
New South Wales Auditor-General's Report

Performance Audit

Preventing and managing worker injuries

NSW Police Force and Fire & Rescue NSW



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Our major responsibility is to conduct financial or 'attest' audits of State public sector agencies' financial statements. We also audit the Total State Sector Accounts, a consolidation of all agencies' accounts.

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We also conduct performance audits. These examine whether an agency is carrying out its activities effectively and doing so economically and efficiently and in compliance with relevant laws. Audits may cover all or parts of an agency's operations, or consider particular issues across a number of agencies.

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In accordance with section 38E of the *Public Finance and Audit Act 1983*, I present a report titled **Preventing and managing worker injuries: NSW Police Force and Fire & Rescue NSW**.

A handwritten signature in dark ink, appearing to read 'Margaret Crawford'.

Margaret Crawford
Auditor-General
13 October 2016

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Executive summary

Emergency services workers are often required to deal with dangerous situations and attend traumatic scenes. This puts them at greater risk of injury and illness than other public sector workers. Comprehensive training, health promotion and injury prevention programs help mitigate this risk and reduce injuries and associated costs.

Emergency services agencies are responsible for preventing injury and supporting the physical and mental health of their employees. Agencies are also required to make reasonable adjustments for injured workers to return to work. Police officers and firefighters who are injured and unable to perform alternate duties receive benefits from the workers compensation scheme and death and disability schemes.

This audit assessed how well the NSW Police Force and Fire & Rescue NSW prevent worker injuries and manage the return to work of injured workers. In making this assessment, the audit examined:

- programs and practices to promote health and prevent injuries
- programs and practices to support injured workers to return to work
- workers compensation and death and disability scheme costs and outcomes.

Conclusion – NSW Police Force

The NSW Police Force has recently introduced a number of health promotion and injury prevention programs, some on a trial basis. These are promising examples of a shift towards a more proactive approach to injury prevention, and initial feedback on the programs from police officers is positive. Evaluations of these programs should be used to determine whether initiatives should be rolled out more broadly. The NSW Police Force also needs to ensure officers have better access to return to work options.

The NSW Police Force encourages officers to return to work as soon as possible to help their recovery. While it has put in place strategies that have increased the number of injured officers returning to work, finding suitable duties for officers with long-term injuries remains a challenge and the NSW Police Force could do more to assist local area commands with this.

Workers compensation costs and death and disability scheme costs peaked in 2013–14. Since then, costs have started reducing. The increasing number and cost of common law claims is a risk area that needs continued focus to limit costs. Local area oversight of, and accountability for, costs helps the NSW Police Force to contain scheme costs.

The NSW Police Force has progressed a number of initiatives since our last report

Our 2014 performance audit found that improved injury management practices and changes to the death and disability scheme had reduced the time injured officers were receiving benefits and increased the number of officers returning to work. However, improvements in performance had not yet resulted in substantially lower workers compensation costs or death and disability premiums. We made recommendations to improve injury management practices and focus on containing scheme costs.

Since that time, the NSW Police Force has:

- introduced further health promotion and injury prevention initiatives
- improved the quality of performance information and reporting on injured officers
- increased vocation guidance services for officers unable to return to pre-injury duties
- transitioned a number of initiatives into business-as-usual practice.

Early screening and selection programs help prevent injury and illness

Pre-employment screening helps the NSW Police Force recruit candidates who are less likely to suffer injury or illness. Screening includes testing physical strength and fitness, which is necessary to safely operate firearms and restrain offenders. Candidates also undergo medical and psychological assessments. These help identify whether recruits are at risk of developing serious health conditions or psychological injury as a result of operational duties.

A number of police officers we spoke to identified the need for continued focus on building mental resilience in new recruits. The NSW Police Force is currently reviewing mental health content delivered during recruit training. This reflects an overall shift towards a more positive culture around mental health in the NSW Police Force.

There are ongoing challenges to managing officer general health and well-being

Over the past five years, the average age of police officers has increased from 37 to 39. The NSW Police Force expects that within ten years, 12 per cent of officers will be aged 55–64. An ageing workforce is a future risk area for injury management, as workers compensation leave tends to increase with age and is currently highest for officers between 50 and 60 years.

It is therefore important for the NSW Police Force to continue promoting physical fitness and health. As part of its Workforce Improvement Program, the NSW Police Force has offered a number of programs including:

- a screening test to identify risks of musculoskeletal injuries
- three physical reconditioning programs for injured or at-risk officers
- health checks to identify risks of serious illness
- dietary advice and coaching.

Some initiatives have been implemented on a trial basis in specific regions. This is because funding for the Workforce Improvement Program is limited and due to finish in 2019. A number of initiatives are currently being evaluated to determine their effectiveness. Results from these evaluations should be used to determine whether they should be expanded.

Getting officers back to work needs continued focus to contain scheme costs

Since the previous death and disability scheme ended in 2012, the number of police officers being medically discharged has reduced from an unsustainable high of around 40 per month to around nine per month currently. This has driven substantial savings to workers compensation and death and disability scheme costs.

As a result, a greater proportion of injured officers are returning to work on suitable duties. All local area commands we spoke to reported that accommodating officers with long-term injuries or illness is a key challenge. This is because their main focus is on maintaining sufficient capacity for operational response. Medical restrictions placed on injured officers limit the number and type of suitable duties that can be offered.

There is a risk that if injured officers are not found suitable duties, they will be medically discharged and associated costs will increase substantially.

Scheme costs have reduced

The Police Blue Ribbon Insurance Scheme, which replaced the previous death and disability scheme, provides benefits to injured officers in the case of incapacity or death. When the new scheme was introduced, a target was set for the scheme premium at 4.6 per cent of police officers' salary.

Our 2014 performance audit found that premiums were almost twice the target level. At that time, we engaged an actuary to develop future scenarios. The actuary found that the long-term target could be reached by 2019 under a favourable scenario. Premiums have started reducing since 2013–14. Maintaining lower injury rates is crucial for the target to be achieved.

Conclusion – Fire & Rescue NSW

Fire & Rescue NSW has a number of programs to promote health and prevent injuries. However, many of these programs are voluntary and do not adequately ensure all firefighters remain fit for duty. Fire & Rescue NSW needs to introduce ongoing periodic assessments of firefighter health and fitness to reduce risks of injury.

Fire & Rescue NSW promotes health, fitness and well-being through a range of programs. For some programs, uptake may be lower than it could be because of a perception among some firefighters that poor assessment results will be used to medically discharge them. Ongoing mandatory assessment of firefighter health and fitness would ensure firefighters remain fit for duty and minimise risk of workplace injuries.

Fire & Rescue NSW has policies for returning firefighters, who have been injured on-duty, to work and a list of duties they can do. Uncertainty about access to alternate duties and concern about being medically discharged limits reporting of off-duty injuries or illnesses and this poses a risk to safety.

Fewer claims and improvements to injury management practices have helped Fire & Rescue NSW reduce its workers compensation premiums. Death and disability scheme liabilities have increased and the current level of contributions will not cover the annual costs of the scheme in the future.

Physical and mental health promotion programs help prevent injuries

Fire & Rescue NSW promotes physical health and fitness in firefighters through a number of programs. For example, firefighters are provided with gym equipment to use on-shift.

Fire & Rescue NSW recently introduced a number of programs to promote mental health awareness and resilience. The FIT MIND program targets recruits and the RESPECT program targets managers. The programs are evidence-based, and independent evaluations found the programs have had positive outcomes. Fire & Rescue NSW needs to continue rolling out these programs to cover a greater number of firefighters.

There is no ongoing assessment of fitness for duty after recruitment

Fire & Rescue NSW uses a number of screening methods during recruitment. It tests the emotional intelligence, physical strength, cardiovascular fitness and medical suitability of firefighters. Firefighter fitness can change following initial assessment and medical conditions may develop, particularly as firefighters age. Without any subsequent assessments, Fire & Rescue NSW is less able to manage the risks to firefighters and the community.

Our 2014 performance audit recommended Fire & Rescue NSW introduce an ongoing health and fitness assessment to ensure firefighters continue to be fit for duty. This has not been introduced and we therefore reiterate that recommendation in this report.

Firefighters are reluctant to report off-duty injuries or illnesses

From 2011 to 2013, Fire & Rescue NSW medically discharged more firefighters than in previous years. This was done in response to a review by an independent actuary that recommended Fire & Rescue NSW reduce the number of firefighters with long-term injuries performing non-operational roles.

A number of firefighters we spoke to said there is a general reluctance to report off-duty injuries or illnesses. This was due to a perception among some firefighters of not being supported to return to work on alternate duties and, as a consequence, being medically discharged. We were advised that the concern of uncovering unknown ailments has led to lower participation in some health promotion and injury prevention programs.

The effect of concealing injuries or illnesses is that some firefighters are placing themselves, their colleagues and the public at greater risk of injury.

Contributions to the death and disability scheme are lower than projected costs

The Fire & Rescue NSW death and disability scheme provides benefits to firefighters in the case of death, total and permanent incapacity or partial and permanent incapacity. The scheme is funded through a combination of employer and employee contributions.

Each year, the scheme actuary is required to project the long-term costs of the scheme. If the long-term costs of off-duty benefits exceed employee contributions, the level of off-duty benefits is reduced. There is no mechanism to reduce on-duty benefits, which are the majority of scheme costs. Currently, total projected costs are greater than contributions.

Recommendations

By July 2017, the NSW Police Force should:

1. continue to evaluate the effectiveness of Workforce Improvement Program initiatives and use results to determine whether they should be rolled out more broadly
2. assist local area commands to embed training on constructive leadership and welfare management skills for managers
3. schedule further information sessions for medical practitioners in new locations, including to:
 - inform medical practitioners on the range of suitable duties that officers can return to safely after injury
 - promote the 'Expert guidelines for diagnosis and treatment of post-traumatic stress disorder in emergency services workers' to ensure best practice diagnosis and treatment
4. improve return to work options for officers with long-term injuries or illnesses by reviewing the operational and non-operational functions of work duties to assist commanders to make maximum use of these duties for injured officers
5. continue its focus on containing scheme costs by:
 - further reviewing strategies to limit numbers and costs of common law claims
 - setting a date to achieve the statutory cost target for the Police Blue Ribbon Insurance Scheme
 - continuing to periodically 'test the market' for the Police Blue Ribbon Insurance Scheme to ensure the NSW Police Force is getting a fair and reasonable premium.

By July 2017, Fire & Rescue NSW should:

6. introduce an ongoing health and fitness assessment for firefighters. This should:
 - be mandatory
 - define frequency of assessment
7. improve the management of off-duty injuries and illnesses by:
 - creating a policy and procedure for return to work options for off-duty injuries and illnesses
 - better promoting available support and rehabilitation services for off-duty injuries and illnesses
 - requiring the Fire & Rescue NSW occupational physician to examine firefighters who are absent from duty for a period of more than 24 days
8. review the death and disability scheme to assess:
 - by how much the changes made in 2015 have improved long-term scheme sustainability
 - whether the current level of employer and employee contributions are sufficient to meet the long-term cost of all benefit types when they fall due.

Introduction

Background

Police officers and firefighters are exposed to greater risks of injury

In 2014–15, the NSW Police Force employed around 16,700 police officers in 432 police stations and in head office locations. Front-line police officers deal with a broad range of matters, including domestic violence, motor vehicle accidents, armed robberies, stealing offences, serious assaults, and witnessing deceased persons.

In 2014–15, Fire & Rescue NSW employed around 6,800 firefighters in 337 fire stations and in head office locations. Firefighters comprise full-time (permanent) and part-time (retained) staff. Firefighters respond to a range of incidents including fires and explosions, non-fire rescue calls, and hazardous materials incidents.

The combination of physically demanding work and exposure to potentially traumatic incidents increases the risks of physical and psychological injuries in emergency services workers.

Positive outcomes of health promotion programs

Workplace health promotion programs focus on keeping employees physically and mentally healthy. Particularly in emergency services work, health programs encourage individuals to engage in behaviours that reduce the risk of injury on-duty, and make behavioural changes that enable them to stay fit for their role and their life in general.

For example, research done for BeyondBlue found a potential return on investment of \$2.30 for every dollar organisations invest in creating mentally healthy workplaces. These benefits arise from improved productivity, reduced absenteeism and a lower number of compensation claims.

There are benefits to recovering from injury or illness at work

The goal of workers compensation schemes is to rehabilitate and return employees to work as soon as possible. Returning to work after physical or psychological injury is usually the best outcome for the employee, the employer and the community. Research on the health benefits of work has found that:

- work is an important part of rehabilitation
- the longer someone is off work, the less chance they have of ever returning
- staying away from work may lead to depression, isolation and poorer health.

Psychological stress in emergency services workers

During the course of their usual work, emergency service workers are exposed to multiple episodes of potentially traumatic experiences. A degree of psychological stress is common after such experiences. In most cases, personal coping strategies and support networks will enable the worker to quickly return to their usual level of functioning. However, for some individuals, such symptoms are persistent or increase in intensity and lead to mental health problems including depression, anxiety, and post-traumatic stress disorder (PTSD).

