

### OCCUPATIONAL HEALTH AND SAFETY IN LOCAL GOVERNMENT – DECISIONS ON THE MANAGEMENT OF RISK

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#### Abstract

Victorian local government reform has occurred in two waves. In the first wave, which focused on the introduction of compulsory competitive tendering and performance management, there was a rapid growth of outsourcing. The second wave of reform under the label of Best Value qualifies the pressures to outsource but retains the focus on performance management. In this paper we explore the management of risk in the contractual environment which now characterises local government. We do so by concentrating on one risk exposed area (outdoor space) across two contracts.

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# **OCCUPATIONAL HEALTH AND SAFETY IN LOCAL GOVERNMENT – DECISIONS ON THE MANAGEMENT OF RISK**

## **INTRODUCTION**

The rapid growth of outsourcing in Australia in both the private and public sectors poses major problems for the management of occupational health and safety, as existing approaches tend to be premised on large and stable organizations with defined systems for managing occupational risks. In this study, the outsourcing of council services in the greater Melbourne area during the 1990s is used to illustrate the policies adopted in the outsourcing process and the potential effects of these policies on the management of occupational health and safety. While we report on the results of two case studies involving outdoor space (parks and gardens) this work forms part of a larger and ongoing project examining two risk exposed areas across a range of contractual settings.

In section 2 we outline the development of contracting in Victorian local government and the implications of compulsory competitive tendering and best value for risk management. Section 3 gives a brief outline of the method and data collection procedures used. A description of the two organisations which participated in the case study, together with a discussion of their approach to risk management, and a detailed presentation of the results of the study, is given in section 4. The final section presents a summary and discussion of the findings and highlights the factors that have contributed to each organisation's approach to management of OHS factors.

## **FROM CONTRACTING TO BEST VALUE IN LOCAL GOVERNMENT**

### **Local Government Reform and Competitive Tendering**

During the 1990s local government reforms attracted increasing attention, though progress was modest, with the notable exception of Victoria where a right wing Liberal-National Party coalition government was elected in 1992 and implemented a series of major changes. These reforms included reductions in rates and charges, redrawing of local government boundaries and amalgamation of councils, and the introduction of compulsory competitive tendering (CCT). Together these changes have had profound and continuing implications for local government in Victoria.

The introduction of CCT in October 1994 ushered in a distinctive form of contracting that had profound implications for the role of local government and ultimately the management of risk. It affected councils' objectives, the types of services they delivered, their organisational forms and management processes, their operational philosophies and values, and the types of industrial relations and employment practices which they pursued.

During the first four years of CCT, councils awarded the majority of tenders to in-house bid teams. As in the UK, there was a low rate of change in the source of service provision, though estimates vary. During the first year of CCT, some 77 per cent of local government services (by value), subjected to CCT, were won by in-house teams (Industry Commission Australia 1996). The relative success of in-house teams in winning contracts appears related to two key factors. First, some councils had a policy of preference for in-house bidders, and this was given effect through the particularities of the CCT process in each council; for example, by providing extensive assistance to in-house teams in preparing bids. Second, teams were able to lower labour cost components of bids through use of Local Area Work Agreements (LAWAs). These agreements operated as a third tier of employment regulation in theory providing protection equivalent to the safety net of wages and conditions set by awards of the Australian Industrial Relations Commission and enabling in house teams to implement departures from the enterprise bargaining agreements negotiated between the local government union (Australian Services Union) and the relevant council.

The impact of CCT in Victoria has been manifest in several ways. Firstly, it has promoted the restructuring of councils to provide the 'organisational architecture' to accommodate CCT. This has been based on

effecting a distinction between council functions as direct providers of goods and services and functions as purchasers and administrators of goods and services (purchaser/provider split). Advocates of this organisational division have argued that it provides greater freedom for providers to focus on service quality issues and cost effective and efficient provision, while enabling purchasers to focus on managerial effectiveness, ensuring value for money in provision, and identifying, articulating and monitoring customer needs. Critics have argued that this has led to an erosion of internal relationships within councils, an over emphasis on contractualism within councils, a loss of council organisational identity and a fracturing of common purpose (Ernst 1994; Ernst *et. al.* 1995).

