

**2016**

**THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**QUARTERLY REPORT: UPDATE ON THE ACT GOVERNMENT'S RESPONSE TO  
THE ISSUE OF 'MR FLUFFY' LOOSE FILL ASBESTOS INSULATION  
1 JANUARY 2016 – 31 MARCH 2016**

**Presented by  
Mr Mick Gentleman MLA  
Minister for Workplace Safety and Industrial Relations**

## Contents

|                                                                                                                          |    |
|--------------------------------------------------------------------------------------------------------------------------|----|
| Overview .....                                                                                                           | 2  |
| Buyback Program .....                                                                                                    | 5  |
| Buyback Progress .....                                                                                                   | 5  |
| Asbestos Management Plans and Asbestos Contamination Reports .....                                                       | 7  |
| Demolition Program.....                                                                                                  | 7  |
| Demolition Scheduling .....                                                                                              | 7  |
| Demolition, Remediation and Deregistration.....                                                                          | 9  |
| Sales Program .....                                                                                                      | 11 |
| Communications and Engagement .....                                                                                      | 13 |
| Overview .....                                                                                                           | 13 |
| Communications and Engagement Activities .....                                                                           | 14 |
| Cluster Areas .....                                                                                                      | 14 |
| Asbestos Management Plan Morning Teas .....                                                                              | 18 |
| Media Briefings .....                                                                                                    | 18 |
| Integrated Marketing Campaign .....                                                                                      | 19 |
| Meeting with Council on the Aging .....                                                                                  | 19 |
| Neighbour Day Preparations.....                                                                                          | 20 |
| Supporting Affected Homeowners .....                                                                                     | 21 |
| Key Policy and Regulation.....                                                                                           | 26 |
| Government Responses to the Standing Committee on Public Accounts Report on Annual and Financial Reports 2014-2015 ..... | 26 |
| Recommendation 3 – Voluntary Eligible Impacted Property Buyback Program.....                                             | 26 |
| Government response: Agreed.....                                                                                         | 26 |
| Recommendation 4 – Land Rent Comparison .....                                                                            | 28 |
| Government response: Agreed.....                                                                                         | 29 |
| Recommendation 5 – Land Rent Consistency .....                                                                           | 32 |
| Government response: Agreed.....                                                                                         | 32 |
| Recommendation 6 – Taskforce Quarterly Report.....                                                                       | 33 |
| Government response: Agreed.....                                                                                         | 33 |
| Variation to the Territory Plan.....                                                                                     | 33 |
| Assisted Private Demolition Program .....                                                                                | 34 |
| Governance .....                                                                                                         | 34 |
| Conclusion.....                                                                                                          | 35 |

## **Taskforce Quarterly Report: 1 January 2016 – 31 March 2016**

### **Overview**

This is the sixth in a series of regular reports to the Legislative Assembly on implementation of the ACT Government's Loose Fill Asbestos Insulation Eradication Scheme (the Scheme). This report complements information available through the Asbestos Response Taskforce's (the Taskforce) existing communication channels including its website, social media and electronic newsletters. It is also in addition to other Assembly reporting through the Budget and Committee processes.

This report captures activity and achievements of the 1 January 2016 to 31 March 2016 period. This quarter was important in the ongoing safe and efficient delivery of the ACT Government's response to 'Mr Fluffy' loose fill asbestos. Demolitions progressed at a solid pace and preparations were being finalised for the first sales of remediated blocks to the public in mid-April 2016. Throughout this period a key focus remained on supporting those most affected by this issue and impacted by the work of the Taskforce – the former and current owners and tenants of Mr Fluffy houses – as well as neighbours and community around demolition works.

Key areas of activity during the 1 January 2016 – 31 March 2016 period included:

- achieving the 100<sup>th</sup> demolition on 15 March 2016 and a total of 109 houses demolished as at 31 March 2016. The Taskforce is well-placed to exceed its cumulative target of 250 demolitions by the end of 2016
- supporting current and former owners as well as the broader community understand the passage through the ACT Legislative

Assembly in February 2016 of planning changes (Territory Plan Variation 343) and extension of the Land Rent Scheme to eligible former owners of remediated blocks

- ongoing engagement with WorkSafe ACT to ensure community understanding and compliance with regulations which took effect from 1 February 2016. These regulations through the *Dangerous Substances Act (2004)* aim to minimise future exposure for people living in, working in or on, or visiting affected properties
- releasing the second six-monthly update of the indicative demolition schedule
- managing a smooth transition of responsibility in January 2016 for the issue of loose fill asbestos from the Chief Minister to the Minister for Workplace Safety and Industrial Relations as the ACT Government's response to the Mr Fluffy legacy moved to its next phase
- supporting the ACT Audit Office in its performance audit of the governance and financial arrangements of the Scheme
- implementing and refining the engagement strategy for cluster areas of affected houses (streets or neighbourhoods with two or more affected houses in close proximity)
- progressing the Voluntary Eligible Impacted Property Buyback Program which was introduced in November 2015 and which included 11 properties as at 31 March 2016
- continuing to assist the Australian National University's National Centre for Epidemiology and Population Health as it prepared for the distribution of the ACT Asbestos Health Study. The third of four components of the Health Study – a cross-sectional survey to assess the

health concerns of current and previous residents of Mr Fluffy houses - was released in May 2016.

Throughout this period the Taskforce also continued its strong collaboration and engagement with industry, regulators, community and other key stakeholders to ensure the safe, efficient and coordinated implementation of this complex social and capital response. This was underpinned by genuine and targeted communication and engagement activity.

As highlighted above and outlined in further detail later in this report, a key activity of the Taskforce over this period was the work to support the commencement of the resale process. The resale phase is one of the Taskforce's final key activities and will enable the necessary physical as well as psychological rebuilding and recovery to occur as new homes are built in suburbs free of loose fill asbestos.

The Taskforce also maintained a focus on communication, engagement and information provision during this period with detail of the Taskforce's activity reaching owners, neighbours and the broader community through a variety of communication platforms. Examples included continued Taskforce outreach services in key community centres; targeted door knocking across a number of cluster areas; the briefing of the media at significant milestones; the posting of regular and engaging social media content, e-newsletter and web content; coordination of a number of mail-outs to owners and neighbours and collaboration with external stakeholders, including WorkSafe ACT, community services and Council on the Aging (COTA).

Acquisitions continued during this period with 840 affected properties owned by the Territory at 31 March 2016.

Further detail of key Scheme activity undertaken between 1 January 2016 and 31 March 2016 is outlined below.

### **Buyback Program**

#### **Buyback Progress**

The ACT Government's first advice, informed by experts, has been and remains that affected properties should not be resided in. This is why the Government offered to purchase all properties through the voluntary Buyback Program as at 28 October 2014.

To date, more than 95 percent of owners have accepted offers and are participating in the Buyback Program.

As at 31 March 2016, 23 owners had elected not to participate. There were many personal considerations for owners deciding not to participate. Examples included owners wanting to demolish their house privately outside of the Scheme or deciding to leave future management and decision-making on the house to their estate. The Taskforce ensured that all owners had all available information and support to make an informed decision around participation. This included active identification of any barriers relating to health issues, English as a Second Language or disability, and the implementation of additional supports where appropriate.

Flexibility was exercised around settlement timelines for those owners participating. To date, more than 30 owners have indicated to the Taskforce they would like to stay in their houses until 30 June 2020 while a number of others (in excess of 60) have asked for a settlement between 1 April 2016 and 30 June 2020. These numbers continue to evolve as owners' personal situations or considerations change, such as the finding of a new property.

While no valuations on affected properties were undertaken between 1 January 2016 and 31 March 2016, the Taskforce did request and receive valuations on nine impacted properties this quarter.

Two owners sought to have a Presidential Determination undertaken on their property. This brought the total number of owner-initiated presidential requests to 36. The Taskforce has initiated a total of 10 presidential determinations in line with its policy position if the two standard valuations came in at greater than 10 per cent variance.

