



MANAGING THE BUILT ENVIRONMENT

Facilities Management Action Agenda



MESSAGE FROM THE MINISTER

Facilities management is one of those relatively new service areas which is determinedly growing into a sizeable and influential industry sector in Australia. This report *Managing the Built Environment: Facilities Management Action Agenda* is, therefore, particularly timely.

The Facilities Management industry plays a key role in managing the life cycle of our built environment. It's also an important contributor to Australia's economy and the wider community, employing more than 170,000 people and generating about \$12 billion of Australia's gross domestic product.

The Action Agenda takes a new and strategic approach to the many opportunities and difficulties the industry faces. It's the result of a close partnership between the facilities management industry and the Australian Government.

The Action Agenda identifies a total of 20 industry actions over five themes: Facilities Management in the Australian Economy; Maximising Innovation; Improving Education and Training; Addressing Regulatory Impediments; and Towards a Sustainable Future.

This has been a close collaborative effort and the industry has made the most of the opportunity. Thank you particularly to John McCarthy and the members of the Strategic Industry Leaders

Group, Working Groups, and the Facility Management Association of Australia and its constituent State Associations.

My colleague and Parliamentary Secretary, The Hon Warren Entsch MP, has also taken a keen interest in the development of this Action Agenda and I'm sure will continue to be closely involved.

Given the obvious enthusiasm and drive behind this industry program I have no doubt there will soon be news of its success as you work towards the recommendations over the next three years. I look forward to hearing about those achievements and milestones.

A handwritten signature in black ink that reads "Ian Macfarlane". The signature is fluid and cursive, written in a professional style.

The Hon Ian Macfarlane MP

Minister for Industry, Tourism and Resources



LETTER OF TRANSMISSION

The Hon Ian Macfarlane MP
Minister for Industry, Tourism and Resources
Parliament House
CANBERRA ACT 2600

Dear Minister

I am delighted to forward to you the report on the Facilities Management Action Agenda.

The report was prepared by the Strategic Industry Leaders Group (SILG) which I was most pleased to chair and which contained an excellent mix of high quality, committed industry people.

We entitled the report *'Managing the Built Environment'* because we believe the expression so aptly captures the idea of what this industry is all about. It is a relatively young and growing industry that has set itself a vision of being *'the foremost contributor to a productive and sustainable built environment through excellent and innovative management of facility services'*.

Facilities management is an industry of significance for Australia. A study we commissioned to Access Economics estimates that the industry accounts for \$12.4 billion gross domestic product (direct and indirect). This is equivalent to 1.65 per cent of Australia's

gross domestic product. The study also shows that the industry accounts for 172,000 jobs (direct and indirect) or 2.1 per cent of national employment.

The Action Agenda consists of 20 discrete actions related to raising public recognition of the industry within the built environment sector, governments and the wider community; improving innovation within the industry; raising the level of education and training within the industry; addressing regulatory impediments; and promoting the industry's role in improving the sustainability of Australia's built environment.

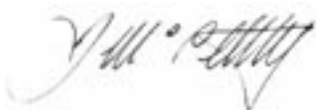
We recommend that you appoint an Implementation Group comprising leading people drawn from within the industry. The Group's job will be to implement the Action Agenda over a period which we estimate will take up to three years.

I would especially like to thank Parliamentary Secretary, the Hon Warren Entsch MP, for his invaluable guidance at the outset and generous sponsorship throughout the development of this Action Agenda.

I would also like to thank and congratulate all SILG colleagues, the many industry contributors on our working groups, and the Secretariat in your Department who helped us write this report.

I commend this report to you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John V. McCarthy', written in a cursive style.

John V. McCarthy

Chair SILG

1 December 2004



MINISTER'S STATEMENT			
CHAIR'S LETTER OF TRANSMISSION			
EXECUTIVE SUMMARY	I		
LIST OF ACTIONS	V		
DEVELOPMENT OF THE ACTION AGENDA	IX		
		CHAPTER 1: FACILITIES MANAGEMENT IN THE AUSTRALIAN ECONOMY	1
		Vision	1
		Industry strengths and weaknesses	1
		What is the facilities management industry?	4
		Facilities management as a profession	4
		Industry size and structure	5
		CHAPTER 2: MAXIMISING INNOVATION	9
		Innovation is a major driver for growth	9
		Sources of innovation	9
		Creating a culture of innovation	11
		Managing information flows	11
		Encouraging innovation	14
		Performance measures	15
		CHAPTER 3: IMPROVING EDUCATION AND TRAINING	17
		Workforce characteristics	17
		Education and training is essential	18
		Developing appropriate career pathways	18
		Competencies and industry needs	20
		A career of choice	23
		Workplace relations	24

CHAPTER 4: ADDRESSING REGULATORY IMPEDIMENTS	25	APPENDIX A: THE ACTION AGENDA PROCESS	43
The regulatory framework is complex	25	Developing the Action Agenda	43
Regulation and the Action Agenda	25	Strategic Industry Leaders Group (SILG)	43
Developing understanding and awareness	26	Working Groups	45
Regulatory reform must continue	29	Secretariat	48
A well respected voice	31	APPENDIX B: VOCATIONAL EDUCATION AND TRAINING	49
CHAPTER 5: TOWARDS A SUSTAINABLE FUTURE	33	APPENDIX C: ABBREVIATIONS, ACRONYMS	
Opportunities through sustainability	33	AND ENDNOTES	51
Taking up sustainability	34	Abbreviations and Acronyms	51
The way forward	34	Endnotes	52
Promoting sustainability	35		
Building relationships	35		
Disseminating information	35		
Promoting the business case	36		
CHAPTER 6: IMPLEMENTATION	39		
Implementing the Action Agenda	39		
Communicating the facilities management message	40		

The Facilities Management Action Agenda aims to develop a strategic framework for the growth of a sustainable and internationally competitive Australian facilities management sector.

The Minister for Industry, Tourism and Resources, the Hon Ian Macfarlane MP, announced the Action Agenda in January 2004. The Parliamentary Secretary to the Minister, the Hon Warren Entsch MP, assumed responsibility for overseeing the development of the Action Agenda.

A Strategic Industry Leaders Group (SILG) was appointed by the Minister to develop the Action Agenda. The SILG was chaired by a well respected industry representative, Mr John McCarthy, and comprised 15 people with a wide range of industry expertise.

VISION

The SILG adopted the following vision for the Australian facilities management industry:

'The facilities management industry will be the foremost contributor to a productive and sustainable built environment through excellent and innovative management of facility services.'

The SILG examined five main strategic areas which constitute the main areas of focus for the Action Agenda. The areas identified were: facilities management in the Australian economy; innovation; education and training; regulation; and sustainability.

The SILG also examined issues associated with implementing the Action Agenda and raising awareness about the facilities management industry more generally.

FACILITIES MANAGEMENT IN THE AUSTRALIAN ECONOMY

The facilities management industry evolved during the 1980s as a consequence of more widespread outsourcing by business of non-core activities, such as the management and maintenance of buildings.

The facilities management industry plays a significant role in the delivery of facility services to the built environment.

Its primary function is the provision of strategic management advice on the efficient operation of buildings and the minimisation of operational life cycle costs. The industry is also responsible for ensuring that services are delivered in a way that contributes to the productivity and profitability of building occupants, as well as improved returns for owners and investors.

The range of services provided include traditional building services such as repairs and maintenance, security and cleaning, as well as more highly technical services requiring skilled personnel.

A SWOT analysis undertaken by the SILG highlighted significant strengths and opportunities for the facilities management industry over the medium to long-term.

The adaptability and experience of the workforce is a key industry strength. The many technical and professional backgrounds within the industry have created a workforce with a good understanding of the specific services being delivered.

A major perceived weakness of the industry is its relatively low level of recognition among potential clients and the community in general.

In total, gross domestic product (GDP)—direct and indirect—contributed by facilities management to the Australian economy in 2002–03 was around \$12.4 billion. This is equivalent to around 1.65 per cent of Australia's GDP.

This includes a direct GDP contribution of \$8.6 billion or around 1.15 per cent of Australia's GDP, and an indirect contribution of a further \$3.8 billion or around 0.5 per cent of Australia's GDP.

Total employment—direct and indirect— by the facilities management industry was around 172,000 persons in 2002–03. This is equivalent to about 2.1 per cent of Australia's workforce.

The SILG proposes regular updates to industry data on size and structure, and continuing work with the Australian Bureau of Statistics to obtain improved data on the industry more generally.

INNOVATION

Achieving growth in the facilities management industry will depend on promoting a culture of innovation and bringing innovations rapidly into the market place.

To date, much of the innovation within the industry has been ad-hoc and iterative, building upon and adapting systems and services from other industry sectors. Some has occurred as a result of technology transfers through overseas linkages.

The SILG proposes that a Facilities Management Innovation Forum be established to facilitate the exchange of information and ideas, and that a web portal be set up to disseminate information.

The SILG also proposes actions to promote the benefits of innovation through greater industry collaboration and research and development, and to highlight the contribution that facilities management makes to workplace productivity.

EDUCATION AND TRAINING

Education and training is essential to creating a facilities management workforce that is recognised by clients as professional and capable of delivering a valuable service.

The SILG proposes that industry work with the vocational educational and training (VET) sector and universities to increase the availability of facilities management courses at the undergraduate level.



An innovative project to encourage greater collaboration between the VET and higher education sectors is also proposed, along with an awareness campaign to increase recognition of facilities management as a career of choice by school leavers.

REGULATORY IMPEDIMENTS

Facility managers' understanding of the regulatory system and its impact on the built environment gives the industry a substantial competitive advantage.

The SILG proposes a campaign to raise awareness about three important regulatory areas (asbestos, emergency evacuation plans and cooling towers) and recommends that the industry undertake initiatives to further the cause of regulatory reform in these and five other areas.

The SILG also proposes that the industry seek to participate in the various regulatory consultative mechanisms so that it can promote conformity of requirements and contribute to key areas of regulatory reform.

SUSTAINABILITY

Decisions by businesses and governments increasingly reflect community expectations about sustainability. The facilities management industry is in a strong position to influence these decisions to produce lower environmental impacts through practices that can benefit business.

The SILG proposes that the industry promote the role it can play in helping businesses respond to demands for sustainability. It also proposes that industry promote the role it can play in key industry and government forums on sustainability.

To enhance industry awareness of sustainability issues, the SILG proposes that the industry use the planned innovation web portal to disseminate information.

The SILG also proposes developing a business case model that highlights the costs and benefits of sustainable practices.

IMPLEMENTATION

An Implementation Group, comprising leading people drawn from within the facilities management industry, is proposed to implement a total of 20 actions incorporated in the Action Agenda.

The Group will need to work closely with industry stakeholders and meet regularly for a period of up to three years after the launch of the Action Agenda.

The SILG proposes an awareness campaign designed to communicate clear messages about the contribution the industry makes to Australia's built environment.

It also proposes that industry work with relevant government departments and agencies to identify opportunities to raise awareness of the facilities management industry.



FACILITIES MANAGEMENT
IN THE AUSTRALIAN ECONOMY

ACTION 1

Annually update data on the facilities management industry's contribution to the Australian economy.

ACTION 2

Consult with the Australian Bureau of Statistics with a view to obtaining improved data for the facilities management industry.

INNOVATION

ACTION 3

Establish a Facilities Management Innovation Forum for the facilities management industry.

ACTION 4

Establish a web portal for the facilities management industry to disseminate information and provide feedback on innovation, education and training, regulatory issues, and sustainability.

ACTION 5

Promote the benefits of innovation and encourage greater industry collaboration and investment in research and development.

ACTION 6

Highlight the contribution that facilities management makes to productivity by establishing performance measures and 'best practice' benchmarks, incorporating client input, with a specific focus on improving workplace productivity.

EDUCATION AND TRAINING

ACTION 7

Work with the Construction and Property Services Industry Skills Council to support the provision of vocational education and training for the facilities management industry.

ACTION 8

Work with Australian universities to increase the availability of facilities management courses at the undergraduate level.

ACTION 9

Develop an innovative project that will encourage greater collaboration between the VET and higher education sectors in the provision of facilities management education.