PTSD describes severe and persistent stress reactions after exposure to a potentially traumatic event. It is also characterised by symptoms including:

- flashbacks of the traumatic event through intrusive memories or nightmares
- feeling emotionally numb and avoiding situations that are reminders of the trauma
- feeling anxious and 'jumpy' for no reason.

Studies of first responders working in New South Wales have shown they have elevated rates of mental ill health. Around eight per cent of currently employed emergency service workers have symptoms suggestive of PTSD, with similar rates of depression and other common mental health problems. A recent study of current and retired NSW firefighters reported that

the likelihood of PTSD increased with the number of fatal incidents attended. This demonstrates the impact of cumulative exposure to trauma for emergency services workers.

In 2015, the Black Dog Institute launched the 'Expert guidelines for diagnosis and treatment of post-traumatic stress disorder in emergency service workers'. The guidelines outline that returning to work should be an aim of treatment and considered an important part of the recovery of emergency workers with PTSD.

Workers compensation and death and disability schemes

There are two main ways emergency services workers are compensated for work-related injuries. The first is through the 'universal' workers compensation scheme regulated by the State Insurance Regulatory Authority and administered by iCare. This scheme provides financial support to injured workers for medical and rehabilitation expenses, as well as weekly payments to replace lost income.

In addition to the workers compensation scheme, emergency services agencies have established additional schemes to compensate for on and off-duty death and disability. Police officers are covered by the Police Blue Ribbon Insurance Scheme and firefighters are covered by the Fire & Rescue NSW Death and Disability Award 2015. Both schemes are funded through a combination of employee and employer contributions.

Previous relevant performance audits

NSW Police Force – Effectiveness of new death and disability scheme

In May 2014, we released a performance audit that assessed the effectiveness of the new death and disability scheme arrangements in reducing costs and returning more officers to work. The audit found that the new arrangements had reduced the length of time injured officers are on benefits, decreased costly psychological claims, and increased the number of injured officers returning to work on rehabilitation.

It also found that the improvements had not yet resulted in reduced workers compensation costs, or reduced death and disability scheme premium rates. It recommended improved performance reporting and a focus on reducing costs.

Fire & Rescue NSW – Fitness of firefighters

In April 2014, we released a performance audit that assessed whether current arrangements were effective in ensuring that firefighters are fit for duty. The audit found that the voluntary system of monitoring health and fitness was not effective. It also found that mandated periodic assessments of health and fitness are needed to ensure firefighters continue to have the required health and fitness to carry out their roles safely.

What this audit examined

This audit assessed how well the NSW Police Force and Fire & Rescue NSW prevent worker injuries and manage the return to work of injured workers. In making this assessment, the audit examined:

- programs and practices to promote health and prevent injuries
- programs and practices to support injured workers to return to work
- workers compensation and death and disability scheme costs and outcomes.

As part of this audit, we reviewed policies, procedures and data relating to the prevention of worker injuries, management of injured workers, workers compensation and death and disability schemes. We also visited eight police stations and seven fire stations to interview police officers and firefighters about their experiences with health promotion and injury prevention programs and returning to work following injury.

The agencies' responses to the audit report are at Appendix 1 and 2. Further information on the audit scope and criteria is at Appendix 3.

NSW Police Force

1. Strategies to prevent injury

The NSW Police Force has a range of programs and practices that promote its officers' health and wellness. A number of trial programs are currently being evaluated. These evaluations should be used to determine whether the programs are rolled out more broadly.

The NSW Police Force promotes officer health and well-being through a number of initiatives including pre-employment screening, checks on physical mobility, and training on mental resilience. While most programs are voluntary, take-up has been strong and officers report that the programs have helped raise awareness of health management among staff. The shift in culture towards a proactive approach to injury prevention is a positive outcome.

The NSW Police Force has focused training for managers on constructive leadership and welfare management. Yet, we heard concerns that some leaders approached welfare and well-being conversations with their staff as a 'tick-the-box' exercise. Further effort to embed this training would reduce these concerns and enable wider positive cultural change.

Funding for the NSW Police Force's Workforce Improvement Program will end in 2019. This model has been the catalyst for improved health promotion in the past few years. A number of trial programs are currently being evaluated. The results of these evaluations should be used to inform decisions for broader roll out.

Recommendations

The NSW Police Force should:

- continue to evaluate the effectiveness of Workforce Improvement Program initiatives and use results to determine whether they should be rolled out more broadly
- assist local area commands to embed training on constructive leadership and welfare management skills for managers.

1.1 Screening methods to reduce injury

Pre-employment screening assesses police candidates for risk of injury

Pre-employment screening enables the recruitment of candidates who are most suited to the demands of the role. The NSW Police Force uses six different screening mechanisms as part of its recruitment process:

- completion of a certificate on 'workforce essentials', for example, teamwork and leadership knowledge, managing personal stress
- an entrance exam to test reading, writing and reasoning skills
- a criminal history and background check
- an application
- interviews
- testing of physical and mental health.

We found the screening process was thorough. In particular, the physical screening process has been developed to replicate the physical stresses an officer faces on operational duty. For example, it includes a 'hand grip' assessment which involves using a device to measure an applicant's strength in kilograms – see Exhibit 1. An applicant needs to have grip strength of 35 kilograms to pass, which is approximately the grip strength needed when using a firearm and restraining an offender. In 2015, 81 per cent of candidates passed the physical screening process.

Exhibit 1: Handgrip assessment as part of the physical screening process



Source: NSW Police Force.

The medical assessment checks for health conditions that could be a risk to a police officer on the job, such as epilepsy or asthma. Only a small number of police applicants are referred to the Police Medical Officer for suitability issues. Applicants need to pass all tests to progress through the application process.

Mental health resilience training is being reviewed and updated

All police stations we visited indicated that the application process was effective in recruiting capable and fit officers for the role. However, some officers advised that not all new recruits were thoroughly prepared for stressful operational events, and were unaware of the trauma they could be exposed to during their policing career.

The NSW Police Force is currently rewriting its Police Academy training to embed additional content on managing personal stress, psychological health and well-being, and suicide prevention. Such training is critical to promoting resilience, help-seeking strategies and preventing psychological injury. Stations advised that training focused at policing students will allow them to practice good resilience strategies from the start of their career.

1.2 Promoting health and well-being

The NSW Police Force runs programs to promote health and well-being

In 2012, the NSW Police Force implemented a Workforce Improvement Program to drive initiatives on health and well-being. The program's initial focus was on activities to reduce the number of officers being medically discharged. In the past two years, the program has been broadened to include rehabilitative initiatives. Currently, the program includes around 90 different activities. Officers we spoke to reported that the various health initiatives have been instrumental in raising health awareness among staff.

A key initiative is a health check that tests police officers' blood pressure, body mass index and cholesterol. So far, around 8,400 NSW Police Force staff have undertaken the screen. Following the check, participants receive a report card with an action plan, or are referred to a medical practitioner if a problem is identified. Initial results identified 30 per cent of participants as having high cholesterol, and 35 per cent as being at risk of developing type 2 diabetes in the next five years. This knowledge has encouraged participants to change their diet and behaviour, and follow-up tests have shown better results.

The NSW Police Force also has a network of around 300 physical training instructors. These instructors have a Certificate III in fitness and advise officers on exercise and other health programs, such as quitting smoking. We heard positive feedback on the instructors from the

stations we visited. However, the effectiveness of this initiative is limited if local area commands do not provide support and opportunities for officers to participate, for example, by providing time on-shift for officers to use the instructors' services. The NSW Police Force is developing a new database to track the services instructors deliver. This should help determine how well used they are and if there are any local area commands that need to better engage with the initiative.

Currently, the Workforce Improvement Program is funded as a project until 2019. A mental health research body evaluated the program in June 2015 and found the program had a good mix of mental and physical initiatives across prevention and rehabilitation. The NSW Police Force is currently evaluating a number of trial initiatives. Results of these evaluations should inform decisions about further funding and rollout.

New focus on resilience programs and improving mental health

The NSW Police Force has recently focused on mental health initiatives as part of the Workforce Improvement Program. One project – the Workforce Readiness project – promotes healthy lifestyles and rest before work. Shift workers, such as police, are six times more likely to experience burnout and be involved in a fatigue-related vehicle accident than other workers. The Work Readiness project involves compulsory online training for commanders to help them identify signs of fatigue in their officers.

The NSW Police Force is also introducing education on resilience management to support its officers to improve their ability to manage trauma. In 2015, it invited a behavioural scientist to deliver talks on how to strengthen resilience and be proactive in managing health. Around 3,200 officers attended the talks.

An area of concern we identified during our site visits was that some officers were worried about the leadership culture in relation to welfare. Officers reported that some managers were not able to effectively converse with their staff on these matters, and were overly procedural in their approach. For these managers, welfare and well-being conversations were a tick-the-box exercise. A number of officers also reported that badly handled performance management contribute to higher rates of sick leave and mental stress.

The NSW Police Force delivered the Applied Leadership Program to over 4,000 supervisors and commanders from 2012 to 2014. This program included content on having effective performance conversations, assisting injured workers, managing staff stress, and implementing return to work plans. Over 86 per cent of participants reported that the program was of benefit to them as a leader or manager. Focused effort needs to continue in this area to ensure learning is embedded into ongoing practice.

1.3 Preventing injury and illness

The NSW Police Force is trialing a program to identify officers at risk of injury

The Functional Movement Screen has recently been trialled in the Northern Region and evaluates people's movement patterns in order to predict their likelihood of injury. This test is also used for sporting and military populations because they perform high-risk and onerous physical tasks.

There has been an encouraging take-up of the Functional Movement Screen tests, with 800 police officers being screened during the six-month trial. Forty per cent of these officers were assessed as having a high musculoskeletal injury potential. These officers have been provided with an individual tailored program and a small number referred to participate in a structured physical reconditioning program.

Peer support officers and psychologists play a preventative role

The NSW Police Force has expanded its range of services to help prevent mental health injuries among staff. Officers we spoke to told us about traumatic incidents they had been involved in on duty and the benefits of having psychological support.

The NSW Police Force supports its officers with welfare services, including:

- Peer Support Officer network – officers can talk to a welfare trained peer about concerns and anxieties, instead of their manager
- Employee Assistance Program – officers can speak to independent psychologists
- Family Support Coordinator – supports the families or partners of officers who are experiencing welfare difficulties.

The NSW Police Force provides mandated regular psychological assessments for its specialist unit officers, who are exposed to serious crimes such as sex crimes, drugs and child abuse. This was introduced in response to the previously high number of workers compensation claims from officers in these squads. Most police officers in these high risk units undertake a psychological check with a police psychologist every three months.

The NSW Police Force is developing an online psychological check – the e-WellCheck. This will give officers an indication of how they are managing their well-being. Any potential risk identified in the results will be referred to police psychologists who can provide further support if needed. The NSW Police Force is currently working with a university to validate the e-WellCheck before progressing to a trial in five local area commands. If successful, this tool may be rolled out across the NSW Police Force for all officers to do voluntarily.

On-duty incidents are recorded in a database to track what support is given to officers

The NSW Police Force has recently developed an Incident Support Database for local area commands to record and track the attendance of officers at events where they are or appear to be adversely impacted. The intention is to create a history of potential exposure to incidents and map the assistance and support provided by the organisation.

The NSW Police Force will be able to use this database to ensure that managers are referring officers to appropriate assistance following exposure to incidents. It will also provide local area commands with information to help them manage their rostering to taking into account cumulative exposure to distressing events. Cumulative exposure has been found to increase the likelihood of emergency services workers developing post-traumatic stress disorder.

2. Return to work options

The NSW Police Force has put in place strategies that have increased the number of injured officers returning to work. Finding suitable duties for officers with long-term injuries remains a challenge and the NSW Police Force could do more to assist local area commands with this.

The NSW Police Force encourages officers to return to work as soon as possible in order to assist in their recovery process. In the last three years, it has managed to reduce medical retirements from around 40 per month to around nine per month. In the same period, almost double the number of injured officers have been recovering at work on alternative duties.

Local area commands reported that a key challenge from them in this area is that medical advice given to police officers by their treating doctors sometimes contradicts best-practice guidelines regarding the benefits of returning to work soon after injury. We heard that some doctors readily diagnose post-traumatic stress disorder and recommend officers take leave for physical or psychological injuries without considering that suitable alternative duties and support may be available to the officer at work. Promoting best practice guidelines to identify post-traumatic stress disorder in emergency workers to clinicians, and providing information on the range of safe duties at work, would help better inform doctors and produce better outcomes for officers.

We found that some local area commands face challenges in finding sufficient suitable duties for officers with permanent injuries because their priority is ensuring there is capacity for operational response. This needs to be addressed to ensure that all police officers have return to work options after injury.

Recommendations

The NSW Police Force should:

- schedule further information sessions for medical practitioners in new locations, including:
 - informing medical practitioners on the range of suitable duties that officers can return to safely after injury
 - promoting the Expert guidelines for diagnosis and treatment of post-traumatic stress disorder in emergency services workers to ensure best practice diagnosis and treatment.
- improve return to work options for officers with long-term injuries or illnesses by reviewing the operational and non-operational functions of work duties to assist commanders to make maximum use of these duties for injured officers.