The average price paid for properties to date is \$709,218 and median is \$646,000. Offers range from \$360,000 to \$3 million. As at 31 March 2016, the total of offers made was \$752 million. A large proportion of owners have sought to exercise their stamp duty concession and purchase another property in the ACT with 560 concessions paid totalling \$13.4 million as at 31 March 2016.

The aggregate financial impact of the Scheme will continue to be updated as part of the Taskforce's normal budget updates and reporting processes. At this time the estimated net cost of the Scheme continues in line with initial Treasury projections of about \$400 million.

| <b>Key Buyback Statistics – totals as at 31 March 2016</b>              |                         |
|-------------------------------------------------------------------------|-------------------------|
| <b>Offers accepted</b>                                                  | 974                     |
| <b>Properties owned by Territory</b>                                    | 840                     |
| <b>Private demolitions approved<br/>(contract prior to 28 Oct 2014)</b> | 12                      |
| <b>ACT Government Housing properties</b>                                | 5                       |
| <b>Range of offers made</b>                                             | \$360,000 - \$3 million |
| <b>Total of offers accepted</b>                                         | \$703,398,543           |
| <b>Average price paid for properties</b>                                | \$706,035               |
| <b>Median price paid for properties</b>                                 | \$646,000               |
| <b>Presidential Determinations</b>                                      | 63                      |

## **Asbestos Management Plans and Asbestos Contamination Reports**

Owners not surrendering their affected property through the Buyback Program before 1 July 2016 must have had an Asbestos Management Plan lodged to WorkSafe ACT by 1 February 2016 and implemented the report's recommendations within six months of the plan being developed.

Asbestos Management Plans are a temporary and medium term measure to minimise future exposure risks for those owners choosing to remain in their affected properties.

WorkSafe ACT is regulating these requirements under the *Dangerous Substances Act (2004)*. During the 1 January 2016 – 31 March 2016 period, the Taskforce worked to ensure owners were aware of their responsibilities by:

- including regular reminders of the 1 February 2016 deadline in Taskforce communications including e-newsletters
- the holding of two information sessions in January 2016 for owners with WorkSafe ACT and asbestos assessors also present to support
- ongoing meetings with WorkSafe ACT to discuss the implementation of the Asbestos Management Plan framework.

## **Demolition Program**

### **Demolition Scheduling**

The Taskforce, in partnership with Procurement and Capital Works (PCW) and other directorates in the ACT Government, continues to engage with industry around the Demolition Program.

A key activity for the Taskforce during the last quarter was the updating of the demolition schedule for the next six months, with amendments reflecting industry capacity, additional surrendered properties and the ongoing work to



ensure ongoing efficiencies across the Demolition and subsequent Sales Programs.

A range of factors drive the scheduling outcomes such as properties subject to a First Right of Refusal, those located in cluster areas or in bushfire zones and considerations around those subject to planning provisions or in heritage areas.

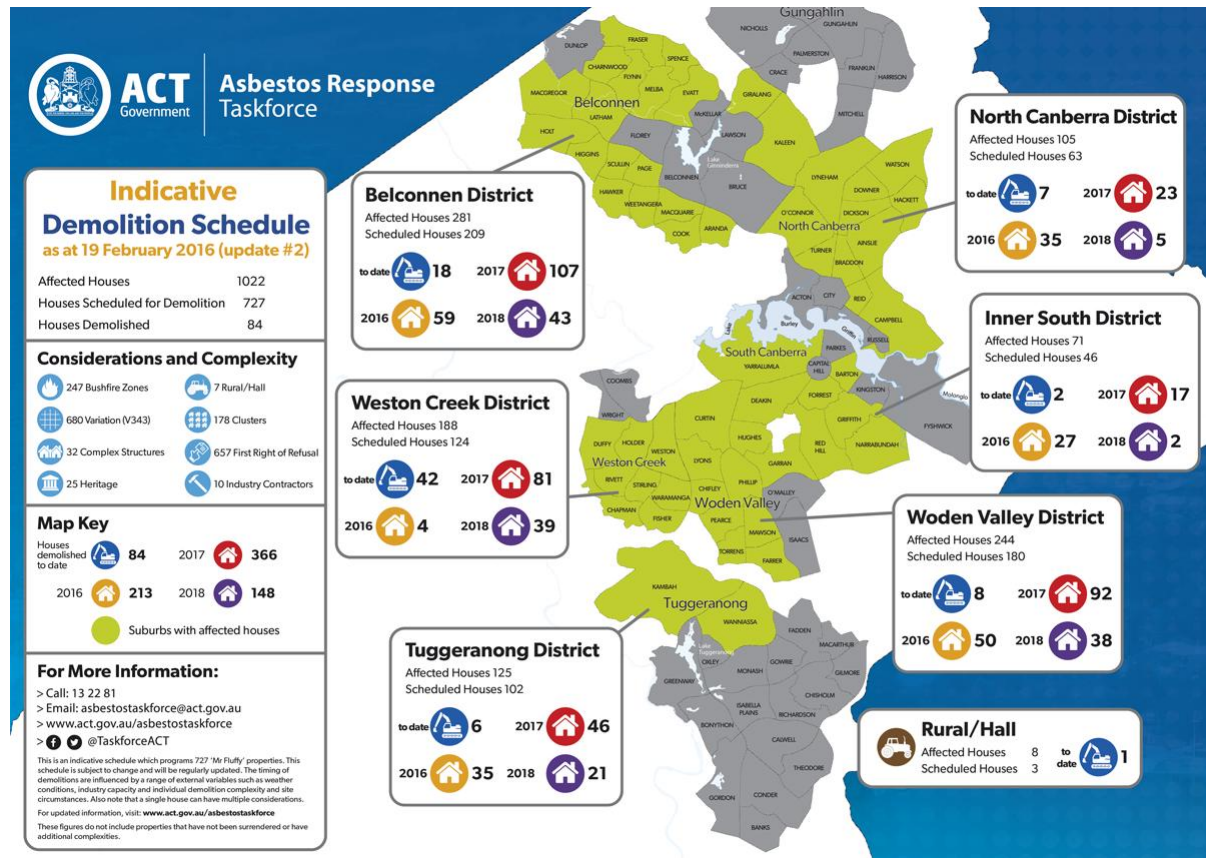
Underpinning the scheduling and demolition activity is the Government's direction that these works occur safely, efficiently and effectively while minimising disruption to the community where possible.

The indicative demolition schedule also underpins the procurement activity for industry and supports industry develop their capacity through planning, training and investing in appropriate equipment. Properties are scheduled for demolition in groups which allow contractors to efficiently coordinate the necessary work by suburb or district which in turn reduces disruption to the community.

The Taskforce has committed to release updated schedules every six months in February and August, or earlier if appropriate. As at the February 2016 update, 727 properties were scheduled for demolition. This number was an increase from the 671 properties in the first schedule released in August 2015.

With each release of the schedule, the Taskforce informs owners of their property's scheduled demolition window in detail. Scheduling information for the broader public is provided at the suburb level so they have a general understanding of activity taking place across the Territory.

## February 2016 Indicative Demolition Schedule of 727 properties



## Demolition, Remediation and Deregistration

As at 31 March 2016, a total of 109 houses had been demolished. The Demolition Program is on track to exceed the cumulative target of 300 houses demolished by the end of 2016.

The Taskforce, regulators and industry are working collaboratively to ensure the safe and efficient demolition of properties and this includes regular reporting, including through the Taskforce's governance group, the Eradication Scheme Steering Committee (ESSC).

With the experience of over 100 demolitions, a number of refinements and innovations have been introduced by demolition contractors and supported by WorkSafe ACT.

