

Report to BSL Directors Meeting, 26 June '95

Cut Waste and Energy, create jobs and savings

BSL Workplace Environment Strategy

In March this year, a cut waste and energy project proposal was outlined to Directors. The aim of this project, proposed by the Future of Work project, is to demonstrate how additional jobs can be created in large organisations in the area of environmental management. Savings generated through improved environmental management of the organisation would be transferred to employment and services.

The meeting requested further information about the focus and scope of the audit and the constitution of a BSL Workplace Environment committee.

This paper brings Directors up to date with the project and seeks decisions as outlined below. Sections 1-7 of the paper detail the proposed focus and scope of the project and proposed organisational arrangements; section 8 details the current state of play regarding financing of the project; and section 9 outlines the interim approach for which approval is sought from Directors. This interim approach allows for a first stage of the project to proceed and for the option of proceeding with further stages to be kept open while outstanding financing issues are pursued whilst ensuring that the BSL is not exposed to any significant financial burden.

Action requested:

- **Decision to proceed with an Energy Audit (as the first step in an environmental audit of the BSL) focusing on two sites: Carrum Downs and Head office/Metropolitan region.**
- **Decision to constitute a BSL Workplace Environment Committee to oversee the development and implementation of a BSL Workplace Environment Strategy.**
- **Decision to take on four JobSkills program participants. Two people at Head Office/Metropolitan Region to assist with the implementation of the recommendations from the Energy Audit and two to be placed at Carrum Downs with the Maintenance Team.**

Cut Waste and Energy, create jobs and savings

BSL Workplace Environment Strategy

1. Approach and priority areas for conduct of the BSL Environmental Audit

The development of a BSL Workplace Environment Strategy has two main benefits for the BSL. Firstly, it can help to generate savings which can be passed on to jobs and service improvements; and secondly, it provides an opportunity build a healthier, more environmentally sensitive work and living place for employees and services users.

In an overall sense, the priority areas for implementation of the Workplace Environment Strategy will be determined through an Environmental Audit process. However, these priorities will need to reflect current organisational needs, and, the primary objective of achieving savings for employment creation, services improvements and low-income residents within the BSL.

The priorities established for the Workplace Environment Strategy will need to reflect the following organisational needs:

1. The need to direct energies to the areas which will yield the highest cost savings with the least capital outlays in the short term.
2. The need to develop a plan, for capital development and maintenance improvements over the next three years, which is consistent with the findings of the Audit.
3. The need to change purchasing arrangements across the BSL in line with the recommendations of the Audit.
4. The need to identify (say three to five) key areas of investment to generate savings within 12 to 18 months. This could include changeover of equipment which is currently using a lot of energy, purchase of recycling equipment for waste minimisation, changeover of vehicles to LPG.
5. The need to feel confident that the Strategy is yielding sufficient savings to meet organisational targets and to maintain jobs, after nine months.

2. Focus for the Environmental Audit

It is suggested that the Audit process focus on two main areas of activity within the BSL. This is to ensure there is a commitment to the process and that the work is embedded in specific sections of the organisation, rather than leaving the project to 'float' in the organisation during a period of significant change for the BSL (ie. Directions 2000). The areas which are recommended are:

- Carrum Downs: has indicated a strong interest and commitment to the introduction of an *environment strategy* across the settlement. This has some exciting possibilities, especially if thought about as part of an overall strategy to create healthy environments for older persons. Prospective employees would be based with the Maintenance Team on the settlement.

Currently the idea would be to:

- carry out an energy and waste/environmental audit;
- develop a costed environment strategy for implementation with measurable targets to be achieved within specified times;
- appoint trainees/employees to work alongside the maintenance crew to implement a planned environment strategy at Carrum Downs;
- over time, seek to provide a consultancy service to other housing estates, body corporates and businesses in the region.

The priorities at Carrum Downs include recycling, organic composting, energy conservation, waste management, reduction of toxic chemical usage, capital improvements strategies to reduce energy consumption and pass on savings to residents.

- BSL Head Office and Metropolitan Region has a concentration of administrative and office related functions. An environmental audit would have significant implications for financial planning, maintenance programs, capital improvements and the office sectors of the organisation. Areas targeted here would include reduction of paper wastage, recycling, energy and water conservation, purchasing policies and monitoring of tariff rates for utilities, possibly some organic composting, minor maintenance work to conserve energy.

Purchasing policies are an important consideration in achieving improved environmental management targets. It is likely that an audit would recommend policies which might lead to investment in new equipment and technologies at future changeover times (eg. fleet management, light globes), strategies for capital improvement, encourage recycling (eg. cartridge recycling for photocopiers, paper), reduce presence of toxins in the workplace (eg. liquid paper), and review contractors and tariff arrangements for energy usage and waste disposal.

