021). *QFES independent review strategic direction*.

¹¹⁸ QFES. (2019). *Annual report 2018-2019*.

by all stakeholders that there were several cultural issues that continue to require focus. These include the presence of animosity and lack of respect between certain services, which impedes their ability to collaborate, distribute funding and efficiently deliver services. Through analysing information garnered from past reviews, stakeholder consultations, and submissions, it is evident there remain tensions within QFES, and the department has had limited success achieving an integrated culture.

Both internal and external stakeholders indicated that there needs to be increased respect and support for volunteer services and a shift away from stakeholders' perceived approach of a current focus which entails expanding the capabilities, profile, and funding of urban based fire and rescue services in-lieu of other functions. There was a perception that FRS functions are more dominant and are seen to have a more important role within the overarching QFES model. It is the view of KPMG that this perception is reinforced by:

- The department's allocation of resources and supports, which is more significantly apportioned to FRS than other services (as identified in Section 3.3.5 Detailed benchmarking analysis);
- The use of strategic metrics which have a clear focus on activities that fall within the remit of FRS and the 'Response' element of the PPRR framework (see Section 2.2.1 Strategic metrics), as distinct from broader KPIs that cover the breadth of functions within the organisation and the full extent of the PPRR framework;
- The current legislation governing the operations and functions of QFES is silent on the management, roles, and responsibilities of volunteers who deliver the services of QFES. Additionally, RFS volunteers are not afforded the same legal protections as FRS employees (see Section 2.7).
- There is a lack of evidence to indicate the meaningful progression of significant numbers of recommendations made by past reviews (detailed further below in Section 3.4.3), which has been identified by stakeholders as a key challenge fronting the organisation. This could also be seen to inhibit workforce confidence in the ability of QFES to make improvements where required; and
- The limited diversity across the QFES workforce, which does not currently meet gender balance or diversity targets as set out by the Queensland Government and Champions of Change Coalition.

Given the challenges QFES faces in establishing an inclusive culture and diverse workforce that is representative of the community, the Review recommends the establishment of a specific leadership program. This program should have a clear emphasis on continuing to modernise, diversify and establish operational and strategic leadership capabilities - in a way that breaks down silos, drives an inclusive fire and emergency service, and ensures that ethical decision-making and acceptable workplace conduct is central to operations.

Additionally, given that the scope of this Review did not extend to undertaking a detailed workforce culture assessment, it is recommended this be completed to improve the collaboration, performance and workforce experience of all services (including volunteers).

3.4.3 Support and Planning

Maintaining and planning for future infrastructure, equipment, staffing and volunteer support

KPMG has been particularly surprised by the lack of progress associated with service needs analysis, the use of data, and the lack of a future-focused planning capability that uses data to drive budgeting, capital planning, resourcing, and other investment activities. Despite QFES' purported efforts to focus on elements of the PPRR framework beyond 'response' activities, KPMG has failed to identify any real progress in these areas for whole parts of the organisation (RFS, DM, SES, MR) and only very iterative steps relating to FRS activities.

KPMG sees a mature and future-focused planning capability as fundamental to QFES' ability to optimise resource allocation, to best meet service demands of Queenslanders in an increasingly dynamic environment with many influential stakeholders and capital constraints.

As part of this Review, QFES has indicated to KPMG that the organisation's service planning and investment capability is 'maturing'. The department has provided a roadmap to KPMG setting out how it is uplifting its data analytics and planning capability to support data-driven and risk-adjusted decision making across its portfolio. QFES also notes that the investment to date is largely focused on its paid services, with no firm plans to uplift volunteer services.

KPMG contests the view that the capability is maturing and is particularly concerned by the apparent lack of progress in this area. There has been no rationale provided by QFES as to why this key functional area within the organisation is only now effectively 'starting out' its activities. The overview of QFES' Planning and Performance framework provided to KPMG made no reference to data analysis (except for naming tools that may be used) and similarly did not make any specific mention of risk. The headings within that document reflect broadly generic processes, such as 'Horizon scanning' and 'Environmental scanning', with little regard for contemporary planning linkages to priorities, risk mitigation, options analysis nor efficiency considerations. Similarly, the 'Analytics for Investment Planning' presentation, dated 26 June 2020, appeared to be a point in time and static document outlining either actions that had recently been undertaken or activities that were planned to occur in the future in relation to a specific request for an update or for some other purpose.

Admittedly, the material contained within the latter document appeared to be more contemporary in nature. However, it did not appear to provide any form of programmatic service planning or capital investment analysis framework that supported dynamic modelling or risk-adjusted activities.

A key enabler to service planning is data and intelligence. As described in current state, Section 2.5.5, QFES has acknowledged that its disaster management intelligence capability is evolving in response to several reviews identifying the necessity for a common framework and a more robust approach to disaster data coordination. QFES has indicated that developing this capability will continue to remain a key area of focus for the future.¹¹⁹ This advice again raises concerns as to potential past delays or inaction that have/has occurred in relation to this kind of vital activity and impacts confidence levels regarding the current approach being adopted.

In addition to KPMG's concerns, numerous stakeholders also expressed frustration in the apparent lack of future planning capability and transparency of how investment decisions were made. These perspectives appear consistent with a low level of maturity in this capability.

Whilst QFES plans for future capital investment in stations, it does not appear that the operational expenditure associated with operating the new stations once built is adequately considered and planned. The Bushfire Royal Commission also identified the need for decision making to be underpinned by data and information that contributes to an understanding of fire and broader disaster risk.

Benchmarking analysis in Section 3.3 also shows a relatively high spend (both in terms of operational and capital expenditure) on FRS activities relative to the other services in other jurisdictions. This also supports the perspective of a low level of maturity in future focused planning capability, given the increasing needs associated with other parts of the organisation.

Previous reviews performed have re-enforced the view that SES is a service that has suffered from a lack of strategic direction and significant underinvestment.

KPMG has sought to understand why this has not been developed in the eight years since formation of QFES, and why is it not fully functioning. KPMG sees this investment as a foundation capability, which will cascade through other capability investments across the portfolio. Accordingly, KPMG believes it is essential to establish a future-focused service planning capability that supports data driven, risk adjusted resource allocation decisions that cascade across all services within the new organisation including, but not limited to, budget allocations, station and fleet locations, staffing levels, and technology investments.

¹¹⁹ QFES. (2021). *QFES independent review building organisational capability*.

Implementation capability – A ‘recent’ look back

From information provided to KPMG, a total of 146 reviews have been completed since the establishment of QFES in 2013, consisting of approximately 1,980 recommendations. Both the themes and the subsequent implementation activities associated with those reviews provide a useful insight into the organisation’s continuous improvement journey and establish context within which the analysis and recommendations arising from this Review are presented.

As noted in point 9 (b) of the Terms of Reference, KPMG has specifically considered the findings of the reviews in Attachment 2 of Terms of Reference. These findings have reinforced KPMG’s views as noted above. A summary of the reviews in Attachment 2 of the Terms of Reference is detailed below:

1. Report 10: 2014-15 QAO Bushfire Prevention and Preparedness.
2. Report 5: 2018-19 QAO Follow Up to Bushfire Prevention & Preparedness.
3. 2018 Review into Volunteer Marine Rescue Organisations in Queensland (Campbell Darby).
4. 2018 C41 Foundations Review: Command, Control, Coordination, Communication and Intelligence.
5. Inspector-General Emergency Management Cyclone Debbie Review Report 1: 2017-18.
6. Inspector-General Emergency Management 2018 Queensland Bushfires Review Report 2: 2018-2019.
7. Inspector-General Emergency Management Queensland Bushfires Review Report 2: 2019-20.
8. Inspector-General Emergency Management Monsoon Trough Rainfall and Flood Review Report 3: 2018-19.
9. 2013 The Malone Review into the Rural Fire Service in Queensland.
10. Sustaining the Unsustainable: Police and Community Safety Review, Final Report 2013.
11. Public Safety Business Agency QFES Project and Contract Management: Governance and Decision-Making Processes Final Report September 2019.
12. 2014 QFES Operating Model & Organisation Structure Review.

Additionally, QFES have temporarily placed the EPMO on hold, which is the function that prioritises, implements, and reports on change initiatives. The department has cited competing demand for resources and the pressing need for QFES to simplify and streamline processes to make them sustainable under current resourcing arrangements, as reasons for this decision.

There are several consistent themes that can be drawn from the 146 reviews that have been conducted since the formation of QFES in 2013. While not universal in their coverage (as previously noted, certain review activities were focused on specific topics or issues arising at the time), the themes from these reviews have been set out in categories summarised below.

Table 3-21: Themes from past reviews

Category	Definition
1. Logistics	Recommendations / Actions relating to the provision and delivery of resources (human, physical, facilities, services, materials, tools, et cetera) required during operational and non-operational situations
2. Wellbeing, Health & Safety	Recommendations relating to defining and complying with policy, standards, or practices relevant to ensuring the health, safety, and wellbeing of employees (including volunteers)
3. Planning	Recommendations / Actions relating to the planning of activities across the operational spectrum
4. Roles & Function Performed	Recommendations / Actions relating to the roles and functions performed including duplication and gaps between roles and across services

Category	Definition
5. Decision Making	Recommendations / Actions relating to the efficiency and effectiveness of decision making
6. Management of Record	Recommendations / Actions relating to the process and accuracy of records being kept in relation to operations across all relevant points including and not limited to resources, volumes, types
7. Skills & Experience	Recommendations / Actions relating to the adequacy of skills and experience including gaps, duplication
8. Partnerships & Interoperability	Recommendations / Actions relating to the effectiveness of partnerships and interoperability across the public safety portfolio, broader Queensland Government, nationally and Commonwealth
9. Data & Intelligence	Recommendations / Actions relating to the provision of strategic analysis and advice through predictive performance measures and reporting, including the provision of strategies, processes, applications, data, products, technologies, and technical architectures used to support the collection, analysis, presentation, and dissemination of business information
10. Communication	Recommendations / Actions relating to the efficiency and effectiveness of communications (excluding to the public and community) during operational activities
11. Public Information & Community Engagement	Recommendations / Actions relating to the efficiency and effectiveness of public information and community engagement prior, during or post operations
12. Operational - Other	Anything that is operationally focused but does not feel as though it can fit into the categories above
13. Non-Operational - Other	Anything that is non-operational

Many of these reviews have identified opportunities to optimise service delivery for the State. However, documented evidence demonstrating progress in addressing the matters identified is particularly difficult to obtain.

In the time available to this Review, KPMG has not sought to 're-establish' the basis of recommendations from prior reviews. We have, however, attempted to determine QFES' success in adopting and implementing the extensive number of what generally appear to be well-founded, considered, and positive recommendations or suggested courses of action set out in previous reviews.

From the information received, KPMG's view is there has been, at best, mixed implementation and tracking of recommendations with many recommendations transitioned into business-as-usual.

KPMG believes that there is a has contributed to a perceived lack of progress in the development and performance of QFES at an organisational level over a prolonged period. Of the materials received, almost 1,530 (approximately three-quarters) of the recommendations arising from previous review activities had not been flagged as "closed". This includes a lack of documentation even in instances where recommendations may not have been supported by QFES and therefore their 'closure' has occurred even without requiring action. The central repository of reviews maintained by QFES, which tracked recommendations and status, has not been used or updated by QFES for 18 months. No mechanism to track progress of the delivery against recommendations was identified.

The lack of evidence of any meaningful progress in implementing the 1,980 recommendations that have previously been made to QFES is one of the key bases upon which a more fundamental reform option for the organisation's functional arrangements (as distinct from a minor, slight change) is made. In KPMG's view, the need to genuinely effect changes that enhance community outcomes will be given the highest likelihood of success if they are focused more directly on areas of risk, rather than a broader set of functional arrangements.

This view is not unique to the KPMG review process; as noted previously, various stakeholders have lamented QFES' progress in responding to continuous improvement initiatives, suggestions to better achieve community outcomes, and even formally endorsed recommendations arising from post-incident reviews and other such analyses.

Accordingly, as previously noted, KPMG believes it is necessary to establish (or re-establish, in the event that the currently 'on hold' unit is available) a specific Project Management and Cultural Reform Office to drive the implementation of recommendations and focus specifically on the cultural and organisational reforms necessary to give effect to the structural changes, ongoing integration activities, and drive collaboration.

3.4.4 Information and Technology

Information and technology are key enablers for QFES to deliver effective, efficient and sustainable fire and emergency services for Queensland.

QFES recognise the challenges and the criticality of delivering the information and technology to support the capability. KPMG agree with the notion put forward by QFES that the timely flow of accurate, meaningful information to the right recipients is critical and failures can be life threatening.¹²⁰

Given the critical nature of information and technology uplift across a range of operational and corporate systems, the apparent lack of progress and the temporary hold of the EPMO to prioritise, implement, and report on projects, would appear to be an oversight.

The ICT prioritisation should be subject to the same process and rigour of other investments. However, consideration should be given to the foundational nature of some elements of information and technology. In particular, failure to obtain the correct infrastructure, systems, and data governance has follow-on impacts on the ability of QFES to perform meaningful analytics activities.

Investment in information is therefore the foundation capability for service planning, which will be critical for QFES to deploy its scarce resources to where they are most valuable.

This planning capability will also allow analysis as to whether investment in technology opportunities create enough efficiency and return on investment, relative to other opportunities in the portfolio to justify further investment. There is long list of technologies in which QFES could invest, such as:

- Process automation to drive consistency/efficiency for high frequency and repeatable processes;
- A new time recording and management system, with a particular capability to capture time spent across the breadth of the PPRR framework being a central requirement;
- Virtual training solutions that allow more people across the State, particularly as connectivity improvements are made to regional areas;
- Geospatial, drone and/or predictive analytics solutions that allow for pinpointing of higher risk areas requiring preventative activities, or which may better pinpoint bush, scrub and/or other fire events earlier in the response phase to allow for quicker planning and potentially intervention; and
- Further enhancements to radio and/or other telecommunications tools, such as Government Wireless Network enhancements and other such known communications and technology systems requiring improved interoperability and improvement.

3.4.5 Reporting and metrics

As demonstrated throughout the breadth of this Report, most key performance indicators and financial metrics that are captured by QFES relate to 'traditional' FRS elements of the organisation, and specifically are aligned to 'response' activities within the State's PPRR framework. That is, there are limited performance metrics for the RFS, SES, MR, and DM services.

KPMG's observations of performance metrics across jurisdictions highlighted the Fire and Emergency Management division within Victoria's DELWP as a leader in setting performance metrics that

¹²⁰ QFES. (2021). *QFES independent review building organisation capability*.

covered a large cross-section of the types of activities undertaken by a contemporary fire service, which may provide some direction in terms of future-focused reporting arrangements.

Holistically however, the importance of establishing key performance indicators and financial measures that align to the overall priorities of QFES – and through that the Queensland community – cannot be underestimated. The truism that suggests ‘you do what you measure’ holds correct for QFES in the same way it does for other organisations, and it is vitally important that performance measures are therefore aligned with the expectations of, and indeed known to, the broader community. Such measures should be outcome (rather than output) focused, to ensure that activities are driving results and not simply reporting on volumes of activities. In that regard, it is acknowledged that changes to performance measures (particularly in the context of Service Delivery Statements and their time series approach to target setting and actual performance reporting) will require a period of transition. Nonetheless, given the importance of this aspect, KPMG believes it is appropriate for QFES to develop and publish performance against (on a regular basis, ideally quarterly) an Outcomes Framework setting out:

- Outcomes-based fire (and broader emergency) services’ performance measures;
- Strategic effectiveness measures across the PPRR framework, but focused within the remit of the new organisation;
- A formal interoperability plan, focused in two specific parts to drive interoperability between elements within the new organisation and more broadly to clarify the new entity’s role within the disaster management system in Queensland;
- A clear link between resource planning/service analysis and community outcomes; and
- Goals to (and progress against) improve(d) operability across professional, auxiliary, and volunteer firefighter organisations.

The Outcomes Framework should emphasise the breadth of the PPRR framework and not be solely focused on urban fire and rescue response activities.



4. Sustainable future state

RURAL FIRE
BRIGADE




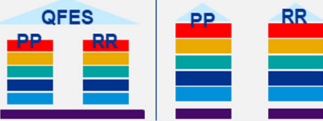



4 Sustainable Future State

4.1 Future state model options

In analysing the current state of QFES and benchmarking its service delivery model against other jurisdictions, as well as assessing the key themes resulting from stakeholder consultations, KPMG developed a continuum whereby the current state of QFES was at one end and a completely decentralised model for the provision of fire and emergency services was at the other end. Between these options were three other proposed options which sat along a logical continuum of change. In total, this resulted in the identification of five separate options for the future organisational design of QFES. These include – Current State, Sharpen, Reallocation, Capability Split and Separate. A summary of the options is provided in the figure below, and a detailed description of each option is subsequently provided thereafter.

Figure 4-1: Summary of future state model options

Current State	"Sharpen"	Reallocation	Capability Split	Separate	Key Fire & Rescue Rural Fire SES Corporate Services Marine Rescue Disaster Mgmt. Leadership & Strategy
<p>QFES is a centralised, emergency services department, responsible for the provision of corporate services functions to fire and rescue services, rural fire services, state emergency services, marine rescue services, QFES is also engaged in disaster management functions through a number of local and state arrangements. There is internal and external confusion as to the roles and responsibility of each service that sits under the umbrella of QFES.</p> 	<p>QFES remains a centralised emergency services department with responsibility for fire and rescue services, rural fire services, state emergency services, marine rescue services and disaster management functions. However, there is greater clarity in terms of the roles of each service, with clear boundaries and direction regarding accountability and functional responsibilities achieved through organisational restructuring.</p> 	<p>'Fire-related' functions such as urban and rural fire activities (inclusive of all elements of prevention, preparedness, response and recovery) remain within a single organisation. Other functions are separately managed by another agency/agencies (i.e., one, some or all of marine rescue, state emergency service and/or disaster management functions are moved through machinery-of-government changes).</p> 	<p>Each service is aligned to response and recovery functions (RR) and prevention and preparedness functions (PP). This alignment may occur under the overarching umbrella of QFES, or the functions could be separated across two departments.</p> 	<p>Each distinct service is segmented to become a standalone agency, supported by its own corporate services function and leadership.</p> 	
<p>*Corporate Functions as illustrated above includes Corporate, CFO & Strategy and Technical Services & Planning functions</p>					
<p>Primary Value Proposition / Benefit</p>					
<ul style="list-style-type: none"> Lowest implementation cost option with no additional resourcing required to implement changes to the current QFES structure and/or operating model and Promotes economies of scale (one corporate services). Maintaining all fire and emergency services together may theoretically enable greater collaboration and interoperability. 	<ul style="list-style-type: none"> Relatively low implementation cost option, with service delivery not moving between entities. Promotes economies of scale (one corporate services). Maintaining all fire and emergency services together may theoretically enable greater collaboration and interoperability. Greater clarity in roles and responsibilities may reduce tensions between services, and the potential risk of inconsistency/duplication in service provision. Enables the alignment of incentives to strategic objectives through realignment of organisational structures. 	<ul style="list-style-type: none"> Enables more focus on the delivery of fire activities. Another department may be more appropriately aligned from a functional perspective to deliver services outside the 'fire' remit. 	<ul style="list-style-type: none"> Relatively low implementation cost option should services remain with QFES. Clear objectives can be embedded into incentives and allocation of resources – solidifying investment for both the PP and RR areas. Enables the consolidation of activities (e.g. training, forecasting, demand modelling) currently delivered by multiple services. Provides a greater emphasis on PP activities. 	<ul style="list-style-type: none"> Removal of bureaucracy enables each standalone agency to be more flexible, adaptable and responsive to services specific changes. Increased accountability on key decision makers for results under each standalone agency. 	
<p>Primary Disadvantage / Risk</p>					
<ul style="list-style-type: none"> Continuation of cultural issues manifesting into a level of animosity/lack of respect between certain services which impacts their ability to collaborate, distribute funding and efficiently deliver services. Focus on activities beyond the 'response' elements of fire and emergency events remains limited. 	<ul style="list-style-type: none"> Cultural issues embedded in QFES may be difficult to shift without more significant changes to structural and operating model. QFES has a track record of not implementing recommended structural changes. 	<ul style="list-style-type: none"> Standalone fire agency may give rise to cultural and diversity challenges experienced under QFRS model. 'Response' may be viewed as the only important element of fire activities, at the expense of the progress being made to address areas of preparation, preparedness and recovery across urban and rural fire services. 	<ul style="list-style-type: none"> Service specific knowledge may not be shared between the pillars of PP and RR. High level of difficulty in implementation. 	<ul style="list-style-type: none"> Cultural tensions may exacerbate given the more siloed approach to the delivery of emergency services, impeding collaboration. Challenges in relation to feasibility of each service to become a standalone agency, acknowledging the need for additional Government investment. Risk of duplication in service delivery. Does not promote economies of scale. 	

