

# LEADER



## Celebrating Innovation

### The CoreNet Global 2006 H. Bruce Russell Global Innovator's Award

  
CORENET  
GLOBAL

CoreNet Global  
H. BRUCE RUSSELL  
GLOBAL  
INNOVATOR'S  
AWARDS  
  
CoreNet Global  
H. BRUCE RUSSELL  
GLOBAL  
INNOVATOR'S  
AWARDS

  
CORENET  
GLOBAL

Empowering Corporate Real Estate  
and Workplace Executives

# Collaboration

## A Remarkable Outcome for a Public/Private Partnership

**GJK Facility Services, the Victorian State Government and the Brotherhood of St. Laurence, Australia**

*"Astonishing achievement can be made when organizations think outside the square. This is the story of three organizations that truly embraced new and innovative ways to achieve mutually beneficial outcomes."*  
George Stamas, Director GJK Facility Services.

In April 2003 GJK Facility Services, the Victorian State Government and the Brotherhood of St. Laurence embarked on a journey that would truly test the respective groups. What was ostensibly a modest cleaning project, "The Cleaning, Grounds Maintenance and Waste Management Contract" at the Collingwood and Atherton Gardens Public (Social) Housing Estates in Melbourne, Victoria, Australia resulted in a commercial, collaborative service offering.

This project could potentially change the face of long-term unemployment nationally and significantly impact local communities at large. The contract involved significant risk, innovation and, above all, a requirement by the Victorian State Government for GJK to engage some of the most financially and socially disadvantaged people in Victoria to their facilities services team. Lateral thinking across business opportunities, physical and human resources, goals and objectives, through collaboration, leads to innovation – and new business practice. This is the story of the tender, the contract, the processes and...the people, that were involved in a positive, innovative result where a social and financial win-win-win was achieved by all.

### The Collaboration – An Overview

In April 2003 the Victorian State Government, Office of Housing, requested tender responses to the: "Cleaning, Grounds and Maintenance and Waste Management Contract" at the Collingwood and Atherton Gardens Public Housing Estates, Melbourne, Victoria, Australia. The tender responses were due by 1 May 2003 and the contract would commence on 1 July 2003. This request for tender, however, was the first

time a mandatory public tenant (social housing tenant) employment clause had been inserted to any Victorian Government commercial contract.

Interested parties had eight weeks to prepare their tender. The mandatory public tenant employment clause originated from a Victorian State Government (Office of Housing) initiative — the Neighbourhood Renewal Program which had the specific objective of providing disadvantaged Victorians renewed ownership of their Public Tenant Environments. The specific objective of Neighbourhood Renewal was to make a real difference to the lives of disadvantaged Victorians by empowering them in their own living environments and improving their quality of life. Both Neighbourhood Renewal and the Public Tenant Employment Program (PTEP) are a key component of the Government's 'Growing Victoria Together' strategy. GJK Facility Services Pty Ltd was awarded the "Cleaning, Grounds and Maintenance and Waste Management Contract" at the Collingwood and Atherton Gardens Public Housing Estates by the Office of Housing on July 1, 2003.

A 'collaborative partnership' was formed between GJK Facility Services (GJK), the Victorian State Government (Government) and the Brotherhood of St. Laurence (BSL). Their goals and objectives became aligned through the collaboration of the skills and experience of a business, government and community organization – and a truly remarkable outcome emerged for all stakeholders. The partnership forged as a result a Public Tenant Employment Clause (PTEP Clause) placed within the Cleaning, Grounds and Maintenance and Waste Management contract has resulted in an investment in disadvantaged communities at the Atherton Gardens Richmond and Collingwood Public Housing Estates, Melbourne, Victoria, Australia, and the adoption of a whole of government approach to work with community and Estate residents to increase employment, training and education opportunities for people who are disadvantaged in the labor market, and to increase and maintain the capital value of public capital assets across the state. The Collaborative Partnership was unique because all parties possessed unique skills and experience.

## 2006 H. Bruce Russell Global Innovator's Award Winner



GJK Facility Services CEO Mario Vella-West (right) is pictured with Richard Kadzis, awards program manager for CoreNet Global.

