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2 December 2016

Mr Leighton Drury
 State Secretary
 Fire Brigade Employees' Union of New South Wales
 1-7 Belmore Street
 SURRY HILLS NSW 2010

Dear Mr Drury

I refer to my letter of 29 November 2016 and your response of 30 November 2016, concerning the application of the Labour Expense Cap (LEC) to Fire & Rescue New South Wales (FRNSW). I note the (needless) implied threat of industrial action therein, and further note that it is in both parties' interests to work together to identify savings that will not involve staff reductions.

FRNSW has identified several targeted strategies which were broadly discussed at the last JCC, which are:

- Overtime savings based on reduced absenteeism approaching previously agreed levels of sick leave (\$2.3M)
- Strategies to reduce Retained Shortages (\$500K)
- Communication Centre efficiencies (\$1.5M)
- Risk based response protocols (\$2M)
- Quarantine of \$2.3M from budget allocation

The targeted LEC breakdowns per Area Command/Directorate are as follows:

Area Command/Directorate	Savings
Metro East	\$453,271
Metro North	\$1,025,624
Metro South	\$775,763
Metro West	\$446,232
Regional South	\$440,040
Regional West	\$496,966
Regional North	\$565,340
Operational Capability	\$1,997,080
Education & Training	\$156,200
Community Safety	\$28,600



The above allocated savings targets are achievable if sick leave approaches levels previously agreed by the FBEU, and if targeted strategies to achieve other identified strategies are successful. As in the past, it is hoped that the FBEU will help, not hinder in achieving a reasonable savings. Despite the targeted savings, FRNSW still expects a shortfall of \$13m in meeting its LEC savings requirement.

FRNSW remains in discussions with Treasury regarding other LEC strategies.

As per my previous letter, Deputy Commissioner Field Operations Jim Hamilton AFSM is available at short notice should you wish to discuss these matters. Any other suggestions by the FBEU to achieve savings would of course be welcomed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Mullins', written in a cursive style.

Greg Mullins AFSM
Commissioner