

Western Australian Auditor General's Report



Asbestos Management in Public Sector Agencies



Report 3: April 2015

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WESTERN AUSTRALIAN AUDITOR GENERAL'S REPORT

**Asbestos Management in Public Sector
Agencies**

Report 3
April 2015



**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

ASBESTOS MANAGEMENT IN PUBLIC SECTOR AGENCIES

This report has been prepared for submission to Parliament under the provisions of section 25 of the *Auditor General Act 2006*.

Performance audits are an integral part of the overall audit program. They seek to provide Parliament with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

This audit assessed whether seven agencies had complete and up-to-date registers of the location and condition of asbestos, and if they had management plans to address asbestos risks. It also assessed how Building Management and Works managed asbestos risks in its delivery of building and maintenance services to other agencies.

My report found that all agencies addressed high-risk asbestos. However, while some agencies showed elements of better practice in managing asbestos, others required improvement.

The report also found there had been no coordination across the public sector since 2010, which has led to inconsistent practice and lack of clarity about agency roles and responsibilities when managing asbestos.

I wish to acknowledge the staff at the agencies involved in this audit for their cooperation and for the valuable role they play in preventing exposure to asbestos.

A handwritten signature in black ink, appearing to read 'C. Murphy'.

COLIN MURPHY
AUDITOR GENERAL
22 April 2015

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Auditor General's Overview

Asbestos is a naturally occurring substance that was extensively used in building materials throughout Western Australia up until the late 1980s. When it is in good condition it does not pose a risk, but when it is broken, or worn the risk of people inhaling asbestos fibres increases. It is therefore important that government agencies know where asbestos may be present in their buildings, so they can monitor its condition and manage the potential health risks.



In this, my second report into how agencies manage asbestos in their buildings, I was pleased to note a significant improvement. I previously reported in 2007 that none of the agencies audited had complete and up-to-date asbestos registers and management plans. This report notes that all agencies were addressing high-risk asbestos. Three of the seven agencies displayed better practice in identifying and managing asbestos. The other agencies had varying levels of registers and management plans and needed to improve the training and awareness of staff and others.

I was however disappointed that no single body had responsibility to coordinate the management of asbestos across government. This was in contrast to my 2007 report that noted the coordinating role of the Asbestos Steering Committee. The Committee was disbanded in 2010. Agencies now have differing practices in identifying and managing asbestos risks, which has led to gaps and inefficiencies. I have recommended that government consider this matter.

Agencies have a responsibility to manage workplace hazards and while exposure to asbestos does not always lead to an asbestos-related disease, it is important that this risk be properly addressed. The principles outlined in this report should be used by all agencies to ensure the safety of staff and others using their properties.

Executive Summary

Introduction

This report, which follows our 2007 report on *Management of Asbestos-Related Risks by Government*, assessed if seven public sector agencies managed asbestos risks effectively. The seven agencies were responsible for asbestos management of over 50 000 properties, though most of these were controlled by just two agencies. Three of these agencies were also included in our 2007 report.

We assessed if they had complete and up-to-date registers of the location and condition of asbestos and if they had management plans to address asbestos risks. We also assessed how Building Management and Works (BMW) managed asbestos risks in its delivery of building and maintenance services to other agencies.

Overview

Asbestos is a naturally occurring substance, which has been used in many products for commercial, industrial and residential use. Between 1945 and 1980, asbestos was widely used in the construction industry. Due to the health risks associated with exposure to asbestos, its use was phased out in building products in the late 1980s. The state, territory and Commonwealth governments banned its import and new uses in December 2003.

Asbestos fibres may be so tiny they can be inhaled deeply into the lungs causing a range of diseases. Those most at risk of asbestos-related disease are people exposed to it while working in mining, manufacturing, building and construction industries. People involved in uncontrolled removal of asbestos are also at risk, as are those employed to work in old buildings that are being renovated or demolished.

The risk asbestos poses is very low when it is in good condition and left undisturbed. If it is poorly managed, fibres can be released, increasing the health risks. The time between exposure and illness can be decades and multiple exposures increase the risk. Although exposure to asbestos does not always lead to an asbestos-related disease, it is important that the risk of exposure be minimised.

Under Western Australia's (WA) occupational safety and health legislation, government agencies need to identify asbestos present in properties they own or lease. They are required to assess the level of risk, and minimise the hazard to staff or others. The legislation also refers to the *Code of Practice for the Management and Control of Asbestos in Workplaces [NOHSC: 2018 (2005)]* (the Code). The Code requires all employers to create a register and manage the risks using an Asbestos Management Plan (AMP).

Between 2007 and 2009, the Asbestos Steering Committee (ASC) developed and led a strategy for management of asbestos in the public sector. The ASC was dissolved after meeting its terms of reference.

In 2013, the Commonwealth issued the National Strategic Plan for Asbestos Awareness and Management. The plan aims to eliminate asbestos related disease in Australia by preventing asbestos exposure. WorkSafe advised that Cabinet endorsed phase one of the revised plan in February 2015.

Audit Conclusion

All agencies were aware of the need to manage asbestos risks and had registers and AMPs. This is a significant improvement on our 2007 findings when none of the agencies had complete and up-to-date registers and AMPs. However, just three of the seven agencies managed their known asbestos risks well and demonstrated better practice. These agencies had regular inspections, remediated high-risk asbestos as a priority, kept up-to-date records, provided staff with training and communicated the risks to staff and others.

We identified elements of better practice in the other four agencies, however they had room for improvement. These agencies remediated or removed known high-risk asbestos as a priority, but their registers and AMPs were incomplete or not up to date. In addition, weaknesses in their training or communication meant staff and others were not adequately informed of the presence of asbestos. These issues could mean that staff, workers or other occupiers of the building inadvertently disturb asbestos or do not take appropriate measures to avoid exposure. If the register is not updated following remediation, the agency could also incur additional costs.

BMW effectively managed asbestos in capital works projects and the government properties it looks after. However, it needs to improve the asbestos inspection and register services it provides to other agencies.

Since 2010, there has been no single agency responsible for coordinating asbestos management. This led to inconsistent reinspection timeframes and risk ratings for asbestos and duplication of inspections. In addition, it is not possible to advise what it costs government to manage asbestos as there is no central agency collecting this information, and only three agencies we looked at kept these records.

Key Findings

- Three of the seven agencies (Fremantle Port Authority (FPA), Department of Corrective Services (DCS) and WA Police (Police)) managed their known asbestos risks well. To minimise the risk of exposure and longer term health impacts on staff and others, these agencies:
 - complied with the Code and demonstrated better practice in assessing, recording and tracking their known asbestos
 - remediated high-risk asbestos as a priority
 - communicated asbestos risks to staff and others through awareness training and a register at each property.
- However, asbestos risk registers generated by BMW for DCS and Police required more information on whether the item is presumed or confirmed to have asbestos, and the type and condition of asbestos. This information would assist the agencies to understand the reasons for the risk rating and enable better decisions about the management of the asbestos.
- The other four agencies had various weaknesses in their practices that meant they did not have complete or up-to-date information about asbestos in their properties. They did however remediate or remove asbestos identified as high risk. We found:
 - Housing managed its commercial properties well. However, it could not demonstrate that it had regularly inspected its residential properties, including around 400 with high-risk asbestos, because its records were inconsistent, incomplete and not always

updated. It also had gaps in its training and communication of asbestos risks. As a result, it did not provide staff and others with accurate information about asbestos at its properties. Housing could also not show that it informed its tenants about asbestos for the property they were living in.

