



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: [Inquiry into the proposed Appropriation \(Loose-fill Asbestos Insulation Eradication\) Bill 2014–2015](#))

Members:

MR B SMYTH (Chair)
MS M PORTER (Deputy Chair)
MS N LAWDER
MS Y BERRY

TRANSCRIPT OF EVIDENCE

CANBERRA

MONDAY, 1 DECEMBER 2014

Secretary to the committee:
Dr A Cullen (Ph: 620 50142)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

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Amended 20 May 2013

The committee met at 9.30 am.

PILKINGTON, MRS CHRISTINA, Private capacity

THE CHAIR: Good morning, and welcome to this public hearing of the public accounts committee inquiry into the proposed Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-2015. I now declare this hearing open.

On 17 November the committee decided to inquire into this bill, following a letter from the Chief Minister, so that we could find out how the money would be spent and also to give the committee the opportunity to have their say on the best use of this money.

We have a very short time frame in which to carry out this inquiry. On Friday we heard mainly from the officials, government and industry groups. Today is largely a day for the community to have their say. We hope to report by Wednesday, and it is the government's intention to bring the bill on in the Assembly on Thursday.

Written submissions have been received and authorised by the committee and they are published on the website. You may have noticed that a lot of personal detail has been deleted. That is so that the committee does not inadvertently publish a list of Mr Fluffy homes. So today the hearing is drawn mainly from those individuals. There are a couple of groups who are appearing. From now on the full names of the witnesses will be available on the public record.

Could you follow the rules of the chair. It is the only time that I have lots of power, but we will be very friendly today. The proceedings today are being broadcast, and it will be webstreamed. Hansard will record it and will produce a transcript which later on we will give to you so that you can check it for accuracy.

I suspect that it is a big day for many people. If you feel the need to have a break, just stop, and we will sit here patiently until you are ready to continue. With that, we welcome Christina Pilkington to give her presentation to the committee. Would you like to make an opening statement before we go to questions?

Mrs Pilkington: I would like to make an opening statement; thank you. I am a resident and an owner of a Mr Fluffy home. I wish I was not. The current proposal before the committee is focusing on the financial impacts, primarily, both for residents and for the ACT government. In keeping with this, my submission and my statement will do the same. I would like to reiterate that the impact of this issue on the families involved is tragic and unquantifiable.

I do acknowledge the need for the contaminated residences to be demolished in the medium-term future, and I do commend the ACT government for taking some steps towards achieving that. However, the current proposal places a greater focus on the finances of the ACT government than on the wellbeing of owners. For example, as at 28 July this year, my property was worth around \$730,000. The land makes up \$600,000 of that value. If the land were to be cleared in July next year, if the value of the land were to be increased by 25 per cent from unit titling, as we heard on Friday, it would cost us \$750,000 to return to our block before we had even built a house. That

means it would cost us \$20,000 more to return than we were paid to leave. That means it would not be viable for us to return to our property and we would be effectively permanently displaced from our neighbourhood.

I recognise that the ACT government are incurring additional costs. For example, there is demolition, there is a task force and they need to safely dispose of the waste and manage that in the long term. But to be recouping this cost by punishing the impacted residents seems unconscionable.

I have not met one impacted owner who expects to be able to afford to return to their land. The LDA shared on Friday that most of the blocks will be unit titled and that separate titles are not granted until foundations are laid. In that case impacted owners could not even purchase a portion of their land until it had been developed and they were competing on an open market. This means the majority of owners in this situation are going to be permanently displaced from their community.

To avoid permanent displacement from those, some owners are considering extending their finances to knock down their houses themselves. My family is not in that position. We are not able to do that. And with the banks refusing to release any equity from these contaminated properties, I do not know many that are.

However, everything about this demolition program is geared towards benefiting a better outcome for the government and a better outcome if you are surrendering your land to the government and walking away. For those that do choose to knock down at their own expense, a new crown lease will not be issued. Their building file will continue to indicate that their property was a Mr Fluffy. That this will negatively impact on the value of their property is implied by the government wishing to remove that history for the property that they are acquiring and seeking to sell on.

Mr Kefford noted on Friday that almost 40 houses have been demolished prior to the February announcement and that the government would not consider incurring the small administrative cost of clearing their history to prevent future financial disadvantage for families who have saved the government a significant amount of money. This further demonstrates the inadequacy of the current scheme.

I feel that the scheme is also inadequate in the treatment of those who chose to sell their homes between February and November and incur a loss due to the Mr Fluffy factor. On Friday the Chief Minister stated that they cannot go back and support those who took that risk and made that choice. However, that is exactly what they do propose for those who chose to demolish their homes between the February announcement and the October announcement. They will receive the demolition costs as well as the value of their demolished residents.

I know that many of the current owners who have not been able to demolish would appreciate similar assistance. Certainly, I do not feel it appropriate that those who took the risk to demolish because they were in that financial position should be treated differently to those who were not in a financial position to demolish but who instead chose to sell out at a loss because they needed to be out of these residences. So I would ask for a fairer treatment of those impacted entities.

The overall compensation is also inadequate. The number of people impacted may make it expensive, but it does not make it right. We get conflicting advice from the task force as to what we can or cannot keep. On the one hand, if I choose to get rid of my son's mattress—I was advised in the task force's newsletter No 10 that it must be disposed of through a licensed asbestos removalist. It must be treated as contaminated waste. But I cannot give that to another child or to a charity. I cannot take it to the tip. It is not safe for anybody else to sleep on my son's mattress. But the same entity tells us that we do not have to dispose of all of our effects, that we can take them with us and that my son could continue to sleep on contaminated waste.

On the one hand, we are told that there is no known safe level of exposure. On the other, we are told that the risks from such exposure could be low. My family in my house has been lucky. The small samples that were taken did come back clean but we are still being given conflicting advice. Due to the high likelihood of contamination somewhere within the house, our treatment of soft furnishings is confusing, to say the least.

Personally, for my family we will be disposing of all soft furnishings. We will be throwing out the mattresses, the doonas, the teddy bears, the clothes, the quilt that my sister made for my baby shower and my wedding dress. We will be disposing of all of it because I cannot reconcile it with my conscience, heaven forbid, to be sitting by my daughter in hospital in 25 years time and not be able to say that I did everything I could to limit her exposure to a class 1 carcinogen.

I do not feel that we are being appropriately supported to make these decisions. I do not feel that it is necessarily clear. And I do not feel that the community necessarily understands the difficulty that we are facing in this. On the one hand, we are being told that this scheme is focusing on us, that it is helping us to relieve our distress. On the other hand, even the reimbursement of small costs such as moving equipment from one suburb to another to minimise the displacement of families that are being required to move out of their homes we are being told is not feasible because there would be an additional cost to drive the trucks to the other suburb. So we may be waiting up to five years for families that wish to return because blocks will be demolished suburb by suburb.

In a scheme that is expected to have a net cost of around \$300 million to \$400 million—where \$100 million is almost treated as a rounding error—provision needs to be made to allow owners to stay on their land or to repurchase it at unimproved value. I recognise that this would be an increased cost of around \$30 million to \$50 million. I do feel that it is a necessary cost.

We need to allow those that have knocked down and rebuilt without government assistance a new crown lease or the opportunity to erase the Mr Fluffy history. If we choose to eradicate Mr Fluffy from Canberra's history and move on, we need to allow that for everybody.

We need to compensate those that have sold out between February and October. It is not a high number of individuals and I think that natural justice demands that. We do need to give greater support to those who do need to remain in their residences in the medium term and take into account their individual circumstances. Thank you for the

opportunity to address the committee.

THE CHAIR: Thank you for that and thank you for your courage in coming forward this morning. You said that you thought the compensation was inadequate. What would be a suitable number to assist families, and can one size fit all?

Mrs Pilkington: I do not think one size does fit all, and I do think it is good that it makes an additional increase per child, \$2,000 per child. I am sorry; I had not put much thought into how much would be appropriate. I am sorry.

THE CHAIR: Don't be sorry.

Mrs Pilkington: I know that just to replace the things that we are going to be moving with, and we are getting a lot of second-hand things, we need \$4,000 on day one, and we will be covered by that, but that is not replacing the couches or—no, I have not really considered it. I am sorry.

THE CHAIR: Have you done a rough calculation of what it is you will leave behind—the value of what you will leave behind?

Mrs Pilkington: I have not, no; I am sorry. Can I take that on notice?

THE CHAIR: Yes, if you like.