The Taskforce continues to keep neighbours informed of refinements which may change their expectation of how the demolition activity is to occur. This includes through materials such as the Information Sheet at the link below which was published on 11 March 2016, is letter box dropped to neighbours as part of the notification process and publicly available at:

[http://www.asbestostaskforce.act.gov.au/\\_data/assets/pdf\\_file/0005/839561/ART-Demolition-Innovation-InfoSheet-20160311.pdf](http://www.asbestostaskforce.act.gov.au/_data/assets/pdf_file/0005/839561/ART-Demolition-Innovation-InfoSheet-20160311.pdf)

The Taskforce has the responsibility of maintaining the Affected Residential Premises Register, which includes addresses of residential premises affected by loose fill asbestos insulation. This includes removing properties from the Register after demolition, subject to the necessary clearance requirements.

As at 31 March 2016, 70 houses had been deregistered. This total included 11 houses demolished privately or under the Assisted Private Demolition Program (see page 33).

The Mr Fluffy property in Page damaged by fire last year, which was mentioned in the previous Quarterly Report as being encapsulated, remains privately-owned. The Taskforce and WorkSafe ACT continue to work with the owner regarding the future of the property to support the owner's decision making and also in keeping neighbouring residents informed.

| Key Demolition Statistics – totals to 31 March 2016                           |                                                                             |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Houses demolished                                                             | 109                                                                         |
| Yearly targets for demolition                                                 | 2015: 50 houses<br>2016: 200 houses<br>2017: 300 houses<br>2018: 300 houses |
| Number of Head Contractors Appointed                                          | 10                                                                          |
| Number of properties scheduled for demolition                                 | 727                                                                         |
| Number of doorknocks to date to inform community about the Demolition Program | 610                                                                         |

### **Sales Program**

After each house is safely demolished, the waste removed, footprint of the house remediated and block removed from the Affected Residential Premises Register, the block is available for resale.

The resale progress is an important final phase of the Scheme, enabling the defraying of some of the substantial cost of the Government's response to this issue as well as supporting the physical and psychological rebuilding which comes as new houses are built in suburbs free from the legacy issue of Mr Fluffy.

The sales phase has two streams - the offering of blocks for sale to eligible former owners who hold a First Right of Refusal (FROR), then to ACT Government agencies before public sale through the Land Development Agency (LDA).

Underpinning both the public sales and the FROR sales is a common independent valuation process administered by the LDA, whereby independent valuers set the best and highest use value of the block.

Valuers use a 'direct comparison' method of valuation to determine a current market value for residential blocks. Considerations include location, elevation,

block shape and date of sales evidence for similar properties in the suburb and surrounding areas.

Two independent valuations are sought by the LDA from the valuers with formulas in place by the LDA to inform the block's market value in the case of variations. The formulas are:

- If the difference between the two valuations is 10% or less – the selling price is at least the higher valuation.
- If the difference is between 10% and 15% – the selling price is at least 10% above the lowest valuation.
- If the difference is greater than 15%, a third valuation will be ordered and the selling price will be at least the average of the three valuations and not less than 10% above the lowest valuation.

The price is then offered to an owner through FROR or becomes the minimum reserve price for a public auction. This means that a block will not sell for less at auction than what was offered to a former owner under a FROR entitlement.

Resale prices are valid for six months and are not negotiable. Further detail on how blocks are valued is publicly available on the Taskforce and LDA's websites.

It is estimated that even after the resale of blocks, there will be a net cost of \$400 million to the community.

In March 2016 the process of selling remediated blocks began just shy of two years since the establishment of the Taskforce.

The LDA has responsibility for the marketing program and on 11 March 2016, it released 10 blocks for the first public auction events on 12 and 14 April 2016.

The LDA has appointed two sales agents to market the blocks - Independent Property Group for blocks in the Inner South, Inner North and Belconnen and Ray White for blocks in Tuggeranong, Weston Creek and Woden.

The Taskforce and the LDA continue to work closely with the Agents to ensure the best outcomes are achieved for the community through the sales program.

## **Communications and Engagement**

### **Overview**

The Demolition Program restarted in mid-January 2016 following the festive season industry shutdown and the Taskforce continued to work closely with media to educate and inform the community about this important work.

Work continued in this period to refine as well as grow the Taskforce's multiple communication platforms to ensure comprehensive, relevant and regular information continued to be provided. As a reflection of this, the Taskforce's web presence increased with over 30,000 page views in the reporting period. The Taskforce's website continues to be a key part of the broader community education on the Demolition Program, providing details on scheduling and activity as well as links to educational videos, health information and informative resources.

## **Communications and Engagement Activities**

Communications and engagement activities which inform, educate and support the community about the Scheme and demolition activity continues to be a high priority for the Taskforce.

### ***Cluster Areas***

There are 186 'cluster areas' where there are two or more affected houses in close proximity. These are located across 45 suburbs with a total of 3,500 neighbours impacted. Due to the concentrated nature and scale of the Taskforce's activity in these areas clusters remain a key focus for the engagement effort.

The Taskforce has been active in many of these areas with door knocking to discuss the demolition and rebuilding processes. The Taskforce has also undertaken a number of targeted mail-outs to owners and to neighbours in demolition cluster areas.

As well as supporting information and education provision on the demolition process, the Taskforce will also be working with those communities around change management noting renewal will occur in the coming years.

Detail at the suburb level on clusters is outlined in the map info graphics below.



**ACT**  
Government

## Asbestos Response Taskforce

### Cluster Breakdown – Belconnen

| Suburb       | Clusters of 2 | Clusters of 3 | Clusters of 4 | Clusters of 5+ | Total Clusters |
|--------------|---------------|---------------|---------------|----------------|----------------|
| Aranda       |               |               | 2             |                | 2              |
| Charnwood    |               | 3             |               |                | 3              |
| Cook         | 2             | 1             |               |                | 3              |
| Evatt        |               | 1             |               |                | 1              |
| Flims        | 2             | 2             |               |                | 4              |
| Fraser       | 1             | 1             |               |                | 2              |
| Giralang     |               |               |               |                | 0              |
| Hawker       | 2             | 1             |               |                | 3              |
| Higgins      | 1             |               |               | 1              | 2              |
| Holt         | 1             |               | 1             |                | 2              |
| Kaleen       |               |               |               |                | 0              |
| Latham       | 2             | 2             |               | 1              | 5              |
| Macgregor    | 1             |               | 1             |                | 2              |
| Macquarie    | 1             | 1             |               |                | 2              |
| Melba        | 2             | 2             | 1             |                | 5              |
| Page         |               |               |               |                | 0              |
| Scullin      | 3             | 1             |               |                | 4              |
| Spence       |               |               |               |                | 0              |
| Weetangera   | 4             |               |               |                | 4              |
| <b>Total</b> | <b>22</b>     | <b>15</b>     | <b>5</b>      | <b>2</b>       | <b>44</b>      |

### Map Key

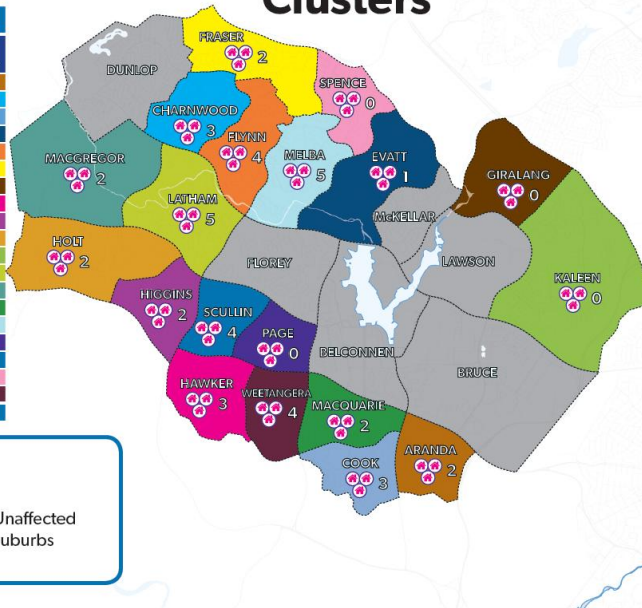


Clusters of two or more affected houses in close proximity



Unaffected suburbs

## Belconnen Clusters



**ACT**  
Government

## Asbestos Response Taskforce

### Cluster Breakdown – North Canberra

| Suburb       | Clusters of 2 | Clusters of 3 | Clusters of 4 | Clusters of 5+ | Total Clusters |
|--------------|---------------|---------------|---------------|----------------|----------------|
| Ainslie      | 3             |               |               |                | 3              |
| Braddon      |               |               |               |                | 0              |
| Campbell     | 1             |               |               |                | 1              |
| Dickson      | 2             |               |               |                | 2              |
| Downer       |               |               |               |                | 0              |
| Hackett      | 3             |               | 2             | 1              | 6              |
| Lyneham      |               | 1             |               |                | 1              |
| O'Connor     | 2             |               |               |                | 2              |
| Reid         |               |               |               |                | 0              |
| Turner       |               |               |               |                | 0              |
| Watson       | 4             |               |               |                | 4              |
| <b>Total</b> | <b>15</b>     | <b>1</b>      | <b>2</b>      | <b>1</b>       | <b>19</b>      |

