

Perspective

World Contracting News, Views & Comments

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AUSTRALIA-WESTERN AUSTRALIA

Major Property Manager Supports Cleaners' Pay

In what is believed to be an Australia first in the private sector property management area, CB Richard Ellis has stipulated the minimum pay and conditions to be paid to the cleaners, of the contractor CB Richard Ellis selects for the shortly to be let cleaning contract at QVI in Perth, one of Australia's most prestigious high rise buildings. Early this year Mark Berry, President of the Building Service Contractors Association WA – BSCAAWA and Ian Westoby, BSCAAWA's Executive Director gave a short presentation on the WA Cleaning Industry Benchmarks, at a Property Council Conference for Commercial Property Managers. Shortly after this presentation CB Richard Ellis's Alison Robertson, Director General Manager – QVI, contacted Ian Westoby to arrange a meeting. At this meeting she wanted to know how she could help the successful contractor slow down the turnover of cleaners at QVI and thus help to maintain cleaning standard consistency. Ian Westoby indicated the "take home pay" was probably the most critical factor to the majority of cleaners and this was governed by only 2 things – what they get paid per hour and the hours they work. Most cleaners' hours are restricted to avoid overtime payments, which apply before 6.00am and after 6.00pm because building managers and owners are reluctant to reimburse commercial cleaning service providers for any overtime due cleaners. Following this meeting Alison did not one but two things to ensure QVI set a new Australian property management benchmark to ensure all the cleaners in QVI were properly rewarded for their efforts by adding the following clauses to the tender document – "All cleaning personnel are to be paid no less than the requirements under the Contract Cleaners Award 1986 - No A3 of 1968". "The Contractor is to include an additional monthly amount of \$100 net (exclusive of GST) representing a Monthly Cleaner's Award by way of a voucher to be awarded to the cleaner who, in the opinion of the Contractor's Area Manager and Supervisors has demonstrated an outstanding effort in personal presentation, cleaning ability and pride in workplace". In addition she said she would discuss with the cleaning service provider how the hours cleaners worked per shift could be increased to make the

hours they got paid for more meaningful, even if some additional overtime payments may become necessary. In the light of the high profile of QVI, the fact that the ongoing cleaning costs of a commercial property are one of the highest "on cost" after rates, electricity & mechanical services and the interest in the possible impact on the low paid by the new federal government's industrial relation legislation, Ian Westoby said it was a pleasure to meet a building manager, who wanted to ensure cleaners' take home pay was maintained and even increased. He hoped other property managers and owners would adopt a similar attitude and get away from the age-old culture of "how little can we pay for the cleaning". The WA Cleaning Industry applauds Alison Robertson and QVI for once again being a market leader in Australian Property Management.

AUSTRALIA-WESTERN AUSTRALIA

Wages Of 24,000 Cleaners In WA Protected

The Building Service Contractors Association of Australia WA, BSCAAWA, the peak industry body for employers of the 24,000 cleaners in WA, supports all efforts to maintain and improve the relative position of its workforce in the current buoyant economic conditions prevailing in WA. The Association sees this as a critical component of retaining the existing workforce and of attracting the necessary staff to service the growing demands placed upon the industry. The maintenance of the State Award as a safety net for pay rates for cleaning staff is seen as a minimum benchmark to achieve this sustainability and to prevent any erosion of the value of cleaning services in a competitive environment. The Association has welcomed and supported major building owners and managers who have recognized the need to retain a quality workforce by insisting on these pay rates for cleaners in their buildings. The Association also recognizes that rates in excess of Award conditions will become increasingly necessary to attract quality staff to the industry. Market pressures are likely to escalate rates for cleaning staff in line with labor shortages being experienced across all other industries in WA. Changes in industrial legislation have given employers scope to utilize a variety of employment instruments and the Association respects the

rights of its members to choose the legal instrument which best suits their individual needs. BSCAAWA's position was and remains "Employers should be free to use any legal instrument of employment, but these should be consistent with the appropriate award pay rates". Therefore if the appropriate award wage increases through a "legal" decision, then an employer should ensure the pay rates, in the employment instrument used, remain consistent with the new pay rates.

BRAZIL-BRASILIA

Brazil Economy Expanding

An IMF country report notes, the Brazilian economy has continued to expand, albeit at a more moderate pace than in 2004. Real GDP growth is expected to rise by some 3.5 percent in 2006, up from 2 percent growth in 2004 and inflation has neared the official target of 4.5 percent. Brazil's external position has strengthened further with high trade and current account surpluses. Sovereign bond spreads have narrowed to all-time lows, stock prices have risen to historic highs, the real has appreciated to its highest level since early 2001 and Brazil's external debt has declined to its lowest ratio to exports in more than twenty-five years.