4.1.1 Current State

In-line with status quo, the current state option would see QFES remain as a centralised, fire and emergency services agency. The department would continue to be responsible for FRS, RFS, SES, MR and DM, as well as the provision of corporate services functions. DM arrangement would continue to be partially led by QFES and partially led by other agencies (such as QPS and the QRA), depending on the phase of an event within the PPRR framework, with QFES having administrative responsibility for the *Disaster Management Act 2003* and working as part of numerous local and state arrangements. The internal and external confusion that exists around the roles and responsibility of each service that sits under the umbrella of QFES would be maintained.

The key benefit of maintaining the current state is that this would be the lowest implementation cost option with no additional resourcing required to implement changes to the current QFES structure and/or operating model. It also promotes economies of scale through the provision of one corporate services for all services that fall under the wider QFES umbrella. Further, maintaining all fire and emergency services together may theoretically enable greater collaboration and interoperability.

The primary disadvantage of maintaining the current structure and operating model is that it risks the continuation of cultural issues, which at present are manifesting into a level of animosity and lack of respect between certain services. This impacts their ability to collaborate, distribute funding and efficiently deliver high quality outcomes. Additionally, it is envisaged that the focus on activities beyond the 'response' elements of fire and emergency events would remain limited.

4.1.2 Sharpen

This option would see QFES remain effectively in its current state as a broad fire and emergency services agency, with responsibility for FRS, RFS, SES, MR, and DM. However, there would be greater clarity in terms of the roles of each service, with clear boundaries and direction regarding accountability and functional responsibilities achieved through organisational restructuring that embedded the current individual nature of each of the services, with an overarching 'QFES' element being coordinated by an overarching arrangement.

There are several benefits to implementing this option, including that it is a relatively low implementation cost option, with no changes in terms of moving service delivery between entities. It also provides opportunities for economies of scale through the provision of one corporate services for all services that fall under the wider QFES umbrella. Beyond costs, in similarity to the current state option, maintaining all fire and emergency services together may theoretically enable greater collaboration and interoperability. Further, through ensuring greater clarity in roles and responsibilities, tensions between services may reduce and it may also decrease the potential risk of inconsistency and/or duplication in service provision. The *Sharpen* option would also enable the alignment of incentives to strategic objectives through realignment of organisational structures.

There are also numerous disadvantages that have been identified. Firstly, as noted by a significant number of stakeholders, the breadth of services that currently fall within the remit of QFES have made it difficult to create a truly integrated organisation. Evidence of this includes: the continued cultural changes, the disparate financial arrangements demonstrated through benchmarking in this Report, and the generally perceived tension by effectively all stakeholders between the competing priorities of services within QFES. Secondly, although it is reasonable to expect that this approach would have a relatively low implementation cost, the creation of a more defined 'overarching' entity under which individual services reside is likely to have a negative financial impact (compared to a genuinely integrated model) in the long run. Thirdly, and probably most importantly, this option would not appear to provide any genuine impetus to effect change within the organisation nor drive the continuous improvement journey that is required to increase flexibility, improve interoperability, and respond to the dynamic nature of the risks and challenges faced by fire and emergency services providers. QFES' track record in relation to implementation, or lack thereof, is a clear example in that regard.

4.1.3 Reallocation

This option would see fire, rescue and emergency related functions (being FRS and RFS) – inclusive of all elements of the PPRR framework that relate to these functions – remain within a single organisation, providing a more focused operational remit for the (smaller) entity and its leaders and staff. The new arrangement would seek to achieve the objectives of interoperability more rapidly (across the smaller remit of services, and by having a more defined role within the State’s broader DM system) and the delivery of more effective and efficient outcomes through integration of certain activities over time. Other services currently within QFES (being SES, MR and DM) would be separately managed by another agency or agencies (i.e., one, some, or all functions could be moved through machinery-of-government changes).

The key benefit of the *Reallocation* option is that it enables a clearer, more defined and more explicit focus on the delivery of fire, rescue and certain emergency services. This approach would reduce the scope of operations, allowing for more targeted activities across the breadth of the PPRR framework and with a greater capacity to define and meet community expectations. It would also provide greater capacity to focus limited resources into areas of most significant need, with a clear integration agenda that would support improved financial efficiency over time. Further, it would reduce certain (admittedly not all) tensions and competing priorities within the organisation, given the more focused remit. Additionally, from a functional perspective, one (or more) other agency/ies may be better placed culturally, from a service alignment perspective or even financially (through greater economies of scale) to deliver services outside the fire, rescue and emergency remits.

There are, however, disadvantages associated with this option. In relative terms, it is likely to be most costly in the short term given implementation requirements. That said, it is recognised that machinery-of-government changes are commonly funded within existing appropriations. On one level, while it may create the opportunity for a more integrated approach for professional and volunteer firefighters, it is reasonable to acknowledge that this approach would require increased coordination and collaboration across the broader disaster and emergency management system (relative to the present arrangements). This has been identified by certain stakeholders with regard to Queensland’s representation at national forums and related inter-governmental groups. There is, however, a contrary stakeholder view that the present arrangements do not provide sufficient input from other key stakeholders within the disaster and emergency management sector in Queensland.

Finally, the primary drawback of this design option is that the establishment of a standalone fire agency may give rise to workforce challenges – particularly regarding diversity and inclusion initiatives – experienced under the previous dedicated Department of Emergency Services (and similar) ‘single fire agency’ models. This may give rise to a primary focus on FRS and ‘response’ activities, to the detriment of other parts of the organisation and the broader prevention, preparedness and recovery elements of the PPRR framework for which the new agency would be responsible. Should this option be adopted, it would be necessary to instigate arrangements to support cultural reforms and establish strategic metrics across the activities of both the FRS and RFS aligned to the broader remit of the PPRR framework. Additionally, risks pertaining to diversity and inclusion could be mitigated through the implementation of initiatives aimed to modernise, diversify and establish operational and strategic leadership capabilities, as well as through effective engagement with the workforce.

4.1.4 Capability Split

In this option, each service would be aligned to one (or more) element of the State’s PPRR framework. Logically, this would likely see the combination of Response and Recovery (RR) functions and Prevention and Preparedness (PP) functions into two (or more) different parts of the agency, split across all (or some, if a combined ‘Reallocation’ and ‘Capability Split’ model were adopted) services currently within QFES. This alignment may occur under the overarching umbrella of QFES, or the functions could be separated across different agencies.

Under the assumption that all current services remained within QFES, one of the benefits of the *Capability Split* option is that clear objectives could be embedded into incentives and allocation of resources, better standardising investment across the areas of the PPRR framework. The implementation of this option may also enable the consolidation of activities (e.g., training, certain

administration services) currently delivered by multiple services. The primary benefit of this option would likely be the placement of a greater emphasis on PP activities than appears to currently exist, aligning outcomes more directly to the overarching PPRR framework established for the State.

There are, however, several disadvantages. Firstly, this model is considered the most 'radical' in terms of organisational design when considered in the context of other approaches across Australia (and indeed globally). It would require a fundamental set of structural changes across the entirety of the organisation and would also likely necessitate a major shift in QFES' operating model. This model would also require fundamental change to community expectations, with a reset in the way QFES engages with the community and communicates its functions and services. A resultant adjustment in community expectations in relation to fire and emergency services would also be required, which may be beyond QFES' control. An additional impediment in implementing this option is that service specific knowledge may not be shared between the pillars of RR and PP. Additionally, there is a high level of difficulty associated with executing this option and restructuring the services to align to these functions.

4.1.5 Separate

This option would see each distinct service segmented to become a standalone agency, supported by its own corporate services function and leadership. Under this model, each standalone agency would operate independently in relation to its specific remit, but with increased inter-dependencies at a system level (i.e., across the breadth of the fire, disaster and emergency services system in Queensland). On one level, it is theoretically possible that these smaller agencies may be more nimble and therefore better able to respond to changes that are specific to each service. However, another perspective may be that this option would further embed silos and increase costs as each agency 'stood up' its own support operations.

What is clear is that the *Separate* option would increase accountability at an agency level for those activities which are the responsibility of each standalone agency. In that regard, it is likely this option would require additional funding (beyond the funding already highlighted to reduce the gap between operational expenditure on fire and emergency services in Queensland relative to other jurisdictions) given the potential duplication of elements such as corporate services functions. The recent dis-establishment of the PSBA, a legacy of the Keely Review, is evidence of the challenges associated with trying to reduce duplication of functions across similar agencies/organisations. Finally, the separation of services into standalone agencies would likely increase risks associated with service delivery and coordination of Queensland's activities across these functions.

4.2 Design principles

In keeping with best practice organisational design as well as tailoring to the specific needs of QFES, KPMG developed seven key operating principles which were used to underpin the formulation of future state organisational design options. The principles were confirmed during the Review with the Steering Committee and used as a framework to test and guide design features and preferences for QFES, allowing a mechanism by which future state options could be assessed to ensure they met the requirements of QFES.

These principles are:

1. **Effectiveness:** The organisational design should support QFES in meeting its current obligation to help the community in effectively preventing, preparing for, responding to, and recovering from the impact of fire and emergency events.
2. **Clear mandate and purpose:** The organisational structure should drive a clearer understanding of roles and decision-making processes for staff across all services, as well as improved communication and clarity around command and control.
3. **Efficiency and sustainability:** The organisational design should streamline activities to ensure there are clear functional boundaries and reduce any overlap, as well as support the sustainable delivery of emergency services in Queensland into the future.

4. **Allows for delegation and appropriate decision making:** The organisational structure should provide avenues for delegation and decision-making at the appropriate levels.
5. **Modern and diverse leadership:** The organisational structure should allow for modern and diverse leadership, representing the diversity of the community which QFES serves.
6. **Ease of implementation:** In recognising the volume of recommendations made by prior reviews undertaken in relation to QFES which are still progressing, the organisational structure should be assessed against its ease of implementation.
7. **r:** In understanding the important role QFES will play in upholding community safety, the organisational design should promote the provision of high-quality services for the community into the future.

4.3 Relative assessment of delivery options

The future state options discussed in Section 4.1 were relatively assessed against each of the design principles on a scale of 1 to 4, whereby a score of 1 indicates the proposed option was scored least favourably against this principle and a score of 4 infers the option was scored most favourably against this option when benchmarked against all other future state options.

Based on information garnered from consultations with stakeholders and the Steering Committee, each of the design principles were given an equal weighting, except for Design Principle 7: Community Outcomes. Design Principle 7 was weighted higher at 25% (double the weighting allocated to principles 1 to 6) given the paramount importance that QFES places on upholding community safety and providing high quality outcomes for Queensland. The criteria weighting was applied when scoring the options on the scale of 1 to 4, resulting in a total score for each option out of a potential 100%.

An overview of the scoring has been provided in the below table.

Figure 4-2: Summary of ratings against design principles

	Current State				Sharpen				Reallocation				Capability Split				Separate			
Scoring	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Effectiveness	●					●						●				●		●		
Clear mandate and purpose		●				●						●	●							●
Efficiency and sustainability		●						●				●		●			●			
Delegation and decision-making	●					●						●	●							●
Modern and diverse leadership		●						●				●				●	●			
Ease of implementation				●				●				●	●				●			
Community outcomes		●				●						●				●		●		

The detailed scoring and evaluation rationale for each future state option is provided below. It is important to note the scoring is relative in the context of the options, rather than a precise rating on a scale. The comparisons are, therefore, between the available alternatives, rather than a reflection of a performance. A useful way to consider this is the score for 'Effectiveness' (Design Principle 1) in relation to the 'Current state' option. Although this option has the lowest relative rating against this design principle, that does not mean the organisation is currently 'Ineffective'. Rather, it recognises that against this design principle – being the organisation's effectiveness in meeting its current obligation to help the community in effectively preventing, preparing for, responding to, and recovering from the impact of fire and emergency events – the other options present greater ability to more completely achieve strategic objectives.

4.3.1 Current State

Design Principle (Weighted Criteria)	Scoring	Rationale
Effectiveness (12.5%)	1	Relative to other options, the 'Current state option has scored lowest in terms of supporting QFES in meeting its obligations to help the community. While feedback and analysis demonstrate the organisation is highly effective in relation to response activities, the same data points indicate it is far less effective in the prevention, preparation and recovery elements (i.e., activities beyond just the response element of the PPRR framework). Compared to other options, this was considered the lowest rated alternative for this design principal.
Clear mandate and purpose (12.5%)	2	Stakeholder feedback and analysis indicated that the current organisational structure, with its dual approach of geographic and service leaders with (in certain instances) overlapping responsibilities, presented confusion in certain instances. Similarly, the cross-over of staff (particularly at senior levels) between the various services (RFS, RFS, SES, MR and DM) was indicated as challenging, with divergent views about the efficacy and effectiveness of this approach borne from a natural tension that impacted the understanding and alignment of services within QFES. While not the least clear option, relative to others it was considered to be moderately low.
Efficiency and sustainability (12.5%)	2	While the current QFES model does present opportunity for economies of scale with corporate services and leadership shared across services, it was broadly acknowledged the organisation has faced challenges (and would continue to do so into the future) to implement continuous improvement activities and efficiency measures, and in gaining a full picture of the entity's sustainability.
Delegation and appropriate decision making (12.5%)	1	The current governance structure is complex, which is largely driven by the broad range of services delivered. While this is similarly true of the 'Sharpen' and 'Reallocate' options, the 'Current state' is considered to have the lowest relative ranking given these others would see a clearer or reduced span of control.
Modern and diverse leadership (12.5%)	2	QFES currently does not track cultural diversity metrics associated with leaders. Currently, only 22.2% of leadership positions (Director, Executive Director, Assistant Commissioner, Deputy Commissioner and Commissioner roles) are filled by women. Feedback from stakeholders indicates improvements could be made, noting that the structure and functional arrangements are not key drivers of the challenges identified.
Ease of implementation (12.5%)	4	Maintaining the 'Current state' is the lowest implementation cost option, given there are no additional resources required given there are no changes to implement. Given this option gives rise to no changes, it has scored the highest compared to other options.

Design Principle (Weighted Criteria)	Scoring	Rationale
Community outcomes (25%)	2	Strong stakeholder feedback, both internally and externally, has indicated that the current model creates community confusion due to the breadth of services, and that the idea of an 'integrated' QFES with a diversity of services is not being achieved. As outlined, stakeholders and benchmarking both suggest that while the response elements of the organisation's services are performing well, the broader prevention, preparedness and recovery activities of QFES are below what is expected of the organisation. While not the lowest scoring option, it is considered moderately low relative to other options.
Total Scoring (of a possible 100%)	50.0%	

4.3.2 Sharpen

Design Principle (Weighted Criteria)	Scoring	Rationale
Effectiveness (12.5%)	2	This option improves on the 'Current state' as it would enable clearer alignment of functions (through improvement activities) to QFES' strategic objectives, thus creating opportunities to better achieve elements of the PPRR framework. However, relative to the 'Reallocate' option, the total breadth of services provided by the organisation would remain the same under this option. Accordingly, the organisation's ability to achieve all elements of the PPRR framework across a larger number of services/broader remit means that this option is ranked below the 'Reallocate' option (given its superior focus).
Clear mandate and purpose (12.5%)	2	It is envisaged that through tightening of the organisation's structure this option would result in a greater sense of clarity around the roles and responsibilities of each service relative to the 'Current state' option. However, there would still be challenges in terms of maintaining distinct services with differing mandates under the one umbrella that is QFES. As such, this option has scored slightly higher than the 'Current state' option, but remains moderately low relative to others.
Efficiency and sustainability (12.5%)	4	Through ensuring greater clarity in roles and responsibilities as proposed by this option, tensions between services may reduce and the potential risk of inconsistency and/or duplication in service provision would decrease. It is envisaged that by streamlining activities, QFES would be in a better position to collaborate, distribute funding and efficiently deliver high quality outcomes. Additionally, this option promotes economies of scale through the provision of one corporate services for all services that fall under the wider QFES umbrella. Therefore, it has scored the equal highest in terms of producing efficiency and sustainability of services when compared against other proposed options.
Delegation and appropriate decision making (12.5%)	2	Through implementing clearer governance arrangements and direction regarding accountability and functional responsibilities, it is envisaged this option would provide increased avenues for delegation and decision-making relative to the 'Current state'. It would not, however, achieve the same levels of clarity as the 'Separate' option, which rated the highest in this design principle.
Modern and diverse leadership (12.5%)	3	By assuming that actions to 'Sharpen' the current QFES model would also involve refinement of leadership approaches, it is possible to rate this design principle slightly higher than the 'Current state' option. However, there remains a risk that leadership continues to be homogenous and reflective of particular

Design Principle (Weighted Criteria)	Scoring	Rationale
		services, especially if the services remain with one agency. As such, this option has scored moderately high in its capacity to promote modern and diverse leadership.
Ease of implementation (12.5%)	3	Implementation costs associated with the sharpen option are relatively low; however, would be higher than the 'Current State' option. There is, however, a considerable risk – given the lack of demonstrable evidence that supports QFES' implementation capabilities – that the 'lighter touch' approach of this option would be ineffectual and not generate the improvements required.
Community outcomes (25%)	2	As noted in relation to 'Current state', strong stakeholder feedback, both internally and externally, has indicated that the current model creates confusion due to the breadth of services, and that the idea of an 'integrated' QFES with a diversity of services is not being achieved. This option does not significantly change that, although more defined service arrangements may have a beneficial impact. Therefore, this option was rated slightly higher than the 'Current state' option.
Total Scoring (of a possible 100%)	62.5%	

4.3.3 Reallocation

Design Principle (Weighted Criteria)	Scoring	Rationale
Effectiveness (12.5%)	3	This option would see a more focused organisation with a smaller remit, which is considered to provide a greater capacity to achieve the breadth of the PPRR framework and its strategy objectives relative to 'Current state' and 'Sharpen' options. It would not have the absolute focus of the 'Capability split' option, and therefore has scored above the first two approaches but below the latter option.
Clear mandate and purpose (12.5%)	3	Through allocating SES, MR and DM to another (or multiple) agency/ies, this option would enable clearer accountabilities and decision-making processes than the 'Current State' and 'Sharpen' options. However, it would still provide an integrated approach (for a smaller number of services) which would be less clear than the 'Separate' option. Accordingly, it scored moderately high relative to other options, but below the 'Separate' approach.
Efficiency and sustainability (12.5%)	4	By reducing the overall number of services within the organisation and focusing specifically on fire, rescue and certain emergency activities, this is considered the most efficient and sustainable option. By reducing and clarifying functional boundaries between FRS and RFS activities, the organisation would provide the most efficient approach relative to other options. From a long-term perspective, integration of certain activities (where appropriate) would provide the most sustainable option. It is acknowledged this does not explicitly consider the SES, MR and DM functions, although given the scale of likely 'recipient' agencies it is considered that they would similarly benefit from the reallocation.
Delegation and appropriate decision making (12.5%)	3	Clearer avenues for decision-making and governance arrangements would be facilitated by an organisation with less services, relative to other options. Again, the clearest accountability arrangements would exist in the 'Separate' option given individual service responsibilities, but this option would certainly remove the current challenges associated with a larger organisation with an increased number of (disparate) services. Accordingly, this option was rated moderately high, but below the 'Separate' option.