GJK — an experienced commercial cleaning contractor and project manager, the Victorian Government — empowered by the people of Victoria to set policy around public housing/assets and employment, and the BSL — a community organization dedicated to providing a range of services to many of Australia's disadvantaged people. The PTEP Clause specifically stated that 'the successful contractor (GJK) would be required to employ a minimum of 25 percent effective full time employees across (the) housing estates within 3 months of the contract commencement and 35 percent effective full time employees within a twelve month period (for the purposes of cleaning and maintenance).'

The PTEP clause effectively meant that the successful contractor would have to attract, train and retain public tenant employees in order to comply with the contract. For the contract to be a success, a collaborative partnership approach was required to ensure financial viability and an improved social environment and community and government approval. Increasing economic participation within disadvantaged communities is challenging. Working collaboratively has mutually benefited local residents, GJK, BSL and the Victorian

Government by increasing our collective knowledge of the community and ways to increase employment and learning opportunities.

### The Collaborative Partnership

GJK Facility Services had tendered for and won the contract (valued at approx \$2.8 million) over an eight-week period. The project involved significant financial risk, innovation and, above all, the requirement to engage some of the most financially and socially disadvantaged people in Victoria to their facilities management team. Not only would they be required to train and manage people who in some cases represented the long term unemployed, they would be required to integrate them within the existing GJK staff and organization.

The Estates had not received cleaning and maintenance service levels of a high standard prior to 1 July 2003 and the public tenants were generally skeptical of GJK and their staff — this would make the recruitment and management of public tenants to GJK more difficult and the perception of the new recruits by the public tenants as a whole imperative to the success of the PTEP Clause.

Through working in the collaborative partnership, GJK was able to gain actual insight to the issues of the public tenants at the housing estates and therefore strategies in dealing with problems that were not previously experienced by their organization. This meant that GJK was able to be part of a business environment within which all parties were to benefit – by being able, as a whole organization, to understand the issues of the estates and be part of a successful commercial and social outcome.

Training and mentoring was a key component of GJK's service commitment and was integrated as part of their ISO accreditation as an indication of their day-to-day commitment to quality – GJK was able to draw on many years' experience in upskilling new workers to the industry and focused their tender accordingly. It was a requirement that all GJK employees hold a minimum Certificate II progressing to Certificate III qualification in Asset Management (Cleaning Operations).

Given that the unskilled workers would not have met this requirement it was submitted that 'on the job' training and intensive training sessions focusing on OH&S and generic cleaning/work skills would be undertaken by the Training partner Southern Edge Training. The cost of training would be at commercial rates but this would be offset by Government Training subsidies. The GJK Training Plan was exhaustive and represented unprecedented opportunity for unskilled workers, and in many cases the long term – even second generation — unemployed, to have a new career, quality of life and contribute substantially to the environment in which they lived.

The training plan aimed at having a collaborative approach between GJK Facility Services, the Victorian State Government and the Brotherhood of St. Laurence with strong lines of communication, teamwork and KPI's. Ultimately GJK would implement World's Best Practice and seek to benchmark against KPI's with other commercial facilities and maintenance contracts in Melbourne.

### **The Victorian State Government (Office of Housing)**

Previous incumbents to the facilities contracts at the Estates had no specific 'buy-in'. This coupled with what were a highly unionized work place environment, a high crime rate, and regular trespassing and illegal activity, resulted in a largely unsanitary and unpleasant environment. This changed with the GJK, Victorian

State Government and BSL commitment to the creation of employment and education opportunities for the residents of the Estates. In 2001 the Victorian State Government launched Neighbourhood Renewal with the specific objective of providing disadvantaged Victorians renewed 'ownership' of their Public Tenant Environments. Since this time 15 communities across inner Melbourne and regional locations have experienced housing upgrades, safer living environments and, in some cases new employment opportunities.

The spirit of Neighbourhood Renewal is to make a real difference to the lives of disadvantaged Victorians by empowering them in their own living environments and improving their quality of life. The Office of Housing instigated the Public Tenant Employment Program (PTEP) as a key component of the Department's Neighbourhood Renewal strategy. The aim of the PTEP policy was to "ensure that the government's investment in housing is used wisely by linking it to employment creation." It was envisaged that PTEP would increase the social and economic investment being made in housing renewal, property and facilities. The aim therefore is to maximize the social and economic investment being made by the government in public housing by employing and training the very people who utilize the public facilities and need the work.