BELGIUM-BRUSSELS

Package To Fight Against Illegal Immigration

An EU package adopted in mid-July comprises of a Communication on the policy priorities in the fight against illegal immigration of third-country nationals, a proposal for a Regulation establishing a Community Code on visas for short-stays and a proposal for a Regulation on the powers and the financing of rapid reaction teams of border guards from Member States who are seconded to another Member State in order to provide technical and operational assistance. This package significantly reinforces the EU's efforts to increase solidarity between Member States and fight illegal immigration more vigorously.

CANADA-EDMONTON

Critical Need For Trained Staff

There is a severe shortage of home-care staff in the province as low wages and a tight labor supply have led to a shortage of qualified personnel. As a result, many families have to make up the difference in pay or care or

send patients to institutions. One company, Capital Health which contracts with a dozen private companies to provide long- or short-term care for patients at home, or provides funds for individuals to hire help, is planning to increase funding for wages by 20 percent. Currently, workers are paid between \$10 and \$12 an hour on average. Even if wages increase, the other issue is that there is a serious lack of trained workers.

FRANCE-PARIS

Corporate Tax Revenue Surges

According to the Finance Ministry, through June, taxes on French corporations increased 2.7 billion euros more than in the same period 2005. If the trend continues, the year-end windfall would amount to 5.0 billion euros (6.35 billion dollars). In addition, value added taxes also show a surplus of 1.0 billion euros. The ministry warned against such predictions as it claimed numbers needed to be adjusted for seasonal variances. There has also been some speculation the government would spring "a major surprise" by announcing that employers' charges on minimum-wage salaries would be eliminated next year.

GERMANY-BERLIN

Skill Shortage In Germany

Executives claim the German educational system is doing a poor job in preparing the country's future work force, with too many low-skilled workers coming out of German schools. To make matters worse, the number of those employed in the workforce is expected to shrink by some 10 million by 2050. Even immigration is on the decline as the number of immigrants coming to the country is at its lowest level since 1990. In 2005, only 580,000 immigrants came to Germany, down 4 percent from 2004. In actuality, more Germans emigrated or left the country, and many of them were skilled workers or professionals. The head of the Confederation of German Employers' Association, claims there needs to be a solution quickly for Germany to sustain a viable economy. First, companies need to offer more training programs. Currently, just under 24 percent of German companies offer training programs for young people, and only 15 percent of those companies with owners of foreign origin do. Second, there needs to be a change in Germany's immigration policy. One recommendation is to link immigration to Germany to qualifications such as education, work experience and language ability.

JAPAN/SINGAPORE

Training Cleaners To Be Specialists

The National Trades Union Congress (NTUC) and the World Toilet College (WTC) are expanding the Job Re-creation Program (JRP), which aims to train workers to do more so they can earn more, to the restroom sector. The WTC has flown in three top Japanese trainers in the field to conduct a three-day pilot course for 51 toilet cleaners and trainers and aims to expand the pilot course to a 64-hour one, after which trainees will be certified as 'restroom specialists'. Besides daily cleaning and maintenance, toilet cleaners will be trained to also do minor repairs and full-scale cleaning. Currently more specialized workers perform such tasks. The Japanese trainers have taught about the design of different toilet bowls, how to remove urine crystals from hard-to-reach places, as well as new chemicals and tools from Japan and after the course, cleaners will be monitored for three months to help them put their training into practice. The goal is to professionalize the restroom sector and raise the average monthly wage of cleaners, which is currently about \$700-\$950. The program hopes to train a minimum of 100 cleaners in 2006.

NEW ZEALAND-WELLINGTON

Money Is A Lot Cleaner Than Thought

Researchers have found money is not nearly as dirty or germ-ridden as has been perceived in the past. In a one-year study from Ballarat University, researchers found low levels of common bacteria on the currency traded through food outlets in Australia and New Zealand with Australian currency being marginally cleaner. Fears about dirty money are groundless as the presence of bacteria is so insignificant it would be impossible to cause diarrhea, vomiting or other gastrointestinal symptoms. The study found coins were far less dirty than notes and plastic credit cards had the same levels of bacteria as hard currency.