ACTION 10

Undertake an awareness campaign directed at those who influence career choice—including school counsellors, career advisers, educators, parents and students—to increase understanding of facilities management as a career.

REGULATION REFORM

ACTION 11

Promote awareness within the facilities management industry of the regulatory requirements applying in three selected areas (asbestos; emergency evacuation plans; and cooling towers).

ACTION 12

Identify the regulatory requirements for a further five identified areas (dangerous goods; fall prevention; confined spaces; plant safety; electrical inspection and testing and residual current devices).

ACTION 13

Promote conformity of regulatory requirements and contribute to key areas of regulatory reform.



SUSTAINABILITY

ACTION 14

Promote the role of facilities management in responding to increased demand for corporate accountability associated with sustainability performance.

ACTION 15

Promote the role of the facilities management industry in key industry and government forums addressing sustainability.

ACTION 16

Use the data web portal proposed in Action 4 to disseminate sustainability information.

ACTION 17

Develop a 'business case' model that highlights the costs and benefits of embracing sustainable practices in the use and management of materials; energy; water; waste; and indoor environmental quality, with a particular focus on workplace productivity.

IMPLEMENTATION

ACTION 18

Establish an Implementation Group comprising leaders of the facilities management industry to manage the implementation of the Action Agenda.

ACTION 19

Develop a communications strategy to increase recognition of the contribution of facilities management as an industry.

ACTION 20

Work with relevant government departments and agencies to identify opportunities to raise awareness of the facilities management industry and to consult on relevant government policies and programs.

The Facilities Management Action Agenda was announced by the Hon Ian Macfarlane MP, Minister for Industry, Tourism and Resources, on 19 January 2004.

In announcing the Action Agenda, Mr Macfarlane noted that its development had drawn strong industry support from many of Australia's facility management firms and that the sector was positively positioning itself to deliver improved productivity on many fronts.

An Action Agenda is a whole-of-government initiative to provide a collaborative framework within which industry and governments can jointly develop initiatives. The aim is to allow industries to identify and overcome barriers to development and fulfil their potential.

The Facilities Management Action Agenda had its origins in requests to the Australian Government from the Facility Management Association of Australia (FMA) on behalf of the industry (an outline of the Action Agenda development process is at Appendix A).

The FMA identified a number of key concerns for the industry. These included gaining recognition for the industry, establishing a distinct facility management career path, improving industry-wide innovation, recognising sustainability as a driver of business in the future, and the addressing the impact of regulation in the industry.

The objective of the Facilities Management Action Agenda is to develop a strategic framework for the growth of a sustainable and internationally competitive Australian facilities management sector.

The driving force behind developing of the Action Agenda was the Strategic Industry Leaders Group (SILG), consisting of a range of industry leaders and Australian Government representatives. Membership of the SILG was established by ministerial appointment.

The SILG was chaired by Mr John V. McCarthy, Director of property developer AEH Group and Chair of the Cooperative Research Centre for Construction Innovation. Mr McCarthy is also a member of the International Council for Research and Innovation in Building and Construction (CIB).

The remainder of the SILG was primarily made up of a variety of company representatives with a significant involvement in the facilities management industry.

In developing the Action Agenda, the SILG was assisted by the FMA, a range of other industry representatives, client groups, government agencies, and research and educational organisations.

Secretariat services for the SILG were provided by the Department of Industry, Tourism and Resources.

Between March 2004 and December 2004, the SILG met on five occasions, focussing on key strategic areas identified as important to the development of the facilities management industry. The identified areas were:

- facilities management in the Australian economy
- innovation
- education and training
- regulation
- sustainability
- implementation.

Working groups were established for each of the identified areas. The working groups critically analysed the issues and reported their findings back to the SILG which was responsible for preparing this Action Agenda report.

The membership of the SILG was as follows:

Members of the Strategic Industry Leaders Group

Mr John V. McCarthy (Chair)	AEH Group
Mr Stephen Ballesty	Rider Hunt
Mr Steve Gladwin	Tungsten Group
Mr Ian Fox	Stockland Corporation
Ms Jane Hamilton	ANZ Banking Group
Mr George Harley	CSIRO
Mr Chris Hunt	Resolve FM
Mr Ross Johnston	Spotless Group
Mr Andrew Junor	Investa Property Group
Mr Warren Kerr	Hames Sharley
Mr Jon McCormick	Multiplex Facilities Management
Mr Ross Murchie	Connell Mott MacDonald
Mr John Phillis	Telstra Corporation
Ms Sue Pridmore	Coles Myer
Mr David McCarthy	Department of Industry, Tourism and Resources

CHAPTER 1

FACILITIES MANAGEMENT IN THE AUSTRALIAN ECONOMY

OBJECTIVE

To gain an understanding of the facilities management industry and its contribution to the Australian economy.

VISION

The facilities management industry will be the foremost contributor to a productive and sustainable built environment through excellent and innovative management of facility services.

The Australian facilities management industry has the potential to make a major contribution towards a productive and sustainable built environment.¹

The industry evolved during the 1980s as a consequence of a more widespread trend by business towards the outsourcing of non-core activities, such as the management and maintenance of buildings.

As an industry, facilities management plays a significant role in the delivery of facility services to the built environment.

Facilities management is a rapidly developing industry with strong prospects for future growth. Its challenge is to be recognised for its strategic contribution to the built environment.

Future opportunities for the industry lie in client demand for high quality and integrated management services that deliver measurable benefits to organisational objectives.

This Action Agenda aims to make changes that enhance the industry's capacity to capture future opportunities. Specific actions will be directed towards strategic management elements of the industry.

The success of the Action Agenda will depend on the industry's commitment to the task and on the leadership provided by individuals, firms and industry organisations.

INDUSTRY STRENGTHS AND WEAKNESSES

A SWOT (strengths, weaknesses, opportunities, threats) analysis undertaken by the SILG highlighted significant strengths and opportunities for the facilities management industry over the medium to long-term.

The adaptability and experience of the workforce is a key industry strength. The varied technical and professional backgrounds of those in the industry have created a workforce with a good understanding of the specific services being delivered.

The facilities management industry comprises firms ranging from highly specialised niche consultancies to large, diversified companies with strong international linkages. This gives the industry the flexibility to respond to a range of client demands.

FIGURE 1: SUMMARY OF INDUSTRY SWOT ANALYSIS

STRENGTHS

An adaptable and highly experienced workforce drawn from a wide variety of backgrounds

Diversity of company structures from large, multi-functional companies with international links to small, specialised firms in niche markets

Position as an intermediary between significant sectors of the economy

Role in regulatory compliance

WEAKNESSES

Little recognition of the industry and the profession within the market place and the community

No clear identity or shared understanding within the industry

Low value placed on innovation

Facilities management seen by clients as an overhead cost

Fragmentation of industry representation and leadership

OPPORTUNITIES

Facilitating communication between the various groups participating over the life span of the built environment

Growing community interest in a sustainable built environment creating demand for commercially acceptable solutions

Export opportunities in the Asia–Pacific region

Public–private partnerships— potential to act as intermediary between the various players and to manage risk sharing

Leadership via a strong industry organisation

THREATS

Existence in related industries and professions of skills and knowledge to provide similar services

Failure to attract high quality talent to the profession

Failure of potential clients to recognise the industry's contribution to profitability, productivity and regulatory compliance

FACILITIES MANAGEMENT IS...

'The industry that manages the various forms of the built environment to support organisations' objectives'²



The industry positions itself between facility owners and occupiers, and suppliers of services to facilities. With improved strategic management, these relationships can be built upon to help clients raise productivity and improve organisational performance.

A major perceived weakness of the industry is its relatively low level of recognition among potential clients and the community in general.

In particular, a lack of awareness among school leavers and others about the industry and the profession has made it difficult for the industry to attract high quality recruits.

A perceived threat to the development of the industry derives from a failure of potential clients to recognise the industry's contribution to profitability, productivity and regulatory compliance.

Figure 1 gives an overview of the SWOT analysis.

The SWOT analysis reveals that changing attitudes could create major opportunities for the industry. There is a growing understanding among building owners and occupiers that life cycle costs of a facility can be managed to the longer term benefit of their businesses.

Growing community interest in a sustainable built environment is also translating into new market opportunities for the industry.

Recent years have seen an increasing take-up of Public-Private Partnerships (PPPs) within the built environment. The industry is well placed to provide strategic input which can lessen the risks for clients and distribute the impact of risk more equitably among stakeholders.

PPPs also provide an opportunity for clients to bundle a number of facility services within a single contract.

With few exceptions, most firms focus on servicing the domestic market. While a number of larger firms are engaging with the commercial property market in Asia, export activities represent less than one per cent of industry output.³

The rapid growth of economies in the Asia-Pacific region has led to an expansion of the non-residential built environment in these countries. This should present the Australian industry with export market opportunities.

Many of the measures outlined in this Action Agenda will serve to strengthen the domestic market. A strong domestic market can provide a platform for the growth of exports.

WHAT IS THE FACILITIES MANAGEMENT INDUSTRY?

The facilities management industry plays a significant role in the delivery of facility services to the built environment.

The industry's primary role is to provide strategic management advice to maximise the efficient operation of buildings and to manage life cycle and operational costs. It also delivers services in a way that contributes to the profitability and productivity of the occupants' businesses.

The services managed and delivered by facilities management firms relate mainly to the operation of a building. This includes traditional building services such as repairs, maintenance, security and cleaning, as well as more highly technical services requiring skilled personnel.

The industry does not normally provide services that relate to the operation of individual businesses occupying buildings, such as electricity, and information technology and telecommunications services.

Factors continuing to drive the growth of the facilities management industry include the ongoing trend among businesses towards outsourcing non-core business activities and a greater tendency for businesses to lease rather than own premises.

These trends have increased market demand beyond the delivery of individual services towards a more integrated and strategic approach to providing facilities services.

The future shape of the industry will be influenced, in large measure, by its ability to supply commercially driven and tactical advice that will help businesses manage change and risk related to the life cycle operation of buildings.

FACILITIES MANAGEMENT AS A PROFESSION

Facility managers are employed in many contexts, perform many different activities and require a range of personal qualities, capabilities, knowledge and expertise to do the job.

To date, most facility managers have been recruited from related trades and professions. These 'transitioners' have acquired the necessary skills through on-the-job training, VET certificate and diploma courses or short-term professional development courses.

THE FACILITY MANAGER – THE ROLE IN PROFILE

A typical facility manager can be found working in any office building around the world. While the social infrastructure may vary and languages may change, the work of the facility manager is the same.

Office buildings provide workplaces for large numbers of people. The facility manager may have responsibility for both building occupant safety and the management of life safety systems. The facility manager may also be responsible for ensuring that the building complies with relevant laws, and that it provides a productive working environment through adequate lighting, ventilation and technology.

Buildings are long-lived assets expected to generate returns for investors. They are also expected to function efficiently for more than 30 years without harming the environment.

Office buildings also periodically undergo major refurbishments. Buildings can today be worth more than \$300 million, collecting in excess of \$20 million each year in rent.

Every day in factories, schools, hospitals, shopping centres, banks, office buildings and theme parks, facility managers help provide a great place to work, a safe place to visit and, for owners, a sound investment for the future.

Source: Education and Training Working Group

Facility manager professionals include people with professional, technical and trade backgrounds such as plumbers, electricians, quantity surveyors, architects and engineers.

In response to increased demand from clients for a more integrated and strategic service, the industry has moved to recruiting people with tertiary qualifications in facilities management. These people bring with them a range of business management, communication and other commercially focused skills.

Facility managers exercise differing levels of responsibility. At one level, the manager may supervise a single site, with a focus on the operational aspects of service provision and supervision of tasks. At higher levels, facility managers develop strategies for large, national or global organisations with many sites and types of facilities.

The facility manager, at the highest level, is responsible for developing and implementing corporate facility policies and procedures, and reporting to executive management.

INDUSTRY SIZE AND STRUCTURE

To date, there has been little reliable information on the size and contribution of the facilities management industry in the Australian economy. The Australian Bureau of Statistics (ABS) does not collect separate statistics for the industry.

