



The Cleaning Accountability Framework (CAF) is an independent, multi-stakeholder initiative that seeks to improve labour and cleaning standards in Australia.

Cleaning Accountability Framework

Submission to the Senate Standing Committees on Education and Employment Inquiry into the exploitation of general and specialist cleaners working in retail chains for contracting or subcontracting cleaning companies

Executive Summary

The Terms of Reference of the Senate Inquiry primarily cover the retail sector; however we would argue that most of the issues related to labour standards in the cleaning industry are also present in other sectors such as commercial properties, educational institutes, and government offices.

The CAF framework has been developed with cleaners at the heart of what we do. We are an independent multi-stakeholder proposition that educates and assesses workplaces to ensure legal compliance at a minimum, and recognises companies who are adopting best practice policies.

For this reason, CAF requests government support for its ongoing activities and further development of the certification framework.

Background

The Cleaning Accountability Framework (CAF) is an independent multi-stakeholder association that aims to improve labour standards and end worker exploitation in the cleaning industry. Using a supply chain certification approach, CAF has developed social compliance standards based on a three star (legal compliance), four star (better practice), and five star (best practice) model. CAF is currently piloting the three star standard including two retail sites.

CAF is governed by a Steering Committee with an independent Chair, and includes representatives from the following:

- Investors (AustralianSuper).
- Property owners and facility management (AMP Capital, ISPT, QIC, JLL).
- Cleaning contractors (BIC Services, ISS, Millennium, Consolidated).
- Other relevant parties (Building Services Contractor Association of Australia, the Fair Work Ombudsman, United Voice and the University of Technology Sydney).

CAF developed as a response to the 'race to the bottom' mentality inherent in the cleaning services industry which has led to non-compliance with labour regulations, poor quality cleaning services, irresponsible contracting and unreasonably low contract prices. These practices have ultimately resulted in high levels of industrial non-compliance and exploitation of vulnerable workers.



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The industry is even more susceptible to exploitative practices given it is a highly vulnerable, migrant workforce, subject to outsourcing and subcontracting, labour intensive, and lacks consistency and transparency in pricing.

CAF recognises that in order to improve practices in the cleaning industry, we need to adopt a whole of supply chain approach with the aim of levelling the playing field. By setting appropriate standards and benchmarks at the outset – i.e. at the point of procurement – good labour and service practices, as well as a sustainable business model should follow. There are leading companies who are adopting best practice procurement policies who should be recognised for their efforts.

Certification process

As mentioned above, CAF takes a whole of supply chain approach to certification, starting with the property owner/manager. Certification currently takes place at site-level given most cleaning contracts are awarded at this level. Taking a step by step approach, the process roughly follows this outline:

1. **Nomination:** a site is nominated by either a property owner/manager or a tenant (if they procure cleaning services) for certification to a standard (either three, four or five).
2. **CAF assessment:** CAF assesses the suitability of the site/s for certification considering factors such as how cleaning is undertaken at the site, the stage of the contract and the percentage of the cleaning services undertaken through the site's principal contract.
3. **Initial meeting:** where CAF deems a site/s as suitable for certification, CAF facilitates a meeting with key stakeholders of the site (property owner or tenant, facility manager and cleaning contractor) to explain processes and expectations.
4. **Worker engagement meeting:** as part of the audit process, a workplace meeting in paid time is held on-site with the cleaners to discuss the importance of CAF. The meeting is facilitated by CAF, and the owner, facility manager, cleaning contractor and United Voice are all invited to attend.
5. **Independent site review:** an independent auditor authorised by CAF undertakes a site review of the cleaning services supply chain. This process involves engagement with the property/facility manager as appropriate and the cleaning contractor/s. The auditor develops a site report that includes a summary of findings and recommendations.
6. **Evaluation by Certification Panel:** the CAF Certification Panel evaluates the report and assesses the site's eligibility to be certified. If necessary, CAF provides guidance to the building owner or major tenant as to what steps need to be taken before the supply chain is certified.
7. **Recertification:** the supply chain audit covers three years, with certification granted on an annual basis subject to annual health checks. Significant changes in contract may require supply chains to undergo another audit, for example if the contract ceases or the principal cleaning company changes.



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CAF Standards

At present, CAF is close to finalising its three star standard, and has developed a draft of its four and five star standards. Regarding the three star standard, there are seven key requirements which must be met for certification to be granted:

1. Labour (pricing, wage rates, job security, the right to work)
2. Tax and superannuation
3. Record keeping including pay slips
4. Workplace health and safety
5. Financial viability
6. Worker engagement
7. Responsible subcontracting

A critical component of the CAF standards and certification scheme is the pricing schedule, which is worth exploring in more detail. It provides transparency of wages and overheads, hours worked and productivity rates, and enables a fair and consistent assessment of tenders. Separate pricing schedules have been developed for commercial and retail cleaning and are currently being tested in the market.

Importantly, for procurement and facilities managers, the CAF pricing schedule tool is easy to use with a number of key features:

- Separation of labour costs and on costs, productivity rates for tenancy and common areas, costs per square metre for tenancy and common areas, and a pricing summary.
- Award/EBA wage rates are embedded in the schedule
- Simple to input data for a commercial/retail asset
- Easy for a contractor to price
- All overheads are clearly visible
- Labour and costs are easily allocated to where they apply (area)
- Measures productivity in key areas
- Measures per square metre costs

Through analysis of over 700 tender results and extensive trialling of the pricing schedule tool, we have developed and rigorously tested cost and productivity benchmarks. A key requirement of the CAF standards is that stakeholders are able to use the pricing schedule, or apply the pricing schedule to existing contracts, to demonstrate that costs and productivity rates fall within reasonable industry benchmarks.

One unique aspect of CAF's standards is the requirement for worker engagement. While part of the independent site review requires proof that cleaners have been informed of their statutory rights and entitlements, CAF goes one step further by requiring the ongoing and meaningful participation of cleaners on a CAF site. The aim of this is to ensure cleaners understand the CAF standards and are equipped to identify and highlight if these standards are being met, and add a second level of confirmation to the audit findings. We do this through an annual site meeting,



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feedback through a survey, and the nomination of a CAF representative. While the annual site meeting and survey are part of the initial certification assessment process, the CAF representative is nominated from among cleaners and assists in terms of ongoing compliance at the site. CAF is also working with our research partners at the University of Technology Sydney to develop a technological solution to support cleaners, both as a means of education and an additional avenue to highlight any compliance issues.

A copy of CAF's three star standard can be found [here](#).

Recommendation

CAF is a framework that has been designed to meet all of the requirements listed under the Inquiry's Terms of Reference. There is already significant interest in the framework, and we expect this to grow once CAF has launched the three star standard later this year.

CAF recommends the Senate Standing Committee include within its findings a commitment to support and resource CAF as one of, if not the only, independent multi-stakeholder associations in Australia working to demonstrably improve conditions in the cleaning sector.