- The Disabilities Services Commission (Commission) last inspected its properties in 2011. Its asbestos register was not complete and up to date. It had also not updated its AMP since 2008. In addition, the Commission could not demonstrate that it communicated risks to staff and others, provided awareness training to staff or kept a copy of up-to-date registers at its properties.
- Education regularly inspected its properties. It prioritised remedial work of high-risk asbestos but did not record changes to asbestos items, therefore its historical information was incomplete. Its AMP was not complete and up to date and it did not label asbestos items at schools or provide training to staff responsible for managing schools. Education also required better reporting of asbestos-related risks and actions to its senior management.
- The Department of Agriculture and Foods (DAFWA) last completed inspections of its properties in 2013, but did so during our audit. Its two remaining inspectors, of the six originally trained, had not undertaken refresher training. DAFWA remediated high-risk asbestos as a priority. It revised its AMP in 2012, but the new AMP is not complete and it did not provide awareness training to staff.
- The information systems used by Housing and BMW to record and manage asbestos are outdated and not flexible enough to accommodate changes. This resulted in inefficient practices like BMW keeping photos of asbestos sites outside of the registers and manually tracking reinspection timeframes. Housing's system also had accessibility problems meaning it could not share information on asbestos risks with its staff, maintenance workers and residents.
- BMW adequately managed asbestos risks in government's centrally-owned and leased buildings, and in capital works projects it oversaw for other agencies. It inspected buildings for asbestos at the early stages of renovation or refurbishment, allowing it to properly scope and cost these projects.
- We found poor information sharing and coordination across government. In 2009, the ASC was dissolved after meeting its terms of reference and since then, there has been no high level coordination. The agencies were not clear on their responsibilities for managing asbestos risks, particularly when more than one agency managed a property. This resulted in inconsistent practices and duplicate inspections of properties.
- Four agencies did not collect data on costs to remediate asbestos. These agencies were Education, DAFWA, Police and the Commission. While not required, it meant they did not know the cost to manage and replace asbestos in their properties. These agencies funded asbestos remediation from their property maintenance budgets. The combined cost in 2013-14 for the other three agencies was \$7.8 million.
- The absence of actual cost information at four of the seven agencies in our sample indicates that budgeting for the future cost of asbestos remediation across government would be difficult. Of the other three agencies in our sample, DCS has estimated the cost of asbestos remediation to be at least \$7 million over the next four years, while FPA and Housing have set aside \$1.1 million and \$3.8 million respectively for 2014-15.

- Of the three agencies included in both our audits (Housing, Education, and Police), only Police had significantly improved. It now has complete and up-to-date asbestos registers for its properties. Issues remain at the other two agencies:
 - In 2007, three of the eight agencies had no asbestos register or management plan, while at the other five agencies the registers and plans were incomplete or not up to date.
 - In this current audit, we found all seven agencies have developed asbestos registers and management plans, though some were not complete or up to date.

Recommendations

Agencies should:

- **regularly inspect their properties to identify asbestos and assess risks**
- **make sure their asbestos registers comply with the legislation. A complete and up-to-date register should be on-site at all properties containing asbestos**
- **have a clear process to update the register when asbestos is removed or remediated**
- **have complete and current Asbestos Management Plans**
- **provide refresher training to their asbestos inspectors, and awareness training to other staff**
- **collect information on cost to manage asbestos. They should also plan and budget for future costs if significant**
- **clarify their role and share information when leasing and transferring properties from one another.**

By December 2015, BMW and Housing should address the key risks in the systems they use to manage inspections and registers. They should also plan for longer term comprehensive solutions to manage this information.

Government should consider developing a plan for asbestos management in public sector agencies that aligns with the National Strategic Plan for Asbestos Awareness and Management.

Agency Responses

Department of Agriculture and Food WA

DAFWA accepts the recommendations to improve its asbestos management processes. It has already completed outstanding annual inspections and will implement other recommendations during the next round of review audits in 2015/16.

Department of Corrective Services

The Department of Corrective Services (DCS) welcomes the audit and will take this opportunity to consolidate its current collegiate approach, building upon and further enhancing the relationships with BMW and WorkSafe.

Consolidation of this approach will improve our policies, procedures and the standard of documentation with regards the management of asbestos containing materials (ACM) at all owned or leased premises. Furthermore, DCS is committed to ensuring staff, clients and guests have a safe and healthy environment in which to occupy or visit. Over the next four years, some \$7 million has been allocated to effectively manage asbestos related inspection and remediation works.

DCS considers that it would be beneficial to obtain more specific detailed information about the findings at inspections translated into ACM registers. This will ensure ACM registers are easier to interpret making them meaningful at a local level and accurately conveyed to contractors when remediation works are necessary.

DCS will proactively work to improve our documentation standards, sharing of knowledge across agencies and furthering asbestos awareness across all our sites.

The recommendations highlighted in this report will be addressed by initiatives outlined in DCS's new strategic plan, Creating Value through Performance.

Department of Education

The Department of Education takes the health and safety of our school communities seriously and accepts the opportunities for improving the management of asbestos materials in our facilities as identified in the audit findings.

Over the past nine months, the Department in conjunction with the Department of Finance – Building Management and Works has been reviewing current practices and procedures relating to asbestos materials. An updated Asbestos Management Plan, revamped Asbestos Register and the introduction of online training for relevant staff are anticipated to be released in June 2015. Issues identified through the audit are being incorporated into the new Asbestos Management Plan.

Department of Housing

The Department of Housing views the safety of its tenants and staff as paramount and is pleased to note that there is no indication in the report that the Department is compromising the health or safety of its tenants or staff.

On 22 January, 2015 the Department's Corporate Executive approved a new Asbestos Management Plan that deals specifically with the issues raised in this audit.

The Department inspects all its residential properties for general condition and maintenance once every 12 months and inspections of asbestos containing material in houses constructed prior to 1990 are incorporated in that inspection process. The Department has

completed a state-wide retraining exercise to ensure that staff conducting inspections are considered competent as defined by WorkSafe.

Specifically, the Department agrees that both access to and the reliability of information related to asbestos containing material needs to be improved. An upgrade to existing information systems has been approved by the Department's ICT Steering Committee.

The Department's public housing stock and other residential properties only meet the definition of a workplace while staff are conducting inspections or contractors are completing maintenance work. The assessment of what are reasonable controls need to be seen in that context and the Department is of the view that it has adequate processes in place to manage the level of risk involved. However, compliance with these processes has not been at the level required and will be addressed.

