

# CCT, amalgamations, enterprise bargaining

*Rod Blacker, President of the Victorian Public libraries section*  
**comments on the public library scene in Victoria**

**L**ocal Government in Victoria is engaged in the most ambitious program of change seen for quite some time. Following after the election of the Kennett Liberal Government in 1992, plans of an agenda for change were revealed that have challenged the very nature of doing library business in the State. That agenda listed Local Government restructure, compulsory competitive tendering (CCT) and enterprise bargaining to be addressed in quick order.

Amalgamations have resulted in the formation of 78 Councils from an original 210 Councils and Shires. The task ahead is to resolve the structures of those Councils and the numbers of people required to fill the structure. The State Government's basic principle is that with fewer but larger Councils, economies of scale will offer opportunities for saving ratepayers money. The Government rhetoric identifies many millions of dollars to be saved; although just how much can be saved if the level of service is not to be affected remains to be seen.

There are certainly one-off costs to be met out of whatever savings do emerge: staff retrenchment packages as councils shed many duplicated positions, integration costs, conversion costs for data, retraining of staff, and so on must be met from existing resources. It is hard to argue against the idea of economies of scale, but what sort of threat single, large councils will pose is still unknown.

## CCT v cooperation

Compulsory competitive tendering (CCT) is a very prominent feature of the Local Government landscape. In principle it is designed to offer external

agencies opportunities to bid for Council business.

It must now extend the competitive process beyond the purchase of goods and into the delivery of services, including library services. Whilst there are, so far, no commercial deliverers of the full range of public library services there are commercial suppliers of aspects of services such as cataloguing/end-processing. What is becoming apparent is the change from cooperative agencies into competitive agencies.

Public libraries, once they have restructured/reconfigured and demonstrated their competitiveness will, at the behest of their Councils, also be encouraged to compete for the business of their neighbours near or far. Whilst the Minister for the Arts has acknowledged the value of cooperation between public libraries throughout Victoria, and has sought to support through cooperative project funding the continuation of this cooperative effort, the change from collaborating with a neighbour to competing with the same neighbour must affect the degree of cooperation that will survive the process.

## Enterprise bargaining

Enterprise bargaining is another feature that has long-term ramifications for public libraries. Currently all of Victoria's public library staff are covered by industrial awards that define and protect the terms and conditions of their employment. These terms and conditions however, are often more generous than those offered by private enterprise. Incremental annual advancement has traditionally been automatic, based on the assumption that with time comes experience that leads to increased value to the organisation. More

recent increments have been tied to achieving established goals. Not quite automatic but generally predictable.

Enterprise bargaining seeks to introduce productivity as the basis for further improvement to terms and conditions. Basic work conditions remain protected by the appropriate industrial award.

Productivity in a non-profit, service delivery area such as public libraries is a difficult concept to measure. It would be a mistake to rely simply on the quantitative measures already recorded by Victoria's public libraries as the basis for comparing productivity. So much of the cost of service provision is devoted to providing or improving the quality of service available.

A more important role for enterprise bargaining will be its use as a mechanism for introducing flexibility into previously restrictive award conditions, particularly in the competitive environment of CCT. In the long term enterprise agreements may supplant industrial awards.

It is difficult, if not impossible, to predict when stability will return to public library service provision in Victoria. For the foreseeable future public libraries will be seeking every opportunity for cost containment rather than service development. The priority will be to focus inwardly, for each to get their own operation into competitive shape, before looking for new opportunities outside the library.

The appropriate role for the Association over this period will be to ensure that public libraries continue to play their acknowledged vital part in information provision and that sufficient local, state and federal support is made available to ensure this can happen.



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