A study commissioned by the Facility Management Association of Australia (FMA), and undertaken by Arthur Andersen in 1999, suggested that the industry was potentially an important component of the property sector and capable of a sizeable contribution to Australia's gross domestic product (GDP).⁴

The SILG commissioned the consultancy firm Access Economics to undertake a statistical study of the industry.⁵

The Access Economics study measured the total of all facilities management activities throughout Australia whether delivered in-house or outsourced. These activities relate to the building's operation, including the management and supply of services to the building.⁶

The figures reported below are sourced from the Access Economics study.

Contributing more than \$12 billion to the Australian economy

In total, GDP (direct and indirect) contributed by facilities management to the Australian economy in 2002–03 was around \$12.4 billion. This is equivalent to around 1.65 per cent of Australia's GDP.

This includes a direct GDP contribution of \$8.6 billion or around 1.15 per cent of Australia's GDP, and an indirect contribution of a further \$3.8 billion or around 0.5 per cent of Australia's GDP.

The indirect GDP figure measures the additional demand that the industry generates for goods and services provided by upstream industries such as suppliers of cleaning materials, electricity and replacement parts.

Employing 170,000 persons

Total employment (direct and indirect) by the facilities management industry was around 172,000 persons (full time equivalents) in 2002–03. This is equivalent to about 2.1 per cent of Australia's workforce.

This includes a direct employment contribution of around 135,000 persons or around 1.6 per cent of Australia's workforce, and an indirect employment contribution of a further 37,000 persons or around 0.5 per cent of Australia's workforce.

Of those directly employed, it is estimated that 16,000 were engaged in providing management services for facilities. Within this group, around 2,000 persons were office and support staff.

The remaining 119,000 persons provided facility services, such as cleaning, security and maintenance.

FIGURE 2: FACILITIES MANAGEMENT CONTRIBUTION TO THE AUSTRALIAN ECONOMY (2002–03)

Facilities management contribution	GDP (\$m)	Employment ('000)
Direct management component	1,982	16
Direct service supplier component	6,662	119
Total direct	8,644	135
Total indirect	3,753	37
Combined direct and indirect	12,397	172
Combined share of Australian economy	1.65%	2.1%

Source: Access Economics

A changing industry structure

Facilities management remains a relatively young industry. Since the 1980s and early 1990s, many large organisations have developed separate service, management and delivery units. These units sit alongside other internal service providers and contribute advice to senior management.

Independent facilities management businesses and consultancies run by facility management professionals are now commonplace and provide specialist services to supplement the work of large organisations and their internal operations.

A number of large, internationally active firms have established or acquired divisions dedicated to the provision of facilities management services. Many of these larger firms have grown out of related industry sectors.

Providers of outsourced operational services such as catering and cleaning have added facilities management to their range of services. These firms generally deliver and manage a range of services through a single contract.

Large accounting, property management, architecture and consulting engineering firms also offer facilities management services. These firms can act as head contractor, letting individual contracts on behalf of the client.

A number of large construction companies are also actively engaged in the industry in order to capture revenues over the life of the facilities they have created.

Need for improved industry statistics

Quality statistics are essential to any industry, and especially to an emerging industry such as facilities management which is at a critical stage in its development.

Statistics can provide information on production and employment trends, inter-industry relationships, market opportunities, potential threats and a range of other matters that point to the industry's future and influence decision-making.

The Access Economics study has provided a starting point for collecting statistics on the industry. In the short-term, the industry can build on this work to update current industry statistics.

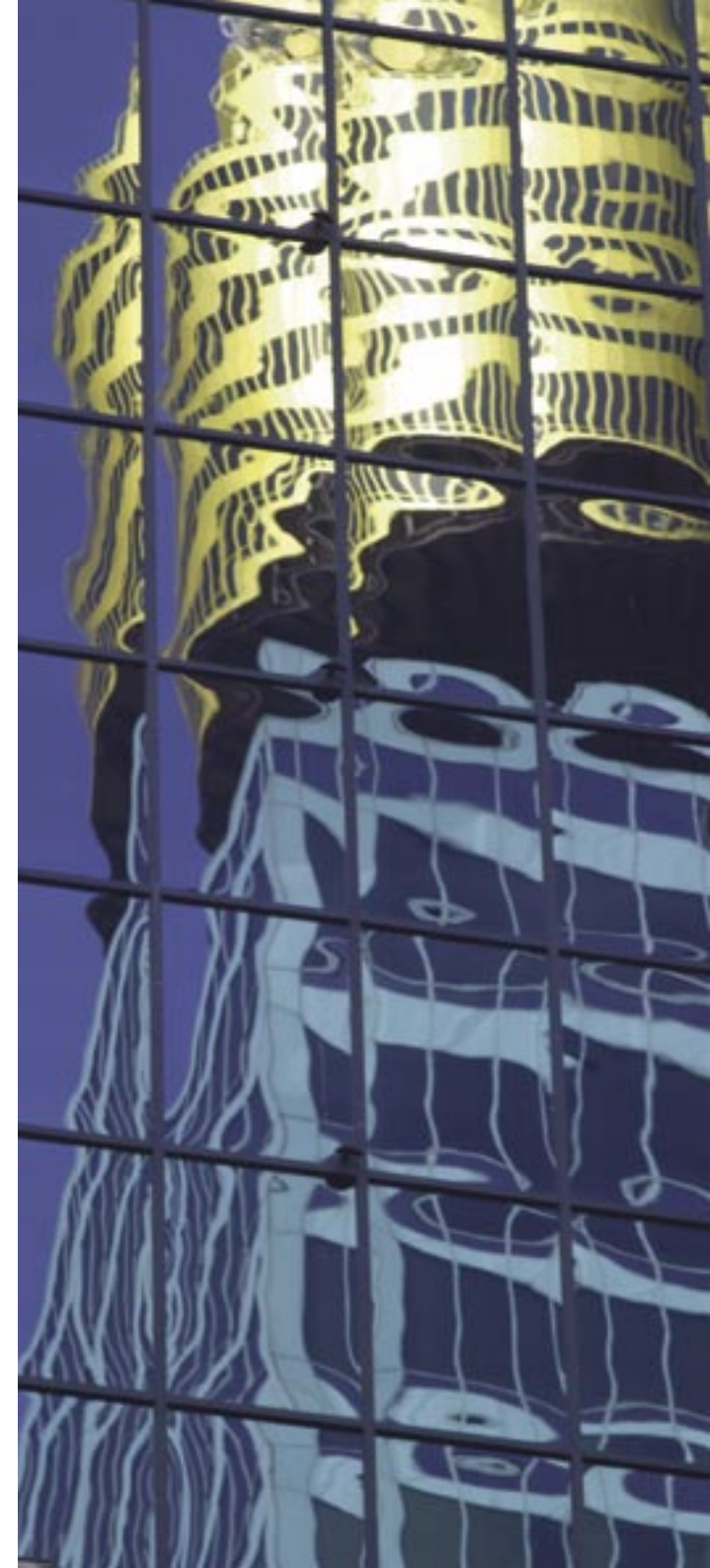
Over the longer term, the industry can work with the ABS to generate improved industry statistics.

ACTION 1

Annually update data on the facilities management industry's contribution to the Australian economy.

ACTION 2

Consult with the Australian Bureau of Statistics with a view to obtaining improved data for the facilities management industry.



OBJECTIVE

Foster innovation in the facility management industry to increase corporate productivity and sustainability of economic, social and environmental capital.

INNOVATION IS A MAJOR DRIVER FOR GROWTH

Although facilities management is a relatively young industry in Australia, it has reached a major turning point in its development. Knowledge, skills and an innovative culture will drive growth in the industry and determine the capacity of firms to compete in a rapidly changing market place.

Unlike innovation in production-based industries, facilities management innovation is not based solely on the proliferation of new products or production processes. Innovation in facilities management also applies to service delivery processes and business models.

Facilities management integrates a range of disciplines and systems throughout the life cycle of facilities. This contribution of ‘soft skills’—problem solving, effective communication, teamwork, self-management and creative thinking—differentiates innovation in this industry from innovation in other industries.

Historically, facilities management has been seen as an ‘overhead cost’ of operating a building or facility. More recently, the commercial imperative for innovation is the client’s desire for increasingly efficient and cost-effective solutions to specific problems. Many solutions will deliver a significant ‘multiplier’ for business productivity, resource allocation and quality-of-life considerations.

Strategic planning combined with tactical implementation is essential in developing innovative processes and services that will enable facilities management professionals to be more competitive and productive.

SOURCES OF INNOVATION

To date, much of the innovation in the facilities management industry has been ad-hoc and iterative, building on and adapting systems and services from other industry sectors. Some innovation has occurred as a result of technology transfers from overseas linkages.

Research to improve the industry knowledge base and to develop new products and processes is already underway in universities and other research agencies, such as the Cooperative Research Centre for Construction Innovation (CRC CI) and the CSIRO Sustainable Built Environment research group.

Industry associations and professional institutes also facilitate the transfer of knowledge which contributes towards increased innovation. They provide mechanisms and networks for disseminating information and for investigating collaborative research opportunities.

These organisations include the Facility Management Association of Australia (FMA), the Property Council of Australia, the Tertiary Education Facility Management Association, the Royal Australian Institute of Architects, the Australian Institute of Quantity Surveyors, the Australian Institute of Building, the Australian Association of Consulting Engineers, and the Australian Property Institute.

The benefits of innovation to the facilities management industry and its clients are highlighted in the following areas:

Whole-of-life

Whole-of-life concepts factor in the range of costs incurred over the life of a built asset. These concepts can demonstrate the value to be gained from engaging with a facility manager early in the planning and procurement phases as well as over the long-term.

The innovative use of whole-of-life concepts will lead to better investment decision-making, more efficient regulatory compliance, a more sustainable built environment, and increased productivity.

Occupation of the workplace

Evidence exists to suggest that worker satisfaction within the workplace leads to increases in productivity, among other benefits.

Innovation that looks at health and wellbeing, flexibility and change, organisational suitability, and risk management strategies can contribute to the welfare of individuals, businesses and the wider community.

Measurement and management

The development of key performance indicators can show how the facilities management industry measures up internationally and against other Australian industries. Such indicators can highlight the levels of innovation needed to stay competitive and to achieve world's best practice.

Future planning for innovation

Future planning is about 'staying ahead of the game' and maintaining relevance. Strategies to achieve this could include identifying sources of high quality data, disseminating information on key trends, and providing forums such as discussion groups and newsletters to encourage information exchange.

INNOVATION IS...

'Understood as the process by which ideas are transformed, through economic activity, into sustainable value-creating outcomes'.⁷

ALLIANCES SPEED TECHNOLOGY AND INFORMATION TAKE-UP

The Facilities Management Association has formed global alliances, such as 'Partners in FM Excellence' with the British Institute of Facilities Management and the International Facility Management Association.

Such agreements provide scope for international co-operation and development in best practice, technology diffusion, information dissemination and educational/qualification standards.

Recently the three organisations formally agreed to provide reciprocal member access to each other's websites and knowledge initiatives. This enables 30,000 facility managers to share and benchmark their activities.

Source: Facility Management Association of Australia

CREATING A CULTURE OF INNOVATION

The industry's development potential can be enhanced by promoting a culture of innovation and by bringing innovations more rapidly to the market place.

Innovation within the industry is hampered by a lack of recognition and understanding of the role of facilities management in the built environment.

Characteristics of the industry such as attitudes to competition, industry fragmentation, and the 'sandwich' nature of the industry — arising from competing interests between clients, occupants and service providers — also acts as a barrier to innovation.

Issues relating to technology such as ownership of intellectual property, access to information, and the lack of meaningful benchmarks also work to inhibit innovation.

Specific features of facilities management firms, such as their focus on 'getting the job done' and reluctance to allocate resources to innovation which can have a longer and riskier payback period, are further inhibitors of innovation.

The facilities management industry is well positioned to drive change for its practitioners, advisors and, ultimately, user groups as stakeholders in the delivery of innovative facilities management.

The industry could play a leadership role in promoting 'best practice' in technology and information management, and in facilitating cross-discipline and cross-industry collaboration.

By setting challenging benchmarks of high performance, and by streamlining the flow of information, the industry can ensure that it remains relevant to clients and that performance information is readily accessible and useful.