Mrs Pilkington: Even things like—we bought a new washing machine just before I had my daughter, and we are leaving that behind—everything.

THE CHAIR: You clearly feel very strongly that you should just take no risks, take nothing that you cannot clean.

Mrs Pilkington: Yes. Having read the report where they indicated that if they looked long enough in the houses they would find contamination—I know that my house is not highly contaminated, but I accept that my house is not safe. I know that my husband has been in the subfloor and the roof without knowing it. I know that there are holes and cracks which I am always putting up. I know that the washing machine cannot be remediated based on that report. All the clothes have been in the washing machine together. I know that it is 10 times smaller than bacteria. The fibres can break down to that level. I am not taking the risk.

MS PORTER: Have you had any one-to-one discussions with anybody from the task force? Have they sat down with you, listened to what you have just said to us right now, and gone through the various bits of information with you step by step?

Mrs Pilkington: I have been in contact with the task force frequently by email. Twice on the phone I have asked to come in for a one-to-one conversation. I have been told that that was not necessary, that my individual circumstances would not be impacting on the way that the proposal would go forward and that all the information that I needed was in those packs. I did find that difficult to hear, and I did give that feedback personally to Andrew Kefford on Friday. He did indicate that I might be able to come in now.

Certainly I have found it difficult to get through to the task force that this has a significant impact beyond a financial impact. At one stage when I was talking to the task force and trying to understand if our block was unit titled and if, God willing, we were able to repurchase it, would we be allowed to build a freestanding home? I did not understand the different choices. I was told that it would be a waste to put a family home on a block that had development rights attached to it, because I could be developing that and making money. I felt that demonstrated a clear misunderstanding. These are our homes.

I have had one-on-one discussions. I have tried to talk through the issues. Certainly in regard to asking them to demolish homes, people are wanting to return sooner. I have brought that up a number of times. I have been told that it would cost too much to move trucks or the demolition equipment from suburb to suburb. So it may be up to five years before some families can return.

MS PORTER: Who made the comment to you about the unit titling? Was that someone from the task force?

Mrs Pilkington: From the task force, yes, from the personal support team.

MS PORTER: So now they have said that you can have a one-to-one conversation. That will be face to face?

Mrs Pilkington: Andrew Kefford indicated that on Friday, yes.

MS PORTER: In the meantime have they offered you someone to deal with the emotional issues that you described before?

Mrs Pilkington: I have called the mental health team. I would prefer not to discuss that.

MS PORTER: I am not asking you to discuss it. But was an offer made?

Mrs Pilkington: Yes.

MS PORTER: I just wanted to make sure that the offer was made. How many children do you have?

Mrs Pilkington: Just the two.

MS PORTER: So it is all the children's clothing, their toys, the soft furnishings that you were describing, plus you and your husband.

Mrs Pilkington: Yes.

MS LAWDER: I want to continue on the same theme about the soft furnishings. You have said it is contaminated waste but then on the other hand you are told your son can continue sleeping on it. Do you feel that information has been sufficient and at the right time to enable you to make those really important decisions?

Mrs Pilkington: No. There is an information pack on how to deal with your contents and I think it is mostly geared towards protecting the liability of the government. They do not want to overstate and say that things are safe, because they cannot say that they are safe. On the other hand, they do not want to say that you have to throw it all out. So they are mostly leaving us to decide and I do not feel that I am appropriately informed to make a proper decision. It is unfortunate to note that the last sentence in that pack—a guide to what you should and should not throw out—says that everything should be wiped down with a damp cloth, just in case. But you cannot wipe a teddy bear down with a damp cloth. So that indicates to me that we should only be taking hard things with us. I am arguing with my husband over the TV. In my opinion it has vents in the back and we should not be keeping it. His opinion is that he really likes his TV. That is the sort of tension that I could do without in this situation.

MS LAWDER: What has the reaction been from people like your workmates or people who have visited your home? Have they been supportive enough of you do you feel?

Mrs Pilkington: Initially the reaction I get from most people was, “Asbestos is everywhere. Why are you worried? Everybody grows up around asbestos.” Everybody grows up around chrysotile bonded asbestos. Not everybody grows up around these friable, more dangerous forms and I think that the general Australian apathy towards asbestos, because we have grown up with it, makes it very difficult. I think people do not understand the impact that it is having and that these sleepless nights do not end once we move out.

Once we explain the issue further, we have seen a lot of support, and I would like to note that my friends did pick up that I was not coping very well. I had a particular concern in that the \$14,000 that we will receive from the task force for relocation does not become available until 21 days after you vacate your property. So if there is a 30-day exchange period, for example, and we move out two weeks into that, for two weeks we will be paying rent and a mortgage and also a bond, and the \$14,000 will not become available until a week after the property settles. So at that point in time—we have just had a baby; there are no savings—we were going to have to move out of home, throw out all of our clothes, throw out all our stuff. We were planning on essentially camping in a rental. But my friends, to do them credit, asked us to put together a registry and we have had so many donations of second-hand items that they are keeping at their properties that our kids will be clothed and have somewhere to sleep when we move. So we definitely want to give them a shout out. We have got some good support once we break down the issue.

MS LAWDER: It is really difficult to quantify the impact of things like teddy bears and wedding dresses.

Mrs Pilkington: It is what I grew up with and I remember having and now my son carries it around the house. I never want to see him holding that once we are out of this house, but on the other hand it has those memories attached to it.

MS BERRY: We are all very sorry for everything that has happened. I do not think there are any winners out of this. You are right: there is no kind of dispensation that

could pay for the emotional cost for everybody that has been touched by this directly but also indirectly. So, yes, we do feel for everybody in this situation. And thank you for your submission; it is really comprehensive and has put some questions in our minds about the whole situation and how the maths of this is working. I did want to ask you about some of the maths, if you do not mind.

Mrs Pilkington: Yes, let us do that.

MS BERRY: On page 1 of your submission, the page after the front page, with the table down the bottom, you have the demolition cost at \$60,000 per home.

Mrs Pilkington: I have spoken to some people looking to demolish privately, and I know that has come back at \$65,000. I expect the government will recognise savings from that, and I know Andrew Kefford stated that a bulk process would recognise savings. I put it higher to be conservative. I think it might come out at \$50,000; I am not sure.

MS BERRY: Is that cost what the task force has—

Mrs Pilkington: No, they have not been saying it would be that much, but I know that some Fluffy owners looking to demolish privately expect the cost to be \$65,000 for a private demolition.

MS BERRY: I think the information we have is that it would probably be in excess of double that.

Mrs Pilkington: Really? Is that for brick or for—

MS BERRY: That would include a whole bunch of remediation as well as clearing the site, replacement of fences—everything that goes on top of—

Mrs Pilkington: Replacing fences?

MS BERRY: Yes.

MS LAWDER: Disposal.

MS BERRY: Disposal.

Mrs Pilkington: No, that does not involve scraping the block. I know that the one that was done—

MS BERRY: In Downer?

Mrs Pilkington: No, more recently, in August; it was \$80,000. Again that is where they are looking to rebuild, so they just did the footprint of the house.

MS BERRY: So that is a figure you have got from the market?

Mrs Pilkington: Yes, not from the task force.

MS BERRY: And that is just the house?

Mrs Pilkington: Just the house, yes, not scraping the block.

MS BERRY: Not disposal costs, not—

Mrs Pilkington: No. I did put in \$30 million for improving the dump, and I was hoping that might include some of the costs of disposing of it. It is the second figure down. And my net cost also comes out lower, so it probably would be up a little bit. I recognise that in terms of a total budget my costing is insufficient. But as a comparison I think it shows the differences.

MS BERRY: As I said, it is useful to see some of the maths around how this works. The bill which will go to the Assembly this week is to allow for the money to finance this scheme, to be accessible by the government. But you are saying that the flexibility is that you think about 50 per cent of the people who have been affected by loose-fill asbestos in their homes will want to go back to their blocks?

Mrs Pilkington: Yes, at this stage. That was based on a survey done by FORAG. I think it was slightly higher, but 43 per cent were happy to move on, a small percentage wanted to stay on their blocks longer term, particularly the elderly, and around 50 per cent would like to stay and rebuild because they have strong community ties.

I think it is worth noting what Katy Gallagher said on Friday. At the start they often see a high number of people indicating they would like to return, but when you actually face being displaced from your home for five years, even though the property does come up, many people would go back. With ourselves, we bought for the location and the yard. If we could keep our land, we would pretty much camp there. We could even rent an apartment and just go home to use the yard. Even though we recently purchased, we had been looking in the area for a long time because it is where we want to be.