A data verification exercise is underway to establish the validity of the data contained in the asbestos register. The need to update the asbestos register has been reinforced with all frontline staff. The Department's maintenance contract has specific provisions related to the management and remediation of asbestos containing material.

The Department's asbestos register database has been upgraded but will be further reviewed in the context of this audit. It should be noted that at the time of audit the Department was implementing its new core system "HABITAT" and this at times impacted on access to the asbestos register.

All maintenance work carried out on residential properties is completed by external contractors under the Department's maintenance contract. All work orders issued by the Department for properties constructed prior to 1990 contain a direction for the contractor to access the asbestos register prior to commencing work.

All properties sold by the Department constructed pre-1990 are subject to a contract addendum specifically related to asbestos containing material. Overall, the Department is of the view that staff, tenants and contractors have access to a level of information regarding asbestos related material that is consistent with the Department's duty of care.

All asbestos remediation and removal work is completed by independent contractors under the Department's maintenance contract. It is a contractual requirement that only properly accredited contractors carry out this work. The Department's current contractors have confirmed that they obtain clearance certificates where required under legislation.

Disability Services Commission

The Commission acknowledges the Auditor General's findings and accepts that some improvement can be made to its existing record keeping practices to minimise the risk of exposure to asbestos. The Commission controls 198 properties of which 126 are houses leased from the Department of Housing for its residents with the balance comprising owned properties and leased office accommodation. Twenty two of the houses contain asbestos material in low risk areas, e.g. roof gables, meter boxes and dividing fences. During this audit, the Commission engaged an asbestos consultant to update its asbestos management plan and asbestos register, and to provide a cost estimate for removing all asbestos containing material from its facilities. The process of removing asbestos from all Commission facilities has commenced and will be completed during 2015-16.

Fremantle Port Authority

Fremantle Ports is satisfied with the Audit results

WA Police

WA Police accept the two minor issues raised in your preliminary findings and in response please see the following:

1. The asbestos registers generated for WA Police does not allow it to fully understand its asbestos risks.

WA Police have issued a work order to Department of Finance, Building Management and Works (BMW) to tender a higher level asbestos register for all WA Police sites throughout the State. This process will ensure WA Police asbestos registers are complete and comply with relevant legislation. The higher level asbestos register will provide WA Police with more information on the type and condition of asbestos, whilst also assisting WA Police in understanding the reasons for the risk ratings and enable better decision making relating to asbestos risk management.

The results of the tender process will enable WA Police to better understand the cost and expected timeframe for implementation of the higher level asbestos registers throughout the State.

2. WA Police does not collate information on costs to manage asbestos risks.

WA Police will commence collating financial information relating to the cost of managing our asbestos risks on our financial management system by creating a separate expense category for asbestos. This will enable WA Police to ascertain the total cost incurred for asbestos management and assist with planning for asbestos risks more effectively.

Department of Finance (Building Management and Works)

The Department of Finance supports the recommendations of the Office of the Auditor General's (OAG) report and acknowledges the work undertaken by the OAG in preparation of the audit on the "Management of Asbestos Related Risks by Public Sector Agencies".

The Department is aware of the issues raised by the OAG and will continue to improve the asbestos inspection service provided to agencies through the development of a new panel contract, which will strengthen its management of panel inspectors' performance.

In relation to improving asbestos information systems, the Department will explore alternative information systems capable of effectively managing the inspection process, which include enough information for agencies to efficiently and effectively track their asbestos risks. In the meantime, any residual risks associated with the information system will continue to be managed.

The Department has already commenced work on the matters raised by the OAG in its report, and considers the development of a new panel and ongoing assessment of the available options for an information systems upgrade will provide a sound base for those recommendations to be addressed.

Audit focus and scope

We assessed whether public sector agencies appropriately managed their asbestos risks. We focused on the following lines of inquiry:

- Do agencies have up-to-date registers of asbestos?
- Do agencies have up-to-date asbestos management plans?
- Is BMW's management of asbestos in government property adequate?

We looked at asbestos management in 2013-14 by:

- Department of Agriculture and Food WA (DAFWA)
- Department of Corrective Services (DCS)
- Department of Education (Education)¹
- Department of Housing (Housing)¹
- Disability Services Commission (Commission)
- Fremantle Port Authority (FPA)
- WA Police (Police).¹

Five agencies controlled less than 150 properties each. Education had just under 1 000 properties and Housing managed more than 50 000 commercial and residential properties.

At each agency we:

- reviewed relevant policies and procedures
- interviewed senior management and staff
- tested a sample of regional and metropolitan sites of at least 10 properties.

BMW managed all government centrally-owned and leased properties. It also offers asbestos inspection and maintenance services to some agencies. We looked at how it delivered asbestos inspections and property maintenance services and how it managed:

- privately owned properties it leased on behalf of government agencies
- buildings owned by the Minister for Works
- delivery of major projects.

We also spoke with representatives from:

- WorkSafe
- WA Interagency Asbestos Management Group
- Department of Health
- WA Asbestos Diseases Society.

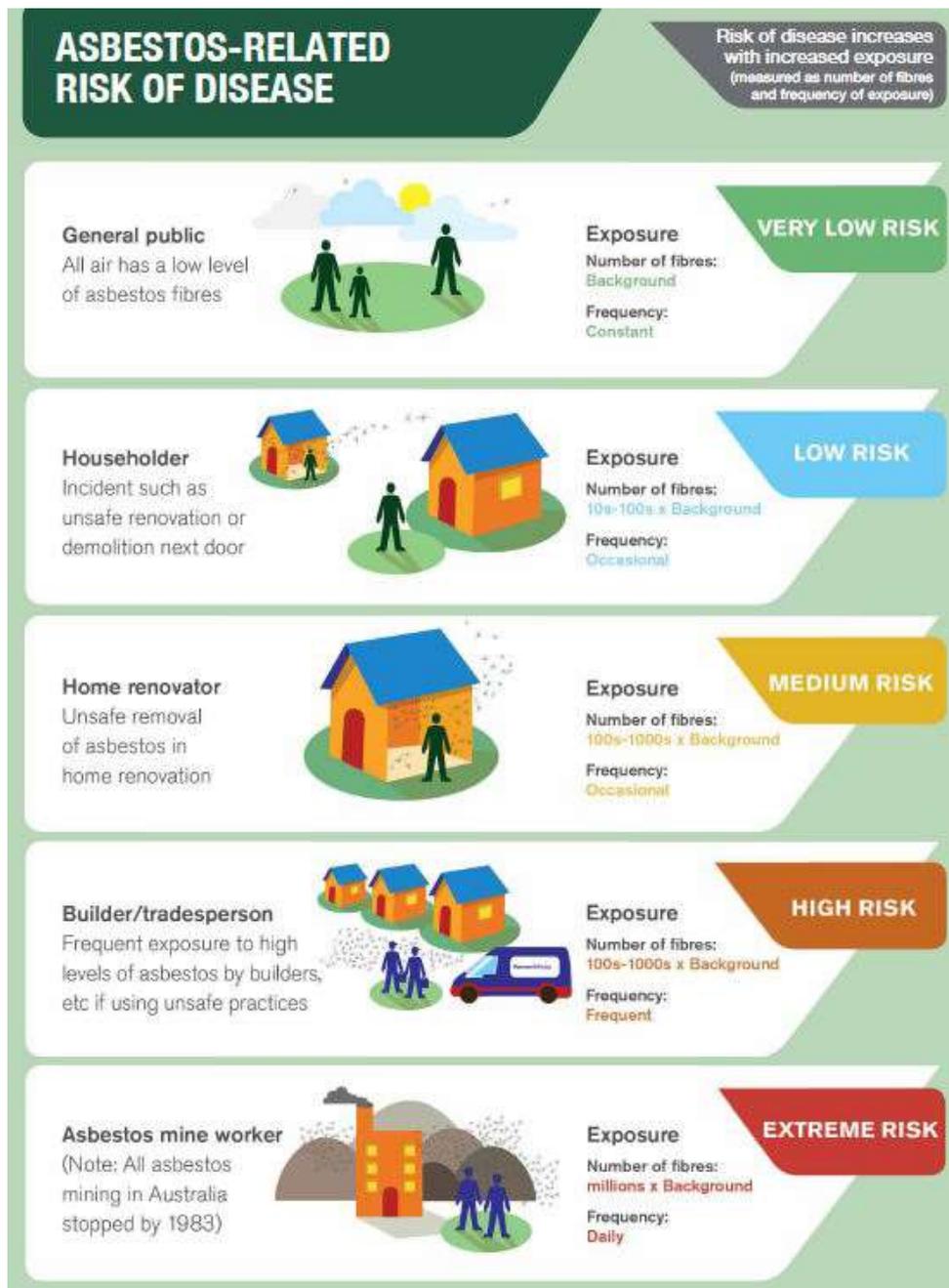
We conducted the audit in accordance with Australian Auditing and Assurance Standards.