In concrete terms, the purchaser/provider split has led to the flattening of the management pyramid and the devolution of decision-making and accountability, especially regarding operational issues. In some councils, it resulted in the introduction of profit centres managed internally and judged by their ability to achieve targets. In other cases it included the establishment of business units or incorporated businesses coexisting with the traditional bureaucratic organisational structure.

Secondly, CCT has impacted on the cost of council service provision. While many international studies of the effect of contracting out on costs indicate savings, the evidence is inconclusive and the level of estimated savings fell from 20 per cent in the earlier studies to approximately 7 per cent in more recent studies (Hodge 1996). There have only been limited assessments of the impact of CCT on costs of service provision in Victoria. Aulich (1997) reported few initial savings from CCT, primarily because of the transaction costs associated with its introduction. In a study of CCT in non-metropolitan municipalities it was found that less than 40 per cent of councils reported definite cost savings and 10 per cent could not provide estimates (Tesdorp *et. al.* 1994). Assessments of the cost impact of CCT are complicated by the difficulty of isolating its effects from those arising from other aspects of local government reform.

Thirdly, in terms of service quality, international and Australian research provides mixed findings (Domberger & Rimmer 1994). While some point to deteriorating service quality (Evatt Research Centre 1990; Rimmer 1993), others conclude that contracting out has resulted in either no change in quality or some improvements (Domberger, Farago; Hall & Li 1993; 1994; 1995). The Office of Local Government (1995) found that approximately half of the councils surveyed reported improvements in service quality resulting from tendering. Against this it has been argued that there is no systematic or comprehensive research to support claims that CCT has resulted in improved service quality and that the extent of the gains depends on the definition and perspective adopted is that of purchasers or consumers (Aulich 1997).

Fourthly, along with council amalgamations, CCT has been associated with changes in the level and structure of local government employment. There is abundant evidence (e.g. Ernst 1994; Paddon 1993; Teicher & Van Gramberg 2002) that employment losses occurred regardless of whether contracts were awarded externally rather than in-house. While there is a dearth of estimates it has been argued (Industry Commission Australia 1996; Ernst 1994) that job losses were greater when there was a shift to external provision. It has also been found (Ernst *et. al.* 1997; Teicher & Van Gramberg 2002) found that, as in the UK, CCT has led to an increase in part-time casual employment within councils, particularly among women.

Finally, although the introduction of CCT had an adverse impact on wages and conditions of local government employment, this has been variable across councils (Teicher & Van Gramberg 2002). For example, erosion of wages and conditions of employment has been identified in several Australian studies (e.g. Aulich 1997; Ernst *et. al.* 1997; Kenna 1998; Paddon, 1999; Walsh & O'Flynn 2000). Local Area Work Agreements have been the main vehicle for achieving savings through lowering wage rates, increasing the spread of ordinary weekly working hours, reducing or removing penalty rates and allowances, and cutting training opportunities. Walsh and O'Flynn (2000) found that of 249 LAWAs, 23 per cent reduced penalties for overtime below the award rate; 39 per cent replaced overtime with time in lieu and 32 per cent removed allowances.

## **BEST VALUE**

CCT was abolished by the Bracks Labor government which took office in Victoria in October 1999. The

new legislation replaced CCT with a requirement that councils pursue the principle of 'Best Value' by which was meant "a duty to deliver services to clear standards covering both cost and quality. However these standards will be set by each council and will reflect local considerations such as the economic impact and the retention of skills and jobs within each community" (Australian Labor Party 1999).

In contrast to the hasty implementation process associated with the local government reform process of the previous government, the Labor government engaged in an extensive process of consultation involving local government, communities and unions. Consultation was undertaken during 2000 and with implementation commencing in 2001. While ultimately subject to direction by the Minister for Local Government through the Department of Infrastructure, the focus of the consultative process was on developing a framework which would provide councils with choices as to how they satisfy the requirements of Best Value (Department of Infrastructure 2000).

Significantly, in meeting the requirement "to review services against the best on offer in both the public and private sectors" in section 280C(a) of the *Local Government (Best Value) Principles Act*, market testing is one of four options. More generally, while the implementation of Best Value retains a continuing focus on efficiency, a concern to meet the needs of the community and an associated requirement for councils to engage in continuing community consultation and monitoring is distinctive.

