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Submission on
Inquiry into proposed Appropriation (Loose-Fill Asbestos
Insulation Eradication) Bill 2014-2015

to
The Standing Committee on Public Accounts

by

Grant
of

Submission into the proposed Appropriation (Loose-Fill Asbestos Insulation Eradication) Bill 2014-2015

Documents reviewed in providing this submission

- Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-2015 (the Appropriation Bill)
- Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-2015 Explanatory Statement
- The ACT Government's Preferred Way Forward on Loose Fill Asbestos: Overview
- The ACT Government's Preferred Way Forward on Loose Fill Asbestos: Supporting Detail
- Letter from the Chief Minister addressing concerns of affected residents received November 19 2014
- Taskforce newsletters

Issues and concerns with the Appropriation Bill and the Scheme

Whilst I understand the rationale behind the Scheme: that is, eradicate all loose fill asbestos affected homes from our future, I have issues and concerns with:

- the total sum of the appropriations as outlined in the Proposed Appropriation Bill (\$762 031 000)
- the way in which the scheme is proposed to occur
- the timelines set by the ACT Government

These are summarised below and detailed accordingly in the following statements.

Summary of issues and concerns of the Scheme

1. Proposed appropriations of \$762 031 000 is insufficient.
2. Informed consent should be at the forefront of this initiative.
3. Transparency should be at the forefront of this initiative.
4. The compensation scheme to those who privately demolished prior to the announcement is questionable, unfair and scandalous supporting families of a specific socioeconomic background (ie: people who are already financially well placed).
5. Information for families who want to stay on their land and privately demolish post announcement is unclear.
6. Government housing should be made available as a priority to those in financial hardship due to this unique situation.
7. A 30 minute asbestos assessment that does not encompass the entire building or the soil on which it stands should not form the basis on whether or not that home is to be demolished.
8. The botched administrative processes that have been put in place by the ACT government in alerting all homeowners extends beyond letters received this year and have had significant and major personal, financial and health impacts that could have been avoided.
9. The one size fits all approach of the Scheme does not work.

1. The proposed appropriations as outlined in the *Appropriation (Loose-Fill Asbestos Insulation Eradication) Bill 2014-2015* is insufficient in light of the Scheme's mechanisms and for the due moral justice of all Mr Fluffy affected homeowners who are being financially impacted because of the past mismanagement of affected homes by both the federal and ACT governments.
2. The detailed processes of what will occur if families do not choose to opt in to the Scheme should be made available immediately. The ACT government are indicating that they have not yet made a decision on how these families will be managed. It is impossible to make an **informed decision** without knowing all of the information.
3. The figures on how the government arrived at a net cost of \$300 million should be publicly available for complete transparency. It would assist the public and the affected homeowners to fully comprehend the cost implications that the ACT government has advised, as well as curtail any rumours that the government will be profiting from this situation. Presumably the figures also include and require all 1021 homes to opt in to the Scheme. Clarification on how the ACT government will manage this cost if homeowners do not choose to opt in is necessary.

