

Safe as houses?
Management of asbestos
in Police buildings

A Special Report to Parliament under
s.31 of the *Ombudsman Act 1974*

July 2012

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Glossary

IAP	Individual Assets Plans
Ministry	Ministry for Police and Emergency Services
MOU	Memorandum of Understanding
NSWPF	New South Wales Police Force
OH&S	Occupational health and safety
PPG	Police Property Group
PPSC	Police Property Steering Committee
PSP	Property Strategic Plan
SPA	State Property Authority
SPB	Strategic Partnership Board
TAM Plan	Total Asset Management Plan
UGL	United Group Limited

Introduction from the Ombudsman

Police officers and their families are entitled to expect the premises in which they live and work to be safe. This report is the result of an extensive investigation by my office into how the NSW Police Force (NSWPF) manages hazardous building materials, particularly asbestos and lead based paint, in its premises.

NSWPF has some 1350 properties across NSW including police stations, training facilities and residential properties. Media reports in October 2011 alleged the NSW Police Force had exposed officers and their families to asbestos and lead in some of those properties. These reports claimed there had been serious breaches of occupational health and safety requirements and that there had been a cover up.

While I am satisfied there has been no cover up, the NSWPF clearly failed to ensure hazardous materials were properly managed in its properties. Deficiencies in the management of the NSWPF property portfolio resulted in NSWPF failing to put in place appropriate systems to comply with its obligations concerning hazardous materials including asbestos and lead paint.

NSWPF responded with commendable speed and thoroughness once it realised it was failing to meet its obligations. Since July 2011 it has done extensive work to ensure it is in a position to meet its legal obligations, including carrying out remediation work to properties and conducting an education and information campaign.

The evidence we have examined indicates the failure to properly manage hazardous materials was in large part the result of the outsourced contractual model under which Police properties are managed. Four separate parties are involved in the current model – the NSWPF, a private property contractor, the State Property Authority and the Ministry for Police and Emergency Services.

Going forward

Police properties

A significant number of Police properties are old buildings, often in a poor condition. While the NSWPF has been carrying out some remediation work on hazardous materials in properties on a risk basis, the work is on a limited scale compared to the extent of the problem.

The State budget on 12 June 2012 included \$61m to address hazardous materials, compliance and safety over the next four years. This includes \$15.8m in 2012-2013, \$22.1m in 2012-2014 and \$14.9m in 2014 -15.¹

We understand this is not additional funding but rather comes from existing NSWPF capital allocations. We recognise the financial realities, but also note the importance of both remediation and ongoing maintenance. Regardless of any new model developed to better manage Police properties, there needs to be either a special allocation of funds from NSW Treasury or internally from NSWPF that is sufficient to adequately maintain Police buildings and to ensure occupiers of both operational premises and residences are kept safe.

Across government

This investigation has identified serious deficiencies in the management of hazardous materials in a one particular group of State owned properties, as well as serious problems with the overall property management arrangements in that agency. There is a need to ensure hazardous building materials are being appropriately managed in all NSW Government properties and that the management of those properties is sufficiently robust to ensure both the assets are preserved and occupiers are kept safe. I have made recommendations accordingly.



Bruce Barbour
Ombudsman

¹ Hansard 12 June 2012 Questions without notice: Hon Michael Gallacher Minister for Police

Recommendations

Asbestos and lead management

Considerable progress has been made by NSWPF since the commencement of this investigation to address the deficiencies in the handling of hazmat issues in its properties. In view of the action now being taken, my recommendations about the management of asbestos and lead in Police properties are limited to the following:

- i. **That NSWPF provides my office with a copy of its completed Hazardous Materials Management Plan within two weeks of its completion.**

New model for managing NSWPF properties

- ii. **The contents of this report makes clear the need for a new model for the management of Police properties. It is a matter for NSWPF and the NSW Government to determine the details of a new model. However, I recommend that the following criteria should be considered:**

Governance arrangements:

- it should be made clear that NSWPF retains ultimate responsibility for the condition of Police properties and the safety of their occupants;
- any board or steering committee should have clearly documented terms of reference, including if it has a governance or advisory role;
- membership of any board or steering committee should be limited to those agencies which have a direct role in managing NSWPF properties;
- there should be clear reporting lines and delegations between any board or steering committee and those agencies and/or individuals responsible for carrying out the day to day management of the property portfolio.

Operational arrangements:

- consideration should be given to the need for a contract manager, not just an administrator;
- there should be clear and agreed documented responsibilities for each of the parties to the property management arrangement;
- there should be clear reporting lines to ensure all parties are held accountable for their respective responsibilities;
- arrangements for reporting and responding to maintenance requests should be simplified and streamlined to ensure requests from the field are responded to in a reasonable length of time without the need for multiple reports and double handling;
- each agency or contractor involved in managing NSWPF properties should be required to have in place appropriate record keeping systems which comply with the *State Records Act 1998*.

Strategic planning arrangements:

- there should be a clear delineation of responsibilities between operational and strategic planning with arrangements to ensure those responsible for strategic planning, if not within NSWPF, have full access to and full cooperation from NSWPF.

Funding

- iii. **Regardless of the model used to manage Police properties, there needs to be either a special allocation of funds from NSW Treasury or internally from NSWPF sufficient to properly maintain the assets, ensure compliance issues are addressed and that occupiers of the properties are kept safe. I recommend that appropriate consideration be given to the budgetary needs of the NSWPF property portfolio regardless of which management model is selected.**

Across government

This investigation has highlighted serious deficiencies in the way in which a significant number of State owned properties have been managed over a number of years, with detrimental consequences for the safety and wellbeing of the occupants. To identify if similar problems exist in other areas of NSW Government and to ensure, that if they do, they are rectified as a matter of priority, I make the following recommendations:

- iv. **I recommend that the State Property Authority conducts a review of all NSW government properties for which it has legal or management responsibility to ensure hazardous building material issues, particularly asbestos and lead, are being appropriately managed.**
- v. **I recommend that the lessons learned from this investigation form the basis of a review of all NSW Government agencies with a significant property portfolio to ensure the arrangements for management of those properties are appropriate to ensure both that the assets are preserved and occupiers of the properties are kept safe. The review could be conducted by the State Property Authority , as the NSW Government's specialist real estate provider, or by some other appropriate person or body.**

Chapter 1 Background

Articles appeared in the media in October 2011 alleging the NSW Police Force (NSWPF) had exposed officers and their families to asbestos and lead in Police properties. Media reports claimed serious breaches of occupational health and safety requirements had occurred and been covered up. The Police Minister wrote to my office on 12 October 2011 asking me to consider conducting a review.

This office has already done considerable work to examine how asbestos is managed by government agencies, including tabling a report to Parliament in November 2010 called *Responding to the asbestos problem: the need for significant reform in NSW*. Based on this experience and the concerns raised about the Police property portfolio, I decided to initiate an investigation using my own motion powers under the *Ombudsman Act 1974*.

Chapter 2 The investigation

2.1 Conduct the subject of investigation

We issued an investigation notice on 20 October 2011 into the actions and inactions of NSWPF in relation to the management of hazardous materials, including but not limited to hazardous building materials such as asbestos and lead based paint, in police premises including police operational premises and police residences.

2.2 Methodology

2.2.1 Production of information and documents

We issued two formal notices requiring NSWPF to provide us with information and documents about the management of Police properties in general and hazardous materials in particular.

We also required the production of documents from NSW Treasury, Ernst and Young and United Group Limited (UGL).

The information obtained was extensive and included in excess of twenty volumes of hard copy material plus voluminous information on disc. Material gathered included copies of contractual material, file notes, briefing documents, internal reports, internal and external reviews, minutes of meetings and copies of hazardous material inspection reports of Police properties.

2.2.2 Formal hearings

We held formal hearings using our powers under the *Ombudsman Act 1974* and *Royal Commissions Act 1923* to obtain sworn evidence from witnesses including current and former NSWPF senior managers and managers, the Ministry for Police and Emergency Services, WorkCover, the State Property Authority and UGL.

2.2.3 Interviews

We met with the Police Association and we interviewed a number of police officers.

2.2.4 Comments and submissions from NSWPF

At the conclusion of the evidence gathering stage of our investigation, we gave the NSWPF Commissioner the opportunity to comment on a document containing our provisional findings and recommendations. We invited his comments on the accuracy of the contents of the document and any comments or submissions on the provisional conclusions reached and provisional recommendations made. Where considered relevant, the information and comments NSWPF provided have been included in this report.

Chapter 3 What we found

3.1 Management of Police properties

NSWPF has approximately 1,350 properties across NSW. These include operational premises, such as police stations, holding yards and training facilities, and residential properties. The property portfolio has a value in excess of \$1.3 billion. Approximately half of the properties are at least 40 years old and a quarter are older than 90 years.²

A number of different models have been used to manage the portfolio. In the early 2000s, NSWPF managed the property portfolio itself. In 2003 the then government decided to abolish the police properties branch and the functions were split between the then Ministry for Police and the then Department of Commerce. This was subject to a ministerial review in 2005 which led to the establishment of the outsourced contractual model under which Police properties are currently managed.

3.1.1 The current model

The current model involves four separate organisations:

- NSWPF
- A private property contractor, United Group Limited (UGL)
- A contract administrator, the State Property Authority (SPA)
- The Ministry for Police and Emergency Services (the Ministry)

NSWPF employs between five and seven people who work in the Police Property Group (PPG). UGL has a team of approximately 32 staff who work on the contract and SPA a team of four.

The Minister for Police is the principal named in the contract with UGL and is responsible for the portfolio. Governance is provided by two committees; the Police Property Steering Committee (PPSC) and Strategic Partnership Board (SPB) both of which are chaired by the CEO of the Ministry. NSW Treasury and the Department of Premier and Cabinet were proponents for the introduction of the model and NSW Treasury has a representative on the PPSC.

In addition to the contract, there is a Memorandum of Understanding (MOU) between NSWPF, the Ministry and SPA the purpose of which is to:

establish the roles and responsibilities of the Contract Administrator, the [Ministry for Police and Emergency Services] and NSW Police in relation to the NSW Police Property Portfolio and facilitate an efficient and effective delivery of the management services by the Contractor.³

The PPSC and SPB are responsible for overseeing and coordinating the management of Police properties. Their roles and membership are set out in the MOU and contract respectively.

The MOU includes a diagram summarising the model, which is reproduced at Appendix 1:

- NSWPF PPG should provide strategic direction, advise on budget parameters, priorities, advise and approve design, approve work programs, approve the Property Strategic Plans and make payments to UGL.
- UGL should manage the properties, provide a help desk, develop individual asset plans, advise and implement maintenance programs and manage subcontractors.
- SPA should administer the contract and manage compliance by the contractor, provide advice to the NSWPF and PPSC, manage maintenance programs, certify works and recommend NSWPF make payments, coordinate approvals to progress contract activities and provide secretariat support.