MS BERRY: From your point of view, and your submission, there is no other solution to this; the houses do need to be demolished?

Mrs Pilkington: Yes. Having read that, I do agree. When the other options were to build rooms within rooms or to completely internally demolish and rebuild, I see demolishing as being the most cost-effective and effective method of dealing with the issue. But where the houses are relatively safe and testing could continue to be done, I do feel that for those, particularly the elderly, who are impacted they should not be required to move on.

I know that they are allowed to stay in their homes for up to five years. For example, in our situation, let us say I am 90, if we choose to opt in to the scheme, we have our valuation done in October and we do not have a mortgage, so it is not a problem that that value would be increasing over time. But after July next year it is illegal for us to use our lights. We cannot use our bathroom door because it is a sliding door; we cannot use our exhaust fans; we cannot use our kitchen fans; we cannot use our

heating; and we cannot use our air conditioning. So, while it is voluntary for us to be opting in to the scheme, getting through a Canberra winter without a heater means it is pretty much mandatory for everybody to get out.

MR HANSON: I would like to echo the sentiments of the other members. Your submission is very comprehensive and your evidence today has been very articulate. It must be very difficult for you emotionally to express that. But it has been very useful for the committee, so well done.

Mrs Pilkington: Thank you.

MR HANSON: You were touching on the options if you do not sign on. Do you feel with the way it is structured that the alternative is so difficult, that in essence you feel compelled to sign on?

Mrs Pilkington: Yes, personally I wanted to get my children out, anyway. But I think, even if it was not for that, it would be very difficult for us to continue living in this house. We have downlights in all but two of the rooms. So we would have no lighting. I would not ask an electrician to come in and change those lights, because we know that the roof space is contaminated. To say that we could remediate at our own cost is to put other people in danger if we were to change our lighting options.

We cannot use our air conditioning. We cannot use our heater. We definitely used those this winter. I think it would be very difficult to get through without those items. We would not be able to use the bathroom door. That would have to be sealed up. There is quite a good view from the couch to the bathroom. I do not think I would be having friends over.

MR HANSON: Enough said.

Mrs Pilkington: No, the house is not liveable without either exposing tradesmen at our own expense and at their risk. That is just it. Yes, the house is not livable.

THE CHAIR: For those who have not read it, this is simply the award-winning submission.

Mrs Pilkington: Thank you.

THE CHAIR: It would get an A-plus as a school assignment. I think the detail that you have gone to is fantastic. I note you have always said consistently through it that you have made assumptions, that you were not able to get the detail.

Mrs Pilkington: I have. I do not have all the information.

THE CHAIR: It does present some very interesting options. If one were to summarise your submission, it seems to be that those that want to should be allowed to return to their full block, preferably at no disadvantage.

Mrs Pilkington: Yes.

THE CHAIR: That as we start to remediate we should do those who want to return first, even though moving the equipment may make it more expensive.

Mrs Pilkington: There may be a cost associated with this but I challenge that to be more than a few thousand dollars. I would accept that being put on my family if it meant that we were not displaced for another 2½ years.

THE CHAIR: The third point seems to be to treat the early sellers equitably. They have done the right thing by getting out. They have been in a position to do so, but they have done it at a cost. If some assistance could be given, that would be a good thing. For those who do self-demolish, we should clear the files and re-issue the lease—

Mrs Pilkington: Yes, absolutely.

THE CHAIR: and remove the stigma that might remain. Then the fifth thing seems to be that there could be some reconsideration of the level of financial assistance because one size does not fit all.

Mrs Pilkington: It does not, no; absolutely.

THE CHAIR: That is fine by me. Any final questions, members? Mrs Pilkington, thank you for your attendance today. I think you took one question on notice, which is very brave. Could you get us an answer quickly? If you cannot, that is fine; just let us know that an answer will not be forthcoming. We would understand that. When we have it, a transcript will be provided so you can check it. If there is anything you would like to correct, could you forward those corrections to the secretariat, which will take care of that after consultation with the committee. Thank you for your attendance today and the bravery you have shown.

Mrs Pilkington: Thank you.

BLUME, MR STEVE, Private capacity

THE CHAIR: Good morning, Mr Blume. You were in the audience when I made the opening requests, so I am not going to go through the rigmarole again. Before you, there is a privilege card. Can you inform the committee that you understand the implications?

Mr Blume: I have read that, and I agree and understand.

THE CHAIR: Would you like to make an opening statement?

Mr Blume: I am appearing as a Canberra citizen and as a neighbour of three adjacent Mr Fluffy houses in Chapman, ACT. I have a short opening statement. I have a copy I can give to Hansard.

Thank you for the opportunity to present my views today. My mother, who I miss every single day, often said to women she was helping who had been subjected to violence at the hands of their loved ones, “Love is not about what you say; it’s about what you do.” In this case, for those directly affected by the Mr Fluffy debacle, compassion is not what we say but what we do. I say that we need to do more and to make sure that the personal impact on the people is what drives the decisions, and especially our actions, as we in the Canberra community support Mr Fluffy residents.

That individuals—the Chief Minister and our other elected representatives, members of the committee, public servants and others who have worked on the response, and Canberrans more widely—care and have compassion are beyond doubt. But our response is about translation of that compassion into actions, and the balance we have to draw to deal with the awful impacts on the families concerned. Primarily, they are emotional and personal, with significant financial traumas added.

For the ACT community, however, as much as we might care, the impact is really just financial—how much extra are those of us who pay ACT government taxes and charges going to have to pay. My view is that we as a community should take a bigger load than what is currently being proposed, perhaps as high as another \$100 million or more. I think the net cost to us will be around 10 per cent of a single annual budget, so I am not trivialising this amount. I know the impact of this. The cash flow impacts will be massive. We just know that as well. These are just facts. They are non-trivial, but are technical administrative problems to be managed. And they can be managed without becoming the main focus of the impacts of the Mr Fluffy problem.

As other submissions have said, there are many who would prefer to have the government pay a market price for the dwelling only, the cost of demolition and an amount for the temporary accommodation and moving costs. Others are happy to get a lump sum and then leave their home; some have left already. As I said in my submission, there should be no need for the one-size-fits-all approach that has been taken. The costs might well be higher, as this means that in this case, for example, for somebody who is only getting the house purchased, the capital gain on the land is retained by the Mr Fluffy owner but the capacity for subdivision is removed in an RZ1 block so it is the single residential block capital gain that already existed as at

28 October anyway.

The proposal that unit titling or actual lease splitting is to be used to claw back costs to taxpayers is a huge issue and was announced with no ability to have it overturned. This is what will make it impossible for most to buy back their own block and rebuild unless they are prepared to downsize considerably and live in a greatly altered neighbourhood and increase their debt as well.

This decision spreads the anxiety and impact well beyond the poor Mr Fluffy owners. Their neighbours, who have already faced the prospect of living next to a demolition site—in my case, three adjacent blocks—now face the change from single residential blocks to multi-residential developments. This is a lesser impact than Mr Fluffy owners, certainly; I am not suggesting there is any equivalence at all.

Also, in my case, it will probably bring a financial advantage. We could talk about some guilt involved with that. That is because I might have the opportunity of multi-titling my block, and that will increase the value to me, to the detriment of the neighbours, of course. But it multiplies the numbers of affected families who will be forced to make decisions about staying in their home in a changed neighbourhood or leaving. That would force me to make that sort of choice as well—and anybody else who is living adjacent to one of these things. Unlike their Mr Fluffy neighbours, at least they have a choice. I will have a choice about that; I can stay or I can leave, and I can do it in my own time and make the decision in my own time. But it is not the decision I actually want to be making.

The zoning changes are solely to reduce the net amount of the taxpayer bill, and it all but ignores that compassion I was talking about. It is looking inward at the costs, not looking at the value—the value of the community, not the cost to our community. We are told that nearly 90 per cent of blocks will be able to be subdivided. The Treasury assumptions on the extra value from that seem to me to be a bit low, I have to say. My personal view is that I doubt the popularity of the RZ2 redevelopments that happen all around town would be as high among developers as it seems to be, or would be happening as quickly and at the sorts of levels they are, if the increase was as small as what has been suggested in the Treasury estimates. I think that is being understated.

We do not need to read every submission to the committee, as I have, to know that uncertainty is right now adding greatly to the concerns of Mr Fluffy residents. But it is not the same for all. Some are relieved, and perhaps even satisfied with the knowledge that they will get a market price and can get going on moving to a new home. Some have already left. But many, I suspect the majority, like where they live and would prefer to be able to rebuild and stay. The decisions made about the processes mean that will be next to impossible.