### Map Key

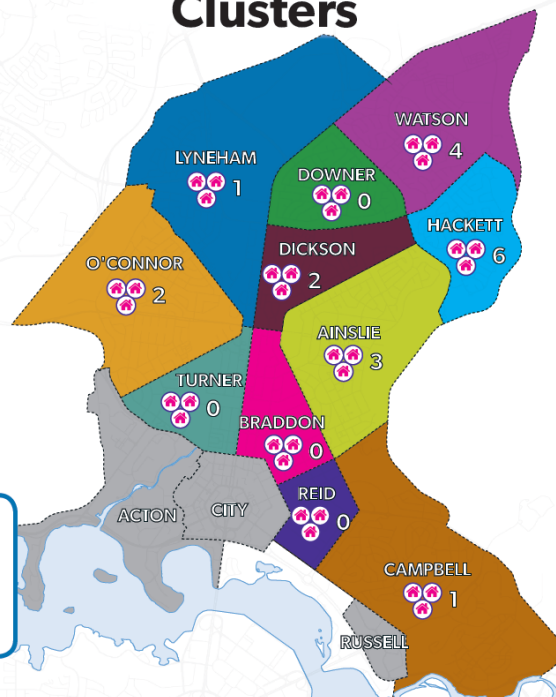


Clusters of two or more affected houses in close proximity



Unaffected suburbs

## North Canberra Clusters



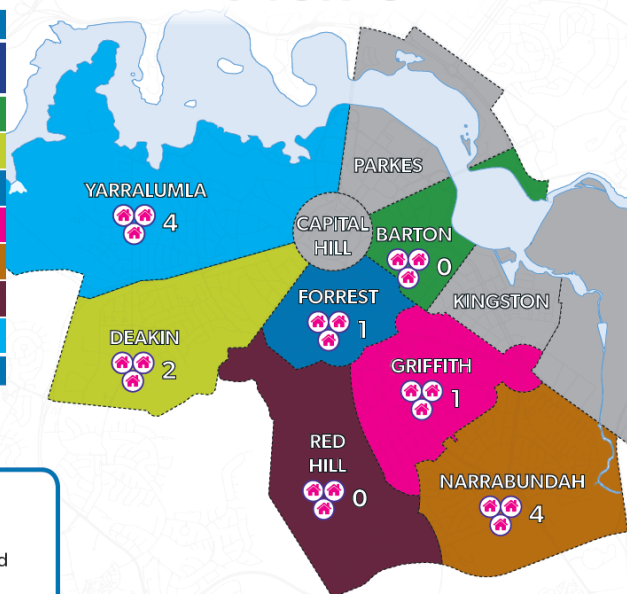




## Asbestos Response Taskforce

| Cluster Breakdown – South Canberra |               |               |               |                |                |
|------------------------------------|---------------|---------------|---------------|----------------|----------------|
| Suburb                             | Clusters of 2 | Clusters of 3 | Clusters of 4 | Clusters of 5+ | Total Clusters |
| Barton                             |               |               |               |                | 0              |
| Deakin                             | 1             | 1             |               |                | 2              |
| Forrest                            | 1             |               |               |                | 1              |
| Griffith                           | 1             |               |               |                | 1              |
| Narrabundah                        | 3             |               | 1             |                | 4              |
| Red Hill                           |               |               |               |                | 0              |
| Yarralumla                         | 3             | 1             |               |                | 4              |
| Total                              | 9             | 2             | 1             | 0              | 12             |

## South Canberra Clusters



### Map Key



Clusters of two or more affected houses in close proximity



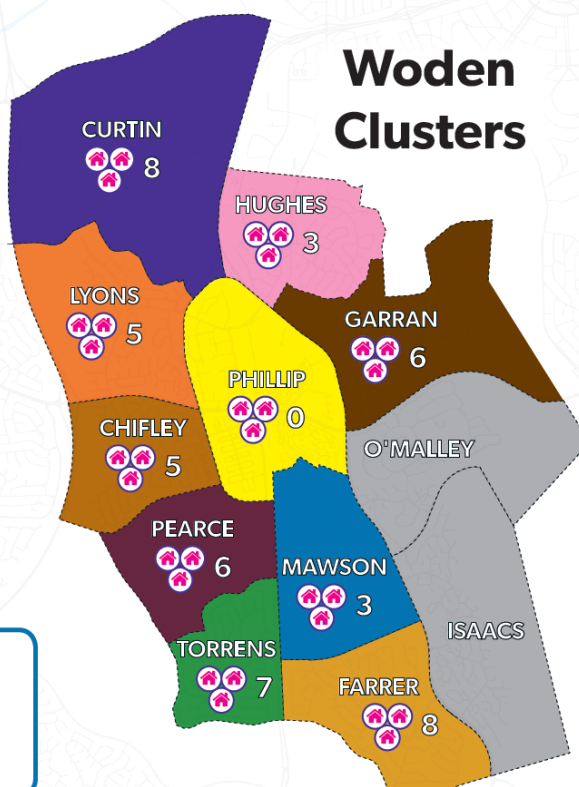
Unaffected suburbs



## Asbestos Response Taskforce

| Cluster Breakdown – Woden |               |               |               |                |                |
|---------------------------|---------------|---------------|---------------|----------------|----------------|
| Suburb                    | Clusters of 2 | Clusters of 3 | Clusters of 4 | Clusters of 5+ | Total Clusters |
| Chifley                   | 5             |               |               |                | 5              |
| Curtin                    | 5             |               | 3             |                | 8              |
| Farrer                    | 3             | 3             | 2             |                | 8              |
| Garran                    | 4             | 2             |               |                | 6              |
| Hughes                    | 3             |               |               |                | 3              |
| Lyons                     | 1             | 2             | 1             | 1              | 5              |
| Mawson                    | 1             | 2             |               |                | 3              |
| Pearce                    | 3             |               | 1             | 2              | 6              |
| Phillip                   |               |               |               |                | 0              |
| Torrens                   | 3             | 1             | 3             |                | 7              |
| Total                     | 28            | 10            | 10            | 3              | 51             |

## Woden Clusters



### Map Key



Clusters of two or more affected houses in close proximity



Unaffected suburbs



**ACT**  
Government

## Asbestos Response Taskforce

**Cluster Breakdown – Weston Creek**

| Suburb       | Clusters of 2 | Clusters of 3 | Clusters of 4 | Clusters of 5+ | Total Clusters |
|--------------|---------------|---------------|---------------|----------------|----------------|
| Chapman      | 3             | 1             | –             | 1              | 5              |
| Duffy        | 5             | –             | –             | –              | 5              |
| Fisher       | 4             | 3             | 1             | –              | 8              |
| Holder       | 6             | –             | –             | 1              | 7              |
| Rivett       | 1             | 2             | –             | 1              | 4              |
| Stirling     | 1             | –             | 1             | –              | 2              |
| Waramanga    | –             | –             | –             | 1              | 1              |
| Weston       | 2             | 1             | –             | 1              | 4              |
| <b>Total</b> | <b>22</b>     | <b>7</b>      | <b>1</b>      | <b>6</b>       | <b>36</b>      |

