



Submission to the ACT Legislative Assembly, Public Accounts Committee

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

Woods

A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE	
SUBMISSION NUMBER	8
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INTRODUCTION

We write as 60 year-old owners who live and have raised our family in a Mr Fluffy house in Weston, ACT for the past 23 years; who brought expertise and money into Australia and the ACT to pay for such house trusting that we were protected by the regulatory systems of a first world country (see Att#1: sample of asbestos removal certificate, at end of submission); and whose children have grown up in the house and now moved out to build their own lives. And we also write as members of the Australian community at large.

We agree that demolition and clean-up is the long term solution for everyone including future generations.

As many others, we are the victims of massive failure of governance and industry regulation spanning almost five decades and directly comparable to what happens in developing countries such as the one we come from –as noted in our 30 June 2014 letter to Chief Minister Kathy Gallagher, Minister Simon Corbell, and Shadow Ministers Jeremy Hanson and Alistair Coe (Att#2 at end of submission). In 1968, the 'Mr Fluffy' company was not closed despite expert advice to the contrary. The period 1988-1993 saw an ineffective removal program by design and implementation. And recommendations of two independent reports in 2005 and 2010 were not implemented effectively, permitting the long-standing, ongoing, entering/exiting of unsuspecting Australians into a game of musical chairs –of lesser scale, but not dissimilar to the one played during the recent global financial crisis.

In this context, we think that the ACT government proposal falls short of the circumstances by a wide margin, and is not commensurate with the standing of the capital city of a developed country. It tarnishes the reputation of Australia and the ACT as a functional community from a business, legal, community and political perspective.

Choice under the conditions proposed by the government is not true choice. We therefore outline a counter proposal and its benefits.

COUNTER PROPOSAL

That owners who wish to do so, be allowed to stay and rebuild in their current blocks, with the government managing and paying for the demolition of the house, remediation of the block, and contributing equitably to the overall costs of rebuilding a house of equivalent standard, facilities and surface area, in a progressive programme across a suitable number of years. The extent of block scraping needed would be determined technically on a block-by-block basis.

BENEFITS

Economic

- 1) Significantly reduced need for capital since the value of the land is not traded. In most cases the value of the land would be a significant proportion of the valuation as per the proposal. And the overall figure must be a substantive portion of the programme budget, since the preference of an estimated 50% of victims was to Knock Down and Rebuild (KDRB) in their block.
- 2) Significantly reduced interest payments or opportunity cost, since less capital is at play (see point 1).
- 3) Significantly less pressure on the real estate market, since (a) owners will not need to buy alternative long term housing; (b) owners will only need alternative accommodation during a comparably short rebuild period; and (c) demolition and rebuild will take place progressively, rather than owners being put in the real estate market place all at once.

Preservation of Social Capital

- 1) ACT Government and ACT development sector not perceived as profiteering from the circumstances.
- 2) ACT Government not perceived as abusing its position as monopoly land supplier.
- 3) Owners not feeling displaced/confiscated and losing the amenity of their home.
- 4) Equity vis a vis those who rebuilt between 18 February and 28 October 2014.
- 5) No discrimination between those accepting the Buy Back and those preferring KDRB.
- 6) Flexibility and respect for personal and property-rights of those owners who prefer KDRB -- estimated at about 50% of victims.
- 7) Perception of fairness across the community at large.
- 8) Maintain the character of older neighbourhoods.
- 9) Blocks remain vacant for a shorter period of time, reducing maintenance costs for the ACT and opportunities for vandalism.
- 10) No attempt to force fit all situations into one solution.

Woods

23 November 2014

We ask that the following contact details be kept confidential if possible.

Attachments: 2



ACT Government
Department of Urban Services
City Operations Branch
Asbestos Program
PO Box 574, Kingston ACT 2604

Block [redacted]
Section [redacted]

No. [redacted]

Telephone: (06) 239 6276
Facsimile: (06) 295 6717

Certificate of Completion of Asbestos Removal Work

This document confirms that loose asbestos insulation has been removed from:

Address

[redacted] Street [redacted]

in accordance with the standards and requirements of ACT Building Control.

Tests carried out on 4 / 8 / 90 established that the National Health and Medical Research Council and Worksafe Australia standards of safety for asbestos removal have been met.

