

10 February 2014



Ms Margaret Sewell
Head of Taskforce
Energy White Paper Taskforce
Department of Industry
Via email: ewp@industry.gov.au

Dear Ms Sewell

RE: Energy White Paper – Issues Paper

The Facility Management Association of Australia (FMA) would like to the Energy White Paper 2014 Issues Paper.

The FMA is the peak industry body that supports and represents those professionals, teams and organisations that manage, maintain and operate Australia’s built environment. As an industry that contributes towards the productivity, safety and wellbeing of the larger population, the role of facilities management in ensuring the proper and efficient operation of all physical aspects of a facility, is one which is critical for the nation’s economy.

Facility management professionals rely on energy to effectively and efficiently manage, operate and maintain facilities. Energy and the ongoing supply of reliable and affordable energy are important to ensure productivity. To further reiterate the importance of reliable and affordable energy to facilities and the wider built environment, over 30% of the total costs of a facility are attributed towards utility costs, and approximately 20% of Australia’s final energy consumption occurs within the built environment’s residential, commercial and services sectors. As such, changes in supply and costs of energy can have a detrimental impact on the costs associated with living, working and recreating within the built environment.

It is our understanding that the Australian Sustainable Built Environment Council (ASBEC) has also submitted their comments and recommendations to the taskforce. As a member of the ASBEC, we would like to further raise our support for the contents of the submission and add the following comments and recommendations.

(Note: The FMA recognises that there are subject matters under the terms of reference for the white paper that other reviewers will be better suited to provide comments. In this submission, the FMA have only provided comments and recommendations on those aspects which the industry is better placed to provide comment.)

Regulatory Reform and Role of Government

As utility services is the largest cost component to managing, operating and maintaining a facility, the role of the facilities management (FM) professional is to understand and manage those costs. The emergence of smart metering and other energy management tools has further assisted and equipped FM professionals with further capabilities to obtain an in-depth understanding of energy consumption. As such FM professionals would be well suited to understand how changes to tariffs and pricing structures could affect the cost of energy for their end users.

For the reasons stated above, we urge the government to engage with professionals within the FM industry to properly scope the potential effectiveness and impacts that of proposals that seek to change the tariffs and pricing structure of energy supply.

In regards to promoting transparency in gas pricing, although the FMA is supportive of this principle, any action should avoid creating burdensome regulatory processes which would lead to greater costs to government administration and gas providers.

Workforce Productivity

Facilities Management is a relatively new and rising profession which encompasses a broad range of tasks. As such, FM professionals are required to possess a diverse set of competencies to manage a facility efficiently and effectively (approximately 90 different competencies). As the emergence of facilities management came from diverse beginnings, with various qualifications and experiences, it is difficult to fully scope the industry's capabilities as a whole. Furthermore, the increasingly complex regulatory regimes which affect facilities management (i.e. WH&S, Energy, etc.) contributes towards the high probability that FM professionals throughout the industry may have critical gaps in competencies such as energy efficiency, energy management and energy generation.

Additionally, this concern is further exacerbated with recent reviews showing that existing training opportunities does not properly address a majority of competencies. For example, in reviewing the existing qualifications related to facilities management, only three properly addressed energy efficiency, but failed to properly address the other competency areas required for effective and efficient facilities management professionals.

Driving Energy Productivity

FM professionals are a key stakeholder in the demand side of energy. As the professionals responsible for managing and ensuring the supply of energy which meets the needs of facilities and their occupants, FM professionals are well equipped to assist in the development of demand-side participation measures which encourages increased energy productivity and reduce peak energy use.

To address demand-side participation issues, the government is urged to engage with FM professionals to scope and develop potential approaches and initiatives. Although, this Issues Paper has provided an opportunity to respond to the issues paper, additional engagement is encouraged to specifically focus on how the industry could improve energy productivity throughout the built environment and improve demand-side participation.

Alternative and Emerging Energy Sources and Technology

Although the costs of renewable energy technologies have reduced considerable, the availability of training opportunities in addressing competencies relating to the management of energy production maybe inhibiting the take up of renewable energy technologies throughout the industry.

Additionally, many of the same market split incentives which apply to the implementation of energy efficiency apply to the implementation of renewable energy initiatives. It is recommended that further consultation be undertaken to understand the barriers and possible solutions to the adoption of alternative and emerging energy sources and technology by facility management professionals.

Conclusion

The FMA urge the government to undertake further engagement exercises focusing on barriers and opportunities within the FM industry. As key stakeholders driving the demand side of energy within the built environment, engagement will likely result in the development of approaches which can result in real outcomes for reducing energy prices for end-users.

I look forward to having the opportunity for the FMA to contribute further to the Inquiry. In the meantime, if you have any queries or would like to discuss this issue further, please do not hesitate to contact me on (03) 8641 6605 or email nicholasb@fma.com.au.

Yours sincerely



Nicholas Burt
CHIEF EXECUTIVE OFFICER