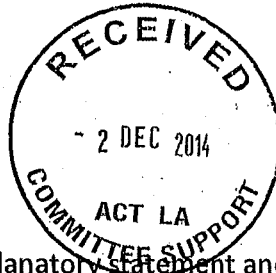


Subject: FW: Inquiry into proposed Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-15

From: Leahy
Sent: Monday, 1 December 2014 9:31 AM
To: Committees
Subject: Inquiry into proposed Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-15
Importance: High



 A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE	
SUBMISSION NUMBER	63
DATE AUTH'D FOR PUBLICATION	15/12/14

Dear Secretary

I write regarding the above bill, its explanatory statement and I also refer to the document "The ACT Government's Preferred Way Forward on Loose Fill Asbestos: Overview."

I note the guiding principles and highlight the following:

- Despite any anecdotes to the contrary highlighted by the Canberra Times, nearly all owners of Mr Fluffy homes bought properties without knowledge that the homes would be a danger to the community;
- The Government has accepted that these homes are a danger not just to the occupants, but also the broader community and is seeking to mitigate its longer term risks and liabilities;
- It seeks the existing owners to share these costs with them through a voluntary buyback program;
- It seeks to defray the costs through a process where the valuation date for the government purchase is fixed, but the sale date is of the government's choice, and those purchasing back their homes have to pay the prevailing market value for their property;
- Treasury estimates that about \$1 billion will be spent and \$700,000 will be recovered through this process.

The \$700,000 recovered represents the amount that is being drawn from the existing homeowners current and potential wealth. Therefore the existing Mr Fluffy homeowners are being asked to pay for 70% of the costs of cleaning up a problem that:

- a) Is not of their making (in fact, its making clearly sits with the government authorities that allowed the product to be used in the first place in spite of specific warnings of the risks associated with it);
- b) Represents a greater financial risk to the government than the homeowner in some instances (particularly in the case of houses occupied by elderly residents).

It would be more appropriate given the two points above if the Guiding principal noted as:

- "provide a fair outcome for owners of affected homes"

Be replaced with a principal such as:

- "ensure that home owners forgoing their residences for the benefit of the community are no worse off for making this offer"

This would of course require a change in the appropriation (with perhaps a fairer contribution from homeowners being about 30%) and probably a levy on Canberra residents to support the appropriation. This would be preferable than setting a precedent where some residents entire financial position put in jeopardy through the fairly random act of having bought a house without knowing that they contained a highly carcinogenic substance.