Signed (Manager - Policy and Administration)

[Signature]

Date

29 / 1 / 92

Individual fibres may still be present in the wall cavities of the building. Prior approval of the Building Controller is to be obtained for any building work involving the alteration or removal of internal wall sheeting or external brickwork. It may be necessary for a licensed asbestos removalist to attend this work.

PAZ103(1/92)

Attachment #2: COPY OF LETTER OF 30 JUNE 2014 to Chief Minister Kathy Gallagher, Minister Simon Corbell, and Shadow Ministers Jeremy Hanson and Alistair Coe.

Ms Katy Gallagher
Chief Minister
Minister for Health
Legislative Assembly for the ACT
gallagher@act.gov.au

Mr Simon Corbell
Minister for the Environment and Sustainable Development
Legislative Assembly for the ACT
corbell@act.gov.au

Mr Jeremy Hanson
Leader of the Opposition
Shadow Minister for Health
Legislative Assembly for the ACT
hanson@parliament.act.gov.au

Mr Alistair Coe
Deputy Leader of the Opposition
Shadow Minister for Planning and Infrastructure
Legislative Assembly for the ACT
coe@parliament.act.gov.au

Dear Chief Minister, Minister, and Shadow Ministers,

**From a Mr Fluffy home owner:
A Third World problem needing First World political leadership**

We are [redacted] Woods, our Canberra home is a Mr Fluffy (MFF) house, and we ask you to keep our personal details strictly confidential. Our views on the MFF debacle are below, following a brief personal introduction.

Who were we 25 years ago? A middle-of-the-road, 35 year old couple with two young kids, and happy to have recently emigrated to live in the country of the 'fair-go'. Born and bred in a Third World country, with professional qualifications, fifteen years of work experience and no work sponsor; we were happy to have paid our tickets. We managed to find work quickly and always remained gainfully employed. We sold our sound, well located apartment in our country of origin and put a deposit on our then heavily mortgaged house. Jorge came first, and Claudia and the kids later, on condition of Jorge having first secured employment. We knew then that life is multidimensional and any society needs capital, labour and the environment working in balance for the society to be successful. We didn't come here pursuing any get-rich-quick scheme. We came here to contribute, and live in fairness. We have worked productively, paid taxes and rates ever since, and have paid off our mortgage.

And who are we now, after all the above effort which also supported the banking, building, and public sectors? Well, we are victims of the MFF debacle. And where, are we now? In the country of the fair-go?

Our bi-cultural life, based on practical experience in both countries, informs the following views.

The MFF debacle is the kind of thing that occurs regularly in the Third World, a world that Australia is visibly proud not to be part of...so far. And yet, the debacle is happening here, together with other recent, similar, and rather regular debacles –such as Storm Financial; Commonwealth Bank of Australia financial planners; Mr Rudd's Home Insulation Program; NSW's business/political corruption being investigated by the Credo and Spicer operations; and Mr David Eastman botched court case.

Unless federal and local politicians take concrete action to arrange effective, definitive, emergency, mid and long term solutions to the MFF debacle including addressing economic and health matters at no cost to the victims, Australia can well regard itself as entering the Third World. Should such a dire hour arrive, it would have been the full, unmitigated and exclusive responsibility of the public and private leaders at the highest levels --regardless of political persuasion or economic sector. Words and actions of compassion are welcome, but as victims, citizens and tax payers, we measure leaders by their actions and the effectiveness and fairness of their proposed solutions. Since we don't live in an economy but in a society, the responsibility for solving this debacle lies with politicians at both State/Territory and Commonwealth levels.

This matter will not go away. It will be fully part of your life, that of your colleagues, and that of Australia and its international reputation for as long as it is part of our family's. Although these experiences and views are our own, we know that we are not alone and therefore support FORAG, the Fluffy Owners and Residents Action Group.

We don't want yet another money-spending enquiry that delivers no concrete solutions on the ground. Nor do we want an ill-conceived, headline grabbing, money-spending exercise that ends up lining the pockets of industry profiteers, and making celebrities of its organisers –whether politicians, bureaucrats or business and community group leaders. We expect that a First World open society will not treat us as the Third World did. We want a definitive solution to the MFF debacle at no cost to the victims. For that is what we are: victims infected with the no-longer dormant MFF virus; untouchables, both ourselves and our houses. And if you think we exaggerate, we kindly invite you to swap houses with us, like-for-like, at no cost, and stamp duty exempt for both.

Sincerely yours,

Woods

30 June 2014

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