With the implementation of Best Value in its infancy it would be premature to conclude that the process will comprehensively reverse the trend toward outsourcing in local government. In some cases councils have already reverted to internal service provision, though this may partly reflect the fact that there is limited scope for commercial providers to profitably compete in areas like outdoor space and road maintenance. A continuing preference toward outsourced service provision is likely where councils believe savings have been made or that they have lost the skills, knowledge and expertise required to perform the particular service.

## **METHOD**

Phone calls and letters were used to recruit organisations which would co-operate with the research. Data was collected from members of the organisation in two stages. First, semi-structured interviews were conducted with managers of the contracted services and with staff members responsible for managing occupational health and safety risk in the organisation. Broadly, managers (and supervisors) were asked to describe their role in the organisation, the nature of the organisation's contract with their service providers, and its approach to risk management. Secondly, surveys were administered in person to a sample of employees working in an outdoor space contract in each organisation. The questionnaire was based upon the survey instrument developed by Larsson (1994). Before administration the survey was refined and piloted to ensure construct validity.

The surveys were administered to employees from the two organisations, one council and one major contractor, between July and October 2001. A copy of the instrument is appended. For practical reasons, 34 employees were surveyed, 17 in each organisation. Because of the small sample size this material should be taken as indicative and descriptive rather than as statistically representative. Reports detailing the results from the employee surveys were presented to the participating organisations and their comments were sought.

## **RESULTS**

### **The Two Organisations**

The council is a local government unit located in the Victorian metropolitan area. The council services approximately 162,000 residents and is responsible for providing a wide range of services to its community, ranging from maintenance of parks, shopping areas and roads to providing services such as libraries, home and community care, aged and youth services. The objective of the research was to focus on areas

specifically affected by the changes arising from the introduction of CCT and Best Value. Horticulture services was chosen because it met this criterion. Employees working in the horticulture department of the council are responsible for maintaining 332 hectares of reserves, 600 hectares of parks and gardens which include sporting facilities for golf, soccer, football, netball, basketball and cricket.

The introduction of CCT to local government brought dramatic changes to the way the council operated. The manager of commercial services explained that CCT placed councils in a competitive environment for the first time. He felt the changes forced members of the council to 'sit down and analyse how each department was run' (Interview 15 August 2001). Other managers felt that the introduction of CCT was also a time of uncertainty, partly due to other local government changes which were occurring at this time. The manager of the horticulture department explained that "it took some people a while to adapt to the new requirements and initially a lot was to do with people understanding what the specifications were requiring us to do" (Interview 14 August 2001).

The contractor is a privately owned multinational company which began as a branch of a local government council in its home country when a form of local government competitive tendering was introduced. When CCT legislation was enacted in Victoria, the company saw an opportunity to expand.

The organisation has core "expertise in key areas such as roading, open space management and property services" (Contractor website, 2001) and provides services in Victoria, South Australia, ACT and Queensland. Its turnover is estimated to be \$25 million in Australia with approximately two thirds of its Australian business being conducted in Victoria (Interview 13 September 2001).

The research focuses on two areas in the organisation: the tree services unit for Victoria and one open space management contracts. The contract includes provision of services similar to the horticulture department of the council. Such activities include grass cutting, garden bed maintenance, bushland maintenance, tree pruning and golf course maintenance.

Managers interviewed considered the environment within which the organisation operates to be very competitive. The manager of the tree pruning contracts explained that:

the councils have been quite smart at getting the most out of contractors for very little money which puts a lot of pressure on everyone in the contracting environment (Interview 14 September 2001).

In effect, the number of competitors in the industry was such that companies have found it difficult to reap economies of scope or scale from their operations. Hence the Human Resources Manager felt that his company could operate more successfully if it learned 'to quote at a reasonable margin or do not do the work' (Interview 13 September 2001). The Project Manager Tree Services felt this approach to tendering was typical of the industry as a whole and that it was leading councils to a re-consideration of their approach to contracting: "[C]ouncils are also acknowledging that they have to have a quality product" (Interview 14 September 2001).