² NSWPF response 22 November 2011 to s.18 notice

³ NSW Police Property Portfolio Management Services Memorandum of Understanding clause 1(c)

3.1.2 PPSC

According to the MOU, the purpose and functions of the PPSC are to:

- (i) *Endorse the service and operational priorities of NSW Police for provision to the Contract Administrator and the Contractor*
- (ii) *Monitor the delivery of services in relation to the NSW Police Property Portfolio*
- (iii) *Develop unified positions on issues in relation to the NSW Police Property Portfolio*
- (iv) *Approve reports to be provided to the Board*
- (v) *Approve and consider reports and recommendations prepared by the Contract Administrator in consultation with NSW Police*
- (vi) *Direct the activities of the Contract Administrator (including authorising activities and expenditures for the month ahead)*
- (vii) *Oversee and approve the key strategies for the Police Portfolio*
- (viii) *Ensure the NSW Police's PSP is consistent with the TAM Plan.⁴*

The Chair is the CEO of the Ministry for Police and Emergency Services and its members are the:

- General Manager SPA
- Commissioner of Police or delegate (General Manager Police Property Group)
- Executive Director/Deputy Commissioner Corporate Services NSWPF
- Director Finance and Business Services NSWPF
- Contract Administrator SPA
- NSW Treasury Financial Analyst.⁵

3.1.3 SPB

The contract provides the Board with the following functions:

- (i) *Review and monitor progress under the Contract*
- (ii) *Review the provisions of the Services, compliance with the services specification, the contents of reports..., the accuracy of invoices, complaints or problems and their resolution and report thereon in writing to the parties;*
- (iii) *Review the PSP annually and recommend a complete PSP to the Principal for approval and*
- (iv) *Carry out such other functions as are required of it in the contract or otherwise agreed in writing between the parties.⁶*

The Chair is the CEO of the Ministry for Police and Emergency Services and its members are the:

- Director Finance and Business Services NSWPF
- Contract Administrator SPA
- Two UGL representatives.⁷

According to copies of the minutes, the General Manager of SPA also attended SPB meetings.

Hence there is an overlap in membership of the PPSC and the SPB, except UGL only attends the SPB. The PPSC is a decision making body, while the SPB has a consultative and advisory role only.⁸

⁴ NSW Police Property Portfolio Management Services Memorandum of Understanding clause 4.1(c)

⁵ NSW Police Property Portfolio Management Services Memorandum of Understanding clause 4.1 and response from NSWPF dated 22 November 2011 to s.18 notice

⁶ Police Property Portfolio Management Services Contract clause 2.6(b)

⁷ Police Property Portfolio Management Services Contract clause 2.5 and response from NSWPF dated 22 November 2011 to s.18 notice

⁸ NSW Police Property Portfolio Management Services Memorandum of Understanding clause 4.3

3.2 Hazardous materials in Police properties

3.2.1 Individual Asset Plans

UGL won the Police property contract by competitive tender in early 2006. Under the previous property management arrangements, property maintenance was outsourced to a private contractor with NSWPF responsible for overall management and major capital works management. From 2003 these responsibilities passed to the Ministry for Police and Department of Commerce. Under these earlier arrangements information had been collected by the contractor about properties that had indications of lead based paint and/or asbestos. While this information had been recorded in spreadsheets, it had not been shared with occupiers of premises and did not represent a comprehensive survey of Police properties.

As early as 2002 it had been recognised that the process for dealing with lead based paint and asbestos required review.⁹ The new contract with UGL in 2006 required a detailed asset data collection process to be undertaken involving the collection of information for the development of Individual Asset Plans (IAP) for each property.

Properties were inspected by UGL between April 2006 and January 2007 using a template agreed between UGL, SPA and NSWPF. In UGL's Preliminary Technical Review report the findings of the process were qualified as follows:

The assessments have been based on a review of available documentation and the visual inspections and have not involved intrusive/destructive investigations and as such the expenditures estimates in the IAPs are indicative only, providing an 'order of magnitude cost allowance' for specifically identified work.¹⁰

Key findings included:

- Based on a 1 to 5 [bad to good] rating, the average of buildings within the portfolio is 2.8. Residences averaged 2.89, non residential properties averaged 2.73. The review stated that the ideal outcome should be somewhere around 3.5, given 3 is a subjective rating of 'acceptable'.
- 71.9% of the properties in the portfolio had ratings of less than acceptable and 10% rate lower than 2.5.
- A large number of properties fell short in terms of compliance and environmental obligations and risk assessments should be undertaken to ensure obligations in relation to asbestos and lead based paint and the *Disability Discrimination Act 1992* in particular are met. These matters had not been costed.¹¹

To better assess the shortfall in compliance there was a competitive tender process to engage a company to conduct OH&S risk audits and hazardous materials audits. UGL conducted the tender process, SPA signed off on the engagement of Coffey Environments Pty Ltd (Coffey) as the successful tenderer. UGL entered into the contract for services with Coffey in January 2008.

3.2.2 Conduct of the Coffey audits

Coffey conducted two audits for each property – an OH&S risk audit and a hazardous materials audit. This investigation has focused on the hazardous materials audits. However, the findings of the OH&S audits are also important, examining compliance with mandatory obligations such as fire safety, building safety, access, plant and machinery and security.

In February 2008 UGL told all NSWPF local area managers and local OHS coordinators about the audits by email. The emails explained that Coffey would be conducting audits, that the purpose of the audits was to determine the extent of the OH&S and risk areas throughout the portfolio, that the audit schedule was over a two year period and the scope of works was:

- asbestos
- occupational health and safety
- hazardous materials
- public liability risk assessments.¹²

The audits were conducted between February 2008 and early 2010.

⁹ 15 August 2002 item 6.11 minutes of meeting of NSW Police Services/Transfield Services

¹⁰ UGL Preliminary Technical Review of IAP process 30 March 1997 pg 4

¹¹ UGL Preliminary Technical Review of IAP process 30 March 1997 pg 4

¹² Email from UGL to Local Area Managers dated 12 February 2008 and email from UGL to local OH&S coordinators dated 20 February 2008

3.2.3 Management of the Coffey audit reports

Coffey provided two reports for each property to UGL – a report on OH&S risks and another on hazardous materials. The latter are titled *Register of hazardous materials report for XXX property prepared for UGL*. Each of the hazardous material reports had a similar format: contents page, executive summary, introduction, methodology, results, glossary, recommendations, statement of limitations and bibliography. Hazardous materials identified were risk assessed by Coffey using a formula based on materials and location assessments:

- A1 high risk
- A2 medium risk
- A3 low risk
- A4 very low risk

A1 asbestos containing materials were identified in the executive summary. Full details of all hazardous materials along with their risk rating were detailed in what was referred to as '**the register**' which was included in the Results section of the report.

3.3 NSWPF obligations in relation to hazardous materials

3.3.1 Health risks

While asbestos is relatively safe in a bonded form¹³, it poses a risk to health by inhalation when fibres become airborne and people are exposed to these fibres. This can occur when subjected to extensive weathering or deterioration.¹⁴ Exposure to asbestos fibres is known to cause mesothelioma, asbestosis and lung cancer.

Current sources of lead exposure include lead paint in houses built or painted before 1978, water from old plumbing fixtures with lead soldering and lead in dust and soil. Lead in house paint is a problem only if it is damaged or disturbed, paint that is in good condition that is not flaking or is covered by well maintained lead free paint, is not a hazard in itself.¹⁵ Lead can affect anybody, but the people most at risk are children under the age of four and pregnant women. This is because the effects of lead can damage the developing brain and nervous systems of unborn and young children much more easily than adults.¹⁶

3.3.2 Obligations

As an employer NSWPF has a common law non delegable duty of care to its employees and to visitors to NSWPF workplaces. In addition, since the introduction of the *Occupational Health and Safety Act 2000* and the Occupational Health and Safety Regulation 2001, managers and controllers of workplaces have had specific legal obligations to provide a safe workplace for employees with regard to asbestos and lead hazards.

This legislation incorporated the provisions of the Code of Practice for the Management and Control of Asbestos in Workplaces¹⁷ and the Code of Practice for the Control of Inorganic Lead at Work¹⁸. In summary these obligations required NSWPF to:

- eliminate risks to health and safety, so far as is reasonably practicable
- ensure all asbestos in workplaces is identified
- label all asbestos where it is reasonably practicable
- prepare and maintain an asbestos register of any asbestos identified at workplaces

13 Bonded asbestos material is any material that contains asbestos in a bonded matrix. It may consist of asbestos mixed with cement or various resins/binders, which cannot be crushed by hand when dry. Asbestos cement products and electrical meter boards in good condition are examples of bonded asbestos material - NSW Ombudsman's report '*Responding to the asbestos problem: The need for significant reform in NSW*' November 2010 pg 1

14 Code of Practice for the Management and Control of Asbestos in Workplaces [NOHSC: 2018 (2005)].

15 <http://www.lead.org.au/clp/AS4361.2.html>

16 http://lead.org.au/fs/Lead_your_health_&_environment.pdf

17 NOHSC: 2018 92005

18 NOHSC:1012(1994)

- ensure the asbestos register is readily accessible to workers, health and safety representatives and anyone conducting a business or undertaking at the relevant premises.
- prepare and maintain an asbestos management plan and review that plan as necessary
- prepare and maintain a register of lead-containing hazardous substances used in the workplace
- develop a lead removal process to identify lead risks and how they are to be managed.

On 1 January 2012 the *Occupational Health and Safety Act 2000* and the Occupational Health and Safety Regulation 2001 Act were replaced by the *Workplace Health and Safety Act 2011* and the Workplace Health and Safety Regulation 2011. The new legislation maintains or increases legal obligations in regard to asbestos and lead paint issues.

In relation to Police residential properties it appears that NSWPF has at least a common law duty of care both to officers and their families. It is a matter of current consideration whether the *Workplace Health and Safety Act 2011* and Workplace Health and Safety Regulation 2011 have also introduced statutory obligations for residences provided by employers.

3.4 Response to the Coffey reports

There was no plan about how to deal with the information in the Coffey reports. While the impetus for the audits was to identify gaps in what was known about the condition of Police properties, in reality this was far more than an information gathering exercise. Some of the reports identified issues which required immediate action, many more contained information which statute and the common law required NSWPF to manage in particular ways.

Because the decision to commission the audits was made without any operational or strategic planning which anticipated the extent of the non-compliance the reports were likely to reveal, the response to them can best be described as adhoc and on occasions chaotic.

Operational staff responded as best they could. Mechanisms were put in place that should have led to action on all high risk, and to a lesser extent medium risk, issues identified in the reports. However, no appropriate consideration was given to what information should be given to police officers and their families who lived and worked in properties identified as containing hazardous materials, whether high risk or not. Rather, when officers from the field or the Police Association complained about the state of properties or asked specifically about the outcome of the auditors' visits, UGL would refer them to NSWPF PPG where adhoc decisions were made about how to respond. Sometimes extracts from the Coffey reports were provided or a summary of the findings, sometimes people were invited to come into the PPG's offices to read the Coffey reports but were not provided with a copy, sometimes copies of the report were provided. On other occasions officers would be directed to the UGL operated Customer Service Centre to make reports.