2.1 Getting staff back to work

More police officers recovering at work and fewer officers being medically discharged

The NSW Police Force encourages recovery at work for officers. Early return to work after injury helps with an employee's recovery and mental health. It is also best for the employer due to the costs it would otherwise incur to medically discharge an officer.

In the past three years, there has been a significant drop in the number of medical discharges from 40 per month in 2012 to around nine per month in 2016. This is a considerable improvement and highlights the growing cultural change regarding injury management. It also signals the role of the new Police Blue Ribbon Insurance Scheme in incentivising officers to return to their duties rather than leave the police force.

In addition, the proportion of injured officers returning to work on suitable duties has significantly increased from around 35 per cent in 2011 to around 60 per cent in 2016.

The NSW Police Force currently employs 36 injury management advisors who facilitate the recovery at work process. These advisors case manage and refer injured officers to support

services. The advisors are deployed to regions to ensure close contact with injured officers and their workplaces.

Medical advice is not always supportive of returning officers to work

A recent study in the Australian Psychologist found that diagnoses for post-traumatic stress disorder (PTSD) among emergency service workers was, in many cases, lacking quality and rigour, and symptoms experienced may have been attributable to other mental illnesses. Diagnosing PTSD too readily, and recommending that officers take leave as a result, often leads to longer periods off work and exacerbation of mental health and well-being issues. In many cases, returning to work is the best outcome for an officer as they remain connected to their peers and duties, which supports their recovery.

A number of local area commands we visited reported concerns with some general practitioners who were quick to diagnose post-traumatic stress disorder, seemingly based on their own conceptions of police work and the associated exposure to trauma, and the perceived lack of support within the NSW Police Force.

Local area commands also reported instances where some doctors did not believe that officers could return to alternate duties after an injury and recommended staying away from the workplace.

The NSW Police Force has delivered two forums to medical practitioners to inform them of safe duties available for injured officers to recover at work. The NSW Police Force advised us that there was positive feedback on both forums. These forums should be continued to increase the number of medical practitioners receiving this information.

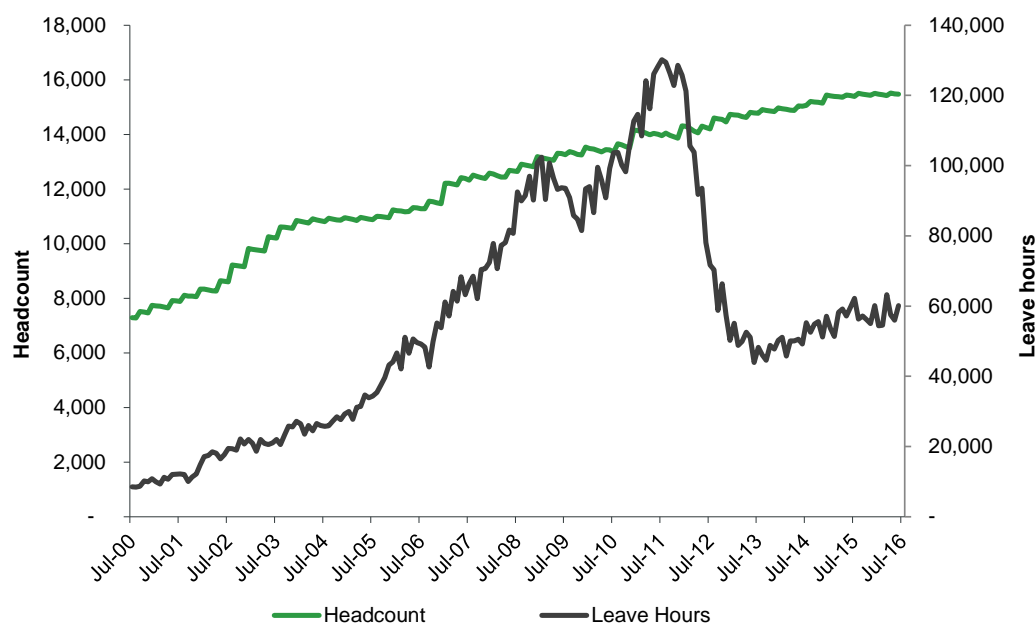
Promoting the expert guidelines for diagnosis and treatment of post-traumatic stress disorder in emergency services workers to medical practitioners would further help facilitate accurate diagnoses and aid officers in getting appropriate treatment.

2.2 Preventing re-injury with rehabilitation

NSW Police Force has significantly decreased time lost to workplace injury

The number of police officers absent on workers compensation leave has declined significantly over the last five years – see Exhibit 2. This is a positive outcome for injured officers, in that they are being supported by the NSW Police Force to return to work sooner. It is also positive for other staff who will benefit from the increased operational capacity available.

Exhibit 2: Officer headcount and workers compensation leave hours per month



Source: NSW Police Force.

Trial therapy program is rehabilitating injured officers

The NSW Police Force has trialled a reconditioning and physiotherapy program – RECON – to help return injured officers to work sooner. The trial aims to demonstrate better return to work outcomes by running in-house physiotherapy and rehabilitation services. Since its launch in 2014, 151 officers have completed the program at three trial sites.

During the course of our audit, we heard positive feedback about the program. The model has enabled physiotherapists to have greater knowledge of the types of activities that officers do, and this helps to target rehabilitation activities. The program has estimated savings of \$625 per week for each claim – a 68 per cent reduction in weekly claim costs compared to the standard treatment provision. The program has also returned injured officers to pre-injury duties 18 weeks sooner than standard treatment.

2.3 Providing alternate duties

Clear policies help managers identify alternative duties for injured police

The NSW Police Force has effective structures for management to discuss and identify return to work options for staff. Injury management panels convene monthly in each local command to discuss the placement of officers on return to work programs, new injuries and updates on injured employees. Officers can return to work on alternative duties such as customer service, managing police exhibits or rostering.

Return to work options for officers are investigated in the following priority order:

- the officer staying in the same job with reasonable adjustments
- moving to a different job
- moving to a different local command
- moving to a different region.

If all reasonable opportunities for suitable employment are exhausted, an officer will be medically discharged.

Placing workers with long-term injuries remains problematic

Many stations we visited reported that identifying sufficient alternative duties for officers with long-term injuries is challenging. A number of local area commands we visited reported concerns of reaching a 'saturation point' for accommodating officers with long-term injuries. At this point, the command is put under pressure because it lacks sufficient numbers to manage its operational activities.

We found that most local area commands only accommodate one or two per cent of officers with long-term injuries, and some local area commands do not have any. One reason these local area commands have low proportions is that they are also accommodating temporarily injured officers or staff returning from maternity leave part-time.

We were advised that some commanders deal with officer restrictions and roles rigidly, instead of distinguishing between operational and non-operational aspects of roles. The result is that officers are unnecessarily discounted from potential tasks. In contrast, two local area commands in the Northern Region were praised for how they consider different contexts and accommodate injured workers flexibly. For instance, one local area command had combined the administrative duties of multiple roles into a single role to accommodate the restrictions of injured officers. This allowed this local area command to accommodate 12 officers with long-term injuries, or six per cent of its total number of officers.

A further complication to finding suitable duties is the ALERT protocol, which requires all on-duty officers to carry firearms. This has arisen due to Australia's heightened terrorism alert and the risk posed to police. ALERT has changed the environment for injured officers because there are far fewer duties that are suitable for an injured officer to perform. For example, although it may not be appropriate for an officer suffering post-traumatic stress disorder to carry a firearm, they could carry out many other on-duty activities. The NSW Police Force advised that it has commenced a review of the impacts of this protocol.

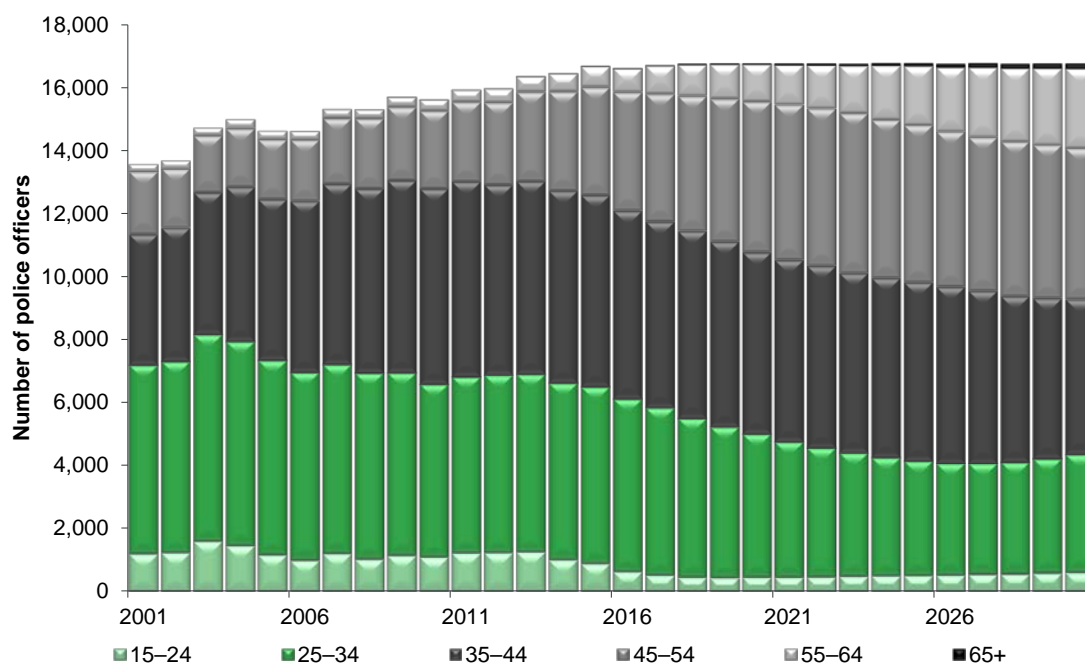
The NSW Police Force needs to more proactively assist local area commands to place its injured officers. It should review the operational and non-operational functions attached to each activity to help commanders make maximum use of these duties.

Workforce planning needed to support areas with an ageing police population

On average, officers take more workers compensation leave as they age, with leave rates highest for officers between 50 to 60 years. Challenges for effective injury management are arising with an older workforce in non-metropolitan regions where the most common officer age is 40–44 years compared with 25–29 years in metropolitan areas. This issue is likely to extend beyond non-metropolitan areas over time as police officers are generally staying in employment longer and retiring later.

The NSW Police Force has advised that work is ongoing to develop a workforce plan and examine the age composition of different local area commands. Overall, it expects 12 per cent of officers to be in the 55–65 age range in ten years' time – see Exhibit 3. Currently, four per cent of officers are in this age group. The NSW Police Force should consider the implications that the future ageing workforce population will have on injury rates and develop strategies to address this.

Exhibit 3: Sworn police officers – workforce age profile projection



Source: NSW Police Force.

3. Costs of compensation schemes

Workers compensation costs and death and disability scheme costs have reduced since 2013–14 and are projected to fall further. Common law claims for negligence have increased significantly and represent an ongoing risk. Local area oversight of, and accountability for, costs helps the NSW Police Force contain scheme costs.

Workers compensation costs for the NSW Police Force peaked in 2013–14. This was due to high levels of lump sum payments to officers medically discharged under the former death and disability scheme. Costs have since reduced following the introduction of a new scheme – the Police Blue Ribbon Insurance Scheme – and more effective health promotion and injury prevention strategies. More focus is required on the rising number of common law claims, which is a risk area.

The cost of the Police Blue Ribbon Insurance Scheme remains above the long-term statutory target of 4.6 per cent of NSW police officers' salaries. However, insurance premiums have started falling since 2013–14. Maintaining lower injury rates is crucial to making further progress towards meeting the statutory target.

The NSW Police Force recently introduced greater visibility around workers compensation targets by including these in the accountability system for local area commands. This has been effective in producing positive results and ensuring organisation-wide involvement in maintaining the scheme's costs.

Recommendations

The NSW Police Force should:

- continue its focus on containing scheme costs by:
 - further reviewing strategies to limit costs of common law claims for negligence
 - setting a date to achieve the statutory cost target for the Police Blue Ribbon Insurance Scheme
 - continuing to periodically 'test the market' for the Police Blue Ribbon Insurance Scheme to ensure the NSW Police Force is getting a fair and reasonable premium.

3.1 Managing workers compensation costs

There are two main ways the NSW Police Force compensates an officer injured on duty. The first is workers compensation, which is provided to all police officers who joined the workforce from 1988 onwards. The NSW Police Force is charged an annual premium for workers compensation. Injury prevention and early rehabilitation of officers helps the NSW Police Force to reduce workers compensation premiums.

The NSW Police Force has also established a second compensation method to operate in parallel to workers compensation. The Police Blue Ribbon Insurance Scheme makes payments for death or total disability, and provides income protection benefits for officers who are unable to be placed in suitable duties. This Scheme replaced the former death and disability scheme in 2012. This change was made to reduce the financial incentive to claim a lump sum payment and leave the police force.