## **RISK MANAGEMENT IN THE TWO ORGANISATIONS**

Interviews were conducted with key managers in each of the organisations in order to review the processes which each organisation used to manage the risk of an occupational health and safety incident. This section reveals the distinctive approaches adopted by the two organisations. It is considered that the difference in their management approaches was largely due to the environment in which each organisation operates and the resources they had available to devote to the management of occupational health and safety.

### **THE COUNCILS'S RISK MANAGEMENT APPROACH**

Council managers, including the Risk Manager, the OHS Officer and the Commercial Services Manager, were interviewed in order to gain an understanding of the council's attitude to risk management and

occupational health and safety. While the council feels compelled to contract out selected services, this is regarded as a major source of risk. Hence the Risk Manager stated that the “biggest business risk in local government is our contractors, whether it is through the contracting process itself or whether it is through the performance of the contractors” (interview 24 August 2001). To ensure that their contractors comply with OHS standards, the council includes specifications covering OHS issues in their contracts. These specifications are regarded as a powerful incentive for contractors to meet their occupational health and safety obligations. The OHS officer described how on one occasion, when a contractor did not comply with OHS requirements, by waving the contractor’s completed site safety plan “under their noses we got outstanding cooperation” (Interview 11 September 2001).

In order to meet its legislative obligations to provide a safe and healthy work environment the council has established a corporate OHS committee, and then 5 other OHS committees which represent each of the council’s departments. The corporate OHS committee consists of managers and OHS representatives from designated work groups (other OHS committees), representing 6 different work areas of the council. To ensure that OHS issues regarding contractors are dealt with during corporate OHS Committee meetings the council has included contractors as one of the designated work groups represented on the corporate OHS committee. This committee is considered an important part of the organisation’s OHS management system being a “central review point for occupational health and safety and Workcover matters” (Risk Manager Interview, 24 August 2001).

Some of the work groups also have their own OHS committee and those that do not are encouraged to include discussion of OHS issues during staff meetings. One manager described the inclusion of OHS as an agenda item for meetings or use of an OHS committee as important “to make them (staff) more aware of it and make OHS a part of the ordinary way of operating” (Risk Manager Interview, 24 August 2001).

More generally the council appears to have a constructive dialogue with contractors in regard to occupational health and safety matters. Rather than simply telling them what they are doing wrong the council convenes meetings and seminars to assist contractors in managing OHS. According to the Risk Manager, the council likes to focus on “developing close relationships with their contractors rather than being big brother waving a stick” (Interview 24 August 2001). By assisting their contractors in developing policies and procedures, the council is able to be reasonably confident that contractors are performing duties in a manner which is consistent with its OHS requirements.

## **CONTRACT CONSTRAINTS**

Contractor safety is treated as an issue of utmost importance. To make this point the Risk Manager uses a building industry example in which tiered sub- contracting meant that effective management of health and safety did not permeate through the whole site and the death of a contractor resulted. The council is working towards a requirement that contractors have the same systems in place as are applied to its direct employees (Risk Manager, Interview 24 August 2001).

Contractors are required to have an OHS management system, but in order to accommodate small organisations for which may be unable to sustain this cost, council will accept a written risk assessment or “some sort of generic job safety analysis”. If this is not provided, then the service will go to tender because the council likes to have “at least something in writing about what they [the contractors] are going to do, and are able to pull them up on it” (Commercial Service Manager, Interview 15 August 2001). In some cases the council provides its own OHS officers to assist with the development of the job safety analysis. However, even with the implementation of strategies for maintaining contractors’ compliance with OHS principles, the council believes that opportunities for contractor non-compliance remain. For example, one manager observed that detailed oversight is not possible because “[they]we do not have enough staff to actually go out and supervise every little job they [the contractor] do[es]” (Risk Manager, Interview, 24 August 2001).

Overall, the interviews revealed that the council placed a high priority on risk management in terms of policy development, management processes and resource commitment. This was reflected in the importance which the managers placed on managing the occupational health and safety risk associated with outsourced services.

This commitment is motivated by a range of concerns not the least of which are the well-being of contractors and their employees, legislative requirements and the costs and consequences of litigation arising from public liability issues.