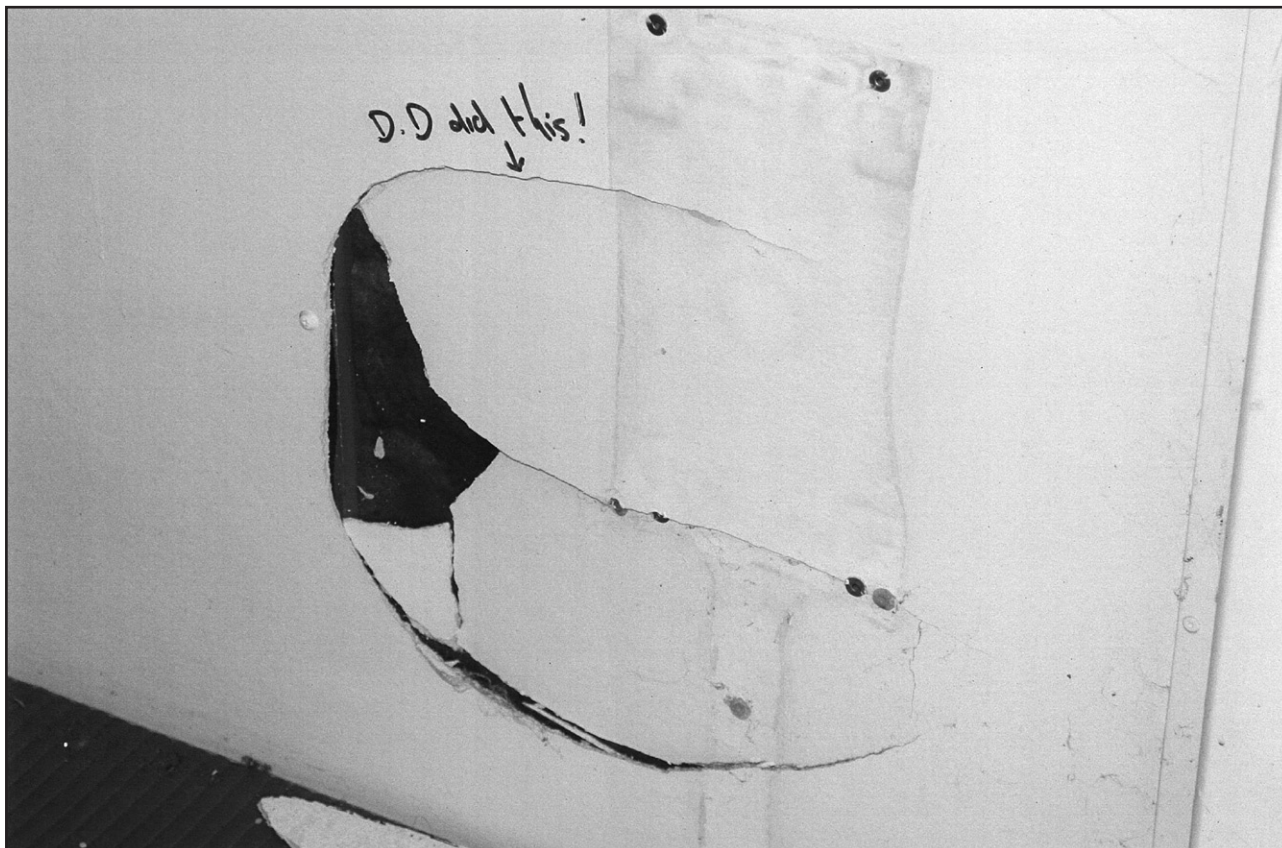
Despite UGL's emails to Local Area Managers and OH&S coordinators in February 2008 informing them the audit was a State wide exercise which covered all properties, there was little or no realisation amongst officers in the field, or the Police Association, that the Coffey reports were being produced as part of a systematic audit process. It seems they were assumed to have been part of ongoing maintenance or other issues in particular properties. This meant inquiries about the audit reports were also made in an adhoc way. If there had been a better understanding of the extensive nature of the audit exercise and the significant amount of information it was identifying, the Local Area Commands and the Police Association in particular may have taken a different approach.

3.5 When and why NSWPF realised it was failing to meet its obligations

The realisation by NSWPF that there were deficiencies in how the information in the Coffey reports had been handled was precipitated by a complaint on 20 April 2011 from staff at Wetherill Park Operations Skills Centre to WorkCover about asbestos contamination in a demountable building. Training exercises were conducted in the building that staff also modified for the circumstances of the training.

A hole had been knocked in one of the walls of the demountable during a training exercise.

An officer with some knowledge about asbestos subsequently attended the site for a training session and asked if the building had been tested for asbestos as the material exposed by the hole looked like asbestos. Following the involvement of the Police Association and NSWPF it was confirmed the wall contained asbestos.



Photograph provided by Police Association

When WorkCover contacted NSWPF, NSWPF advised that the building had been isolated on the 18 April 2011. Shortly after the NSWPF removed the demountable from the site. WorkCover assessed the matter as an isolated incident that had been resolved. However, in the course of dealing with the situation at Wetherill Park, officers at the site and the Police Association became aware that a report been prepared dated 11 August 2008 by Coffey which identified asbestos cement sheeting in the wall of the demountable. While this had been assessed as having an A3 rating – a low risk not needing immediate attention – the failure to provide this information to the users and occupiers of the building had obviously had serious consequences. For example, they did not know they should not drill holes in the walls to fix mats; nor did they have the correct information to assess the seriousness of the situation when dust and other material came out of the hole accidentally knocked in the wall during training.

The Police Association also became aware at this stage that hazardous materials reports such as the one for Wetherill Park had been prepared as part of a systematic audit process of all Police properties, the contents of which had not been disseminated to occupiers of the premises. The Police Association met with NSWPF on 5 July 2011 and the Association was provided with copies of all the Coffey reports soon afterwards.

In early June 2011, the General Manager of the PPG had started to produce a series of memos setting out the history of the Coffey reports, which had commenced sometime before he was appointed and about which there was little corporate memory. In these memos he identified a lack of compliance by NSWPF with its legislative obligations about hazardous materials in buildings. Confusingly, a number of memos were saved under the same electronic document number, being updated with more information over time as it was identified. This resulted in a number of memos with the same date (6 June 2011) but which had clearly been finalised and submitted a number of weeks apart. Notwithstanding this confusion, it is clear from the memos that it was during the process of reviewing the legislation in response to the situation at Wetherill Park that senior operational managers realised NSWPF was not complying with its obligations under the legislation.

On 5 August 2011 the Police Association wrote to WorkCover raising general concerns about the management of asbestos and lead by NSWPF. On 17 August 2011 WorkCover received a notification from NSWPF of a lead exposure incident at Surry Hills Police Station. A contractor had been exposed to lead dust when cleaning a duct adjacent to the firing range.

At this point WorkCover established a multi disciplinary project team to look at the broad issues raised about NSWPF's management of asbestos and lead. This identified deficiencies including the lack of asbestos and lead management plans, an up to date asbestos register and a notification system for asbestos and lead.

3.6 Action by NSWPF

Having realised the extent of the problem it faced, NSWPF responded with commendable speed and thoroughness taking action including:

- Engaging Noel Arnold and Associates in May 2011 to undertake a Potential Asbestos and Lead Exposure review of Police properties. The review was conducted by way of a dip sample desk top review of 10% of the Coffey reports. A final report was provided to NSWPF in August 2011 and put on the Police intranet in October 2011.
- Developing a Hazmat Issues Communication Strategy by the end of July 2011. As part of the strategy Coffey was engaged to help NSWPF develop a Hazardous Building Materials Information Forum delivered in 20 centres across NSW commencing in September 2011. The two hour sessions provided information about the Coffey reports, hazardous building materials and some of the risks associated with the materials in buildings.
- Distributing 'LAC packs' in August 2011 to Local Area Commands which contained:
 - copies of available Coffey reports to be distributed to each affected property
 - spreadsheet listing all properties within the LAC that had been inspected and identified as containing hazardous building materials and their risk ratings
 - copy of form letter to be used and provided to occupants of affected residences
 - a number of information sheets for both the Commander and staff outlining facts and details about lead in paint and asbestos
 - a CD containing electronic versions of each of the above documents.
- Sending a state-wide message to all staff on NEMESIS in August 2011 and a similar email sent to all Commanders.
- Establishing a Hazardous Materials in Police Premises Working Group with representatives from the NSWPF PPG, Police Workforce Safety, Police Office of General Counsel, Field Operations, Police Association and the Public Service Association. The working group met for the first time in August 2011 and continues to meet fortnightly.
- Launching a Hazardous Materials in Police Premises intranet site in August 2011.
- Releasing the Health and Safety Plan (Hazardous Materials in Police Premises) on the intranet in August 2011. This included provisions that anyone who had worked at Lithgow Police Station (where high risk asbestos had been identified) for a period of one month or more would qualify for health screening and that, while attending training at Wetherill Park was not considered enough exposure time for a recommendation for testing, a case by case approach would be considered if there were requests.
- Engaging Coffey to undertake a direct telephone inquiry initiative with Local Area Commanders across NSW over two days at the end of August 2011 where commanders could raise issues about the reports. This information was used in the Hazardous Building Material Information Forums.
- Engaging GHD to undertake rapid reassessments and remediation at a number of already identified sites.
- Engaged Ross Mitchell and Associates to assess and remediate the highest priority risk rated properties.
- Commenced a process to engage specialist contractors to reinspect and assess all NSWPF properties that were either not inspected by Coffey or in relation to which there is a Coffey report identifying hazardous building materials.
- Engaging Coffey to reassess all previous Coffey reports where no hazardous materials were identified and to prioritise outstanding UGL call centre jobs that relate to hazmat.¹⁹

3.7 How did the failure to meet statutory and common law obligations happen?

NSWPF has failed to meet many of its statutory obligations in relation to managing hazardous materials in its properties. Based on the evidence we have considered, as a minimum it has failed to label asbestos in workplaces, to maintain up to date asbestos registers, to ensure asbestos registers are readily accessible, to have an asbestos plan and to have processes in place to properly identify and manage lead risks.

Very early in the investigation it became clear to us that the way in which NSWPF properties are managed was crucial to understanding the reasons why the problems occurred. The evidence we have examined has clearly

¹⁹ NSWPF response dated 22 November 2011 to s.18 notice

demonstrated the contractual model under which Police properties have been managed does not work and that a significant level of dysfunction was evident soon after it was introduced in 2006.