Design Principle (Weighted Criteria)	Scoring	Rationale
Modern and diverse leadership (12.5%)	3	As the inverse of the 'Sharpen' option, a more focused organisation would allow for more targeted approaches to improving the diversity of leadership arrangements. However, it is recognised that there is a risk associated with this option in that the establishment of a standalone agency may reduce the pool from which talented potential leaders may be drawn (relative to the current structure). Given the elements are similar (but inverted) relative to those demonstrated by the 'Sharpen' option, this design principle was rated equal to that approach.
Ease of implementation (12.5%)	2	Relative to maintaining the 'Current State' and the 'Sharpen' options, this approach would have a higher level of challenge associated with implementation. However, it is noted that machinery-of-government changes with functions moving between agencies would require considerably less resources than the establishment of standalone agencies or a fundamental organisational redesign (as would be required by the 'Separate' and 'Capability split' options, respectively). Accordingly, this was rated higher than those latter options, but below the 'Current State' and 'Sharpen' approaches.
Community outcomes (25%)	3	By ensuring a more dedicated focus with a clearer remit for fire, rescue and certain emergency services (across the breadth of the PPRR framework), it is envisaged this option would deliver higher quality outcomes for the community relative to the 'Current state' and 'Sharpen' options. It was considered that it may be marginally below a fully implemented 'Capability split' option (in the true theoretical sense), and therefore was rated below that option. This rating does, however, assume that SES, MR and DM elements are able to be moved to another agency/agencies with support that enables at least comparable community outcomes, which KPMG believes is achievable.
Total Scoring (of a possible 100%)	75.0%	

4.3.4 Capability Split

Design Principle (Weighted Criteria)	Scoring	Rationale
Effectiveness (12.5%)	4	Fully implemented, it is considered that an agency with organisational structure alignments to the PPRR framework is likely to be the most effective approach to achieving those strategic objectives. Accordingly, this was rated highest relative to other options.
Clear mandate and purpose (12.5%)	1	While effective, this option would present a significant level of confusion across services, with roles and decision-making processes particularly unclear as services attempt to distinguish their functions across the PPRR framework. This may result in a breakdown of communication within and between services. Therefore, this option was considered the lowest scoring relative to other options.
Efficiency and sustainability (12.5%)	2	The implementation of this option would enable the consolidation of some activities (e.g., training, forecasting, demand modelling) currently delivered by multiple services. However, there may still be elements of duplication across the reorganised agency (i.e., training in prevention, training in recovery) that would mean true economies of scale would be difficult to achieve. Additionally, splitting services would likely have a long-run cost impact that would be less sustainable than an integrated option (such as the

Design Principle (Weighted Criteria)	Scoring	Rationale
		'Reallocate' approach). Accordingly, this option scored moderately low relative to other approaches.
Delegation and appropriate decision making (12.5%)	1	It is considered this option would not provide clear and transparent lines of accountability, nor avenues for delegation. It would be difficult (at best) to split out the capabilities of services without overlap. Therefore, this option has scored lowest in its ability to allow for delegation and appropriate decision-making.
Modern and diverse leadership (12.5%)	4	Theoretically, maintaining the provision of a diverse range of services under a reorganised arrangement that focuses across the breadth of the PPRR framework would provide the best managerial and leadership approach. This would present the opportunity to draw on the current pool of talent and demonstrate renewed, modern and diverse leadership, within an organisational arrangement focused on a 'new way' of conducting its operations. Accordingly, this option has been rated the highest relative to other approaches.
Ease of implementation (12.5%)	1	There would be a high level of difficulty associated with executing this option and restructuring all services to align to the PPRR framework. It is notable that this approach is not adopted by any jurisdiction in Australia. Therefore, this option has scored the lowest in terms of its ease of implementation when compared to other options.
Community outcomes (25%)	3	Again, theoretically, by emphasising all areas of the PPRR framework, the alignment to the State's overarching approach to emergency and disaster management activities would be best achieved. In practice, there are likely considerable risks associated with service delivery that may eventuate given the significance of structural and operating model arrangements that would be necessitated by this approach. Accordingly, although potentially the highest, this been equally rated with the 'Reallocate' option given the likely service delivery challenges that would need to be overcome.
Total Scoring (of a possible 100%)	59.4%	

4.3.5 Separate

Design Principle (Weighted Criteria)	Scoring	Rationale
Effectiveness (12.5%)	2	This option mitigates the risk that activities are solely focused on one element of the PPRR framework such as response, as standalone agencies could flexibly direct efforts towards those activities that best align to their service delivery model. However, standalone agencies would cause further division and cultural tensions, impeding collaboration and communication, thereby impacting the ability of each service to produce the most effective outcomes. While therefore considered an improvement on the confusion articulated about the 'Current State', this was still considered a low-ranking option.
Clear mandate and purpose (12.5%)	4	The option of 'Separate' agencies would likely see the clearest mandate and accountability arrangements, given each entity would need to be accountable for their respective functional responsibilities. As such, this option scored the highest relative to other proposed options.

Design Principle (Weighted Criteria)	Scoring	Rationale
Efficiency and sustainability (12.5%)	1	It is assessed that the separation of services into standalone agencies would necessitate duplication in support arrangements and likely create overlap in service delivery areas. It would not promote any element of an economy of scale. Therefore, this option has scored the lowest in terms of producing efficiency and sustainability of services when compared against other proposed options.
Delegation and appropriate decision making (12.5%)	4	This option would see clearer governance structures and decision-making arrangements than all other options. On the assumption each standalone agency was enabled to become more flexible, adaptable and responsive to changes that are specific to each distinct service, this option would increase accountability for key decision-makers. As such, this option has scored highest when compared to other approaches.
Modern and diverse leadership (12.5%)	1	Through separating services into standalone agencies, it is envisaged that leadership would be drawn from smaller pools and likely merely reflect the smaller agency, thereby not providing opportunities to represent the diversity of the community. Similarly, the immediate pool of potential leadership candidates would be reduced. As such, this option has scored the lowest in its capacity to promote modern and diverse leadership.
Ease of implementation (12.5%)	1	There are envisaged to be significant challenges in relation to the feasibility of each service becoming a standalone agency, acknowledging the implementation of this option would likely require additional funding above the already identified funding requirement. It is considered the most costly implementation option.
Community outcomes (25%)	2	As indicated in the scoring of this option in terms of effectiveness, through the provision of siloed services it is envisaged that standalone agencies would be limited in their ability to support the community in effectively preventing, preparing for, responding to and recovering from the impact of fire and emergency events. Therefore, this option has scored relatively low in terms of delivering high-quality services for the community.
Total Scoring (of a possible 100%)	53.1%	

4.4 Future arrangements

As noted in the table above, testing of the various options against the design principles indicates that the *Reallocation* option is the most preferable approach. At a more strategic level, beyond simply the theoretical testing of the options against the design principles, the Reallocation option would also generally appear to also be the most effective, efficient and sustainable option relative to other approaches.

The option of creating additional or separate agencies entirely (i.e., the *Separate* option) can be quickly ruled out, both in terms of the assessment against the design principles and simply from a logic perspective given the identified fiscal challenges that already exist. Adding additional costs by creating a new agency (such as an overarching Emergency Management organisation) or duplicating functions (such as corporate services and support arrangements) across multiple entities is not a realistic option. Similarly, the maintain *Current State* option can also be quickly discarded – no stakeholders within the entire process of the Review indicated that the current state was working effectively, and all held views that some form of change and improvement needed to occur. Accordingly, the two ‘extreme’ ends of the spectrum of options are able to be abandoned without considerable further analysis.

Of the three remaining models, the *Capability Split* option can be relatively quickly ruled out. While there are theoretical benefits that could be achieved by aligning the operations of QFES entirely to the PPRR framework, the practical realities of the extent of that change, the impact on the overarching operating model and specific services within the organisation, and the communication and engagement activities that would be required with the community to explain the renewed approach would all be extensive. Additionally, it is acknowledged that no other Australian jurisdictions have adopted a model such as that considered by the *Capability Split* option. Of itself, the concept of adopting an innovative or novel approach is certainly not a negative. However, coupled with the other issues identified above, and recognising the more significant challenges facing the organisation, KPMG believes this option is sub-optimal.

The remaining options, therefore, are to *Sharpen* the existing model or *Reallocate* elements of QFES to one or more alternative agencies. Colloquially, these could be considered also as an evolution of the current QFES approach (i.e., the *Sharpen* option) or a more fundamental revolution being applied to the current QFES approach (i.e., the *Reallocate* option). KPMG believes the latter, being a reallocation of certain functions, is the best outcome that could be achieved.

4.4.1 Why recommend the 'Reallocate' option?

As previously noted, the Reallocate option has been described as focusing the existing fire, rescue and emergency related functions (being FRS and RFS, including FireCom) into a single agency with a vision of improving integration and conducting activities across the breadth of the State's PPRR framework for those activities that fall within its remit. Effectively, KPMG recommends that the current QFES model should be streamlined, with the establishment of a new, integrated department consisting of the current FRS (including Auxiliary staff), RFS, FireCom and appropriate elements of QFES's current Corporate Services Division. The narrowed, focused emphasis of this new department in relation to fire and emergency services activities in Queensland would see other current QFES functions (SES, DM and MR) managed by one (or multiple) other agencies. Corporate services functions would need to be appropriately allocated as part of those changes.

While the range of stakeholders, with divergent interests held diverse views in relation to the most appropriate option, there was clear alignment amongst effectively all stakeholders that the 'fire-related' functions should remain within a single entity. A strong view also exists amongst the majority of stakeholders that there should be significant efforts to 'bring together' the FRS and RFS activities over time, in order to achieve more integrated, more holistic outcomes for the Queensland community. This option both achieves the first part of that outcome and establishes a pathway for longer term efficiencies and sustainability.

In further support of that intent, KPMG recommends that a formal interoperability plan for the new organisation be established, supported through an appropriate legislative remit developed as part of legislative review activities recommended by this Review, with a long-term vision of clearly defining, drawing together and empowering the services provided by professional, auxiliary and volunteer firefighters. This plan should recognise the histories and respect the differing levels of expertise required of different services types and ultimately acknowledge the need to modernise approaches across the PPRR framework – specifically relating to fire and emergency activities. This should be done in a manner to address changing risk profiles, harmonises training activities and provide a more coordinated approach (across urban and rural operations) to planning, funding and support, to achieve a more integrated approach that meets the needs of the Queensland community into the future.

KPMG's view is that the emergent challenges facing QFES require a more specific, dedicated focus on fire, rescue and elements of emergency services activities, being those specifically undertaken by RFS and FRS. As noted in this Report, there is a clear need, demonstrated by inter-jurisdictional benchmarking, to 're-balance' the funding arrangements between professional and volunteer firefighting functions (as well as SES arrangements), which could best be achieved by establishing an entity that has a focus on these 'core' activities across the PPRR framework.

KPMG's view that the *Reallocate* option is preferable over the *Sharpen* option is further substantiated by the clear need for a significant impetus, rather than a minor stimulus, to effect change. As noted within this Report, almost 150 reviews and 2,000 recommendations have been made since the

establishment of QFES in 2013, with both stakeholders and direct evidence (or lack thereof) suggesting that implementation of improvements or enhancements have been at best lacking.

The key benefit of the *Reallocation* function is that it enables a clearer, more defined, and more explicit focus on the delivery of fire, rescue, and certain emergency services, by reducing the scope of operations that are currently delivered by QFES and allowing for more targeted activities across the breadth of the PPRR framework. As a by-product, it would also provide greater capacity to focus limited resources into areas of most significant need, with a clear integration agenda that would support improved financial efficiency over time and longer term sustainability.

4.4.2 Within the remit of the new entity

In accordance with the Reallocation option, QFES would maintain responsibility for FRS (inclusive of auxiliary staff), RFS and appropriate elements of QFES' current Corporate Services Division.

This model would enable the new agency to focus on the breadth of PPRR activities as they pertain to fire and rescue services. It also would allow the agency to have a more simplified and focused approach to service delivery, potentially addressing concerns around the level of confusion regarding roles and responsibilities that was observed in the current state. It also reduces the number of influential stakeholders, allowing simplified governance structures, and making it easier to implement change and allocate resources to where they best meet the needs of the community. The ability to flex and be agile becomes increasingly important in an operating environment that is changing significantly, particularly when resources are constrained.

It is acknowledged that KPMG has not performed a detailed functional and structural design assessment as part of this Review given the specifications of the Terms of Reference and the timeframes available. In that regard, KPMG recommends that prior to the separation of functions from QFES, a detailed function and structural review be conducted to seek to reduce duplicated functions and organisational layers, examine opportunities to centralise administrative processes to reduce their impact on front line service delivery and consider ways in which the existing workforce could be better utilised to address any latency that may be present in current staffing models.

As part of this process, it is recommended that an overarching objective be the reduction in the Senior Executive structure (Deputy Commissioner and Assistant Commissioner levels) to reflect the reduction in services delivered by the new entity and collapse the service centric and regional model. The structure should support a geographic leadership model that clarifies command and control arrangements. It is envisaged the new agency would maintain the regionalisation model, recognising the importance of local and place-based approaches to service delivery.

The new fire services department should also – in agreement with central agencies, including the Public Service Commissioner – establish an appropriate service alignment function to determine the new working arrangements, operational reporting lines and structural changes to give effect to the new agency and drive collaboration between elements of the new agency.

4.4.3 Beyond the remit of the new entity

In recommending the reallocation of certain functional responsibilities, it is important to note KPMG has not completed a detailed analysis of the capability and/or suitability of other agencies to assume responsibility over the provision of SES, DM, and MR services (including grants arrangements for SLSQ and RLSSQ). There have, however, been discussions with representatives of the QPS in which a willingness to take responsibility for these functions was indicated, subject to the provision/transfer of appropriate funding.

To that end, as part of the machinery-of-government changes to relocate SES, DM and MR functions to QPS, KPMG recommends the conduct of a zero-based budgeting exercise to determine the elements (if any) of the Service Delivery Statement funding breakdowns to be re-allocated, focussing on budgeting within agencies to clarify the cost of service delivery. KPMG's view is that this should occur following the establishment of an SES Levy (see subsequent section) which would likely offset the funding requirements relating to the SES, DM and MR functions moving to the QPS.

State Emergency Service

KPMG recommends the SES be transferred through a machinery-of-government change to QPS.

The SES is currently established under the *Fire and Emergency Services Act 1990*, but was previously created through the *Disaster Management Act 2003* prior to the machinery-of-government changes to establish QFES in 2014. It is only in recent times that the SES have come under the management of QFES. Previously, it had been managed by Emergency Management Queensland and its predecessors.

The Police and Community Service Review (2013, p.109)¹²¹ reported that:

“The State Emergency Service itself is enigmatic, formed by virtue of state legislation in 1975. The State Emergency Service (SES) has evolved from the former Queensland Civil Defence Organisation that had been in operation since 1961. From its beginning in 1961 until November 1973, the Queensland Civil Defence Organisation was set up to deal with emergencies in the event of a nuclear war. It took no part in natural disaster operations other than operations following Cyclone Althea in December 1971. Responsibility for civil defence fell to the State Fire Services Council when it was formed in 1965.

“In November 1973, a tornado caused considerable damage in the Brisbane area and the Civil Defence Organisation was activated to assist in disaster relief. The Civil Defence Organisation saw a much larger involvement in natural disasters during the 1974 Brisbane Floods. The need emerged for a service that was capable of dealing with natural disasters as well as undertaking a civil defence role. The State Counter-Disaster Organisation Act 1975 established the State Emergency Service to provide disaster response capability.

“The current arrangements under the Disaster Management Act 2003, every local authority in Queensland is responsible for maintaining a disaster response capability. For local governments, this means the ability to provide equipment and a suitable number of persons, using the resources available to the local government, to effectively deal with, or help another entity to deal with, an emergency situation or a disaster in the local government’s area. Typically this means the formation of an SES group.”

The current functions of the SES are, *inter alia*, to:

- Perform rescue or similar operations in an emergency situation and conduct search operations in an emergency or similar situation, such as searching for a lost bush walker or to find a weapon used in the commission of an alleged offence;
- Support for road crash rescue, technical and vertical rescue, flood boat support and storm damage response;
- Perform other operations in an emergency situation to help injured persons or protect persons or property from danger or potential danger associated with the situation;
- Perform other activities to help communities prepare for, respond to and recover from an event or a disaster; and
- Perform activities to raise the profile of the SES or raise funds to support the SES in the performance of its other functions.

It is important to note the QFES does not command the SES. The role is more ‘support and enable’ and, through coordination so that it can be used as a state-wide service, usually on intra and interstate deployment. Command and control of the SES is currently vested in Local Controllers under the *Fire and Emergency Services Act 1990*, and it is for that reason that KPMG recommends the provisions of the *Fire and Emergency Services Act 1990* relating to the SES are moved into the *Disaster Management Act 2003*, and that the Commissioner of Police is clarified as the Chief Executive for the purposes of the *Disaster Management Act 2003*.

¹²¹ Queensland Government. (2013). *The police and community service review*.

<https://cabinet.qld.gov.au/documents/2013/sep/police%20commsafety%20report/attachments/review%20report.pdf>

As previously noted, KPMG has (appropriately) not extended the Terms of Reference of this Review to examine the detailed organisational arrangements that currently do, or which would need to, exist within the QPS to take on these functions. However, engagement with stakeholders has confirmed support for these arrangements at an executive and operational level within QPS (and more broadly).

As noted in the body of this Report, funding for uniforms and personal protective equipment, vehicles, equipment, accommodation, operating costs split variously across local and state government, dependant on local government. In Queensland, local governments generally pay operational costs and the Queensland Government (QFES) pays for uniforms, provide grants for equipment and vehicles and sheds.

SES volunteers mostly respond to local requests for assistance following storm and floods under direction of the Local Controller and firmly in the realm of local response to a disaster event. SES functions also cover broader agency support tasks often managed by QPS such as search operations: land search, water search, forensic search, and community support tasks such as ANZAC day, occasionally support to bushfire operations as part of an all-agency team. It is likely that SES groups work closer in an operational sense with local and district disaster management groups and staff which are managed by local councils and the QPS.

This view is based on the clear need to reduce operational complexity, which will be directly achieved through the streamlining of SES arrangements (and DM arrangements, as noted further below), which is considered a significant benefit. The close links – across search and rescue, disaster response, water police, crowd and event control and numerous other activities – between the operations of SES and the QPS are significant. This is not to detract from the connectivity between the new fire department and the SES, which will need to continue in relation to certain activities. However, there is also considerable stakeholder belief (held directly by the recipient agency and other stakeholders) that in the longer-term there is greater capacity to achieve economies of scale in a larger ‘host’ agency, as well as efficiencies in support arrangements for SES activities, that cannot otherwise be achieved the current environment (nor the future arrangements).

It is KPMG’s view that the functions of the SES as outlined above are more aligned to the role and function of the State’s Search and Rescue Authority, being QPS. This view is further enhanced by the recommendation to clarify DM responsibilities within the remit of QPS (see next section).

Specifically in relation to financial and support arrangements, KPMG notes that we have not re-analysed nor re-prosecuted the findings of *Sustaining the SES – Partnering for Change*, the specific review into the SES conducted in 2020 (the SES Review). However, we have considered core elements of the SES Review and note there is close alignment between the analysis and recommendations set out in that document and this Report.

It is important to explicitly recognise that the recommendation to reallocate organisational responsibility for the SES to the QPS is not a presumption of the State taking full responsibility nor taking on additional funding responsibilities for the SES. As noted in the SES Review, there is an ongoing need to consider the best approach to future funding requirements associated with these services, with more transparent arrangements relating to funding being established. KPMG agrees that both additional funding contributions and clearly working arrangements (including improved transparency over local governments’ contributions to SES activities) are required.

In the context of this Report, the premise of re-aligning the SES with QPS is to achieve more sustainable, more efficient future arrangements, with a recommendation that explicitly would seek to provide greater transparency for financial decision-making into the future.

The recommendations made in this Review provide a clear path forward for the key elements outlined in the SES Review, including the State’s future funding commitments, clarity of roles and responsibilities and a ‘resource to risk’ model. The State will, however, need to continue to work with local government to establish more clearly the funding contributions that are made to SES activities (as recommended herein).

The scope of this Review did not extend to an assessment of the SES funding options currently outside QFES’s responsibilities; however, the SES Review observed the ‘shared funding model’ between the State and local governments as being the most attractive option in comparison to a fully State funded option.

The indicative costing of the options from the SES Review, on a recurring basis after 5 years (in FY20 dollars), was ~\$37m per annum for the shared funding model that KPMG believes should continue. The costs were to decrease by ~\$7m per annum if Brisbane City Council (BCC) was to be excluded from any changed arrangements given that Council's preference to maintain the status quo and noting that the BCC is covered by its own legislation.

The benchmarking analysis in Section 3.3 of this Report identifies an additional funding requirement of ~\$31m per annum uplift required with no increase in current state responsibilities. It is important to note that while entirely different methodologies/approaches have been used in the two documents, the funding amounts are basically aligned. The benchmarking analysis conducted in this Report was based on bringing Queensland into line with the expenditure on SES services in New South Wales, Victoria and South Australia over the past 4 years, using averaged expenditures for each year. These comparison jurisdictions also adopt a shared funding arrangement. The adoption of an SES Levy, as per Recommended 12, therefore aligns to the funding requirement identified as part of the SES Review.

Additionally, the SES Review noted the difficulties in establishing a consolidated view of the cost to the State of delivering SES services. Again, the adoption of Recommendation 13, to work with local government to establish a reporting requirement for Councils' funding, costs, assets and liabilities that support services currently provided by QFES, including the RFS Levy and local government expenditure for the SES, seeks to improve this situation and provide a more complete financial picture.

Another observation from the SES Review is the confusing split of responsibilities in respect of assets and operations between the State and local governments (including various risks this confusion creates), outdated legislation which lacks sufficient clarity on roles and responsibilities, lack of transparency in total funding and planning for the SES. The activities recommended in this Report – to mandate greater financial transparency, to conduct legislative review (inclusive of SES provisions of current legislation) and to move the SES to align with the QPS' activities – would address those matters.