To exploit this opportunity, the industry will need to build stronger relationships with key organisations such as the CRC CI and other research bodies.

Better use of government assistance programs supporting private sector investment in research and innovation can also help realise the industry's innovative potential.

MANAGING INFORMATION FLOWS

The facilities management industry constitutes a strategic hub for a network of service providers, supporting the ongoing operations, maintenance and amenity of the built environment and, increasingly, its design and procurement.

A rapidly changing marketplace and growing expectations have contributed to the increased complexity of data available to individuals and firms. This has substantially impeded the speed with which information essential for the diffusion of technologies and process improvements can be disseminated.

A key objective is to speed up the process by which innovative ideas, technologies and processes are delivered to the industry. Information will need to be relevant, accessible and usable for a range of stakeholders, including facility users, owners and investors.

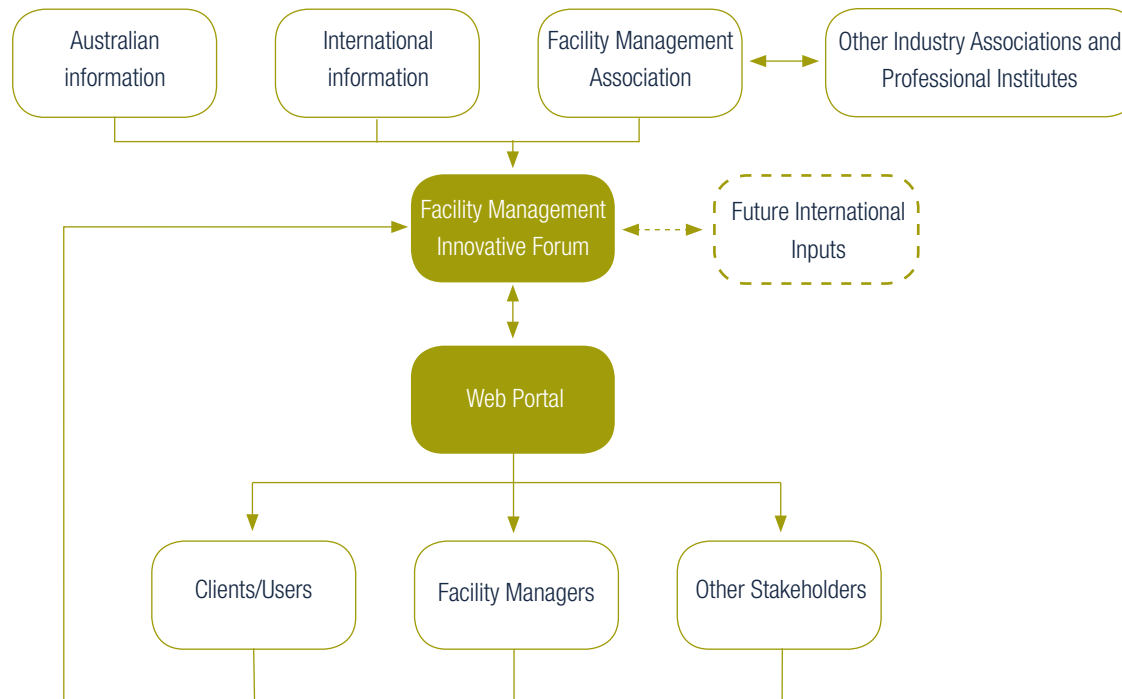
Stakeholder input into the innovation process will reinforce innovation as a driver for growth by moving the industry away from supply driven solutions that focus on efficiency improvements. Market driven or 'demand-pull' innovation

will enable the industry to respond more effectively to client requirements and to anticipate market change.

Better management of information flows requires a strategic understanding of the innovation process and establishing effective means to gather and distribute information to a broad audience.

Figure 3 shows how the facilities management industry might better manage information flows to encourage greater innovation.

FIGURE 3: STRATEGIC MANAGEMENT OF INFORMATION FLOWS FOR INNOVATION



USING EXISTING TECHNOLOGIES IN INNOVATIVE WAYS

Corrections Victoria, a business unit of the Department of Justice, is responsible for the operations and facilities management of 11 public prison facilities in Victoria, comprising approximately 200,000 m² of physical assets.

A coordinated facility management approach applying the innovative use of existing technology was piloted involving Victoria's two women's correctional facilities.

Facilities Asset Condition Audits on these facilities included the use of hand-held computers which integrated computer-aided drafting floor plans and digital imagery with a database that provided a web-based browser reporting interface. Life Cycle Analysis data and Life Cycle Costing data were also integrated within the database for long-term planning and audit outcomes.

Significant savings were achieved to the project both in time and cost. The objective to achieve a minimum 95% coverage of all possible asset conditions in predefined formats was met. This enabled Corrections Victoria to efficiently roll-out repairs and maintenance to their assets, using third-party contractors and so on, in a programmed and unambiguous manner.

The strategic facilities management outcomes arising from this helped establish a framework for future direction in design, construction and operation of correctional facilities in Victoria.

Source: Corrections Victoria and Architektonic Pty Ltd



An innovation forum

A first step in promoting timely and relevant flows of information could be to establish an Innovation Forum. This would enable industry participants to come together, possibly on an annual basis, to exchange information and ideas.

The primary aim of the forum would be to gather, filter and disseminate information and data on best practice in innovation for the facilities management industry at the local and international levels.

The proposed Innovation Forum could also provide for international facilities management input, potentially via the Facility Management Association's 'Partners in FM Excellence' agreements with British Institute of Facilities Management, International Facility Management Association and others.

ACTION 3

Establish a Facilities Management Innovation Forum for the facilities management industry.

A web portal

A second, and enduring, means of promoting the timely and relevant flow of information relating to innovation would be the development of an information web portal.

The portal could be sponsored by an existing and related organisation such as the FMA, Australian Sustainable Built Environment Council or Cooperative Research Centre for Construction Innovation and could disseminate information to the broader industry.

Initial areas of focus for the portal could be the four areas identified as priority areas for innovation:

- whole-of-life
- occupation of the workplace
- measurement and management
- future planning for innovation.

The portal could cover developments in technology, shifts in the market place, lessons learned by others, and changes in the regulatory environment. The portal could also provide a mechanism for facilitating dialogue within the industry and with other participants on emerging issues affecting facilities management.

ACTION 4

Establish a web portal for the facilities management industry to disseminate information and provide feedback on innovation, education and training, regulatory issues, and sustainability.

ENCOURAGING INNOVATION

As an emerging industry, the facilities management industry needs to promote the message that investment in innovation is a means of generating value and sustainable growth in the industry.

There is a perception that the facilities management industry does not perform well in the area of innovation. This perception needs to be addressed. All facility managers, whether at the strategic, managerial or operational level, need to see innovation as intrinsic to their work.

Developing strategies to manage intellectual property (IP) is particularly challenging. Generally, IP is easily replicable and has a short life. Most IP in the facilities management industry are held as trade secrets and relate to technology or processes transferred or adapted from overseas or from other sectors.

The growing demands of facility users for higher levels of service delivery and building amenity are driving up client expectations of the facilities management industry. This will require the industry to provide innovative solutions to meet clients' specific needs.

Improved research and development (R&D) performance, increased cooperation within the industry, and greater collaboration between the industry and the research community are all necessary to speed up the innovation process.

Firms may be concerned about accepting the full commercial risks of research projects. By taking advantage of government-

sponsored R&D programs and by collaborating with other private and public researchers, firms can minimise their risk exposure and maximise the potential benefits of innovative R&D activity.

Promotion of innovation within the facilities management industry can be achieved in a variety of ways, including:

- undertaking a needs analysis of R&D capability within the facilities management industry
- developing a 'toolkit' that explains relevant government assistance programs in the facilities management industry context
- developing case studies reflecting the benefits of innovation
- undertaking a demonstration project with industry-wide applicability and relevance and with measurable outcomes demonstrating the benefits of innovation.

ACTION 5

Promote the benefits of innovation and encourage greater industry collaboration and investment in research and development.

PERFORMANCE MEASURES

The growth of facilities management as a distinct industry has been driven by demands from clients for solutions that enhance their performance and profitability.

An important means of engaging and adding value to client needs could be for the facilities management industry to take a leadership role in the development of 'whole-of-life' performance measures and benchmarks, in close consultation with client groups.

Benchmarks could be developed based on agreed measures of performance using industry best practice. This would demonstrate the industry's role as a steward of the built environment, not only in its management but also in influencing design outcomes.

There is a growing body of evidence identifying increased workplace productivity brought about by innovative working environments. As a steward of the built environment, the facilities management industry is well placed to champion innovation in this area.

ACTION 6

Highlight the contribution that facilities management makes to productivity by establishing performance measures and 'best practice' benchmarks, incorporating client input, with a specific focus on improving workplace productivity.

OBJECTIVE

To ensure on-going access to a highly skilled facilities management workforce.

WORKFORCE CHARACTERISTICS

The Access Economics study estimated that, in 2002–03, facilities management directly employed around 135,000 persons or about 1.6 per cent of Australia's workforce. It also contributed to the employment of an additional 37,000 persons in upstream industries or a further 0.5 per cent of Australia's workforce.

Of those directly employed in the industry, it is estimated that 16,000 were engaged in providing management services for facilities.

The remaining 119,000 persons were involved in the delivery of facility services, including trade-based services such as plumbing, gas and electricity, carpentry, air conditioning, and lift maintenance. This group also includes lower skilled workers such as cleaners and security operators.

The Education and Training Working Group surveyed 17 facilities management firms employing a total of 1,978 people. The survey was undertaken to gain information on attitudes to training, how skills needs were changing, and what firms were doing to meet these changing needs. The firms are a representative sample

including those that provide services to owners, investors and occupiers and those that deliver the services in-house.

Survey respondents indicated that the majority of their existing facility management workforce held trade-based Technical and Further Education (TAFE) qualifications or specialised professional qualifications such as architecture or engineering. Most had been recruited from within their organisation.

Firms reported that they have recently shifted their skills mix away from specialised technical and professional capabilities towards broader managerial skills.

Increasingly, firms have recruited new staff from outside their organisation, favouring people with project, contract or property management backgrounds. This has reflected the industry's evolution away from the delivery of specific facility services towards the provision of strategic facility management services.

Respondents expect the trend towards recruiting university educated people to increase. They see the industry's future in the provision of more complex advice to a wide range of clients in the property sector.

The survey participants noted that the future facilities management workforce will need to possess different skills sets than previously. Firms will need employees with high level communication and customer service skills, the capacity to negotiate with senior management, and the ability to present business cases.

They will also need people with tertiary qualifications in various management specialities including assets, property, real estate and risk management.

EDUCATION AND TRAINING IS ESSENTIAL

Education and training is essential to creating a facilities management workforce that is recognised by clients as professional and capable of delivering a valuable and cost effective service.

A well trained professional workforce can create new market opportunities and improve firms' productivity and profitability. It can also help the industry exercise leadership in creating a more productive and sustainable built environment.

Barriers to increasing the skill levels of the facilities management workforce include:

- a lack of awareness among school leavers and others that facilities management is a worthwhile career option
- a reliance of the industry on 'transitioners' as a source of new recruits, and the difficulties these recruits have in moving from vocational education and training (VET) to higher education and in undertaking additional study
- the newness of the VET training package and a lack of support materials to encourage and assist registered training organisations (RTOs) deliver the new courses

- the potential for people to be diverted into parallel professions because of the scarcity of facilities management training at the undergraduate level.

DEVELOPING APPROPRIATE CAREER PATHWAYS

The facilities management industry needs competent, flexible employees able to communicate with senior management and to meet the varying demands of the job. The education and training sector has a responsibility to develop career pathways that:

- are based on a strong understanding of industry's needs
- take into account the wide range of contexts in which a facility manager will be working
- can deliver educational programs that respond to the requirements of students from differing backgrounds
- produce qualified people with skills that are transportable across the industry and can form the basis for career progression.

More than 70 VET providers around Australia deliver the Property Operations and Development Sector (PODS) Training Package which includes provision for facilities management training.

This package was recently reviewed and a wide-ranging competency assessment has been conducted leading to the development of a new package (the Property Development

EDUCATION AND TRAINING...

