



 A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE	
SUBMISSION NUMBER	29
DATE AUTH'D FOR PUBLICATION	27/11/14

**Submission to the ACT Legislative Assembly, Public
Accounts Committee**

**Inquiry into the proposed Appropriation (Loose-fill Asbestos
Insulation Eradication) Bill 2014-15**

Kilcullen

The purpose of this submission is to argue that the legislation relating to the demolition of houses contaminated by loose-fill asbestos should provide for two things not currently part of the Government's announced plan:

(A) The ACT Government should give owners who do not accept the buy-back and do their own "knock-down-and-rebuild" the same compensation it will give those who demolished their houses before 28 October 2014, i.e. the cost of demolition and the value (without asbestos) of the building(s) that have to be demolished (See "Properties privately demolished between 18 February 2014 and 28 October 2014", http://www.act.gov.au/data/assets/pdf_file/0008/654866/Policy-Framework-Final-Supporting-Detail-28102014.pdf).

(B) For those who do accept the Government's buy-back offer but want to return and rebuild on the same block, the buy-back agreement should specify a **latest date** and a **maximum price** at which the current owners will be able to buy the property back, with a penalty to be paid by the Government to the current owners if the time limit is not met.

1. Until this Inquiry, the ACT Government has given little or no opportunity for owners of asbestos-contaminated houses to say how they want the problem treated. The Government's plan was made in secrecy and then sprung on the community. Good efforts have been made to communicate the Government's view to home owners and tenants, but the Government has not sought the home owners' views. The Government also has not made much effort to explain to the rest of the ACT community why they are being asked to contribute to the solution—hence some ill-informed "letters to the editor".

The operation has not by any means been an example of "participatory planning" (http://en.wikipedia.org/wiki/Participatory_planning).

2. Some homeowners may themselves have had the asbestos put into their home, but by now most of these houses will have been resold, perhaps several times. Purchasers have been misled—misled by the ACT Government. Like many others, my wife and I bought our house in reliance on an ACT Government Certificate of Completion of Asbestos Removal Work (see copy in para. 7, page 3 below), which assured us that the work of removing the asbestos had been completed and that tests had shown that the appropriate standards had been met. **Except for this ACT Government Certificate we would not have bought this house.**

The certificate was seriously misleading. It warned that "residual fibres may still be present in the wall cavities", but in fact there were fibres not only in the wall cavities

but in other places, including the cornices, from which asbestos has leaked into the living spaces in five rooms.

3. There are owners who are content to accept the buy-out and move to some other block or even to some other city, but we do not want to relocate. We want the dangerous building demolished, but we want to rebuild as soon as possible on our present block. We do not want trees cut down and the garden bulldozed ("The block is essentially scraped, so the trees will go, the garden will go, the pool will go, everything will go" <http://www.canberratimes.com.au/act-news/mr-fluffy-houses-will-be-demolished-says-chief-minister-katy-gallagher-20141028-11czbh.html#ixzz3HPj4zJKV>). We live close to other members of our family, we like our neighbours and our neighbourhood, since 2001 we have put down roots in the local community. Destroying this social capital, like destroying the trees and garden, is vandalism.

The Government's plan does not give us the option of "knock-down-and-rebuild" on the same block, or at least it does not give us any of the compensation it offers to other owners if we do keep ownership of our block. To knock down and rebuild without any compensation would be prohibitively expensive.

4. We are told that we can sell to the Government and then buy back after they have demolished the buildings and scraped the block. This is not a good option for two main reasons: (1) The price is unpredictable—the Government's plan is predicated on the assumption that resales will yield 70% of the total cost of the whole project, so the Government are expecting prices to go up; and (2) there is no assurance that the Government would sell the block back soon—they may hold the blocks while they wait for land prices to rise. If we accepted the buy-back in the hope of repurchasing the block, we might have to wait for a long time and then find that the price is beyond us.

"Ms Gallagher said 200 houses or more would be demolished a year. People would have the option of selling as soon as the scheme began, but if they wanted to return to their land, they might have to wait some time, with the program rolling out over years – perhaps suburb by suburb. They would have to pay market rate at whatever time the land was ready to be re-sold, she said, conceding that might be beyond the ability of some to afford" (<http://www.canberratimes.com.au/act-news/mr-fluffy-houses-will-be-demolished-says-chief-minister-katy-gallagher-20141028-11czbh.html#ixzz3Jdro2oLY>).

5. Our first proposal (point (A)) may not be financially disadvantageous to the ACT Government. Their present plan commits them to pay upfront the value of the whole property, the land included, and they will be paying interest on this from the beginning until they resell the land at an uncertain price and time. On our proposal they would pay when the demolition took place only the cost of demolition and the value of the contaminated building, not the value of the land and other structures. David Evans has suggested that the payments could be linked to progress payments on rebuilding (see his submission); I agree with this.

Four years ago we added an extension to our house, a physically separate wing (we anticipated that eventually the old house would be demolished so we made the new building separate). This new building is worth approximately \$300,000. Members of the Taskforce have told us that this building must also be demolished. On the

Government's current plan, they would have to pay us the value of this new building upfront. Many other blocks must include similar additions.

6. The main argument is fairness. Being forced to relocate is for some people, including us, a serious disadvantage. We bought the house in reliance on an assurance explicitly given by the ACT Government that the house was safe, which has turned out not to be true. The Government's plan to remedy the situation should not impose further disadvantage on the people it misled.

7. This is the Certificate given to us when we bought our house. The small print reads: "Residual fibres may still be present in the wall cavities [sic] of the building..."

	ACT Government Department of Urban Services City Operations Branch Asbestos Program PO Box 574, Kingston ACT 2804	No. _____
		Telephone: (06) 239 6276 Facsimile: (06) 239 6717
Certificate of Completion of Asbestos Removal Work		
This document confirms that loose asbestos insulation has been removed from:		
Address _____		
_____ Street _____		
in accordance with the standards and requirements of ACT Building Control.		
Tests carried out on <u>4.1.87.90</u> established that the National Health and Medical Research Council and Worksafe Australia standards of safety for asbestos removal have been met.		
Signed (Manager - Policy and Administration) _____ Date <u>19.11.90</u>		
Residual fibres may still be present in the wall cavities of the building. Prior approval of the Building Controller is to be obtained for any building work involving the alteration or removal of internal wall lining or external brickwork. It may be necessary for a licensed asbestos removalist to enter the work.		
#021031.002		

Kilcullen

- Name of the committee and the inquiry;
- Author's name (or, if an organisation, the organisation's name and a contact person);
- A postal address and contact telephone number; and
- An e-mail address (if possible).

The Committee Secretary

Standing / Select Committee on [Committee Name]

Via e-mail: committees@parliament.act.gov.au

Via post: GPO Box 1020, CANBERRA CITY ACT 2601

Hand delivered: Committee Support Office
Office of the Legislative Assembly
Legislative Assembly for the ACT
196 London Circuit, Canberra ACT 2600

Mr Brendan Smyth (Chair), Ms Mary Porter (Deputy Chair), Ms Nicole Lawder (Member), Ms Yvette Berry (Member)

Terms of reference:

Bill

http://www.parliament.act.gov.au/data/assets/pdf_file/0004/663250/Consultation-copy.pdf

Explanatory statement:

http://www.parliament.act.gov.au/data/assets/pdf_file/0005/663251/Explanatory-statement.pdf