The SES Review also notes the lack of a 'resource to risk' system for the SES. This aligns to KPMG's assessment, set out in this Report, of a lack of maturity in service planning capability that is available to support SES (and broader) activities for QFES. Combined with a need to adopt a more data-driven, risk-based approach, KPMG believes the recommendations in this Report can address this issue. In line with the suggested relocation of the State's SES responsibilities to QPS, stakeholders have indicated there would be both greater organisational scale and increased maturity with regard to service planning capabilities that would be available to support the State's SES contribution.

Disaster Management

KPMG recommends the DM function be transferred through a machinery-of-government change to the QPS.

The extent, nature and incidence of disasters are rapidly evolving. At an overarching level, common anecdotal feedback is that Queensland's system-wide arrangements in support of DM activities are exceptional. However, feedback from stakeholders with operational responsibilities in relation to DM – both internal and external to QFES – indicates that there are complex, convoluted and confused arrangements that present real challenges to the future success of the overarching model. These concerns stem from unclear operational responsibilities and legislative remits, a perception that larger organisations have greater economies of scale and resourcing that could be used to better address the dynamic requirements associated with disaster and emergency events, and a general perception that changes in practice over time have not kept pace with actual requirements of the State's disaster management system.

As noted in the body of this Report, the *Disaster Management Act 2003* provides the legislative basis for DM arrangements in Queensland. The Act provides powers to uphold effective DM and, in turn, support communities in mitigating, preparing for, responding to, and recovering from adverse events. Across the legislative remit, QFES, QPS and QRA all have responsibilities, as do local governments.

The responsibilities of QFES under the *Disaster Management Act 2003* appear narrow in focus, aligning to support roles rather than leadership roles or the development of leadership within

volunteer organisations. This is not to take away from the importance of QFES in fire or emergency-related situations. It is important that QFES is actively engaged to be part of the relevant activities that need to occur in some instances. However, QFES' roles and responsibilities as outlined in the *Disaster Management Act 2003* include:

- Establishing and maintaining disaster management arrangements between the State and the Commonwealth;
- Ensuring disaster management and operations are consistent with the strategic policy framework, State Disaster Management Plan, disaster management standards, and disaster management guidelines;
- Ensuring persons are appropriately trained;
- Providing advice and support to the State group; and
- Ensuring QFES representations on local and district groups.

To the contrary, QPS has very clearly defined legislative roles and responsibilities at the local, district and State levels for DM under the *Disaster Management Act 2003*. Police have the powers to declare an emergency situation under the *Public Safety Preservation Act 1986*, which is defined as any explosion or fire, oil or chemical spill, radioactive material, accident involving an aircraft, vessel or vehicle, any impact of a naturally occurring event such as flood or landslide, or any other accident or event. Police also have powers under the *Disaster Management Act 2003* to declare a disaster situation with the approval of the Minister. Similarly, with a workforce of some 15,000 FTE staff, the QPS would appear better placed than QFES (with some 3,500 FTEs) to continuously and sustainably resource the increasing requirements of dynamic and longer-lasting disaster events. KPMG observes, for example, that the State Disaster Coordination Centre has been 'stood up' for more than 600 days in response to the COVID-19 pandemic.

To this end, in relation to DM, KPMG recommends a review of *the Fire and Emergency Services Act 1990* and the *Disaster Management Act 2003*, with a view to modernising both pieces of legislation and (with regard to the *Fire and Emergency Services Act 1990*) clearly addressing the role of professional and volunteer firefighters (including providing the same legislative protections to auxiliary and volunteer firefighters as afforded to professional firefighters), which may necessitate consideration of the a change to the legal status of RFS brigades.

A critical element of the review of the *Disaster Management Act 2003* should be the clarification and simplification of the roles and responsibilities of each group across the DM system. Again, KPMG has (appropriately) not sought to conduct activities beyond the Terms of Reference for this Review to specifically examine the broader DM system, which would include further organisations such as the QRA, IGEM, local governments and likely other State Government agencies. However, in considering the future interoperability arrangements, KPMG believes the simplification of DM governance should form a first step in the review process.

In that regard, the first simplification relates to the role of Chief Executive of the *Disaster Management Act 2003*. Despite the legislative and leadership role for the QPS in disaster and emergency situations, the Commissioner of Queensland Fire and Emergency Service is appointed as the Chief Executive of *the Disaster Management Act 2003*. The rationale for Queensland Fire and Emergency Service to continue in its role as Chief Executive of the Act is unclear, and its alignment to disaster management operations is, at times, ambiguous and does not appear to accord with the legislated roles and responsibilities of the QPS. In KPMG's view, greater alignment between the *Disaster Management Act 2003* and *Public Safety Preservation Act 1986* including appointing a common Chief Executive of the Acts, such as the Commissioner for Queensland Police, would streamline the roles and responsibilities in DM. More broadly, it is envisaged the transfer of DM services to the QPS would increase the clarity of roles in relation to executing the State's disaster management arrangements.

The second area of simplification relates to the State Disaster Coordination Group (SDGC).

According to the recently updated SDCG Terms of Reference, the purpose of the SDCG has evolved from operationalising strategic decisions made by QDMC to include providing QDMC with strategic support for disaster related policy. The four phases of the PPRR framework are led by 'rotating' chairing (or co-chairing) arrangements, as follows:

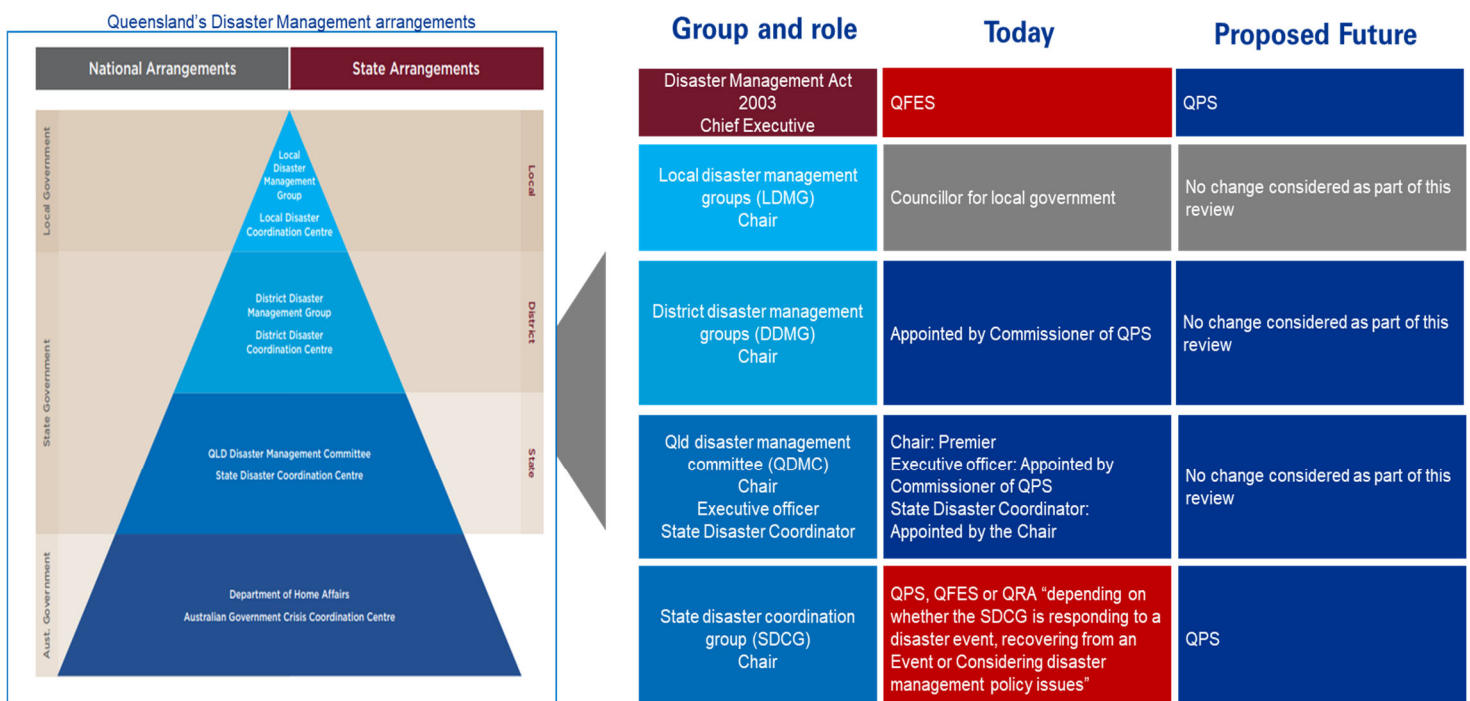
- QFES is the lead agency for "ordinary" meetings for disaster management to coordinate whole of government input into disaster management planning, strategies and policies and a coordinated approach to prevention and preparedness phases;
- QPS is the lead agency for the response phase and will chair "Extraordinary" meetings, reacting to the current situation and ensuring decisions by the QDMC are implemented and supported by agencies; and
- QRA is the lead agency for the recovery phase, and will support the transition from the response to the recovery phase.

It is KPMG's view that a 'rotating' leadership model increases the risk of confusion and inconsistency to the application of the SDCG's responsibilities. This view was also shared a number of stakeholders through consultations, and is borne out of practical, real-life situations that are impacting the State presently (i.e., the COVID-19 response, which has extended for in excess of 600 days and which has been led by the Chief Health Officer (who is not a co-chair of the SDCG) and representatives of the QPS, despite the fact the State Disaster Coordination Centre has been operational (led by QFES) through the entirety of the period.

In that regard, the rotating chair arrangements (and the broader complexity that exists in relation to governance over phases of the PPRR framework, as well as at 'levels' within the State's DM model) could be, in KPMG's view, relatively quickly improved, as a pre-cursor to the full review of the *Disaster Management Act 2003* recommended by this Report. Such improvements would recognise contemporary practice (reflective of the approach evidenced through Queensland's response to the COVID-19 pandemic) and would acknowledge the broader diversity of DM activities. The approach should not be misconstrued as an attempt to disempower QFES (nor the QRA, as the other 'co-chairing' agency), as their roles would still remain important from an inter-operability perspective with input required in relation to their specific remits.

To simplify and avoid confusion, and to align with QPS' broader role in relation to DM activities in the response phase of the PPRR framework as well as the organisation's geographic responsibilities, KPMG suggests that the Chair of the State Disaster Coordination group is permanently transitioned QPS. The diagram below sets out the proposed future governance arrangements.

Figure 4-3: proposed changes to Queensland Disaster Management groups



Marine Rescue

KPMG recommends that, in accordance with the Government's commitment to create a single MR entity, the MR functions within QFES (including grants arrangements for Surf Life Saving Queensland and the Royal Life Saving Society Queensland) be transferred through a machinery-of-government change to the QPS.

In August 2019, the Queensland Government announced a review of the Volunteer Marine Search and Rescue sector (the Blue Water Review) was to be undertaken. The Blue Water Review was commissioned by QFES Commissioner, undertaken by an independent contractor and the final report was publicly released onto the QFES website in December 2019 with redactions. The review observed there were a range of issues impacting the sector, "*creating a less than optimal service to the boating public and an operating environment that had risks for the public, volunteers and government. Poor governance practices, lack of commonality and consistency, limited interoperability and poor strategic planning had resulted in volunteer Search and Rescue arrangements that were inefficient, and in some locations ineffective.*"¹²²

A working group was established to examine the observations in the Blue Water Review and provide recommendations to the Queensland Government on a way forward to address the issues in the sector. The working group recommended that a single new entity be established to provide maritime safety services to the Queensland boating public. The new single marine entity, to be called the Volunteer Marine Search and Rescue, would amalgamate the two existing volunteer organisations, assets and staff and volunteer personnel. The report argues for strong Queensland Government oversight of the marine rescue sector as a result of a significant risk profile of the sector. It notes strong organisational ownership from volunteers and underlying wariness of government intervention.

There are some limitations within the report, including the lack of in-depth consideration about whether QFES is the appropriate agency to oversight these voluntary marine groups and implement such a significant reform. A diagram on page 47 of the report appears to show the volunteer marine service organisations situated between Surf Lifesaving Queensland and the State Emergency Service and Rural Fire Service in relation to QFES' common strategic level coordination, communications, control and information architecture. It is worth noting the relationship QFES and its predecessors, the Department of Community Safety and the Department of Emergency Service, was largely an administrative function that included oversight of the Queensland Government's rolling Service Level Agreement with the two organisations and administering the levy payments to the central organisations and the individual flotillas and squadrons.

As part of this Review, KPMG has been unable to establish any significant open water expertise, assets or personnel presently or historically held by QFES. It is noted, however, that significant marine expertise, staff and assets already exist within the QPS, particularly search and rescue operations and water policing, and Maritime Safety Queensland in regard to licensing and administrative functions. Volunteer marine rescue groups have a strong working relationship with the QPS. Stakeholders indicated that operational connectivity with Maritime Safety Queensland was less significant. It is further noted that the QPS is Queensland's established Search and Rescue Authority (as is every State and Territory police service in Australia) and their role and function would be more closely aligned with the volunteer marine group's operations than QFES.

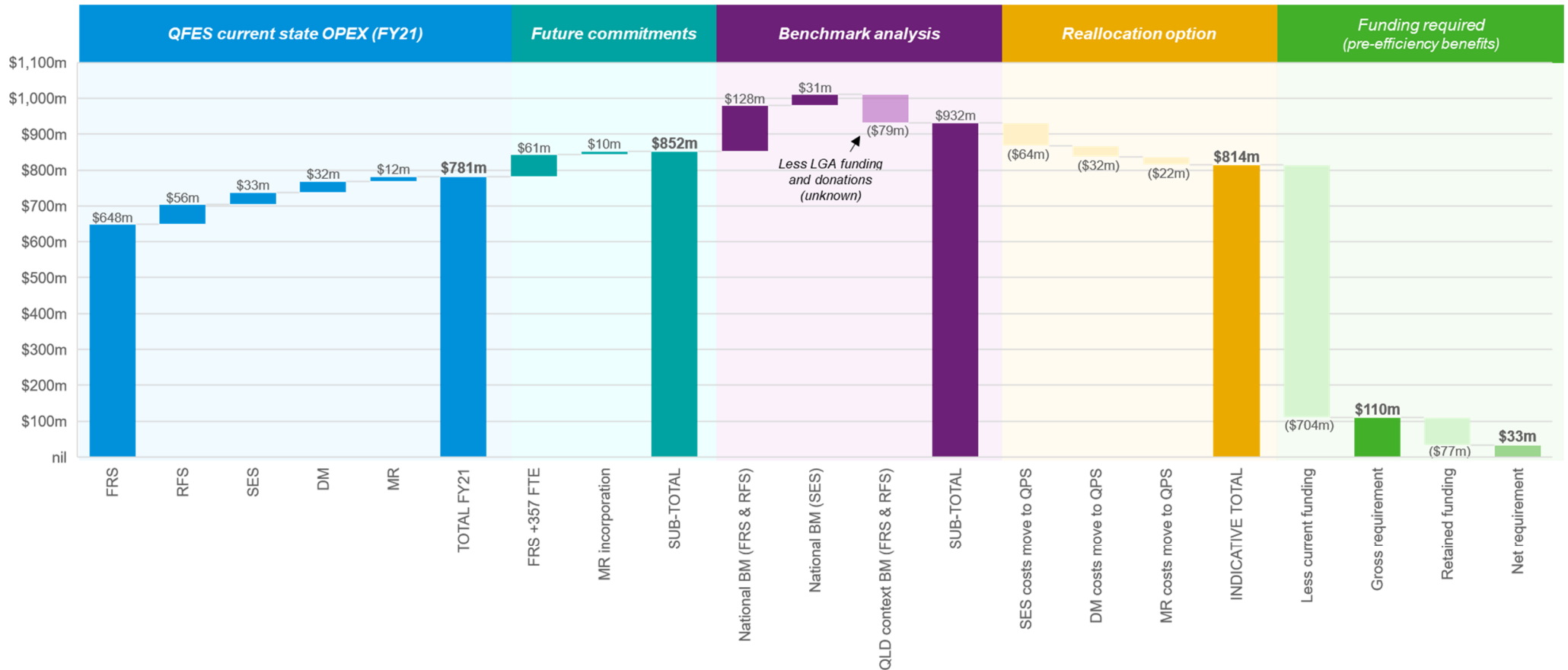
Accordingly, KPMG believes the current commitment by the Queensland Government to maintain an integrated MR function could be achieved, with improved operational efficiency and in a manner that offsets some of the potential costs associated with the Blue Water Review reforms being considered'

¹²² Darby, C. (2018). *Review into volunteer marine rescue organisations in Queensland*.
<https://www.qfes.qld.gov.au/sites/default/files/2021-03/Review-into-VMR-Organisations-in-QLD.pdf>

4.4.4 Funding arrangements

As noted in the immediately preceding section, KPMG believes the most appropriate approach is the *Reallocate* option. In practical terms, this would see the establishment of a simplified, more focused and integrated fire department consisting of the current FRS, RFS, FireCom and appropriate elements of QFES' current Corporate Services division. It would also see the movement of the SES and DM functions, as well as the integrated MR functions, to QPS. The waterfall diagram below can now be extended to address the impacts of re-allocation, as well as the proposed revenue measure to address the future funding requirements of the new department. The diagram summarises: (1) the current state funding of QFES; (2) future government commitments impacting QFES; (3) implications of the inter-jurisdictional funding analysis conducted as part of this Review; (4) the impacts of key recommendations within this Report to reallocate certain services to the Queensland Police Service (QPS) and to offset costs associated with those services with a new SES Levy; and (5) the resultant efficiency target or funding requirement (or combination thereof).

Figure 4-4: Summary breakdown from QFES current state to the recommended Reallocation option and associated funding requirement and sources



As outlined in Section 3.3.6 of the Report, the *Reallocation* option would result in an indicative gross funding requirement of \$110m, which KPMG has subsequently determined could be reduced to a net funding (or efficiency) requirement of \$33m. It is important to note that the indicative funding requirement does not take into consideration external funding received by the RFS, nor any operating efficiencies that may be achievable. Conversely, the indicative funding requirement does not reflect the slightly higher population density Queensland has in comparison to South Australia, nor the greater geographic size of the State. These are likely to offset the reductions from external funding. Accordingly, consideration has been given as to the way that this funding requirement could be bridged.

4.4.5 Summary of future funding arrangements

There are effectively three overarching options (with a range of combinations) that could be used to increase funding and cover the operating expenditure of the new entity and the recommended 'relocated' services that are currently encompassed within QFES. These are increasing consolidated revenue, increasing or adjusting an existing levy (i.e., the EML) or establish a new levy (referenced here as the SES Levy).

Consolidated revenue

An increase in consolidated revenue would require adjustment of appropriations provided by Queensland Treasury to the new entity and QPS. Given the current fiscal challenges faced by the State due to the COVID-19 pandemic, this is not considered to be an option that would be feasible given the quantum of funds that would be required to materially adjust the budgets of these agencies, even if a stepped or staged approach were taken over multiple years.

Increasing the Emergency Management Levy

To address the identified funding requirement, KPMG analysed the option of increasing the EML.

The following analysis is based on the FY21 EML data provided by QFES which includes ~2.3m levied properties across 16 groups and 5 classes.

As noted in Section 3.3.6, the gross funding requirement is \$110m. The estimated impact of this indicative funding requirement on the EML would be an increase of 18.1% (estimated average of ~\$48 per property). This analysis excludes any increased revenue from the State's 1/7th EML contribution. KPMG notes that previous considerations by governments to increase the EML have been challenging.

There is a historic view taken by various stakeholders that the current EML is in fact more reasonably a 'fire services levy', and that the creation of QFES has (in some part) driven the challenges associated with the disproportionate allocation of funding across its various services that have been demonstrated in this Report (the view being that the broader QFES model has 'taken away' funding from the RFS as the service entitled to the 'fire services levy'). To that end, in light of these concerns and with a perspective that a more transparent and direct approach is beneficial, KPMG formed the view that increasing the EML was not an option that would be feasible.

Establishment of a new funding source – the SES Levy

KPMG considered the final option of establishing a new source of funding to address aspects of the identified funding requirement, being the creation of a SES Levy (or a new levy of another name). Whilst recognising that this may be considered as similar to an increase in the EML, KPMG explicitly took the approach of simplifying the way that such a levy could be achieved.

It is acknowledged that this approach is contrary to the Queensland Government's commitment to avoid the introduction of new taxes; however, in the absence of additional revenue mechanisms and given the current fiscal challenges arising due to COVID-19, this approach would appear the most plausible option. Under this approach, rather than applying differing levies to various groups and classes of properties, KPMG considered a 'flat-line' fee for the same ~2.3m EML levied properties across the State.