## **MANAGEMENT STRATEGY**

The key strategies for managing risk in the occupational health and safety area were the development and implementation of policies, work systems and procedures for safe work practises, and the involvement of staff at all levels in workplace safety issues. The employment of full time OHS officers and the pursuit of external accreditation for its safety management system were also important strategies for the council. It decided to gain certification for SafetyMAP, an OHS management system recognised by the Victorian Workcover Authority, “because we needed a structured process in place in dealing with safety” (Commercial Services Manager, Interview, 15 August 2001). Council was particularly concerned to respond to a widely held view that it had been reactive in dealing with OHS performance. Achieving accreditation for its OHS management system would help to ensure that its processes and procedures for managing OHS would be properly recognised, implemented and upgraded as appropriate.

The Risk Manager described OHS as fundamental to the way the council behaves today although the initial driver for improving the management of occupational health and safety matters “was to lower Workcover costs” (Interview 24 August 2001). He believes that this still remains the focus of a long term strategy for ensuring a healthy and productive workforce, the short-term commercial benefits of which are difficult to demonstrate. Since the more focused management of occupational health and safety and the introduction of CCT, the council has experienced a dramatic reduction in the number of occupational health and safety incidents.

A number of factors contributed to the improvements in OHS performance. Both the Horticulture Services manager and the Commercial Services Manager felt the improvements were due to the extra resources and investment in occupational health and safety. For example, the reduced number of OHS incidents in the horticulture department was partly attributed to the employment of an extra full time occupational health and safety officer, which enabled the department to investigate all OHS incidents promptly rather than having to prioritise the workload. The Risk Manager believes that awareness and corrective action, “where more people are aware of the need to report, even near misses” is the main reason for the organisation’s improved occupational health and safety performance (Interview, 24 August 2001).

## **THE CONTRACTOR’S RISK MANAGEMENT APPROACH**

Operating in the heavily regulated and politically charged local government environment, the contractor aims to achieve a high level of occupational health and safety performance. However, the organisation aims to win contracts by including only a slender profit margin in its tenders because, of the “very cut throat” business environment (Interview 13 September; Interview 14 September). This gave rise to a reactive approach to OHS management as evidenced below. Due to the lack of specialist staff there is no person with responsibility for ensuring detailed compliance with OHS policies and procedures. Managers often respond to OHS issues and matters as they are brought to their attention, either through an incident or notification of OHS problems by staff members and supervisors. The contractor seems to rely on the fact that supervisors and employees generally “pulled each other up on OHS” (Project Manager of Tree Services Interview 14 September 2001). While the managers commented on their ad hoc arrangements for the management of risk, they genuinely felt that the organisation is doing all that it can with the resources available.

## **RESOURCE ISSUE**

Due to time constraints and lack of resources, managers rely on their employees and supervisors to ensure the organisation’s occupational health and safety policies and procedures are followed. One manager felt that “time constraints are our biggest issues ... we are struggling to do the things we are meant to be able to

do” (Project Manager Tree Services, Interview 14 August 2001). Another commented that his employees “are generally good, and understand that they should not muck around when it comes to occupational health and safety” (Human Resource Manager, Interview 13 September 2001). Time constraints were also blamed for a poor equipment maintenance schedule and difficulty in keeping up with the monthly workplace inspections and OHS audits. One manager felt the organisation uses equipment that some organisations “have turned over by now, but it does not necessarily mean that the organisation is using equipment that is inefficient” (Human Resources Manager, Interview 13 September 2001). The Project Manager of Tree Services pointed out the difficulty of giving priority to regular workplace inspections in order to minimize risk, and summed up the problem by stating that “at the end of the day you have a business to run” (Interview 14 September 2001). Both managers believe that the very competitive environment in which they operate leaves the company with little financial resources and time to allocate to the management of operations, especially OHS.

## **CONTRACT CONSTRAINTS**

The Project Manager expressed concerns about the organisation’s inability to change the way certain work was performed in order to minimise workplace risk exposure. He explained that sometimes the only means of eliminating such hazards was by changing the contract specifications, but this was not always acceptable to the client. In one case the contract specified that the grass had to be cut at a certain height, but this caused mowing equipment to throw up rocks and stones creating a hazard for the public and staff of the organisation. To eliminate this hazard, the cutting height needed to be raised but the client would not accede.