The failure to properly manage hazardous material in Police properties is just one outcome of the poorly functioning property management model. How this can have happened in relation to such a large organisation with an extensive property portfolio and command driven organisational structure is explored in the rest of this report.

3.8 Dysfunctional property management model

There is evident confusion between NSWPF, UGL and SPA about their respective roles in relation to Police properties. The evidence obtained during our investigation demonstrated that each partner agency is mistrustful of the expertise and professional abilities of the others. Over time they have each taken on roles other than those set out in Appendix 1, some of which overlap or conflict with each other. For example, staff in the NSWPF PPG spend considerable time making day to day decisions about properties, design and space issues as well as on the capital works program – responsibilities that are UGL's. As a consequence, instead of providing the strategic direction for the portfolio, the small number of staff in the Police Properties Group (most of whom were not recruited for their property management skills) spend much of their time working on day to day property management matters.

UGL, whose staff include property managers, spends considerable time providing estimates and quotes to the PPG for approval before undertaking even low cost work. This is often an inefficient and even chaotic process. Much of the communication is by email and we have seen numerous examples of copies of quotes being requested again as they have been lost, the same questions being asked despite an answer having been provided and decisions taking a long time to be made. The preparation of the Property Strategic Plans has been a vexed process each year, with the MOU and contract providing that UGL should prepare the plans, despite the PPG being responsible for providing strategic direction and NSWPF being the only entity which can know its own operational needs.

Under the contract and MOU, communication between UGL and NSWPF should go through SPA, as contract administrator. It is difficult to see how this is practical. In reality there is frequent and voluminous communication between UGL and PPG both orally and in writing. We heard evidence that this was a failure of the contract and the PPSC had been told this on several occasions. The chair of the PPSC asked both UGL and NSWPF to ensure correspondence and work went through SPA. We were told there was no sustained change in behaviour.

The role of the four SPA staff was reduced to little more than certifying claims for payment and ensuring proposals for work complied with procurement and government strategies with the addition, in the last 12 months, of doing audits of worksites. We were told this is the first contact SPA has had with Local Area Managers over the six years of the contract. One witness said there was every indication that SPA is seen as a 'speed bump' by the other partners, adding little value and was treated accordingly.

3.8.1 The dysfunction was well known

Problems with the arrangements for managing Police properties were far from hidden. They were identified in a number of reports and reviews over a three year period. These were considered by NSWPF as well as the other parties to the contract.

IAB review May 2008

In 2006 when the Minister for Police entered into the contract with UGL, the Ministry of Police was the contract administrator. The SPA was created soon after and in July 2006 it replaced the Ministry as the contract administrator. SPA was a signatory to the MOU signed with NSWPF and the Ministry in early 2007. In 2008 SPA engaged IAB Services to conduct a gap analysis of SPA's obligations and responsibilities under the contract and MOU. IAB identified service gaps in relation to:

- annual planning cycle coordination and review
- consenting to level 2 subcontractors
- annual evaluation of contractor performance
- contractor performance monitoring
- strategic and operational surveys
- quality assurance
- external audit
- oversight of the maintenance program.²⁰

²⁰ Internal Review of contract administration responsibilities IAB Services May 2008

A number of recommendations were made about how to address these deficiencies. However, the minutes of the PPSC on 23 October 2008 state:

[The chair] advised that due to the fact the Contract scope may change the need to provide additional resources or address the issues raised in the report appears to be unnecessary. It was agreed to close this issue at this point in time.

This decision was unfortunate as it is evident that many of the issues identified as problems in May 2008 have continued to today.

Contract Annual Performance Review December 2008

A Contract Annual Performance Review was prepared by SPA in December 2008. The development of the Property Strategic Plans was one of the key areas identified as problematic. The PSP had not received approval from the Commissioner for Police or Minister for the second successive time. The report was critical about the inadequate contribution by the 'Principal' [the Minister for Police] to the PSP process. The report noted that UGL's role was:

limited to providing professional property advice based on information collected by United and provided by the Principal. United has satisfied this contractual requirement.

The report went on to say that:

The role of the Principal in developing the PSP is to provide timely operational advice and intelligence to allow United to develop sound, commercial and politically sensitive strategies. The Principal's role and contribution to the PSP is underestimated by the Principal and this is serving as a ceiling to the quality of the report provided annually by United.

While under the contract the Principal is the Minister for Police, in the context of the rest of the report it seems SPA was in fact identifying NSWPF's contribution to the PSP process as lacking, not the Minister's.

NSWPF was highly critical of the review, believing it was not a thorough examination of the overall performance of the contract, lacked input from NSWPF and should have been carried out by an independent consultant or external auditor.²¹

Despite the fact the contract requires the contractor's performance to be evaluated each year²², no further performance reviews were conducted. The Contract Administrator told us this was because the PPSC decided there was no utility in further reviews if the findings were rejected. Of even more concern was the lack of action to address the clear tensions between the parties to the arrangement, which were revealed following the review process. Under the MOU the PPSC is responsible for conflict resolution between the parties.²³ Rather than address the issues, a compulsory contractual quality assurance process was scrapped.

Deloitte report June 2009

In June 2009 the Department of Premier and Cabinet commissioned a review by Deloitte. It found that:

The current operating model is not optimal as some activities requiring NSWPF operational knowledge have been outsourced and no incentive is provided to SPA to ensure best value is obtained from United Group. We recommend the operating model to be reviewed [sic] to provide additional responsibilities to NSWPF, especially in terms of portfolio strategy definition, requirements development for specific assets and close oversight of the United Group maintenance and minor works program.²⁴

The Deloitte report also noted the maintenance budget allocated for 2008-2009 was 44% lower than the maintenance budget in 2005-2006 and that reactive maintenance was 30% more expensive than predictive maintenance.²⁵ In other words, cutting maintenance to this extent was a false economy.

While some limited adjustments were made to the arrangements between the three parties as a consequence of the Deloitte report, they were insufficient to address the fundamental problems.

21 Letter NSWPF to SPA 26 August 2009

22 Police Property Portfolio Management Services Contract clause 5.2

23 NSW Police Property Portfolio Management Services Memorandum of Understanding clause 10.3

24 Review of Fleet and Property systems of NSW Police Force 11 June 2009 by Deloitte pg 2

25 Review of Fleet and Property systems of NSW Police Force 11 June 2009 by Deloitte pg 24

NSWPF Internal Audit and Review Report December 2009

Subsequent reports and audits showed the problems continued. A NSWPF Internal Audit and Review Report in December 2009 observed:

To resolve the issues identified in this report there is a need for the co-ordination of effort and co-operation of the PPSC, SPA, NSWPF and UG[L].²⁶

The report gave unsatisfactory and weak ratings to a number of processes including:

- a lack of strategic direction with respect to property maintenance
- lack of controls over the accuracy/consistency of condition rankings for individual asset plans
- inadequate quality review processes to ensure maintenance was being performed to an acceptable standard.²⁷

While there is evidence attempts were made to address the deficiencies identified in the report, serious shortcomings in the management of the Police property portfolio continued. NSWPF was still doing follow up work concerning the audit in the middle of 2011.

3.9 Inadequate governance and oversight

It is clear the governance provided by the PPSC and SPB has been ineffective. Evidence obtained in this investigation indicates there is a lack of clarity about the roles of the two bodies even amongst attendees, over time meetings have become shorter and involved a decreasing amount of discussion and senior officers of NSWPF in particular stopped attending or attended spasmodically. Rather than being a robust oversight arrangement where **'unified positions on major property issues'** were developed²⁸, by 2010 monthly PPSC and SPB meetings were basically 'rubber stamping' mechanisms which were on occasion being held back to back with some meetings lasting only 15 minutes.

Having examined the agendas and minutes of PPSC and SPB meetings held over many months and heard evidence from witnesses who attended the meetings, we have concluded there was only limited discussion about the Coffey reports or the management of hazardous buildings materials. While it is difficult to understand how such important issues were not discussed in detail on an ongoing basis, it shows the gap between the PPSC and SPB and the property portfolio they were responsible for managing and overlooking.

We acknowledge that, as was put to us in direct evidence, a committee cannot micro manage the production of work and is reliant on members of the committee to bring up issues from work being done, often by less senior staff. However, the property management model meant none of the three partners had overall operational responsibility for Police properties. NSWPF was a client of UGL, the management of Police properties had been contracted out, leaving them with only a small number of staff stretched beyond their capacity. UGL are professional property managers but required direction from NSWPF about priorities and authorisation to spend money before they could act. SPA was excluded from many operational matters as the majority of communication occurred directly between UGL and NSWPF.

The lack of involvement in, knowledge of or concern about key operational and compliance issues in the Police property portfolio by the two key committees established under the model to provide coordination and governance meant that representatives of the three organisations and the Ministry did not act in concert to take responsibility for Police properties.

3.9.1 NSWPF property portfolio reporting arrangements in NSWPF

As part of the investigation we wanted to understand what NSWPF Executive (the Commissioner and Deputy Commissioners) knew about the situation with hazardous materials in properties and to understand how reporting and accountability operated within NSWPF. While we are satisfied there has not been a cover up as has been suggested in some media articles, the evidence we have considered indicates that there was a concerning lack of knowledge both about hazardous materials at anything more than a general level and – significantly – the context and implications of the information that was known.

There were a number of changes in reporting arrangements in the Police property portfolio during the period the Coffey reports were being conducted. The NSWPF Property Portfolio is headed by a general manager who reports

²⁶ NSWPF Internal Audit and Review Report December 2009 pg 5

²⁷ NSWPF Internal Audit and Review Report December 2009 pgs 10, 13 and 25

²⁸ NSW Treasury: New Police Property Arrangements: Briefing for Commissioner's Executive Team May 2006

to a director, who in turn reports to an executive director. In July 2009 this changed and, rather than report to a non-sworn executive director, the Deputy Commissioner Corporate Services became responsible for the property portfolio.

The evidence we have seen indicates the focus of the Deputy Commissioner was on working to identify an improved model for managing properties. Work started in 2010 to do this, with an external consultant engaged to look at different models. This has progressed slowly with, we understand, a Cabinet minute seeking changes to the model and governance arrangements still being worked on in June 2012.

We heard evidence that the NSWPF Executive knew properties were under stress, that there was a backlog of maintenance and OH&S and other non-compliance issues. What they did not appreciate was the extensive nature of the asbestos and lead paint risk identified in the Coffey reports, that not all high and medium risks were being remediated and that information was not being given to occupiers.

Management reporting in any organisation, particularly one as large and complex as NSWPF, requires a certain level of filtering and summarising of key issues. The lack of a systematic process for dealing with the findings of the Coffey audits meant there was no high level reporting within NSWPF about the findings.

Under the property management model, UGL was the holder of the information. There was no analysis or consolidated data collection being carried out by any of the parties to the contractual arrangement. To gain an appreciation of the magnitude of what was being revealed by the Coffey audits, the most senior people in NSWPF would have had to first study the detail of what was happening. This did not occur.