SOUTH KOREA-SEOUL

Older Workers Largest Segment Of Workforce

For the first time ever, older employees, aged 50 or over numbered nearly 6.5 million, a half million increase over last year's average, and outnumbered younger workers in their 30s and 40s, reflecting the fast-aging job market of

Asia's third-largest economy. Older workers represent at 27.7 percent, the largest proportion of the entire workforce with many re-entering the job market after retiring. Those aged 55 to 79 grew almost 150,000 to 4.2 million and the unemployment rate slid 0.2 percentage point to 2.1 percent. In contrast, employees aged 15-29 declined to 3.9 million, a decrease of over 10 percent compared with three years ago. This segment now only represents 18.8 percent of the workforce. Overall, the jobless rate was down 0.3 percentage point from a year earlier, as the service sector, which expanded more than 2 percent, employed more workers.

SWEDEN-STOCKHOLM

Increase In The Number Of Employed Continues

In May 2006 the number of employed increased compared to May 2005. This yearly increase in the number of employed continues from November 2005. In May the number of employed amounted to 4,296,000, an increase by 68,000 over 2005. The number of employees has increased as well as the number of full-time employed. The number of hours worked was on average 135.5 million hours per week. Adjusting for differences in bank holidays, results in an increase in hours worked by about 2 percent over last year. The unemployed amounted to 217,000 or 4.8 percent of the labor force in May. Also, a recent survey of occupational groups showed cleaners had the second lowest average monthly salary in 2004 at 16,400. The highest average salary was over 65,000.

TAIWAN-TAIPEI

Finance Ministry Considering Deferment Of Tax

An unexpected business sector proposal at a preparatory meeting for the Conference on Sustaining Taiwan's Economic Development sought to change the grace period to five years on a 1998, 10 percent income tax on corporate profits derived from surplus earnings that are not distributed to shareholders. The Ministry of Finance said it would look at changing the grace period from the current one year to at most two years. At present, the government now collects between NT\$20 billion (US\$615 million) and NT\$25 billion per annum from the tax and before the proposal could be entertained; alternatives to make up the budget shortfall and address the tax code would have to be addressed.

THE NETHERLANDS-AMSTERDAM

Collectively Negotiated Wages Rise

Collectively negotiated wage levels in the Netherlands were 1.9 percent higher in the second quarter of this year than one year previously. This is a substantially larger increase than in 2005, when it was 0.7 percent, the smallest increase since 1984. The increase in collectively negotiated wages became smaller and smaller after the end of 2001. Since the third quarter of 2005, however, it has been increasing again. More special allowances, among other things, related to the life course savings scheme and medical expenses, account for 0.3 percent of the wage rise. Without these special allowances, the average increase would be 1.6 percent.

UK-ESSEX

Sloppy Work Creates Environmental Nightmare

A succession of blunders by several parties caused toxic matter to enter the Blackwater River and its tributaries and kill tens of thousands of fish. Initially, a forklift driver working for Woodland International Transport punctured a drum of Tributyl tin oxide. The safety guidelines sent over by the chemical manufacturer clearly stated the product should not be flushed with water or allowed to reach drains or sewers. The fire service and the Environment Agency cleaned up the spill using a dry agent and then turned the site back to the transport company to arrange specialist decontamination. Rentokil Initial UK was called in but neither of the two men who arrived was qualified to deal with hazardous spills. They hosed the yard and equipment for about 10 hours but did not try to stop the water from running into the drains. Rentokil then issued a certificate two days later stating the contaminated areas had been cleared of all risks and were safe. The final straw came when the local council pumped out the drains a month later, which then polluted the river. The Environment Agency criticized Rentokil, Woodland and the council and fined them a total of pounds 234,000 for their parts in allowing a minor chemical spill to become a major incident.

UK-LONDON

Two Strikes And You're Out

John Reid, the Home Secretary has proposed a bill, "two strikes and you're out", to eliminate the employment of illegal immigrants. The bill would require directors to be disqualified if their firms were found to be violating immigra-

tion laws on two separate occasions. At present, the courts can disqualify directors anywhere from two to 15 years for a range of offenses including allowing a company to trade while insolvent, improper accounting and failure to pay taxes. While the bill language is still to be decided, one version would have directors facing the sanction even if their contractors - not the companies themselves - were found to be employing illegal immigrants. Critics claim the plan is holding business responsible for a government border control problem. There are an estimated 570,000 illegal immigrants in Britain.