Accommodation and community services in the inner region would include energy conservation and waste minimisation strategies similar to those at Carrum Downs.

Currently the idea would be to:

- carry out an energy and waste/environmental audit;
- develop a costed environment strategy for implementation with measurable targets to be achieved within specified times;
- appoint trainees/employees to work in Metropolitan/Head Office Region. It is suggested that it would be most appropriate to locate these employees between the Maintenance section and Admin/Purchasing sections in Fitzroy. These two areas are likely to be the most instrumental in the implementation of environment strategy in Metro/Head Office regions;
- over time, seek to provide a consultancy service to other housing estates, body corporates and businesses in the region. This could be to help reduce expenditure for people on low incomes (eg. through providing services paid for by the Ministry of Housing) and to generate income (eg. through offering services to body corporates, community organisations and small businesses).

If these two parts of the BSL were initially targeted for the Audit, it may be possible to structure the audit so that the findings are transferable to other parts of the BSL over the next three years. Carrum Downs, for example, includes some office and retail activities, as well as residential.

3. *Components of an environmental audit of the BSL*

For an organisation the size of the Brotherhood of St Laurence an environmental audit should comprise:

- a technical audit of the current state of play in the organisation in terms of energy usage and waste management. The audit should measure and record energy and waste usage data at the beginning of the process and establish mechanisms for ongoing measurement and recording;
- the identification of issues which arise from this assessment; and their implications for the organisation;
- the development of a plan which outlines an environmental management strategy for the organisation and how it will be implemented. An important component of the plan is to ensure it is integrated with a financial management strategy for the organisation. This will allow for purchasing policies, capital investment strategies and maintenance expenditure to be incorporated into the planning process. It is important, also, that the plan contains strategies for managing organisational change processes in terms of helping management and staff to change current practices and systems.
- assistance to manage the organisational change processes which will be required.

4. *Suggested approach*

1. Carry out an energy audit and a waste management/environmental audit at two BSL sites: Head Office/Metropolitan Region and Carrum Downs.

The Audit will focus primarily on *accommodation/residential* and *office* sectors, and lesser focus on *wholesale/retail* sectors in those locations

The Audit will:

- set up recording and measurement systems;
- identify areas of waste minimisation, energy conservation and savings
- estimate investments and strategies required to achieve waste reductions
- estimate the time frame for investment and return on investment; and savings targets

2. Development of management plan (ie. BSL Workplace Environment Strategy)

Incorporates assessment of issues involved and three year plan

- waste management plan
- financial plan
- information strategy/marketing plan (for employees and the public)

3. Organisational change process and implementation assistance. This allows for a consultant with experience in the area to work with the organisation and assist in the implementation of the strategy.

4. New trainees/employees

Four people will be interviewed and selected to participate in the Green Jobs Unit (combined ACF-ACTU initiative) pilot Workplace Environment Training Program. Two will be placed at Carrum Downs and two at Head Office/Metropolitan region. After a three month intensive training program in environmental management, participants will be employed by the BSL for six months under the JobSkills program. It is hoped that at the end of this six months there are sufficient positive outcomes from the project to maintain the employment of these people in the organisation to assist in the ongoing implementation of the Workplace Environment Strategy.

The Auditors will work with JobSkills employees in the early stages of their employment at the BSL. It is likely that the JobSkills people will be involved in carrying out initial tasks for the auditors and setting up the systems which will help to implement the findings of the audits.

5. *BSL Workplace Environment Strategy - management and co-ordination issues*

It is suggested that the BSL establish a Workplace Environment Committee, with specific terms of reference, to oversee the conduct of an environmental audit, and the planning and implementation of a BSL Workplace Environment Strategy. Questions of management responsibility for the committee would need to be resolved. The Committee would possibly report to the Director of Operations.

This committee could include:

Metro/Head Office

- John Wise (Metropolitan Region)
- Brian Howell (Maintenance)
- Bruce Ellis (Finance)
- Rob Cook (Purchasing)
- Maria Alibrando (Labour market/employment programs)
- Future of Work Project representative
- Mike Wilson (Workplace training/induction)
- Public Affairs (?)

Peninsula

- Lesley Dredge (Director)/Catherine Scarf (Labour market programs)
- Mark Taylor (Maintenance Manager)
- (Other regional/service representatives?)

6. *Timelines*

Early July: 3 month Training program commences for prospective JobSkills people

Early October: Energy and Environmental Audits carried out by qualified consultants.
This will occur over 4-6 weeks and will coincide with the end of the training program and the commencement of the JobSkills program in the workplace.

