

CONFIDENTIAL

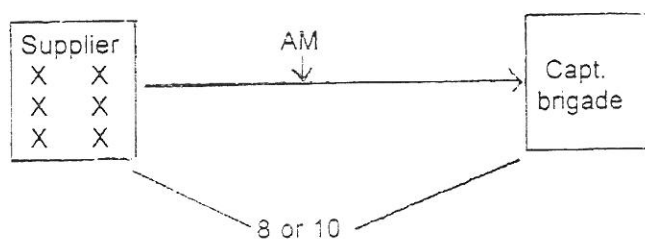
25th October, 1996.

Trevor,

My thoughts.

Define outsourcing.

1. CFA to have the ability to contract with a supplier (of people) to provide people with certain specified skills.
2. They will be "managed" by the brigade under the control of the Area Manager.



BCSO - are agents for linking brigade to the community

Positives

- No ESSS because the Act stipulates the CFA must be the employer
- overcomes expectancy of future progress career
- removal of 'dead heads'
- geographical flexibility
- award - potential problems further removed
- culture change
- political and change process is greatest factor
- administration

Negatives

- brigade reaction (may be a positive with the vols.)
- specialist skills may be a problem for a supplier
- cost
- training - CFA can supply
- strategic positioning of CFA - creating a pool of 'experts'

Development of a sub project brief for outsourcing:

- SWOT analysis
- Interviews with:
 - Skilled Engineering
 - SERCO
 - Transfield

No hurry for the completion of a whole project - we must do it properly.

I believe there are compelling arguments for outsourcing.

You need to have detailed but "scoping" discussions with:

- Skilled Engineering
- Serco
- Transfield

(Sally has the contact names).