¹ Also included in our 2007 audit.

Background

Asbestos products were commonly used in Australia from the late 1800s for fireproofing, soundproofing and insulation. Asbestos cement products, first manufactured in the 1920s, were often used in building materials from the 1940s until they were banned in the 1980s. In 2003, the Australian government banned the import and new use of all asbestos due to the health problems it causes.

In many parts of the world, including WA, there is a background level of asbestos in the environment. This background level of exposure is considered to represent a very low health risk. The health risk increases with increased levels and frequency of exposure (Figure 1).



Source: Used by permission of the Australian Government. Environmental Health Standing Committee (enHealth), Asbestos: A guide for householders and the general public, Australian Health Protection Principal Committee, Canberra, 2013. Graphic design by Lisa Abbott, Biotext, Canberra

Figure 1: Asbestos-related risk of disease

Friable asbestos, which is powdered or can be crumbled easily, is a greater risk to health than non-friable asbestos in good condition and bonded with other materials. Non-friable asbestos is commonly found in buildings and may be mixed with other materials such as cement.

Examples of high-risk asbestos products include some types of vermiculite in ceilings, millboard in heating and air conditioning ducts, fire door insulation and under vinyl floor sheeting. Most buildings constructed after 1990 are unlikely to contain asbestos unless recycled materials were used.

While the long-term goal is to have workplaces free of asbestos, its immediate removal is not always necessary. When the risk of exposure is low, it is usually safer and more cost effective to keep the asbestos 'as is'. Products containing asbestos may stay in good condition if they are painted, sealed, enclosed or capped. Asbestos removal is recommended when health risks are present or as part of renovation or demolition work.

Governing legislation and codes of practice

In WA, the *Occupational Safety and Health Act 1984* and Regulations 1996 (Regulations) require agencies to manage workplace hazards including asbestos. Under the Regulations, agencies must identify the presence and location of asbestos in a workplace and assess the associated risks. The risks posed by asbestos in the broader community are covered by WA public health legislation.

The Regulations require agencies to follow the processes set out in the *Code of Practice for the Management and Control of Asbestos in Workplaces*. The Code requires all employers to create a register and manage risks using an Asbestos Management Plan (AMP). Safe Work Australia prepared a different set of regulations and a new Code to apply from 2012. These have been adopted by other jurisdictions, but not by WA.

A 'workplace' is where employees work or are likely to be in the course of their work. Housing and the Commission have residential properties, which are also 'workplaces' at some stage and need to be managed accordingly.

The Code is a practical guide to achieving legislated standards of health, safety and welfare and sets out the principles of good asbestos management. Appendix 1 illustrates these principles. Under the Code, agencies should:

- **assess:** inspect for asbestos and assess its risk
- **record and track:** record the location and condition of asbestos in a register and track changes to its condition, including any maintenance done
- **manage:** take action to manage risks, as set out in their AMP
- **train and communicate:** train staff and ensure inspectors are qualified, and communicate risks to staff, residents, and other users.

Role of public sector agencies

BMW manages asbestos risks arising from:

- maintenance of agencies' buildings
- building renovation or refurbishment projects for other agencies
- procuring leases for agencies (currently around 540)

- twenty government-owned buildings for which it is responsible, such as Dumas House, a 14-storey office building built in the 1960's in West Perth that provides accommodation for many WA government ministers.

Despite BMW's significant role, agencies remain responsible for managing asbestos in their workplaces, whether they own or lease the property (Figure 2). This includes using a trained inspector to identify asbestos and assess its risk.

On request, BMW will arrange asbestos inspections for agencies as part of its building inspection and maintenance services. Agencies do not have to use BMW's service and may directly contract private inspectors or use their own qualified staff.

WorkSafe, a division of the Department of Commerce, has a regulatory role in monitoring and enforcing safety and health in WA workplaces, including compliance with the Code.



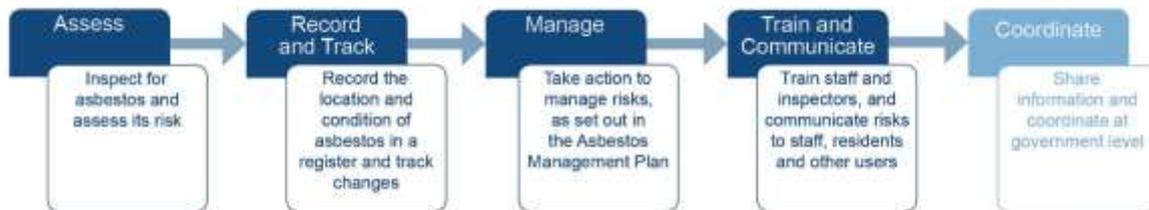
Source: Asbestos Steering Committee and OAG

Figure 2: Asbestos management model for government buildings

In 2007, Cabinet endorsed the Asbestos Steering Committee (ASC) to form a strategy for the management of asbestos for WA public sector. The ASC was disbanded after meeting its terms of reference and issuing its report, *Managing Asbestos in Western Australian Government Buildings*, in February 2010.

Findings

Our findings follow the key components of asbestos management and control included in the legislation and the Code. We also looked at how well asbestos had been managed and coordinated across the whole public sector.