### Map Key

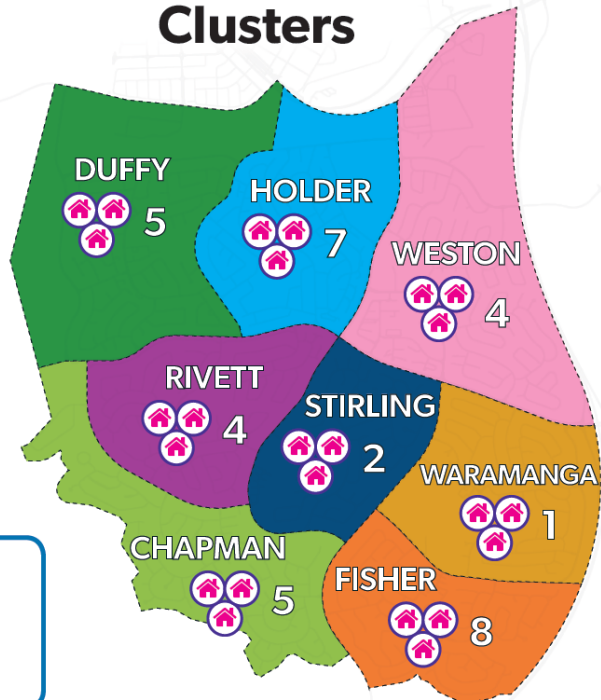


Clusters of two or more affected houses in close proximity



Unaffected suburbs

## Weston Creek Clusters



**ACT**  
Government

## Asbestos Response Taskforce

**Cluster Breakdown – Tuggeranong**

| Suburb       | Clusters of 2 | Clusters of 3 | Clusters of 4 | Clusters of 5+ | Total Clusters |
|--------------|---------------|---------------|---------------|----------------|----------------|
| Kambah       | 8             | 8             | 3             | 2              | 21             |
| Wanniassa    | 2             | –             | 2             | –              | 4              |
| <b>Total</b> | <b>10</b>     | <b>8</b>      | <b>5</b>      | <b>2</b>       | <b>25</b>      |

### Map Key

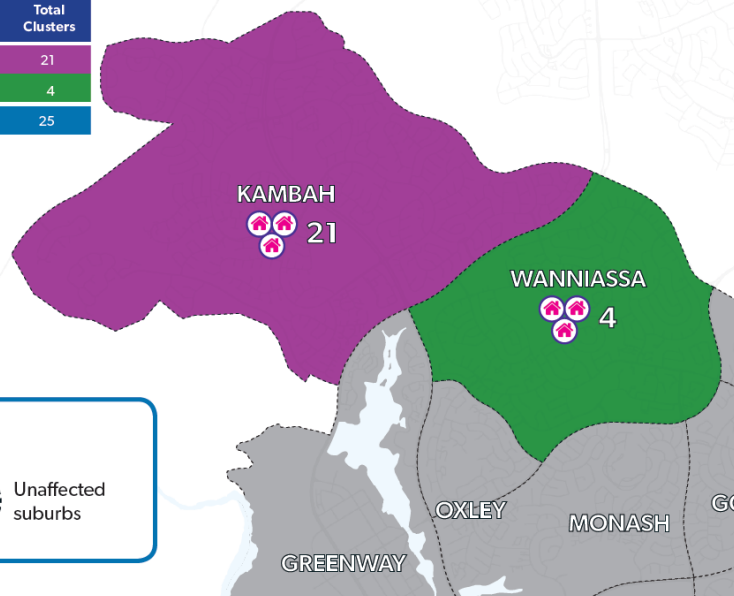


Clusters of two or more affected houses in close proximity



Unaffected suburbs

## Tuggeranong Clusters



### ***Asbestos Management Plan Morning Teas***

The Taskforce held two morning teas in January 2016 for owners choosing to remain in their homes in the medium term, against the Government's advice to vacate the properties.



**Morning Tea Management Plan Workshop and Morning tea, 27 January 2016**

Representatives from WorkSafe ACT and asbestos assessors were available to discuss with owners the new regulations under the *Dangerous Substances Act (2004)* and how Asbestos Management Plans would be undertaken as well as monitored. The morning teas also provided an opportunity for owners to network and share experiences. Members of the Taskforce were also available to discuss individual circumstances or to answer any queries about the Buyback Program.

### ***Media Briefings***

Working with local media has been a key focus of the Taskforce since its inception, noting the important role media play in educating and informing the community on key issues, such as the Mr Fluffy response.

Due to the technical aspects of this issue, regular background briefings are held to support knowledge and understanding and proactive updates provided. This

work continued in the last quarter with regular radio appearances by the Taskforce as well as engagement with other mediums.



**Head of Taskforce, Andrew Kefford, undertaking media interviews on Demolition Program, 4 February 2016**

### ***Integrated Marketing Campaign***

An integrated marketing approach for the public sale of remediated blocks was developed by the Taskforce and the LDA in partnership with the Sales Agents in this period to effectively and strategically position the land sales, taking into account their location in established areas, community sensitivities with the goal of assisting to defray the costs of the Buyback and Demolition Programs.

It was also important for the Government and the Taskforce that the Sales Agents had a strong understanding of the history of this legacy issue as well as the Scheme and their role in what is the next phase, being public sales. The impact of this issue to those directly affected was communicated to the Agents and this supported a sensitive approach to practice.

### ***Meeting with Council on the Aging***

The Taskforce continues to work with the COTA around ongoing support for elderly owners remaining in affected houses or transitioning through the Scheme.

A meeting occurred during this reporting period on 2 March 2016 and COTA continues to join the Taskforce and have a presence at a number of its community engagement activities for owners and the community as well as support the Taskforce through provision of information or a referral practice.

### ***Neighbour Day Preparations***

During the reporting period, the Taskforce was actively engaged with preparations for the Kambah Neighbour Day Community Celebration which was held on 2 April 2016.



This event provided an opportunity for the Taskforce as well as community partners to provide information to residents in the Kambah and Wanniasa region who will feel the demolition and rebuild activity strongly over the next few years with 102 affected properties and 26 cluster areas.

An in-depth summary of the event will be included in the April-June 2016 Quarterly Report.

| Key communications and engagement statistics - totals to 31 March 2016 |                               |
|------------------------------------------------------------------------|-------------------------------|
| Website                                                                | 262,930 page views            |
| Information Sheets                                                     | over 40 published             |
| YouTube views                                                          | 2,982                         |
| Doorknocking                                                           | 610 doorknocks for neighbours |

|                                                               |                                                                             |
|---------------------------------------------------------------|-----------------------------------------------------------------------------|
| <b>Newsletter</b>                                             | 51 editions<br>52,376 total readership                                      |
| <b>Letterbox drops and mail outs</b>                          | more than 24 mail outs to owners and cluster areas totalling 16,800 letters |
| <b>Social media</b>                                           | 587 posts on Facebook reaching 286,578 people                               |
| <b>Public Forums/ Drop In Sessions/ Engagement Activities</b> | 18 with 1,800 people in attendance                                          |
| <b>Media mentions</b>                                         | 28,636                                                                      |