UK-LONDON

OCS Takes The Triple In Top Awards

OCS, the UK's largest privately owned property support services group, has picked up three top accolades in recent months - the JP Morgan Award for Overall Excellence in the Family Business Sector; increased ranking in the Sunday Times KPMG Top Track 100 for 2006 and a place in the London Region finals of the Ernst and Young Master Entrepreneur of the Year Award for OCS chief executive, Chris Cracknell. The company, which was set up in 1900 and has grown dramatically in recent years to employ 61,000 offering 115 services in five continents, now achieves sales in excess of £600 million. At the end of last year, it celebrated after successfully winning the prestigious JP Morgan award, for "Overall Excellence" and was the first to be rewarded in all three categories in the Family Business Honors Program. This followed previous success in the 2004 awards in which OCS was commended for both Business Success and Family Governance sectors. In the Sunday Times KPMG Top Track 100 just published (2 July 2006), OCS has reached a 64th place ranking which puts it amongst some of Britain's most dynamic and fast-moving companies. These annual rankings are recognized as a benchmark for the biggest companies in Britain and are celebrated with national and regional award dinners. To further reinforce the achievements of the business, OCS chief executive Chris Cracknell, a fourth generation family member, won a top three place in the London Region finals of the Ernst and Young Master Entrepreneur of the Year - an award which celebrates the accomplishments of business leaders in 40 countries. In his forward to the awards, Ernst and Young Chairman, Mark Otty said, "Entrepreneurism is more than just a good idea - it is about hard work, perseverance, teaming, passion, risk-taking, great leadership and much more." Chris Cracknell joined the business in 1977 and has been chief executive for the last ten years. By driving strategic development and consolidating businesses under the "OCS - One Complete Solution" brand, Chris and his management team have been the major force behind the growth of the business which now has targets to achieve sales of £1 billion by 2010. Commenting on the succession of awards for the business, Chris Cracknell said, "These awards are deserved by everyone at OCS. It is their con-

tinual hard work and commitment to our success, which has now been recognized by so many prestigious organizations. I am determined that the business will continue to go from strength to strength by applying our principles of service excellence and adding real value to everything that we do for our customers."

UK-SOUTHAMPTON

Your Gait Can Be Used Against You

With the increasing use of biometrics in security, gait recognition is gaining popularity as a potential biometric tool. Scientists at Southampton University in the UK are advocating Automatic Gait Recognition (AGR) as a biometric as it requires no contact, is a unique characteristic, is less like to be obscured, has a lot of medical and motion studies for data use and has rich potential for recognition. Computer vision techniques allow one to determine a gait signature from a sequence of images. This will allow security professionals to identify suspects by their gait.

US-ILLINOIS

Office Spaces Getting Smaller

According to the International Facility Management Association, office spaces are becoming tighter. The average middle manager's work space shrank by more than 16 percent in an eight-year period through 2002, to 126 square feet, while clerical staff lost 4 percent, ending up with an average 66 square feet. But furniture and cubicle designers are radically changing the cube in ways that provide privacy without closing workers in, while others are doing away with enclosures altogether to keep Generation Y happy. For example, curvilinear panels of translucent glass with sliding doors and windows surround workers with light while screening out distractions. A recent study by Knoll Inc. of 850 white-collar workers found that 40 percent of Generation Y workers, ages 18 to 29, preferred open work spaces without panels.

US-MASSACHUSETTS

Electronic Nose Easier To Use

CogniScent, a developer of chemical compound detection systems, used to detect anything from explosives to mold, has developed ScenTraK an odor-detector also referred to as an electronic nose. The device is unique

in that it uses biology and not chemistry to distinguish between odors. It passes odors or ambient air across an array of broadly responsive sensors. The sensors can detect the presence of a target odor that it has been trained to search for. CogniScent is hoping to produce a simple and portable product that is under \$5,000 for the commercial market. It weighs three pounds, measures about 10 inches long and runs on a battery with an AC charger.

CORPORATE MEMBER NEWS

JohnsonDiversey

JohnsonDiversey, Inc. announced its commitment to cease formulating and manufacturing products with alkylphenol ethoxydates (APEOs) after December 31, 2006. The announcement was made in conjunction with the launch of the EPA's Safer Detergents Stewardship Initiative. SDSI is designed to protect aquatic life, according to Clive Davies, director of EPA's Design for the Environment (DfE) program, which organized the initiative. SDSI will recognize companies, facilities, and others who voluntarily phase out or commit to phasing out the manufacture or use of nonylphenol ethoxylate surfactants (a subset of APEOs), commonly referred to as NPEs. Both nonylphenol ethoxylates and their breakdown products, such as nonylphenol, can harm aquatic life.

UPCOMING EVENTS

16th Congress of the World Federation of Building Service Contractors

Seoul, Korea

October 16-19, 2006

Visit the WFBC website at www.wfbc.org and the website at www.wfbc2006.org for more information.

BSCAI Annual Convention and Trade Show

Chicago, IL

April 13-17, 2007

Visit the BSCAI website at www.bscai.org for more information or call 703-359-7090.



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