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26 November 14

The Secretary  
Standing Committee on Public Accounts  
Inquiry into Proposed Appropriation (Loose Fill Asbestos  
Insulation Eradication) Bill 2014-15  
Legislative Assembly for the ACT  
GPO Box 1020  
Canberra ACT 2601  
Email: committees@parliament.act.gov.au

Dear Secretary,

The following comments are provided in response to the invitation for public submissions to support your Committee inquiry into the proposed Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-15. Comments are relevant to the proposed policy and administration of the Loose-fill Asbestos Insulation Eradication Scheme (the Scheme), briefly referred to in the Terms of Reference for this inquiry.

- The Scheme encourages current owners to permanently leave their existing block by selling and buying another property (e.g. through incentives such as a waiver on stamp duty and through uncertainty created by other factors described below)
- The Scheme does not facilitate current owners to buy back their block of land, following remediation, and rebuild (e.g. the Scheme proposes to recoup costs by rezoning suitable blocks of land for resale, and property market valuations are likely to be significantly less than the cost of building a comparable property (i.e. taking into account design, build costs, and relocation/rental expenses etc)
- The Scheme proposes current owners will have first right of refusal to buy back their block of land following remediation at the then full market value<sup>1</sup>. The Scheme does not outline how the buyback purchase price will be ascertained at repurchase, or methods of appeal. There is no guarantee that the sale price from the first valuation will be sufficient to cover the cost to repurchase the land and rebuild.

<sup>1</sup> Reference is made to the "best and highest value use of the block determined by expert valuers".

In order for current owners to make informed decisions, plan for a possible rebuild and minimise rental and other associated costs (financial and physical), the following factors should be considered in administering the Scheme. In particular, as part of the buyback negotiation phase (i.e. before the contract of sale is agreed and the block is remediated) the current owner should be advised of:

- ❖ whether their block of land is to be rezoned or remain unchanged (e.g. heritage);
- ❖ the proposed demolition timeframe (it is suggested that those who wish to buyback their land and rebuild are given demolition priority); and
- ❖ the actual or estimated buyback land price (if any change), including evidence for any increase in value.

In the absence of the above being provided in the negotiation phase, current owners will have to wait for an unknown period of time for their land to be remediated, rent alternative accommodation for an unknown period and will be unable to fully engage architects, builders and others for planning, approval and building a new property.

Sincerely

McLennan and                      Spong

(current owners of a loose fill asbestos impacted property)