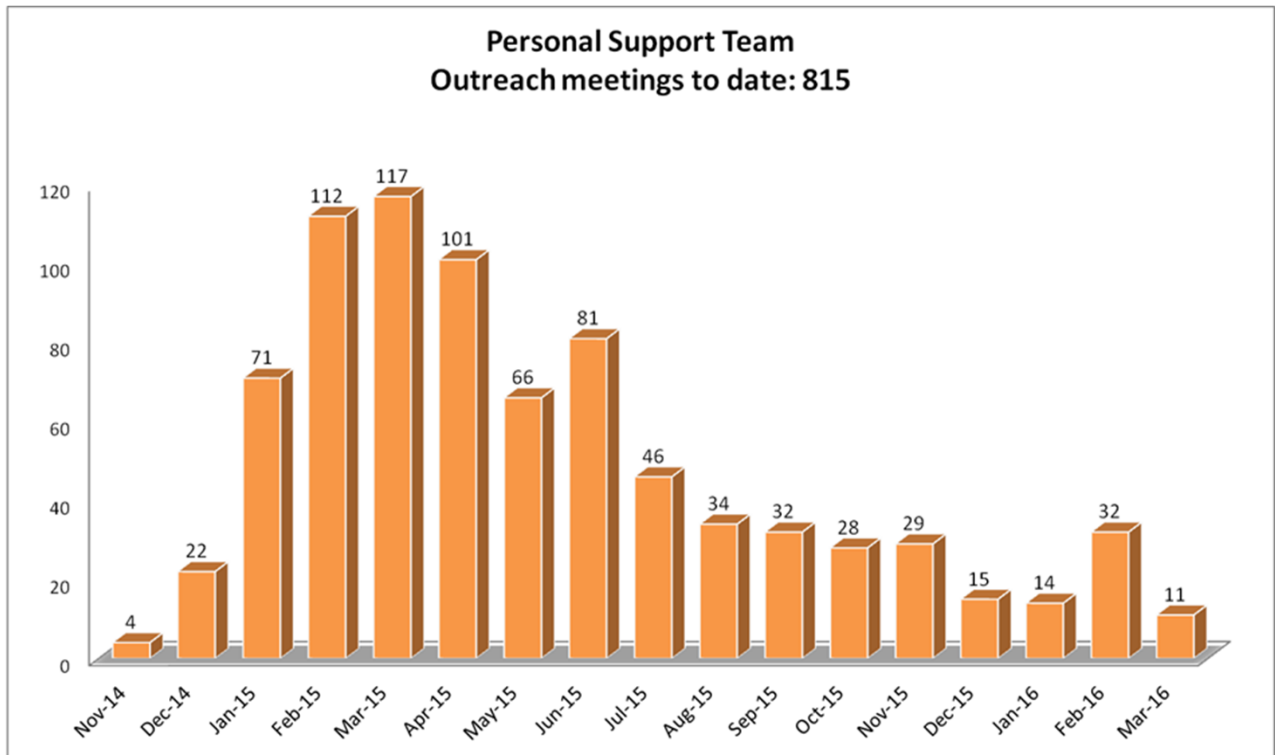
### **Supporting Affected Homeowners**

A key part of the Taskforce's support for homeowners has been, and remains, intensive one on one engagement through the Personal Support Team (PST). Homeowners are assigned officers based on geographical areas and in most cases have had the continuity of the one officer throughout their experience with the Taskforce.

In this quarter, members of PST were co-located one day each week at Woden Community Services, Nature Conservation House Belconnen and the Tuggeranong Community Health Centre providing support and greater connectivity for owners and neighbours in their community and seamless referral to community based services as needed.

In total since the community-based locations came online in November 2014, there have been 815 meetings held at these sites. In the reporting period, there were 57 meetings. This does not include meetings held in central office and those with members of the Taskforce Executive Team.





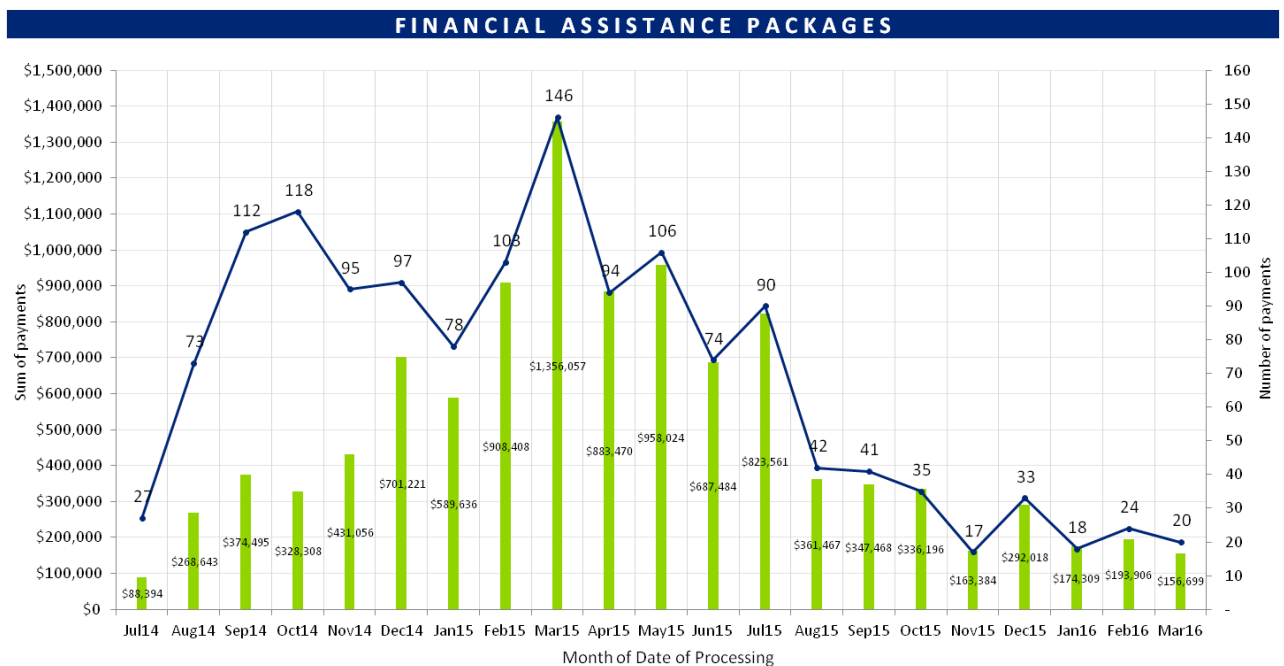
In the reporting period, there were 2,415 interactions with homeowners recorded by the Taskforce in its client management database bringing a total of 34,340 interactions overall since the Taskforce formed.

The Taskforce securely keeps information on the nature of the contacts and key issues or questions raised and uses this to further inform its communications and support to other homeowners.

The Taskforce continued to administer financial assistance to homeowners through emergency funding or payment of Relocation Assistance Grants to support the transition to safer accommodation. Assistance of \$10,000 per household and an additional \$2,000 per dependent who resided at the property, minus any previous assistance is provided. Landlord assistance is also available at \$5,000.

Between January 2016 and March 2016, 62 financial assistance payments were made totalling \$0.5 million. In total, \$10.4 million has been funded to date and

a total of 888 former owners have received their full entitlement of financial assistance.



Support provided to homeowners does not end after a property has been acquired. The Taskforce continues to remain in contact with owners seeking additional support and advice as they settle into new communities or seeking to exercise their FROR and return to their blocks.

At present there are 679 owners who have indicated they would still like to reserve their FROR. However, this number is expected to decrease as owners purchase other properties or determine returning to their former blocks is no longer suitable for their circumstances.

As noted previously in the report, the Taskforce is tracking stamp duty concessions as one of the indicators of likelihood of future return to remediated blocks, with 560 concessions now exercised by owners in purchasing other property in the ACT.



