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Trashed: How Outsourcing Municipal Waste Collection Kicks Workers to the Curb

Two new garbage and recycling contractors began operating across Winnipeg last October. The 7-year deal replaced Emterra and Progressive with Miller and GFL as the City's solid waste collectors. While many concerns have been voiced about how the transition will affect city garbage services, little has been said about the quality of jobs for garbage collectors (who call themselves swampers) and drivers.

Research conducted by CCPA-Mb found that many of the swamper positions held by Emterra workers were filled through temporary help agencies (THAs). THAs pay minimum wage with no benefits and have no job security for the workers. Workers don't know from one day to the next if they will be working. Our research additionally found an apparent lack of concern for the health and safety of these workers by both the THAs hiring them, and Emterra who were contracting their services.

While the companies holding the solid waste collection contract in Winnipeg have changed, evidence has shown that outsourcing tends to create poor paying jobs and risky working environments. Municipalities often award the contract to the lowest bidder and consequently, these companies will often restructure their workforce from full-time employees to temporary contractor or sub-contractor relationships. These relationships allow employers to avoid paying union wages and providing benefits like pensions. This focus on cost reductions creates low-quality jobs and a reduced commitment to upholding safety standards which has significant effects on the lives and health of both workers and broader society.

Our research consulted 20 swampers doing

solid waste collection throughout the City of Winnipeg who were employed by Emterra through THAs. Workers using THAs to find work reported high barriers to employment including a lack of education, criminal records, and addictions issues and struggles to find affordable housing. Many of these workers reporting living in poverty; eleven of the twenty reported a total household annual income of less than \$20,000. And it's no wonder; since outsourcing, the rate of pay for swampers employed through THAs is \$11.00 per hour versus \$18.05 when the work was performed in-house. Adjusted for inflation, swampers are currently making \$11.08 per hour less than their counterparts in 2005. The low hourly rate combined with the lack of secure hours traps these workers in poverty.

They also reported a lack of control over working conditions, limited duration of work and a high risk of termination. Lack of protection from injury and a lack of training on proper health and safety procedures by both the THA and Emterra were also frequently mentioned. Many of these workers reported an unwillingness to report injuries or unsafe working conditions to the THA, Emterra, WCB or the Labour Board, because they feared not getting further employment. One worker reported being blacklisted after reporting unsafe working conditions to an Emterra dispatcher.

Between January 2012 and May 2017, twenty-two stop work orders (SWOs) were issued to Emterra. Reasons for the SWOs ranged from lack of personal protection equipment (PPE); lack of safety and

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training for employees including contractors; lack of first aid kits and fire extinguishers on the garbage trucks; workers riding on rear platforms on major routes or reversing along roadways; unsanitary conditions in the workplace including the washrooms; not providing workers with ‘electrical equipment considered safe or without defects’; among many others.

That it is taxpayers’ dollars indirectly subsidizing this precarious employment relationship should be of concern to the public. The province should also be concerned, as significant provincial resources go into monitoring and inspecting these companies. Precarious working conditions also increase the likelihood that workers will have to draw on public resources such as health care, EIA, disability or WCB.

Additionally, the claim that outsourcing municipal services saves money frequently proves false. This has led to many communities – including Port Moody, Ottawa, St. John and Montreal, to bring services back in-house or through a mixed-model. A City of Calgary report noted that while the drive for profit can, in some cases, promote efficiencies, it can also increase private delivery costs by an additional 5-20 per cent over public sector service delivery. The solid waste collection services in Calgary remain completely in-house.

The City of Winnipeg’s most recent Request for Proposals (RFP) stipulated that the contract need not be awarded to a private company if the services could be provided at a lower cost in-house. CUPE Local 500 however was not approached by the city to submit a proposal despite claiming that city workers could do the job at a lower cost while significantly improving labour standards for the drivers and swamper.

The city has taken some positive steps to remedy the problems observed during Emma’s tenure. The most recent solid-waste collection RFP restricted subcontracting to

fifty percent of all work and required that all subcontractors be named in the RFP. Any subsequent subcontractors have to be approved by the city. It does not however does not make mention of basic wage requirements or guarantee full-time regular work, which may mean that significant improvements for these workers will remain elusive. Additionally no criteria have been established for approving the subcontractors (e.g. THAs that haven’t been fined for violations of the WSH Act or Employment Standards etc.). Thus, a case can still be made for bringing services back in-house or mixed-model.

Other jurisdictions have found that bringing municipal solid waste services back in-house, or through a mixed-model, can improve the quality of both service provision and jobs while saving money. In the case of Winnipeg, solid waste collection could present an opportunity for the city to absorb workers through the training model used by local social enterprises that train and employ marginalized workers. With support, these workers could improve their labour market attachment and improve their circumstances.

We also need to amend the provincial regulations that allow for these exploitative conditions through THAs. Hiring employees through THAs allows companies to limit their liability and weakens their responsibility to ensure that the employees’ rights are respected. Ontario and other jurisdictions are adjusting their regulations to address these inadequacies. Manitoba can too.

Finally, the report concludes that all city contracts should include a socially conscious clause that requires that any THAs used in sub-contracting to meet a certain standard to ensure fair pay and fair working conditions.

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References available upon request.

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