

CLEANING ACCOUNTABILITY FRAMEWORK

ANNUAL REPORT FY2020 (v1.1)





Introduction

THE CLEANING ACCOUNTABILITY FRAMEWORK (CAF) IS A NOT-FOR-PROFIT INCORPORATED ASSOCIATION IN LINE WITH REQUIREMENTS UNDER CONSUMER AFFAIRS VICTORIA.

CAF was founded in 2012 by AustralianSuper and United Workers Union, closely followed by a coalition of industry leaders that included the Fair Work Ombudsman, property owners, building managers, and cleaning contractors who shared the common objective of protecting cleaners from exploitation and driving responsible contracting practices in the cleaning industry. As a result, CAF was formed as a multi-stakeholder organisation with a mechanism to achieve these goals: a star rating system for buildings.

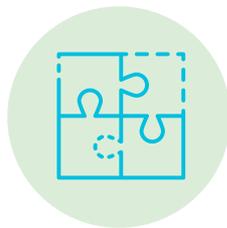
CAF 3 Star Certification is a world-leading scheme that educates and empowers all tiers of a supply chain to monitor and enforce good labour conditions. Certification of buildings to the CAF 3 Star Standard ensures that cleaners are receiving their legal rate of pay and entitlements, are able to speak up when there is an issue at their workplace, and that businesses involved in that supply chain are meeting their legal obligations.

CAF Certification is now recognised by third parties such asGRESB, the GBCA and the business and human rights community as a genuine social compliance and anti-slavery mechanism.

Our values



INTEGRITY



COLLABORATION



LEADERSHIP



RESPECT

Our vision

To make responsible procurement and ongoing management of supply chains the norm

To give workers a voice and agency in improving workplace conditions

To demonstrate the value of an improved work environment as a result of the above.

This report meets CAF's formal reporting obligations for the financial year 2019-20.



CAF Governance

Strategic oversight of CAF comes from a multi-stakeholder Steering Committee comprised of elected representatives of the following organisations:

- Fair Work Ombudsman
- United Workers Union
- University of Technology Sydney
- ISPT
- QIC
- Woolworths
- AMP Capital
- BIC Services
- Consolidated Property Services
- ISS
- Millennium

The Steering Committee has an independent Chair, Anthony Beck, and met a total of six times in the financial year 2019-20.

CAF has an Advisory Group that assisted with the development, refinement and testing of numerous certification tools, processes, policies, and frameworks.

In the second half of 2019, CAF started work on a governance review that highlighted the need to change company type to better reflect our operations and structure. In addition, we considered our organisational structure and how this could be adapted to reflect the growing nature of CAF as we started to move beyond commercial office and retail mall certification. In April 2020 at a special general meeting, members passed a resolution allowing CAF to change company type from an incorporated association to a company limited by guarantee. Work is ongoing with regard to this transition.

Certification: Key Developments

CAF BUILDING CERTIFICATION (3 STAR)



As of 30 June 2020, CAF had certified 20 buildings and precincts to the CAF 3 Star Standard. This is a significant achievement given the building certification scheme formally launched only 14 months' prior. Over the course of FY20, CAF certified seven new buildings and conducted health checks on eight buildings. With an average of 33 cleaners per building, CAF had meaningful direct interactions with around 500 cleaners.

Some of the main compliance issues identified through building certification related to underpayment, non-compliant personal leave policies, non-compliance with CAF contracting requirements, non-compliant induction and training processes, and inadequate processes for supply chain accountability and transparency. With an average of 11 compliance issues per building, CAF, United Workers Union and certification participants have worked collaboratively to remedy approximately 90 compliance issues.

CAF Building Certification was formally recognised by [GRESB](#), the Environmental, Social and Governance (ESG) benchmark for real assets. This means CAF certified buildings will meet the GRESB standards for a valid operational building certification, demonstrating industry best practice for outsourced cleaning services. Building certifications account for 10.5% of the total GRESB Real Estate Score.