Identify and assess asbestos risks



Agencies are required under the Code to inspect properties for asbestos every 12 months, or earlier if needed. These inspections should identify the location and condition of asbestos and assess whether the health risk is low, medium or high. Agencies that do not conduct regular inspections may fail to identify new or increased risks in a timely manner. This could delay action to keep the workplace safe.

An agency may inspect more frequently if it has identified high-risk asbestos that could be compromised due to its location and condition, or if the item is disturbed. Low-risk items may be inspected less frequently if recommended by a trained inspector. The recommendation must be based on the level of risk and the agency must have adequate systems in place to report any disturbance of asbestos. For low-risk items, WorkSafe requires all agencies to review their asbestos register and risk assessments at least every three years.

If any asbestos is identified, the agency should record it in the site's asbestos register. We expected to see that:

- inspections were conducted at regular intervals by a trained inspector
- the level of risk was assessed for each item identified
- a reinspection timeframe was recommended based on the level of risk.

Three agencies did not regularly inspect their properties for asbestos

Four agencies had completed specific asbestos inspections of their properties in the last three years. However, Housing, DAFWA and the Commission had not. Two of the agencies used their own staff to inspect for asbestos but did not complete timely inspections of all sites under their control. We note that DAFWA finalised an inspection of all but one of its properties during our audit. The Commission advised that it had also since completed its planned inspections.

Housing owns more than 50 000 residential and commercial properties. During 2013-14, it had inspected all the commercial properties we tested. However, we could not find evidence of inspections of all its residential properties. Housing advised us that it regularly inspected its residential properties as part of its annual building condition assessments and that around 13 000 residential properties still contained asbestos. However, its asbestos information system had not been updated after inspections.

Three of DAFWA's 10 property registers noted high-risk asbestos. Its AMP requires annual inspection for high-risk asbestos but more than 18 months had elapsed between inspections. We note that during the audit DAFWA completed inspections of its properties that contained high-risk asbestos.

The Commission annually inspected its properties for asbestos during 2008-2011, however, it had not inspected since then. The Commission could not adequately explain the change in inspection practice but it did recommence inspections during our audit.

BMW needs to improve the inspection service it provides to agencies

BMW did not formally monitor the performance of its contracted asbestos inspectors. This may have compromised the level of service BMW received from the inspectors.

We found examples where inspectors gave inconsistent risk ratings to asbestos items. For instance, in 2012 one inspector rated two items as 'unsealed, coating damaged or severely weathered'. In 2014, a second inspector rated the same items as 'sealed, coating in good condition and unweathered'. However, the agency had done no remediation work that would explain the 2014 rating.

Three of the audited agencies (Education, DCS and Police) used BMW's services to inspect most of their properties. DAFWA used it to inspect some of its properties. To deliver this service, BMW appointed inspectors under a 2003 panel contract, which it renewed in 2010.

BMW could improve its monitoring of panel inspectors. We found that BMW had:

- not established key performance indicators for the panel members
- not conducted any annual reviews of panel members
- not formally addressed issues identified through audits of asbestos inspections
- not guided panel members sufficiently when there was a change in inspection practice.

BMW had some controls to manage inspector performance. These included tracking inspectors' progress and checking their reports before entering them onto the system. BMW advised it is now developing a new contract, which it will implement when the current contract expires in May 2015. The new contract will include stronger measures for performance monitoring.

Record and track asbestos items



An asbestos register and an AMP are key tools agencies must use to manage asbestos.

The Regulations and Code require agencies to keep an accurate asbestos register on the property and record any changes in the register. Incomplete or outdated registers could mean that staff or workers are unaware of asbestos on site. As a result, they may

inadvertently disturb the asbestos or not take appropriate measures to avoid exposure.

The purpose of an AMP is to help those in control of a property prevent exposure to asbestos. Together with the asbestos register, it provides a current and historical record of asbestos risks and remediation. The Code sets out the information an AMP should include (Table 1).

An Asbestos Management Plan should include:

- the asbestos register
- details of any maintenance or service work on the asbestos, including:
 - the company who is performing, or performed, the work
 - the date of the maintenance or service work
 - the scope of work
 - any clearance certificates
- mechanisms for providing relevant people with information about the location, type and condition of the asbestos, the risks they pose and the control measures to eliminate or minimise these risks
- decisions about management options (such as to maintain the asbestos or replace it with non-asbestos alternatives), and the reasons for these decisions
- a timetable that includes priorities and dates for reviewing the risk assessment(s) and specific circumstances and activities that may impact timings (such as shut-down periods)
- monitoring arrangements
- the responsibilities of people involved
- training arrangements for workers and contractors
- a procedure and timetable for reviewing and updating the management plan and the register of asbestos.

Source: The Code and OAG

Table 1: Components of an Asbestos Management Plan

We expected to see agencies maintain:

- an accurate asbestos register that:
 - was complete and recorded all identified asbestos
 - was up to date and tracked details of asbestos removed or remediated
 - included sufficient details of asbestos to allow the agency to fully understand the risks
- complete and up-to-date AMP(s).

Three agencies' asbestos registers were not accurate

All agencies had asbestos registers for their properties but the registers at Housing, Education and the Commission were not accurate.

Housing, Education, and Police were included in our 2007 audit, and at that time, did not have complete or up-to-date asbestos registers. In the current audit, we found that Police had significantly improved its registers for all properties.

At Housing, we tested the registers of five commercial and 20 residential sites. The asbestos registers for all commercial sites were up to date. However, the registers for residential sites showed an incomplete record of current and historical asbestos risks, which included:

- eight sites that had no asbestos register, even though work orders for these properties indicated asbestos

- registers for 10 properties that had not been updated in over four years
- one register that was updated in 2014, but did not record asbestos fences removed in 2013.

Education maintained separate registers for each of its sites but did not update these for items remediated between inspections. It believed that only a trained inspector could alter a register and that logbooks serve this purpose instead. However, school logbooks only provide a record of workers attending the site. Three other agencies had also not updated the actual entry in their registers but they maintained work records that were linked to and could be traced back to specific asbestos entries in the registers.

Agencies want BMW's asbestos registers to contain more information

In 2014, BMW revised its asbestos register template to comply with the Code. However, the agencies using BMW's inspection services advised us that further improvements were needed to help them better understand their risks, such as more information on:

- whether the item is presumed or confirmed to have asbestos and offer agencies the choice of having presumed asbestos tested
- the risk factors, particularly for high-risk asbestos, by including the condition or state of the asbestos item (such as peeling paint or cracks)
- the reason inspectors recommended the next inspection, such as asbestos risk, condition, likelihood of disturbance, or if the property was closed at the time of inspection
- if new asbestos items had been identified, or previous items removed from the register since the last inspection.

BMW advised that agencies that want this information could approach BMW with a request to include it in the registers.

BMW and Housing need to improve their asbestos information systems

BMW and Housing's asbestos information systems had weaknesses. These affected the efficiency of their inspection processes and compromised the accuracy of the registers.