Number of workers compensation claims has decreased

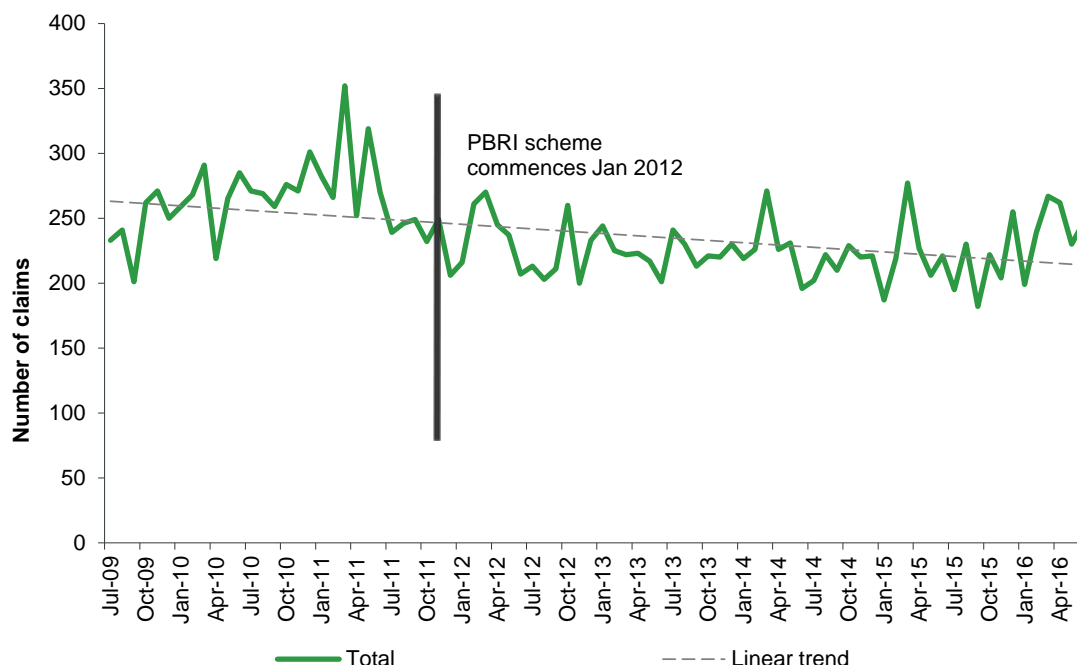
Over the last five years, the number of new workers compensation claims for NSW police officers has shown a downward trend of 1.7 per cent per year – see Exhibit 4. Prior to 2010, the trend in workers compensation claims had been increasing rapidly for over ten years.

Estimates calculated in 2010 suggested that without change, the NSW Police Force would continue to have a rising number of claims to manage and up to 4,300 claims by 2014–15. The actual number of claims in 2014–15 was 2,700 and this reduced further to 2,400 claims in

2015–16. The change to a downward trend suggests injury management efforts are working and the numbers of total injuries are stabilising.

Overall, psychological claims comprise around 15 per cent of total claims. Most of the decrease in claims has been for physical claims while psychological claims are stable.

Exhibit 4: Number of new workers compensation claims lodged per month since 2009



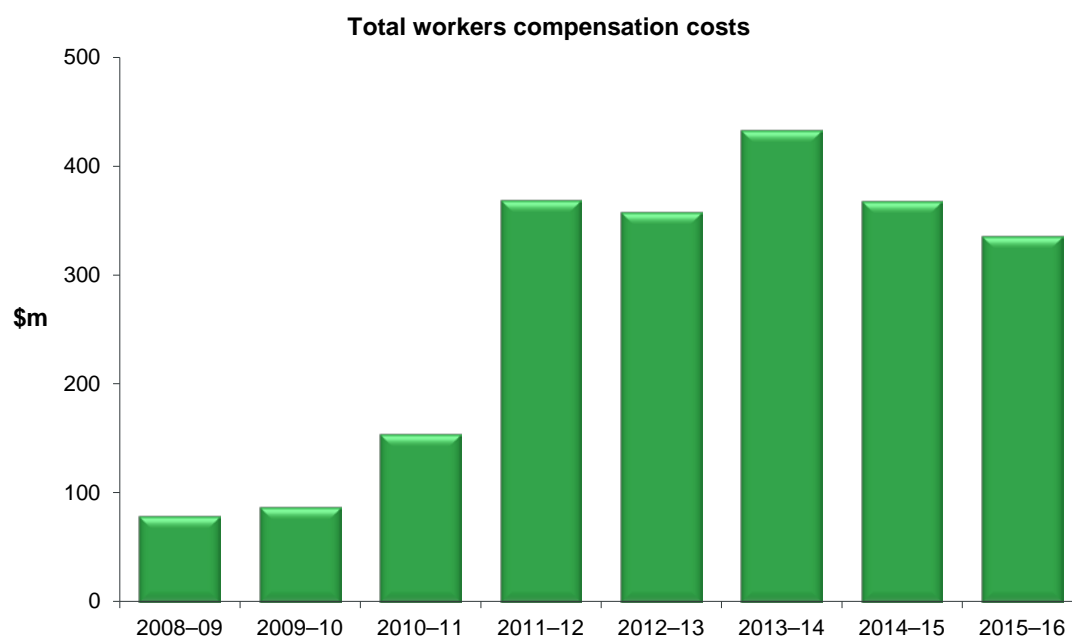
Source: NSW Police Force.

Compensation costs have fluctuated recently

Workers compensation costs and hindsight adjustments from previous years for the NSW Police Force increased rapidly from \$78.1 million in 2008–09 to \$433 million in 2013–14. The closure of the death and disability scheme at the end of 2011 partly triggered this increase, as many psychological injury claims were brought forward to be covered under that scheme.

Since 2013–14, the total annual cost reduced to \$335 million in 2015–16. The NSW Police Force advised us that the 2015–16 year includes additional hindsight adjustments that should lower the total for 2016–17. This is a positive outcome for the NSW Police Force as reductions have occurred alongside pay increases and increases in police numbers. Continued focus on reducing the number of injuries and returning injured officers to work will have a positive impact on future workers compensation costs.

Exhibit 5: Workers compensation costs (annual premiums and hindsight adjustments)



Source: NSW Police Force.

Common law negligence claims are increasing in number and cost

There have been an increasing number of police officers suing for work related injuries in court. These claims are called 'common law damages' and enable injured officers to seek compensation for past and future economic loss.

The number and total cost of these claims have been increasing rapidly – see Exhibit 6. In 2015–16, the total cost of common law claims was \$72 million, a large increase from \$5 million in 2011–12. Over the same period, the number of settlements increased from 12 to 162.

Exhibit 6: Common law claim settlements

	2011-12	2012-13	2013-14	2014-15	2015-16
Number of settlements	12	38	70	102	162
Average settlement cost (\$)	432,021	347,680	432,873	433,599	445,573
Total cost (\$)	5,184,255	13,211,866	30,301,140	44,227,096	72,182,765

Source: NSW Police Force.

Common law claims generally have substantial legal costs, as they are contested in court. A common law settlement is not preferred and regarded as an inefficient way of finalising a claim. Common law payments generally drive up costs of workers compensation premiums. However, the increase in costs are somewhat offset by the injured worker no longer being eligible to receive weekly benefits.

The NSW Police Force ran a trial program to reduce the time taken to settle claims. This approach was deemed effective and transitioned into business as usual practice. Earlier settlement of claims helps reduce stress to the injured officer and costs to the NSW Police Force. This is a risk area that requires an ongoing focus to contain the number of common law claims and overall costs.

3.2 Assessing death and disability scheme costs

The number of claims and total scheme costs are reducing

Payments to injured officers have decreased substantially compared to the former death and disability scheme. The total costs for the former death and disability scheme increased rapidly from \$70.4 million in 2009 to \$301 million in 2012. This was driven by a high number of claims for partial and permanent disability and associated costs.

With the introduction of the Police Blue Ribbon Insurance Scheme in 2012, the number of claims and total payments reduced significantly. As a result, total death and disability costs reduced to \$104 million in 2015–16. Claims are expected to fall further with continued efforts under the Workforce Improvement Program, which should have a corresponding decrease on total costs over time.

Given its recent introduction, it is not yet possible to evaluate how sustainable the Police Blue Ribbon Insurance Scheme is. Officers who are medically discharged under the Scheme are entitled to up to seven years income protection, and it has not been long enough to determine long-term trends for the average length on income protection.

Police Blue Ribbon Insurance scheme costs are reducing towards the target

Police officers contribute a percentage of their salaries to the cost of insurance premiums. In 2011, a statutory target was determined, requiring the long-term cost of the Police Blue Ribbon Insurance Scheme to be approximately 4.6 per cent of NSW police officers' salaries. The premium is now at 5.99 per cent – see Exhibit 7. However, the premium cost has significantly reduced from 2013–14, when it was at 8.34 per cent.

Exhibit 7: Performance against statutory target

	2011–12	2012–13	2013–14	2014–15	2015–16
Insurance premium target as a percentage of police officers' salaries	4.60	4.60	4.60	4.60	4.60
Actual insurance premium costs as a percentage of police officers' salaries	6.94	6.90	8.34	7.99	5.99

Note: Insurance premium costs include a stamp duty component of approximately 0.29 per cent of police officers' salaries.

Source: NSW Police Force.

A number of changes were made to the Police Blue Ribbon Insurance Scheme in 2013. These changes expanded benefits for more severely injured officers and increased the maximum income protection cover from five to seven years. The increased benefits were the result of salary negotiations between the government and the Police Association. The enhanced benefits have increased the premium cost and added to the challenge of meeting the statutory target, which was not adjusted to take into account the changes.

As part of our 2014 performance audit, we engaged an actuary to assess the feasibility of the NSW Police Force reaching the statutory cost target. The actuary developed favourable and unfavourable scenarios to do this. The analysis found that the target of 4.6 per cent of police officer salaries might be reached within five years under the favourable scenario. Since that time, premiums have started reducing but remain above the cost target. With a number of years' experience, the NSW Police Force now has enough information to set a date to achieve the cost target.

Psychological injuries are the most serious and costly

While physical claims outnumber psychological claims, the most serious claims are predominantly psychological injuries. For workers compensation claims, psychological injury claims cost about four times that of physical claims. This is because these claims typically have longer periods of absence from work.

In 2011–12, out of 526 partial permanent disability claims paid under the previous death and disability scheme, 86 per cent were for psychological injuries. This trend has continued under the Police Blue Ribbon Insurance Scheme. In 2015–16, out of 232 claims for income protection payments, 87 per cent were for psychological injuries.

3.3 Boosting local level accountability

Local areas are contributing to positive scheme results through local targets

There is now a greater focus on injury management at the local level. All commanders have targets and are held accountable for workers compensation costs, workplace injury leave and sick leave. These targets are aligned to the corporate plan. Local area commands use a

dashboard called COMPASS to report their results. If a local area command does not meet the targets, they are required to report on the underlying causes and actions they will take to improve results.

COMPASS is also used by the local area Human Resources Manager to look at sick leave trends. For example, if an officer has taken over five days of sick leave, a report is triggered and the Human Resources Manager checks on any welfare risks and ensures these have been adequately addressed.

Local area commands we visited demonstrated a focus on achieving targets for workers compensation costs and sick leave. Results were discussed at monthly commanders meetings and made visible on the NSW Police Force intranet. We were advised that these have produced positive results against targets and improved organisational knowledge of injury management.

Fire & Rescue NSW

4. Strategies to prevent injury

Fire & Rescue NSW has a range of programs to promote health and well-being and prevent injury and illness. Program uptake is lower than it could be because of a perception among some firefighters that poor results will be used to medically discharge them. Ongoing assessment of firefighter fitness and health would ensure firefighters remain fit for duty and reduce risks of serious workplace injury.

Fire & Rescue NSW recruitment procedures assess candidates for their physical strength and fitness, emotional intelligence, attitudes to work safety and medical suitability. The physical aptitude test and health standard are based on research and analysis of the inherent requirements of firefighting within Fire & Rescue NSW.

Fire & Rescue NSW has a range of physical and mental health promotion programs. Mental health programs are based on best practice and are independently evaluated. Early evidence shows mental health promotion programs are improving firefighter health status evidenced through reduced sick leave.

There is no formal ongoing assessment of firefighter fitness and health. This exposes Fire & Rescue NSW to significant financial and reputation risks as well as individual impacts on firefighters, their families and colleagues. Introducing ongoing assessments would greatly assist to identify issues early and prevent injury and illness.

Recommendations

Fire & Rescue NSW should introduce an ongoing health and fitness assessment for firefighters. This should:

- be mandatory
- define frequency of assessment.

4.1 Screening methods to reduce injury

Firefighting is a physically and psychologically demanding occupation. Firefighters are required to work with heavy equipment in often unpredictable and dangerous environments. These stressors impose unique cardiovascular, physical and mental demands. Screening during recruitment is important to identify candidates able to perform the role.