The use of contracts to provide services, often leads to situations of a binding contract between two organizations which do not have common ideas about how the work should be performed. It was felt that contracts are used by some councils “as a tool to make us [the contractor] work harder, rather than looking at what can be done to make the contract work better” (Project Manager Tree Services, Interview 14 September 2001). Some managers considered that councils have become very clever at getting contractors to perform work at the lowest possible cost, while still demanding work of a high quality.

The company also employs sub-contractors. The processes and procedures that are utilised for the management of sub-contractors are outlined in the corporate OHS policy. A clause in the company’s contracts with sub-contractors allows for the performance of OHS spot audits; these are generally conducted as soon as serious problems with the contractor’s management of OHS are observed. Awareness of serious problems usually been achieved in two ways: firstly, by using informal management observations and secondly by a formal evaluation procedure for contractors which is conducted annually in accordance with the organisation’s Quality Assurance System.

## **EXTERNAL ACCREDITATION**

It should be noted that, although the interviews with the managers revealed that the company is limited in its ability to be a “proactive” manager of OHS, it has implemented processes and procedures for the accreditation of SafetyMAP. The human resources manager revealed that the organisation had recently experienced a lapse in its initial level SafetyMAP accreditation due to a failure to provide up to date maintenance records. The manager explained that the organisation was forced to retrench its occupational health and safety officer because of financial restrictions introduced by the parent company. Responsibility for OHS management was passed onto another manager in the organisation with a considerable “load” of organisational responsibility, including recruitment and selection, and management of the quality assurance system. It was sometimes difficult for this new manager to ensure that everything was being done properly especially in guaranteeing the company’s OHS management system was running properly.

The company’s managers tended to view an accredited safety management system as a slight competitive advantage in the contracting environment. Accreditation of the organisation’s systems with SafetyMAP and ISO 9000 is something councils look for and it is “above what the smaller contractors have” (Project



Manager Tree Services, Interview 14 September 2001). However the Human Resources manager felt that accreditation was not cost-effective for the organisation, explaining that:

if we (the organisation) did not have QA and SafeyMAP, but still ensured that what we had in place was practiced and updated, we could save thousands of dollars and still achieve the same thing (Interview 13 September 2001).

Significantly, at the time of the interviews the company was preparing to re-apply for accreditation for its OHS, though this appears to have been primarily motivated by commercial considerations.

## **SURVEY RESULTS IN THE TWO ORGANISATIONS**

This section presents and compares the results of the surveys conducted with the council and contractor employees.

It should be noted that the demographics of employees surveyed at each organisation were quite distinct. The Council has a higher proportion of males to females and an older workforce. The majority of council employees were aged between 31 and 60 years, whereas the employees of the contracting organisation were aged between 21 and 40 years. The contractor's employees were generally better educated with 47.1 per cent having completed TAFE or other technical certificate compared with 23 per cent of council employees. Differences between the two groups carried through to employment duration. The contractor's employees have been employed with the organisation for a much shorter period: while 13 of 17 respondents from the council have been employed for more than 10 years, all of the contractor's employees had been engaged for 5 years or less. The nature of employment at the two organisations also differed as all employees surveyed at the council were employed full time, while 3 of 17 employees surveyed from the contractor were employed as casual staff.

## **PERCEPTIONS OF EMPLOYMENT SITUATION**

The survey participants from each organisation indicated distinct employment preferences. The majority (14 of 17) of council employees indicated that out of the options presented, they preferred to be employed by the council. Six of the 17 employees of the contractor shared this preference, while 10 indicated they would prefer to be employed by a sub-contractor. In effect the contractor was not the preferred employer of any of those surveyed.

The majority of council employees surveyed (12 of 17) felt their situation at work had improved. Employees from the contractor were less positive, with only 8 of 17 indicating their situation had improved. Similarly, employees at both organisations indicated that they enjoyed their work. However, more employees at the council responded "yes, absolutely" when asked if they enjoyed their work compared to employees surveyed at the contractor.

Responses differed markedly when the two groups of employees were asked whether they considered their occupation stressful or mentally taxing. At the company a majority (9 of 17) agreed that their work was stressful and mentally taxing. In comparison, only 6 of 17 employees at the council held this view. In a similar vein, a majority of employees at both organisations considered their work physically demanding, but this was more pronounced among employees at the contractor (12 of 17) than at the council (9 of 17).

