

Katy Gallagher
ACT Chief Minister
GPO Box 1020,
Canberra, ACT 2601

21 November 2014

Dear Chief Minister

RE: Mr Fluffy buyback scheme

I am the owner of a "Mr Fluffy" house and there are a number of aspects of the ACT Government's treatment of the owners on which I would like clarification. My main concern is the seeming lack of parity between those who were in the financial position to undertake demolition of their houses before 28 October, and those who did what the government told us to, and waited for their offer. I did what the government said to do, and as far as I can ascertain, this leaves me in an untenable financial situation.

I will give you some background on my situation. I am a 38 year old single mother to a 14 month old and have a progressive physical disability. I was recently assessed by the Commonwealth Medical Officer as being permanently unfit for work and have been retired on invalidity. I currently receive no child support and survive solely off my disability pension.

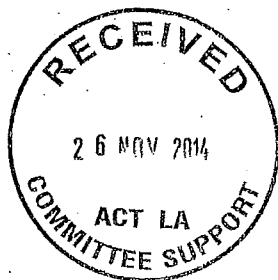
I bought my house in [redacted] when I was still a full time federal employee and the suburb was a nice area without being too expensive to buy. In recent years [redacted] has become a very popular suburb and people are paying a premium to live in the area. Since buying my house I have spent almost \$60,000 on modifications to accommodate my disability. I have totally remodelled the bathroom with a bigger shower with a seat and placed grab bars in the shower and toilet, built a deck with a ramp for access and landscaped the garden and paths for easy access. The most recent modification was \$6000 worth of work to improve access to the ramp, completed only 15 months ago.

I chose [redacted] as there are times when I am unable to drive due to my disability. If this happens, I am a few hundred metres from a bus stop and if I am unable to walk that far I use cabs. The cost of cabs to where I need to go is greatly reduced (compared to the cost of a similar cab journey, if I lived in an outer suburb). I have close friends in the street and suburb who help me out when I am physically weakened. I have managed to obtain most of my health needs, remedial needs and social needs within close proximity to [redacted]

When I found out I had an asbestos house I started thinking about what the best options were and what the likely outcome of any government policy would be. I investigated demolishing my house and started to look at builders knowing that no matter what the outcome my current house would have to be removed. On advice from the taskforce I, like a number of others, did not move forward with any action to demolish or rebuild. The taskforce advised not to be hasty and await the outcome of the policy.

QUESTIONS

- 1) In the "The ACT Government's Preferred Way Forward on Loose Fill Asbestos: Supporting Detail" on page 13 it states that those who privately demolished their houses prior to 28 October 2014 will be reimbursed demolition costs, market valuation of the house and they will not have to surrender



A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE	
SUBMISSION NUMBER	26a
DATE AUTH'D FOR PUBLICATION	27/11/14

their crown lease. My question is why should those with the financial advantage be offered this deal and those who hesitated to do this not be offered the same deal now? Shouldn't the offer be fair and equitable for all participants?

- a. I had asked this question on the 104.7 page and I did hear Andrew Kefford's response on 20 November 2014. I, like many Mr Fluffy owners, was not satisfied with the response that the policy did not want to disadvantage those who proceeded with demolition prior to 28 October. These people were rewarded and those that waited for the policy announcement were ultimately disadvantaged.
 - b. With regards to any owner who demolished prior to 28 October, the preamble clearly says "financial assistance". Nowhere does it say that these owners have to enter the buyback program, so why is such an offer not available, in a timely manner, to those who were thinking of demolishing but had been advised by the taskforce to hold on for a policy statement?
 - c. In the policy it states that the owner who demolished prior to 28 October would be given market value for their homes. Did the taskforce consider that some of these owners could take the money, not rebuild and sell their vacant block at market value, thus making a profit out of the scheme?
 - d. If the house has been demolished before 28 October, how is the value of it before demolition being determined so that they can pay "the valuation of the former house"?
- 2) If I participate in the buyback scheme my land will be offered back to me at "market value". In this suburb that could potentially be more than I receive from the buyback. Would it not be fairer to offer the land back at unimproved land value at the time of the buyback? And then if the owner passes it can be put on the open market for whatever the government feels is market value.
- a. There is no specified time frame if I join the buyback scheme for my house and land to be remediated and offered back to me. This could potentially mean I have a 4+ year wait to possibly buy my land back. If I join the buyback scheme will a timeframe for the remediation and land offer be included?
- 3) I recently met with a building company that is rebuilding homes for three Mr Fluffy people who demolished before 28 October and will receive demolition costs and market value of their house. The building company commented that the building industry had a strong indication of the direction the buyback scheme would take and were able to advise their clients so they could demolish before the deadline. Is there any enquiry to ensure that those that demolished prior to 28 October did not have the advantage of some insider knowledge?
- 4) Why not offer more individualised buyback packages rather than assume over 1000 people will fit in the same policy?
- a. Offer everyone the demolition and market value offer that was offered to those that demolished prior to 28 October.
 - b. Demolish the houses and offer the owner the difference between unimproved land value and the market value for the house/land.

If I take the buyback offer, the money I receive would pay off my mortgage but, due to my recent change in circumstance, I would be unlikely to get another mortgage. This would force me into the rental market. Due to my disability it would be extremely difficult to find a suitable rental. If I don't take the buyback offer I will,

at my own expense, have to demolish and rebuild potentially costing up to \$500,000. Surely, there must be a better way to run the scheme than forcing someone back into the rental market or trying to find \$500,000?

An argument that could be made is that since the cost to the program for an average house is around \$300,000 (\$300 million for over 1,000 houses, according to the program budgets) my house would certainly cost less than \$200,000 to knock down and pay me some compensation for the value of the house - the block is unlikely to be rezoned for multiple title and this would minimise the administrative overheads.

When people say taxpayers should not have to foot the bill. I am a taxpayer. I have paid levies for the floods and fires so that other people have assistance to rebuild their homes, even though their events were covered by insurance. Insurance companies will not pay out on asbestos. I have been responsible and worked hard to buy sensibly and established a good home for me and my child, I don't feel I should be disadvantaged in any way.

As it stands the buyback scheme will uproot me from my community; distance me from my health services, remedial therapists, and services such as my child's day-care and playgroups. I want to retain independence within my own home and in my known suburb for as long as possible.

For the owners that are happy to take the buyback offer and move to a new home - that is great. But there should be more work done to ensure that people who are disadvantaged by participating in the scheme are catered for - the elderly, people with a disability or people at risk of being disadvantaged or marginalised. In a country that places so much emphasis and pride on home ownership, the ACT Government buyback scheme seems to be disregarding this.

I would like an explanation why I am not given the same offer as owner that demolished prior to 28 October. Surely the ACT Government must realise the scheme needs to be more flexible to accommodate special cases or attenuating circumstances? Your response can be send to the below address.

A copy of this letter has also been sent to The Hon Dr Andrew Leigh MP, Senator Kate Lundy, Senator Zed Seselja, Jeremy Hanson, Andrew Kefford and Alistair Coe.

Yours Sincerely,

Erskine