

**Submission
No 24**

INQUIRY INTO LOOSE FILL ASBESTOS INSULATION

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SUBMISSION BY THE
Housing Industry Association

to the
Parliament of NSW Joint Standing Committee

on

Loose Fill Asbestos

31 October 2014

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HIA ::

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HIA is the leading industry association in the Australian residential building sector, supporting the businesses and interests of over 43,000 builders, contractors, manufacturers, suppliers, building professionals and business partners.

HIA members include businesses of all sizes, ranging from individuals working as independent contractors and home based small businesses, to large publicly listed companies. 85% of all new home building work in Australia is performed by HIA members.



1 Executive Summary

- 1.1.1 The Housing Industry Association Limited (**HIA**) is the peak body for residential builders in Australia with nearly 13,000 members in NSW. HIA members include builders, contractors, manufacturers, suppliers, building professionals and business partners. Members' businesses range from self-employed independent contractors and home based small businesses, to large publicly listed companies.
- 1.1.2 On 18 September 2014, the NSW Government established a Joint Select Committee to conduct an inquiry into loose fill asbestos insulation in NSW (**Inquiry**).
- 1.1.3 HIA notes the Inquiry was established under the following terms of reference and has been asked to inquiry into and report on:
- a) The number and location of homes affected by loose fill asbestos insulation;
 - b) The actions taken by governments into deal with loose fill asbestos insulation in to other jurisdictions;
 - c) The role of state and local governments to advise and assist home owners and occupiers to reduce the risks posed by loose fill asbestos insulation;
 - d) The requirements for property owners to notify potential buyers, renters, tradespeople and emergency services officers regarding the presence of loose fill asbestos insulation in their property; and
 - e) Any other related matter.
- 1.1.4 HIA welcomes the opportunity to provide comment to the Inquiry.
- 1.1.5 HIA understands that loose fill asbestos has been found in homes across NSW in 26 local council areas¹; this is by no means a final account and investigations are still underway.
- 1.1.6 HIA notes that currently three separate regulatory bodies are involved in the investigation of the presence of loose fill asbestos in homes in NSW, they include:
- WorkCover NSW;
 - Heads of Asbestos Coordination Authorities (**HACA**); and
 - Local Government authorities
- 1.1.7 HIA would express concern with this approach in that, there seems to be little coordination between the activities of each separate authority and as a consequence there is a risk that no particular agency will take responsibility for managing the issue
- 1.1.8 It is also HIA's view that there are numerous gaps in the way this issue is being managed, for example, there seems to be a lack of information available to tradespeople in relation to the some of the issues raised within the terms of reference.

¹ See <http://www.workcover.nsw.gov.au/formspublications/publications/pages/loose-fill-asbestos-investigation.aspx> accessed 30/10/14.



- 1.1.9 HIA notes that approach taken the action taken by the ACT Government in responding to the presence of Loose Fill Asbestos in more than 1000 homes across the Territory, specifically the setting up of a taskforce and reference group to enable industry consultation as the Government considers options for dealing with Loose Fill Asbestos. HIA supports this approach.
- 1.1.10 Please find outlined below HIA's submissions in response to the terms of reference below within the context of the residential construction industry.

2 Action taken by other Jurisdictions

2.1 The Australian Capital Territory (ACT)

- 2.1.1 As it is widely known, the ACT is currently dealing with loose fill asbestos insulation installed by the company trading as Mr Fluffy.

Background

- 2.1.2 Loose fill asbestos was used as insulation in homes between the 1960's and 1970's in Canberra.
- 2.1.3 At present it is currently thought that this asbestos insulation was used across 1000 homes. It should also be noted that during this time, Bowers Asphalt was using loose fill asbestos as insulation in commercial properties.
- 2.1.4 Between 1988 and 1993 the Commonwealth Government embarked on a removal program that cost in excess of \$100 Million (**Abatement Program**). In 1998, when self-governance commenced, the program was transferred to the ACT Government.
- 2.1.5 It has been reported that since 2005, the ACT Government has spent a further \$2 Million remediating a number of homes missed under the Abatement Program.
- 2.1.6 While the Abatement Program remediated ceiling spaces, asbestos material remained lodged in the wall cavities, subfloor spaces and underneath cornices.
- 2.1.7 HIA are advised that the average cost per residential property for the further removal of the loose fill asbestos is estimated at \$184,000, however the actual cost was much more with reports that a full asbestos remediation and demolition of a house in 2013 cost approximately \$2 Million



