

Rebecca Vassarotti MLA

Minister for the Environment
Minister for Heritage
Minister for Homelessness and Housing Services
Minister for Sustainable Building and Construction

Member for Kurrajong

Our ref: 23/810

Mr Tom Duncan
Clerk
ACT Legislative Assembly
London Circuit
CANBERRA ACT 2601
By email: Tom.Duncan@parliament.act.gov.au

Dear Mr Duncan

Petition Number E-PET 018-23 – Mr Fluffy Board of Inquiry

I refer to your letter of 24 October 2023 regarding petition E-PET 018-23 relating to the Loose Fill Asbestos Insulation Eradication Scheme (the Scheme) tabled in the Legislative Assembly on 24 October 2023.

I acknowledge the importance of transparency and accountability that is raised by the petitioners. These have been key attributes of the Government response and the Government remains committed to transparency and accountability regarding the ongoing implementation of the Scheme.

The Government does not consider an inquiry necessary to determine transparency and accountability of the Scheme, and so does not support the call for a Mr Fluffy Board of Inquiry. The Government stands by the integrity of the Scheme that was developed and delivered with full consideration of the human rights of the people impacted and the community in general.

The development and implementation of the Government's response to loose fill asbestos insulation has been subject to a comprehensive and multi-layered assurance framework providing robust scrutiny and oversight of the Scheme from the outset.

The ACT community has historically taken a proactive approach to asbestos and asbestos-related issues, therefore Asbestos management practices and legislation have evolved considerably over time. In August 2005, the *ACT Asbestos Task Force* published a report on [Asbestos Management in the ACT](#) in relation to residential properties, commercial properties and the building trades and asbestos industry. This was in accordance with the then statutory obligations in the *Dangerous Substances Act 2004*.

The ACT Government Response to the 2005 Task Force Report formed the basis for the ACT Asbestos Management Strategy (the Strategy) which was agreed to by Government in 2005. In 2010, the scheduled review was undertaken. [The ACT Asbestos Management Review – 2010](#) (the Review) found that the majority of the recommendations in the Strategy had been completed. The ACT Government responded to this review in 2011 and accepted the recommendations of the review.

Prior to development and implementation of the 2014 Loose Fill Asbestos Eradication Scheme (the Scheme), the ACT Government consulted with industry, academic experts and cross government stakeholders, concluding that there was no effective, practical and affordable method to render homes containing loose fill asbestos insulation safe to occupy in the long-term. The ACT Government released a report on the [Long Term Management of Loose Fill Asbestos Insulation in the ACT](#) detailing this advice.

In response to the Legislative Assembly’s [Standing Committee on Public Accounts 2014 Inquiry](#) into the *Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-15*, the ACT Government agreed to table [quarterly reports to the Public Accounts Committee \(PAC\)](#). These reports supplemented more formal reporting processes embodied in the directorate annual budget process and included information on Scheme governance, progress on Assistance, Buyback, Demolition and Sales phase activities, financial impacts and community information and engagement. In 2018, in line with the scale of Scheme deliverables, these reports were reduced to half-yearly reports until closure of the Asbestos Response Taskforce on 30 June 2022.

Table 1 provides an overview of ACT Government reports tabled in the ACT Legislative Assembly:

Report	Date tabled in the ACT Legislative Assembly
Public Accounts Committee PAC Quarterly Reports 1 –13	2014-2017
Public Accounts Committee PAC Half Yearly Reports 14 –20	2018-2022

On 4 August 2022, following the closure of the Asbestos Response Taskforce (the Taskforce), the [final Half Yearly report](#) into the Scheme was tabled in the Legislative Assembly. This was followed by the tabling of the [‘Asbestos Response Taskforce Closure Report’](#) (the Closure Report) on 1 December 2022.

The Closure Report provided a summary of the work undertaken by the Taskforce until its closure on 30 June 2022, and an overview of the of Taskforce’s key outcomes. This report also reflects the lessons learnt from the Scheme.

Over the lifetime of the Scheme, in addition to the directorate’s internal audit program, ten independent audits were undertaken focusing on Scheme management, Buyback phase, Assistance phase, Demolition phase and the Sales phase.

Table 2 provides an overview of independent audits:

Audit	Auditor	Date
ACT Asbestos Response Taskforce Review	Price Waterhouse Coopers	September 2015
The management of the financial arrangements for the delivery of the Loose fill Asbestos (Mr Fluffy) Insulation Eradication Scheme	Auditor-General Report No. 4/2016	May 2016
Assurance Framework Review (Asbestos Response Taskforce)	Synergy Group	July 2016
ACT Asbestos Response Taskforce Service Evaluation and Recommendations	Dr Rob Gordon, Clinical Psychologist	June 2017
Close Out Evaluation of Buyback Phase of the Loose fill Asbestos Insulation Eradication Scheme	Synergy Group	May 2019
Assistance Phase Review Summary Report	Elton Consulting	April 2020
Close Out Evaluation of Demolition Phase of the Loose fill Asbestos Insulation Eradication Scheme	McGrathNicol	December 2020
Close Out Evaluation of Sales Phase of the Loose fill Asbestos Insulation Eradication Scheme	McGrathNicol	February 2021
Scheme Delivery Closure Audit Final Report	McGrathNicol	May 2022
Lessons Learned, Asbestos Response Taskforce	RPS Group	August 2022

A summary of all audit recommendations, examples of better practice responses, and areas for improvement was provided as an appendix to the Closure Report as part of the final Scheme Delivery Closure audit.