We heard evidence that some middle managers in NSWPF assumed the Deputy Commissioner knew about the situation. We asked what this assumption was based on. They referred to the Property Strategic Plan (PSP) for 2010-2011 to 2019-2020, briefings (known as situation representations) about individual property matters and the fact there was regular and ongoing communication between operational staff about how to manage requests for copies of the Coffey reports. It appears that this assumption was incorrect. The contents of the PSP is discussed in section 3.13 of this report. While it stated that the property portfolio contained risks, the issues are presented as being about general health and safety. The risks from hazardous materials in buildings are not referred to – largely because, as discussed elsewhere in this report, they had not been recognised. Similarly, while we have seen briefings that would have been seen by the Deputy Commissioner that include references to officers not knowing what was in the Coffey audits done of their home or work place, this information is not presented in a way that would alert a senior officer to a State wide, systemic problem. The focus of the briefings is getting approval for action to remedy specific issues raised in complaints.

This means, however, that the executive of NSWPF had extremely limited information about the properties for which it was ultimately responsible. It is a stark demonstration of the lack of ownership and responsibility for the portfolio resulting from the outsourced property management model.

3.10 Management of hazardous materials audits

The audits of hazardous materials commenced in February 2008 and were undertaken in the context of this dysfunctional property management model and a lack of appropriate governance and oversight of the property portfolio. It was a significant piece of work. Coffey was to audit every Police property against compliance with a range of OH&S risks as well as identify any hazardous building materials in the buildings. In an aging property portfolio known to be in a poor state of repair, even without any specialist knowledge, common sense would suggest that the audits were likely to identify significant issues. Despite all of these factors, there was a failure from the outset to plan how to manage the information that would be obtained from the audits. This included a failure to realise that the format of the reports needed to include information occupiers and residents of Police premises could easily understand.

In February 2008 UGL sent an email to all NSWPF local area managers and local OHS coordinators about the audits. The emails explained that Coffey would be conducting the audits, that the purpose of the audits was to determine the extent of the OH&S and risk areas throughout the portfolio, that the audit schedule was over a two year period and that the scope of works was:

- asbestos
- occupational health and safety
- hazardous materials
- public liability risk assessments.

The emails also stated that Coffey auditors had 'a script' to undertake their audits and would report back only to UGL. Any OH&S grievances which were raised with them should be redirected to the UGL operated Customer Service Centre.²⁹ UGL followed up the email to local area managers with a phone call to inform them of the arrangements for Coffey to contact them. This was the extent of communication with the field.

Coffey developed the schedule of audits. UGL's focus was on getting Coffey personnel into Police properties to carry out the audits. While the above communication may have been sufficient for the practicalities of conducting the audits – introducing Coffey, getting access to premises and so on – none of the parties involved turned their minds in any concerted fashion to how to manage the broader issues likely to be raised by the audits and what they identified.

3.10.1 Lack of decision making and planning

Problems began soon after the audits started. For example, in May 2008 staff at Byron Bay Police Station emailed the PPG following the Coffey audit of the station. They understood the audit had identified asbestos in various locations in the building. They wanted to know if this was correct, what the risks were and what action was being taken to address them.

The PPG forwarded the email to UGL and asked UGL to respond to the questions being asked.³⁰ The Coffey report for Byron Bay Police Station had in fact identified fibre cement sheet debris in the ceiling space over the muster room and given it an A2 risk level. The report had been completed on 15 April 2008. The comment in the report is '**Restrict access until material is removed**'.³¹ In many ways the PPG response to this email typifies what happened over the next two years.

UGL was unable to answer the questions as no plan had been developed, despite UGL asking NSWPF for guidance. On 4 April 2008 UGL had met with staff from the PPG including their then Director to discuss issues which were being raised as a result of the audits. UGL identified two main issues: management of what it characterised as 'industrial issues' and management of the property issues. UGL said it could engage certified contractors to deal with asbestos found in properties (which it did in relation to Byron Bay Police Station).³² UGL suggested NSWPF involved NSWPF Safety Command to develop a communication strategy with the workforce and Police Association about asbestos to '**allay any fears and alarmist reactions**'.³³ By 7 May 2008 UGL had not heard back from NSWPF and noted it expected there would need to be further meetings to understand how NSWPF wanted to manage high risk audit outcomes.³⁴

Based on the evidence we have seen, the suggested discussion with NSWPF Safety Command about a communication strategy did not occur and NSWPF did not get back to UGL about a strategy to respond to requests for information from the field.

The lack of engagement is further demonstrated by the handling of the audit reports. Initially the reports were only provided by Coffey to UGL, as per the terms of Coffey's engagement. In its report of June 2008 to the PPSC UGL noted that '**Coffey OH&S Audit recommendations are awaiting NSWPF approval**'.³⁵ It was only then that UGL was asked to provide copies of the audit reports to NSWPF.

By September 2008 some 250-300 properties had been audited. An internal UGL email shows a palpable sense of frustration at the continuing lack of clarity from NSWPF about how it wants to deal with the result of the audits. The email was in response to a complaint from NSWPF Safety Command to UGL that Coffey auditors were not disclosing results of the audits to people working on site. Yet the direction that Coffey should not disclose information to occupiers had come from NSWPF at the commencement of the audit process. UGL had still not received an answer from NSWPF about how it wanted requests for information from the field to be dealt with – issues raised at the meeting in April 2008 referred to above.³⁶

It is difficult to overstate the adhoc nature of the management of this issue as a consequence of a vacuum in high level decision making and planning.

29 Email from UGL to Local Area Managers dated 12 February 2008 and email from UGL to local OH&S coordinators dated 20 February 2008

30 Email stream commencing 6 May 2008

31 Coffey Hazardous Materials Report Byron Bay Police Station pg 5

32 Email dated 7 May 2008 from UGL to NSWPF Property Group; NSWPF review of A1 and A2 risks spreadsheet 2011

33 Email dated 7 May 2008 from UGL to NSWPF Property Group

34 Email dated 7 May 2008 from UGL to NSWPF Property Group

35 Minutes of PPSC 25 September 2008 pg 9

36 Internal UGL email dated 19 September 2008

3.10.2 Information to officers and their families

As discussed in section 3.4, in the absence of a decision about how to manage requests for information about the audits, adhoc and inconsistent decisions were made. It has been suggested in the press and elsewhere that the General Manager of the NSWPF PPG from his appointment in July 2008 to his departure in 2010 was responsible for the decision by NSWPF not to release the reports. This is to misconstrue what happened. Clearly middle managers had to make operational decisions in response to information from the field. This is very different to making a strategic decision about how NSWPF would respond to its statutory obligations to provide information about hazardous materials in its buildings to occupiers. At worst he acted to fill the vacuum in decision making about how to manage information from the reports that began in early 2008 and pre-dated his employment with the PPG.

Operational staff were placed in the position of having to make adhoc decisions on individual requests for information due to the collective failure of the organisations involved in the contractual arrangements to manage Police properties. The fact copies of the Coffey reports were not being given to front line staff was not a secret. It was openly referred to in emails between the PPG, UGL and Safety Command. We accept the evidence from middle management in the PPG that it was discussed openly amongst operational staff within NSWPF.

It is important to note that the Coffey reports were not in a form that would have been useful or appropriate to share with front line staff. They are written in technical language for an audience with a level of expertise about the subject matter. This was recognised in 2011 when NSWPF finally provided information to the field about hazardous materials. The Coffey reports were only part of an information and communication package which included plain English explanatory fact sheets, question and answer sessions and other material to help occupiers understand the implications of what was in the reports.

The failure to provide information about hazardous materials in properties had very practical consequences. While we were told by a number of witnesses that police officers had been given a general direction not to carry out work on properties themselves, it is clear that it is common for officers to do work, particularly in residential properties.³⁷ Officers we have spoken with have told us that when faced with a one to two year wait for work to be done in a house, pressure from family and the sheer inconvenience of living with a problem means officers do the work themselves or engage and pay for a plumber or electrician if that is what is required. In small country towns, residences are often next to police stations and a number of officers referred to moving into houses that were like 'fish bowls'. To afford their families some privacy they put up fences and pergolas, knowing this is work the NSWPF would not be able to afford. We were told other more substantial work is also commonplace and often done with the consent or even at the suggestion of the Local Area Manager.

Case Study

An officer moved into a police residence in September 2008 that badly needed painting. A report had been completed by Coffey in July 2008 which identified A2 risk asbestos in the rope seal to the fireplace door and in asbestos cement sheeting debris on the ground and lower risk asbestos in other areas of the property including the lining of the walls and ceilings. The officer was not told about the report.

He put in a request to the local command for the painting to be done. The Local Area Manager said that if he wanted to do the work himself, the local command would pay for the materials. The officer accepted this offer, knowing it could be years before the NSWPF PPG approved internal painting. He sanded back the paint, sanded the architrave and woodwork, drilled into and filled holes in the walls and painted throughout the property.

³⁷ We have been unable to identify any written directions to NSWPF officers that they are not to carry out work. While we have been provided with instructions to LACs about how to log jobs, the documents we have seen do not contain any express prohibition on officers carrying out work.

Case Study

An officer who had lived with his family in a very small country town in southern NSW for eight years estimates he has spent \$20,000 on work to the residence and adjoining police station.

He has:

- repaired and rehung a security door a number of times
- painted
- fixed lights
- erected a fence and pergola.

He knew the NSWPF would either not be able to afford the work or it would take years to do.

A minor repair to the security door, the back door to the property, was in fact carried out by NSWPF but the door still failed to close properly. On further inspection by an engineer engaged by NSWPF the foundations of the house were found to have moved. A full scale repair was too expensive for NSWPF to contemplate. The officer therefore did running repairs to the door himself on a number of occasions.

Both the above officers did this work without any information concerning whether hazardous materials were in the respective properties and if so where. Both properties in fact contained asbestos that had been identified in the Coffey reports. The location and nature of the asbestos was such that it was assessed as low risk as long as it was not disturbed. The lack of information meant both officers ran a serious risk of exposing asbestos. The same applied to lead in paint in the properties.

3.10.3 Response to A1 (high) and A2 (medium) risks identified in audit reports

At the commencement of this investigation we assumed it would be fairly straight forward to find out how high and medium risks (i.e. those categorised as A1 or A2) had been addressed. There were assurances in the minutes of SPB meetings that **high risks are being addressed straight away and that the lower risks were being considered in the Minor Works program**.³⁸ The direct evidence we obtained from each of the witnesses with knowledge of how the A1 and A2 matters were dealt with (from UGL and NSWPF) assured us they were confident all of these risks had been acted on. We heard evidence that, in addition to providing the reports which clearly identified high risks, Coffey would contact UGL by telephone when high risks were identified. UGL would then seek approval from NSWPF to proceed with rectification or remediation work. However, the certainty that all high and medium risks were acted on appears to be ill-founded.

