



## Andrew Barr MLA

CHIEF MINISTER

TREASURER

MINISTER FOR ECONOMIC DEVELOPMENT

MINISTER FOR URBAN RENEWAL

MINISTER FOR TOURISM AND EVENTS

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MEMBER FOR MOLONGLO

Ms Meegan Fitzharris MLA  
Chair  
Standing Committee on Planning, Environment and  
Territory and Municipal Services  
[committees@parliament.act.gov.au](mailto:committees@parliament.act.gov.au)

Dear Ms Fitzharris <sup>Meegan</sup>

I am writing in relation to the Minister for Planning, Mr Mick Gentleman MLA, referring the proposed Draft Variation 343 to the Territory Plan (DV343) to the Standing Committee on Planning, Environment and Territory and Municipal Services (the Committee). DV343 relates to blocks surrendered and remediated under the Loose Fill Asbestos Insulation Eradication Scheme (Scheme).

I welcome the Committee's Inquiry processes providing further community consultation on the proposed variation. Nevertheless, the Government requests the Committee consider DV343 expeditiously in the interests of providing certainty to affected homeowners, the community and to allow the sale of remediated blocks to occur. Promptly finalising this process will help fulfil many affected homeowners' dreams of returning to their suburb and block sooner.

DV343 is a simple and modest step intended to assist defraying some of the overall cost of the Scheme, which will finally eradicate the 'Mr Fluffy' legacy from Canberra. The Territory is not seeking to benefit through this process, merely relieving some of the substantial cost of acquisition and demolition of affected houses.

I note in this context that the importance of defraying costs in this way became more significant when the Commonwealth Government decided in October 2014 to renege on its undertaking to bear two-thirds of all costs associated with future remediation work of the sort now being undertaken as set out in an intergovernmental agreement dating from the original asbestos removal program.

The ACT Government took a proactive and compassionate approach in October 2014 by announcing the Scheme to support the 1022 homeowners affected by loose fill asbestos. This issue of the presence of 'Mr Fluffy' in our community was having a profound social, financial, health and practical impact and we acted decisively.

Through the Buyback Program the government is purchasing affected houses at market value ignoring the presence of loose fill asbestos insulation and providing

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owners with an opportunity to move to safer accommodation through the provision of stamp duty concessions and relocation assistance support.

The Scheme also provides for former owners to return to their blocks and community to rebuild once houses are demolished and blocks remediated through First Right of Refusal arrangements. As at 30 June 2015 when the Program closed, 1014 of 1022 owners had indicated they would participate in the Scheme.

The financing of the Scheme is being supported by a concessional loan from the Commonwealth which must be fully repaid in a ten year time frame, including interest charges. Interest repayments associated with the loan from the Commonwealth are \$215 million over the term of the loan. Of this, \$8.2 million was paid to the Commonwealth in 2015-16. Even if DV343 is approved as currently proposed and blocks re-sold with the planning permissions attached there is still an estimated cost to our community of up to \$400 million.

A total of 743 of the 1022 blocks affected would be subject to the variation if progressed as currently proposed. Of these, approximately 520 homeowners have indicated interest in exercising a First Right of Refusal and rebuilding on their block.

The Government, through the Asbestos Response Taskforce (Taskforce), will continue to press ahead with the demolition of houses as scheduled to reduce disruption to the community, ensure efficiency and maintain confidence in industry around this major capital undertaking.

However, the practical impact of the referral to Committee and any subsequent delays in finalising the Assembly's consideration of DV343 is that the Government cannot re-sell relevant remediated blocks. Delays in finalising DV343 will postpone the ability of former owners to exercise their First Right of Refusal and return to their blocks and community.

The Taskforce will continue its initial conversations with homeowners around improvement retention on blocks if they are seeking to return through a First Right of Refusal arrangement and are scheduled for demolition while the variation is still subject to inquiry, but will not be able to finalise contracts of sale as the price to repurchase will not be known. Where a former owner wishes to retain improvements that would otherwise be demolished by the Taskforce, the inability to secure a contract for sale may see a significant delay in demolition timelines.

The Government, Taskforce and relevant directorates remain available to support the Committee in its work to ensure the inquiry progresses in a timely way for affected homeowners and the efficient delivery of the Government's response in eradicating loose fill asbestos insulation from our city for our community.

Yours sincerely

  
Andrew Barr MLA  
Chief Minister

27 AUG 2015