Process in this instance is critical. We know that the program is to last around five years, yet as far as I can tell, there has not yet been a simple process to work out any order to deal with each affected family and their homes. Given that the arithmetic says that around 224 need to be processed each year, we have 1,120 anxious home owners who are under great stress because any one of them could face what is effectively immediate eviction.

We now know that most have at least a little more time to act, so I suggest we resolve how much time that is, as best we can, and do it soon. The steps seem not to be difficult to me. I am a simple country boy and I think it is a pretty simple question we need to ask: one, have you already moved out or do you wish to do so and as soon as you can; two, would you prefer to be amongst the last to move out? That would probably result in a skewing to the later years, particularly in the older population, who would say, "We'd like to stay as long as we can." Obviously you want an even spread if you are going to deal with these in a reasonable way. But I am saying that to ensure equitable treatment it should be a simple ballot: all the names in a bucket and drawn against each of four or more years. It is not a pleasant way to make life choices; it is a lottery. But the lottery of luck has meant that they are in this situation in the first place. Each home owner would then at least know with some certainty that the axe was not going to be just two months away and they could take some control of their life back.

My takeaway points are simple. By acknowledging that the decisions being made are complex and difficult, whatever the resulting compromise, the Mr Fluffy families will lose, and they lose a lot financially as well. As a community, we cannot do much about the personal and emotional losses, but we can do something to reduce the financial losses. Insurance is when we all pay premiums to cover against risks so that the few, where the risk becomes a reality, can be treated fairly and be financially compensated. What we are discussing here is the level of the premium. I think we should allow the premium to rise a little, so the equity is better, so that all Canberrans pay a little more and so the damaged few carry a lighter load.

What does that mean? The numbers have changed a bit: I got new numbers in the *Canberra Times* this morning; I was doing it on a little higher amount probably. But there are around 200,000 taxpayers, income earners, in the ACT, and I think it would be fair to exclude the 25 per cent of the low income earners; they already have a tough enough life as it is. That leaves about 150,000 taxpayers. If we assume the net cost is the \$600 million, that is around \$400 a year, and if it is done over 10 years it is about \$7.50 a week. I like my flat whites, so that means I would have to do without a couple of those a week. If the cost is \$700 million, maybe I miss another one. I am prepared to pay that, and I am pretty sure most Canberrans would do that as well.

I know all our spending choices for government can be reduced in such a way, so I am not trying to trivialise the cost; this is not a simple answer. But this is about sustaining and supporting resilience, which we talk about in the community all the time. That is what we are buying with our expenditure. It is an investment, not a cost—just as we invested in households after the fires. In that case, insurances paid much, and the commonwealth coughed up, too, but we all paid taxes and premiums for that \$360 million cost and should do so now.

I am fortunate that I can sit here and say what I think, and I do not have to be judged at the next election or by the media. But I think there is a high level of understanding of the impacts on the community, and MLAs will not be punished by just telling and selling a compassionate response in terms of the value we get and not just the cost we want to minimise.

My call is to look after our neighbours and friends and give them the greatest

flexibility we can as they are forced to choose between a set of the least worst options. There are not any good options.

THE CHAIR: Thank you, Mr Blume. You win the award for the most community-minded person, because I think yours is the only submission from somebody who does not have a Mr Fluffy home. Thanks very much for taking the time and the effort to do that.

You said you have three adjacent—one on either side and one behind you?

Mr Blume: I am in a battleaxe block in a cul-de-sac. I have one on one side, which has an adjoining driveway. I have got a map—I have copies if anybody would like to have a look.

THE CHAIR: You say this is an investment, not a cost. Can you explain how it is an investment and why it builds a strong community?

Mr Blume: We already have a situation, just as we did after the fires, where we have a disrupted set of 1,120 families. The best investment we can make for the community is to have those families get on with their lives, get over the disruption and do it as fast and as easily as they can. It is going to cost them money. For every one of these people—it does not matter who they are—this is going to cost them money. Even if you rebuild on your own block, a clear block, you are going to have to spend money to redevelop the garden, build new sheds, do the pathways—all that sort of stuff. Furnishings are going to have to be replaced. If you buy and build a new house, you do not usually have carpet, you do not have light fittings and you do not have curtains. There are a lot of things you still have to pay for anyway, let alone the costs of being out of your house for 12, 18 or whatever number of months it is going to be.

Again, it is about the people and not about the cost. The argument is the cost. I am lucky; I am not the Treasurer, so I do not have to argue for the budget. This is like the fires. After the fires, it was about a \$360 million cost to the ACT government overall. A lot of that was defrayed by insurances, but we all pay insurance premiums—everybody does—whether as tax being paid or insurance premiums. We should be doing that, in my view. It is no different, except you did not see the fire coming.

THE CHAIR: On page 3 of your submission you talk about the financial offer as it stands being flawed—it sounds reasonable but it is not. You then list a number of reasons why. You particularly focus on the fact that these are forced sales. Why does that change things?

Mr Blume: A forced sale changes pretty much everything. It is not just a forced sale; it is a forced sale into a market where you have a significant amount of other people making a forced sale and a forced purchase. When that is the situation—Mrs Pilkington talked earlier about the banks saying, “We’re not doing anything about making decisions about equity in the building and looking after your loan.” I know a number of people who have tried to have conversations with their banks. Even with certain knowledge that at some point or other some money is going to come from the government, it is very difficult.

That is particularly so when you are of a certain age; you have not got 20 years or 30 years. If you are in your 40s and a crisis happens then you have time to recover and do something about it. In this instance, you are forced to make a decision that you were not even contemplating at all. My closest neighbours, who have been friends of ours for 20 years, made a choice 40 years ago to buy their block of land and they have lived there the whole time. Apart from some health crisis which might force a choice for other people anyway, there was not even remotely a notion of moving, because they love the land and they love doing what they do there. As was given in the earlier evidence, it is exactly the same thing.

For me, it will be a case of saying, “Maybe things are okay and I can decide to live next to six houses instead of next to one on either side”—or I can choose not to. That is free choice, really. I might not like the results of some of the choices I have to make, but I get to make them, and I get to make them in my good time. Here there is no choice because they are least-worst options. There is the compulsion to have to make a choice. And it is driven by minimising the costs. I have worked in government; I understand what that is about. But there has to be a balance, and I do not think the balance is quite right.

MS PORTER: Thank you for your submission. I did not quite understand what you were saying in relation to how the decisions were made about how to deal with the numbers as they come forward and decisions around who goes first and who goes second and third. The last bit was about it being like a lottery, but I did not quite understand what you were suggesting prior to that. Could you go through that step by step again for me, please?

Mr Blume: Certainly. I was reading pretty fast.

MS PORTER: You were.

Mr Blume: As I said I think there are two simple questions. For the people who have already moved out or those who are asked, “Do you want to move out and when,” that is the simple question. A lot of people say, “I want to go now and I want to do it as soon as I can.” Basically, with the management of it, you have a five-year program and you cannot do 1,000 at once, yet we are telling 1,120 people straightaway, “Make the decision today.”

We are also suggesting that with those houses, if they move out, they move sometime in the next six or 12 months into a marketplace that I do not think can absorb another 1,120 on top of the normal ones in that time, anyway, in terms of the rental market and so on, without increasing prices and all the rest of the things that have an impact. So we know that really we want a couple of hundred houses done a year. Basically, if it is 1,100 we need 224 done a year to finish in five years.

For those who are happy to stay then you ask the question. If they do not and you end up with 80 per cent saying, “No, we all want to stay for five years; I don’t want you to touch my house until year 5,” you have to work out a process of equitably saying: “No, sorry, we are fixed. We have to have 224 a year.” So we just put everybody who has made that choice—because the first year is already taken up with a lot of people saying, “I just want to do it now.” Maybe not, but to even it out, you basically draw

their names and say: “There’s year 1. Here’s the first 224 out. You’re in the year 1 lot.” Then you know. Year 2, you know; and then you get a level of certainty out of it.

It is crude and it is not a way you would ideally do things, but you have to work out a way, if you cannot get a consensus, by asking the question and with them all flowing evenly—and they will not be even; I guarantee that it will not be even. There will be a long tail; that would be my guess. On a curve, it will be a long tail. Then they have some certainty.

