

A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE	
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Submission to the Public Accounts Committee, ACT Legislative Assembly  
 Inquiry into Appropriation (Loose-full Asbestos Insulation Eradication) Bill 2014-2015

To the Committee Secretariat.

Our interest in this Inquiry is that we own an affected home, and are seeking adjustments to the buyback scheme to deliver a fair outcome for our family. We believe our proposals will achieve that.

We live in Weetangera and are looking to repurchase in the area for schooling, access to work and general amenity. We have wonderful, supportive neighbours, friendships formed through the school community and have been active in our local parkcare group.

Please see below our submission to the Public Accounts Committee Inquiry. Our submission targets key issues we believe can be addressed in a practical way, for the buyback scheme to minimise harm to our family. There will be other affected owners in similar circumstances and we hope this builds upon their contributions to the Inquiry.

**1. Valuations**

Property valuations are a key feature of the buyback scheme. We understand the Australian Property Institute (API) is conducting the valuations, independent of the ACT Government. Nevertheless, the API is paid by the ACT Government, and conducting those valuations under instructions from the ACT Government. We would welcome greater transparency in those arrangement and instructions given to the API.

**We request that the valuation instructions, provided to the API by the ACT Government, be scrutinised by the Committee and released to us as affected parties.**

**2. Date of valuations**

The ACT Government has set the date for all valuations at 28 October 2014 *'to provide consistency, avoid speculation and encourage timely sale of houses ...'*<sup>1</sup>. A consequence of setting this data is, however, that we are unlikely to buy in the same market that we have 'sold' to the ACT Government.

Under normal circumstances parties buying into a market or changing their market position choose the timing that suits them. We have not been given this opportunity. The ACT Government has indirectly set the value at which it intends to purchase our property – our key asset – as the value the API determines at 28 October 2014. There are limited appeal rights associated with this process. We are consequently forced to carry the risk of market

<sup>1</sup> Response to concerns around the buyback, Asbestos Response Taskforce, November 2014.

movement from late October 2014 to when we find a suitable replacement home and, although we are keen to relocate as soon as possible, this may be some 6-12 months away. Our local market is thin and highly sought-after.

The real estate industry believes the market will rise in affected suburbs, and has presented its basis to this assessment<sup>2</sup>. Unless it is the Government's intention to force our family out of the area, then we should be given reasonable time to find an affordable, suitable replacement home locally, without financial penalty.

**The ACT Government should safeguard us from upward price movements during the buyback period by valuing prospective replacement homes at 28 October 2014, and that we pay the difference in certified valuations. This would give us a consistent, equitable approach to buying back into the market at a later date.**

### **3. Stamp duty**

We understand stamp duty is payable on the value of the replacement dwelling above that paid for the affected home. For example, if the buyback scheme pays us \$800,000 for our fluffy home and our replacement dwelling is \$900,000, stamp duty is payable on \$100,000.

It is likely we will be required to pay stamp duty. We will pay stamp duty due to general rising house values, limited stock and options in our area, and because we are seeking additional amenity to help recover from this traumatic period (e.g. larger bedrooms for our daughters, a rumpus room). Exempting us from stamp duty is budget neutral, and would be a modest, welcome concession. It would demonstrate goodwill from the ACT Government, acknowledge this situation is not our making and that we no plausible option but to agree to the 'voluntary' buyback scheme.

**The ACT Government should waive all stamp duty on our replacement home.**

### **4. Loose-fill asbestos management**

Since first announcing the 'voluntary' buyback scheme the ACT Government has threatened us with measures, from 30 June 2015, that it believes necessary to make our home safe. These include for example that sliding doors would be blocked and taped open, that heating and cooling systems would be disabled, and down-lights blocked.

We appreciate the health and safety reasons there may be behind the need for this. However in our case measures such as these would be a pointless, onerous impost on our family. Our asbestos assessment report, which the Taskforce has had for 5-6 months, reported that our living areas are clear of loose-fill asbestos and that only modest precautionary measures were required (which we have completed).

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<sup>2</sup> Canberra Times 22 November 2014

We suggest the ACT Government cease threatening us with onerous management measures, post June 30 2015. These threats are insensitive, and clearly designed to intimidate us into prematurely purchasing a replacement dwelling and leaving our home. Any management measures should be based on the respective asbestos report and current home condition.

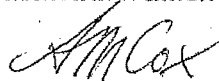
**The ACT Government should only require management requirements post 30 June 2015 on a case by case basis, having regard for the respective asbestos report and home condition.**

**5. Forced acquisition**

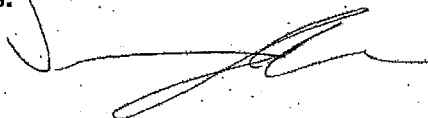
The ACT Government has from first announcing the buyback scheme threatened us with forced acquisition, as a possible approach if we failed to enter the 'voluntary' scheme. A large part of that threat is that forced acquisition arrangements will value our house as containing loose-fill asbestos, financially harming us.

I understand that forced acquisition would be administered under the Land Acquisition Act 1994. As an Act of the ACT Assembly the Government would be able, if it wished to do so, to amend the Act to permit fair compensation, ignoring asbestos contamination. This could be enacted if we are unable to find a suitable replacement home prior to scheduled demolition of our affected home.

**The ACT Government should amend the *Land Acquisition Act 1994* to provide market value compensation for us if we are unable to find a replacement home in line with the demolition timeframes.**



Cox



25/11/14