High risks

Our best assessment of the material we have seen is that only a small number of properties were identified as containing high risks, i.e. A1 risk lead or asbestos hazardous materials; this figure is likely to have been in single figures. However, when a review was conducted by NSWPF in July 2011, three A1 sites were found not to have been remediated, one requiring urgent attention. The remaining two properties were no longer part of the Police property portfolio. The un-remediated properties were:

Lithgow Police Station

The Coffey report for Lithgow Police Station, dated 16 December 2009, identified assumed asbestos with an A1 rating and recommended an electrician conduct further sampling. When the fact no action had been taken was identified in mid 2011, GHD Pty Ltd was engaged to carry out further testing and identified asbestos in the electric duct heating system. The air conditioning plant was disabled and air vents sealed immediately followed by removal and replacement of the contaminated parts.

Murwillumbah Firearms Registry

Murwillumbah Firearms Registry was identified for reinspection as the Coffey report of 10 April 2008 had identified an A1 risk due to suspected asbestos material in the plant room and air conditioning duct heaters. The report recommended further sampling was required. This had not been done. GHD Pty Ltd conducted further sampling in July 2011 and identified no high risks.

³⁸ Minutes SPB meeting 2 October 2008 item 0808/4.5 pg 1

Surry Hills Police Centre

A lead dust risk at Surry Hills Police Centre appears to have occurred due to a lack of follow up action in the period since the Coffey report was conducted. The Coffey report of 30 April 2008 identified lead dust in the firing range as an A1 risk and recommended its removal as soon as reasonably practicable. According to the subsequent inspection and report by GHD Pty Ltd³⁹ this had been done. However, over the intervening period lead dust levels had risen above the appropriate standards but there had been no program of regular clean ups to manage the ongoing build up.

Medium risks

Of significant concern is the failure to make considered decisions about how to manage medium risks, i.e. A2 risks. As a result of the review it conducted in mid June 2011, NSWPF engaged Ross Mitchell and Associates to assess and remediate 62 properties which Coffey had rated either A2 for asbestos containing materials or high or medium for lead in paint. NSWPF have told us this program was completed by June 2012 with risks being either reduced or eliminated.⁴⁰

Remediation may not always been required when an A2 risk was identified (the standard recommended action in the Coffey reports for A1 risks was '**Restrict access and remove**', the recommendation for A2 risks was '**Enclose, encapsulate or seal – reinspect periodically**'). However, it was essential that considered decisions were made about how to respond based on sound reasons. Clearly the extent of the reassessment and remediation program now being engaged in demonstrates this did not occur. The response to the identification of A2 risk asbestos at Wickham Holding Yards illustrates the lack of a systematic response.

The Coffey report for Wickham Holding Yards dated 19 March 2009 identified A2 risk asbestos. This was upgraded to an A1 risk on reassessment in August 2011.⁴¹ While we were told in a hearing by one witness that they thought NSWPF might have decided not to remediate the A2 risk as the site was not occupied, we were unable to establish this with any degree of certainty. While UGL forwarded to NSWPF a quotation for remediation work at a cost of \$8,715 plus GST on 27 March 2009, we have seen no documentation that indicated NSWPF made a decision on the quote. There was no indication in the Coffey report that the site was unoccupied in March 2009 and in its review in August 2011 GHD notes '**as the site is currently leased by UGL, GHD recommends that the warehouse be closed for further use until further remediation strategies can be discussed with the site owner**'.

The difficulty in identifying with certainty how specific risk issues were dealt with is a further indication of the lack of a systematic approach to managing the Coffey audit findings.

Lower risk hazardous materials

There was no immediate plan about how to deal with A3 (low) to A4 (very low) risk hazardous material identified in the reports. We were told the long term plan was to include the work in ongoing maintenance. The problem with this approach was budgetary constraints meant there was no pro active maintenance being carried out. As stated above, any maintenance was being done on a reactive basis, rather than having a rolling program of maintenance.

During the same period it was acknowledged that the budget for properties could not be maintained but that P1 and P2 maintenance tasks had to be completed regardless of budget.⁴² P1 to P5 categorisation was used by the UGL operated call centre to classify requests for maintenance in Police properties, with P1 being a critical classification. Only local area managers could lodge a P1 or P2 maintenance request, with the exception that anyone could log a critical emergency situation, for example a lack of hot water in a residence. The P1 to P5 system for classifying maintenance was distinct to the A1 to A4 risk assessment being used by Coffey in the audit reports. However, over time as OH&S and hazardous materials risks were not being addressed, some issues such as peeling (potentially lead) paint and mould became evident to Police officers occupying premises and were reported via the call centre and became P1 and P2 maintenance matters. The PPG would then authorise UGL to deal with the issue.

The following case study highlights the significant risks in this approach:

39 Report GHD Pty Ltd dated 26 July 2011 to ULG pg 7

40 NSWPF response dated 22 November 2011 to s.18 notice and response dated 5 June 2012 to provisional findings and recommendations document

41 GHD review report Wickham Holding Yard 1 August 2011

42 Minutes of SPB 2 October 2008 item 0808/6.1 pg 2

Case study: 2011

In March 2010 an officer, his wife and their four small children (aged five, three, two and six months) moved into a Police residence in south west NSW. He was unaware that a Coffey report had been prepared for the property in September 2008 and asbestos and lead paint identified in both the residence and police station rated A3 and A4 (low to very low risk).

In March 2011 the officer reported peeling paint in the kitchen, hallway and lounge room of the residence and also from the internal roof of the police station. He also documented in his report that his children were eating the paint. He recommended that the job be classified as P1. The Local Area Manager passed the report to UGL with a comment that it was not urgent but consideration should be given to at least scraping back the original paint as it was quite old and the children were eating flaking paint. UGL classified the job as P2. UGL inspected the property in May 2011 and advised quotes were required for the paint work.

While a number of tradespeople came to the house, the officer did not see any of quotes. In July 2011 UGL requested a quote from Ross Mitchell Associates, a specialist hazmat removalist.

In August 2011 the officer saw an item on the news about lead and asbestos in Police properties and contacted the Lead Advisory Service. He was advised that his children should have blood tests and the walls in the property tested for lead. The officer arranged to get lead kits and conducted the tests himself. They were positive for lead in the paint. When UGL contacted the officer about an unrelated matter, the officer told him about the lead paint. UGL advised the officer to conduct a risk assessment to escalate the job status. The officer also arranged for blood tests for his three youngest children. He was so concerned at the results that he contacted the Public Health Unit. He submitted the results on 31 August 2011 to NSWPF, including the PPG, and UGL.

On 1 September 2011 he was advised he needed to move out of the residence immediately due to the lead levels in his children's blood.

The NSWPF failed to provide information to the officer when he moved into the property about the existence of lead paint (and asbestos) that would have allowed him to identify the risks more accurately. He was not told about the existence of lead paint even when he reported that the paint was peeling. This omission occurred despite the fact UGL asked a specialist hazmat removalist to provide a quote, suggesting UGL realised the paint contained lead. And this all occurred in a property where four young children were living, a group who are most at risk from lead. It was only when unacceptably high lead levels were identified in the children's blood that concerted action was taken.

The above case is particularly disturbing as a police officer had settled a lead poisoning claim in November 2010 which dated back to his children eating lead paint while living in a police residence between 1992 and 1998.

Case study: 1992 to 1998

An officer moved into the police residence adjacent to the police station in a town north of Sydney in 1992. At that time he and his wife had a small child; two more children were born while they lived at the property. The second and third child both ate dirt, a condition called 'pica' which is not uncommon in young children.

In May 1998 one of the children was diagnosed with lead poisoning. The rest of the family was tested and the other children and the officer were also diagnosed with lead poisoning. From October 1998 onwards NSWPF met the costs of the family's associated medical expenses.

At the time NSWPF properties were managed by Public Works. Public Works engaged an environmental scientist to identify and oversee the removal and remediation of the lead. The source of the lead was believed to have been paint scrapings deposited in the grounds of the premises after painting had been carried out in the past. Further testing of the property also revealed high levels of lead in the carpets and furnishings, as well as lead and asbestos dust in the ceiling cavity. The family moved out of the property in mid 1999.

In July 2006 the parents made a claim against the state of NSW for damages for injuries their three children had suffered from lead poisoning between 1992 and 1998. The claim was served on NSW Police Force. Because various government departments had been involved in the management of the property there was some debate about apportionment of responsibility. In June 2009 the lead poisoning sustained by the Police officer was accepted as a hurt on duty claim. In November 2010, Crown Solicitors, acting for the then Department of Commerce, settled the claim in the District Court.

Some twenty years ago children living in a police residence had been poisoned by lead. The officer told us that, in 1998, there was general discussion that this was unlikely to be an isolated incident and there would be other Police properties where lead paint scrapings had been left in the soil. Despite this, there is no evidence the case prompted any proactive consideration of how lead in paint was being managed in other properties of which there were many of a similar age in the Police property portfolio. Despite the case only being settled in November 2010, none of the people we interviewed from PPG, the Ministry or UGL were aware of the details of this case.

3.11 OH&S expertise

OH&S, including the management of hazardous materials, is a complex area. It appeared to us there was a lack of clarity both in the contractual arrangements for managing Police properties and within NSWPF itself about who is responsible for managing OH&S issues.

3.11.1 Contract and MOU

The MOU between NSWPF, SPA and Ministry for Police and Emergency Services listed their respective roles in schedules. The schedule for each contained a general statement that they would **'work with'** the others **'to identify OH&S and security issues and develop areas of responsibility for each party'**.⁴³ The contract between the Minister for Police and UGL required UGL to develop an OH&S Management Plan each year, however the relevant appendix makes clear this is largely about ensuring OH&S compliance by contractors working on Police properties, not about the compliance by NSWPF with its OH&S obligations in relation to occupiers and visitors to its buildings.⁴⁴

UGL employed a Health, Safety, Security and Environmental Advisor (HSSE Advisor). This role gave advice to the UGL Police contract team about safe work practices on sites and would provide advice if one of UGL's facility or project managers identified an issue they did not know how to deal with.

3.11.2 NSWPF

In addition to the PPG, NSWPF also has a Safety Command. We heard evidence that the role of Safety Command was to provide strategic direction across a number of functions of NSWPF. The command did not have responsibility for day to day property issues but was available to provide advice and direction.

NSWPF also had a member of staff in Corporate Services who provided day to day advice to commands, as distinct from the more strategic role of Safety Command. There were also field based OH&S officers in most divisions who could give day to day advice; they reported via the local command structure and did not report to Safety Command.

The PPG did not have specialist OH&S staff.

We heard various opinions about where the repository of expert knowledge about OH&S and hazardous materials in buildings was in the management of the Police property portfolio. We were variously told all of those involved were expected to have such knowledge, that UGL provided expert services, that Safety Command was the NSWPF internal OH&S expert and that expertise was contracted in from specialist consultants when needed. In other words it is not clear.