The problem is that, right now, as was mentioned by the witness before, you are compelling them to move anyway because the strictures you are putting on continuing to live in their places are so great that the houses are not going to be livable. I do not need to go through the level of risk and what this risk is, because that horse has bolted and we have made decisions about that. I think it is an overreaction and I think that, really, there are ways to make these houses livable. At the very least—it does not help for people who are visitors to the house, for example, if there is an exposure of somebody outside the family—there is no reason why most of them would not give you a waiver about any impact on their health. If you had been living there for 40 years anyway, as my neighbours have, any impact on their health is going to have happened and the extra exposure for another three or four years is trivial in the scheme of things.

They have made it so that you have to seal the house. The problem with asbestos in terms of measuring it is that the amount of exposure you are going to get by the measurements they are making means that there is no easy way to make that assessment. Single fibres, 10 fibres, 20 fibres? And where are they? Again, because of that, that is why you cannot take a risk. You just have to demolish the place. But in the meantime I think you could make it livable much more easily and give them a choice to stay there.

MR HANSON: I have a supplementary. I take it from what you are saying that, without speaking for your neighbours, because they have been in those homes for such a long time, they have had the exposure for potentially 30 or 40 years—however long the period is—and they really want to be able to have the flexibility to stay on without necessarily having to do all the remediation that is being imposed on them. But there is a sense that because it has been made too difficult to live without lights, sliding doors and so on, for those people that essentially accept the risk—they are potentially elderly—and noting the restrictions and so on, and they would need to take extra precautions, for the people living in that home, those remediations they are being asked to do are essentially forcing them out of the homes?

Mr Blume: The answer to that is yes. None of the people I have talked to—these are anecdotes; it is not evidence—are saying, “Do nothing.” They are not saying, “Just leave it alone.” Seal cracks, do the things you can do, and maybe you even have to have that done on a regular basis. You have the National Library; nobody is proposing that it be demolished. It had every floor space filled with this stuff. I do not hear anybody saying, “Let’s go over and demolish the National Library,” or “Stop people going in there.”

There are buildings all over the place. So this is a matter of degree and balance again.

What are the technical issues that allow somebody to stay there, accepting that they do not like it but they accept that the house has to go? The question here is: can we stay there and then basically make the decision, if the issue is about buying your own block of land back and having your own block of land? That is an important consideration and question, particularly for older people—for anybody really. If they have chosen to be there, there is no reason why they should not do that. It means you cannot claw back as much. You cannot do the rezoning and claw back the money. But that should be a choice as well.

MS PORTER: What is your opinion about the cut-off date? There is a certain point when people have to make a decision by?

Mr Blume: Again, I think that is hard and it is a one-size-fits-all thing. I think there could be a much more granular treatment of interaction with the people involved. I am sympathetic. I have been on the bureaucrat side; I understand the need to make cut-offs, and I think the cut-off date for the decisions about how many years you resolve it for and that sort of thing are sensible decisions. But this is about the subsequent process of dealing with people, and it is not necessarily the case that you need to have people signed up by a particular date and then have a series of consequences that mean you have not really got a choice; you just have to do it. If you are left alone, the answer is that, first of all, there is no capacity to have a clearance on your site as being no longer Mr Fluffy, if you have paid for everything to be demolished yourself, and there is no fair treatment necessarily because of the compulsory acquisition possibility. That may or may not be fair or as fair. All of those sorts of things mean you are not really given a choice. These are not choices.

MS PORTER: You obviously were affected by the bushfires—you became very emotional. There was a suggestion by a previous witness on Friday that we should continue with some kind of task force, committees and things, like we did with the fires. What would your reaction be to that?

Mr Blume: I would say that is one of the things that has been missing a little bit so far. It has been good. I do not think anybody is doubting that people have their welfare in mind. The reaction is fine, but it has focused very much on the costs, understandably, particularly when the commonwealth just abrogated its responsibility, which it should not have done. I think there will be a need for a continuing asbestos recovery task force or whatever the name is. It does not matter about the title. That is really to do with emotional and more individual responses about how things are happening.

MS LAWDER: You made the point, Mr Blume, in your submission that the actual costs for people having to move temporarily or more permanently are much higher than the amount they are being given. Do you have a suggestion of what may be fair and equitable? Certainly, again, there is not one size fits all?

Mr Blume: I do not think it is one size fits all because it depends on the family, the nature of it, and it depends on what the market is going to be able to provide them with as well. That is the other question. I understand administratively it is very difficult. You cannot individualise it, but there is no reason why you could not have a tier of some sort, with some guidelines or levels at which something happens based on the number in the family, the age and support they have. Or you could just increase

the flat amount to everyone.

The thing about this is that nobody is making any windfall money out of this, least of all the Mr Fluffy owners. So the question simply is: how do we resolve what the government has to pay, and therefore all the taxpayers, spreading that pain, and what we can afford to do today to help the individuals directly? That is the question. Unfortunately for you guys, it is a political question; I cannot answer that question.

My feeling from anecdotes, not evidence, is that the community is fairly sympathetic to most of this stuff. I take it that people think, “Well, it’s all overblown because it’s asbestos.” But I think the understanding is increasingly that this is not the same as just the fibro in your eaves or in your bathroom or whatever. It goes back to: what is the outcome? What are we doing? We are kicking these people out of their homes. We are dealing with it as though we are talking about houses. Well, they are houses, but they are homes first, and that is the impact it is having. That is the thing that I would like us to focus on more.

MS LAWDER: You are in a suburb and obviously personally affected—not necessarily your own home—by the bushfires. There was a lot of public support after the bushfires, donations of money and goods, which is slightly different in this instance. We heard from the ACT Council of Social Service on Friday that they were not really seeing as much demand at this point amongst their members for support. Apart from the government support, which is obviously very important, is it something that the community should be getting a little more behind?

Mr Blume: It is a bit hard because, as the earlier witness said, the displacement has not actually happened for most of the people yet. We have actually had the conflagration. We know we are in trouble, but they are still in their houses and they are still going to be in their houses for some unknown time. So it is not like you just lost it in a day and you have to deal with it. In some ways it is worse because it does not look dangerous or unhealthy and your life is going on as usual, except you have all this stress because that can end tomorrow and you do not know whether it is in two years, five years, six months or whatever. So that uncertainty is continuing, whereas in the fires, a lot of the support was to get over the immediate fear. The fear I think is not high, probably, although for a lot of people it will be. If you have young kids it is a bit different.

I do the comparison because it is a large community cost. That was the sort of analogy rather than that. We helped save the house—one house burnt down next to us and it probably had Mr Fluffy in the roof. The one next door on either side—working with our neighbours, we saved those houses. We stayed around and fought for them. Now you go, “Well, if we’d let that one burn, it would have been easier,” to have had the loss then. You still would have had the devastating loss, but it would have been dealt with and then you would have a new house and this would not be arising. You cannot change history, so I cannot do anything about that.

MS BERRY: I have some questions about your ideas for the community’s responsibilities to each other in the face of this crisis for families in our community, and a levy. Do you think from the conversations you have had with people in the community—Canberra does best when it is in crisis and we saw that with the

bushfires and other crises we have had to face—in this situation that this is something Canberrans would get behind or is it a bit more complicated?

Mr Blume: It is a hard sell, I have to say. I think it would be a difficult sell, because, as I said, even though there has been massive damage to twice as many home owners, I do not think that is necessarily the perception so much out in the community. So it requires some hard selling by MLAs, and bureaucrats to do that on their behalf as well, to convince people about what the dangers are and what the personal impacts are and then how we should pay for that. A levy? You pay it. This is out of consolidated revenue. I have to say that I have had too much time around the political sphere to start taking a levy for this and hypothecated amounts for various things. It is a hard sell and I actually do not think it is very effective.

We are going to have to pay for it through our rates and taxes and everything anyway. What I am really talking about is not a separate identifiable amount so much, since we are going to be budgeting for it and paying for it over the 10 years or whatever to get it paid off. We have to pay back the commonwealth for their loan. Basically, all they have done—I do not think is it a partisan decision; I think it is just a commonwealth decision—is say, “We’ll give you a bit of help with your cash flow and charge you slightly less interest.” That is what they did, and we just have to deal with that.

I would say to make that a little higher and to be more granular with the way we are dealing with the individual families; that is all.

MS BERRY: The commonwealth should be more generous with the money they have given us?