'Nationally recognised facility management education and training programs, tailored to the needs of the industry and delivered by mainstream providers, are essential for the development of the facilities management sector in Australia'.⁸

and Management Training Package) with increased facilities management content.

In the higher education sector, facility management courses are delivered at the Bachelor and post graduate level. Some universities participate in the Australian Greenhouse Office's Green Steps Program. This gives advanced level students the opportunity to participate in hands-on change management projects, including many in facilities management.

University undergraduate courses offering Facilities Management units are currently available in all States and Territories. They are typically four year full-time Bachelor award courses in Construction, Construction Management or Building Construction Management and are delivered by Faculties of Engineering, Construction and Built Environment.

Property Development, which includes units on property valuation, property financing and property investment analysis, is covered in courses such as the Bachelor of Property Economics, a four year course at the University of Technology Sydney; or the Bachelor of Applied Science (Property Economics), a three year course at the Queensland University of Technology.

Facilities Management units, such as building surveying, sustainable building technology, and contract administration, are available through various Bachelor of Building and Construction

Management four year full-time courses delivered at Universities with Engineering and Building faculties.

The Facility Management Association of Australia has an accreditation scheme which gives recognition to the experience and skills people have gained on-the-job as well as more formal qualifications.

Figure 4 illustrates career development pathways into the facilities management industry.

FIGURE 4: FACILITIES MANAGEMENT CAREER DEVELOPMENT PATHWAYS

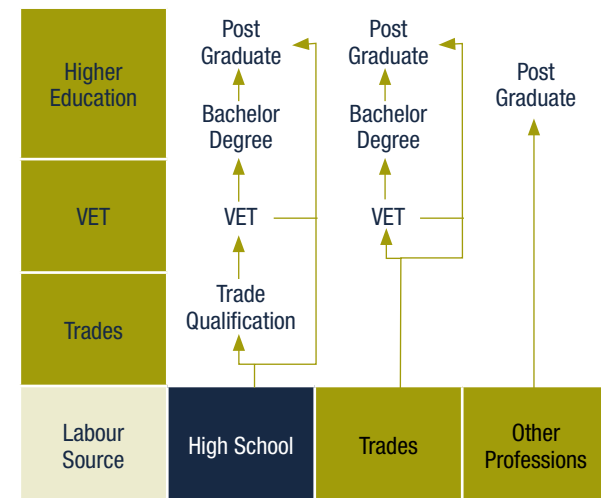


Figure 4 shows pathways into the facilities management industry from schools through the VET system and university and higher education institutions.

COMPETENCIES AND INDUSTRY NEEDS

Greater recognition of facilities management as a profession will depend on increased recruitment through the higher education sector.

Facilities management can thereby compete for the best talent to ensure a continuing stream of highly educated practitioners prepared to test traditional thinking and methodologies.

Facilities management firms are increasingly valuing education and training. Most see it as a way to retain staff, improve productivity and achieve greater recognition by clients of the firm's capability and professionalism.

In recent years, firms have moved away from informal, on-the-job learning to more formal training and increased recruitment of people with recognised university qualifications.

However, the VET sector continues to be important in the training of facility managers. This reflects the industry's reliance on people transitioning from trade areas to the more strategic area of facility management.

The main barriers limiting the education and training sector's capacity to meet industry needs include:

- a lack of awareness in the community of facilities management as a career
- a lack of clearly defined career pathways
- a perceived failure of available courses to provide the knowledge and skills required by industry.

Vocational education and training sector

Vocational education and training is delivered by states and territories, which accredit RTOs (including TAFEs and private providers) to provide training.

On a national level the Australian Government works through a number of mechanisms to encourage national consistency and high quality. One way is through industry-developed training packages (see Appendix B).

Industry input and advice is the responsibility of the Australian National Training Authority (ANTA) endorsed Industry Skills Councils—for this industry, the Construction and Property Services Industry Skills Council.

The PODS package has recently been replaced by a new Property Development and Management Training Package. This comprises competency standards, assessment guidelines and a qualification framework for training in facilities management and other property related areas.



PROPERTY DEVELOPMENT AND MANAGEMENT TRAINING PACKAGE

The new Construction and Property Services Industry Skills Council has established the Property Development and Management Training Package to help boost training investment in the industry and to keep the training system relevant to skills covering every aspect of Australia's buildings, from design through to cleaning.

Key competencies identified cover generic business skills including strategic planning and leadership.

Specific facilities management competencies include life cycle strategies, risk management, portfolio and asset management, procurement and coordination of business relationships.

The competency standards were based on an extensive survey of industry needs. Interested TAFEs and RTOs can now register to deliver this package.

A key challenge for the industry will be to encourage the VET sector to deliver the full range of training options offered under the Property Development and Management Training Package.

This could be achieved by industry taking action to:

- encourage individual TAFEs and RTOs to deliver the training package
- assist in the development of appropriate support materials
- investigate options such as the development of skills centres
- work with the Construction and Property Services Industry Skills Council to support the implementation of the Package.

ACTION 7

Work with the Construction and Property Services Industry Skills Council to support the provision of vocational education and training for the facilities management industry.

Universities

Raising the standard of facilities management education, and the possibility of a separate facilities management award, will require the industry to work more closely with individual universities. Universities encourage industry input through advisory committees that review course content and linkages with professional bodies and associations to monitor quality.

Proposals to encourage universities to increase the delivery of facilities management courses will need to demonstrate:

- a well documented profile of the kind of person the industry is seeking including a skills audit that identifies the type of skills required and their current availability within the community
- a guaranteed and sufficient supply of students over the long-term
- that industry is committed to the course, will support the administrators in developing appropriate teaching materials, and will readily accept and employ the graduates.

It might also be possible for the industry to encourage universities to increase the delivery of facility management undergraduate courses based on existing arrangements.

A possible model (see figure 5) could be a three-year, 24 unit, credit-based program, consisting of a minimum of six core units

(two per year) plus 14 selective and four elective units spread over the duration of the course.

FIGURE 5: POSSIBLE FACILITY MANAGEMENT UNDERGRADUATE DEGREE

Year of Study	Core Units	Management and Economics	Technical or Specialist
Year 3	2 units	3 units	3 units
Year 2	2 units	3 units	3 units
Year 1	2 units	3 units	3 units
TOTAL (24)	6 units	9 units	9 units
Minimum Requirement (24)	6 units	Selective (9)	Selective (5) Elective (4)

Source: Education and Training Working Group

Such a course would:

- be based on strong and continuing industry involvement in assessing, accrediting and reviewing course proposals, content and relevance, and in monitoring the quality of delivery

- provide an effective interface between the VET and higher education sectors and a clear pathway from undergraduate to post graduate qualifications
- be credit-based to enable recognition of prior learning within the VET sector or at other institutions or of prior learning through workplace experience.

Delivery of the degree, including teaching methods and assessment practices, would be designed to accommodate student needs. Course planners would need to recognise that many students would be part-time and would bring varying levels of work experience and prior learning to their studies.

Current demographics within the industry suggest that initial demand for university places would be from the eastern states, where two universities could offer a Bachelor of Business (Facility Management) degree.

One means of identifying potential course providers would be for industry to call for expressions of interest from universities.

A dedicated facility management course could initially leverage off current management disciplines provided by established universities and business schools.

As a way forward, the SILG considers that the industry should:

- work with universities already delivering relevant courses at the undergraduate level
- seek continuing industry representation through university advisory bodies or other similar mechanisms
- develop industry wide policy positions and support the work of the industry representatives on these bodies.

ACTION 8

Work with Australian universities to increase the availability of facilities management courses at the undergraduate level.

Articulation from the VET to the higher education sector

Employers in the facilities management sector perceive that students have problems in moving from the VET sector into higher education.

Additionally, gaining recognition for prior learning, to the extent that ‘transitioners’ who have trade qualifications and substantial work experience and are returning to study after many years in the workforce, is an issue requiring attention.

There would be benefit in developing an innovative project that would encourage greater collaboration between the VET and

higher education sectors in the provision of facilities management education.

This could be achieved by seeking competitive funding from the Department of Education, Science and Training’s Collaboration and Structural Reform Fund.

A possible project could aim to develop a better understanding of the problem and to work with relevant agencies and authorities to create innovative solutions that benefit both the industry and individual employees.

ACTION 9

Develop an innovative project that will encourage greater collaboration between the VET and higher education sectors in the provision of facilities management education.

A CAREER OF CHOICE

The facilities management industry’s reputation for professionalism and its credibility among potential clients will rely on its capacity to attract the best talent to the profession.

Possible ways to promote the facilities management profession as a satisfying and rewarding career include:

- maintaining up-to-date information in relevant career advice publications such as the Job Guide and career information web sites such as <http://www.myfuture.gov.au>

- working with other bodies managing internet databases that provide career information to ensure they contain information on the profession of facility manager
- creating vocational materials for those who influence career choices – including school counsellors, career advisers, educators, parents and students
- participating in the Australian Government's 'Adopt a School' program.

ACTION 10

Undertake an awareness campaign directed at those who influence career choices—including school counsellors, career advisers, educators, parents and students—to increase understanding of facilities management as a career.

WORKPLACE RELATIONS

The growth of the facilities management industry is a direct consequence of increased outsourcing activity.

As a result, the facilities management labour market has undergone substantial transformation over recent years with a notable increase in the use of contractors to deliver basic services and an increased demand for qualified professionals.

Labour productivity is an important factor for business and industry competitiveness. It depends on both the natural abilities

of individuals and skills gained through education, training and work experience, together with the application of appropriate technologies.

Productivity improvement can also be achieved through a more flexible workforce.

More flexible working arrangements are made possible by the Australian Government's workplace relations framework. This framework includes a range of agreement-making options, including Australian Workplace Agreements for individuals.

Such arrangements offer scope for tailored arrangements to better suit the particular needs of facility management businesses and their clients.



OBJECTIVE

To minimise regulatory impediments to the efficient development of the facilities management industry.

THE REGULATORY FRAMEWORK IS COMPLEX

Regulations affect almost every aspect of the built environment—with the three spheres of government (federal, state and territory, and local) intervening in a variety of ways.

This can cause compliance difficulties for facility owners and operators and lead to cost burdens.

As a result, the work of the facility manager can be complex but, at the same time, provide an opportunity for a more sophisticated service to clients.

The three tiered regulatory framework has led to a system that:

- comprises a huge number of regulations that are poorly coordinated and based on differing, even inconsistent requirements
- is difficult to comply with, particularly for companies that have property interests in more than one jurisdiction

- continually expands in response to growing community demands for a built environment that is safe, healthy and sustainable.

The facilities management industry's understanding of the regulatory impact on the life cycle of assets provides it with a substantial competitive advantage in meeting the needs of its clients.

Facility managers have used this understanding to assist clients to comply with regulations in cost-effective and innovative ways.

Through its exposure to a large body of regulation, the industry is well placed to influence the regulatory environment under which it and its clients operate.

To maintain this advantage and capacity to influence, the facilities management industry must position itself so that it continues to be well informed about the regulatory environment.

REGULATION AND THE ACTION AGENDA

The Action Agenda has acted as a catalyst to stimulate thinking within the facilities management industry about how it can:

- increase recognition among facility owners, occupiers and operators of the ability of the facilities management industry to assist them to comply with their regulatory requirements in a reliable and cost effective manner

- represent the interests of its clients and user groups to regulators
- contribute to the development, application and interpretation of regulation
- establish effective working relationships with, and gain representation on, appropriate regulatory bodies
- enhance its competitive strengths by ensuring that it has access to the latest and most accurate information.

To achieve this influence and capture these opportunities, the industry must set priorities so that it targets those areas that have the greatest impact on the facilities management industry.

DEVELOPING UNDERSTANDING AND AWARENESS

During the development of the Action Agenda, a consultancy was undertaken to help identify regulatory requirements across jurisdictions.⁹

Initially, the study focused on regulations relating to asbestos, emergency evacuation plans and cooling towers.

Asbestos

The formulation of asbestos regulation across jurisdictions has not been uniform, especially procedures for inspections, risk

assessments and registers (see figure 6). Reform could reduce the risk of exposure in building refurbishments and minor works.

Work by the industry to encourage regulatory change will need to be done in close consultation with the National Occupational Health and Safety Commission (NOHSC).