On a basis of a SES Levy of \$13 per quarter (i.e., \$52 per annum), total revenue of ~\$120m would be generated annually, equivalent to a 20% increase to the EML. This approach would have a similar implementation process and could be directly linked to funding for the SES and DM functions (and potentially the RFS, in the event that a name for the levy more broadly referencing volunteers was considered).

This ~\$120m would be sufficient to fund the current costs associated with SES, DM and MR functions, including associated volunteer entities, as well as the estimated future costs of the single MR function and the cost of increased funding to the SES, as part of the movement of these functions to the QPS.

The revenue generated via the new 'SES Levy' should be directly attributed to QPS, removing the need for a detailed process to 'apportion' current resources between QFES and the QPS as part of machinery-of-government processes.

As a result, a commensurate funding amount (i.e., the \$77m current operating expenditure relating to SES, DM and MR services) would be available to partially offset the proposed funding increase required by the new, streamlined and integrated fire entity. While insufficient to cover the entirety of the funding requirement identified in the inter-jurisdictional comparative analysis, it would be a considered a significant step in addressing the funding requirement and, as part of a more detailed functional efficiency review and a staged approach to re-distributing funds within the new entity, would considerably improve the sustainability of the new organisation. Consideration could be given to whether the \$33m net funding requirement could be delivered through efficiency measures, additional consolidated revenue, or a combination of both.

4.4.6 Financial impacts of proposed model

The *Reallocation* option would result in the following indicative funding implications to the current state funding arrangements for QPS and the new QFES entity.

QPS funding requirements associated with the reallocated services

Recurring funding of at least \$77m per annum is required for the current operating costs of the SES, DM, and MR services, noting MR includes grants to AVCGA, VMRAQ, SLSQ and RLSSQ. Initial estimates indicate an additional \$10m would be required if the currently estimated costs associated with the incorporation of MR into a single entity were also included (noting this amount is currently in the process of being reviewed by the current Blue Water Review), and a further \$31m would be required for the SES in the event that a decision was made to bring that service's funding in-line with the benchmarking analysis in this Report. These figures are based on the current State operating expenditure of QFES, as outlined in Sections 3.2.1 (Service analysis) and 3.2.2 (Government Commitments – Single Marine Rescue Service), and broken down in the table below.

Table 4-1: Breakdown of SES, DM and MR funding as at FY21

Services / entities	Actual FY21
SES	\$32.9m
DM	\$31.7m
MR	\$12.2m
TOTAL	\$76.8m
Estimate of 'new' MR costs (incorporating to a single service)	\$10.0m
SES additional funds (per benchmarking analysis)	\$31.0m
GRAND TOTAL	\$117.8m

Source: QFES management accounts, including QFES allocation of non-direct operating expenses

It is important to note that the funding amounts above do not include any savings that may be able to be achieved in the base operating costs because of the reallocation, nor are any donations to support SES or MR arrangements included. Both of these elements would potentially reduce the \$117.8m figure, allowing for a reduction in the proposed SES Levy.

Similarly, it is also important to note the funding amounts above do not include any recurring capital funding required, which would be predominantly for ongoing maintenance and uplift in SES and MR equipment, as well as MR facilities (noting that local governments predominantly provide the facilities required for SES).

Finally, it should be acknowledged that the funding requirement for SES is based on the benchmarking analysis which is indicative and subject to a number of limitations, as outlined in Section 3.2.2. A bottom-up analysis was not able to be performed within the timeframes of this Review.

Impact on QFES/the new entity following reallocations

In the event that a new SES Levy were adopted and provided to QPS for the reallocated services current funding for the operational expenditure pertaining to the provision of SES, DM and MR, including grants to associated volunteer entities activities (~\$77m) would be able to be retained by the new QFES entity to partially offset the identified funding requirement. This would have the effect of reducing the indicative funding requirement from \$110m to \$33m.

Summary of the detailed funding options

Options	Pros	Cons
1. Reallocate existing QFES funding to QPS	<ul style="list-style-type: none"> No net impact in current position 	<ul style="list-style-type: none"> Added complexity to manage into the future as funding for these service lines and volunteer entities comes from a variety of sources Does not address the indicative funding requirement of QFES
2. New SES Levy for the reallocated services	<ul style="list-style-type: none"> New source of revenue with modest impact on taxpayers (current funding would result in ~\$35 per property per annum under an arrangement similar to the EML, rising to ~\$52 per property per annum if additional funding is provided to SES and MR) Allows existing funding to QFES to be retained by QFES and contribute towards its own funding requirement Might be perceived more favourably in comparison to larger increase in the EML option for QFES 	<ul style="list-style-type: none"> Introduces a new tax on the community and clarification required to differentiate between the existing EML
3. Increase State Appropriations to QPS	<ul style="list-style-type: none"> No direct impact on QFES or taxpayers Allows existing funding to QFES to be retained by QFES and contribute towards its own funding requirement 	<ul style="list-style-type: none"> Requires new State funding from limited resources available

KPMG's view is that a new SES Levy would provide the most favourable outcome for QPS, QFES and the State, and have a modest impact on taxpayers. The introduction of an SES Levy would allow QFES to retain its existing funding for the reallocated services and grants and utilise this funding to offset the \$110m funding requirement by \$77m, leaving a net funding requirement of \$33m.

As previously noted in this Report, KPMG suggests that a detailed functional and structure review be undertaken, seeking to reduce duplicated functions and organisational layers, examine opportunities to centralise administrative processes to reduce their impact on front line service delivery and consider ways in which the existing workforce could be better utilised to address any latency that may be present in current staffing models. Specific efficiencies identified would reduce the indicative funding requirement further with the potential to cover net funding requirement of \$33m, particularly if external funding sources to RFS are taken into consideration.

To support this, KPMG recommends the State legislate for the provision of a SES Levy. The SES Levy would effectively cover the operational expenditure associated with SES, DM and MR services that are recommended to be transferred to QPS. The State could also consider further limiting the impact of an SES Levy by addressing MR funding requirements through new or augmented MR related fees and charges (i.e., via increases in vessel registration/insurance and licence fees); however, this is beyond the scope of this Review.

KPMG's view is that the indicative funding requirement for QFES represents an initial future target state of funding across FRS and RFS to be more aligned with its closest peer within Australia. Transition to this future state could be implemented over time (see implementation considerations in Section 6). The new organisation could commence its transition to its future state utilising the surplus funds after reallocation of SES, DM, and MR and the introduction of a new SES Levy (provided to QPS) to fund these services. This would limit the impact to taxpayers to the modest SES Levy (estimated at \$35 to \$52 per property per annum depending if the uplift in SES and MR funding is included).

Additionally, as also identified previously, the analysis conducted in this Report does not include any attribution of funding provided to QFES' services from external sources, namely the RFS Levy, nor any fundraising activities/donations from the community to RFS, SES and MR entities. These funds do not form part of QFES' financial statements given they are not part of the revenue controlled by the State. KPMG believes this should be addressed and recommends the establishment of a reporting requirement associated with the RFS Levy, supporting the creation of a 'full picture' of available funding for the services operated by the new entity.

Finally, following the necessary budget adjustments arising through machinery-of-government changes, KPMG recommends the reconsideration of the current allocation of funds (within the new entity) between urban and rural fire activities to better reflect the risk profile and to better meet community expectations.

5. Basis of Recommendations



5 Basis of Recommendations

Recommendations have been developed based on evidence sourced from findings from the current state analysis, the benchmarking analysis, the stakeholder consultations and the operating model analysis.

Ref	Recommendation	Basis
Function & Structure		
1	<p>To simplify, emphasise and focus efforts in relation to fire and emergency services activities in Queensland, establish a new, integrated department consisting of the current Fire and Rescue Service (including Auxiliary staff), Rural Fire Service, FireCom and appropriate elements of QFES' current Corporate Services Division.</p>	<p>As analysed in Section 4, The "Reallocation" option optimises the balance between the design criteria, providing a significant uplift in the outcomes for the community, efficiency and effectiveness, clarifying roles and responsibilities, delegation and decision making and considering the ease of implementation.</p> <p>There is a view that QFES is "better together", due to single point of contact and economies of scale that it can create. KPMG agree there are advantages with a single umbrella organisation, but specifically with a remit on fire and rescue activities that span urban, regional, and remote locations across the breadth of the PPRR framework. The changing environment, hazard and risk profile has increased the need for Queensland's fire and emergency services assets to be deployed where they deliver the most value, across hazards and with a focus on those areas for which the core elements of the QFES are most aligned.</p> <p>As part of this review, KPMG has seen little evidence that suggests the Keelty reforms implemented in 2013 (nor the extensive review, reform and continuous improvement recommendations that have been made since that time) have established a more integrated, agile organisation that is capable of meeting this increasingly complex demand profile. Foundation capabilities such as information and technology, service planning and change prioritisation and implementation are at low maturity. Stakeholders recognise that response activities are performed well, if not exceptionally; however, also quickly indicate the various that broader prevention, preparedness and response activities are lacking. As demonstrated extensively by analysis in this Report, focus and investment remains in RFS response activities. Importantly, there is substantial evidence indicating the culture remains siloed and service centric, with diversity and inclusion challenges.</p> <p>Change is therefore required from the current state.</p> <p>The 'Reallocation' option simplifies QFES, by reducing the number of services it supports, it will allow the new entity to focus on the full PPRR framework and getting the right allocations between urban and Rural Fire and Emergency services. It reduces the number of influential stakeholders, allowing simplified governance structures, making it easier to implement change and allocate resources to where they best meet the needs of the community. The ability to flex and be agile becomes increasingly important in an operating environment that is changing significantly, in a resource constrained environment.</p> <p>Other options considered, being 'sharpen', 'capability' or 'separate' either do not simplify the organisation enough to support, are too costly to implement and maintain.</p>

Ref	Recommendation	Basis
2	The State Emergency Service and Disaster Management functions be transferred through a machinery-of-government change to the Queensland Police Service.	<p>As a consequence of Recommendation 1, this recommendation identifies the most appropriate organisation to which the SES and DM functions should move.</p> <p>As explored in Section 4.4.3, SES and DM functions are the most complex in terms of co-ordination and interoperability arrangements with other local and state agencies. There is also a perception of being “left behind” in the allocation of resources under the QFES model. This view is supported by the resource allocation data and benchmarks.</p> <p>Other reviews provided further evidence of a service that requires a fundamental shift in its approach to best meet the needs of the community, and which has been subject to a lack of clarity in its arrangements and under-investment.</p> <p>Section 4.4.3 analyses the future arrangements outside of QFES. It is KPMG’s opinion the most appropriate destination for these services to delivery effective services for the state would be QPS.</p>
3	In-line with the Queensland Government’s commitment to the creation of a single Marine Rescue entity, the Marine Rescue functions within QFES (including grants arrangements for Surf Life Saving Queensland and the Royal Life Saving Society Queensland) be transferred through a machinery-of-government change to the Queensland Police Service.	<p>As a consequence of Recommendation 1, this recommendation identifies the most appropriate organisation to which the MR function should move (including arrangements for SLSQ and RLSSQ). The MR function is currently delivered by 47 units across the State and grant funding issued to SLSQ and RLSSQ. The Queensland Government has made a commitment to establish a single marine rescue service. It is KPMG’s view that bringing this combined service into/maintaining the current arrangements within QFES will add additional complexity into the organisation. This, coupled with the alignment of the functions with Water Police, creates an obvious organisational arrangement which can be achieved whilst maintaining the Government’s commitment to establishing the arrangements as a single service. Section 4.4.2 analyses the future arrangements outside of QFES. It is KPMG’s view the most appropriate destination for these services to best deliver services for the State would be QPS.</p>
4	Establish a future-focused service planning capability that supports data driven, risk adjusted resource allocation decisions, including workforce planning with a focus on increased use of auxiliary, that cascade across all services within the new organisation including, but not limited to, budget allocations, station and fleet locations, staffing levels, and technology investments.	<p>KPMG has been particularly surprised by the lack of progress associated with service needs analysis, the use of data, and the lack of a future-focused planning capability that uses data to drive workforce planning (including the use of auxiliary), budgeting, capital planning, resourcing, and other investment activities. Despite QFES’ purported efforts to focus on elements of the PPRR framework beyond ‘response’ activities, KPMG has failed to identify any real progress in these areas for whole parts of the organisation (RFS, DM, SES, MR) and only very iterative steps relating to FRS activities. As analysed in Sections 3.4.3 and 3.4.4, KPMG see a mature future focussed planning capability, enabled by data, as fundamental to QFES’ ability to optimise resource allocation to best meet service demands of Queenslanders in an engaging way, in an increasingly dynamic environment and in recognition of constrained resources. KPMG notes the lack of reference to the auxiliary workforce in the QFES <i>Strategic Workforce Plan 2021-2024</i>. KPMG believes this is a missed opportunity. The auxiliary workforce should be considered an essential bridge between the professional, paid force and volunteers, providing significant ‘surge capacity’ to address periods of increased demand (particularly during response activities) and supporting broader functions across the PPRR framework. KPMG acknowledges the advice that some work has been performed to uplift capability in this area; however, has been unable to determine the reasons for the recency of these actions given the importance service planning capabilities and the length of time that QFES has been operational. Accordingly, KPMG is of the opinion that a future focused planning activity needs to be rapidly established.</p>

Ref	Recommendation	Basis
5	Create the new entity as a department of the Queensland Government, with the Commissioner maintaining all the powers of a Chief Executive under the Public Service Act 2008.	There has been no suggestion as part of the Review that change should be made to QFES' current status as a department in its own right (i.e., no suggestion it transition to a Statutory Authority or any other structure). To that end, this recommendation simply seeks to ensure there is no ambiguity in relation to the status of the new agency and the role of the Commissioner.
6	Establish a specific Project Management and Cultural Reform Office to drive the implementation of recommendations and focus specifically on the cultural and organisational reforms necessary to give effect to the structural changes, ongoing integration of the new entity and drive collaboration between the elements of the new agency.	<p>QFES has indicated to the Review that the organisation is in the process of uplifting its implementation capability, but that a previously established Enterprise Project Management Office has been placed on hold due to funding constraints.</p> <p>Since the establishment of QFES in 2013, 146 reviews of functions, aspects, or strategic matters affecting the organisation have been conducted. These have related to functional elements such as the SES; funding arrangements for 'Bluewater Marine Rescue' activities; human resources and cultural matters such as the Allison Review; and overarching structural and operational reviews. Various stakeholders have provided input into one or more of these reviews.</p> <p>This Report introduces 18 new strategic recommendations into an organisation that has received more than 1900 recommendations since its inception.</p> <p>It is KPMG's view that a dedicated and specific project management function is required as a standing element within QFES to drive the implementation of recommendations. To gain implementation traction, KPMG believes it is necessary to establish (or re-establish, in the event that the currently 'on hold' unit is available) a specific Project Management and Cultural Reform Office to drive the implementation of recommendations (from this Review and others) and focus specifically on the cultural and organisational reforms necessary to give effect to the structural changes, on-going integration activities and drive collaboration.</p> <p>The Project management and cultural reform office will be responsible for a range of implementation activities. Primarily, this recommendation is to ensure that there is effectual progress against this review. However, there is a secondary benefit associated with risk mitigation, given the importance of being able to track and demonstrate progress against adopted recommendations from previous review activities.</p>
7	Conduct a detailed functional and structural review prior to the separation of functions from QFES, focused on: reducing duplicated functions and organisational layers to allow more effective decision making; examining opportunities to centralise administrative processes to reduce their impact on front line service delivery; and considering ways in which the existing workforce could be better utilised to address any latency that may be present in current staffing models.	As highlighted in Section 4.4.1, the change required to deliver the recommendations made in this Report will have enterprise impacts throughout QFES' people and structure, processes, information and technology, data and reporting and a range of other areas. Given both the Terms of Reference for this review being strategic in nature and the timeframes available to the project, KPMG has not performed a detailed functional and structural assessment as part of this review. This recommendation would provide QFES and stakeholders clarity in terms of the functions and capabilities required to deliver the services in scope of the new entity. It will also identify detailed opportunities to improve the efficiency of the new organisations, address latent capacity within the organisation (where possible) in the near term, potentially reduce the funding requirement outlined in this Report and reduce duplication in the new model. Importantly, developing the detailed future state will allow the development of transition designs that will be a critical input into transition activities.

Ref	Recommendation	Basis
Culture		
8	<p>Establish a specific leadership program to support continued focus on a diverse and inclusive culture that is representative of the community, with a clear emphasis on continuing to modernise, diversify and establish operational and strategic leadership capabilities in a way that breaks down silos, drives an inclusive fire and emergency service and which ensures ethical decision-making and acceptable workplace conduct is central to operations.</p>	<p>As explored in Section 3.4.2 of this Report, KPMG strongly supports the notion of QFES' leadership being representative of the community it serves. KPMG acknowledges that the fire and emergency services sector has a number of traditional challenges and historic legacies that have presented challenges to the progression of women, the inclusion of culturally diverse members of the community and other under-represented groups. Similarly, KPMG recognises that QFES has delivered a number of initiatives to continue to address these issues. Nonetheless, a comparison of the demographics of the Queensland population and the available information in relation to QFES' paid workforce and leadership indicates considerable divergence from anticipated arrangements. Continue to drive these changes, KPMG believe it is appropriate to ensure leadership continue to play a critical role in establishing and maintaining a flexible, diverse and inclusive culture, supported by targets that align to the Queensland Government's commitments in that regard (Recommendation 11). KPMG believe that leadership plays a critical role in establishing and maintaining a flexible, diverse and inclusive culture.</p>
9	<p>Develop and publish performance against (on a regular basis, ideally quarterly) an Outcomes Framework setting out:</p> <ul style="list-style-type: none"> • Outcomes-based fire (and broader emergency) services' performance measures; • Strategic effectiveness measures across the Prevention, Preparedness, Response and Recovery (PPRR) framework, but focused within the remit of the new organisation; • A formal interoperability plan, focused in two specific parts to drive interoperability between elements within the new organisation and more broadly to clarify the new entity's role within the emergency and disaster management system in Queensland; • A clear link between resource planning/service analysis and community outcomes; and • Goals to (and progress against) improve(d) operability across professional, auxiliary and volunteer firefighter organisations. <p>The Outcomes Framework should emphasise the breadth of the PPRR framework, adopting an 'all hazards' approach, and not be solely focused on traditional fire and rescue response activities.</p>	<p>In the context of ensuring that the new organisation can take advantage of its more specific and focused operational remit, KPMG believes it is appropriate to explicitly ensure that this remit (across urban and rural fire, rescue and certain emergency services) continues to seek to achieve the four pillars of the PPRR framework.</p> <p>KPMG notes the view expressed by certain stakeholders that reducing the number of services delivered by QFES will impact the new organisation's ability to deliver all aspects of the PPRR framework. KPMG does not support this perspective, and in fact holds a contrary view.</p> <p>By simplifying the business, with appropriate cultural, structural and functional changes, KPMG believes the new entity will be better equipped to deliver Queenslanders services across the PPRR framework, rather than focused predominantly in the 'response' phase as is currently typified by QFES (as noted by significant stakeholder feedback).</p> <p>The establishment of a leading practice outcomes framework is a critical element to these changes. It will provide strategic, measurable objectives for the new organisation that is aligned to business strategy, outcomes, delivery and supports effective decision making.</p> <p>It will provide key guidance to the new organisation as to how to allocate resources, balancing trade-offs and provide clear line of sight between resource planning and community outcomes.</p> <p>Additionally, cascading into individual goals will help clarify roles and responsibilities within the system, helping to reduce the confusion highlighted by a number of reviews and many of the stakeholders consulted.</p>

Ref	Recommendation	Basis
10	The new agency undertakes a detailed workforce culture assessment, inclusive of volunteers, to improve collaboration, performance and workforce experience, as the basis for establishing reforms to support integration of fire and emergency services activities in a manner that aligns to the requirements of the community articulated through data driven, risk-based service planning.	As outlined in Recommendation 8, KPMG strongly supports the notion of QFES' leadership being representative of the community it serves. This leadership diversity should also cascade into operational staff and volunteers, who should have the necessary tools, behavioural supports, data and information to make informed decisions and perform their duties. In the absence of existing workforce data that provides evidence as to these elements and culture within the organisation more broadly, KPMG believes the creation of a baseline – set out through a workforce culture assessment – should be undertaken, to inform the development of future workforce planning. Given the fundamental importance of a flexible, diverse and inclusive culture, KPMG believes establishing such a baseline will support the short (transition) and longer (integration) term arrangements.
11	In light of the significant need for a continued focus on establishing a diverse workforce, representative of the community the organisation serves and where all staff feel safe, respected and included, specific targets be established in-line with the Queensland Government's Inclusion and Diversity Strategy 2021-2025 for women, people with a disability, Aboriginal and Torres Strait Islander peoples, culturally and linguistically diverse people and the LGBTIQ+ community for each of the services and the corporate support functions within the new agency.	Again with reference to the premise outlined in Recommendation 8, KPMG strongly supports the notion of QFES' leadership being representative of the community it serves. The current gap between the community diversity statistics and the current QFES workforce profile is significant (as outlined in Section 3.4.2). It is KPMG's view that the new entity should introduce targets that align with the Queensland Government's Inclusion and Diversity Strategy 2021-2025 for women, people with a disability, Aboriginal and Torres Strait Islander peoples, culturally and linguistically diverse people and the LGBTIQ+ community in each of the services and the corporate support functions.
Efficiency and funding		
12	Legislate for the provision of a State Emergency Service Levy.	As set out in the Report, inter-jurisdictional benchmarking would suggest there is a considerable funding requirement that needs to be addressed by QFES. While KPMG has not performed any bottom up, zero-based budgeting activity, it is clear the funding requirement is larger than any specific efficiency or savings measures could address. Accordingly, KPMG recommends that a new funding source be established. Other funding options have been considered by KPMG, such as an increase in EML and State Appropriations. Based on the information available to the review, KPMG's view is that the introduction of the new SES Levy would be the most simple, transparent way of closing the funding requirement. It is acknowledged, however, that this approach is contrary to the Queensland Government's position in relation to the imposition of new taxes. As an alternative, an approach to increasing State appropriations to the new entity could be considered.
13	Work with local government to establish a reporting requirement for Councils' funding, costs, assets and liabilities that support services currently provided by Queensland Fire and Emergency Services, including the Rural Fire Service Levy and local government expenditure for the State Emergency Service, to create a 'full financial	There is presently an incomplete financial picture of total funding, costs, assets and liabilities of certain elements within QFES, particularly with regard to the contributions made by local governments to RFS and SES. While it would be an 'over-reach' to seek to control that funding, KPMG believes the State should have visibility of the financial support provided by local governments to the provision of services in order to undertake holistic budgeting and planning activities.