Mr Blume: I actually think it is a totally commonwealth responsibility, frankly. They were the administrative body in charge at the time. They had advice about what it was. They signed an MOU—which, of course, is not a contract—indicating support after the clean-up. That horse has bolted. I think the government did as well as they could, but like the ACT so often—again, it is not a partisan issue—the ACT goes to the commonwealth and often we have no stick. We have goodwill. We know we can try and convince with argument and goodwill. Other than that, if you lose, you lose. You cannot do much about that. I think that horse has bolted.

MR HANSON: A number of the submissions noting the longevity of the problems that have led to where we are now—and the complexity and who is responsible, whose jurisdiction it is and so on—have called for a full board of inquiry, once we get through the sign-on period for the program, so mid-next year. Would you support that?

Mr Blume: Probably not. The reason is pretty simple: that is just another added cost for the lawyers’ breakfast and, guess what—it ain’t going to change anything. We might find out some more information about the processes, but I think we understand them pretty well. There is a lot of evidence in the public domain, in this Assembly, in the commonwealth and in inquiries around the place, about what happened, when it happened, why and who did what. I would prefer to look forward and look after the consequences and try and do that as best we can and not spend more time navel gazing. I cannot change history, and neither can anybody else. It is useful, but only if

you learn about what you can do in the future. I would rather spend some time and money on the future.

THE CHAIR: We might close there. I guess your takeaway message to the committee is it is an investment in the future, not a cost?

Mr Blume: And more flexibility.

THE CHAIR: Thanks very much for that. A transcript will be made available when it is there. If there are any corrections you would like to make, we would happy to receive them. Thanks for your time today.

GRANT-ASHLEIGH, MS KIM, Private capacity

THE CHAIR: Good morning, Ms Grant-Ashleigh, and thank you for your attendance here today. The public accounts committee has decided to have this inquiry following a letter from the Chief Minister with a copy of the proposed bill. We resolved on 17 November to have this inquiry. Since that time the bill has been tabled in the Assembly. Since calling for the inquiry we have received some 50 submissions, which have been put on the website. So as not to inadvertently publish a list of some Mr Fluffy houses, we have redacted much of that information. For your knowledge today, these proceedings are being broadcast as well as webstreamed. I ask you to confirm that you have seen and read the pink card which has the privilege implications?

Ms Grant-Ashleigh: I have read it, yes.

THE CHAIR: Please make an opening statement if you wish; then we will move to some questions.

Ms Grant-Ashleigh: I own a Mr Fluffy house. Firstly, I thank you for inviting me to be a witness; I think it is really important. I purchased my home in 2002. It was my first home. At that time I was married with two young boys. On purchase of the home I was made aware that the house had been part of a decontamination process between the late 1980s and early 1990s. I was also told that the home was asbestos free, 100 per cent safe and certified as such by the government.

I felt the issue had been dealt with appropriately and believed the information made available to me was correct. I then put that information aside in my head as I understood the property was completely safe. We applied to ACTPLA in 2004 to renovate the home, demolishing internal walls, building a deck on the back of the home and getting a professional to replace a small window with large sliding doors. This was approved and there was absolutely no mention whatsoever of the need for asbestos precautions.

During these renovations, we lived in the home and I was pregnant with my third child. She was born at home, in fact, at the tail end of the renovations. I have, therefore, highly likely exposed myself and my children to a high-risk health hazard. The implications of this are yet to be seen. As a parent, I have done everything I can to protect the lives of my children. To know that their lives could be shortened because of maladministration in acquiring and renovating my family home is sickening.

It is also now too late, because if there has been any damage done, it has been done. Only time can tell. I did not receive a letter in 2005. In 2008 I paid out my ex-husband for his share of the property and decided to stay in the family home as it was the easiest option as far as the emotional stability of my children was concerned. As the primary caregiver of three children, I have worked part time in a stable job while also operating a small art business, teaching mosaics, working on private commissions and as artist in residence at local primary schools. I base that business out of my home.

In 2011 I began the big task of mosaicing the exterior of my home. The artwork

completed so far has special meaning to me and my children as they tell the story of our lives. It has taken me hundreds of hours to create. The latest piece, unfinished for now, was a mosaic I made in memory of my father, who passed away last year. I installed it onto my home a week before I realised the severity of the situation. These pieces are invaluable, priceless and irreplaceable.

I registered with the task force after receiving the letter in July of this year. I did not receive the February letter. I understand that that is likely due to the fact that that letter was addressed to the “home owner”. Most likely I would have thrown it away. This might seem a small clerical error, but the impact of this simple mismanagement has had much more serious consequences. In any case, it was a rather benign letter that did not alert me to the seriousness of the situation that I now find myself in.

Upon registering my details with the task force, it seemed clear to me that if I did not want an assessment done on my home, it would not be. I am still not 100 per cent sure if these assessments were compulsory and what their true aims were.

The task force did not give me any further information on the implications of owning a Mr Fluffy home. It was not until 19 September, when the asbestos assessor came over, that he sat me down and explained what was on the cards, including the potential demolition of all homes. The wait to receive the report was the most stressful two weeks. The idea that we would have to abandon our home and everything in it was not pleasant, and this was a reality that we were facing. Indeed, this was the reality that many families had already faced.

I was offered the six-visit support to see a psychologist. Six visits are simply insufficient for this level of stress. I was lucky enough that from the only 10 samples taken in the assessment, amosite asbestos was found in the top shelf of one cupboard. No samples were taken in the subfloor, the roof cavity itself or the soil on which the structure resides. This gives me some hope that any long-term and irreparable damage may be slim. However, the cupboard that the amosite asbestos was found in was my boys’ cupboard. I struggle with the idea that both my boys could have been getting dressed every day in clothes covered in amosite asbestos.

I also struggle with the idea that the government has decided to take my home from me based on the assessment that took all of half an hour and only 10 samples.

It is an absolute fallacy that I can purchase a comparable home. The simplistic nature of a statement like this makes me wonder how these people can be in charge of running anything, let alone the lives of hundreds of thousands of people. It ignores so many key points of the scheme that they created, the freeze on the valuation date being the obvious one. If I am repeatedly told that it is possible for me to buy a comparable home and not be financially impacted, then I challenge those people to find me this comparable home where my financial snapshot will remain the same and my lifestyle will remain the same.

I am sitting here before you on 1 December. It is a month after the decision announcement was made public. A thorough consultation of all home owners should have taken place much earlier. The task force have told me that input was sought from all home owners, but I put to this committee that the government relied too heavily on

one person's input, which represented only a minority of families. The lack of real, robust consultation with all affected, including even the wider community who will be impacted by simply living near a Mr Fluffy house, is astounding.

Additionally, I put to you that Katy Gallagher, back in 2005, knowingly sat on this issue at a time when a shortage of land was not an issue. Now almost 10 years later there is a very sudden and rushed desire to act on this health crisis when the issue of land in this city has become just that. Contrary to reports in the *Canberra Times*, this is not the end of our fight. While we will all inevitably move on in our own ways, do not believe for a second that we have all given up. People have been intimidated into taking this so-called voluntary buyback offer. Many do gladly, while others do under duress. Please do not underestimate the long-term health impacts, the short-term health impacts and the considerable financial impacts that are being forced upon us.

Whilst I applaud the government in coming to the plate, the lack of governance and industry regulation on this matter falls squarely on the shoulders of those who govern. I am a firm believer in the saying that actions speak louder than words. I am here today in the hope that it is understood that it is not as simple as governments saying they are responding compassionately, when their actions indicate otherwise. The lack of information does not allow for informed consent or decision making, much less seeking sound legal advice.

There has been a lack of appropriate consultation, a lack of transparency and an inequity in the scheme whereby families of a specific socioeconomic background are looked after, and the unconscionable act of evicting our elderly citizens from their homes. The short time lines to this scheme also contribute to an unnecessary panic, given the lack of information.

I am not a number; my children are not numbers. I refuse to be reduced to that. We are living, breathing human beings with hopes, aspirations, dreams and something to offer this world. I cannot be defined in monetary terms and I will not allow anyone to treat us in this uncompassionate, disrespectful and contemptuous manner.

I put to this committee that the maladministration of this whole debacle is egregious, and I support Jeremy Hanson's call for a board of inquiry into the ACT government's management of the Mr Fluffy loose-fill asbestos debacle.

As law-abiding, voting and taxpaying citizens who contribute to the society in which we live, I feel this is the least that can be extended to us.

THE CHAIR: Ms Grant-Ashleigh, thank you for your submission and for your comments and your courage in coming forward today. Can we focus on the issue that you cannot purchase a comparable home for what is being offered. Surely if you are getting value for what the building has been valued at, that allows you to move around the market as it is?