NOHSC has already achieved considerable progress in developing asbestos codes of practice and guidance materials. These developments are due to be declared by the end of 2005.¹⁰

Emergency evacuation plans

Rising concerns about global security and terrorism have led the facilities management industry to consider the effectiveness of emergency evacuation plans.

Regulation of evacuation plans is generally covered in the duty of care provisions of current occupational health and safety legislation (see figure 7). NSW regulated emergency evacuation plans in 2001.

The employer's two primary obligations are to ensure the safety of their staff and visitors in their buildings and to ensure that clear emergency plans are in place.

Emergency evacuation plans can lead to considerable downtime for the occupant during trial evacuations.

Harmonisation of procedures can help to minimise disruption in the workplace and reduce the risk of death or injury in fires and other emergencies.

REGULATION IS...

'Any laws or other government "rules" which influence the way people behave'.¹¹

FIGURE 6: ASBESTOS REMOVAL REGULATION

Jurisdiction	Responsibility for management and control	Seperate risk assessments	Follow up assessments
VIC	Employer, occupier, person in control	Yes	5 years
NSW	Employer and person in control	Not specifically	1 to 3 years
ACT	Employer	Not specifically	1 to 3 years
QLD	Owner, Manager, Agent	Not specifically	1 year
SA	Owner, Manager, Employer and person in control	Not specifically	1 year
WA	Employer, person in control of building	Not specifically	1 to 3 years
NT	Employer	Not specifically	1 to 3 years
TAS	Employer, person in control of building	Not specifically	Regular
C'wlth	Employer, person in control of building	Not specifically	1 to 3 years

Potential gains	Reduce the risk of asbestos exposure in building refurbishments and minor works. Introduce harmonisation of procedures for inspections, risk assessments and registers. Improve clarity on who is responsible.
Estimated Costs	High – Potential asbestos disease claims and work stoppages.
Community Impact	High - Asbestos related cancer.
Regulatory change	High frequency due to the high profile and level of activity.

Source: Stage II Consultancy, Jeremy Trotman and Associates Pty Ltd, 2004

FIGURE 7: EMERGENCY EVACUATION PLANS (EPs)

Jurisdiction	Regulation/responsibility	Obligations for owners, occupiers and employers
VIC	Occupier under <i>Occupational Health and Safety Act, 1985</i> and <i>Dangerous Goods Regulations</i> . No specified form for EPs	Occupier. No specific requirements
NSW	<i>Occupational Health and Safety Act, 2000, No 40</i> – General Duty of Controller of Premises to identify and control OH&S hazards	Employer to ensure persons trained to oversee evacuation and fire fighting.
ACT	Duty of care under <i>Occupational Health and Safety Act, 1989</i> for owners, occupiers & employers. Workcover guidance on workplace fire and emergency	Emergency Planning Committee of trained persons located consistent with building layout, including tenants and Health and Safety Representatives.
QLD	<i>Workplace Health and Safety Regulation, 1997</i> – in construction, principal contractor must prepare construction workplace plan, includes emergency procedures	Not specified
SA	<i>Occupational Health, Safety and Welfare Regulations 1995</i> for employers, occupiers, owners	Employers, occupiers, owners.
WA	Not specified in Regulation	Not specified in Regulation
NT	Not specified in Regulation	Not specified in Regulation
TAS	Accountable person must provide as far as reasonably practicable for safe and rapid evacuation of persons from the workplace in the event of an emergency	Same as responsibility
C'wlth	Not specified	Under <i>Occupational Health and Safety (Commonwealth Employment) (National Standards) Regulations</i> the employer is to ensure that hazards are assessed.

Potential gains	Reduce the risk of fatality and injury. Introduce harmonisation of types of buildings where EPs are required, EP procedures frequencies for drills. Improve clarity regarding who is responsible for establishing EPs.
Estimated Costs	Medium – Cost of developing EPs.
Community Impact	High – Fire related mortality/ morbidity – high consequence, low probability.
Regulatory change	Low frequency.

Source: Stage II Consultancy, Jeremy Trotman and Associates Pty Ltd, 2004



Cooling towers

Legionella¹² in cooling towers has been a highly sensitive issue for the facilities management industry over the past several years. Most jurisdictions use standard testing procedures, however, reporting requirements and responsibilities are highly variable.

There can be significant costs associated with Legionella risk assessments, monitoring and reporting. It can also be difficult for facility managers to keep track of changes in regulatory requirements on this issue (see figure 8).

Steps towards improving progress

Promoting awareness of these regulatory issues can be achieved by:

- undertaking a risk assessment of each issue, consulting with industry to determine appropriateness, and gathering data to quantify the costs and benefits to industry and society
- formulating key messages, a strategy and an action plan to promote regulatory reform to industry and appropriate regulatory bodies
- developing a program, based on the lessons learned from the three selected areas, for educating industry and government on the impact of regulation in the facilities management industry.

ACTION 11

Promote awareness within the facilities management industry of the regulatory requirements applying in three selected areas (asbestos; emergency evacuation plans; and cooling towers).

REGULATORY REFORM MUST CONTINUE

The task of addressing regulatory impediments requires a permanent commitment of vigilance and engagement. The SILG believes that once work on the initial three regulatory issues has been largely addressed, the industry will be in a much better position to pursue new priorities.

Building on this experience the SILG sees merit in addressing a further five regulatory matters, as follows:

Dangerous goods

Dangerous goods regulations are controlled by many bodies within jurisdictions.

While most commercial facilities are relatively unaffected by dangerous goods regulations, there are opportunities to harmonise on threshold regulations for licensing of premises, signage, assignment of responsibility, and risk assessment requirements.

FIGURE 8: COOLING TOWERS REGULATIONS

Jurisdiction	Acts and Regulations	Responsibility	Inspection, frequency	Heterotrophic colony count, frequency	Notification required
VIC	<i>Health, Building, Plumbing and Occupational Health & Safety Acts</i>	Responsible person	Monthly	Monthly	Yes
NSW	<i>Public Health Act and Regulations</i>	Occupier	Monthly	Monthly	Yes
ACT	<i>Public Health Act 1997</i>	Practicing Engineer every	Monthly	Monthly	Within 24 hours
QLD	<i>Plant and Advisory Standard</i>	Owners	Monthly	Not specified	Not specified
SA	<i>Occupational Health, Safety and Welfare Act 1986</i>	Plant owner/building owner	Not specified	Not specified	Not specified
WA	<i>Occupational Health & Safety Act and Occupational Health & Safety Regulations 1996, Code of Practice</i>	Employers under OH&S Act General Duty of Care	At least monthly	Not specified	Yes
NT	Not specific	Not specified	Not specified	Not specified	Not specified
TAS	<i>Public Health Act, 1997, Guidelines for Legionella, 2001</i>	Person with management and control	Monthly	Monthly	Yes
C'wlth	No specific regulations	Employer, building owner	Monthly advised	Yes	Yes

Potential gains	Harmonisation of procedures, frequencies for testing, criteria and formats for inspections, risk assessments and reporting. Improve clarity regarding who is responsible for Legionella control plans.
Estimated Costs	High – cost of cooling tower risk assessments, monitoring and reporting.
Community Impact	Medium – Legionnaires disease – high consequence, low probability.
Regulatory change	High – Potential high frequency due to the number of regulations.

Source: Stage II Consultancy, Jeremy Trotman and Associates Pty Ltd, 2004

Fall prevention

Fall prevention is a major issue in the construction industry but less so in the operation of the built environment.

Opportunities exist to harmonise definitions of 'fall hazards', especially where walkways are required or ladders are in use.

Clarification is also needed on assignment of responsibility for fall protection for contractors in buildings.

Confined spaces

Harmonisation of definitions and terminologies for confined spaces regulation is needed across jurisdictions.

Responsibility for identification and assessment of confined spaces also needs to be better defined.

Plant safety

Plant safety has a relatively low impact on facility managers.

Identification of the type of plant that requires risk assessments still needs to be clarified.

Electrical inspection and testing, and residual current devices

In general, Australian Standard 3760 has been adopted by reference across Australia for electrical inspection and testing and residual current devices.

While the cost impact of compliance is considered medium, opportunities exist to harmonise on testing and tagging of electrical assets.

ACTION 12

Identify the regulatory requirements for a further five identified areas (dangerous goods; fall prevention; confined spaces; plant safety; electrical inspection and testing and residual current devices).

A WELL RESPECTED VOICE

The facilities management industry is often seen as a first point-of-contact on regulatory matters pertaining to the built environment, and is acknowledged for its expert opinion and sound advice.

The SILG supports the work of bodies such as the Australian Building Codes Board and the National Occupational Health and Safety Commission to encourage regulatory consistency, particularly in those priority areas already identified.

The SILG notes the Australian Government's policy in relation to establishing a tripartite Australian Safety and Compensation Council (ASCC) to oversee, and expedite, the implementation of nationally consistent OH&S arrangements.

Membership of the ASCC will consist of representatives from government, employer and employee organisations.

The facilities management industry needs to actively participate in working groups, technical committees and other such forums controlled by regulatory authorities and other bodies influencing regulatory outcomes.

Given its experience of regulation in the built environment, the facilities management industry is well placed to contribute to the work of regulatory bodies.

ACTION 13

Promote conformity of regulatory requirements and contribute to key areas of regulatory reform.



OBJECTIVE

The facilities management industry to play a key role in moving Australia toward a sustainable built environment.

OPPORTUNITIES THROUGH SUSTAINABILITY

The Australian community is becoming increasingly aware of the environmental impact of buildings. This creates significant opportunities for the facilities management industry to:

- develop a stronger market presence, based upon the industry's role in managing the built environment
- help clients benefit from the adoption of more sustainable business practices
- demonstrate to the community, the property sector and investors the value that facilities management can add to Australia's social and economic wellbeing
- influence the form that new standards take when translated into the operational requirements of new or refurbished buildings.

There remain significant impediments to the industry capturing these opportunities, including:

- the lack of an agreed understanding of the concepts of sustainability and a belief by many that it represents a cost rather than an opportunity

- the lack of an appropriate industry accepted metric and rating system for measuring sustainability
- difficulties in allocating responsibility for implementing the measures required to produce a sustainable building
- communication failures between the various parties involved in the construction, refurbishment and operation of a building regarding cost-effective ways to produce sustainability
- the inadequacy of current measures to demonstrate the value that can be gained from sustainability initiatives, often because these only produce results over the longer term
- considerable knowledge and skills gaps in the delivery of sustainability outcomes.

The facilities management industry is in a strong position to lead cultural change among those creating and operating Australia's built environment.

The industry is well placed to encourage decisions by its clients that lead to lower environmental impacts, while demonstrating how the use of sustainable practices can benefit a client's business.

TAKING UP SUSTAINABILITY

Decisions by businesses and governments increasingly reflect community expectations about sustainability. To encourage development of a sustainable built environment, the Australian Government proclaimed 2004 as the 'Year of the Built Environment'.¹³

A key theme of the year was that all future development in Australia should be underpinned by sustainable design, planning and construction.

The facilities management industry has a key role in promoting sustainable practices in the procurement and maintenance of infrastructure utilising its knowledge, skills, tools and culture.

Over the longer term, a culture is likely to emerge where sustainability will become more important.

Sustainability principles are also likely to be more commonly reflected in business practices and decisions based on whole-of-life principles.

The industry also has an educative role to play by ensuring that clients understand and adhere to sustainability objectives and practices and that the benefits are measurable.

THE WAY FORWARD

At present, much of the work towards sustainability aims to incorporate concepts of sustainability into regulations or other measures that translate community demands into operational requirements.

These initiatives are, in themselves, part of the process of continuous improvement. However, they have not necessarily led to behavioural change by those in a position to initiate a more sustainable approach to building services.

One possible means of encouraging behavioural change would be to strengthen demand for more sustainable services.

This could be achieved by promoting greater awareness among decision-makers of the financial benefits and competitive advantages available to a company adopting sustainability values and practices.

The inclusion of operational inefficiencies as costs to an organisation in annual reports could act as a powerful incentive for companies to demand a facility management service with greater focus on sustainability.

