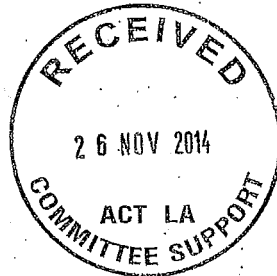


Mr Brendan Smyth MLA
Chair
Standing Committee on Public Accounts
Legislative Assembly for the ACT
GPO Box 1020
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A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE	
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Dear Mr Smyth

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

I am a Mr Fluffy home owner, and I would like to provide a submission to the above inquiry.

I acknowledge that the ACT Government's response to this issue has been driven by a clear commitment to eradicate the ongoing health risks to the ACT community.

I feel that the lack of financial investment by the Federal Government to the long-term remediation of affected blocks in the ACT (and NSW) is reprehensible, given the nature and extent of their involvement in this problem.

I respect the ACT Government's determination to push on and resolve the matter once and for all, and I realise this will be at substantial cost to the Territory budget.

However, I am devastated by the loss of my home. It has been a distressing year, and I feel strongly that some elements of the scheme act to further disadvantage those affected. In particular, my concerns about the scheme are:

- it gives a much higher priority to covering costs than providing flexible and genuine solutions to affected households;
- it fails to provide basic information on timing for those wanting to reacquire their remediated land;
- it penalises people wanting to reacquire their land by pricing blocks at the 'market rate' at the time of release, where the (undisclosed) timeframe will inevitably affect the cost; and
- it will create a substantial bubble in the real estate sales and rental markets, meaning affected people will be entering a heightened market, but constrained by the scheme's pre-boom "market values".

I have addressed these issues as recommendations at the end of this letter.

I appreciate there is no perfect solution, and that the scheme does effectively restore market values that were destroyed as the enormity of the problem unfolded throughout the year. This is a welcome result for people wanting to simply sell their homes and move on.

However, this very significant issue affects people's homes, and in some cases their health. It is a deeply personal and painful problem. The scheme doesn't give any

genuine consideration to the attachment that people have to their homes, their neighbourhoods, and their communities.

Instead of providing the flexibility that affected owners really need, the scheme appears to grossly disadvantage many, such as people who want to live out their years in their homes, and those who want to eventually rebuild on their block.

My very strong wish is to rebuild on my land, and there are a number of practical and emotional reasons for this. But, I am deeply concerned that under the terms of the scheme, this is not going to be possible for me.

Further, I may not be able to afford to purchase an alternative home in my existing neighbourhood, because the demand for housing in my suburb will greatly exceed supply.

I live in the [redacted] suburb in Canberra. There are reportedly [redacted] in my suburb, and only seven houses currently on the market. Most of these homes are outside of my price range. Finding a reasonable rental property is similarly problematic.

I don't believe my situation to be unique. This feels particularly unfair as like many of others who are affected, I have already experienced substantial stress and upheaval. It seems likely I will now suffer further long-term dislocation by being forced to move to another area.

Those wanting to repurchase and rebuild, need some fundamental information, yet I understand that there is currently no commitment to provide this. In particular, we need to know the cost of repurchasing cleared land and the timetable for demolition.

Under the scheme, people committed to rebuilding on their blocks must agree to renting for an unknown period of time – probably years – before their cleared land is ready for release. Only then, will they be told what the price of their land will be. It is very difficult to commit to this when the real risk is that the price will have risen to the point that you *might* still be able to buy the land, but not build anything on it.

It's neither reasonable nor fair to require people to make decisions about their way forward – large and binding decisions – in this information vacuum. We really need some certainty.

The date for valuing properties was set at 28 October 2014 to ensure equity and transparency in the buyback process. On page three of the Government's document *Response to concerns around the buyback*, valuation fairness and timing are addressed head-on. The document states that, 'each element of the valuation process is aimed at ensuring fairness and consistency for all homeowners...' It goes on to say the Government intends the 'use of a single date (28 October 2014) for all valuations to provide consistency, avoid speculation, and encourage timely sale'.

For all of the reasons that this process is considered 'consistent and fair' in purchasing our homes from us, it should equally apply to the sale of cleared blocks back to us.

Yet on the following page of the document, 'the Government has made the decision to resell blocks at the (remediated) market value... blocks will be valued at the date of release'.

This is neither consistent, nor fair. Using one process to value our properties when they are being bought from us, and entirely another when we buy the land back, doesn't consider what's fair to affected homeowners at all. It is clearly designed to maximise revenue from the scheme. We have already been penalised enough!

The timeframe for re-release of land is completely out of home-owners' hands. Tying the cost of the land to the release date (an undefined variable that will drive the price up the longer it takes) is exactly the opposite of consistent and fair.

To disadvantage people by forcing them to sell in one market, and repurchase in another undefined one is not consistent or fair. It means that people who are able to re-acquire their land quickly will receive a vastly different outcome from those forced to wait years - especially in inner-city suburbs. It is quite likely that in some cases, the time delay could result in the cost of repurchasing cleared land, exceeding the amount affected owners were paid at the outset.

A more equitable model should be offered to people wanting to reacquire their land and rebuild - one that is sincere in its attempt to make repurchasing of the blocks realistic for those with a deep attachment to their current location.

The scheme needs to enable affected homeowners to nominate, at the point of property surrender, the reacquisition of their existing blocks at a known value.

I don't believe that it is equitable to charge rates (with all the issues that asbestos contamination in my home has brought) at the unimproved value, then offer the land back at the market rate - now or at an unknown point in the future.

Land should be priced as of the date of the buyback (28 October 2014). This offer should be accompanied by a clear commitment of the timeframe in which the remediated land would be made available.

If the scheme offered affected homeowners a genuine choice, there could be no issue with the Government proposing to defray costs by auctioning remediated blocks where the owners are happy to move.

In summary, I support the timely passage of the Bill to ensure that the relevant ACT Government entities can implement an eradication scheme as soon as practicable. I also provide the following recommendations:

- I ask that serious consideration be given to increasing flexibility in the administration of the program, so that affected households have more (genuine) choices moving forward;
- I ask that Committee urges the Government to reconsider their policy regarding repurchase of land, giving people the certainty they need to make decisions about their way forward, including:
 - publishing, as soon as practicable, the demolition schedule to allow affected householders to make informed choices about whether to re-acquire their blocks.

- calculating the price based on unimproved land value of the land, as per the rates we pay;
- pinning the value of the land to the repurchase date (28 October 2014), a figure that can be provided to people immediately, and is consistent with the buyback process; or
- capping the price of remediated land at a reasonable percentage (for example 75%) of the total value of the "surrender sum" paid to home owners under the scheme.

Yours sincerely,

Matz
25 November 2014