In order to compare proportions of employees holding an "instrumental" or an "expressive" view of their job, respondents were asked to indicate which of the following two statements best represented how they felt about their job: 1. Smith feels: "This job is like any job, you do what is expected but the main thing is to bring home the pay". 2. Jones feels: "I really enjoy this job it gives me a sense of personal satisfaction". We found that a slightly larger proportion of the council employees indicated an "expressive" attitude towards their work.

A similarly designed item was used to examine whether employees considered their work to be repetitive, or full of variety. The two statements were: 1. Brown is doing the same thing every day. Every new task is similar to the one he just finished. 2. Clark is doing the something new everyday. He uses different equipment all the time. Every new task is different. Similar proportions of employees in both organisations found variety in their jobs, but a more pronounced group of employees in the council found their job repetitive.

The following item was used to determine whether employees perceived their job as providing social contact or imposing isolation: 1. Green works together with other people most of the time. 2. White works mainly alone and has very little contact with other people. The results indicate that a majority of employees perceived the job as working together with other people most of the time, however, this view was more pronounced among those employed by the contractor.

## **WORK ORGANISATION ISSUES**

The majority of employees in both groups indicated they had enough opportunities to discuss the way work is done. Equal proportions indicated that they had high levels of influence over how their job was done. The influence of supervisors on the way work is done was rated moderate to high by a slightly larger number of council employees. Similarly, a slightly larger number of council employees rated the public's influence on the job and their own influence over the way the job is done as high.

## **OCCUPATIONAL HEALTH AND SAFETY ISSUES**

Similar proportions of participants from both organisations considered occupational health and safety at work to be an important issue. Overwhelmingly the contractor's employees considered that their workmates were committed to occupational health and safety, but a larger proportion of the council employees indicated that their organisation was "absolutely" committed to OHS, and that their employer provided enough training in OHS matters.

The respondents from both the council and the contractor "felt" they could report an injury they receive at work with 13 of 17 employees of the contractor responding "yes, absolutely", while only 8 of 17 council employees felt so strongly. More employees from the contractor than from the council indicated they had experienced a work related injury during the past year. However, more council employees indicated they suffered from a continual form of ill health, which they associated with their work.

## **CONCLUSION**

A major finding of the research is that the commercial environment has inhibited the development of an OHS and risk management culture in the contractor. The interviews indicated that the market is competitive and profit margins are tight. OHS is not formalised in the corporate structure and tends to be addressed reactively when problems occur, though Safety MAP accreditation is being sought. The contractor indicated an inability to change work practices, being commercially bound by customer demands which sometimes have a negative impact on safety. Clients' requirements are stronger drivers for OHS than management convictions.

Conversely the council demonstrated a more mature and developed OHS and risk management culture with a strong emphasis on the important task of controlling and managing contractors, a formal structure of OHS representatives and committees, and a strategic target of reducing claims cost through investing extra resources into OHS, mainly in the form of training. This situation is clearly the result of the scale and scope of the council and the fact that together its political and legal accountabilities ensure that OHS performance receives a high priority.

The situation reported above is broadly collaborated by the interviews with employees in the two

organizations. The contractor employees are younger and have shorter employment and job experience, a fact which seems to reflect that this form of contracting is relatively new and that the cost conscious and insecure employment environment of contracting contributes to high labour turnover. The contractor's employees reported higher proportions of stress and physical demands and lower levels of perceived improvement in the work situation over the last couple of years. There are small but consistent indicators that council employees seem to have more influence over their work situation. In other areas, however, the two groups were alike. For example similar proportions believed their employer was committed to health and safety; that they had high levels of influence over how their job was done, and that occupational health and safety was an important issue for their employer.

The outsourcing of parks and gardens services is an example of a high-risk activity, where health, safety and occupational trauma risks must be managed pro-actively in order to maintain acceptable levels of injury and disease among employees. The contracting out of such services to private providers, where the management of OHS is rudimentary and substantial proportions of injury and disease with minor to medium severity is considered as excess carried by the company or simply suppressed, will potentially result in a real transfer of consequent costs from workers' compensation insurance (or self insurance) to Medicare and the injured workers family (Larsson & Betts, 1996).

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