Both systems were based on the previous Department of Housing and Works' Building Condition Assessments system. Although now two separate agencies, each advised it was exploring upgrades or a new database.

Housing's maintenance contractors need to access the system online to check if asbestos is present before starting work. However, the information is not up to date or complete, as inspectors cannot easily access the system to record any changes. The asbestos information database is separate to the system that Property Services Officers (PSOs) use to record most information from their inspections and the two systems do not interface. To update the asbestos register, PSOs must log out from one and manually update the other. Staff and maintenance workers could not always access the online asbestos register during the rollout of a new property maintenance system. Housing advised that it is now addressing these initial implementation issues.

BMW's system required manual data entry of the paper forms that inspectors had completed during inspections. We noted that controls were in place, such as a review of all inspection data entered into the system. However, manual methods have a greater risk of error, are slow and information is double handled.

In addition, BMW's system could not incorporate changes in the inspection process introduced in May 2014. These included varied reinspection timeframes (12, 24 and 36 months) and the inclusion of photos of asbestos items listed in the register. As a result BMW:

- did not include photos in the asbestos register and instead sent them to agencies separately
- noted the variable reinspection timeframes in the 'Comments' field of the register
- manually tracked reinspections from the spreadsheet, which relied on the knowledge and experience of a few staff members.

All agencies have an asbestos management plan but not all are up to date

All agencies had AMPs but four agencies' plans were not complete or up to date. An outdated or incomplete AMP may result in agencies overlooking important aspects of asbestos management. The Code sets out the general principles of an AMP (Appendix 1) and specifies its review at the same time as the asbestos register.

We also found that the AMPs of four agencies did not cover several parts of the Code. For instance:

- labelling of properties where asbestos is found
- procedure or timeline to review and update the AMP
- responsibilities of the people involved
- a process to review and update the asbestos register and risk assessments.

Our 2007 audit found none of the agencies had a complete or up-to-date AMP. Since then the three agencies that were part of both audits — Education, Housing and Police — have all developed AMPs.

Manage asbestos risks



Agencies should manage asbestos items based on their level of risk. As a priority, they should remove or remediate high-risk asbestos. Agencies can

safely manage medium and low-risk asbestos if they minimise disturbance and seal the items.

We expected to see that agencies:

- prioritised actions based on the level of asbestos risk
- removed or remediated asbestos items where needed
- knew the cost of managing asbestos and plan and budget to remediate or remove.

Most agencies prioritised high-risk asbestos

Five of the seven sampled agencies remediated or removed high-risk asbestos as a priority. Housing remediated high-risk items, but faced difficulties in some cases due to disagreement

with neighbours. While not rated high risk, we did find instances where the Commission had not removed asbestos when its inspector indicated the need.

For example, in July 2009, the Commission's inspector reported broken pieces of asbestos fence at a leased property. The inspector reported these again in July 2010. It is unclear whether the pieces of fence were removed before the property was returned to Housing.

Housing advised that after it removed asbestos, it consulted a qualified inspector to certify the area safe to reoccupy. The Commission appointed licensed contractors to remove asbestos. However, neither could provide evidence that the area was deemed safe, such as clearance inspection reports or certificates.

Sometimes an agency may not be able to address the asbestos risks on its own. For example, Housing advised that since 2008 it had reduced the number of properties with asbestos from 17 025 to 13 127. However, 429 residential properties were still rated as high risk. Many of these related to fences where Housing required the agreement of neighbours to replace or repair the fences.

Examples of better practice in asbestos management by agencies

Three agencies showed elements of better practice and properly managed their known asbestos risks:

- FPA had two dedicated asbestos contractors. One identified and recorded and the other remediated and removed asbestos. These two distinct roles helped avoid a conflict of interest.
- FPA removed high-risk and sealed low or medium risk asbestos. It regularly monitored the air in areas with friable asbestos in the ceiling. FPA advised that it would remove the asbestos if there were more than an acceptable level of fibres. In this instance, FPA would not allow its staff to work in the area until a qualified inspector certified the area safe to reoccupy.
- Police kept a live record of maintenance works at each site, with workers required to sign the logbook before they started.
- DCS maintained separate action plans for each site. Action plans copied all items of the register. It recorded details when an asbestos item was remediated and drew a line through the item. The item was not removed from the register or action plan allowing tracking of its status. The updated action plans were attached to each site's AMP.

Two agencies require better reporting of asbestos risks

Asbestos risks and actions to remediate the risks were not reported to senior management of the Commission. Although executive management approved policy documents, there was no regular reporting to them of asbestos-related activities. Non reporting has the potential to delay agency action to address asbestos risk.

At Education, reports of asbestos disturbance in July 2014 at Willetton High School led to the closure of the school for a week. Other examples in our audit were not reported through the correct channels. Education initially had not considered whether similar risks were present across other schools. It indicated it was now working with BMW to identify such schools.

Poor reporting could result in the agency ignoring broader issues across its properties and missing the opportunity to address similar issues at other sites.

Three agencies recorded the costs to manage high-risk asbestos and only one budgeted for future costs

It is difficult to estimate the total cost to government of managing asbestos. Only three agencies could determine the annual cost to manage and replace high-risk asbestos in their properties. Other agencies did not separately estimate and budget for the costs.

DCS prepared a Custodial Facility Program to remediate asbestos items at its properties. This was included in its Strategic Asset Plan. The program addresses high-risk items across its prisons, starting with asbestos recently identified at Hakea Prison. In 2014-15, DCS requested \$7 million for the program over four years. FPA and Housing set aside separate annual budgets in 2014-15 of \$1.1 million and \$3.8 million respectively to manage asbestos.

The other agencies used their maintenance budget to fund asbestos-related works. There was no separate expense category in these agencies' financial systems to track these costs. The agencies could therefore not provide reliable information on the cost of asbestos works or make reasonably accurate forecasts of maintenance works involving asbestos.

Some agencies such as Education and Police used BMW's maintenance services for asbestos-related works. They informed us that this is why they did not track the costs separately. Understanding asbestos-related costs allows agencies to make informed decisions about the ongoing cost of inspections and maintenance and when considering removal of asbestos.

Asbestos in properties and projects overseen by BMW was well managed

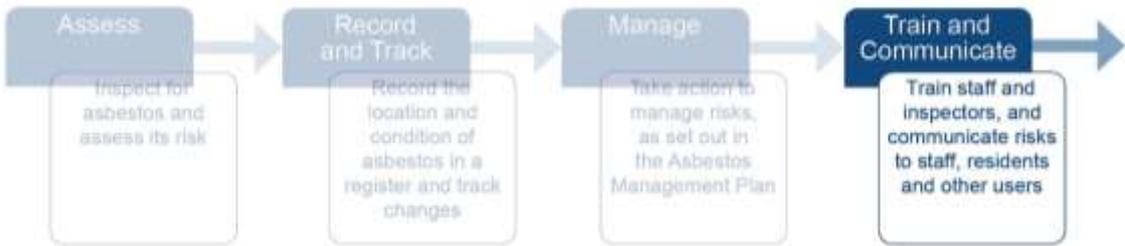
BMW properly managed asbestos in the government-owned buildings it administered and the leases it negotiated for other agencies. It also had adequate strategies in place to manage asbestos risks in capital works projects.