The Taskforce is maintaining contact with former owners as they move through the Scheme and if appropriate provides support as they settle into new communities (such as facilitating connections with in-area community organisations, councils and service providers).

| <b>Support for homeowners – totals to 31 March 2016</b>      |                                         |
|--------------------------------------------------------------|-----------------------------------------|
| <b>Homeowner meetings at Outreach Locations</b>              | 815                                     |
| <b>Financial Assistance Packages Completes</b>               | 888                                     |
| <b>Financial support provided</b>                            | \$10.4 million                          |
| <b>Individual interactions with homeowners and community</b> | more than 34,000                        |
| <b>Calls taken by the Access Canberra Call Team</b>          | over 12,000                             |
| <b>Senior Morning Teas</b>                                   | 8 with a total of 300 attendees         |
| <b>Business/partnerships/ banks</b>                          | 16 banks<br>5 businesses<br>3 utilities |

Some key milestones of the two years since the establishment of the Taskforce are noted on the following page:

# Taskforce Activity

@ March 2016



ACT  
Government

Asbestos Response  
Taskforce

**262,930** page views

of the Taskforce  
website since 2015



**2,982**

YOUTUBE  
VIEWS

**6,686**

FACEBOOK  
VIDEO  
VIEWS

**587** f

Facebook posts  
reaching  
286,578  
people

**51**

Taskforce  
e-newsletters  
sent

**52,376**

e-newsletter  
total readership

**28,636**

media  
mentions

**33,000**



contacts with owners  
and community

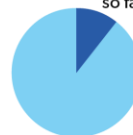


**Houses demolished: 109**



Houses scheduled for  
demolition by 2018: 811  
(includes those demolished)

Houses demolished  
so far: 11%



Houses to be  
demolished: 89%

**Properties deregistered: 70**  
(59 through the ART program,  
7 through Assisted Private Demolition,  
4 Self-funded private)



**16,800**

Letters for  
homeowners  
and neighbours



**560**

Stamp Duty  
Concessions paid

Value: \$13.4 million



**888**

Relocation Grants of up to  
\$14,000 each



Support assistance provided  
to homeowners

**\$10.4**  
million



Market value of affected properties purchased



**\$596.7**  
million

**Developing**

**35+**  
pieces  
of legislation

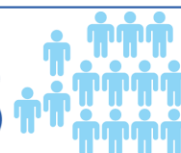


**Doorknocking**  
**28 locations**



**610 doorknocks**  
for neighbours

**18**



public forums



## **Key Policy and Regulation**

### **Government Responses to the Standing Committee on Public Accounts Report on Annual and Financial Reports 2014-2015**

#### ***Recommendation 3 – Voluntary Eligible Impacted Property Buyback Program***

*The Standing Committee on Public Accounts (the Committee) recommends that the ACT Government detail to the ACT Legislative Assembly by the last sitting day in May 2016, as to the:*

- i. basis for extending the Loose-fill Asbestos Insulation Eradication Scheme (the Scheme) to impacted dwellings in close proximity to affected properties;*
- ii. number of affected properties that will be impacted; and*
- iii. implications of this amended coverage on the Scheme—for example, financial, eligibility for inclusion and staging considerations.*

#### ***Government response: Agreed***

The Scheme is designed to eradicate the ongoing exposure risks from the continuing presence of loose fill asbestos insulation in Canberra residential properties. This is being achieved through the demolition of affected properties.

A small number of affected properties share a wall, and in some cases a roof space, with one or more adjoining properties. In these cases, it may not be possible to safely and efficiently demolish the affected property and completely remove the risks of loose fill asbestos insulation unless some or all of the adjoining property is demolished. The *Civil Law (Sale of Residential Properties) Act (2003)* has therefore been amended to enable such adjoining properties to be determined to be eligible impacted properties and invited to

apply for the voluntary Eligible Impacted Property Buyback Program (the Impacted Program).

It was originally thought that over 20 affected properties shared a structure with a neighbouring property. For each of those neighbouring properties, which were referred to as 'potentially impacted properties', consideration was given to:

- whether the dwelling was structurally dependent on, or shared part of a structure (such as a wall, roof or sub-floor), with the associated affected property
- whether there was migration pathways for asbestos fibres identified between the potentially impacted property and the associated affected property
- whether loose fill asbestos insulation was found in the potentially impacted property
- whether the structure and/or location of the potentially impacted property posed an obstacle to efficient demolition of the associated affected property.

This assessment resulted in 11 properties (associated with 9 affected properties) being determined to be eligible impacted properties.

The purpose of the ACT Government offering to purchase an eligible impacted property is to facilitate the safe and efficient demolition of an affected property that has been, or will be, acquired by the Territory under the Scheme. The ACT Government will therefore not offer to purchase a potentially impacted property where the owner of the adjoining affected property is not participating in the Buyback Program.

Support and assistance available to the owners of eligible impacted properties are similar to that available to the owners of affected properties. Where the owner chooses to apply to the Impacted Program, properties are being independently valued as at 19 November 2015, being the day the Impacted Program was announced. Owners participating in the Impacted Program are eligible for stamp duty concession on their next purchase of a residential property within the ACT, and are eligible for a Relocation Assistance Grant to assist with the cost of moving.

\$10.6 million was re-allocated from the broader Scheme appropriations in the 2015-16 Budget Review to manage the costs associated with the Impacted Properties. These costs are being met from existing Scheme appropriations.

Offers have been made on nine eligible impacted properties to date (with one settlement occurring in February), totalling just over \$4.5 million.

Affected properties with associated eligible impacted properties have not been entered on the demolition schedule until it is known whether the owner of the eligible impacted property wishes to participate in the Impacted Program.

#### ***Recommendation 4 – Land Rent Comparison***

*The Committee recommends that the ACT Government detail to the ACT Legislative Assembly, by the last sitting day in April 2016, the differences between the provisions of the Land Rent Scheme as it applies to land rent leases granted to: (i) former ‘Mr Fluffy’ home owners (affected residential premises); (ii) those who have owned properties impacted by a ‘Mr Fluffy’ home (eligible impacted properties); and (iii) other persons/household (non-affected Mr Fluffy leases).*

*This comparison should include information on: (i) applicable land; (ii) eligibility criteria; (iii) requirement to attend an information course; (iv) land rent payable; (v) liability for duty; (vi) cost of conversion to a nominal crown lease; and (vii) availability of option to transfer land rent lease.*

**Government response: Agreed**

The ACT Government has been clear since the Scheme was announced on 28 October 2014 that remediated blocks would be offered for sale at market value at the point of sale. The Land Rent arrangements which have recently been extended to Mr Fluffy blocks are consistent with this approach.

Land Rent eligibility criteria remain consistent between remediated and greenfield blocks, and the quantum of rent is calculated on the remediated Unimproved Land Value. However, noting that all Mr Fluffy owners are repurchasing remediated blocks at market value, at the point of conversion owners land renting also purchase the remediated blocks at market value.

It is important to understand that in its greenfield application there is an option for owners to convert the lease at unimproved or market value. This is because in new estates these two values are, in effect, the same. In this application with blocks in established suburbs, this is not the case. This was an important amendment to reduce incentive for gaming of this generous support. Also, as the assistance is to enable former owners in this context to return to blocks, Land Rent Leases cannot be passed to another owner at point of resale and needs to be converted to a Full Lease.

Land Rent enables eligible owners to put their finances into rebuilding a house, rather than paying for the land outright. Owners are able to rent indefinitely or convert when their circumstances change.