Ms Grant-Ashleigh: I have been looking actively since they made the announcement, and prior to that. I had a feeling that this was going to happen, so I was looking as far as just watching what was happening, how much things were going for. In the short period of time that I have been looking, and actively looking since 28 October—there

are not many homes out there, first of all. Second, I cannot tell you how many Mr Fluffy home owners I regularly meet on the market. I have been told by real estate agents that most of their clients now seem to be Mr Fluffy home owners, and the last indication that we might be in a bit of a pickle was a real estate agent telling me on Friday morning that those of us who can purchase now, before everybody gets their payout, will be the best off, but for those people who are not able to do that—in other words, they do not have the capability of getting bridging finance et cetera—there is going to be a massive bubble basically because of us trying to get back into the market.

THE CHAIR: You mentioned the lack of information and the short time frames. There seems to be an extraordinary amount of information out there. How is the information that you have received deficient?

Ms Grant-Ashleigh: I do not agree that there is a lot of information out there; sorry. Like I said, I did not receive a letter in February. Maybe that was a good thing in some ways, because for most of the year I have been able to sleep. But once I received the letter, and really once I understood the implications of this—which was not until mid-September when the asbestos assessor came over—it has been sleepless nights for me. I was not made to understand the seriousness of this situation until the asbestos assessor came over. Unless you knew which questions to ask, the information was not given.

THE CHAIR: Until the asbestos gentleman sat down and actually told you what it meant—

Ms Grant-Ashleigh: Yes, I think he must have thought that there was something wrong with me, because I was kind of joking around thinking, “This is not really—what is all the panic about?” He actually sat me down and said, “Listen, this is what’s happening. You could still have residual fibres in your home. They could have fallen down into the interior of the wall cavities.” That, in fact, was not even cleaned out in the initial clean-up. “They could have fallen down into the subfloors.” I had no idea. I just assumed that everything had been remediated and everything was fine, because that was the information that was given to me when I bought the house.

THE CHAIR: And because of the process you went through in 2004 when you got the approval from the planning authorities?

Ms Grant-Ashleigh: There was no mention of asbestos—none whatsoever.

MS PORTER: Thank you very much for appearing before us, Ms Grant-Ashleigh, and for your very well thought out submission. When you began your discussion with us, I thought you said that you did not receive a letter that was initially sent out or some information that went out in 2005?

Ms Grant-Ashleigh: That is new to me. I heard about that this year. I do not recall receiving a letter in 2005.

MS PORTER: And then in February—

Ms Grant-Ashleigh: I did not receive a letter in February. I understand that the February letter was addressed to “the home owner”. I do not open those kinds of letters. Even if I did receive that, I do not open those because it is generally junk mail. It goes straight into the recycling.

MS PORTER: Since then, has anyone from the task force or anyone from the government sat down with you, like the asbestos man did, and explained to you step by step what those pieces of information are that the chair talked about and that have been distributed? Has anyone gone through them and said, “This means this and this means that,” and elicited inquiry from you?

Ms Grant-Ashleigh: On my initial phone call when I registered my details after receiving the July letter, it was not clear to me that there were still issues with potential amosite or loose-fill asbestos inside my home. That was given to me by the asbestos assessor. Once I started receiving the newsletters that the task force gave me, which was after, I believe, I had got the information from the asbestos assessor, then it was clear. The information that has been coming through from the task force has generally been very clear, but no-one said to me, “We’re looking at demolishing houses.” No-one said to me, “There are still asbestos fibres most likely in your home.”

MS PORTER: With the asbestos assessor, when he or she came around to look at the home and do the testing, were you given to understand what would be part of that process? Were you told, “This will take this amount of time and we will test in these various places”? Was there some kind of schedule you understood would happen in relation to that testing?

Ms Grant-Ashleigh: I asked the task force how long it would be expected to take, because I was taking time off work, and they told me it would take about an hour. In the end he was there for just over half an hour.

MS PORTER: I think you said he did not look at the entirety of your building; is that right?

Ms Grant-Ashleigh: That is right. He took 10 samples in my home, which did not include the roof cavity, it did not include the subfloor and it did not include the soil. He took samples right around the manhole to the ceiling space. Those returned negative. I really cannot understand how, out of 10 samples, someone can make this decision that all houses need to be demolished.

MS PORTER: He or she gave you a report from that?

Ms Grant-Ashleigh: Yes, two weeks later, a written report.

MS LAWDER: With the government’s current scheme that you have been offered, the opt-in before 30 June, do you feel it is clear enough what would happen if you did not opt in by 30 June?

Ms Grant-Ashleigh: No, and this is a key point. I have asked on several occasions what will happen to me and my family if I do not opt in. I get a long-winded answer that does not actually answer the question. I have no idea, other than the fact I have

been told all of the arrangements under the Dangerous Substances Act that will occur and that I will be financially liable to pay for that. But that is all I understand.

MS LAWDER: How do you feel about making a decision?

Ms Grant-Ashleigh: I cannot make a decision; I cannot make an informed decision. I have gone to see a lawyer. He cannot give me the legal advice that I am after because he is telling me, “I don’t actually know if the government is going to be compulsorily acquiring homes or not. If they do, this is what that means.” But I do not know. Really, I feel that if I decide to opt in to this scheme, I will be doing it under duress.

MS BERRY: Ms Grant-Ashleigh, thanks for coming in and telling your story. We know it is difficult for you and we appreciate your doing that. You made a comment in your verbal submission about a board of inquiry into the ACT government. Given that the Mr Fluffy and the loose-fill asbestos issue spread further than the ACT and into New South Wales, and having regard to the commonwealth’s responsibilities early in the piece in allowing loose-fill asbestos into people’s homes, do you think it could be a better way for ACT and New South Wales residents and anyone else affected that the commonwealth conduct an inquiry into this issue? You also talked about the amount being inappropriate or insufficient.

Ms Grant-Ashleigh: Yes, it really is. To be perfectly honest, I do not hold out much hope for the Abbott government, so I cannot really comment on that. I really feel for our New South Wales neighbours—very much so. They are getting nothing. They are made to leave homes that still have this stuff in it. At least in the ACT we do not have the loose-fill asbestos any longer. We are talking about residual fibres, so our contamination rates are much less. But I really feel there needs to be—I strongly support a board of inquiry. If it means that it comes from the federal government then so be it.

MS BERRY: With respect to what could be better about this appropriation bill, the information that is getting out or choices for families—of course, we have already heard this morning that no amount of financial support is going to be able to resolve the emotional issues for everybody affected by this—what sort of choices do you think you should have, and what sort of flexibility should there be?

Ms Grant-Ashleigh: We need at least to feel like we have some form of autonomy over our own lives. As I wrote in my submission, there is no rational reason to me that people cannot knock down and rebuild. I am on a large block; I am on almost 1,100 square metres. Why can’t I subdivide my own property and sell off a part of that land to finance a rebuild?

MS BERRY: Sorry; are you saying that you want to privately demolish your home?

Ms Grant-Ashleigh: Had I known that people who had privately demolished before 28 October were going to be so well looked after—which is basically they have got the cost of their demolition and the fair market value of their previously existing home—I would have demolished privately; no question. I am saying it is unfair, but I am not saying, “Hard luck to them.” I am just saying that I believe that part of the scheme is really inequitable. As I mentioned, I would have knocked down if I had

known that that was going to be the case. But, on top of that, because they still have their crown lease, they could potentially be walking away with hundreds of thousands of dollars just by selling their land, their bare land. They can move on, do whatever it is that they want to do, but they have that choice. It is with them to decide, whereas I feel like I have lost that ability to choose.

MR HANSON: Thank you very much, Ms Grant-Ashleigh, for appearing today. Obviously communication with you has been an issue.

Ms Grant-Ashleigh: Yes.

MR HANSON: Since 2005.

Ms Grant-Ashleigh: Since the purchase of my home, I would argue.

MR HANSON: But particularly the February letter. I suppose you also talked about the communication since then that the government went through. Rather than communicating with you directly it was through an individual home owner and reliance on an individual. Without casting aspersions on that individual, the government were, in essence, abrogating their responsibilities. That is the sense I got from what you said. Rather than speaking to you directly, it was just palmed onto an individual?

Ms Grant-Ashleigh: Yes, I have questioned the task force on why all home owners have not been contacted. At the end of the day, even if there were public forums—I understand there was one that occurred in June or July—I did not even know of the situation then. It was not until after receiving the July letter. Just by default, because I did not receive that February letter, it was not even something about which I thought, “I’ll go to this open forum that is talking about this loose-fill asbestos.”

