

Relevant Information for Council

FILE: X094916 **DATE:** 16 November 2023

TO: Lord Mayor and Councillors

FROM: Veronica Lee, Director City Services

THROUGH: Monica Barone, Chief Executive Officer

SUBJECT: Information Relevant To Item 6.7 – Tender -2022-906 - Tree Maintenance and Urban Forest Services

For Noting

This memo is for the information of the Lord Mayor and Councillors.

Purpose

The purpose of this memo is to provide further information in relation to the Tree Maintenance and Urban Forest Services tender.

Background

At the meeting of the Corporate, Finance, Properties and Tenders Committee on 6 November 2023, further information was sought in relation to two items, with responses outlined below.

Apprentices/trainees under the current contract

Over the life of the tree maintenance contract, there has generally been 4 to 5% of staff engaged as trainees. This is commensurate with the City's internal parks' trainees/apprentices of approximately 5% and the contracted parks service delivery of approximately 9%. Note that these percentages are higher if applied to the relevant trade positions rather than the entire service that also includes management positions.

There are currently two trainees engaged under the current contract who are being trained in AQF 2 or AQF 3 Arboriculture, noting the course takes approximately 18 months to two years to complete. The number of trainees engaged changes over time and is based on a range of factors including;

- other staff skills / experience, as there needs to be sufficiently qualified and skilled staff that can directly supervise and assist the trainees.
- trainee attributes, noting the team configuration needs to account for considerations such as their age impacting their ability to obtain licences (e.g. vehicle, traffic control) and physical strength; and
- the overall service needs.

Trainee arborists are enrolled in AQF 2 or AQF 3 Arboriculture and tasks performed include machinery operation (e.g. chippers), worksite setup and maintenance, and progress through to support of aerial works and ground based pruning, based on the progression of their formal training, and as their skill and competency permits.

Consumer Price Index (CPI) and wage increases

The proposed service agreement (contract) for the service states “Service Provider is solely responsible for maintaining the employer/employee relationship with all Personnel, including but not limited to payment to Personnel of all wages, superannuation, annual leave, sick leave, long service leave, public holidays, redundancy payments or any other similar benefits or allowances under any legislation, industrial award, agreement or contract of employment...”. Tenderers for the service have confirmed that their workers are employed under the Gardening and Landscaping Services Award [MA000101]. The award is governed by the Fair Work Ombudsman. Minimum wages under the award are adjusted annually.

The proposed service agreement also includes a price adjustment (rise and fall) clause that states “The purpose of this clause is to provide the parties with an entitlement to make an adjustment to the Schedule of Prices and Schedule of Rates on an annual basis during the Term and any Further Term to manage the rise and fall in costs as a result of increases or decreases to CPI”. Clauses related to the mechanism and application of the adjustment are documented in detail.

More generally, the service provider is required to comply with all applicable laws in providing the services, including in relation to payment of personnel. The City also has general rights to audit the records of the service provider.

The contract also requires the service provider to only engage appropriately qualified, competent and experienced personnel who hold all required trade skills, licences and registrations for the complex type of work to be undertaken by the service provider.

Chronic shortages of skilled labour exist within the arboriculture industry. It is typical for skilled workers to be paid above minimum award wages in order to attract and retain a competitive workforce. The City has no control over increases or decreases to employee wages, related to CPI movements.

Memo from Veronica Lee, Director City Services

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Approved

P. M. Barone

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Chief Executive Officer