Firefighter assessments comprehensively check candidates' attitudes to work safety

Fire & Rescue NSW uses online psychometric assessments to assess candidates' cognitive ability and emotional intelligence. The assessments also examine candidates' attitudes towards work safety and work reliability. Candidates with the highest aggregate score from all four assessments progress to the next stages of recruitment. In 2015, only the top eight per cent of candidates were chosen to progress past this stage.

The assessments screen out candidates who do not have the right attitudes to safety or do not demonstrate emotional intelligence. This aims to reduce risks of future injuries.

Physical aptitude test ensures firefighters are ready for the demands of firefighting

Fire & Rescue NSW uses a Physical Aptitude Test (PAT) to assess whether candidates are able to meet the physical demands of firefighting. Screening out candidates who are unable to perform common tasks helps to reduce workplace injury. The effectiveness of the PAT in replicating the occupational stresses of the role has been validated by a university.

Of 602 permanent firefighter candidates who undertook the PAT in 2015, 411 passed (68 per cent). Exhibit 8 shows the tasks that make up the PAT. Candidates wear protective clothing weighing around 20 kilograms during the test, including a breathing apparatus.

Exhibit 8: Physical Aptitude Test tasks

Reduced visibility search	Crawling search in a dark and confined space.
Ladder simulation	Raising 29 kg of vertical force into an overhead position.
One side jerry can carry	Carrying a 26 kg jerry can with one hand grip for 195 m.
Stair climb with jerry can	Step up and down 36 times carrying a 17.5 kg jerry can with one hand.
Rescue tool static holds	Holding a 19 kg weight in three positions for 40 seconds each.
Repeated hose drag	Dragging a 11 kg hose with 27 kg of drag resistance for 150 m.
Fire attack simulation	Crawling with a 11 kg hose with 27 kg of drag resistance for 30m.
Firefighter rescue	Carrying 30 kg weight with 27 kg of drag resistance backwards for 10 m.

Source: Fire & Rescue NSW.

Medical assessments check for serious health conditions that pose a risk to safety

Applicants undergo comprehensive medical assessment prior to employment to test their medical fitness to undertake the inherent demands of firefighting duties. Applicants are screened and assessed in relation to conditions that:

- may impact on capacity for effective performance of firefighting
- may result in impairment or acute incapacity, thereby impacting on the individual's safety and others relying on them for their safety while working in hazardous environments
- carry a significant risk of exacerbation or aggravation with firefighting duties.

Since 2013, 360 candidates for permanent roles and 1479 candidates for retained roles have undergone medical assessment. Of these, nine permanent and 74 retained candidates were not employed for medical reasons. The main reasons were asthma, cardiovascular conditions, endocrine disease (diabetes), mental health issues and musculoskeletal injury.

4.2 Promoting health and well-being

Fire & Rescue NSW has policies on health, fitness and well-being, and mental health that provide the framework for a range of programs to promote physical and mental health.

Fire & Rescue NSW runs programs to promote firefighter health and well-being

Permanent fire stations have fitness rooms (except for two, which are provided with gym memberships). Firefighters are permitted to engage in up to two hours of physical activity per shift. A fitness room induction has been undertaken by 2470 firefighters. Firefighters we spoke to were generally satisfied with the equipment in the fitness rooms and its maintenance.

The Fitness Passport program offers discounted fees to a range of external facilities. This program is currently used by 581 firefighters, and it can be used off-shift. Firefighters we talked to supported the program and suggested positive competition between stations could improve take-up.

Peer Support Officers deliver mental health education sessions to fire stations. These sessions aim to improve mental health literacy, decrease stigma and improve knowledge of support services. Peer Support Officers attend two workshops per year, focusing on professional development and networking to help them perform their role.

Low take-up limits the impact of voluntary health check programs

The CardioCheck program involves a finger prick test of glucose and cholesterol levels. This helps raise awareness and reduce the risk of developing a range of chronic health diseases. Only 314 firefighters have undertaken this assessment.

The voluntary health and fitness assessment program was launched in 2004. This program involves a health assessment (for example, pathology testing, spirometry and audiometry) and a fitness component (for example, muscular strength, flexibility and cardiovascular fitness). Only 1,033 assessments have been conducted under the program over 12 years.

Participation in these programs may be influenced by the perception that adverse results will be used to medically discharge firefighters. This limits the impact of these programs in raising awareness of health conditions that could pose future risks to injury or illness.

Fire & Rescue NSW mental health programs are based on best practice evidence

Fire & Rescue NSW recently introduced a number of programs to promote mental health awareness and resilience. These programs are evidence-based and are being independently evaluated. One of the programs is FIT MIND – see Exhibit 9.

FIT MIND aims to build psychological resilience and help-seeking behaviour in recruit firefighters. Experienced firefighters present the program's principles to recruit firefighters in a series of short videos. The approach was based on a survey that found 83 per cent of firefighters sought initial support from their peers.

Exhibit 9: FIT MIND program principles

Find Time	Pause and catch your breath and reflect before exiting the fire truck.
Individual	Think about how you feel. Are you ready to face the next incident?
Team	Check in with your team mates: are they stressed out or 'flat'?
Mates	Talk to your mates about incidents and issues.
Internal	Use internal support such as Critical Incident Support Program, Chaplaincy and EAP.
Network	Establish a strong network of friends and family.
Doctors	Access mental health professionals.

Source: Fire & Rescue NSW.

Four hundred firefighters participated in FIT MIND as part of a randomised control trial and this is being evaluated by a university, with follow-up surveys to identify any behavioural change. While awaiting the evaluation results, Fire & Rescue NSW is continuing to provide the training to recruits based on initial positive feedback from participants.

The RESPECT program is a mental health awareness program for managers. It aims to improve managers' ability to undertake difficult and sensitive conversations. It was developed in partnership with a university and mental health research institution. One hundred and ninety-four managers have now completed the training.

A university evaluated the RESPECT program and found it significantly increased both mental health literacy and confidence of managers to make contact with firefighters suffering a mental illness. Further, rates of absence due to work-related sickness decreased among employees whose managers received training compared to those that did not.

4.3 Preventing injury and illness

Fire & Rescue NSW has emphasised the importance of preventative programs in its policies on health, fitness and well-being and mental health.

There is no ongoing health and fitness assessment after recruitment

The Crown Employees (NSW Fire Brigades Firefighting Staff Death and Disability Award) 2015 commits Fire & Rescue NSW and the Fire Brigade Employees' Union to agree and implement a compulsory health and fitness program, including health and fitness standards, for all firefighters. This commitment has been in the Award since 2006, and requires agreement from parties on the terms of the program and standards in order for it to be implemented.

Our 2014 performance audit, *Fitness of Firefighters*, recommended that Fire & Rescue NSW introduce ongoing health and fitness assessments for firefighters to implement this commitment. Fire & Rescue NSW has not yet implemented this recommendation.

As discussed in our previous report, implementing an ongoing assessment is important because Fire & Rescue NSW has an obligation to ensure firefighters can safely carry out their roles under the *Fire Brigades Act 1989* and under workplace health and safety legislation.

Preventative programs would benefit from further roll-out

Fire & Rescue NSW offers a voluntary Physical Aptitude Test (PAT) for firefighters to benchmark their strength and fitness against the standard used for new recruits. Since this initiative commenced, 354 firefighters have completed a voluntary PAT. This is a positive start, given the large geographical area covered by the three health and fitness advisors who deliver the program. Further promotion and rollout of this initiative would increase its impact.

The Functional Movement Screen assesses seven fundamental movements to identify muscle imbalances or deficits in stability, which may predispose a firefighter to injury. A repeat screen is done after 6–12 weeks to assess the effectiveness of corrective exercises. Since 2014, there have been 1,080 screens done (initial and follow up). We observed several firefighters undertake the Functional Movement Screen. They reported that the screen helped them assess their strength, balance and flexibility.

Annual firefighter training on hazardous manual tasks is compulsory

Firefighters often undertake manual tasks that are physically demanding. The firefighting environment can impose extra stresses like uneven ground, slippery surfaces and poor visibility. Working in high ambient temperatures can also result in accelerated fatigue, adding to potential risk. Failure to identify, assess and control hazardous manual tasks can lead to musculoskeletal injury.

The Hazardous Manual Tasks Guidelines aim to minimise the risk of musculoskeletal injury. The guidelines contain 12 fact sheets for typical firefighting tasks – see Exhibit 10. Training on the guidelines and toolkit is delivered during recruit induction and refresher training must be completed by all firefighters every 12 months.

Exhibit 10: Hazardous manual tasks guidelines, example of a typical task

Exiting the appliance (fire truck)

Exiting the appliance places firefighters at risk of injury if not performed with care due to the weight of equipment. If three points of contact are not maintained, the load placed through the back, knees and ankles is significantly increased.

Technique

- turn around and exit the appliance backwards
- maintain three points of contact on exit – either two feet and one hand or two hands and one foot
- control your descent by using your legs to lower yourself.



Source: Fire & Rescue NSW.

Peer delivered programs provide psychological support

The Critical Incident Support Program provides structured interventions to crews who have attended a critical incident. Peer Supporters deliver this program and provide referral to professional counselling where needed. Firefighters we talked to reported positive experiences with critical incident support and this was confirmed by evaluation surveys.

External support is offered through the Employee Assistance Program, which provides up to six external counselling sessions per year. Firefighters who are exposed to a high number of potentially traumatic incidents are also offered well checks with a clinical psychologist specialising in trauma counselling.

5. Return to work options

Fire & Rescue NSW has policies for returning firefighters, who have been injured on-duty, to work and a list of duties they can do. Uncertainty about access to alternate duties limits reporting of off-duty injuries or illnesses and this poses a risk to safety.

Fire & Rescue NSW medically discharged a large number of firefighters from 2011–12 to 2013–14. This has led to a reluctance to report off-duty injuries or illness, due to a perception among some firefighters that they will be medically discharged. This poses a risk to firefighter and public safety.

Fire & Rescue NSW has introduced a number of new programs or improved existing programs to support injured workers from reoccurrence of physical and psychological injury.

Most firefighters who sustain an on-duty injury are given suitable duties when they are capable of performing them. Firefighters who sustain off-duty injuries are not automatically entitled to alternate duties and are required to use sick leave, unless they negotiate an individual arrangement with their duty/zone commander.

Recommendations

Fire & Rescue NSW should improve the management of off-duty injuries and illnesses by:

- creating a policy and procedure for return to work options for off-duty injuries and illnesses
- better promoting available support and rehabilitation services for off-duty injuries and illnesses
- requiring the Fire & Rescue NSW occupational physician to examine firefighters for employees who are absent from duty for a period of more than 24 days.

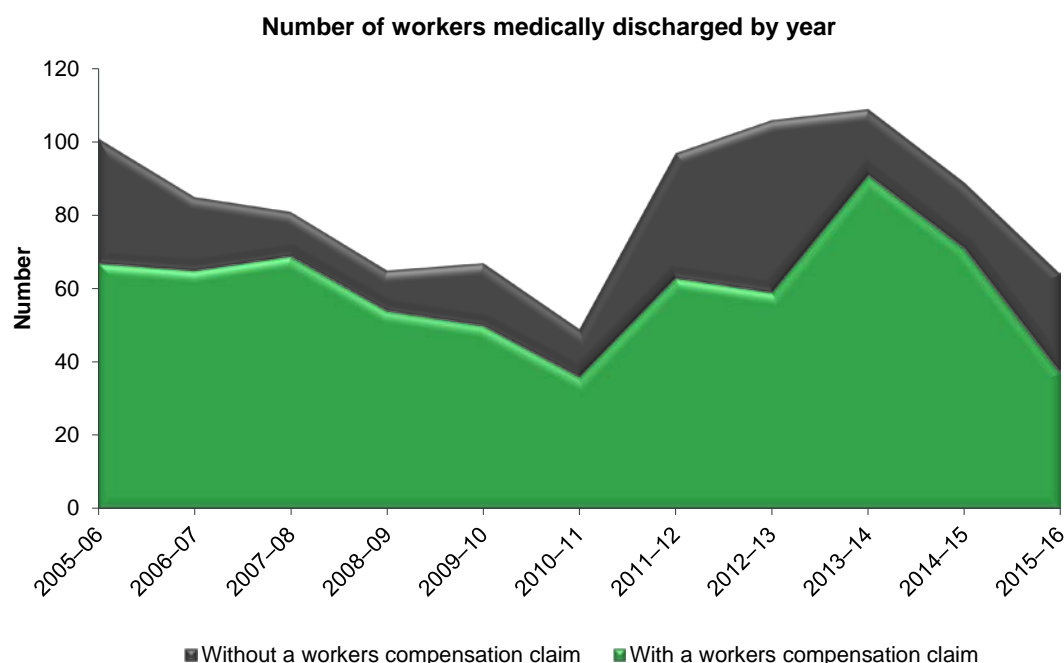
5.1 Getting staff back to work

Fire & Rescue NSW is medically discharging fewer firefighters

In 2010, a consultant identified a significant number of injured firefighters who were permanently unfit for their substantive roles and performing work in unfunded positions. The consultant recommended Fire & Rescue NSW either redeploy these firefighters into other established and funded roles or medically discharge them.