### **The Brotherhood of St. Laurence**

The Brotherhood of St. Laurence was engaged to provide expertise and support around the engagement and on-going mentoring of the PTEP employees. Through working in the collaborative partnership the BSL has gained a corporate and contractor delivery based perspective whilst providing our expertise in employment and training personal support.

On a local level, the partnership has cemented the BSL's commitment to the local Estate communities, further enriched residents' trust in the BSL's service delivery and provides further evidence of the BSL's willingness to develop and deliver innovative solutions to the needs of disadvantaged communities. The BSL contributed to the Victorian State Government's evaluation of the Public Tenant Employment initiative.

As a result of the high sustainability rate of resident employees and the success of the initiative and partnership, the Victorian State Government's aim is to now roll out Public Tenant Employment in housing contracts across the state. Being a partner in the flagship Public Tenant Employment initiative has enabled

# 2006 H. Bruce Russell Global Innovator's Award Winner

the BSL to continue discussions with the State Government regarding future opportunities in other disadvantaged communities.

## The Public Tenants and Victorian Capital Assets

The immediate benefit to resident employees was having a job, and industry based accredited training. The partnership readily acknowledges that "The way out of poverty is a job!" The partnership was aware of the complex, immediate and long term needs and issues for tenants and their barriers to engagement and employment. Such issues included mental health issues, cultural differences, language and literacy, child care issues, low self esteem, and entrenched behaviors as a result of long term unemployment. Potentially, resident employees had complex needs and required a supportive environment in which to develop skills and make the transition from long term unemployment to sustainable employment. The collaborative partnership offered employment, training and personal support. Multiple benefits for the PTEP employees included increased health and well being, a sense of direction and purpose, stability, financial security and independence and pride in work. Especially for parents, it provides the chance to become a family role model, showing there is more to life than welfare dependency. The initiative enabled people to 'learn on the job' within a supportive work environment, increased self-esteem and confidence, re-acquainted long-term unemployed people with a daily work routine and employer expectations and provided the sustainable work experience required for career development and any future employment prospects.

## The Collaborative Contribution made by GJK Facility Services, the Victorian State Government and the Brotherhood of St. Laurence

The key contribution made by GJK was their technical ability in achieving key performance criteria and satisfying service level agreements across major cleaning and maintenance contracts. In conjunction with the BSL, GJK established a Management Committee to approach staff induction, training, mentoring and development and continuous improvement. In particular a Continuous Improvement Program was adopted aimed at achieving zero non-conformances against established standards and was regularly audited by internal and external ISO 9001:2000 version.



GJK Facility Services contributed substantially by absorbing the financial and related risks in association with the provision of facilities services to the Atherton Gardens and Collingwood Estates. There were a number commercial risks that GJK took in that its company name was at stake with the Victorian Government, the financial risk associated with performance bank guarantees and penalties which were accentuated by the nature of the contract and the PTEP clauses, operational risks associated with adding an additional layer of management to address the training, supervision and problem resolution that would be required and risks associated with industrial and OH&S issues.

The Victorian Government's annual spend on public housing is \$850 million and this is significantly compounded by the costs associated with unemployment,

health and the social subsidies that are associated with public housing tenants. So the magnitude of the total public spend is great and is obviously funded by state government taxes levied upon Victorians. The specific objectives of the PTEP Clause were to:

- Increase people's pride and participation in the community
- Improve personal safety and reduce crime
- Promote health and well being
- To increase access to transport and other key services and improve government responsiveness

Prior to PTEP initiative there was a vacancy rate of up to 40 percent at the Public Estates and today there is 100 percent occupancy and a waiting list for units – this project is estimated to have saved the Victorian tax payer in the order of \$500,000 per annum.

PTEP is about maximizing the investment that the Victorian government makes with revenue for the benefit of the whole community – particularly because other areas of the government spend funds on employment creation. International studies have concluded that “people with purpose” who “enjoy achievement” are far more likely to live a more meaningful and healthy life. It is also clear that individuals who provide real, meaningful and useful services within their own environment take pride in their environment – i.e. where they live.