| <b>LAND RENT</b>            | <b>Former owners of affected residential premises</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Former owners of eligible impacted properties</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Other Land Rent lessees (i.e. for blocks that are not former affected premises or former eligible impacted properties)</b>                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Applicable land</b>      | Land rent on a former affected property is only available to the former owner who surrendered that property to the Territory under the Loose Fill Asbestos Insulation Eradication Scheme Buyback Program and is exercising their FROR to repurchase that block.                                                                                                                                                                                                                                                                                              | Land rent on a former eligible impacted property is only available to the former owner who sold that property to the Territory under the Eligible Impacted Property Buyback Program and is exercising their FROR to repurchase that block.                                                                                                                                                                                                                                                                                                                   | Any new block of land released by the LDA to the public will be available for land rent. New greenfield blocks of land released by the LDA.                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Eligibility Criteria</b> | <p>Same as for other Land Rent lessees with leases first granted on or after 1 October 2013:</p> <ul style="list-style-type: none"> <li>total gross income not exceeding \$160,000; threshold is increased by \$3,300 for each dependent child</li> <li>lessees who enter the Land Rent Scheme cannot own any other real property at any time while leasing a land rent block</li> <li>at least one of the lessees who enter the Land Rent Scheme must reside in the property built on the block, once a Certificate of Occupancy has been issued</li> </ul> | <p>Same as for other Land Rent lessees with leases first granted on or after 1 October 2013:</p> <ul style="list-style-type: none"> <li>total gross income not exceeding \$160,000; threshold is increased by \$3,300 for each dependent child</li> <li>lessees who enter the Land Rent Scheme cannot own any other real property at any time while leasing a land rent block</li> <li>at least one of the lessees who enter the Land Rent Scheme must reside in the property built on the block, once a Certificate of Occupancy has been issued</li> </ul> | <p>Unchanged – for Land Rent leases first granted on or after 1 October 2013:</p> <ul style="list-style-type: none"> <li>total gross income not exceeding \$160,000; threshold is increased by \$3,300 for each dependent child</li> <li>lessees who enter the Land Rent Scheme cannot own any other real property at any time while leasing a land rent block</li> <li>at least one of the lessees who enter the Land Rent Scheme must reside in the property built on the block, once a Certificate of Occupancy has been issued</li> </ul> |

| <b>LAND RENT</b>                                   | <b>Former owners of affected residential premises</b>                                                                                                                                                                                                                                                                                                                                   | <b>Former owners of eligible impacted properties</b>                                                                                                                                                                                                                                                                                                 | <b>Other Land Rent lessees (i.e. for blocks that are not former affected premises or former eligible impacted properties)</b>                 |
|----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Requirement to attend information course</b>    | Yes, must attend information course before taking up land rent lease                                                                                                                                                                                                                                                                                                                    | Yes, must attend information course before taking up land rent lease                                                                                                                                                                                                                                                                                 | Yes, must attend information course before taking up land rent lease                                                                          |
| <b>Land rent payable</b>                           | The land rent payable is 2 per cent of the unimproved value of the leased land                                                                                                                                                                                                                                                                                                          | The land rent payable is 2 per cent of the unimproved value of the leased land                                                                                                                                                                                                                                                                       | For land rent leases first granted on or after 1 October 2013, the land rent payable is 2 per cent of the unimproved value of the leased land |
| <b>Liability for duty</b>                          | Stamp duty concession applies, calculated at the applicable rate as at 28 October 2014. The value of the concession will be equal to or less than the amount of duty payable on the surrender sum (or in the case of a unit—the purchase price) of the affected property. The duty due on the lease will be calculated at the rate that is applicable at the date the lease is granted. | Stamp duty concession applies, calculated at the applicable rate as at 19 November 2015. The value of the concession will be equal to or less than the amount of duty payable on the purchase price of the Eligible Impacted Property. The duty due on the lease will be calculated at the rate that is applicable at the date the lease is granted. | Stamp duty payable at the point of entering the Land Rent Scheme.                                                                             |
| <b>Cost of conversion to a nominal crown lease</b> | Conversion is at current market value for the lease.                                                                                                                                                                                                                                                                                                                                    | Conversion is at current market value for the lease.                                                                                                                                                                                                                                                                                                 | To convert, the lessee can choose to pay either the unimproved value of the lease or the current market value for the lease.                  |



| LAND RENT                                                 | Former owners of affected residential premises                                                                   | Former owners of eligible impacted properties                                                                    | Other Land Rent lessees (i.e. for blocks that are not former affected premises or former eligible impacted properties)                                                                                                              |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Availability of option to transfer land rent lease</b> | Not transferable except through death or divorce where the beneficiary meets the land rent eligibility criteria. | Not transferable except through death or divorce where the beneficiary meets the land rent eligibility criteria. | For land rent leases first granted on or after 1 October 2013, any subsequent (secondary) transfer of that lease must be to another purchaser who meets the determined criteria and is eligible for the discount rate of land rent. |

### ***Recommendation 5 – Land Rent Consistency***

*The Committee recommends that the ACT Government clarify to the ACT Legislative Assembly, by the last sitting day in April 2016, how the provisions of the Land Rent Scheme as it applies to land rent leases granted to former ‘Mr Fluffy’ home owners (affected residential premises) is consistent with the affordable housing objectives of the Land Rent Scheme.*

### ***Government response: Agreed***

The Land Rent Scheme is a housing affordability measure usually only applied in greenfield estates to support those looking to enter the property market. The Government understands that some affected owners may wish to maintain a connection to their former neighbourhood. However, some owners might not be able to afford the costs of repurchasing their former block as well as the costs of rebuilding a house. Where owners meet the eligibility criteria for land rent, the granting of a land rent lease may enable them to do both. The Government has therefore supported the extension of the Land Rent

Scheme to remediate Mr Fluffy blocks, which is a significant financial assistance for those who are eligible.

### ***Recommendation 6 – Taskforce Quarterly Report***

*The Committee recommends that the ACT Government table the quarterly progress reports on the implementation of the Loose-fill Asbestos Insulation Eradication Scheme within 45 days of the end of each quarter.*

### ***Government response: Agreed***

From the next Report, the Government will undertake to provide all future Reports with the 45-day timeframe.

### **Variation to the Territory Plan**

The Territory Plan Variation 343 provides an opportunity to permit unit-titled dual occupancy for potentially 743 surrendered blocks that are:

- in the Residential RZ1 Suburban Zone
- not heritage registered or nominated
- 700m<sup>2</sup> and over in size
- able to comply with provisions proposed to be included in Variation 343 including plot ratio requirements, building height restrictions, and a design criterion relating to existing residential character and amenity.

On 11 February 2016, the ACT Legislative Assembly passed Territory Plan Variation 343 and changes to extend the Land Rent Scheme to remediated Mr Fluffy blocks to provide greater certainty for owners.

The passing of Territory Plan Variation 343 and extension of the Land Rent Scheme will enable offers to be made as blocks are valued for those owners seeking a FROR.

## **Assisted Private Demolition Program**

The Assisted Private Demolition (APD) Program provides for the small number of owners of affected properties which were demolished between 18 February and 28 October 2014 or were subject to a legally binding contract to demolish entered into between 18 February and 28 October 2014.

During the January 2016 to March 2016 quarter, one of the 12 properties approved under the APD Program received payment for demolition costs as assessed under the policy guidelines, and was removed from the Affected Residential Premises Register that is kept in accordance with the *Dangerous Substances Act (2004)*.

Six properties were deregistered during the July 2015 to September 2015 quarter and the five remaining properties have progressed through various stages of the APD Program during the January 2016 to March 2016 quarter but have not yet received the required clearances to enable deregistration.

## **Governance**

The ESSC, which is the internal governance group that provides high-level monitoring and direction to the Head of the Taskforce on policy and program delivery, continued to meet monthly. The ESSC provides input and support to the Taskforce in implementing the four phases of the Scheme and provides ongoing monitoring of the rollout of the Buyback and Demolition Programs. In the reporting period, the ESSC met twice.

The Community and Expert Reference Group (CERG) has met 20 times in total (twice during the reporting period) - minutes of the meetings are available publicly on the Taskforce website at:

<http://www.asbestostaskforce.act.gov.au/media-and-engagement/community-and-expert-reference-group>

On 2 November 2015, the ACT Audit Office commenced a performance audit of the governance, management and administrative arrangements that support the financial arrangements for the Scheme. This is the first of several into the Scheme.

During the January 2016 to March 2016 quarter, the Taskforce worked collaboratively with the Office on this activity. The outcome of the Audit will be outlined in the next Quarterly Report.

### **Conclusion**

It was another busy quarter for the Taskforce as officers continued to implement the government's response to the Mr Fluffy issue. This included ongoing support for affected owners, education and information for the broader community, demolition of over 100 affected properties and commencement of the sales phase.

I look forward to continuing to brief the Assembly and community as the important work of the Taskforce continues as we work to free our community from the significant social, financial, health and community issue that is the legacy of Mr Fluffy.