4. The Scheme addresses those who demolished privately prior to the announcement being made. This part of the Scheme is the most inequitable. Those who demolished prior to the announcement or signed contracts for demolishing are being especially well looked after in the Scheme whose major selling point is voluntary, flexible and equitable. They receive reimbursement of the demolition & fair market value of their home prior to demolition. Since there is no exchange on the crown lease, they can then sell the bare land allowing them to walk away with hundreds of thousands in profit. The Taskforce have stated that these homeowners demolished at their own risk and were in a financial position to take that risk. It is questionable why the government are compensating and looking after families of a high socioeconomic background and not equally compensating those who need it the most – those in a low socioeconomic background.
5. Restrictions and information need to be made available to those families wishing to stay on their block such as their ability to subdivide in order to fund a private demolish and rebuild. The current obstacles are subdivision and the release from the Mr Fluffy register after the demolition of the asbestos affected property.
6. The cash payout of the Scheme prevents those who are put into financial hardship due to this situation as it is seen as an asset. However many of these families are unable to fund a new home and government housing should be made available to them as a priority.
7. A 30 minute asbestos assessment which does not take extensive samples of the entirety of the building structure (eg. sub floor, roof cavity and soil the building stands on) should not form the basis of the Scheme.
8. The ACT government sent out letters in February addressed "To the Homeowner". This is a large clerical error, as many were unopened. It is with great regret that the ACT government has sat on this issue and done little when they have known since as far back as 2005 and arguably before when the initial decontamination took place. Instead, through a sheer lack of competency veiled as ignorance there have been countless people subjected to this high risk situation. I have three children who have all been exposed to renovations including the demolition of internal walls at very young ages. This is a hard pill to swallow as the statistics for exposure at such a young age is not good. I would know as I work amongst experts in Population Health at the ANU Medical School. It is unacceptable that Katy Gallagher states in her letter that she simply did not know.
9. There are 1021 homeowners affected. This blanket Scheme simply cannot work for all involved. The Chief Minister in her letter to homeowners received 19 November is releasing us of the burden of our homes and allowing us to buy another home "equal to the value of a comparable asbestos free home". I've been actively looking since the announcement was made. I can't find anything that is equal to the value that I expect to get for my home (based on recent sales in my area). In addition, the longer we wait the heavier the financial burden experienced because of the freeze valuation date of 28 October 2014. This set date does not allow any of us to buy into a similar market whether we purchase now or next year.

Proposed changes to the processes of the Scheme

I am aware that there are three groups of families:

1. Families who are pleased to opt in to the buyback scheme.
2. Families who would like to stay on their land and rebuild.
3. Families who would like to live out their years in their homes.

The ACT government and the Taskforce have acknowledged that the net cost to the ACT will be between \$300M - \$500M as outlined in their official documents to date. I believe the Taskforce need to identify where each of the 1021 homeowners fall. Those families who identify strongly into category 1 should opt in to the scheme and purchase another home elsewhere. The Taskforce can then look at those properties to identify which ones can be subdivided and sold off and make adjustments to their budget.

For those homeowners who would like to stay and rebuild, they need to be allowed to do so. There is no logical and rational reason that prevents this from happening. If the net cost will be between \$300-500 million,

which may be revised upon identifying families in category 1, the net cost could be spread out across those families in the form of compensation, with strict conditions that they are to demolish and rebuild and the way in which these are to be met. Those families will incur an additional personal cost in order to make this happen, however many families are going to be burdened by a cost in the current Scheme regardless. This at least gives them some control over their own lives and futures.

I recognise that those families who identify in category 3 are going to be difficult for the government as they do not fit into the objective of the Scheme which is to rid the ACT of all loose fill asbestos affected homes. I do however strongly believe that forcing elderly people from their homes when they do not want to go is immoral, unjust and unconscionable. For those elderly people they should be allowed to live out their lives in their homes if asbestos assessments return safe to live in for the medium term. The government needs to show compassion to our senior citizens and realise that "medium term" is most likely all they have. Upon the end of life of these citizens, homes can then be acquired from the respective deceased estates and demolished as per the requirements of the Scheme. It is the right and moral thing to do.

Conclusion

The consistently botched administrative processes shown by the ACT & federal governments have impacted on each and every one of us in ways that are still yet to be determined.

I believe the appropriations sum outlined in the bill is insufficient to make good the position 1021 homeowners find themselves in.

Lastly, I call for a Board of Enquiry into the handling and operations of the ACT government's management of the Mr Fluffy loose fill asbestos debacle since the ACT government was formed, including all information known by the ACT government to the then Minister for Industrial Relations and the Chief Minister. This should include:

- reference to the information given to the ACT Government, Minister and Chief Minister
- copies of all reports to the then Minister regarding concerns about the lack of awareness and potential health risks
- any discrepancies between that and the information communicated to the public, particularly affected homeowners and people purchasing these properties

Grant
Owner and Resident