



14 June 2012

Mr Greg Mullins AFSM
Commissioner
Fire and Rescue NSW

By email

Dear Mr Mullins,

I refer to your message to staff of 13 June 2012 headed "State Budget Announced".

There are numerous aspects of your message which have given cause for concern, not least your statement that "apart from commitments around the number of teachers, nurses and Police officers, the cap will apply to all Government agencies, including Fire & Rescue NSW."

This suggests that you understand the Government's commitment to the maintenance of so called "frontline" services and jobs to be limited to teachers, nurses and police only. Conversely, the Union has always understood the repeated reference to "teachers, nurses and police" to be merely indicative of the type of "frontline" worker who would be exempt from the Government's staff cuts, not an exhaustive list.

It would appear that one of us is wrong.

Can you please confirm, as a matter of urgency, the Government's position in this regard? This is a matter of acute interest to all firefighters and as such I intend to report to members on this issue, including your response, in tomorrow's Sitrep.

Yours sincerely,

Jim Casey
State Secretary

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File No:

15 June 2012

Jim Casey
State Secretary
Fire Brigade Employees' Union
1 – 7 Belmore Street
SURRY HILLS NSW 2010

Dear Mr Casey,

Re: State Budget

I refer to your letter of 14 June 2012 regarding the 2012-13 NSW State Budget.

I would like to thank you for raising this important question because it is vital that collectively we all have a clear understanding of the budget and the implications for Fire & Rescue NSW's future funding levels.

In the Budget speech delivered on 12 June 2012 the Treasurer, the Hon Mike Baird MP, explained the difficult budgetary position faced by NSW, and the NSW Government's resolve to reduce costs. With regard to your question about exemptions, he said:

A labour expense cap will be introduced as a new savings measure across the public sector.

We have a target of a 1.2 per cent per annum reduction in labour costs growth. This is a decision not taken easily but a decision that needed to be made.

Election commitments have been protected. Nurses, police officers and teachers in schools have been quarantined from this measure.

(Budget Paper No. 1 p6)

I have confirmed that this cap applies to *all* public sector agencies, including FRNSW. As the government made an election commitment to increase the number of nurses, police officers and teachers, those occupational groups have been excluded from the labour expense cap. Similar commitments were not made with regard to firefighter numbers.

Agencies' budgets have been adjusted to reflect the labour expenses cap that now applies across government, as well as other required savings, for example in the area of procurement. What this means in practical terms is that FRNSW must work within its allocated budget, which over a 4 year period will be progressively reduced by a total of about \$70 million.

This of course is a major challenge to us all and whilst I clearly understand the Union's opposition to these and other budget measures (as reported in the media), I will be approaching you to discuss a range of possible measures aimed at meeting the budget savings requirements while protecting the jobs of firefighters and support staff. The Government has not directed agency heads to make the savings via job cuts, and there is latitude in how the savings can be made, albeit they must result in reduced labour costs.

It is appropriate at this juncture to reiterate my strong personal commitment to maintaining the safe and effective crewing level of SO and 3, and to the 10/14 roster, as I have already received questions on these aspects. I believe that there are ways to meet the budget requirements with minimal impact on staffing numbers, and without eroding service quality – albeit, the limited available options will no doubt be difficult and unpalatable to many.

I note that you intend to report my answer to your letter in today's "SITREP". I welcome this, as the question you have raised is of vital importance to all staff of Fire & Rescue NSW. To ensure maximum exposure of these issues, I will also publish your letter and my response on the intranet.

I suggest that we meet urgently to discuss these issues on Monday 18 June, and my office will be in touch with you today to arrange a suitable time.

Yours sincerely,



Greg Mullins AFSM
Commissioner