In late 2019, CAF commenced work on a project plan for the development of portfolio certification for commercial office buildings. This has now been expanded to retail malls, and stakeholder engagement is ongoing with an anticipated project start date in FY22 (subject to funding).

Over FY20, CAF undertook significant stakeholder engagement with retailers around the development of a retail stores certification model. Over that time, CAF engaged with Woolworths, Wesfarmers and their individual entities (Bunnings, Officeworks, Kmart, Wesfarmers Industrial and Safety), Myer, David Jones and Coles. A project proposal is currently under consideration by some of these retailers with an anticipated start date in FY22 (subject to funding).



CAF CONTRACTOR PREQUALIFICATION

In FY20 CAF completed the first pilot of Contractor Prequalification with 3 cleaning contractors obtaining CAF Prequalification. As a result of the pilot, CAF has refined the audit process and considered how prequalification and building certification will work together. The formal launch of CAF Contractor Prequalification has been put on hold due to COVID.



CAF REPRESENTATIVES

The CAF Representative program is one of the stand-out worker engagement features of CAF. It provides the building certification scheme legitimacy, ensuring that cleaners have a voice in CAF. CAF's Star rating system goes beyond a point-in-time audit, providing ongoing assurance of labour standards compliance at a site. The CAF Representative is critical to this objective as they are equipped to educate their peers about labour standards and raise issues in a timely manner, thereby contributing to the maintenance of good working conditions for cleaners at the building, and reducing legal and reputational risks associated with non-compliance for other stakeholders.

FY20 saw the first CAF Representatives receive training and support to carry out their duties at their workplaces. In October 2019, nine CAF Representatives from around the country came to Sydney to take part in the first CAF Representative training. Many of these cleaners were very new to CAF and to holding a leadership position, however they were engaged and some had already started to assist cleaners at their workplaces. Following the training session, United Workers Union and CAF have maintained regular communication with the CAF Representatives through online communication which has proven to be a vital link to the cleaning workforce at CAF certified buildings and precincts during COVID lockdowns.



CAF and modern slavery

Cleaning has been recognised as a key risk area for modern slavery in Australia by the Department of Home Affairs.¹ Withholding of wages, immigration-related coercion and threats, deceptive recruitment, excessive overtime, debt bondage, confiscation of personal and travel documents, and dangerous and substandard working conditions are all practices that are found in the cleaning industry in Australia.²

With the introduction of the *Modern Slavery Act 2018* on 1 January 2019, businesses and government are increasingly turning their attention to their supply chains and measures they can take to identify and remediate risks of modern slavery. The traditional supplier audit method has proven inadequate when it comes to promoting systemic positive change, which is where schemes such as CAF are gaining traction as we adopt an independent whole of supply chain accountability approach.

Workers are recognised as central to the process of eliminating modern slavery and exploitation from a supply chain. CAF's worker engagement model is a diagnostic tool in and of itself, and includes additional measures specifically designed to identify potential victims and scenarios of slavery. CAF and United Workers Union have also increased education and awareness-raising of modern slavery among cleaners through the CAF Building Certification process.

¹ Commonwealth Modern Slavery Act 2018 – Guidance for reporting entities, accessible at: <https://www.homeaffairs.gov.au/criminal-justice/files/modern-slavery-reporting-entities.pdf>

² Doherty, Ben (2017) 'Sydney cleaning firm treated foreign workers as 'slaves', court says', *The Guardian*, 8 June 2017, accessible at: <https://www.theguardian.com/australia-news/2017/jun/08/sydney-cleaning-firm-treated-foreign-workers-as-slaves-court-told>

CAF and COVID

COVID-19 has presented both challenges and opportunities for CAF in the first half of 2020. Due to significant lockdowns along the east coast (where the majority of CAF Certification takes place), CAF put a hold on all certification related activities. This was to allow businesses that were struggling with rapid changes to adapt and continue to support their workers, and the fact that the in-person CAF worker engagement model was not possible under physical distancing requirements.