This is symptomatic of the flawed property management model discussed above. What is deeply concerning is that neither the PPSC or SPB identified the need to address this deficiency. There was no discussion about how OH&S issues were being managed by senior management; at best this was because of an assumption it was being handled appropriately, at worst because it was simply not considered.

Evidence from the PPG was that UGL and Safety Command were the repository of expertise about OH&S and hazardous materials. Despite an agreement at a meeting in April 2008 that NSWPF would consult Safety Command about how to manage the information from the audits, this did not occur. However, Safety Command was clearly aware of the Coffey audits. Staff from the Command had contact with UGL in September 2008 about the lack of information being provided to the field about the audits⁴⁵ and in December 2009 the PPG emailed UGL to confirm Safety Command could be given copies of the Coffey reports.⁴⁶ Emails between PPG, UGL and Safety Command made it clear that the reports were not being provided to the field.

43 NSW Police Property Portfolio Management Services Memorandum of Understanding schedules

44 Police Property Portfolio Management Services Contract clause 3.4, 17.11 and appendix 9

45 Internal UGL email 19 September 2008

46 Email NSWPF Property Group to Safety Command 14 December 2009

The only documented advice we have been able to identify from Safety Command to PPG about managing the audit reports is in May 2010 when Safety Command told the PPG in an email that based on the legislation they may not have to provide full copies of the reports to employees, **'just all the information necessary'**.⁴⁷ The advice was far from complete or comprehensive.

3.12 Record keeping

The NSWPF personnel responsible for Police properties have changed frequently between 2006 and now. In particular the director and executive director positions responsible for the portfolio changed a number of times due to people leaving or restructures. There have been three general managers during the period. While of itself this is not unusual and should not be particularly problematic, poor record keeping systems in PPG means there is a limited corporate understanding of decisions made about the portfolio.

Only a limited number of documents are required to be placed in the NSWPF electronic document management system (TRIM). The majority of work in the Police Property Portfolio is done by emails, which are not saved in TRIM. In the investigation we expected to identify documents setting out the legislative and compliance obligations of NSWPF, how the Coffey reports would be used to identify and address any deficiencies and project plans or similar for how the audits were to be rolled out and managed operationally. We were extremely concerned to realise such documents do not exist. Rather we have had to rely on emails, copies of notebooks maintained by individuals and the recollections of witnesses to piece together what occurred.

The minutes of the PPSC and SPB are also on occasion difficult to understand. The particular contract administrator is free to devise their own system for minute taking, which some years later is not necessary entirely clear, making it difficult to trace a line of decision making and in particular to understand the extent and basis of any discussion that took place. It also emerged during the investigation that the sense of a lack of ownership of the property management process extended to NSWPF not keeping copies of meeting minutes or reports tabled. These had to be sourced, not entirely successfully, from SPA.

UGL as contractor is the main holder of information about properties. The difficulties getting clear information about the A1 and A2 risk identified in the Coffey reports and what, if any, action had been taken is symptomatic of the lack of clarity about who was holding information and for what purpose. We heard evidence that UGL was compiling a master document of information from the Coffey reports but that this was for its internal management purposes. While we were told this summary was provided to PPG in mid 2009, NSWPF had to go back to UGL in mid 2011 to find out what, if any, work had been done with high and medium level risk. Yet again this illustrates the confusion and lack of clarity about roles under the outsourced management model – even fundamental administrative matters had not been clearly agreed.

3.13 Finance

The overriding issue for the management of Police properties was a lack of money. With a \$1m budget for compliance in 2010-11, there was a finite amount of money to deal with what was an immense problem. NSWPF described this in the following terms:

*The police property budget has been under stress for many years. To address this, a risk management/mitigation approach has been implemented. This, although not ideal, has resulted in the cutting of predictive maintenance activities and led to the NSW property management currently operating in a reactive maintenance mode. Industry figures clearly show that reactive maintenance is likely to cost up to 30% more on average than predictive maintenance.*⁴⁸

It is clear from the evidence we have seen that, in practical terms, the above resulted in the PPG having a focus on finding ways not to do basic maintenance work.

⁴⁷ Email dated 10 May 2010 from Safety Command to NSWPF Property Group

⁴⁸ NSWPF response dated 22 November 2011 to s.18 notice

3.13.1 NSWPF Total Asset Management Plans

This financial stress was well documented. Each of the NSWPF Total Asset Management Plans (TAM plans) from 2006 onwards documented the parlous state of properties. The TAM plans documented the need to continually maintain and upgrade properties to meet OH&S, building code and statutory requirements and that there was a high risk of industrial disputation as a result of housing not being of a reasonable and liveable standard. The TAM plans note that funding for work required would have to be found from within the Property program. The 2011-12 to 2020-21 TAM plan clearly set out the extent of the problem:

There are currently 603 owned Police residences, the majority of these are of an advanced age increasing demand for ongoing maintenance and capital investment to ensure they are fit for purpose. Maintaining the residences to an acceptable standard within the available budget allocation presents an ongoing serious challenge for NSWPF.

And:

A significant number of existing NSWPF properties are of an advanced age and incapable of supporting the activities required of modern Policing. Existing aged properties are inadequately sized and lack facilities to the standard now legislated for safety and well being of staff, members of the public and persons in custody.

And further:

The improvement of existing assets to meet acceptable OH&S and operational standards for occupation remains the ongoing focus for maintenance and minor capital works. In 2010-2011FY, \$10m minor capital was allocated to focus on this class of property asset and this program is being continued in the minor works programme at similar annual values. It has been estimated that to bring the residential portfolio up to a modern standard, bearing in mind its age mentioned above – would require a long term strategy and capital investment in excess of \$125m.⁴⁹

Despite the clear acknowledgement of the poor standard of the properties in the Police portfolio, there is no reference to asbestos or lead in buildings. The focus is on OH&S issues such as ventilation, heating, cooling, fire safety and disabled access. References to lead are in relation to managing exposure to lead particles at firing ranges.

3.13.2 NSWPF Property Strategic Plans

The failure to address asbestos and lead in buildings is replicated in the section on the Compliance Management Program in the NSWPF Property Strategic Plan 2010-11 to 2019-20 (PSP) which only addresses OH&S issues, not asbestos and lead management. This is not immediately apparent because one of the general OH&S categories is **'Hazardous substances and dangerous goods'**. However, this refers to how such goods are stored, not hazardous building materials. The section states that at the date of the PSP only ten extreme risks had been identified from some 700 properties inspected via the Coffey report process and each had been actioned immediately.⁵⁰ However, when we asked NSWPF for details of the ten extreme risks (which were risks Coffey had recommended be actioned within a 0-3 month period), they advised that there were in fact only eight extreme risks and all but one related to physical OH&S issues such as access and egress, lighting and other physical safety issues.⁵¹ NSWPF advised only one matter concerned lead.⁵²

Otherwise asbestos and lead are dealt with as follows in the PSP:

The age of the portfolio means that the majority of residences are likely to contain either lead paint or asbestos or both. The issues related to asbestos are well recorded and there is a possibility, as the public becomes more aware, for lead paint to escalate to a similar level of public concern. Whilst a lead paint management plan can be implemented in residences where it is present, the commencement of such a plan will need to be deferred under the current maintenance budget...

The failure to include detailed strategies for asbestos and lead management in building materials in the NSWPF Property Strategic Plan is extremely concerning.

⁴⁹ 2011-12 to 2020-21 NSWPF Total Asset Management Plan pg 15

⁵⁰ NSWPF Property Strategic Plan 2010-11 to 2019-20 pg 43

⁵¹ NSWPF response dated 22 November 2011 to s.18 notice

⁵² Lead dust at the Penrith Police Station pistol range was identified as a problem, where a staff member was pregnant, and Coffey recommended an occupational hygienist be engaged to test lead levels and review the efficiency of the extraction system.

3.13.3 OHS, Risk and Compliance Report and Compliance and Implementation Plan July 2010

At the conclusion of the Coffey audits, UGL produced an OHS, Risk and Compliance Report⁵³ and a Compliance and Implementation Plan.⁵⁴ The OHS, Risk and Compliance Report includes a series of tables setting out the estimated cost of bringing properties into compliance in various categories ranked by risk. The categories are:

- access and egress
- amenities and facilities
- building safety
- fire safety and emergency
- hazardous substances and dangerous goods
- indoor air quality
- lighting (general)
- occupational noise
- other issues
- plant and machinery
- safety signage and posters
- security

The report concluded that nearly \$47.9m would be required to rectify the OH&S issues, including a total of \$10,900 to rectify hazardous substances and dangerous goods (high, medium and low).

However, following its review last year, the lowest estimates by NSWPF of the cost of remediating hazardous building materials are in the region of \$52m. We asked witnesses from PPG, the Ministry, UGL and SPA about the disparity between these figures - \$10,900 to remediate hazardous materials in the OHS, Risk and Compliance Report and (at least) \$52m in documents produced in August 2011.⁵⁵ Even operational staff in NSWPF indicated to us that the OHS, Risk and Compliance report dealt with all of the issues identified by the Coffey reports - both the OH&S and hazardous materials reports. However, a UGL staff member confirmed that the reports only concerned the issues identified in the OH&S reports and the reference to hazardous substances and dangerous goods was referring to the way in which chemicals and other dangerous goods were stored, not asbestos and lead paint in the fabric of buildings.

Despite the awareness amongst at least some operational staff that an information and education campaign would be necessary when (eventually) providing information to the field particularly about asbestos and lead, this is not included in either the OHS, Risk and Compliance report or the Compliance and Implementation Plan. While both documents refer to the need to change how occupants behave, this is again in the context of general OH&S issues such as not blocking fire exits, not a comprehensive education campaign about how to manage the risks of living with hazardous materials. The only indication about how these changes in behaviour are to be brought about is a statement in the Compliance and Implementation Plan that '**UGL will assist NSWPF in developing [operating] procedures**'.⁵⁶ There is no costing for any work required to help bring about the desired changes suggesting it is likely to be less than effective.

3.13.4 Requests to NSW Treasury

Both NSWPF and NSW Treasury confirmed NSWPF made a number of requests for additional funding for property maintenance from 2004-05 onwards. Having considered the content of the bids, they made it clear that more money was needed for property maintenance. However, NSWPF and Treasury had very different views about the nature of the problems with the portfolio and what was required to fix them. Treasury has provided NSWPF with additional funding of \$13.2m per annum on top of escalation since 2004-05 for property maintenance and an in-year supplementation of \$7m in 2010-11.