Equally, companies could be encouraged to acquire a better understanding of investor perspectives on sustainability.¹⁴

SUSTAINABILITY IS...

'Development which meets the needs of the present without compromising the ability of future generations to meet their own needs'.¹⁵

SUSTAINABILITY NEED COST NO MORE

The Queensland Department of Public Works wanted to demonstrate that an office could be constructed to meet strict environmental sustainability targets while remaining commercially viable.

The Department stipulated that the building must meet a minimum 4-star energy rating under the Australian Building Greenhouse Rating Scheme administered by the Sustainable Energy Development Authority (SEDA). The building exceeded this standard without compromising commercial objectives.

An extensive energy audit conducted in August 2003 found that William McCormack Place achieved a 5-star energy rating, which is the maximum possible under the SEDA scheme. William McCormack Place is the first commercial office building in Australia to be awarded this rating.

The client and project team succeeded in designing and constructing a commercial building which minimises life cycle costs and cost no more to build than a comparable conventional building.

Source: Cooperative Research Centre for Construction Innovation

Increasing industry take up of 'triple bottom line' (economic, environmental and social) reporting could encourage greater awareness among managers, investors and shareholders concerning the adoption of sustainable practices.

PROMOTING SUSTAINABILITY

A firm's environmental and social performance can significantly build its reputation and brand.

Facility managers can demonstrate sustainability performance through monitoring, benchmarking, reporting and delivering.

The tools available to facility managers and building-related professions to monitor and report on building performance can provide better information for decision-making.

The industry could reinforce its role in promoting sustainability by being more responsive to clients' demands for corporate accountability associated with sustainability.

ACTION 14

Promote the role of facilities management in responding to increased demand for corporate accountability associated with sustainability performance.

BUILDING RELATIONSHIPS

Organisations concerned with the built environment are becoming more aware of sustainability as a matter requiring their attention. Many have adopted sustainability policies and are carrying out initiatives which contribute to the broader understanding of these concepts and their application.

It is important that the facilities management industry be in a position to contribute to the community debate and the development of regulatory initiatives surrounding sustainability in the built environment.

Facilities management is central to the operational aspects of sustainability and, ideally, should have input into the design of new sustainable facilities.

ACTION 15

Promote the role of the facilities management industry in key industry and government forums addressing sustainability.

DISSEMINATING INFORMATION

In Chapter 2, '*Maximising Innovation*', the SILG recommends establishing a web portal to disseminate information and provide feedback on innovation, and education and training, regulation reform, and sustainability.

The establishment of such a web portal could improve industry awareness of sustainability issues. It could also help disseminate information on and provide a feedback mechanism for other areas of the Action Agenda.

Initial priority areas for the web portal could be information on energy, water, materials and indoor environmental quality as those areas with the most immediate return for achieving sustainability.

Case studies could be available through the portal. These could be used to demonstrate the relative cost effectiveness and environmental performance of various building systems, and the relative benefits of alternative technology options.

The case studies could highlight the influence that the immediate physical environment, in which human and business activities take place, can have on workplace productivity improvements.

The web portal could also include information on industry trends and developments in R&D, as well as guides promoting best practice examples in the provision of building facilities.

The web portal could link to established web sites, including the Facility Management Association of Australia (FMA), the Australian Building codes Board, the Department of Environment and Heritage, the Royal Australian Institute of Architects, the Australian Institute of Quantity Surveyors, the Australian Sustainable Built Environment Council and other organisations with an interest in the built environment.

PROMOTING THE BUSINESS CASE

Increased community awareness of the environmental impact of

ACTION 16

Use the data web portal proposed in Action 4 to disseminate sustainability information.

the built environment is putting pressure on owners and occupiers to be seen to be responsible and accountable.

It must be recognised, however, that sustainable practices will have a greater likelihood of being adopted if they can be justified in commercial terms.

Many facility managers are responsible for making the 'business case' for a project to a company's board or management, providing financial justification and information on the likely return on the investment.

A good quality business case will establish strong links with the organisation's overall objectives.

There are widespread opportunities for facility managers to demonstrate their ability to achieve sustainability without sacrificing profitability.

Workplace productivity is potentially the most influential driver for the take-up of sustainability practices.

INDUSTRY IS WELL SUPPORTED BY INSTITUTIONS PROMOTING SUSTAINABILITY

The industry can contribute to the adoption of sustainability objectives through collaborative R&D, information sharing and continuous improvement in the adoption of sustainable practices.

The Australian Sustainable Built Environment Council (ASBEC), the Green Building Council and others have established platforms based on the concept of sustainable building practices, which enable comparable performance reporting.

ASBEC is a coalition of industry interests, which seeks to play a leadership role and gain consensus between interested parties on the role of sustainability in the built environment.

Similarly, the Australian Buildings Codes Board (ABCB) encouraging debate on the meaning of 'sustainability' and how it can be effectively formulated into cost-effective regulations to be applied to specific building projects. In addition, the ABCB has identified sustainability as a consideration in the development of the Building Code of Australia.

Research agencies such as the CRC for Construction Innovation and CSIRO Sustainable Built Environment are contributing to an increased understanding of sustainability through R&D.

INVESTA PROPERTY GROUP DELIVERS ON SUSTAINABILITY

The Investa Property Group jointly received the 2004 FMA SEDA Environmental Excellence Award for the implementation of its Environmental Management Program. The program provides corporate accountability while delivering value to shareholders. The results of the program are set out below.

	2002–03	2003–04	% Change
Electricity used (kWh/m ²)	142	136	-4
Water used (L/m ²)	1,550	1,151	-26
Volume waste to landfill (m ³ /m ²)	0.107	0.063	-41

Source: Investa Property Group

However, the connection between environmentally sustainable building and a healthy, more productive built environment has not yet been fully established.

Arguments in support of the connection between environmental sustainability and workplace productivity would be reinforced by the development of business cases.

Sustainability guides and whole-of-life planning tools could be developed to provide guidance on developing effective business cases and to produce data to substantiate the benefits to be gained from adopting sustainability measures. Such tools could include green leases and environmental management systems.¹⁶

There are also opportunities to incorporate training on business cases within facilities management course curricula.

This type of training would help ensure that facility management professionals are given the skills they require to communicate with senior management and to influence its decision making.

There is some emerging evidence to suggest that where sustainability considerations are taken into account during the design stage, there can be tangible benefits (see figure 9).

The development of a 'business case' model that highlights the costs and benefits of embracing sustainability would also reinforce associated research aimed at demonstrating the positive impact of sustainable practices on workplace productivity.

ACTION 17

Develop a 'business case' model that highlights the costs and benefits of embracing sustainable practices in the use and management of materials; energy; water; waste; and indoor environmental quality, with a particular focus on workplace productivity.

FIGURE 9: PRODUCTIVITY BENEFITS OF SUSTAINABLE DESIGN

Building/ Workplace Element	Productivity Impact
Indoor Environment Quality	
Increase fresh air to dilute pollutants	+3%
Bringing offices up to IAQ standards	+4%
Moving from NV to AC offices	- 6%
Ventilation strategies	+0.5% to +11%
Lighting	
Task up lighting for VDU	+3%
Increased illuminance for paper based work	+3%
Noise	
Sound absorption in typing pool	+29%
Increasing noise 10dB in mail room	- 25%
Work System	
Proper designed workstation	+10%
Increasing privacy	+12%
General improvements in environment	+15%
New furniture	+15%
Control over environmental conditions	+3% to + 9%
Downtime due to poor layouts	- 12.5%

AC = air conditioning; IAQ = indoor air quality; NV = natural ventilation; VDU = visual display unit

NOTE: Performance results are situation specific (i.e. context dependent). The same outcomes cannot automatically be expected from different situations, although they do provide a guide as to the level of improvement possible.

Source: KODO, Oseland (from various) and Centre for Building Performance Diagnostics

OBJECTIVE

To ensure that the Action Agenda is effectively implemented with a commitment from all stakeholders.

IMPLEMENTING THE ACTION AGENDA

The Action Agenda provides the facilities management industry with a program for achieving its vision of becoming

‘...the foremost contributor to a productive and sustainable built environment through excellent and innovative management of facility services.’

A significant requirement of realising this vision is that the industry and the profession become widely recognised and positively perceived within the marketplace and the community.

An Implementation Group comprising leading people drawn from within the facilities management industry is proposed to implement a total of 20 actions incorporated in the Action Agenda.

The Group will need to work closely with industry stakeholders and meet regularly for a period of up to three years after the launch of the Action Agenda.

Providing up to three years for the implementation of the Action Agenda would enable sufficient time for the Group to implement the proposed actions.

Implementation of Action Agenda initiatives beyond that period would be a matter for the facilities management industry.

The purpose of the Implementation Group would be to:

- set up mechanisms to implement the actions
- coordinate relationships with other groups, including allocation of responsibilities and investigation of ways to fund activities
- monitor the progress of implementation and report, at least annually, to industry and government stakeholders on progress.

Allocation of responsibilities for specific actions and identification of appropriate timeframes would be one of the first tasks undertaken by the Implementation Group.

The Group would work closely with industry organisations, research agencies, government bodies and interested individuals to develop the means to carry out each action.

Leadership is essential

The industry association representing the industry — the FMA — is well placed to play a key role in assisting the Implementation Group to carry out its tasks.

The FMA's membership covers a substantial proportion of facilities management firms as well as firms in related areas.

The FMA acts as an advocate for the industry, with linkages to other industry bodies, government, and the education sector. It also has linkages with international facilities management organisations.

ACTION 18

Establish an Implementation Group comprising leaders of the facilities management industry to manage the implementation of the Action Agenda.

COMMUNICATING THE FACILITIES MANAGEMENT MESSAGE

Development of a comprehensive communications strategy would be an important first step towards improving recognition of the role of the facilities management industry among potential clients and the wider community.

The dissemination of accurate and targeted information about the industry would remove a major impediment to the industry's future growth potential and would help develop markets for facilities management services.

Such action would also help address the industry's education and training agenda by promoting community awareness about the facility management profession as a credible career choice for school leavers.

The communications strategy could be designed so that it can have the greatest impact on attitudes in the shortest possible time at the least cost.

The Implementation Group would manage the development of the communications strategy with the assistance of relevant industry organisations, utilising existing media outlets and publicity opportunities to minimise costs.

The choice of media or publicity mechanism would depend upon the message, the audience and the availability of suitable material to promote the message. Possibilities include:

- news items on notable events in national and state based daily newspapers and other media
- news items in trade and professional magazines and newsletters
- web links to appropriate sites
- conferences, seminars and workshops
- speeches and presentations to interested industry associations, professional bodies, research bodies and government agencies.

ACTION 19

Develop a communications strategy to increase recognition of the contribution of facilities management as an industry.

IMPLEMENTATION IS...

'To give practical effect to and ensure actual fulfillment by concrete measures'.



Working with government

The SILG considers there is a need for a better understanding of the facilities management industry. It believes the industry would benefit from policy makers, researchers and other authorities having a better understanding of the industry's role and contribution in the built environment.

The SILG has identified several areas that could help create greater awareness of the industry within government and more generally. These include:

- discussing with the ABS the statistical codes used by ABS to collect data on industry and Australia's labour force
- encouraging the ABS to collect data based on existing ABS built environment categories
- working with relevant government departments and agencies to facilitate industry consultation and to increase industry understanding of government programs and processes.

ACTION 20

Work with relevant government departments and agencies to identify opportunities to raise awareness of the facilities management industry and to consult on relevant government policies and programs.

Action Agendas are a means by which selected industries work with the Australian Government to identify and then implement strategies to overcome impediments to growth.

They take whole-of-government approaches to national issues, and sometimes raise matters at the state and territory level. They also place a strong onus on industry to take the lead in making strategic decisions and implementing them. The Government provides secretariat and other support and guidance through an active partnership with the industry.

DEVELOPING THE ACTION AGENDA

The Facilities Management Action Agenda had its origins in requests to the Australian Government from the FMA on behalf of the industry.

The FMA identified a number of key concerns for the industry. These included recognition of the industry, establishment of a distinct facility management career path, industry-wide innovation, recognition of sustainability as a driver of business in the future, and the impact of regulation in the industry.