Current Action

- 2.1.8 On 25 June 2014, the ACT Government established a taskforce and a reference group, the latter being comprised of industry representatives including HIA.
- 2.1.9 The reference group is designed to support and provide suggestions and feedback to the taskforce on how the presence of loose fill asbestos issue should be managed.
- 2.1.10 HIA notes that, at this stage, we are not aware that any time frames have been set in relation to the activities of the reference group or to the actions of the taskforce.
- 2.1.11 To date, the reference group has submitted a number of options to the taskforce for consideration and it has been widely reported that the ACT Government will consider a compulsory buyback scheme for properties affected by loose fill asbestos insulation.
- 2.1.12 In noting this, HIA would submit that caution be exercised if this approach is to be considered within the NSW context.
- 2.1.13 HIA is also aware that the ACT Government has amended the *Work Health and Safety Regulations 2011* to mandate the completion of an Asbestos Awareness course for all people who work on construction sites in the ACT.
- 2.1.14 While HIA is supportive of further education within the residential construction industry, it is HIA's view that the imposition of a mandatory requirement should only be considered where the risks presented are so severe as to justify such an approach.
- 2.1.15 While the actions of the ACT Government can be informative to this Inquiry, they should, in no way be determinative of an outcome for NSW. Further industry consultation should be undertaken prior to the determination of a way forward in relation to the management of the presence of loose fill asbestos in homes in NSW.
- 2.1.16 Further to this, HIA would support the establishment of a formal approach to industry consultation similar to that established in the ACT. However in contrast to that approach, HIA would submit that any such consultation and the development of a way forward carry with it associated time frames for action by Government.
- 2.1.17 HIA would emphasis that consultation with industry is vital for the success of any initiatives that will need to be undertaken to address this issue in NSW.

3 The Role of State and Local Governments

- 3.1.1 As noted above, HIA is concerned that the current, seemingly uncoordinated and ill-directed approach to this issue in NSW could result in deleterious outcomes for both homeowners and contractors carrying out works on affected homes.



3.1 NSW State Government

- 3.1.1 Through the WorkCover NSW website the NSW Government is currently providing very limited information to homeowners addressing only:
- when the effected homes were insulated; and
 - contact details to arrange free testing to be carried out.
- 3.1.2 Little to no information is being directed at trades who may be exposed to loose fill asbestos while carrying out residential building works. HIA would submit that more should be done to ensure trades are aware that loose fill asbestos is present in an increasing number of homes.
- 3.1.3 HIA understands that WorkCover NSW are collecting the details of homeowners that are concerned that their homes contain loose fill asbestos. Where the homeowner agrees to have their information made publically available, WorkCover NSW then passes this information onto the local council.
- 3.1.4 HIA submit that WorkCover NSW should take a more active role in managing the investigation process to ensure a coordinated approach. It is HIA's view that WorkCover NSW has the knowledge and expertise to ensure that the loose fill asbestos is dealt with in accordance with the *Work Health and Safety Act 2011*, *Work Health and Safety Regulations 2011* and other guidelines developed by WorkCover NSW.

3.2 Heads of Asbestos Coordination Authorities (HACA)

- 3.2.1 HIA understands that the HACA was established to improve the management, monitoring and response to asbestos issues in NSW. The HACA developed a coordinated prevention programs in response to the NSW Ombudsman's report *Responding to the asbestos problem: The need for significant reform in NSW* in 2011.
- 3.2.2 HIA is aware that to date HACA have:
- written to all local councils where homes have been identified as containing loose fill asbestos;
 - advised those local councils to update asbestos policies in line with the *NSW Model Asbestos Policy* to ensure adequate risk management; and
 - committed to funding a dedicated asbestos policy manager at Local Government NSW throughout 2015 and 2016 to provide support to council.
- 3.2.3 HIA submit that HACA should be taking a more proactive role in the distribution of information to councils, homeowners and trades in relation to the awareness and the coordinated response moving forward to deal with loose fill asbestos contaminated homes.



3.3 Local Government

- 3.3.1 HIA understands that local councils are playing a vital role in the management of this issue.
- 3.3.2 Once the homeowner has made contact with WorkCover NSW, and where permitted, the details are passed onto the council. The council will then contact the homeowner and arrange for free testing to be carried out.
- 3.3.3 Unfortunately, it appears that this is where the assistance from the Local Government ceases. Once the property is identified as having loose fill asbestos insulation the onus is on the homeowner to decide if they would like to remove the asbestos. Of significance is that at this stage the homeowner must bear the associated cost.
- 3.3.4 HIA is concerned that this approach has potentially dangerous consequences for contractors engaged to carry out building works that may be completely unrelated to the removal of asbestos.
- 3.3.5 Homeowners must be provided further support to ensure the safety of those that may carry out building works on affected sites.

4 Notification

- 4.1.1 With such a significant amount of work carried out in roof spaces, wall cavities and subfloor spaces it is vital that homeowners pass the information about the presence or possible presence of loose fill asbestos to the trades prior to the commencement of any works.
- 4.1.2 HIA submit that a homeowner would be negligent where they know, or ought to have known, that their home contained loose fill asbestos and did not provide this information to a tradesperson prior to works commencing.
- 4.1.3 HIA understands that currently homeowners who have had loose fill asbestos identified in their homes are issued with stickers which are to be placed on the meter box and any access points to roof spaces. There is no information about the stickers or what they would look like in order to educate tradespeople of what to look for.
- 4.1.4 HIA submit that this is an area where NSW WorkCover should be taking a more proactive role.



5 Conclusions

- 5.1.1 There are a number of complexities associated with remediating homes affected by loose fill asbestos in NSW. However, such complexities must not overrun a 'common sense' approach to the management of this issue, the key to which is the safety of all of those who may come into contact with asbestos contaminated sites.
- 5.1.2 It is imperative that Government agencies work together and take a coordinated approach to the management of this issue. Further, transparent communication is vital and information about the presence of loose fill asbestos should be easily obtainable.
- 5.1.3 HIA is happy to elaborate on these matters in greater detailed if the Inquiry seeks further information or feedback.