53 OHS, Risk and Compliance NSW Police Force (NSWPF) Property Portfolio prepared by UGL July 2010

54 NSW Police Force Compliance Implementation Plan July 2010

55 NSWPF Corporate Service briefing note 17 August 2011 D/2011/141506

56 NSW Police Force Compliance Implementation Plan July 2010 pg 3

Significantly, it was only in the most recent request for budget variation for the 2012-2013 budget that explicit and compelling reference was made to the need to address asbestos and lead paint issues with some urgency.⁵⁷ A number of earlier bids had included information about the Coffey reports and the \$47.9m required to achieve compliance, including the fact that failure to address the issues identified in the reports would leave NSWPF exposed to litigation. However, this information was presented in combination with other pressing, non property related issues facing NSWPF and did not feature particularly prominently in the bids.

3.13.5 Internal budget allocation

In 2011, having finally recognised the extent of the problems it was facing, NSWPF internally allocated both recurrent and capital funds for hazardous materials management and remediation.⁵⁸

Allocating more funds to the property portfolio in the internal allocation of its budget has always been an option for NSWPF but one it has chosen not to exercise until now. This despite the poor state of many of its properties.

The failure to include in any clearly articulated way the need to manage hazardous materials in buildings in the NSWPF Property Strategic Plan compounded the problem. Little significance appears to have been afforded to Property Strategic Plans. These documents are intended to '**provide a ten year plan for the strategies and initiatives to be implemented to achieve the objectives of the Strategic Partnership and support NSWPF service delivery**'.⁵⁹

Somewhat surprisingly for a document with that purpose, the Property Portfolio Strategic Plan 2010-2011 to 2019-2020 describes itself as a holding strategy and states:

The reality of the portfolio is that it is old. About half the portfolio is 40 years; a quarter of it is over 90 years old. It hasn't kept pace with the evolution of the NSWPF's operations and staffing...

*Continuation of this funding approach will mean **buildings will increasingly be unable to support NSWPF operations**.*⁶⁰ [Emphasis in original].

This document, and the approach it advocated, was accepted by both the Commissioner and the then Minister for Police.

3.13.6 Impact

It is against this financial background that the Coffey audit process was conducted. One of the witnesses summed up the position middle managers in the PPG found themselves in:

*The funding was the key issue; I think if funding was there we wouldn't have managed it as adhoc as we did.*⁶¹

Others were more blunt:

Because they didn't really understand the area that they were dealing with, I think that they were afraid that they were opening up this can of worms that they wouldn't be able to manage.

And:

*I don't think [NSWPF] realised the enormity and again it wasn't actually dealt with as a project until last year when the proverbial hit the fan.*⁶²

57 NSWPF response dated 19 January 2012 to s.18 notice

58 NSWPF response dated 19 January 2012 to s.18 notice

59 NSWPF Property Portfolio Strategic Plan 2010-2011 to 2019-2020 pg5

60 NSWPF Property Portfolio Strategic Plan 2010-2011 to 2019-2020 pg 6

61 Ombudsman hearing NSWPF witness 15 February 2012

62 Ombudsman hearing non NSWPF witness 13 March 2012

Chapter 4 Current situation

In its response to our provisional findings and recommendations document NSWPF provided updated information about action it has taken since we commenced our investigation.⁶³ This is in addition to the measures described in Chapter 3 and includes:

4.1 Reporting and communication

- A system has been developed to notify occupants when suspected hazardous materials are identified in Police premises.
- A workshop has been held with PPG, UGL and SPA to **'build better relationships between the parties and improve the management of the Police property portfolio, including a focus on the Hazmat Improvement Program'**.
- Hazardous building materials in Police premises are now a standing agenda item at PPSC and SPB meetings.
- Fortnightly updates are provided to the Police Executive regarding ongoing high risk issues and program progress.
- Regular updates are published in the Police Monthly.

4.2 Master hazardous building material register

- The master hazardous building material register is on the Police intranet with includes information from the latest surveys inspections and remediation work undertaken.

4.3 Remediation

- The Hazmat Improvement Program was established in November 2011 with \$8m of capital expenditure and involves property survey reinspections, hazmat scoping, high risk rectification and housing replacement. As part of the Program:
 - Since late 2011 GHD has been undertaking reinspections of properties on a risk basis. As at June 2012 170 inspections had been undertaken with 125 inspection reports received and distributed to Commands and/or residences. Where required reinspections had been followed by remediation work.
 - GHD has been awarded a contract to reinspect all previously surveyed properties that were found to contain hazmat and any properties that were not surveyed. This work is scheduled to be completed by September 2012. A documented process to manage the reports has been implemented to ensure there is an immediate response to risks identified as well as longer term strategic planning.
 - Over 30 sites are at tender stage for remediation of A1 and A2 hazardous materials. These include sites identified as having A1 and A2 risks since the Coffey reports were conducted. Reasons for this include further deterioration in already identified material, notifications of additional suspect material by occupiers and inspection of a number of sites not examined during the Coffey audit process. Risk management processes have been put in place ensure mitigation of risks pending work being done.
- Newcastle and Sydney Police Centre Armoury Firing Range are scheduled to have bullet traps upgraded in September 2012 which NSWPF advises will significantly reduce lead contamination. As at June 2012 the asbestos ceiling lining at the Newcastle Firing Range was being removed.

4.4 Ongoing management

- The Ministry for Police and Emergency Services and NSWPF are finalising a Cabinet minute seeking changes to the police property model and governance arrangements.
- The Department of Public Works and Services has been engaged to provide technical advice to NSWPF in the development of a Hazardous Materials Management Plan. The Plan should be developed by December 2012.
- An alliance agreement has been established between NSWPF, WorkCover and UGL to respond to the handling and remediation of hazardous materials in Police premises.

⁶³ NSWPF response dated 5 June 2012 to provisional findings and recommendations document

- NSWPF has established a Hazmat Project Management Team with a full time project manager, project co coordinator and project analyst.
- A project team has been formed to review NSWPF property management for compliance with the new Work Health and Safety legislation framework and industry best practice.
- NSWPF Workforce Safety has coordinated health screening for lead and asbestos exposure for employees and family members. Health screening is paid for by NSWPF and this will continue into the future.

Chapter 5 Conclusion

This report clearly demonstrates that the contractual model under which Police properties have been managed does not work. The failure to properly manage hazardous material in Police properties is just one outcome of the poorly functioning property management model.

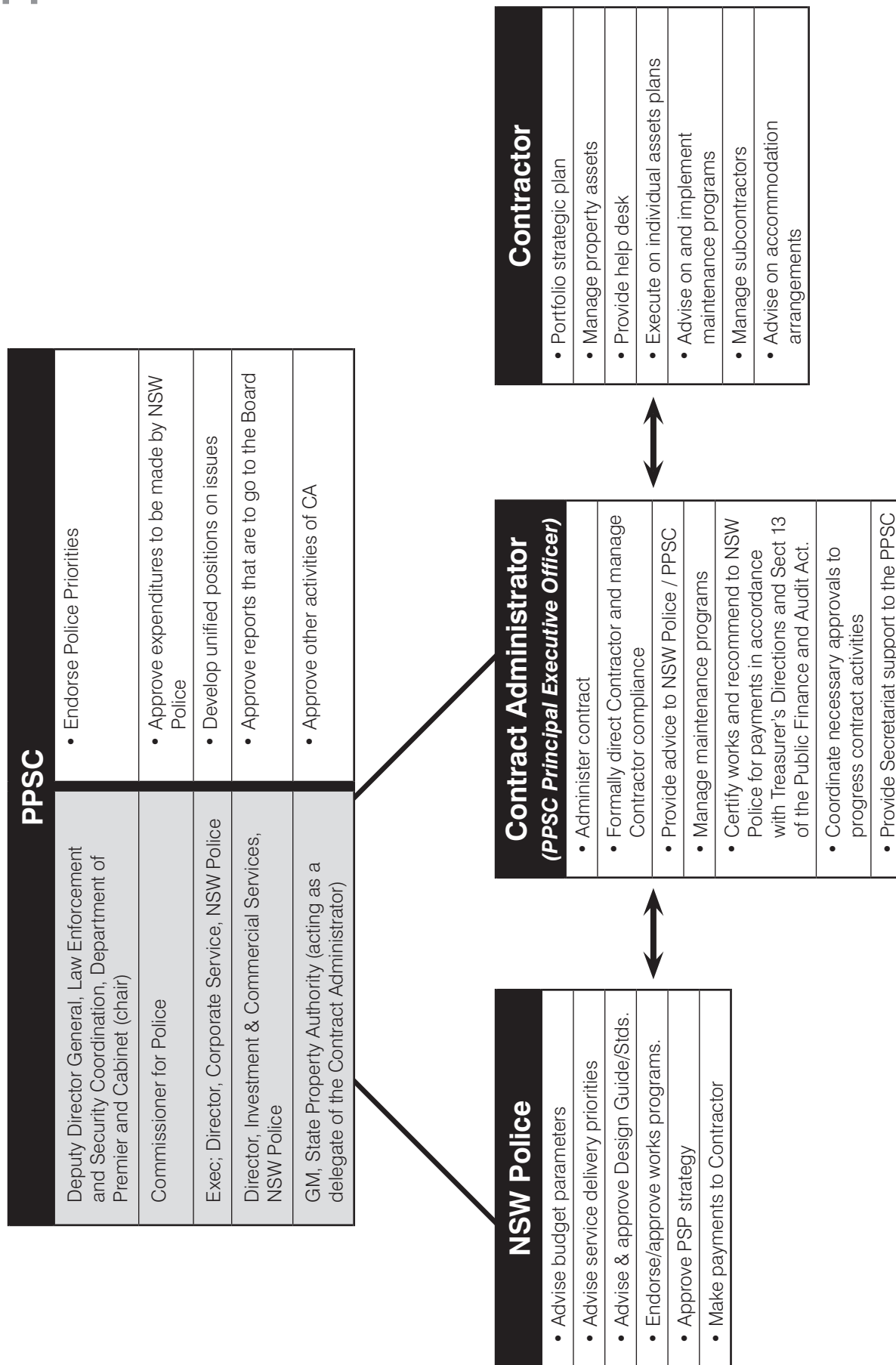
While NSWPF has made progress since the commencement of this investigation to address the deficiencies in the handling of hazmat issues in its properties, there is still much to do. The parlous state of repair of many Police properties is clearly documented in NSWPF Property Strategic Plans and Total Asset Management Plans. Bringing Police properties up to an acceptable standard is clearly an essential part of properly managing hazardous materials and other compliance issues.


A business case has been developed by NSWPF and submitted to the Ministry for Police and Emergency Services with two options: full remediation and general compliance at a cost of \$360m over ten years, or hazmat treatment and remediation on a risk based approach at a cost of \$85m over five years. We understand a decision has not yet been made by Government but the State budget on 12 June 2012 included \$61m to address hazardous materials, compliance and safety over the next four years. We understand this is not new funding but rather comes from existing NSWPF capital allocations.

Regardless of the model used to manage Police properties, there needs to be adequate funding to maintain Police buildings and to ensure occupiers of both operational premises and residences are kept safe.

Appendix 1

Diagram of Police Property Portfolio Governance Model





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