Nineteen of the 20 government-owned buildings administered by BMW had complete and up-to-date AMPs. It advised that the remaining building was recently handed to them, and had an asbestos register on site.

Of the 540 leases negotiated for other agencies, 33 did not contain an asbestos clause. BMW advised that from May 2014, it had used an updated template that contains an asbestos clause for all new and renewed leases. The clause sets out the roles of lessee, owner and property manager for hazardous materials, including asbestos. Also, the owner guarantees that the leased property is free from asbestos.

BMW used appropriate processes to manage asbestos in projects, such as hospital refurbishments. It is important to include asbestos management when scoping projects as asbestos identified during a project could result in time delays and higher costs.

Train and communicate



The Regulations require a 'competent person' inspect, identify and assess asbestos in the workplace. The Code defines a competent person as 'a person possessing adequate qualifications, such as suitable training and sufficient knowledge, experience and skill, for the

safe performance of the specific work'. While it is just one aspect, regular training ensures inspectors are aware of current practices and deliver accurate and consistent inspections.

Under the Code, agencies must provide information and training to staff, and others who may encounter asbestos in a workplace. Providing good information helps raise awareness of risks and prevent inadvertent exposure to asbestos fibres.

The Code also requires agencies to communicate asbestos risks to staff and maintenance workers who are likely to disturb asbestos. This includes keeping an accurate register on site, maintaining a logbook and placing warning signs and labels on asbestos items. Staff, maintenance workers and others should have easy access to the register so they can take precautions to avoid exposure.

We expected to see that agencies:

- provided regular training for asbestos inspectors
- provided awareness training for all staff
- communicated risks to staff and others by keeping an asbestos register and works logbooks on site, place warning signs and label asbestos items
- shared asbestos information with other agencies where needed.

Asbestos inspectors may not have sufficient training

Not all Housing and DAFWA staff who inspect properties for asbestos have received refresher training. The agencies rely on these people for asbestos inspections, risk assessments and review of registers.

In December 2008, six DAFWA staff members received two days training, which allowed them to inspect properties for asbestos. The two inspectors that were still with the agency had not had any further asbestos training.

The Code does not require specific qualifications or training for inspectors and there is no formal training readily available in WA. Although there are training providers registered to provide training in WA, WorkSafe advised that they would generally only do so when there was sufficient demand. This means that asbestos inspectors might vary in their experience, skills and knowledge. In addition, they may not have a good understanding of how new practices, such as revised reinspection timeframes, should be applied if their training is not refreshed. WorkSafe have not collected specific data, however it advised that consistent training might reduce inconsistent inspection outcomes.

Housing recently developed the Inspect ACM (Asbestos Containing Material) course for untrained staff and Inspect ACM gap training course for previously trained staff. By December 2014, it had trained 263 of its 487 property officers. Housing developed these courses because its previous training did not align with its procedures and practices.

Three agencies did not train their staff about asbestos risks in the workplace

Education, DAFWA and the Commission did not provide staff with sufficient asbestos awareness training. Providing good information about risks in the workplace helps prevent staff exposing themselves or others to this risk.

We note that Education aims to start online awareness training by late April 2015. The primary target for this training is school staff managing properties, such as principals and registrars.

Feedback about communication of asbestos risks and staff training at schools

We contacted 15 schools to assess if Education communicated asbestos risks and trained staff. We received 13 responses showing:

- all schools had an asbestos register on site and maintained a logbook that was signed and updated by the person carrying out maintenance work
- the relevant staff (principal or registrar) of seven schools had not received asbestos training. As a result, six of these did not pass on asbestos information to their teaching and other staff members.

Most agencies communicated risks through on-site registers and labelling asbestos

Five agencies had up-to-date asbestos registers and logbooks on site and labelled asbestos items on their properties. All agencies, except Education, included guidance on labelling in their AMPs. Two agencies, Housing and the Commission, did not adequately communicate asbestos risks to staff and residents using their properties.

Housing kept registers on site at all commercial properties, but not at residential sites. The registers at the Commission's properties had not been updated since 2009 and did not reflect details of the 2010 and 2011 inspections.

Two agencies, the Commission and Housing, placed warning signs on the meter boxes of the residential properties. Housing's warning sign advises workers and others to access its register online. However, its online system is often difficult to access leaving workers and others with no opportunity to get asbestos information for the property.

We also found that Housing's AMP requires tenants to be advised of asbestos inspections but it could not show that tenants were given this information.

Agencies followed varying practices to warn of asbestos on their property. FPA labelled all asbestos items while DAFWA posted one warning sign at the front entrance of its head office. Some agencies such as Education and DCS did not label asbestos items on their properties due to the risk of vandalism.

Coordination across the public sector



There was a gap in coordination and information sharing across government following the disbandment of the Asbestos Steering Committee (ASC). This has led to inconsistent practices and lack of clarity about agencies' responsibilities for managing asbestos.

In May 2007, Cabinet endorsed the ASC, which sat in BMW. The role of ASC was to develop and lead a strategy for the management of asbestos in government buildings. The ASC was dissolved after meeting its terms of reference to:

- see that all agencies had asbestos registers and AMPs that complied with the legislation.
- raise awareness through its report, and its *Asbestos Management Guide for Agencies* (January 2010)
- provide an AMP template and information booklets to guide agencies and contractors.

We note that in 2010, the Department of Health initiated the WA Interagency Asbestos Management Group (Group) in response to growing public-health concerns. The Group aims

to reduce the risk of asbestos exposure by improving interagency coordination and education. The informal status of the Group means that, while it can influence agencies, it does not have the authority to make changes to current practices.

In July 2013, the Commonwealth released the *National Strategic Plan for Asbestos Awareness and Management 2013-2018* (Plan). This Plan, developed in consultation with state governments, sets a national approach to eradicate, handle and raise awareness of asbestos. WorkSafe advised that Cabinet endorsed phase one of the revised Plan in February 2015.

Inconsistent practices across agencies

Agencies were following inconsistent practices in managing asbestos, which could be improved with better coordination across government. As noted in our report, we saw several examples including:

- In 2010, WorkSafe amended its advice that agencies should base the frequency of reinspections on level of risk (page 16). This change was made in consultation with BMW and WorkSafe updated its website accordingly. Agencies who used BMW's inspection services were aware of the change however, other agencies were not. As a result, those other agencies continued to reinspect every three years.
- One agency rated broken pieces of asbestos fence as a low risk. However, at another agency, the inspector identified a cracked, but not broken, asbestos fence as a moderate risk. Broken asbestos poses a higher health risk. A low rating means that management will not prioritise the removal of the asbestos pieces.