This led to a sharp increase in the number of medical discharges from 2011–12 to 2013–14, particularly medical discharges without a workers compensation claim – see Exhibit 11. Since 2013–14, the number of medical discharges has decreased to 2010–11 levels. This is positive for Fire & Rescue NSW and reflects less serious injuries and illnesses.

Exhibit 11: Number of firefighters medically discharged, 2005–06 to 2015–16

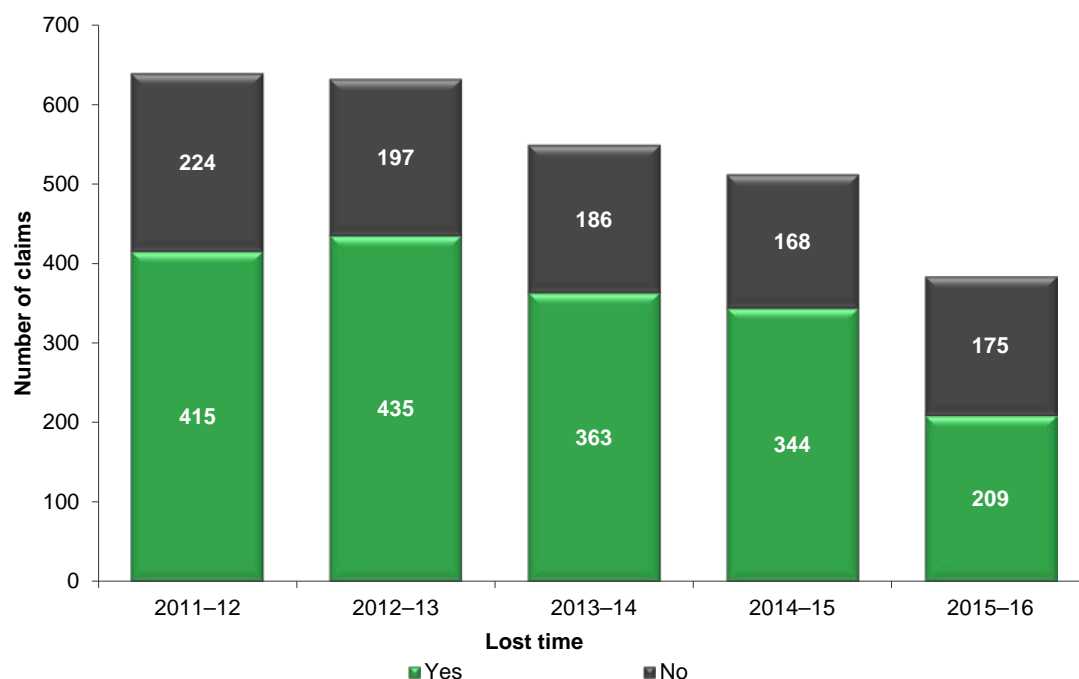


Source: Fire & Rescue NSW.

There are less injuries resulting in lost time

The number of workers compensation claims resulting in lost time decreased from 415 in 2011–12 to 196 in 2015–16 (annualised). The proportion of claims resulting in lost time fell from 65 per cent of all claims to 50 per cent – see Exhibit 12. This is likely to mean that a greater proportion of injured firefighters are returning to work after injury, or that there has been a reduction in the severity of injuries. This also reflects improvements to injury management processes and better availability of return to work options.

Exhibit 12: Number of workers compensation claims with/without lost time



Source: Fire & Rescue NSW.

Uncertainty about access to alternate duties affects reporting of off-duty injuries or illnesses

A number of firefighters we spoke to said there was a general reluctance to report off-duty injuries or illnesses. This was due to a perception that they would not be supported to return to work on alternate duties and, as a consequence, be medically discharged.

For example, one firefighter we spoke to was encouraged by his peers not to report a serious cardiac condition. The perception is that if there is an investigation, the firefighter will never come back to work – particularly for older firefighters. This issue appears to be an ongoing one, as it was also raised numerous times during our 2014 performance audit.

The effect of this perception is that it poses a risk to:

- the health and safety of individual firefighters
- the safety of colleagues who may depend on that firefighter at an incident
- the safety of members of the public who may depend on that firefighter for rescue.

Firefighters who are absent from duty for more than 28 continuous days are examined by the Fire & Rescue NSW occupational physician. The firefighter must be certified as fit before returning to duty. This allows up to 192 hours of sick leave before independent examination, 48 hours more than the annual allowance. Earlier medical examination of firefighters would help identify serious off-duty injuries or illnesses that could pose a risk to safety.

5.2 Preventing re-injury with rehabilitation

Rehabilitation programs for injuries and illnesses aim to help injured workers recover from their injuries or illnesses, return to work and prevent injuries or illnesses from reoccurring.

A screening tool helps identify claims that require greater support

Fire & Rescue NSW uses a screening tool for physical injuries to determine whether injured workers require additional psychological and well-being support to help recover from their injuries. The Örebro Musculoskeletal Pain Questionnaire is completed within five days after a soft tissue injury and helps to predict long-term disability and failure to return to work.

Injured workers who are identified by the screening tool as requiring more intensive care and assistance are referred for internal and external psychological and well-being support. They

are also referred for earlier internal and independent medical and treatment review. This additional support reduces the risk of long-term disability and helps the injured firefighter to return to work.

The Return to Work Durability program helps prevent re-injury

The Return to Work Durability program aims to improve the functional capability of injured firefighters and reduce the risk of further injury. It is offered to firefighters who are completing, or have completed, a return to work program. Health and fitness advisors, who are qualified exercise physiologists, deliver the program, which consists of:

- confirming the treatment plan goals through discussion with the injured firefighter and their external treating doctor and other relevant health professionals
- conducting an initial assessment and screening, for example, Functional Movement Screen
- creating an individualised program for the firefighter
- delivering four to six additional contacts, either face to face or over the phone
- conducting a final assessment and screening
- offering the firefighter ongoing support with a self-managed exercise program.

Since being launched in 2015, 92 firefighters have participated in the Return to Work Durability Program. Of these, there has been only one injury reoccurrence following the program. This demonstrates the positive impact the program has on re-injury prevention.

Early diagnosis and return to work is promoted for psychological injuries

The clinical guidelines for diagnosis and treatment of post-traumatic stress disorder in emergency services workers were published in 2015. Fire & Rescue NSW has worked with its workers compensation insurer to ensure the recommendations in the guidelines are followed. This includes review of diagnosis by clinical psychologists, case conferencing to ensure all treating professionals agree on the diagnosis, psychological functional assessments, and a wide range of return to work options that allow systematic desensitisation to trauma.

Employers play a vital role in providing support for a successful return to work. Fire & Rescue NSW, in consultation with a mental health organisation and a university, has developed 'Recovery after trauma – a guide for firefighters with post-traumatic stress disorder'. This resource provides comprehensive information about post-traumatic stress disorder, how to identify it, how to get help, and how and where to access further resources.

5.3 Providing alternate duties

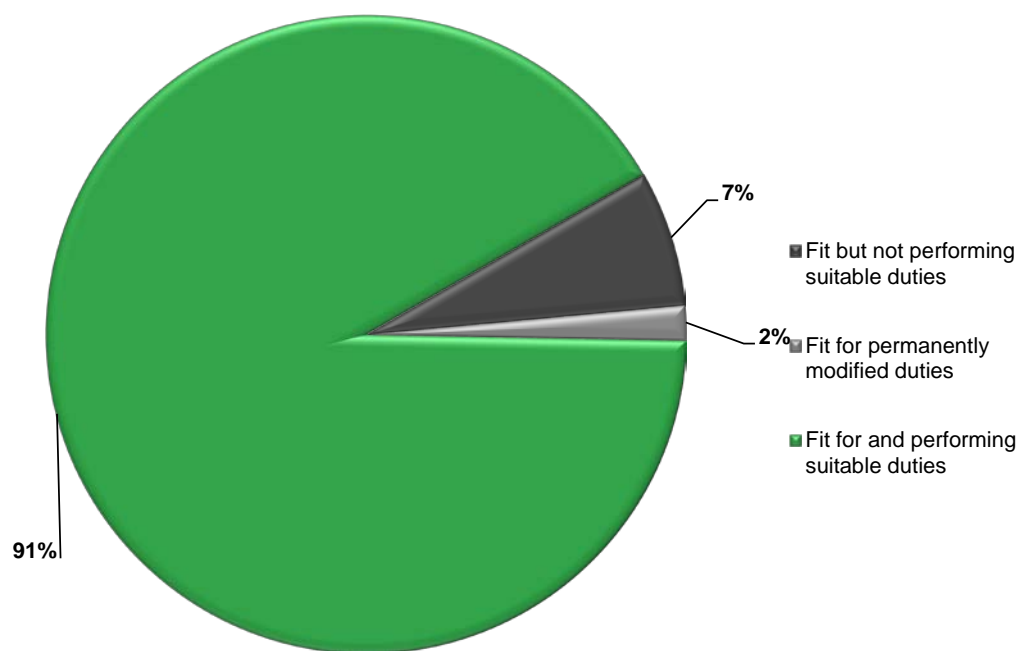
Returning to work on alternate or 'light' duties is positive for mental health following an injury. Ensuring firefighters remain connected to their workplace and their colleagues promotes recovery and better outcomes for the worker and organisation.

Most firefighters who are fit for suitable duties are able to access them

As at 31 May 2016, there were 367 workers compensation claims for firefighters who remain employed. Two hundred and fifty-nine claimants were on pre-injury duties or on treatment-only claims without a return to work program, and 108 claimants were on a return to work program.

Of firefighters on a return to work program, most who were declared fit for suitable duties were performing them – see Exhibit 13. This indicates good availability of suitable duties.

Exhibit 13: Firefighters on return to work plans, by work status, 31 May 2016



Source: Fire & Rescue NSW.

At May 2016, only a small number of injured firefighters who were fit for suitable duties were not performing them. Workers compensation payments to this group of injured firefighters more than doubled from \$800,000 in 2011–12 to \$1.8 million in 2015–16. Fire & Rescue NSW advised that medically discharged firefighters account for this increase and payments have started to decrease reflecting fewer medical discharges.

Fire & Rescue NSW has policies for making suitable duties available

The Return to Work Policy and Program helps employees and managers to comply with their legal responsibilities following a workplace injury or illness. The policy states that suitable duties are to be meaningful, productive and consistent with restrictions.

The policy focuses on returning the injured worker to their pre-injury role. Principles include 'making an early and sustained return to work the expectation following workplace injury'. Where medical information confirms this is not possible, the firefighter is redeployed in accordance with the Death and Disability Award 2015, or medically discharged.

Fire & Rescue NSW maintains a list of suitable duties to provide options to return to work. Common tasks include administrative tasks, community engagement, cleaning and maintenance and appliance and equipment checks.

Firefighters expressed mixed views on their return to work options

Firefighters reported that suitable duties for workers compensation injuries were available when needed and that they found it beneficial to maintain contact with their colleagues.

Some firefighters reported that the suitable duties they were offered were not commensurate with their skills and experience and more could be done to identify more meaningful duties. Some firefighters had found it beneficial to self-identify more meaningful suitable duties.

Firefighters reported that they were less likely to have access to suitable duties for off-duty injuries or illnesses. Getting access to these depended on personal relationships or goodwill. Where suitable duties for off-duty injuries or illness were unavailable, this contributed to higher sick leave costs and injured or ill firefighters losing contact with their colleagues.

There is currently no policy for providing suitable duties for off-duty injuries or illnesses. Fire & Rescue NSW advised that it is considering a project to expand the range of alternate duties offered for longer-term injuries or illnesses.

6. Costs of compensation schemes

Fewer claims have helped Fire & Rescue NSW to reduce its workers compensation premiums. Death and disability scheme liabilities have increased and the current level of contributions is not enough to cover the annual costs of the scheme in the future.

Fire & Rescue NSW has reduced its annual workers compensation premium by eight per cent over the past five years. This reflects fewer claims and improved injury management practices. Common law claims have increased and are a risk for Fire & Rescue NSW, given their high cost.

Employer and employee contributions to the death and disability scheme are currently less than the estimated long-term annual costs. This means that scheme liabilities will continue to increase each year and is a risk to the sustainability of the scheme.

Regions are held accountable for workers compensation premium costs, the number of claims, reporting of claims and sick leave. This gives greater incentive for regions to engage in effective health promotion, injury prevention and management practices.

Recommendations

Fire & Rescue NSW should review the death and disability scheme to assess:

- by how much the changes made in 2015 have improved long-term scheme sustainability
- whether the current level of employer and employee contributions are sufficient to meet the long-term cost of all benefit types when they fall due.