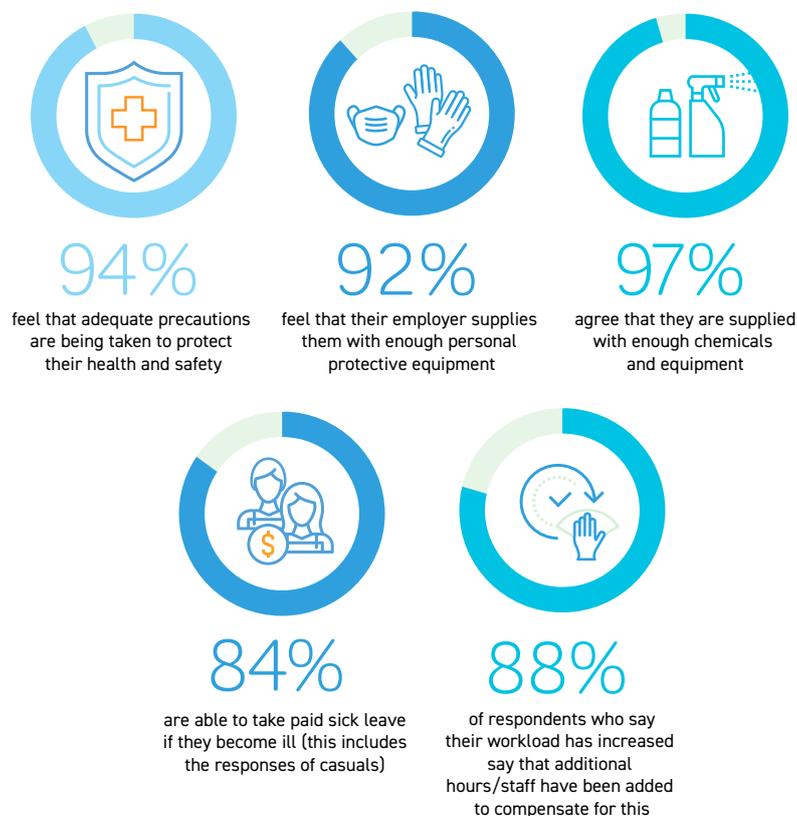
Instead, we reoriented our focus to providing assistance to CAF stakeholders on how to best manage any changes to cleaning requirements (both increases and reductions). Our efforts were focused at the top of the supply chain, encouraging procurers to maintain services where possible to support vulnerable workers (mostly visa workers) who could not access financial support.

One of our main communications and advocacy messages centred on cleaners as essential workers alongside healthcare and other workers. Given many cleaners are vulnerable workers and may become even more vulnerable through COVID, ensuring decent work standards for cleaners throughout COVID is paramount. CAF advocated that not only would better working conditions lead to better quality cleaning, therefore reducing the spread of infection, but also that decent work for cleaners is essential to the reopening of the Australian economy. This message was sent to Government, major corporates, investors and unions.

With the mounting invasive impact of COVID-19 and industry concern about the reported rise of questionable working conditions, CAF undertook a survey of cleaners who work at CAF-certified buildings. The survey touched on current issues around safety standards, workloads and job security. Understandably, there is a level of anxiety around exposure to COVID-19 with one cleaner saying,

“Within my job I’m surrounded by a vast amount of strangers from all walks of life so I’m worried about being exposed to the virus because some people may not even be aware that they have [it].”

Working conditions in CAF-certified buildings appear to be reasonably maintained, with far higher levels of compliance than what is being increasingly reported throughout the industry more broadly. In a survey of cleaners in CAF-certified buildings conducted in late March, we got the following results:



Concurrently, United Workers Union undertook their own survey with cleaners at non-CAF buildings with significantly different results:



The results of the surveys indicate that CAF certification offers cleaners substantial protection against unsafe working conditions.

Notwithstanding these positive results from the CAF Coronavirus survey, many cleaners did express high levels of fear about their livelihood if stand downs and cuts to working hours were implemented at their workplace. Lockdowns, particularly the one in Melbourne, have created significant livelihood concerns for cleaners, the majority of whom are not eligible for JobKeeper or JobSeeker due to their visa status. We have, however, seen numerous instances of CAF stakeholders taking concerted action to minimise financial hardship for cleaners.