Ref	Recommendation	Basis
	picture' of the services operated by the new entity and the Queensland Police Service.	
14	As part of the machinery-of-government changes to relocate State Emergency Service, Disaster Management and Marine Rescue functions, subject to the extent to which the State Emergency Service Levy ameliorates the cost impact of moving those functions to the Queensland Police Service, conduct a zero-based budgeting exercise to determine the elements (if any) of the Service Delivery Statement funding breakdowns (as set out in KPMG's report) to be re-allocated, focussing on budgeting within agencies to clarify the cost of service delivery. This should occur following the establishment of a State Emergency Service Levy which would likely offset the funding requirements relating to the State Emergency Service, Disaster Management and existing Marine Rescue moving to the Queensland Police Service.	KPMG recognises that the structural recommendations of this Report propose considerable machinery-of-government changes. While such changes are not uncommon, it is noted that in circumstances where there is sufficient time to properly plan them (such as the disestablishment of the PSBA), it has been past practice to properly conduct separation activities in relation to the relevant elements of the organisations to ensure an appropriate allocation of resources. To that end, KPMG is of the view that a bottom up, zero-based budgeting exercise should be performed as part of the separation of the functions. There are a number of additional benefits that would arise as a result of this recommendation. Firstly, it is KPMG's understanding that since its establishment QFES has never performed a zero-based budgeting activity. Secondly, by its nature such a process will provide a valuable reference point for the functional and structural review suggested at Recommendation 7. By understanding the activities and associated costs currently performed, it will reduce the risk of inadvertently impacting a critical process through the separation and integration activities.
15	Following the necessary budget adjustments arising through machinery-of-government changes, adopt a staged process – using a risk-based approach that considers the changing nature of fire services, the impact of climate change and which leverages the newly created service planning capability recommended in this Report – to prioritise funding for the Rural Fire Service to address bushfire, landscape fire and broader rural and seasonal fire risks into the future.	As identified as part of the Current State element of the Report, there are significant discrepancies between FRS and RFS funding allocations. While the difference is significant in its own right, the benchmarking analysis in Section 3.3 of the Report demonstrates that these discrepancies are even more considerable in the context of comparisons with other jurisdictions. With the establishment of a service planning capability from Recommendation 4, and as part of longer-term financial sustainability planning, QFES should consider how it can adopt a data-driven, risk-based allocation methodology to – over time – better reflect a more reasonable apportionment of funds between FRS and RFS into the future, with a focus on increasing the disproportionately lower level of expenditure on RFS activities to better respond to the emerging risk-profile that demonstrates climate change and other impacts necessitate planning, preparation and response activities relating to longer annual fire seasons and bushfire events.
16	Reduce the senior executive structure (Deputy Commissioner and Assistant Commissioner levels) of the new department to reflect the streamlined, more focused nature of the new entity, informed by the detailed structural and functional review set out at Recommendation 7. The structure should support a geographic leadership model that clarifies command and control arrangements.	In the context of a simplified, more integrated and focused urban and rural fire service, KPMG sees an opportunity to simplify the organisational structure. Section 3.4.1 explored the merits of a matrix organisation with multiple services being delivered across a diverse geographical footprint. KPMG believes the fundamentals of this model are sound, and that a geographic leadership approach – particularly in a jurisdiction as diverse as Queensland – is appropriate to ensure local community requirements and expectations are best met. However, this does not necessarily mean that both service and geography need be represented at leadership levels. Indeed, as noted by various stakeholders and in previous reports, there is confusion that arises both within and external to QFES – particularly in relation to DM activities – as to reporting lines. In concert with Recommendation 1, there are opportunities to simplify the leadership of services delivered by the new entity to reduce the Senior Executive structure. It should be noted the detailed structure would still need to be developed, and is an important element of the functional and structural review suggested in Recommendation 7.

Ref	Recommendation	Basis
Sustainability		
17	<p>In recognition of both the substantive changes arising because of the recommendations contained within this Report, and the age of the statutes, undertake the following legislative and policy reform projects:</p> <ul style="list-style-type: none"> • Review <i>the Fire and Emergency Services Act 1990</i> and the <i>Disaster Management Act 2003</i>, with a view to modernising both pieces of legislation and (with regard to the <i>Fire and Emergency Services Act 1990</i>) clearly addressing the role of professional and volunteer firefighters (including providing the same legislative protections to auxiliary and volunteer firefighters as afforded to professional firefighters); • Move the provisions of the <i>Fire and Emergency Services Act 1990</i> relating to the State Emergency Service into the <i>Disaster Management Act 2003</i>; • Clarify the Commissioner of Police as the Chief Executive for the purposes of the <i>Disaster Management Act 2003</i>; • Clarify that the Commissioner of Fire continues to play a key leadership role as part of the State’s emergency response and disaster arrangements where they relate to fire or emergency services activities within the remit of the new agency; • Update <i>Public Safety Preservation Act 1986</i> to reflect the importance of protecting economic, heritage and cultural sites (in addition to current considerations relating to life and property); • Examine the role of landholders in relation to prevention, preparation and response activities, with a specific focus on determining whether additional powers are required for firefighters to address at-risk circumstances and more rapid action as fire events escalate; • make consequential amendments arising as a result of the recommendations of this Review, where necessary; and • review and update the Queensland State Disaster Management Plan, following the machinery-of-government changes. 	<p>This recommendation provides the legislative change required to execute Recommendations 1, 2, 3, 5, 11, 12 and 13.</p> <p>Critically, as explored in Section 2.7 and by numerous stakeholders, the legislative review agenda should look to clarify roles and responsibilities across the emergency services system and consolidate legislation.</p>

Ref	Recommendation	Basis
18	<p>Develop a formal interoperability plan for the new organisation, supported through an appropriate legislative remit developed as part of legislative review activities recommended by this Review, with a long-term vision of clearly defining, drawing together and empowering the services provided by professional, auxiliary and volunteer firefighters. This plan should recognise the histories and respect the differing levels of expertise required of different services types and ultimately acknowledge the need to modernise approaches across the PPRR framework – specifically relating to fire and emergency activities. This should be done in a manner to address changing risk profiles, harmonise training activities and provide a more coordinated approach (across urban and rural operations) to planning, funding and support, to achieve a more integrated approach that meets the needs of the Queensland community into the future.</p>	<p>Noting the overarching objectives of this review were to examine the effectiveness, efficiency and sustainability of the function and funding arrangements of QFES, KPMG believes that in the longer-term a more integrated operating model should be sought to be achieved for the new organisation. That would see a closer working relation between FRS staff and RFS volunteers.</p> <p>KPMG recognises there are considerable cultural and other barriers that would preclude a large scale, 'big bang' approach to the adoption of this kind of change. However, development of a formal interoperability plan – working with all parties – to establish areas of shared responsibility, create mutual respect and seek to properly apportion activities across the breadth of the PPRR framework, would be exceptionally beneficial. It will be critical that Auxiliary personnel are included in this process. Accordingly, this recommendation seeks to establish the basis for that action.</p>
19	<p>The implementation of reforms set out in this Report should adopt an approach that is staged, planned and that recognises certain high priority recommendations can be expedited, while others will require further consultation and engagement as part of the implementation process.</p>	<p>The recommendations outlined in this Report collectively represent a reform agenda which seeks to best position Queensland to address future risks and changing profiles associated with fire, emergency services and disaster management activities into the future. It is recognised that there is likely considerable work required to implement certain elements of the proposed activities. To that end, is important in KPMG's view that a 'big bang' implementation approach is avoided and, rather, that a staged, planned implementation process is agreed. As set out in the following section, KPMG has given consideration to the implementation requirements at a high level, splitting the recommendations both into those that could be more rapidly addressed (or at least communicated) and those that will require additional consultation and engagement as part of the implementation process. Similarly, KPMG has also indicated a staged process with an indicative timeframe for implementation. Accordingly, this recommendation seeks to explicitly identify the proposed implementation approach.</p>



6. Implementation considerations



6 Implementation considerations

As highlighted in the project background, the approach to the Review was strategic in nature. Given the timeframes associated with the conduct of the Review, KPMG's focus was to specifically meet the requirements of the Terms of Reference by focusing efforts on data gathering, stakeholder engagement, analysis and strategic consideration of the key issues. Accordingly, the Review did not conduct a detailed exploration and assessment of the activities, risks, resource requirements, change impacts or preparedness for change with the impacted departments. This section outlines the broad plan and key considerations to consider in the implementation of the recommendations outlined in this Report.

6.1 Implementation strategy

The recommendations outlined in this Report collectively represent a reform agenda which seeks to best position Queensland to address future risks and changing profiles associated with fire, emergency services and disaster management activities into the future.

It is acknowledged that there are elements of the recommendations that can be implemented expeditiously, in order to provide clarity and certainty to the direction of future arrangements for the Queensland community and staff within QFES (and the broader fire, emergency services and disaster management system). There are, however, a number of elements of this Review which, if adopted, would present significant implementation activities, likely impacting several departments, volunteer groups, organisations beyond the remit of the State Government and the broader community.

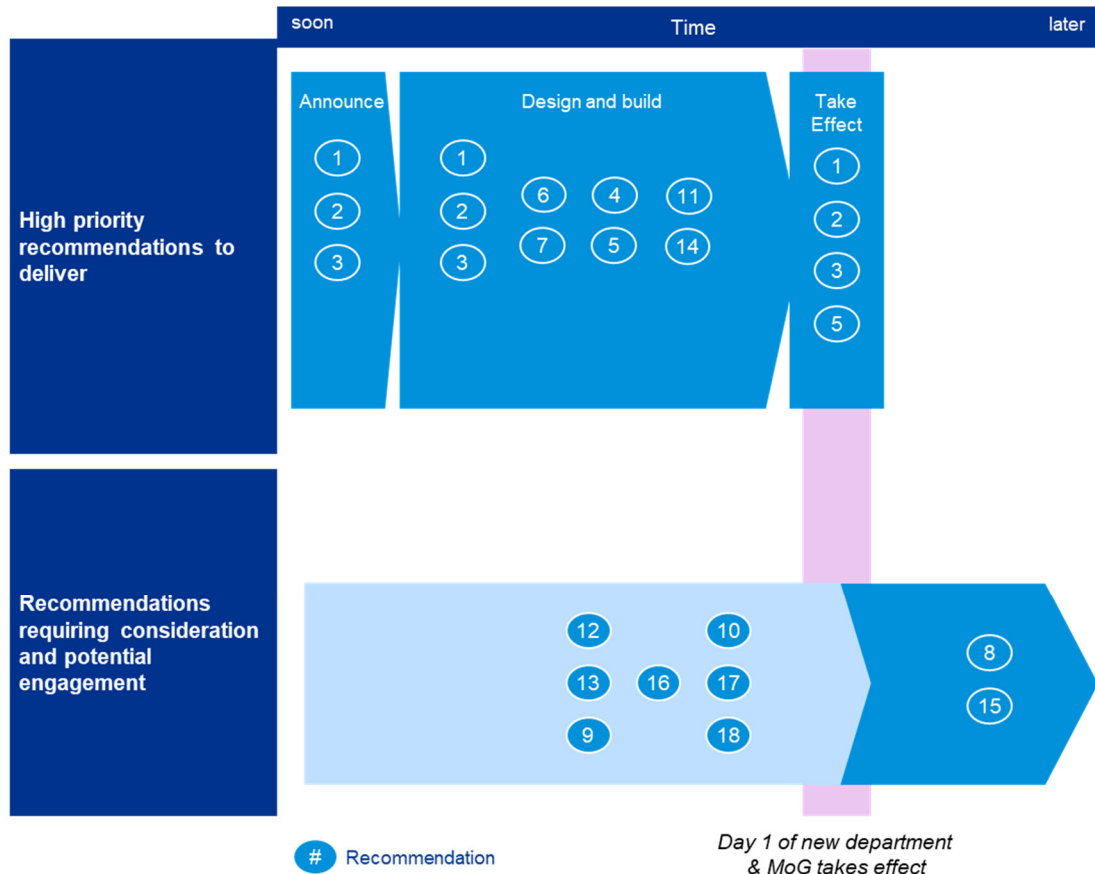
Accordingly, the implementation of the reforms set out in this Report should adopt an approach that is staged, planned and that recognises there are certain high priority recommendations that can be expedited, and further recommendations that will need engagement and consultation activities as part of the implementation process to ensure they are effectively achieved.

Accordingly, this section of the Report outlines a strategy to implement this reform, along with details of the proposed phasing of activities.

1. **Setup for success** - establish the reform governance, dedicated reform capability, with appropriate resources once the recommendations are endorsed by the Steering Committee. This mobilises resources for the reform implementation and dedicates resources to design and deliver the changes. This also provides a mechanism for any feedback to be channelled through the team tasked with implementing the changes. Without the implementation capability and governance established, the reform agenda can get distracted and delayed.
2. **High Priority recommendations** – will require a three (3) step process to implement
 - a. *Announce* - communicate the future state model, namely the collective impact of the various machinery-of-government recommendations outlined in this Report (Recommendations 1, 2, 3). This communication should focus on the target state, the rationale for the change, build awareness and transparency around the reform, and impact on communities. Whilst there is a risk communicating the change could create resistance, it is believed managing this resistance is best addressed early, rather than closer to go-live of the machinery-of-government and other changes.
 - b. *Design and build* - Commence planning, design and implementation of the machinery-of-government recommendations outlined above, along with recommendation 7 (functional and structural review), 11 (diversity targets), 14 (zero-basing). This should progress in 2022, with implementation activities sequenced around bushfire and storm seasons.
 - c. *Take effect* – Go live with the Machinery of Government changes (Recommendations 1,2,3,5), the new entity and commence activities associated with the new entity. It should be noted that day 1 may not include all elements of the strategic solution.

3. **Recommendations requiring consideration and potential engagement** – several recommendations will require time to consult and design across government, and potentially with broader stakeholder/community groups. This includes recommendation 9 (outcomes framework), 10 (workforce culture assessment), 12 (SES Levy), 13 (RFS Levy reporting), 17 (legislative and policy reform) and 18 (interoperability plan). Additionally, some recommendations may commence after Machinery of Government changes take effect, including recommendation 8 (establish diversity and leadership program) and 15 (re-allocation of funds between urban and rural).

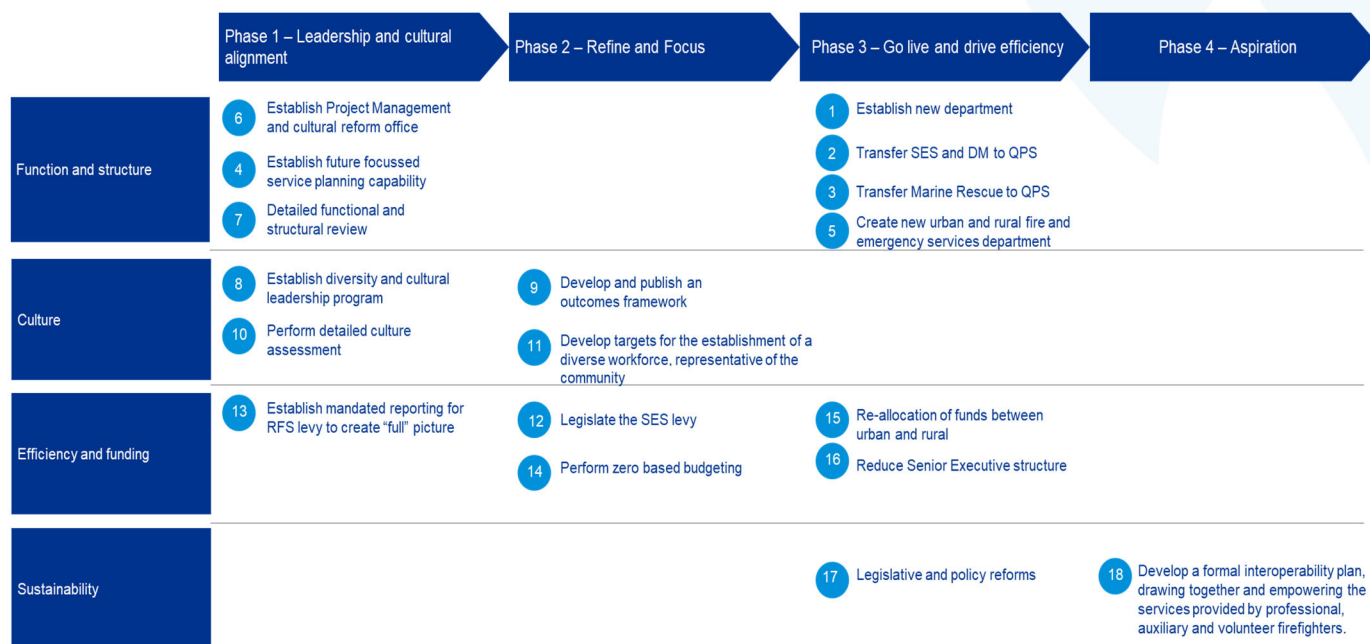
Figure 6-1: Summary of implementation strategy



Implementation Phases

KPMG recommends the reform be focussed on four (4) phases, as outlined in the diagram below, and explained in more detail in this section of the Report. This diagram is a visual representation of the focus areas of the 4 phases. Preparation activities for each recommendation may commence prior to the phase, and continue for some time (e.g., cultural leadership program in Phase 1 may be deployed and refreshed over several years).

Figure 6-2: Phasing of recommendations



6.2 Phase 1 – Leadership and cultural alignment

It is critical to establish the project capabilities to design, plan, co-ordinate and deliver the reform. Key tasks in Phase 1 would include:

- Designing and establishing the governance of the reform, which should include a steering committee, a design authority for impacted departments, reform assurance and terms of reference for each of these groups;
- Identifying how delivery work packages for the reform will be scoped, agreed and planned;
- Developing an integrated plan with workstream leaders and impacted departments;
- Agreeing issue and risk management processes;
- Agreeing the delivery methodology, so the reform is consistently delivered;
- Agreeing the change management strategy and methodology;
- Identifying the resource requirements to deliver the reform;
- Agreeing how the reform budget will be managed and reported;
- Establishing the project office; and
- Other establishment activities.

KPMG also believes that, in order to address uncertainty, formal announcement of proposed organisational changes should be made in this phase of implementation. This could be through an initial 'Business Case for Organisational Change' process for impacted employees, with a view to ensuring clear commitments about employment security for permanent staff and future timeframes for the reform agenda.

Scope

Recommendation 4 – Establish future focussed service planning capability

Recommendation 6 – Establish Project Management and cultural reform office.