The Action Agenda was announced by the Hon Ian Macfarlane MP, Minister for Industry, Tourism and Resources, on 19 January 2004. In making this announcement, the Minister said:

'It seems appropriate that in the Year of the Built Environment, we will create the opportunity for this growing industry to address core issues such as innovation, education, sustainability and regulation.'

The objective of the Facilities Management Action Agenda is to develop a strategic framework for the growth of a sustainable and internationally competitive Australian facilities management sector.

STRATEGIC INDUSTRY LEADERS GROUP (SILG)

The main driver in the design of the Action Agenda was the Strategic Industry Leaders Group (SILG), consisting of a range of industry leaders with representation from the Australian Government. Membership of the SILG was by way of Ministerial appointment.

The SILG was chaired by Mr John V. McCarthy. Mr McCarthy is a well respected voice in the built environment, holding positions in a number of public and private organisations.

The remainder of the SILG was primarily made up of a variety of company representatives with a significant involvement in the facilities management industry.

The membership of the SILG was as follows:

Members of the Strategic Industry Leaders Group

Mr John V. McCarthy (Chair)	Chairman, AEH Property Pty Ltd; Chair, CRC for Construction Innovation; Member, Australian Building Codes Board; Director, Association of Consulting Engineers Australia (ACEA)
Mr Stephen Ballesty	Director, Rider Hunt
Mr Steve Gladwin	Director, Tungsten Group; National Chair, Facility Management Association of Australia
Mr Ian Fox	General Manager Commercial – Stockland Corporation
Ms Jane Hamilton	Global Head Property, ANZ Banking Group
Mr George Harley	CSIRO Corporate Property, Commonwealth Scientific & Industrial Research Organisation
Mr Chris Hunt	General Manager, Resolve FM
Mr Ross Johnston	National General Manager, Spotless Group
Mr Andrew Junor	General Manager – Asset Management, Investa Property Group
Mr Warren Kerr	National Director, Hames Sharley
Mr Jon McCormick	Managing Director, Multiplex Facilities Management
Mr Ross Murchie	Principal – Building Services Group, Connell Mott MacDonald
Mr John Phillis	National Property Manager, Telstra Corporation
Ms Sue Pridmore	National Manager – Facilities Management, Coles Myer
Mr David McCarthy	General Manager, TCF and Construction Branch, Department of Industry, Tourism and Resources

In developing the Action Agenda, the SILG was assisted by the Facility Management Association of Australia, a range of other industry representatives, client groups, government agencies, and research and educational organisations

Between March 2004 and December 2004, the SILG met on five occasions, as follows:

Meeting	Date	Outcome
SILG 1	31 March 2004	Core themes identified. Working groups established to develop the themes.
SILG 2	26 May 2004	Progress report by Working Groups.
SILG 3	21 July 2004	Progress report by Working Groups.
SILG 4	13 October 2004	Agree actions and consider Draft Action Agenda report.
SILG 5	1 December 2004	Sign off Action Agenda report and consider implementation strategy.

The SILG focussed on five key strategic areas identified as important to the development of the facilities management industry. The identified areas were:

- Facilities management in the Australian economy
- Innovation
- Education and training
- Regulation
- Sustainability.

These issues constitute the main content of this Action Agenda report.

WORKING GROUPS

Working Groups were established for each of the identified areas. They critically analysed the issues and reported their findings back to the SILG which was responsible for preparing this Action Agenda report.

The findings of each of the Working Groups, along with actions, were presented to the SILG for consideration. Contributors to each of the Working Groups were as follows:

FACILITIES MANAGEMENT IN THE
AUSTRALIAN ECONOMY WORKING GROUP

Ms Sue Pridmore (Chair)	Coles Myer; SILG member
Mr Stephen Betros	Facility Management Association of Australia
Mr George Harley	CSIRO; SILG member
Mr Shaun Levenson	Transfield
Mr Jon McCormick	Multiplex Facilities Management; SILG member
Mr Stephen Taylor	Tungsten Group

INNOVATION WORKING GROUP

Mr Stephen Ballesty (Chair)	Rider Hunt; SILG member
Mr Stephen Betros	Facility Management Association of Australia
Mr James Calder	DEGW Asia–Pacific
Dr Greg Follente	CSIRO
Dr Vyt Garnys	CETEC
Ms Kate Gunton	Integral Energy
Dr Keith Hampson	CRC for Construction Innovation
Mr Warren Kerr	Hames Sharley; SILG member
Ms Karen Kuschert	Department of Industry, Tourism and Resources
Ms Karen Lyon-Reid	Queensland Department of Public Works
Mr Mike Radda	Interlink Commercial Furniture
Mr David Week	ASSAI





EDUCATION AND TRAINING WORKING GROUP

Mr Chris Hunt (Chair)	Resolve FM; SILG member
Mr Stephen Betros	Facility Management Association of Australia
Ms Lea Corbett	Australian National Training Authority
Mr Ian Fox	Stockland Corporation SILG Member
Mr Craig Langston	Deakin University
Mr Chris Luscombe	Mirvac
Mr Richard Mayes	Reserve Bank of Australia
Mr John Thomson	Holmesglen Institute of TAFE
Dr Judith Webster	Department of Education, Science and Training

REGULATION WORKING GROUP

Mr Ross Johnston (Chair)	Spotless Group; SILG member
Mr Stephen Betros	Facility Management Association of Australia
Mr Andrew Gehling	South Australian Department of Administrative and Information Services
Ms Jane Hamilton	ANZ Banking Group; SILG Member
Mr John Phillis	Telstra Corporation; SILG Member
Mr Michael Robortaccio	United KFPW
Mr Spot Swales	Johnson Controls (Australia)
Mr Tony Thompson	National Occupational Health and Safety Commission

SUSTAINABILITY WORKING GROUP

Mr Ross Murchie (Chair)	Connell Mott MacDonald; SILG member
Mr Brian Ashe	Australian Building Codes Board
Ms Maria Atkinson	Green Building Council of Australia
Mr Stephen Betros	Facility Management Association of Australia
Mr David Callaghan	PricewaterhouseCoopers
Dr Greg Foliente	CSIRO
Mr Peter Hilderson	Jones Lang LaSalle
Mr Andrew Junor	Investa Property Group; SILG member
Mr Xavier Menagé	Department of Environment and Heritage
Mr Bryon Price	AG Coombes Group
Mr Brian Purdy	KODO Pacific
Mr Mark Quinn	Rider Hunt Terotech
Mr Paul Starr	Department of Environment and Heritage
Mr Franklin Trouw	Victorian Department of Primary Industry
Mr Lloyd Woodford	Australian Greenhouse Office

SECRETARIAT

Secretariat services for the SILG were provided by the Department of Industry, Tourism and Resources.

The vocational education and training system (VET) is a key driver of Australia's economic and social growth. It provides businesses with the highly skilled, productive workforce they need to compete in a global economy, and individuals with the knowledge and skills they require to actively participate in work and society.

The states and territories are responsible for funding vocational education and training and regulating the public and private training providers. Through their network of TAFE colleges, states deliver around 85 percent of publicly funded training. The Australian Government also plays a major role through its national leadership, policies, programmes and funding.

While delivery of vocational education and training is a state and territory responsibility, the Australian National Training Authority (ANTA) has overseen the establishment of the Australian Quality Training Framework (AQTF). The AQTF establishes national standards for the accreditation of Training Packages (a set of competency based qualifications) and the registration of training organisations. Registered Training Organisations (RTOs) are assessed as meeting these standards by State and Territory Training Authorities, and registration enables the training organisation to deliver nationally consistent and accredited training.

Training Packages are endorsed under the AQTF by the National Training Quality Council. Once a Training Package is endorsed,

RTOs can deliver the training, and those completing qualifications within the Training Package will receive nationally recognised qualifications, and nationally accredited training.

Industry input and advice is the responsibility of ANTA endorsed Industry Skills Councils, and in relation to this industry, the recently declared Construction and Property Industry Skills Council. From 1 July 2005, ANTA's functions will be subsumed by the Department of Education, Science and Technology, in a move that acknowledges the achievements of the national training system to date.



APPENDIX C
ABBREVIATIONS, ACRONYMS AND ENDNOTES

ABBREVIATIONS AND ACRONYMS

ABCB Australian Building Codes Board

ABS Australian Bureau of Statistics

ANTA Australian National Training Authority

ANZSIC Australian and New Zealand Standard Industry Classification

ASBEC Australian Sustainable Built Environment Council

ASCO Australian Standard Classification of Occupations

AQTF Australian Quality Training Framework

CRC CI Cooperative Research Centre for Construction Innovation

CSIRO Commonwealth Scientific and Industrial Research Organisation

DEST Department of Education, Science and Technology

DEWR Department of Employment and Workplace Relations

FM Facilities management

FMA Facility Management Association of Australia

GDP Gross domestic product

JTA Jeremy Trotman and Associates Pty Ltd

NOHSC National Occupational Health and Safety Commission

OH&S Occupational health and safety

PODS Property Operations and Development Sector Training Package

PPP Public–private partnership

R&D Research and development

RTO Registered training organisation

SEDA Sustainable Energy Development Authority

SILG Strategic Industry Leaders Group

SWOT Strengths, weaknesses, opportunities, threats

TAFE Technical and Further Education

VET Vocational education and training

ENDNOTES

¹ *Education Network Australia* defines the built environment as any buildings, places and structures in which we live, work and play.

² Facilities Management in the Australian economy Working Group

³ Access Economics (2004) – Based on ABS data

⁴ *Facility Management in Australia A Market Overview*, Facility Management Association of Australia, 1999

⁵ *Facilities Management, A Statistical Profile of the Industry*, Report by Access Economics for Department of Industry, Tourism and Resources, 2004

⁶ *Unlike the Arthur Andersen study, which took a very broad view of the industry, the Access Economics study excludes from the definition of the industry occupant costs such, information technology, telecommunication services and energy, apart from lighting and air conditioning. Also excluded are any costs of production or processing within a facility. Common area costs are included within the definition.*

⁷ Commercial Ready: Customer Information Guide November 2004 <http://www.ausindustry.gov.au/library/CommercialReadyCIGV1220041104115348.pdf>

⁸ Richard Mayes, member of the Education and Training Working Group

⁹ The report was produced by Jeremy Trotman and Associates Pty Ltd (JTA) and commissioned through the Regulation Working Group by the FMA

¹⁰ Documents include the revised Code of Practice for the Safe Removal of Asbestos; the new Code of Practice for the Management and Control of Asbestos in Workplaces and the *Guidance Note on the Membrane Filter method for Estimating Airborne Asbestos Dust*

¹¹ *A Guide to Regulation, Second Edition: December 1998* (Productivity Commission, Office of Regulation Review) 1998

¹² Legionella is a bacterium, found in cooling towers of buildings, that can lead to serious lung infections and is potentially fatal.

¹³ Source: Department of Industry, Tourism and Resources web site

¹⁴ *Corporate Sustainability — an Investor Perspective (Mays 2003)* examines sustainability issues through the eyes of investors. This perspective, shaped through a series of listed company case studies, examines a diversity of applications of sustainability principles at the individual and business level.

¹⁵ In 1987, the World Commission on Environment and Development chaired by the Prime Minister of Norway, Mrs Gro Harlem Bruntland, published a report *Our Common Future (The Bruntland Report)* which brought the concept of sustainable development onto the international agenda.

¹⁶ *Green leases and environmental management systems are methods for ensuring that sound baselines for the sustainability performance of a building can be set, responsibilities clearly allocated and real progress achieved. A green lease may contain a schedule outlining the mutual energy and environmental performance obligations of building owners, managers and tenants. An environmental management system is a structured tool for measuring and continually improving the performance of an organisation in maintaining its regulatory compliance and managing its environmental risk.*





© Commonwealth of Australia 2005

ITR 2005/011

ISBN 0642 723 559

This work is copyright. Apart from any use as permitted under the Copyright Act 1968, no part may be reproduced by any process without prior written permission from the Commonwealth. Requests and inquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Attorney General's Department, Robert Garran Offices, National Circuit, Canberra ACT 2600 or posted at <http://www.ag.gov.au/cca>

Photography copyright Department of Industry, Tourism and Resources and The National Museum of Australia.