### The Brotherhood of St. Laurence

To move from long-term unemployment to employment is difficult. The BSL was able to share with GJK, the skills and insight gained through many years' experience providing support to disadvantaged communities and in particular, providing employment and training programs and support to the Atherton Gardens and Collingwood Estates. The period immediately following the start of a new job is crucial: dealing with the costs of travel and clothing, arranging child-care, getting used to a work routine and sorting out Centrelink (Social Security) payment changes can be difficult and stressful.

The BSL's Employment Support Officer works one-on-one with resident employees to advise the GJK project management team of personal issues whilst maintaining their training schedule and employment. If employees already have a case manager, the BSL en-

courages the maintenance of this relationship. If employees need support and are not linked to an appropriate support service, the BSL assists them with this connection—for example to drug and alcohol support services, legal aid, family support counseling and child-care. The BSL may also advocate on their behalf when dealing with Centrelink, housing issues and utilities such as telephone and electricity services.

The Personal Support Worker supports both GJK as the employer and the resident employee to enhance the transition to work and sustainable employment.

### Conclusion

In April 2004 the Victorian State Government commissioned the Business Management Consultants Street Ryan and Associates to produce an “Evaluation of the Public Tenant Employment Program: Collingwood and Fitzroy.”

This report reviewed the work achieved at the Estates by the partnership. The report stated that the “design and implementation of the PTEP clause (by the partnership)...has been both efficient and effective in achieving its objectives”. The report went further to say that the job targets for the employment of public tenants were not only met – they were exceeded, the training and development activities ran according to schedule and the acquisition of competencies against the required benchmarks set were exceeded.

A significant increase in the clean enjoyment of amenities at the Estates was noted by the report as was the potential for a further 185 full time jobs across the other existing cleaning and gardening contracts at public facilities across the state. The collaborative partnership is one that required lateral thinking across the immediate business opportunity, contractual obligations, physical and human resources and mutual goals and objectives.

The partnership worked because both parties utilized their unique abilities and had a mutual interest in both parties succeeding. The partnership is a credit to the staff from GJK and BSL who worked tirelessly to produce this result...ultimately the most enjoyable outcome has been the community result, specifically the return of the PTEP staff to full time employment, for the people at the Atherton Gardens and Collingwood Estates, and the prospects for other public tenants with future government contracts. On 8 February 2005, Ed David, who is the Principals Representative, Direc-

## 2006 H. Bruce Russell Global Innovator's Award Winner

tor of Property Services at the Office of Housing, wrote to George Stamas, Director of GJK Facility Service.

The letter outlined Mr. David's acknowledgement and appreciation of the facilities work the partnership had performed at the estates – the letter reiterated that "this was the first public tenant employment clause in an office of housing contract"... and went on to say "...your efforts and commitment have made it a very successful pilot and that (they) will be using it as a model to extend the program to other Office of Housing Contracts". Mr. David also cited the success of the collaborative approach and that the outcomes for all parties have been good. Finally Mr. David makes the point which has been at the heart of this project from the start "...importantly, by providing employment for some of the most disadvantaged people in the state, the project contributes toward building more cohesive communities and reducing inequalities."

### Summary of the Key Collaborative Points

- The need for specific skill sets, collaboration with the Victorian State Government and a partnership with an organization that understood the issues of a disadvantaged sector of the community was paramount
- This was an exercise in leadership, cooperation and, if successful, was a concept from which businesses, community organizations, federal and state governments and the community as a whole would benefit
- A community and business partnership was formed between GJK Facility Services, the Victorian State Government and the Brotherhood of St. Laurence. Their goals and objectives became aligned through the skills and experience of a business and a community organization – and a truly remarkable outcome emerged for all stakeholders.
- A significant increase in the clean enjoyment of amenities at the Estates was noted by the report as was the potential for a further 185 full time jobs across the other existing cleaning and gardening contracts at public facilities across the state
- The GJK, Victorian State Government and BSL collaboration represented the PILOT for the PTEP program – there are now 25 other Contractors, across the broader facilities management sector, to the



government for office of housing work, 110 PTEP employees – this number is growing every week across all the public housing estates in Victoria! GJK has been instrumental in the training and promotion of the PTEP program with the 24 independent contracting companies that followed the pilot. **LEADER**