Recommendation 8 – Establish diversity and cultural leadership program

Recommendation 10 – Perform detailed culture assessment

Recommendation 13 – Establish mandated reporting for RFS Levy to create “full” picture

Key considerations

Many decisions will need to be made throughout the implementation of these recommendations. The project governance will require a pragmatic means for workstreams to identify and document options and assumptions used to make informed decisions. The development on an appropriate governance structure, which balances the need to make day-to-day decisions with decisions being made at the strategic level, will be critical for the success of the program. KPMG recommends the continuation of a Steering Committee throughout implementation. Careful consideration should be made on the representation of this Steering Committee.

KPMG recommends the establishment of a design authority (or equivalent) which is empowered through a documented terms of reference, to operationalise the strategic direction set by the Steering Committee. Critical to the remit of the design authority will be the end-to-end provision of fire and emergency services without disruption throughout the transition. A reform of this scale will have a level of complexity to it. There will need to be a degree of agility around scope and solution design. This agility will need to consider the number of departments impacted as well as the number of work packages required to deliver this reform.

The project and cultural reform office should oversee and coordinate the management of the funding of the reform, resources including staffing and assets, along with the re-integration of the new entity. It is critical for the long-term sustainability these critical services in Queensland that ongoing monitoring of the progress of implementing Governments’ decision continue. It is KPMG’s view the detailed functional and structural review of this nature, involving the transition of capabilities between departments, is best led independently of but in collaboration with the impacted departments.

The project will have finite resources. These governance committees will need to prioritise activities in order to achieve the project milestones. Having a consistent framework for making these decisions is valuable. This could align to design principles, with the addition of a license to operate requirements (legal and regulatory requirements) as the first consideration in these decisions.

It should also be noted the nature of projects are not predictable, particularly with the scale of reform outlined in this Report. Additional mitigations should be considered as part of the integrated planning, such as the development of “Plan B” scenarios and go-live decision protocols that keep optionality open to adjust plans as required.

KPMG’s view is that a foundation assessment of QFES’ culture is required to fully understand the extent of change required across the organisation. It will also help inform the staff and volunteer engagement and communications strategy and transition considerations to QPS.

The establishment of the leadership program will set the “tone from the top” with an alignment of communications, symbolism and design from leaders that will then cascade through the organisation. QFES has advised they have developed a Leadership Framework in 2020 which, according to QFES, focuses on building a pipeline of leadership capability for the future. The framework focuses on the role of leaders in appreciating and respecting the differences people bring and creating workplaces where the perspectives of everyone are valued has been significantly assisting to develop the organisation’s adaptive capability. This framework should be independently evaluated and then outcomes from this evaluation should be implemented, including whether a leadership program is also required.

A successful implementation of the staff and volunteer communications strategy will be important wherein leaders provide a consistent message to QFES staff volunteers regarding what is changing, where they will be going and why.

6.3 Phase 2 – Refine and focus

The refine and focus phase will design the critical elements required to deliver a simpler, focused, and more effective urban and rural fire and emergency department for Queenslanders.

Scope

Recommendation 7 – Detailed functional and structural review

Recommendation 9 – Develop and publish an outcomes framework

Recommendation 11 – Develop targets for the establishment of a diverse workforce, representative of the community

Recommendation 12 – Legislate the SES Levy

Recommendation 14 – Perform zero-based budgeting exercise

Key considerations

A key input into the design of the functions and structures will be the new organisation's strategic objectives, in particular the strategic outcomes it will set out to achieve. As articulated in Recommendation 9, this framework should be across hazards and the PPRR framework.

The timeframes for the Review did not allow KPMG to undertake a detailed functional and structural assessment of the specific considerations for a restructure. Reform involving Machinery-of-government changes can include changes to workforce arrangements, cost and funding allocations, systems and processes, as well as redesign of reporting lines and structures. KPMG has recommended an independent detailed assessment and design. In addition to an independent recommendation, this can reduce any project disruption to service delivery. The Review has identified that a funding uplift is recommended as part of any adopted transition arrangements, which should reduce some of the complexity involved in creating the new arrangements.

KPMG recommends the scope of this phase includes the activity to map the existing and newly required functions to the new operating environment, ensuring appropriate coverage of services in each geography with documented clarity on functional accountability to create an efficient department.

Some key outcomes for the functional and structural review could include:

- Appropriate and equitable distribution of funding and resources;
- Redesign the structure of the new entity and re-align functions reflecting the new arrangements and desired community and business outcomes;
- Design the structure and function of the new entity focusing on effectiveness, efficiency and flexibility - ensuring minimum number of layers from top to bottom to facilitate more effective decision making;
- Rationalise corporate functions and processes, as well as develop service level agreements for the delivery of all support services;
- Identify and implement the necessary changes for DM to ensure the objective of greater clarity is achieved;
- Implement necessary legislative changes required under the new arrangements;
- Design appropriate arrangements to ensure that co-location and collaboration continue with no additional cost to government;
- Undertake a detailed efficiency review to identify savings to be reallocated to areas of greatest need (e.g., rural and region service delivery); and
- Develop an appropriate volunteer transfer strategy and integration plan for those volunteers moving to QPS.

The detailed functional and structural review will also support a more detailed estimate for the implementation and ongoing cost of the new organisation for consideration from government. This will be important from a budgeting, cost control and project governance perspective.

6.4 Phase 3 – Go live and drive Efficiency

Phase 3 is focussed on implementation of the reform, and seeing new structures go-live. This will include the new entity, along with the implementation of the detailed capability changes.

Scope

Recommendation 1 – Establish new department

Recommendation 2 – Transfer SES and DM to QPS

Recommendation 3 – Transfer Marine Rescue to QPS

Recommendation 5 – Create new urban and rural fire and emergency services department

Recommendation 15 – Re-allocation of funds between urban and rural

Recommendation 16 – Reduce senior executive structure

Recommendation 17 – Legislative and policy reform

Key considerations

Based on the information available, KPMG recommends the new entity be established as soon as reasonably possible after the 2021/2022 summer and post summer storm and bushfire season.

This phase is about implementing and will extend to the execution of the detailed structure and function designed in Phase 2. This should incorporate the people, process, technology, governance, and reporting changes required to establish an effective, efficient and sustainable urban and rural fire service, and transition capabilities to other departments.

Transparent progress of the structural and functional implementation will be critical for delivery across the different elements of the program, but also external stakeholders.

KPMG recognise there will be resistance to change. It is our view that it's best to identify and address this resistance as early as possible and as far away from go-live as possible.

Delivery of this phase will be the culmination of significant planning across numerous teams, across the fire and emergency management system. It will require careful planning across several departments. In KPMG's experience, it is best practice to establish a fit for purpose "cutover" plan that incorporates all impacted activities, agencies and third parties; with the inclusion of running simulations to ensure all parties understand their role in the go live the new entity.

As with the integrated plan, the concept of cutover is one of refinement, with the ability to add, remove and adjust activities as new information is made available.

6.5 Phase 4 – Aspiration

The final phase is aspirational in nature. The objective of this phase is to develop a formal interoperability plan for the new organisation, with a long-term vision of clearly defining, drawing together, and empowering the services provided by professional, auxiliary and volunteer firefighters.

This plan should recognise the histories, and respect the differing levels of expertise required, of different service types. It should ultimately acknowledge the need to modernise approaches across the PRR framework – specifically relating to fire and emergency activities. This should be undertaken in a manner to address changing risk profiles, harmonise training activities, and provide a more coordinated approach (across urban and rural operations) to planning, funding, and support. In doing so, the plan would enable the organisation to achieve a more integrated approach that meets the needs of the Queensland community into the future.

KPMG sees the aspiration phase as a separate program of work, which will require dedicated sponsorship, stakeholder engagement, governance, design, costing, planning, and focus. The initial phases will require establishing a compelling case for change, and obtaining leadership buy-in will be critical. The new entity should look to leverage learnings from other similar integration reforms, particularly those completed across the rural and urban fire sector in international jurisdictions.

6.6 Implementation risks

There are a number of implementation risks associated with a reform of this nature. A detailed risk assessment should be undertaken in Phase 1, and maintained throughout the reform. Based on what we have seen in other similar projects, and in undertaking this Review, the key risks we observe are:

1. Service delivery disruption – the scale of change associated with these recommendations could impact the services QFES currently deliver communities in Queensland. This can be mitigated through governance, design authority, planning, business readiness and resource allocation.
2. Employee relations – the recommendations outlined in this Report include the transition of employees between departments and other movements of individuals, including leaders. This could cause some employee relations risks to the State. A broader people and workplace relations strategy, effective consultation approach and strategy, human resources and legal advice are ways to mitigate this risk.
3. Change fatigue – it was found in this Review that QFES has been subject to over 100 reviews, each leading to a set of recommendations to implement. This has created an environment of change. Too much change can fatigue a workforce and inhibit the adoption of change. This can also lead to lower employee engagement and disengagement. This can be mitigated in-part, through leadership, a well-defined change strategy, business readiness.
4. Scope – large reform can sometimes become the catalyst to deliver a broader scope of change. This in turn puts pressure on resources allocated to the reform agenda. It is recommended this is mitigated through one integrated solution, one integrated plan, project governance and change controls.
5. Change adoption – there is a risk the recommendation outlined in this Report are not adopted by current QFES staff and/or the teams in the impacted departments. This will erode the benefits case and create risks to service delivery (depending on the scale of resistance). This can be mitigated through effective business engagement, communications and a holistic change management strategy.
6. Too many stakeholders – our Report found QFES is one organisation in a broad emergency services and disaster management ecosystem of organisations in Queensland. It is reasonable to assume a broader number of stakeholders may want to be engaged and/or kept informed of the reform and implementation. This can put pressure on resources and meeting delivery milestones. This can be mitigated through an effective communications strategy, and transparency on progress of the reform through a number of communications channels.
7. Industrial relations – the machinery-of-government changes will create industrial relations risk for the state that will need to be assessed and managed through a Business Case for Change process, which should be announced as part of phase one activities
8. Funding - There are risks in the proposed SES Levy is also potentially in conflict with the Government's election commitment to "No new or increased taxes for four years", and accordingly a clear narrative supporting the importance of funding volunteer activities would need to be established

Each of these risks should be considered as part of detailed implementation planning activities that occur as part of Government's consideration of the recommendations.

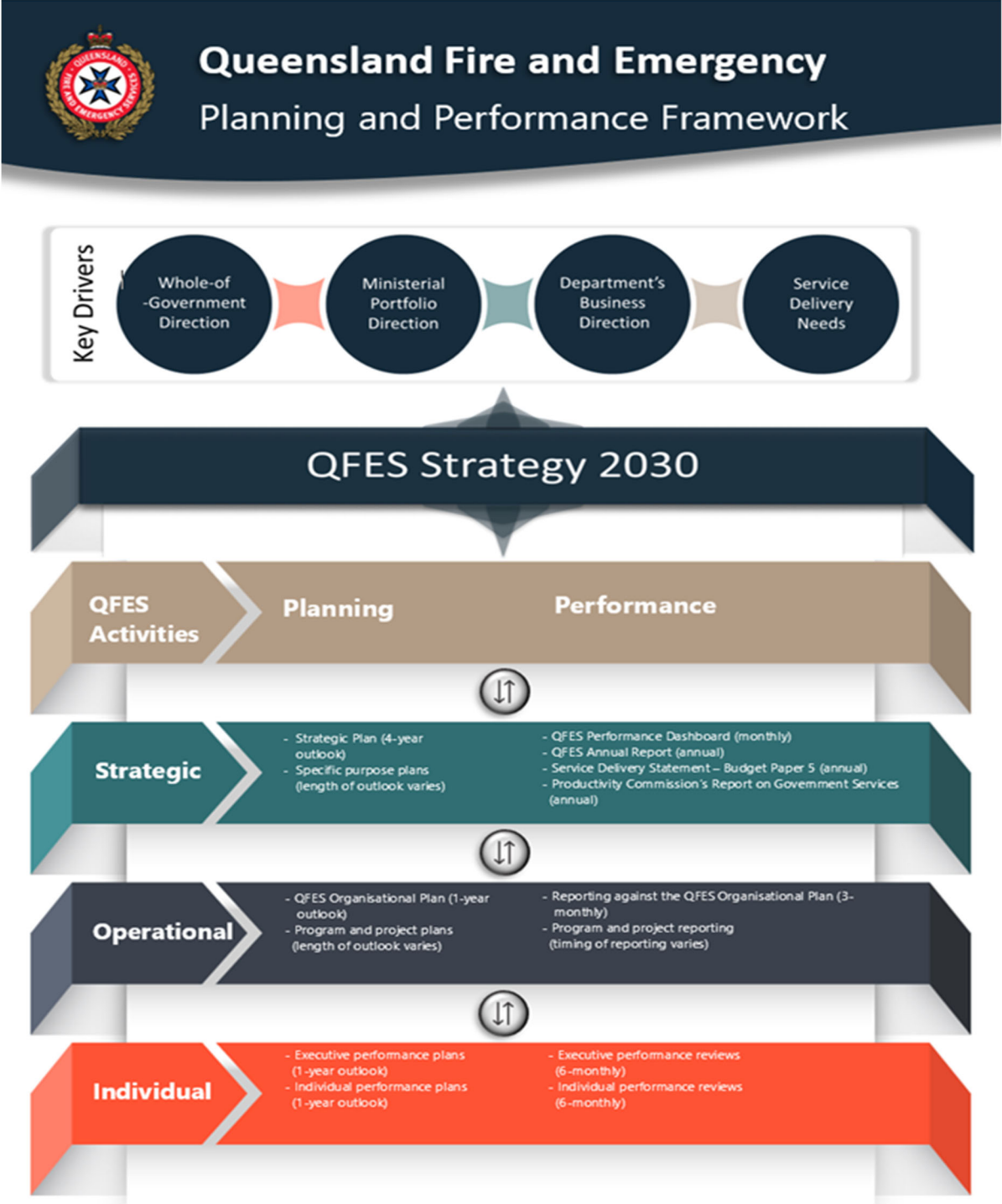


Appendices



Appendix A: QFES Planning and Performance Framework

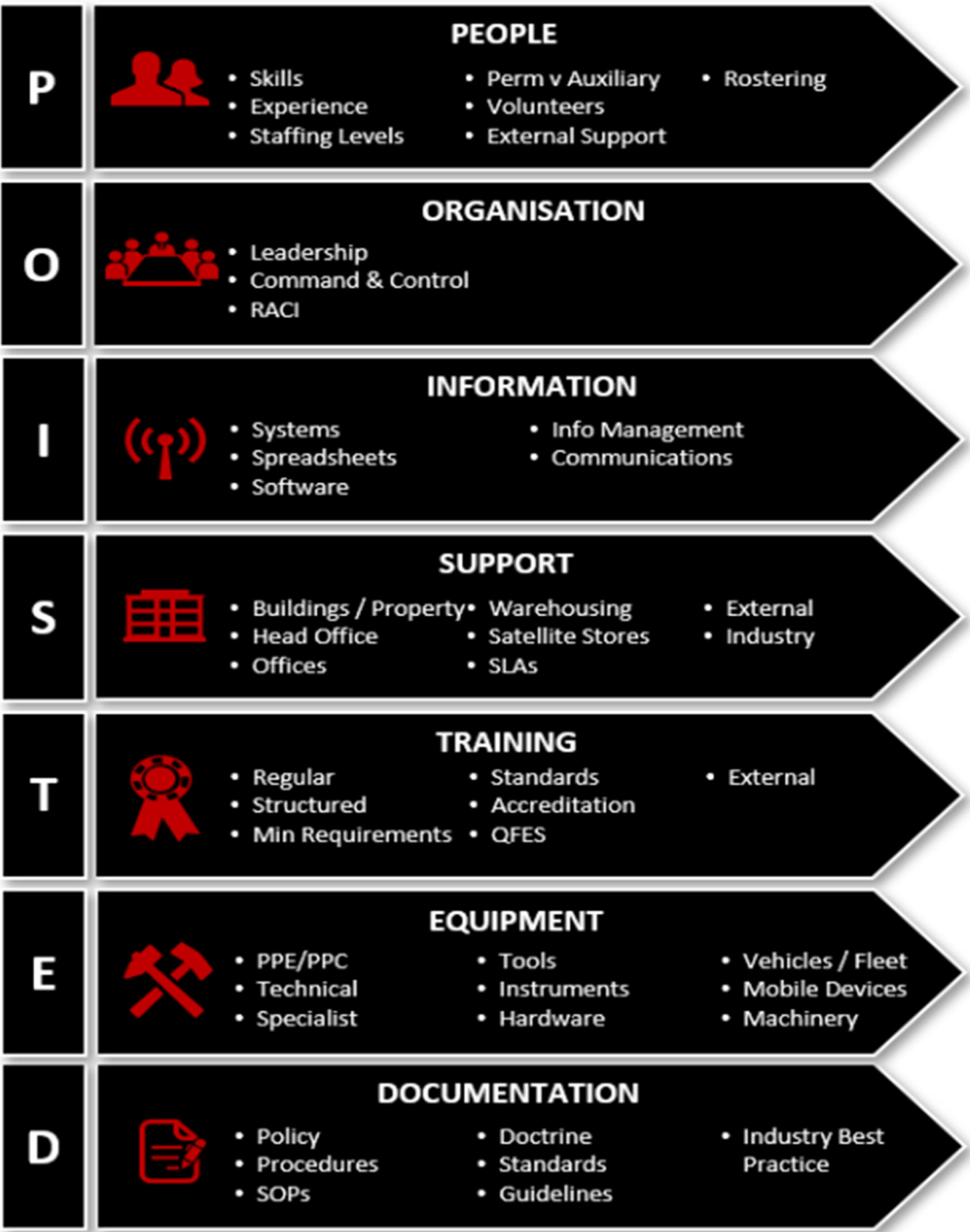
Figure A - 1: QFES Planning and Performance Framework



Source: QFES. (2021). QFES Planning and Performance Framework

Appendix B: POISTED methodology

Figure B - 1: POISTED methodology for inputs to capabilities



Source: QFES. (2021). QFES independent review building organisational capability.

Appendix C: List of consulted stakeholders

The following is a list of those stakeholder groups who were directly consulted as part of this Review.

Stakeholder Group	Name(s)	Role(s)
Minister		
Minister	Mr Mark Ryan	Minister for Fire and Emergency Services
QFES		
QFES Senior Executive Group	Mr Greg Leach Mr Mark Roche AFSM Mr Adam Stevenson Mr Mike Wassing AFSM	Commissioner Deputy Commissioner Acting Deputy Commissioner Deputy Commissioner
QFES Assistant Commissioners	Mr Gary McCormack Mr Kevin Walsh Mr John Cawcutt Mr Steve Barber Mr David Hermann Mr John Bolger Ms Joanne Greenfield Mr Andrew Short Mr Robin Boniwell Mr Steve Smith Mr Darryl King	QFES Assistant Commissioners
QFES Directors	Mr Troy Davies Mr Brian Cox Mr Paul Hyde Mr Steven Lowth	Volunteer Capability and Coordination State Emergency Service Asset Services Acting Chief Financial Officer
QFES Board	Ms Jennifer Robertson	Independent Board Member
QFES Risk and Compliance Committee	Ms Sue Ryan Mr Glenn Pool	Committee Chair Committee Member
Unions		
United Firefighters Union of Queensland	Mr Wayne McLean Mr John Oliver	State President State Secretary
Senior Officers Union of Employees	Mr Adrian Stafford Mr Neil Francis	State President State Secretary
Together Union	Representatives of Mr Alex Scott	Secretary

Australian Manufacturing Workers' Union	Mr Rohan Webb	State Secretary
United Workers Union	Representatives of Mr Gary Bullock	Secretary Queensland Branch
Volunteer Associations		
Queensland SES Volunteer Association	Mr Eddie Cowie	President
Australian Volunteer Coast Guard	Mr Robin Hood	Chairman
Rural Fire Brigades Association Queensland	Mr Justin Choveaux	General Manager
Marine Rescue Queensland	Mr Graham Kingston Mr Keith Williams	President Manager
Life Saving	Mr Paul Barry Mr Dave Whimpey	Executive Director – Royal Life Saving Society Qld Chief Executive Officer - Surf Life Saving Qld
Government Stakeholders		
Queensland Police Service	Ms Katarina Carroll	Commissioner
Department of Premier and Cabinet	Representatives of Ms Rachel Hunter	Director-General
Queensland Treasury	Mr Leon Allen	Acting Under Treasurer
Department of Transport and Main Roads	Representatives of Mr Neil Scales	Director-General
Department of Environment and Science	Mr Jamie Merrick	Director-General
Queensland Reconstruction Authority	Mr Brendan Moon	Chief Executive Officer
Inspector-General Emergency Management	Mr Alistair Dawson	Inspector General
NSW Fire and Rescue	Mr Paul Baxter	Commissioner
Other		
Queensland Auxiliary Firefighters Association	Mr Rodger Sambrooks Mr Jon Karas	President State Secretary
Local Government Association of Queensland	Representatives of Mr Greg Hallam	Chief Executive Officer

Appendix D: KPIs across jurisdictions

This appendix contains the KPIs from each of the comparison fire and emergency jurisdictions.