6.1 Managing workers compensation costs

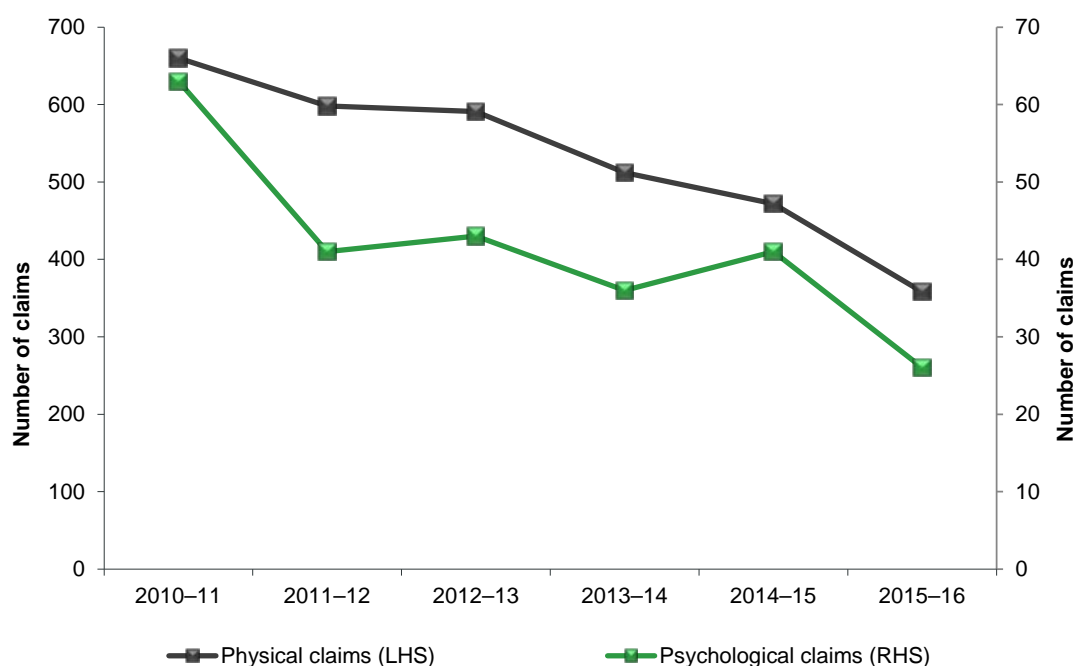
The workers compensation scheme provides public sector workers with benefits for workplace injury or illness. Each agency is charged an annual premium for these benefits. Although there are a number of factors that determine scheme costs, injury prevention and management are areas that agencies are able to strongly influence.

Workers compensation premiums and the number of claims are falling

Workers compensation premiums decreased from \$22.9 million in 2011–12 to \$21.1 million in 2015–16. This decrease of around eight per cent reflects the decrease in number of claims and improved management of injured workers.

The number of worker compensation claims decreased by 47 per cent from 723 claims in 2010–11 to 384 claims in 2015–16 and is below the corporate target of 497. Decreases have occurred in both physical and psychological claims – see Exhibit 14.

Exhibit 14: Number of workers compensation claims



Source: Fire & Rescue NSW.

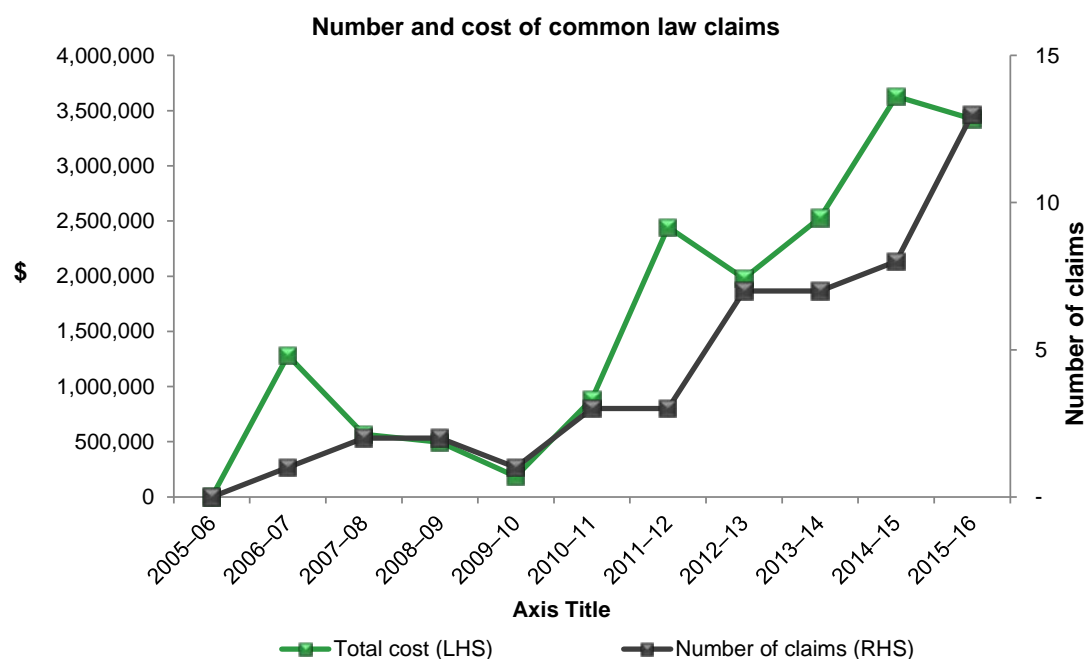
Soft tissue injuries from repetitive or manual tasks accounts for half of all physical claims (51 per cent). Other main causes of injury are falls, trips and slips (20 per cent) and being hit by moving objects (ten per cent). Injuries caused by heat, electricity and other environmental factors make up only two per cent of all claims. This shows the importance of focussing on health promotion and preventative programs for physical injuries.

Common law claims is a risk area

The number and cost of common law claims for damages has increased since 2009-10 – see Exhibit 15. These costs increase future workers compensation premiums. Common law claims have substantial costs. Common law payments average \$330,000 while costs associated with these claims average \$570,000, a total cost of \$900,000 per claim.

At May 2016, 26 claims remained open, above the corporate target of eight. Of the 26 open claims, 16 (61.5 per cent) relate to psychological injury.

Exhibit 15: Workers compensation payments for common law claims



Source: Fire & Rescue NSW.

6.2 Assessing death and disability scheme costs

The Fire & Rescue NSW death and disability Scheme came into effect in 2003 to provide death, total and permanent incapacity and partial and permanent incapacity insurance benefits for permanent and retained firefighters.

Projected annual scheme costs are greater than the current level of contributions

The Fire & Rescue NSW death and disability scheme is funded through employee and employer contributions. Firefighters contributed \$3.1 million to the scheme in 2015–16, while Fire & Rescue NSW contributed \$8.2 million.

The 2016 actuarial valuation of the scheme estimated the long-term annual cost of all benefits at \$20.9 million per year – see Exhibit 16. Benefits for on-duty injuries that lead to total and permanent incapacity account for three quarters of total costs.

Exhibit 16: Estimates of average annual payments from scheme

Benefit type	Permanent firefighters	Retained firefighters
Partial and permanent incapacity	\$1,603,000	\$315,000
Death and total and permanent incapacity – off-duty	\$1,440,000	\$1,134,000
Death – on-duty	\$314,000	\$314,000
Total and permanent incapacity – on-duty	\$11,250,000	\$4,500,000
Total	\$14,607,000	\$6,263,000

Source: Fire & Rescue NSW.

Based on current assumptions, there is a gap of \$9.6 million per year between the long-term annual cost of all benefit types (\$20.9 million per year) and contributions (\$11.3 million per year).

NSW Treasury contributes an amount equivalent to four per cent of firefighter salary costs to cover annual employer contributions to the scheme. On current assumptions, employer contributions would need to double to cover estimated long-term annual costs.

The mechanism to balance scheme costs is limited to a small class of benefits

The death and disability scheme includes a mechanism to ensure employee contributions fully fund off-duty death and total permanent incapacity benefits.

Each year, an actuary reviews the long-term cost of on and off-duty death and total permanent incapacity benefits. The actuary checks whether the long-term cost of these benefits exceeds employee contributions and exceeds 30 per cent of the long-term cost of other benefits. If so, then off-duty death and total permanent incapacity benefits are reduced.

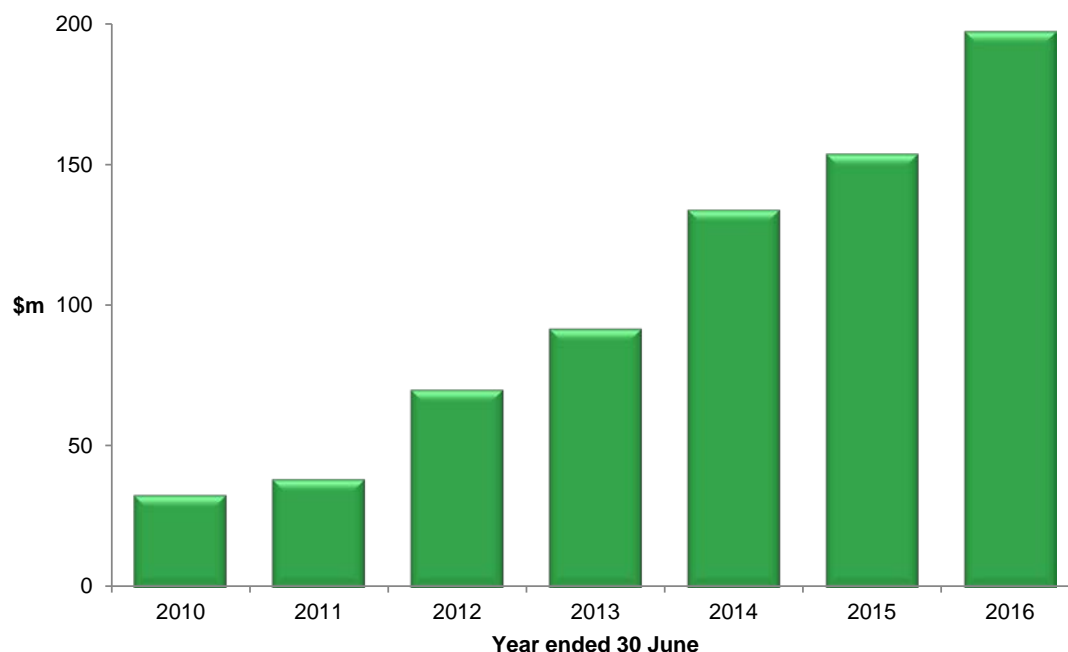
The 2015 actuarial review found that it was necessary to reduce off-duty death and total permanent incapacity benefits for retained firefighters to ensure sustainability. These benefits for retained firefighters were reduced by 55 per cent effective 1 January 2016. The effect of this was to reduce the future scheme liability by \$1.5 million, however, the reduction is less than one per cent of the total scheme liability of \$197.5 million.

Given off-duty death and total permanent incapacity benefits only comprise 12 per cent of the total cost of all benefit types, only being able to adjust liabilities in that area means there is no mechanism to fully balance all benefit types with contributions. Without a mechanism to either increase employee contributions or reduce the level of benefits, this liability will fall on the employer and therefore represents a risk for Fire & Rescue NSW.

Fire & Rescue NSW death and disability scheme liabilities are increasing

The total long-term liability of the scheme increased from \$32.9 million at 30 June 2010 to \$197.5 million at 30 June 2016 – see Exhibit 17. In 2014–15, the liability increased by 14.8 per cent compared to 28 per cent in 2015–16. An externally imposed change in assumptions increased liabilities by \$26.7 million, while an extra year of pension benefits further increased liabilities by \$16.2 million.

Exhibit 17: Death and disability scheme liabilities



Source: Fire & Rescue NSW.

6.3 Boosting local level accountability

It is important that commands be accountable for performance relating to injury prevention and management. This helps ensure local levels are aligned with organisational goals, and are proactive in encouraging participation in programs and reducing costs.

Local areas are held accountable for workers compensation premium costs

In 2012, Fire & Rescue NSW devolved its workers compensation premium to a command level. This meant that funding for the premium was included in command budgets. Fire & Rescue NSW reported that this change helped promote buy-in for health and safety programs to reduce the number of worker injuries.

More recently, Fire & Rescue NSW has returned funding responsibility for workers compensation premiums to a central level. However, the total premium is split by each command and regularly reported on to management. This allows management to hold individual commands accountable for increases in premium costs.

