
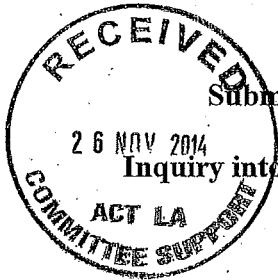


From: _____
Sent: Wednesday, 26 November 2014 2:24 PM
To: Committees
Subject: Submission to the Public Accounts Committee, ACT Legislative Assembly
(Loose-full Asbestos Insulation Eradication) Bill 2014-2015

 A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE	
SUBMISSION NUMBER	34
- Inquiry into Appropriation	
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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

My interest in this inquiry is that my husband and I bought our property at unaware of Mr Fluffy asbestos issues. I am concerned at the impacts from the buyback scheme funded by this Appropriation Bill on me, my family and affected Mr Fluffy home owners who are in similar situation.

Personal circumstances and issues:

- We bought our property in 2010 unaware of Mr Fluffy asbestos issues. Rented out for three years. Moved in in 2013 with the intention of being in the property for up to 25 years.
- It is noted that the ACT Government fact sheet included with our 2010 contract of sale did not indicate the issues or risks identified with loose-fill asbestos identified in the 2005 or 2010 reports. We would never have purchased the property had we been properly advised of the presence and risk of loose-fill asbestos.
- We submitted an extension plan to ACTPLA in 2012. The plan was rejected by ACTPLA. ACTPLA has never mentioned of the presence and risk of loose-fill asbestos.
- We installed ceiling insulation in 2012 to improve the efficiency and comfort of the property.
- We continuously made improvements and upkeep to the property to suit our family needs.
- In 2014 asbestos assessment report indicated there was loose-fill asbestos in air-conditioning vent and other places. The house was rated liveable.
- An initial remedial works quote was rejected by the ACT Asbestos Taskforce. A case officer from the taskforce called and mentioned that he was consulted with the Worksafe colleagues about the assessment. He had indicated that, according to advice from the Worksafe, the house was not safe and should be rated as unliveable. He further mentioned about grants that we would be eligible for if we had vacated our property. However, we are not eligible for the emergency support package grant of \$10,000 per household and an additional \$2,000 for each dependent child residing in the home for those people advised by an asbestos assessor to leave their place of residence.
- Updated remedial works quote was endorsed by the Taskforce. A copy of advice from Worksafe was requested from the Case officer/Taskforce but we were told that all advice was verbally only.
- Our request to defer our rates from the ACT government was refused.

- We were intending to knock down the property but we were advised by the Taskforce over the phone in earlier October 2014 that the knockdown process will be taken longer than the announcement in late October 2014 (28 October 2014). Further, the Taskforce had advised us not to do anything but to wait for the announcement from the Chief Minister because we will not be disadvantaged. However, the 28 October 2014 state that “
- To-date, we received \$1,760 GST inclusive from the ACT government. \$880 for assessment and \$880 for remedial works.
- Our insurance on the property (replacement of the property in excess of \$350,000) is voided. We cannot claim our insurance as with fires or other natural disasters.
- Buyback offer under current ACT Government response is for market-value of property as at 28 October 2014 and “the Government will give you \$1,000 toward that advice if you complete the surrender of the Crown Lease process”. The ACT government offers \$1,000 which would not cover all of legal costs, building reports cost, moving cost, bank fees and another costs associated of purchasing and selling a property. Therefore, the affected Mr Fluffy homeowners are financially worse off.
- We are happy to knock down and rebuilt our home on the same land ourselves if the ACT government offers us interest free loan for 10 years with the loan amount capped at the market price of the property as at 28 October 2014. This option is not effected the ACT government’s budget bottom line.
- Media release on 28 October 2014 states that “The Chief Minister said the buyback scheme had been developed by the Asbestos Response Taskforce to provide a fair outcome for owners of affected homes and, as far as possible, flexibility and information so homeowners could make informed choices.” However, the ACT Government and the Taskforce have not engaged or consulted with all affected Mr Fluffy property owners with respect to their individual circumstances.
- According to the Newsletter, Edition #14 from the Taskforce on 28 October 2014 stated:

“I am pleased to announce that the ACT Government, with the financial assistance of the Commonwealth Government, will conduct a voluntary Buyback Scheme for all ACT houses affected by loose fill asbestos insulation”.

The buyback scheme only applied to 1,021 affected Mr Fluffy homes. However, the affected Mr Fluffy house owners who elected to privately demolish their property prior to 28 October 2014 are eligible the following:

- *The full asbestos removal and demolition costs will be reimbursed*
- *The valuation of the former house will be paid*
- *The buyback offer will extend to vacant blocks at market value.*

Therefore, this buyback scheme is not fair and equitable and it does not apply to all affected Mr Fluffy homeowners.

- The buyback scheme indicates that stamp duty is not included in the buyback price. The ACT government is offering us a “right to a waiver of stamp duty on a residential property purchased in the ACT, up to the value of the stamp duty calculated as if it was payable on the affected block (as valued)”. As we do not intend to buy in the ACT, we are not eligible for this waiver of stamp duty. Therefore, we are financially worse off almost \$40,000.
- The buyback scheme is lack of consultations with all stakeholders. I know that my husband and I weren’t consulted with. It appears that there was no consultation with the Australian Taxation Office (ATO) regarding capital gain tax (CGT). To date there is no information from ATO or the ACT government regarding CGT.

- Further, the ACT government was not consulted with all financial institutions regarding fees and charges associated with mortgages. I was advised on 26 November 2014, by ME Bank's representative, Simon Milner, ME Bank does not offer bridging loan for its customer to purchase a property. In my case, he also advised that ME Bank would not let us vary our loan to pay interest only on our residential mortgage without changing the loan product name from "Standard Home Loan" for residential. We have to change the loan product name to "Interest Only Investment Loan" if you want to pay interest only. Some fees are not waived.
- The ACT government fails to disclose public health and market sensitive information related to Mr Fluffy asbestos. Further, the fact sheet provided by the ACT government with our 2010 contract of sale does not indicate the issues or risks identified with Mr Fluffy asbestos identified in the 2005 or 2010 reports. It appears that the ACT government has seen forgotten health of people had been exposed to Mr Fluffy asbestos (eg. our families, friends and visitors who came to visit us or stay with us). There is no support for these type of people.
- As homeowners within the statute of limitations, we may be forced to consider litigation. However, currently the ACT government does not provide any assistant to support affected Mr Fluffy home owners, who bought after 2005 and are still within the legal statute of limitations, with litigation as a test case in court.

Proposal:

In considering to the Bill, I would seek that the Legislative Assembly considers the following:

- Allow for flexible negotiations within the approach and Appropriations Bill to allow the ACT Government to reasonably negotiate a suitable outcome and mitigate the risk of litigation.
- Stamp duty is included in the buyback price.
- The ACT government is liable for CGT if the CGT is not waived by ATO.
- Interest free loan for 10 years. Loan amount capped to market price of the property as at 28 October 2014.
- Established fund to support affected Mr Fluffy home owners (who bought after 2005 and are still within the legal statute of limitations) with litigation.
- Established fund to support people who exposed to Mr Fluffy asbestos in ACT.
- Call for a Board of Enquiry into the handling and operations of the ACT Government's handling of the Mr Fluffy loose-fill asbestos issues and since 2005, including determining what information was known by the ACT government.

Yours sincerely

Platt