Table D - 1: Summary of fire and emergency KPI's across jurisdictions

Performance area	QLD	NSW	VIC	SA	WA	NT	ACT
FRS	<ul style="list-style-type: none"> Rate of accidental residential structure fires reported (per 100,000 households) Response times to structure fires including call taking time: 50th & 90th percentile Percentage of building and other structure fires confined to room/object of origin Estimated percentage of households with smoke alarm/detector installed Percentage of building premises inspected and deemed compliant at first inspection Rate of Unwanted Alarm Activations per Alarm Signalling Equipment 	<ul style="list-style-type: none"> Response times to structure fires within fire districts: 50th & 90th percentile Confinement to room of origin: All ignition causes, accidental fires Incidents per 100,000 population: Fuel spills and chemical emergencies, Non-fire rescue calls including animal rescues, Property Fires Accidental residential structure fires per 100,000 households¹²³ 	<ul style="list-style-type: none"> Permanent operational and support staff Road crash rescue accredited brigades/units Level 3 Incident Controller trained staff and volunteers All structural fires contained to room or object of origin Multi-agency joint procurements of systems or equipment Emergency response times meeting benchmarks for all structural fires, road accident rescues and emergency medical response ¹²⁴ 	<ul style="list-style-type: none"> Community: Home fire safety presentations, Educational tours, visits and community events scheduled, attendees in community education programs Prevention: MFS fire investigations, RAP presentations, JFLIP reoffence rate, inspections & fire safety surveys, building development proposals assessments, hazard complaint sites investigations, 7 fire alarm inspections, building development assessments completion rate, booster/hydrant tests/commissioning, Building Fire Safety Committee meetings/inspections, hot smoke tests 	<ul style="list-style-type: none"> Proportion of structure fire reports completed within specified timeframes Proportion of structure fires confined to room or object of origin 	<ul style="list-style-type: none"> Community resilience education and awareness programs delivered Average incident response time is within internal benchmarks Structure fires contained to room or object of origin Building and fire safety inspections conducted by operational crews 	<ul style="list-style-type: none"> Fire Incident & Responses: Fires, Structure fires, Mobile Property Fires, Landscape Fires, Bush and Grass, Other Fires Other Incidents & Responses: Hazardous conditions, Severe Weather and Natural Disasters, System Initiated FALSE Alarms, Other Non-fire Rescue Calls (Including Road Rescue) & Response: Road Accident Rescue Operations, Medical Assists, Other

¹²³ NSW FRS. (2020). *Annual report 2019-2020*.

¹²⁴ Fire Rescue Victoria. (2020). *Annual report 2020*.

Performance area	QLD	NSW	VIC	SA	WA	NT	ACT
				<ul style="list-style-type: none"> Response and Recovery: % of major community events with a current fire protection plan, % of incidents with appropriate response, % of contained building and structure fires, % of building fires were contained to the room of origin, total number of incidents generating a response from Metropolitan Operations and Regional Operations, Average Metropolitan 'out the door time, The % of MFS arrivals within 7 mins of a callout in a metropolitan area with a fulltime crew, The % of MFS arrivals within 11 mins of a callout in a Regional area, emergency calls, time to answer calls, % of cases answered on the first presentation Learning and Development: % of firefighter separations filled, new recruits, Number of recruits completing Certificate II in Public Safety, Training enrolments, study enrolments 			

Performance area	QLD	NSW	VIC	SA	WA	NT	ACT
				<ul style="list-style-type: none"> Infrastructure & Logistics: Appropriate vehicle support, maintenance capability, Report of failure, Fleet age Governance: % of senior managers hold tertiary qualifications, SAFECOM Board quarterly reports submitted, Corporate Governance Committee meetings conducted, Planning & Resilience Committee meetings conducted, Finance Committee meetings conducted ¹²⁵ 			
RFS	<ul style="list-style-type: none"> Percentage of volunteers satisfied with the experience of volunteering for the Rural Fire Service 	<ul style="list-style-type: none"> Total NSW RFS expenses budget Total members (volunteers and salaried staff) Number of Brigades Number of Local Government Areas NSW RFS Districts Area Commands Headquarters Number of new and renovation builds in 2019/20: Fire Control Centres, Brigade Stations 	<ul style="list-style-type: none"> Permanent operational and support staff Operational and volunteer support Road crash rescue accredited brigades/units Level 3 Incident Controller trained staff and volunteers Structural fire confined to room of origin Emergency response times meeting 	<ul style="list-style-type: none"> Volunteer incident response: vehicle related, Structure incident, Special Service, rural, hazmat, fixed alarm. Bushfire hotline calls ¹²⁸ 	<ul style="list-style-type: none"> Bushfire mitigation treatments completed by local government Total bushfires 	<ul style="list-style-type: none"> Permits to burn issued Planned burns attended by Bushfires NT or authorised volunteers Formal fire management planning meetings with stakeholders Compliance inspections under the Bushfires Management Act 2016 Number of stakeholders trained 	<ul style="list-style-type: none"> Incident & Response: Grass and Bush Fires, Smoke Investigations, Vehicle Fire. Motor Vehicle Accident, Storm/Flood (Assisting ACTSES), Structure Fires, Hazard Reductions, Other Fires/Incidents Volunteer numbers (M/F) Fire Danger Rating and Readiness level count

¹²⁵ South Australia Metropolitan Fire Service. (2020). *Annual report 2019-2020*.

¹²⁸ SA CFS. (2020). *Annual report 2020*.

Performance area	QLD	NSW	VIC	SA	WA	NT	ACT
		<ul style="list-style-type: none"> Incidents: Bush, grass and forest fires attended by NSW RFS, Structural fires, Motor vehicle fires, Motor vehicle accidents, Investigation, refuse fires, Spillages, Assist other agencies, Flood and storm, Rescue – general land/road/helicopter (bush fire and flood), Other incidents Total operational vehicles, boats and aircraft by region (9) Number of new, second-hand and refurbished tankers allocated to brigades in 2019/20 ¹²⁶ 	<ul style="list-style-type: none"> benchmarks – structural fires Emergency response times meeting benchmarks – road accident rescue¹²⁷ 			<ul style="list-style-type: none"> Number of authorised bushfire volunteers and volunteer fire wardens 	
SES	<ul style="list-style-type: none"> Percentage of volunteers satisfied with the experience of volunteering for the State Emergency Service Percentage of State-wide State Emergency Service volunteers that meet minimal operational training requirements 	<ul style="list-style-type: none"> Requests for Assistance (RFAs) Fleet Replacement count Operational days, events responded to, calls ¹²⁹ 	<ul style="list-style-type: none"> Permanent operational and support staff Operational and support volunteers Level 3 Incident Controller trained staff and volunteers Multi-agency joint procurements of systems or equipment 	<ul style="list-style-type: none"> Average response time to road crash rescues (in minutes) Cost of injury management No. of state and regional training courses conducted ¹³¹ 	<ul style="list-style-type: none"> Proportion of Level 3 incident Impact Statements completed and endorsed by the State Recovery Coordinator 	<ul style="list-style-type: none"> Members of the public participating in community education, awareness and prevention programs NTES recognised courses delivered to emergency service personnel Emergency plans that have undergone an annual review 	<ul style="list-style-type: none"> Incident & Response: Storm & Flood, Search & Rescue, Assistance to other services

¹²⁶ NSW FRS. (2020). *Annual report 2019-2020*.

¹²⁷ CFA. (2020). *Annual report 2019-2020*.

¹²⁹ NSW SES. (2020). *Annual report 2019-2020*.

¹³¹ SA SES. (2020). *Annual report 2019-2020*.

Performance area	QLD	NSW	VIC	SA	WA	NT	ACT
			<ul style="list-style-type: none"> • Emergency response times meeting benchmarks (%) • Emergency response times meeting benchmarks • Total number of emergency responses¹³⁰ 				
DM	<ul style="list-style-type: none"> • Percentage of disaster management training participants with enhanced capability • Percentage of major disaster events that have a formal debrief 				<ul style="list-style-type: none"> • Proportion of natural hazard events which cause a significant impact on the community 		
LGA / Community	<ul style="list-style-type: none"> • Percentage of local government areas with service delivery engagement occurring • Percentage of local government areas that have taken part in a Queensland Emergency Risk Management Framework workshop • Percentage of Indigenous councils that have taken part in a Queensland Emergency Risk Management Framework workshop 				<ul style="list-style-type: none"> • Proportion of community members who recognise their local natural hazard risks and are prepared to take action 		

¹³⁰ VIC SES. (2020). *Annual report 2019-2020*.

Performance area	QLD	NSW	VIC	SA	WA	NT	ACT
	<ul style="list-style-type: none"> Percentage of exercises that involve partner organisations and the community 						
Department-wide	<ul style="list-style-type: none"> Percentage of volunteers who feel they can effectively contribute their skills and experience to QFES Percentage of training activities identified as suitable for multi-service attendance that are attended by more than one service Percentage of our people who recognise a 'whole of QFES' approach to service delivery Percentage of core business and operational systems requiring integration that are connected Percentage of capital project approvals informed by sustainability criteria¹³² 				<ul style="list-style-type: none"> Proportion of scheduled operational courses delivered Proportion of responses to ESL 1 and ESL 2 incidents within specified timeframes Average cost per population to deliver frontline services Average cost per household to deliver education and awareness programs and emergency hazard information to the community Average cost per population to deliver health, safety, wellbeing and training services¹³³ 	<ul style="list-style-type: none"> Reported incidents (11)¹³⁴ 	<ul style="list-style-type: none"> Incidents: Emergency, Urgent, Non-emergency Responses: Emergency, Urgent, Non-emergency State wide Emergency (Priority 1) response time: 50 percentile, 90 percentile, non-emergency responses Patient satisfaction Increased community resilience for emergencies (8)¹³⁵

¹³² QFES. (2020). *Annual report 2019-2020*.

¹³³ DFES. (2020). *Annual report 2019-2020*.

¹³⁴ NTPFES. (2020). *Annual report 2019-2020*.

¹³⁵ ACT JACS. (2020). *Annual report 2019-2020*.

Appendix E: Underlying benchmark data

This appendix contains the underlying data that was utilised in the benchmarking analysis.

Population

Table E- 1: Population by jurisdiction

Population	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
QLD	4.7m	4.7m	4.8m	4.9m	5.0m	5.1m	5.1m	5.2m
NSW	7.5m	7.6m	7.7m	7.8m	7.9m	8.0m	8.1m	8.2m
VIC	5.8m	6.0m	6.1m	6.2m	6.4m	6.5m	6.7m	6.7m
SA	1.7m	1.7m	1.7m	1.7m	1.7m	1.7m	1.8m	1.8m
WA	2.5m	2.5m	2.5m	2.6m	2.6m	2.6m	2.6m	2.7m
TAS	0.5m	0.5m	0.5m	0.5m	0.5m	0.5m	0.5m	0.5m
NT	0.2m	0.2m	0.2m	0.2m	0.2m	0.2m	0.2m	0.2m
ACT	0.4m	0.4m	0.4m	0.4m	0.4m	0.4m	0.4m	0.4m
AUSTRALIA	23.3m	23.6m	24.0m	24.4m	24.8m	25.2m	25.6m	25.7m

Source: ABS (population states & territories by quarter to 30 June)

Population density

Table E- 2: Population density per 100 hectares

Population per 100 hectares	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
QLD	2.71	2.74	2.78	2.82	2.87	2.92	2.97	3.00
NSW	9.31	9.44	9.58	9.74	9.89	10.04	10.16	10.21
VIC	25.64	26.19	26.78	27.45	28.08	28.70	29.28	29.28
SA	1.70	1.72	1.73	1.74	1.76	1.77	1.79	1.80
WA	0.99	1.00	1.01	1.01	1.02	1.03	1.05	1.06
TAS	7.54	7.56	7.58	7.64	7.72	7.82	7.91	7.96
NT	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
ACT	163.82	166.22	169.15	172.80	176.35	179.45	181.60	182.97
AUSTRALIA	3.03	3.07	3.12	3.17	3.22	3.27	3.32	3.34

Source: ABS (population states & territories by quarter to 30 June) and ABS (data by region)

Land area and Natural Forest cover

Table E- 3: Land area and Natural Forest cover by jurisdiction

Land area and Natural Forest cover	Size (MHa)	Relative size to QLD	Size of forest cover (MHa)	% of jurisdiction
QLD	173.0m	1.00x	51.8m	30%
NSW	80.1m	2.16x	20.4m	25%
VIC	22.7m	7.61x	8.2m	36%
SA	98.4m	1.76x	5.1m	5%
WA	252.7m	0.68x	21.0m	8%
TAS	6.8m	25.44x	3.7m	54%

NT	134.8m	1.28x	23.7m	18%
ACT	0.2m	733.69x	0.1m	59%
AUSTRALIA	768.8m	0.23x	134.0m	17%

Source: Australia's State of the Forests Report 2018 (page 3) and ABS (data by region)

FTEs, Auxiliary and Volunteers

Table E- 4: FTEs, Auxiliary and Volunteers summary

FTEs and Volunteers	FY14	FY15	FY16	FY17	FY18	FY19	FY20
FRS – FTEs (incl Auxiliary)^							
QLD	2,339	2,831	2,897	2,979	2,983	3,069	3,086
NSW	4,204	4,237	4,319	4,308	4,351	4,347	4,382
VIC	2,182	2,205	2,275	2,274	2,325	2,372	2,525
SA	939	941	943	955	1,012	1,049	1,035
WA	unknown	unknown	unknown	1,475	1,409	1,500	1,541
NT*	236	239	239	236	262	243	251
FRS – Auxiliary headcount							
QLD	2,052	2,066	2,054	2,022	2,010	1,986	1,927
NSW	3,380	3,336	3,327	3,341	3,293	3,274	3,297
VIC	-	-	-	-	-	-	-
SA*	221	216	220	222	236	244	241
WA	unknown	unknown	unknown	unknown	unknown	1,009	1,030
NT*	123	95	124	120	120	120	120
RFS - FTEs							
QLD	90	124	134	150	148	153	156
NSW	822	824	855	878	911	936	965
VIC	1,824	1,907	2,072	2,240	2,371	2,491	2,526
SA	127	139	144	150	156	162	170
WA	unknown	unknown	204	220	214	239	245
NT	unknown	unknown	unknown	unknown	unknown	unknown	35
RFS - Volunteers							
QLD	35,757	35,944	35,763	35,039	35,272	33,581	31,047
NSW	73,746	74,516	73,162	73,223	72,491	71,234	76,319
VIC	59,700	57,311	57,111	56,159	55,069	54,621	54,795
SA	13,737	14,004	13,932	13,741	13,271	13,274	13,452
WA	29,072	25,297	23,252	22,645	22,988	22,901	14,208
NT	unknown	unknown	unknown	unknown	unknown	unknown	500
SES - FTEs							
QLD	49	80	80	83	85	94	98
NSW	291	289	347	347	325	352	328
VIC	186	192	206	198	206	209	205

FTEs and Volunteers	FY14	FY15	FY16	FY17	FY18	FY19	FY20
SA	43	44	51	56	69	62	67
WA	-	-	-	-	-	-	-
NT	19	19	24	19	12	10	5
SES - Volunteers							
QLD	7,100	7,450	7,600	6,850	6,950	6,550	6,050
NSW	8,700	9,663	8,658	8,235	9,110	9,493	10,260
VIC	4,994	5,045	5,208	5,092	5,091	5,217	5,147
SA	1,711	1,668	1,572	1,501	1,564	1,541	1,551
WA	2,043	2,033	1,946	1,888	1,833	1,839	1,977
NT	344	319	399	369	353	382	292

Source: QFES, Annual Reports of jurisdictions and ROGS as per blue text

* Estimates in red text are based on historic averages;

^ Auxiliary is 0.1 FTE for QLD and NSW (unknown method applied by WA and NT)

QFES split of non-operational FTEs

Table E- 5: QFES split of non-operational FTEs

Split of non-operational FTEs	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Public service FTEs	353	378	524	559	625	581	558
Other FTEs	142	145	142	148	141	148	157
TOTAL	495	523	666	707	766	730	715
Service line splits							
FRS	88.3%	87.7%	86.1%	87.4%	86.6%	85.5%	85.8%
RFS	4.6%	4.9%	5.7%	5.3%	5.8%	6.3%	6.1%
SES	5.0%	5.2%	5.0%	4.6%	4.8%	5.6%	5.5%
DM	2.1%	2.2%	3.2%	2.6%	2.8%	2.6%	2.9%
MR	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FTE allocations							
FRS	437	459	573	618	664	624	613
RFS	23	26	38	38	44	46	43
SES	25	27	33	33	37	41	39
DM	10	12	21	19	21	19	21
MR	-	-	-	-	-	-	-
TOTAL	495	523	666	707	766	730	715

Source: QFES

No. incidents by jurisdiction

Table E- 6: No. incidents by jurisdiction

No. incidents	FY14	FY15	FY16	FY17	FY18	FY19	FY20
FRS							
QLD	65,060	66,830	64,583	66,431	65,852	68,017	68,378
NSW	126,962	127,991	122,003	123,620	124,438	127,457	129,553
VIC	36,671	36,923	37,945	38,958	39,436	37,827	38,762
SA	21,546	20,710	21,499	22,444	20,305	20,441	20,960
WA	30,055	30,843	29,343	30,478	28,100	29,680	27,707
NT	7,362	7,419	7,247	8,039	8,474	7,670	7,277
RFS							
QLD	5,457	5,009	4,669	4,380	4,321	5,706	4,626
NSW	23,375	23,148	23,520	24,582	26,903	30,102	26,523
VIC	41,917	40,557	43,623	43,261	46,485	47,817	46,347
SA	9,586	8,517	9,027	12,003	8,842	8,812	10,258
WA							within FRS
NT							within FRS
SES							
QLD	unknown	unknown	unknown	unknown	unknown	unknown	unknown
NSW	22,360	50,736	11,000	32,377	18,040	36,474	48,162
VIC	31,370	22,673	21,221	31,710	27,668	23,682	33,742
SA	10,296	5,236	7,272	13,931	5,518	6,829	6,772
WA	529	540	645	545	633	659	2,692
NT	142	250	149	157	73	44	114
CONSOLIDATED							
QLD	70,517	71,839	69,252	70,811	70,173	73,723	73,004
NSW	172,697	201,875	156,523	180,579	169,381	194,033	204,238
VIC	109,958	100,153	102,789	113,929	113,589	109,326	118,851
SA	41,428	34,463	37,798	48,378	34,665	36,082	37,990
WA	30,584	31,383	29,988	31,023	28,733	30,339	30,399
NT	7,504	7,669	7,396	8,196	8,547	7,714	7,391

Source: QFES, Annual Reports of jurisdictions and ROGS as per blue text

Employee expenses per FTE and as a percentage of total expenses (FRS)

A comparison of FRS employee expenses per FTE shows QLD spends less on employees in comparison to NSW and VIC (which are 12% and 21% greater respectively) but is above SA by 13%.

When we compare the above to FRS employee expenses as a percentage of total FRS expenses, QLD has the lowest ratio at 64% as compared to the other jurisdictions which are within a narrow range of 76% to 82%. This shows QLD spends a greater proportion on its opex in non-employee opex which suggests it is less efficient in comparison to other jurisdictions.

Table E- 7: Comparison of employee expenses to total expenses (FRS)

Employee expenses per FTE (FRS)	QLD	NSW	VIC	SA
FRS				
Employee expenses	\$425m	\$678m	\$421m	\$123m
FTEs	\$3,086	4,382	2,525	1,035
Estimated Employee expenses per FTE	\$137,738	\$154,841	\$166,791	\$119,167
Variance to QLD	n/a	12%	21%	(13%)
Employee expenses to total expenses (FRS)	QLD	NSW	VIC	SA
Employee expenses	\$425m	\$678m	\$421m	\$123m
Total expenses	\$668m	\$861m	\$556m	\$150m
Employee expenses to Total expenses	64%	79%	76%	82%

Source: QFES for QLD data; Annual Reports for FY20 from each service line across NSW, VIC and SA; ROGS data was utilised wherever cost of FTE/Volunteer data was unavailable in the above sources;



Contact us

Dan Harradine
Partner
+ 61 (0) 412 227 745
dharradine1@kpmg.com.au

David Ibels
Partner
+ 61 (0) 418 697 089
dibels@kpmg.com.au

[KPMG.com.au](https://www.kpmg.com.au)



Photo sourced from QFES

© 2021 KPMG, an Australian partnership, and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Document Classification: KPMG Confidential

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

Liability limited by a scheme approved under Professional Standards Legislation.