Management regularly reviews command performance against targets

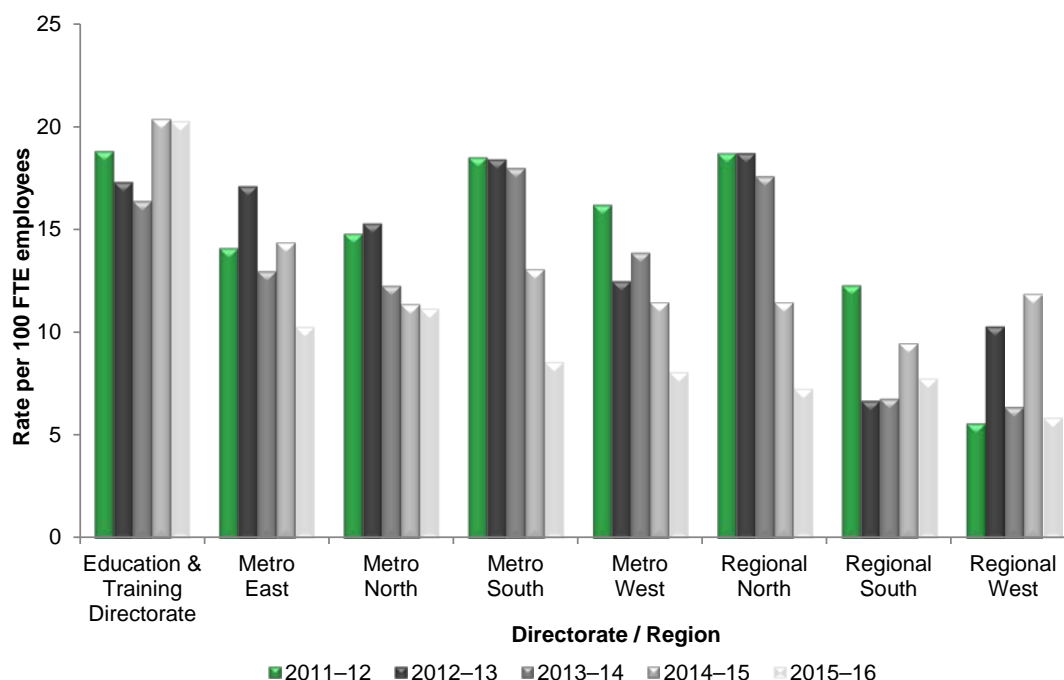
Senior management sit on the Workplace Health and Safety Advisory Committee. This Committee reviews reports on key performance indicators related to injury and illness and costs at a regional and division level. There are also a number of associated targets.

Performance indicators include:

- the number and incidence rate of claims
- split between physical and psychological claims
- notification of injury, illness, exposure and near misses
- return to work status
- number of medically discharged claimants
- average cost of medically discharged claims.

Exhibit 18 shows the incidence rate of claims per 100 full-time equivalent (FTE) firefighters. It shows that the Education and Training Directorate has the highest incidence rate of claims, which has increased over the past three years. This directorate provides training from basic skills to specialised operational training which entails a higher risk of injury. The incidence rate fell in most other areas.

Exhibit 18: Incidence rate of workers compensation claims, per 100 FTE firefighters



Source: Fire & Rescue NSW.

Appendices

Appendix 1: Response from NSW Police Force



NSW Police Force

OFFICE OF THE COMMISSIONER

Ms Margaret Crawford
Auditor-General of NSW
Audit Office of NSW
GPO Box 12
SYDNEY NSW 2001

D/2016/546233

Dear Auditor-General,

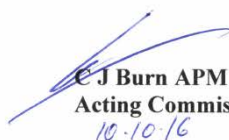
Thank you for providing the NSW Police Force with your Final Report titled *Performance Audit: Preventing and Managing Worker Injuries*. This was a follow-up audit from the 2014 Audit which assessed the effectiveness of the new NSW Police Force Death and Disability Scheme.

It is pleasing to note that the Report acknowledges the progress made by the NSW Police Force, including the changing police culture around wellbeing and mental health and the associated sustainable results delivered as part of the ongoing Workforce Improvement Program.

The Report also recognises the considerable effort and dedication by the NSW Police Force, and investment in funding by the NSW Government, in preventing and effectively managing worker injuries. Its recommendations support our continued drive for improvement within ongoing prevention, early intervention and injury management approaches.

The NSW Police Force accepts the Report's recommendations, excepting that relating to 'testing the market' for the Blue Ribbon Insurance Scheme, as this is a matter for the NSW Government. The remainder of the recommendations will be progressed concurrently with the Workforce Improvement Program and associated strategic injury management improvements during 2016-17.

Yours sincerely,


C J Burn APM
Acting Commissioner of Police
10.10.16



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TTY 02 9211 3776 for the hearing and speech impaired Web www.police.nsw.gov.au ABN 43 408 613 180



Appendix 2: Response from Fire & Rescue NSW

Unclassified



Your Ref: PA6579
TRIM Ref. No: B16/1298

Margaret Crawford
Auditor General of NSW
Level 15, 1 Margaret Street
Sydney NSW 2000

5 October 2016

Dear Ms Crawford

Fire & Rescue NSW (FRNSW) welcomes the Performance Audit – Preventing and Managing Worker Injuries and appreciates the work undertaken by the Audit Office in this regard.

As acknowledged by the Audit Office, FRNSW has a comprehensive Injury Prevention and Injury Management program in place. Together, these programs have resulted in a reduction in the number of injuries sustained, both physical and psychological, and has assisted any firefighters who have been injured at work, make an efficient and durable return to work. These evidence based programs have been developed with a particular focus on required areas including:

- A reduction in musculoskeletal injuries
- Improved cardiovascular health
- Higher levels of mental health literacy and resilience
- Improved help seeking behaviours
- Increased levels of safety ownership and leadership
- Early intervention for those injured at work, defining different pathways for physical and psychological injury
- Identification of psychosocial issues affecting injured workers, enabling more intense support and assistance.
- Early and accurate diagnosis facilitating treatment in line with best practice.

In line with the Audit Office's comment regarding the need to manage the ongoing health risks to firefighters, and subsequently the effect firefighter health may have on the public, FRNSW support the recommendation to introduce a periodic mandatory health assessment program. Following the Audit Office report of 2014, FRNSW has finalised the Health Standard and an assessment framework and will continue to pursue implementation of the program.

FRNSW also support the recommendations regarding the improvement in management of off duty illness and injury.

Fire & Rescue NSW	ABN 12 593 473 110	www.fire.nsw.gov.au
Head Office 227 Elizabeth Street, Sydney	PO Box A249, Sydney South NSW 1232	T (02) 9265 2999 F (02) 9265 2988



Unclassified

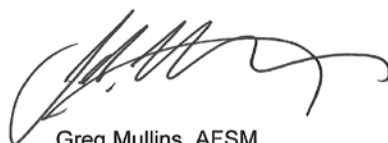
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While the agency is currently working on a policy and procedure to support this process, changes have already been implemented to provide more intense assistance to the commands in management of these ill or injured workers.

In regard to the Audit Office's recommendation to review the death and disability scheme's sustainability, FRNSW supports this process and seeks actuarial valuation each year. It should be noted that a large percentage of the increase in the Death and Disability liability has been attributable to economic factors, specifically the decrease in Commonwealth Bond rates. In 2015/16, 62 per cent of the increase in the liability was attributable to the reduction in bond rates during the year. Clause 11.4 of the Death and Disability Award was introduced in 2015 to help promote sustainability of the scheme and together with recent Health and Fitness initiatives, FRNSW intends to monitor the impact of these changes and make any necessary amendments to contributions.

Having consideration to the above, I support the recommendations provided by the Audit Office and will continually pursue improvements in our support systems in an effort to improve the health and safety of our workforce, and the level of service provided to the community of NSW.

Yours sincerely



Greg Mullins, AFSM
Commissioner

Unclassified

Page 2 of 2

Appendix 3: About the audit

Audit objective

This audit assessed how well NSW Police Force and Fire & Rescue NSW prevent worker injuries and manage the return to work of injured workers.

Audit scope and focus

The audit sought to answer the following questions.

1. Are programs and practices to promote health and prevent injuries effective?
2. Are programs and practices to support injured workers to return to work effective?
3. Are improved injury prevention and management practices reducing costs?

Audit criteria

For audit question 1. we checked whether:

- agencies use pre-employment screening to reduce the risks of workplace injury
- strategies and programs are in place to promote physical and mental health
- preventative programs are reducing the number and severity of injuries.

For audit question 2. we checked whether:

- a greater proportion of injured workers are returning to work and a lower number are being medically discharged
- rehabilitation programs are returning injured workers to work sooner and prevent re-injury
- agencies have appropriate return to work options for injured workers.

For audit question 3. we checked whether

- workers compensation costs are stable or declining over time
- death and disability scheme costs are sustainable
- agencies have local level accountability for managing scheme costs and outcomes.

Audit exclusions

The audit did not specifically assess the design or level of benefits provided by death and disability schemes. However, we may have commented on this issue where it affects our findings or to provide context.

Audit approach

Our procedures included:

- interviewing:
 - staff within the NSW Police Force and Fire & Rescue NSW who are responsible for coordinating and managing health promotion, injury prevention, return to work, workers compensation costs, and death and disability scheme costs
 - police officers and firefighters responsible for managing injured workers
 - key stakeholders
- reviewing:
 - policies and procedures relating to managing injured workers
 - best practice publications and guidelines for preventing and managing worker injuries
- examining agency data and statistics related to injury prevention, worker injuries, workers compensation costs and death and disability scheme costs.

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

Fieldwork visits

We also visited eight police stations and seven fire stations. We based our selection on the following factors:

- location – stations in metropolitan and regional areas
- operational capacity for police stations – stations currently with high and low capacity
- number of incidents for fire stations – stations with low and high number of incidents.

Police stations/operational units	Fire stations/operational units
Cabramatta	Bangalow
Flemington	Chester Hill
Lake Illawarra	City of Sydney
Liverpool	Gladesville
Newcastle	Gordon
Specialist Operations	Lismore
Wollongong	State Training College (Alexandria)
Wyang	

We also spoke to other stakeholders including:

- The Fire Brigade Employees' Union of NSW
- Police Association of NSW
- NSW Treasury
- NSW Department of Justice – Office of Police, Office of Emergency Services.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Audit Standards ASAE 3500 on performance auditing. The Standard requires the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with the auditing requirements specified in the *Public Finance and Audit Act 1983*.

Acknowledgements

We gratefully acknowledge the co-operation and assistance provided by the NSW Police Force and Fire & Rescue NSW. In particular we wish to thank our liaison officers and staff who participated in interviews and provided material relevant to the audit.

We would also like to thank other stakeholders that spoke to us and provided material during the audit.

Audit team

Claudia Migotto, Kevin Hughes and Daksha Sridhar conducted the performance audit. Tiffany Blackett was the Engagement Reviewer.

Audit cost

Including staff costs, travel and overheads, the estimated cost of the audit is \$245,557.

Performance auditing

What are performance audits?

Performance audits determine whether an agency is carrying out its activities effectively, and doing so economically and efficiently and in compliance with all relevant laws.

The activities examined by a performance audit may include a government program, all or part of a government agency or consider particular issues which affect the whole public sector. They cannot question the merits of government policy objectives.

The Auditor-General's mandate to undertake performance audits is set out in the *Public Finance and Audit Act 1983*.

Why do we conduct performance audits?

Performance audits provide independent assurance to parliament and the public.

Through their recommendations, performance audits seek to improve the efficiency and effectiveness of government agencies so that the community receives value for money from government services.

Performance audits also focus on assisting accountability processes by holding managers to account for agency performance.

Performance audits are selected at the discretion of the Auditor-General who seeks input from parliamentarians, the public, agencies and Audit Office research.

What happens during the phases of a performance audit?

Performance audits have three key phases: planning, fieldwork and report writing. They can take up to nine months to complete, depending on the audit's scope.

During the planning phase the audit team develops an understanding of agency activities and defines the objective and scope of the audit.

The planning phase also identifies the audit criteria. These are standards of performance against which the agency or program activities are assessed. Criteria may be based on best practice, government targets, benchmarks or published guidelines.

At the completion of fieldwork the audit team meets with agency management to discuss all significant matters arising out of the audit. Following this, a draft performance audit report is prepared.

The audit team then meets with agency management to check that facts presented in the draft report are accurate and that recommendations are practical and appropriate.

A final report is then provided to the CEO for comment. The relevant minister and the Treasurer are also provided with a copy of the final report. The report tabled in parliament includes a response from the CEO on the report's conclusion and recommendations. In multiple agency performance audits there may be responses from more than one agency or from a nominated coordinating agency.

Do we check to see if recommendations have been implemented?

Following the tabling of the report in parliament, agencies are requested to advise the Audit Office on action taken, or proposed, against each of the report's recommendations. It is usual for agency audit committees to monitor progress with the implementation of recommendations.

In addition, it is the practice of Parliament's Public Accounts Committee (PAC) to conduct reviews or hold inquiries into matters raised in performance audit reports. The reviews and inquiries are usually held 12 months after the report is tabled. These reports are available on the parliamentary website.

Who audits the auditors?

Our performance audits are subject to internal and external quality reviews against relevant Australian and international standards.

Internal quality control review of each audit ensures compliance with Australian assurance standards. Periodic review by other Audit Offices tests our activities against best practice.

The PAC is also responsible for overseeing the performance of the Audit Office and conducts a review of our operations every four years. The review's report is tabled in parliament and available on its website.

Who pays for performance audits?

No fee is charged for performance audits. Our performance audit services are funded by the NSW Parliament.

Further information and copies of reports

For further information, including copies of performance audit reports and a list of audits currently in progress, please see our website www.audit.nsw.gov.au or contact us on 9275 7100.

Our vision

Making a difference through audit excellence.

Our mission

To help parliament hold government accountable for its use of public resources.

Our values

Purpose – we have an impact, are accountable, and work as a team.

People – we trust and respect others and have a balanced approach to work.

Professionalism – we are recognised for our independence and integrity and the value we deliver.

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