


**From:** Cocks  
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Dr Andrea Cullen,  
 Committee Secretary  
 ACT Government

 A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE	
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Thank you for listening to my complaint today about only learning last night from TV news that this Committee has been taking submissions from people effected by the MrFluffy asbestos disaster. As already expressed, I feel quite excluded from this inquiry, because the only formal notification I have had about it was from a link in the ACT Asbestos Response Taskforce newsletter # 17, which I received on 28 Nov, two days after the deadline for submissions. This kind of rush to ratify the government's Buyback & Demolish policy seems to suggest the Committee has already decided what it is going to recommend and that the whole process is just a sham. In light of my lack of confidence in any deliberations of such a rushed Committee, I only wish to briefly outline my circumstances.

I bought my MrFluffy home in about 1993, just after the so-called loose fill asbestos removal program. The only awareness I had about the home's asbestos problem was from my conveyancing solicitor (who lived just 2 doors down on the same street as my MrFluffy home). As we were about to exchange contracts, he told us that the property had an "asbestos clearance certificate" from the Federal government. At that committed point in the sale, and like most other people, we were assured the home was safe to live in. I did not find out that it was a MrFluffy home until half way through this year.

I purchased my MrFluffy property as an investment for my retirement. For the last couple of years I have been a self-funded retiree living off the rent of 2 ACT properties, including my MrFluffy one, which was the crown jewels of my retirement investment. According to the asbestos assessment done there in Oct, only one built-in wardrobe had microscopic asbestos dust. My tenants wanted to continue living there and asked me to decontaminate and fix the wardrobe. However, the taskforce then issued even more onerous restrictions, like blocking vents and heater ducts. So the tenants are now moving out on 8 Dec. At the same time Actew gave me notice to clear foliage away from the power lines at the back of the property. This was the first such notice in more than 20 years, so I can only assume it is a coincidence or tactical pressure from the government to surrender my property. I can no longer rent my MrFluffy home, but I can't afford to surrender it for demolition. The Capital Gains Tax (CGT) that I would have to pay under the Buyback scheme would reduce my MrFluffy's sale value by at least 1/3, making it impossible to buy a comparable investment property that I could rent for the same amount. If I wait until the home is eventually acquired for demolition, I could rollover the CGT and buy another investment property. However, the net loss from such a transaction may be similar, because valuation with asbestos and the passage of time would again make it harder to purchase a comparable investment property. Moreover, the cost-base for future CGT calculations would be based on the original property that was purchased in 1993. This means that I would end up paying even more CGT when I eventually sell the re-placement property. So either which way, my retirement investment plans are screwed.

Rental income from my two investment properties has been quite modest at just \$19,000 in the last financial year. However, next year it will be about 60% less without any income from my MrFluffy home. My recent application for the aged pension was rejected because the value of my assets were about \$3,000 above the eligibility threshold. My MrFluffy property was deemed at its gross sale value, not the net value after paying CGT. So basically this disaster has ruined my retirement plans. I care daily for my father who lives in a dementia unit of a nursing home: I will now have to draw down on my savings and progressively sell assets to make ends meet. When my father eventually dies, I will have to look for a job in my retirement years. Apart from rental income, my MrFluffy property would have continued to appreciate in value, so that I could have sold it in about 15 years time to move into a retirement village. This aspiration is now beyond me and because I have spent time renovating my MrFluffy home, I now have to live with the risk of contracting an asbestos related disease for the rest of my life.

This man-made disaster could have been prevented with the right policy decision not to allow this dangerous product to be installed in the first place. I'm sure we will eventually discover more about the failed asbestos removal program of the 1980/90s. The claim that this government's Buyback and Demolish program will eradicate the problem forever

may also prove to be another fallacy. As with most government policies, there will be winners and losers out of this one-size fits-all eradication policy. Demolition and re-building may boost the ACT economy and allow the government to cut its losses or even profit from this disaster, but it will be people like me who pay the price. This initiative will eventually be seen as one of the biggest transfers of wealth from battlers like me to property developers and their supporters. I can only hope that one day, calls for a Royal Commission into this most unnatural disaster will become louder and louder.

Thank you for your consideration.

Cocks  
MrFluffy owner