Lack of clarity about agencies' responsibilities

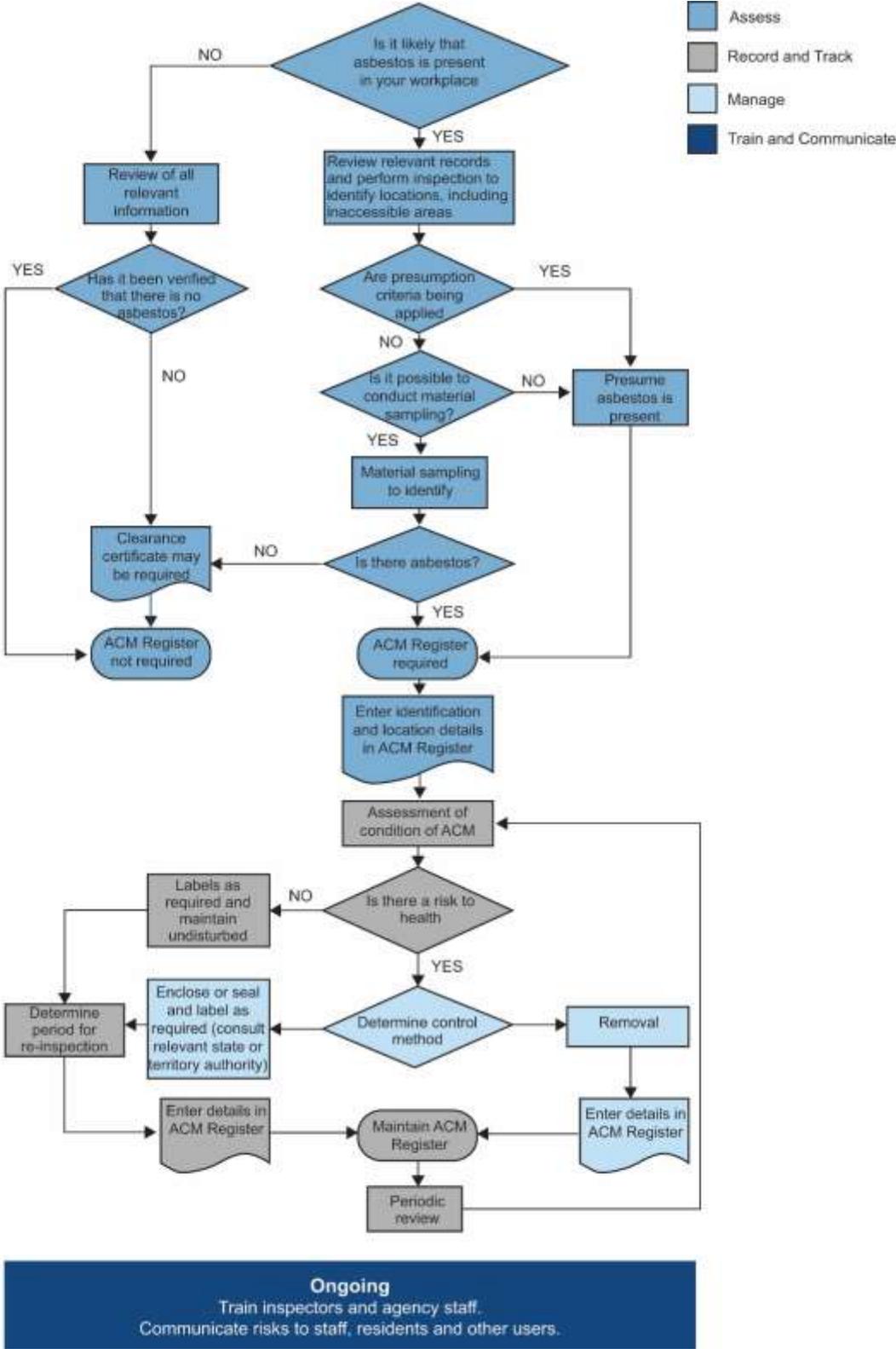
Agencies are not aware of their responsibilities when leasing properties to each other. The agency that transfers a property should provide a copy of the register to the new agency. Poor communication between agencies means important information may not be shared on time, and could lead to duplication of work or poorly managed asbestos.

The Regulations and Code specify that a person in control of the workplace (whether owned or leased) needs to manage asbestos for the property. We found instances where agencies were not clear about their responsibilities:

- Housing leased several properties to the Commission, yet continued to inspect and maintain registers for these properties.
- In 2012, BMW negotiated the lease for DCS's Narrogin site. DCS later found asbestos on the site during renovation works. BMW had not requested the register from the owner and provided DCS a copy. Despite DCS being responsible by law, it considered BMW should have been proactive when negotiating the lease. BMW has since improved its procedures to include an asbestos clause in the lease agreement. The clause includes a guarantee from the owner that the property is free from asbestos.

We also found Housing did not request information about its properties from previous owners or inspect for asbestos before taking occupancy. It could therefore take control of a property that was unsafe or required expensive remediation. For instance, the Commission identified high-risk asbestos in a property leased from Housing following a fire. The property was returned to Housing in 2012. Neither agency shared information about the asbestos, or included it in their register.

Appendix 1: General principles of an asbestos management plan



Source: National Occupational, Health and Safety Commission (2005), Code of Practice for the Management and Control of Asbestos in Workplaces [NOHSC: 2018(2005)], page 20

Auditor General's Reports

Report Number	Reports 2015	Date Tabled
2	Main Roads Projects to Address Traffic Congestion	25 March 2015
1	Regulation of Real Estate and Settlement Agents	18 February 2015
Report Number	Reports 2014	Date Tabled
22	Opinion on Ministerial Notification	18 December 2014
21	Training and Support for Justices of the Peace	26 November 2014
20	Ensuring Compliance with Conditions on Mining — Follow-up	19 November 2014
19	Purchasing Through Common Use Agreements — AGBA	12 November 2014
18	Audit Results Report – Annual 2013-14 Financial Audits	12 November 2014
17	Opinions on Ministerial Notifications	25 September 2014
16	Our Heritage and Our Future: Health of the Swan Canning River System	13 August 2014
15	Working with Children Checks	30 June 2014
14	Information Systems Audit Report	30 June 2014
13	Royalties for Regions – are benefits being realised?	25 June 2014
12	Government Funded Advertising	25 June 2014
11	Licensing and Regulation of Psychiatric Hostels	25 June 2014
10	Universal Child Health Checks Follow-Up	18 June 2014
9	Governance of Public Sector Boards	18 June 2014
8	Moving On: The Transition of Year 7 to Secondary School	14 May 2014
7	The Implementation and Initial Outcomes of the Suicide Prevention Strategy	7 May 2014
6	Audit Results Report – Annual 2013 Assurance Audits (Universities and state training providers – Other audits completed since 1 November 2013)	7 May 2014
5	Across Government Benchmarking Audits – Controls Over Purchasing Cards – Debtor Management – Timely Payment of Invoices	1 April 2014
4	Behaviour Management in Schools	19 March 2014
3	Opinion on ministerial decision not to provide information to Parliament about funding for some tourism events	18 March 2014
2	Charging Card Administration Fees	12 March 2014
1	Water Corporation: Management of Water Pipes	19 February 2014

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