7. *Possible Auditors*

Some preliminary investigations have been undertaken into who may be suitable auditors. Suggestions include:

Geoff Andrews of Genesis is accredited as an energy auditor under the Dept of Primary Industry and Energy, *Enterprise Energy Audit Program* (has been highly recommended);

NIES (National Industry Extension Scheme) *Saving money through Cleaner Production and Waste Minimisation Program* can advise on auditors. They have a list from which they make recommendations and includes Ernst & Young who have expressed an interest already.

Anne-Marie Devine of Corporate Environmental Management has been associated with the Green Jobs Unit and has extensive experience with industry. Her approach to organisational change processes has been commended.

Alan Pears of Sustainable Solutions has worked extensively in this area. He would provide useful advice on possible auditors. He possibly would be interested himself in some aspects of the project.

There is obviously a range of other people who could be approached. To date these would appear to be the best leads.

8. *Funding the audit*

Between \$25,000 and \$30,000 should be allowed to ensure a comprehensive environmental audit which allows for implementation and organisational change processes.

<u>Task</u>	<u>Cost</u>	<u>Available Funds</u>
Energy audit and implementation plan	\$8,000	\$4,000 (50% rebate from DPIE)
Environmental/waste audit	\$5,000	\$4,000 (80% rebate from NIES)
Environmental management plan	\$15,000	\$7,500 (50% rebate from NIES)
Organisational change/advice/info/training	\$2,000	
Total costs:	\$30,000	Funds available: \$15,500

Notes re funding the project:

a) There are two rebate schemes available to encourage industry to improve energy and environmental management. One funded by the Department of Primary Industry and Energy, the other by the National Industry Extension Scheme. Both funders have been spoken to regarding this project and have indicated that the project would be eligible for rebates. The NIES has offered support and advice to obtain consultants and outline audit briefs. The best advice is we can be assured of \$15,500 through the rebate schemes.

b) There is currently a funding shortfall of up to \$14,500. A number of other avenues are currently being pursued to meet this shortfall. They include:

- an application has been made to the Waste Management Council for \$12,000 to carry out environmental audits in accommodation/residential services of the BSL. The outcome of this submission will be known before the 27th July, 1995.
- a private donor (eg. Potter Foundation which has an interest in environmental projects) could be approached to support the project. However, this would require either a personal approach or waiting for the next round of funding which is not until October 1995.
- discussions with the Director of Finance indicate that up to \$5,000 could be made available in the event of a shortfall in funds, either as underwriting or as direct BSL investment in the process on the basis that the project could be expected to generate savings for the organisation.
- the Director of Peninsula has advised of the possibility of additional JobSkills funds through a *special project contribution*. This would provide \$2,000 per JobSkills person (total of \$4,000).

9. *Recommended interim approach*

It is proposed that Directors agree to proceed with the energy component of the audit and with the employment of four JobSkills participants. The employment of the JobSkills participants will not involve expenditure by the BSL. The cost of the energy audit will be \$8000 of which \$4000 will be recovered from the NIES rebate scheme. It is proposed that the remaining \$4000 be met through a combination of private donations, contribution from the Future of Work Project and BSL contribution, with the precise combination to be determined once the outcome of requests for private donations (including possible in kind donations by auditing firms) is known. The maximum cost burden on the BSL would, therefore be \$4000, however, since the Future of Work Project could contribute to meeting part of this shortfall the call on other BSL funds would be more likely to be a maximum of \$2000.

Acceptance of this proposal will allow us to keep our options open in terms of proceeding with the rest of the project and allow time for the financing avenues previously outlined to be fully pursued. If we are to proceed at all we will need to sign within the next week or so an agreement to employ the JobSkills

participants at the completion of their three month Jobtrain training. The undertaking of the energy audit will ensure that JobSkills participants have defined tasks to work on even if remaining elements of the audit are not undertaken in the event that financing issues are not able to be resolved. Even under this worst case scenario the BSL will have provided training and work experience for the JobSkills participants and will have benefited from the findings of the energy audit.

It is therefore recommended that this meeting of the BSL Directors approve the following:

1. The establishment of a BSL Workplace Environment Committee to oversee the development of a Workplace Environment Strategy for the organisation.
2. The implementation of the first part of this Strategy, carrying out an energy audit in two BSL sites, Carrum Downs and Head Office/Metropolitan Region.
3. The employment of four JobSkills participants in October, at the end of the Green Jobs Unit training program which will be conducted over the next three months. Two JobSkills participants would be located with the Maintenance Team at Carrum Downs and the other two in Head Office/Metro region. There are two options for locating the JobSkills participants in Head Office/Metro region. Either they could both be supervised with the Maintenance section, or, one person with Maintenance and the other in the Purchasing/Admin section of the organisation.