ARC grant

The ARC funded research project harnesses interdisciplinary skillsets to co-create innovative solutions with CAF stakeholders, and contributes to the development and assessment of tools that enable CAF to address the exploitation of labour in one of the most vulnerable sectors in the labour market. In FY20 the UTS Team has continued to examine the development and implementation of the Cleaning Accountability Framework (CAF) and has undertaken a number of key research activities.

The team has continued its stakeholder engagement to better understand the implications and challenges CAF faces and its effectiveness in the industry. In FY20 we interviewed 11 Steering Committee Members, 2 stakeholders at newly certified sites and an associated stakeholder.

The pricing schedules for commercial and retail underwent significant changes, with key input from Associate Professor David Bedford. The focus of the changes were to reduce the data input requirements for property managers and contractors, and ensure that the language and rates used in the schedules were accurate. In addition, significant work went into developing the aesthetics to align better with CAF branding.

The UTS team has been working with CAF to develop technological solutions to better support worker engagement. Two cleaner focus groups were conducted to better understand the needs and technology use of cleaners. Following the findings of this workshop an development options paper was presented to the Steering Committee highlighting minimum viable product (MVP) app options.

To develop, support and commercialise the MVP, UTS have brought in a new partner to the collaboration. This partner, Resolution 123 (R123), is a UTS start-up, who developed the MVP based on the research and feedback from the earlier Hackathon and cleaner workshops. The UTS team, led by Associate Professor Sarah Kaine, has negotiated a royalty-free, Australia-wide licence for CAF to continue using the MVP for certification beyond the grant period.

The research team actively engages with the community, raising the profile of the research, UTS and CAF. The team made a submission to the Senate Inquiry in to the Unlawful underpayment of employees' remuneration and authored a *Conversation* article ([Shocking yet not surprising: wage theft has become a culturally accepted part of business](#)), highlighting CAF, and it's partnership with FWO, as an important solution to targeting wage theft in Australia. Dr Martijn Boersma's (UTS) book '[Addressing Modern Slavery](#)' and [associated media](#) also identified the value of CAF in safeguarding social standards in the cleaning sector.

Strategy and the future

The CAF Steering Committee adopted a strategic plan in early 2020 to guide our work over the next three years. Our main areas of focus will be:

- **Financial sustainability**

CAF is a not-for-profit organisation that currently relies on sponsorship and income from membership and certification fees to support the organisation. To ensure the organisation's ongoing financial sustainability, CAF has developed a three-year business plan focused on diversifying revenue sources and growing our current offering.

- **Governance**

Following the launch of building certification in early 2019, CAF commenced a review looking at our organisational structure and governance with a view to making sure we have the best fit to deliver on CAF's strategic objectives now and in the future.

- **Growth**

CAF has commenced work on developing a portfolio certification model for the existing office building and retail mall frameworks. This will enable us to certify buildings at scale, and have an even greater impact in terms of improving labour standards for cleaners.

- **Expansion**

While there is significant interest in expanding the CAF model to other industries/sectors, CAF has earmarked security services and retail stores (e.g. supermarkets) as priority areas for further expansion of the scheme given we already have some traction in these fields.

Conclusion

Although FY20 has presented significant unforeseen challenges to CAF, our stakeholders, and the world in general, our purpose and vision are more relevant than ever. CAF has a proven track record of engaging with cleaners to educate and equip them with the knowledge and support to monitor labour standards at their workplace. This creates a self-sustaining culture of compliance where cleaners and their representatives, cleaning contractors, and procurers of outsourced cleaning services work together to ensure high cleaning and labour standards.

Our success would not have been possible without the support of our founding partners AustralianSuper and United Workers Union, CAF members and other stakeholders that have participated in building certification, and cleaners themselves.

Poonam Datar

Chief Executive Officer

Cleaning Accountability Framework