The 2016 Auditor-General's report titled '[Management of the Financial Arrangements for the Delivery of the Loose Fill Asbestos \(Mr Fluffy\) Insulation Eradication Scheme](#)' (Report No.4 of 2016) examined the financial and governance arrangements surrounding the Scheme. The Auditor-General found that the planning for and management of the financial arrangements for the implementation of the Scheme had been effective and that the Taskforce's approach to governance and risk management reflected better practice. The ACT Government continued to report on financial management of the Scheme through formal performance planning and reporting (including on the achievement of outcomes) set out in the budget papers, annual reports and the PAC Quarterly/Half Yearly reports.

The 2022 Closure Report also provides an overview of Scheme financials. Over an eight-year period, the overall net cost of the Scheme to the Canberra community was \$268.38 million, which is 27 per cent less net cost than originally forecast. Principal repayments of the loan to the Australian Government commenced on 30 June 2018 and were to be paid annually until 30 June 2024 at which time the loan would be fully repaid. The ACT Government repaid the outstanding balance of the loan in full on 1 November 2019.

The final Scheme Delivery Closure audit reviewed all previous audits, and in relation to financial management concluded that the strategic objectives of the Scheme were achieved and noted that 'the total net Scheme cost is only 27 per cent of the total \$1 billion loan from the Australian Government. This indicates that the Taskforce minimised the net costs to the Canberra community and the ACT Government.'

Throughout the delivery of the Scheme, the Government has engaged with current and former homeowners, principally utilising the Community Expert Reference Group (CERG)

To support a compassionate response and respond to feedback provided to CERG from the impacted community, CERG undertook a consultation process in 2019 to develop the [Mr Fluffy Legacy Project](#). The [ACT Government Response to the Legacy Project](#) (Legacy Project) outlined the actions Government committed to undertaking to further support transparency and accountability including:

- supporting families now, and in the future;
- learning lessons and documenting knowledge;
- supporting education and research; and
- tracking ongoing health impacts.

Supporting families now, and in the future

The Taskforce engaged early with specialist training from Australian Psychological Society and internationally recognised disaster recovery expert, Dr Rob Gordon. Dr Gordon worked with the Taskforce on several occasions to develop resources and presentations, as well as host a community forum with CERG for the impacted community in 2015. In 2017, Dr Gordon evaluated the delivery of the personal support model employed by the Taskforce.

The report found the Taskforce Personal Support had been responsive with outreach, case coordination and community information, noting that the overall design of the Taskforce program and Personal Support model met the requirements of an effective recovery agency. Report recommendations to further improve recovery experiences and the personal support model were implemented from 2017 throughout the duration of the Taskforce.

Learning lessons and documenting knowledge

An important and key recommendation from CERG, based on their engagement with homeowners and other stakeholders, was to ensure lessons learnt continue to be applied and used for other government and community programs. Reflecting this strong view, the Government commissioned RPS Group Consulting to complete a lessons learnt process. The report from this process is included as an appendices to the Closure Report, and has been designed to be used by the ACT Government when implementing future responses to emerging problems.

Supporting education and research

ACT Government has funded two PhD scholarships to examine loose fill asbestos insulation to support research into the impacts of loose fill asbestos insulation.

Government has also committed to early release of records relating to loose fill asbestos insulation between 2000 to 2011 to support ongoing research and knowledge of asbestos related matters during this period.

Tracking ongoing health impacts

In 2015 the Government commissioned the Australian National University to complete the [ACT Asbestos Health Study](#). One component of this report included focus group discussions with impacted homeowners and residents to improve researchers' understanding of the long health risks of living in a house containing loose fill asbestos insulation, and to consider the impact of the situation on the mental health and wellbeing of study participants.

The ACT Asbestos Health Study also included a [data linkage component](#) to support better understanding of the risk of contracting mesothelioma for residents of affected properties. This provided an initial estimation that 1-2 people per year may present with a diagnosis of an asbestos related disease as a result of living in a 'Mr Fluffy' home. A second Asbestos Health Study repeating the data linkage component is underway, to better understand the long-term health impacts of exposure to loose fill asbestos insulation. Final results are anticipated to be available in 2024.

The ACT Government considers these studies, individually and collectively, along with other information publicly available such as Annual Reports and legislation updates register, provide the community with sufficient information to understand the matters raised in relation to the development and implementation of the Government's response to loose fill asbestos insulation in homes across the ACT.

I also note that the issue of a Board of Inquiry has been previously raised with the ACT Government, through the Legacy Project. The Government's response can be found by clicking [here](#).

In summary, it is evident by the breadth and depth of reporting, audits and assurance activities which are publicly available, that there has been a clear focus on transparency and accountability

over an extended period, which the Government considers renders redundant the need for a Board of Inquiry into the Scheme's operation and implementation. As such, I reaffirm the Government's continued position to not support a Mr Fluffy Board of Inquiry.

In closing, I want to acknowledge that the Scheme is not simply a program about bricks and mortar. It is a significant social, financial and community response that has touched the lives of homeowners, tenants and neighbours, and is part of our city's history. The legacy work for how we, as a community, mark this part of our history and support households that are managing the impact of loose fill asbestos insulation continues.

Yours sincerely



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13/12/2023