MR HANSON: Because you did not know.

Ms Grant-Ashleigh: I did not know. I think there has been too much reliance on one source as opposed to a robust consultation process.

THE CHAIR: The takeout seems to be that that lack of information right from the start and even now has limited your choices. Had you had more information earlier you may have made other choices, as some other people have done. With the compensation as offered, it is impossible to find a comparable home in the same area. You are worried about the lack of sampling that has been done. You have concerns about the mishandling of the whole process. You mentioned maladministration, and you would like to see an inquiry done?

Ms Grant-Ashleigh: Yes. I have to stipulate as well that we really need to be thinking about our senior citizens in this process. I am horrified about what is going to be happening to senior citizens. Having been a live-in carer for senior citizens for a number of years where I actually lived in their homes and helped care for them—this was back when I was much younger—I understand their needs. They do not necessarily have a strong voice and also they have needs. It is not as easy as saying, “You need to leave.” There are certain things that need to take place inside their home

to make them still have some form of independent living.

THE CHAIR: Very kind. Thank you very much for your time today. A transcript will be provided. We ask you to read that and if there are any corrections or alterations you would like to make, you could inform the secretary and the committee will look at that.

Sitting suspended from 10.55 to 11.14 am.

O'NEILL, MR PAUL Private capacity

THE CHAIR: The committee has appearing before it Mr Paul O'Neill. Welcome to the inquiry of the public accounts committee into the Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-2015. The committee received a letter from the Chief Minister on 14 November asking whether we would inquire into the bill. The committee resolved on Monday, 17 November that we would do so, and the bill was tabled in the Assembly last week.

We have called for submissions and have received more than 50. From those, we have chosen a number of people to appear today to represent the various issues as brought out by the submissions. Those submissions are now on the website. We have, for privacy reasons and to avoid publishing a small list of Mr Fluffy homes, removed personal details.

We thank you for your appearance today. You need to be aware that the proceedings are being broadcast as well as being webstreamed and transcribed. With that in mind, before you is a privilege statement. We ask that you confirm for the committee that you understand the privilege implications of the statement.

Mr O'Neill: Yes, I confirm that, thank you.

THE CHAIR: Would you like to make an opening statement to the committee?

Mr O'Neill: Thank you, Mr Chairman. In my submission I declared my wife's and my interest. We are home owners affected by the government's loose-fill asbestos eradication program, but the principal point for my appearance is that we are not satisfied that the Asbestos Response Taskforce has taken sufficient steps to fulfil its obligations to us and to the community that our home posed a threat to us and to the community's health and wellbeing.

I have drawn this to the attention of the asbestos task force, which has been ignored. I have drawn it to the attention of the Ombudsman in two letters. That has been ignored, other than an acknowledgement. I have raised it with members of the Assembly. The Chief Minister, Ms Gallagher, has kindly provided us with additional information.

I also acknowledge the speedy response of the Gallagher government to come to the aid of those devastated by the failure of the former ACT administration—I am not quibbling between the commonwealth and the current structure—to rectify the crisis. However, it is time now to take a more considered approach as those in crisis are now being helped. The time for rush and nervous haste needs to be tempered, acknowledging the skill of the committee of bureaucrats—in fact, I am impressed; the econocrats, the number crunchers, the lawyers and the land managers—who designed the scheme in its absolute efficiency in herding home owners to the starting paddock. They could only be commended in the public service annals.

However, the fundamental role of this parliament—I am only speaking as a mere elector—and, through it, the government of the day, is to protect its citizens' liberties, freedoms and rights, including property. It is, however, also the task of our elected representatives and our parliament to humanise this particular scheme to reflect the

concerns of those directly affected—each individual and category of home owner caught up in the scheme.

Our principal concern has been the valuation or the assessment of our home. I understand that it is indicative of the approach adopted in respect of other homes, but as I have declared our interests, it is in respect of our home that our principal concern arises and, therefore, that of the wider community. The asbestos response task force has stated that there will be no further assessments to determine whether asbestos is, in fact, in affected houses nor will the task force recognise private assessments. This approach is unfair and inconsistent with the task force's own proposed actions.

Assessments—extensive testing—will be made to determine the best method of demolition but not beforehand. Further asbestos assessments will be made on the vacated land to determine whether asbestos is present. To date, there is no evidence of the presence of asbestos in our home. That leads me to where I wish to go.

Surface swab samples have been taken. No asbestos material is present. Controlled, static and exposure personal air sampling was undertaken throughout the house. No asbestos is present. I wrote to the asbestos task force to say, "Show us what you've got." There has been no response to that. Indeed, the response was, "We will not conduct any further testing. We are basing it on the criterion of being an affected home."

The definition of an "affected house"—the efficient, dehumanised approach adopted by the task force and its absolute criteria—needs to be tempered with a case-by-case assessment. There are different categories. In the absence of an expert evaluation, there is a need for criteria based on a current evaluation rather than relying on what the task force has stated are the criteria of a failed scheme back in whenever it was. If the earlier scheme was a failure, how do we know the reliance on the evidence is sound? My recollection, being around at the time, is of hearing the stories of houses being avoided by the owners or simply overlooked. As I pointed out in my submission, there is at least one case where a person claims that the material had never been installed in their home.

The asbestos eradication scheme relies on the definition of an "affected home"—that is, a house that has loose-fill asbestos installed and removed. The ACT government has offered to buy all affected houses in the ACT. This is supported by compulsory acquisition power and that is used with little subtlety in persuading reluctant ones such as my wife and me to vacate our home. But there is up to five years continued occupancy, subject to restrictive conditions, to meet individual circumstances, and the purchase price being market value at 28 October 2014. Others would have covered that; so I do not propose to point out the inconsistency of that. All affected houses are to be demolished, with government-owned vacant blocks remediated and sold.

I have suggested a modification to the definition, and I have a copy, if it is of any interest to the committee: "An affected house is a house that had loose-fill asbestos insulation installed and removed subject to the following: where an asbestos investigation and risk assessment of the potential loose-fill asbestos containing insulation"—which is what has been conducted—"of an affected house fails to establish the presence of asbestos fibres, a further asbestos assessment shall be

conducted at the request of the owner.” I have made the point there “at the request of the owner”. There are people so keen to vacate their homes that they do not want anything to hold them up; I would hate to be the one to suggest that there would be any restraint on their capacity to take full advantage of the scheme. To continue: “The assessment will have as its primary objective to establish whether remediation of the house structure is feasible to remove any asbestos fibres, if present, to enable the reclassification of the property as a non-affected house, therefore ceasing to be subject to the asbestos eradication scheme.”

In our situation, we are both retired. We have established a home over many years in order to make it ideal. Now it has been proposed to have it bought, as I say, supported by compulsory acquisition powers. The “voluntary” is nice legal speak, but it is all of the mess of litigation and all of the mess—even, for example, if you take advantage of this scheme—with the valuation based on a non-affected home. If you were to run through to compulsory acquisition, the valuation is based on an affected home, so you assume you will get the value of the block of land less remediation costs.

That is my concern. As I say, I declared my interests in the beginning, and I have repeated those interests. We are affected by the government’s proposal. I hope that may provide some understanding to the committee of one aspect of many concerns.

THE CHAIR: The committee will have a look at a copy of your definition in detail. Can we be clear? The history of the house is that you purchased it; you then modified it; you modified it again, doubling its floor area and removing up to 60 per cent of the original roofing and ceiling. None of the construction personnel found asbestos then, which was 2004. It was renovated in 1992 and 1993, when they did a lot of work with windows and cavities, and then in 2004. When they tested, the report came back absolutely clear of asbestos?

Mr O’Neill: Absolutely clear. On each of the counts, not only is it less than whatever the minimum standard is, point one of something of a millilitre, but it states that on each of the criteria no asbestos was detected. It repeats that all the way through. That is in relation to the little suckers that they used to test the air at different points which are most vulnerable. And also there was the swab testing. In fact, we were probably more embarrassed that the thing they found was the dirt in the house rather than asbestos.

There is no evidence, nothing to see. I have seen the photographs of globs of this stuff. I was involved with a master builder in the first stage, and he was supervising my activities. I was the one climbing under and in and out. There was nothing in evidence. Even the cobwebs did not have material in them in the cavities. It is solid brick, an old ex-guvvie, 1960s. It has been turned into a house that suits us perfectly. There is nothing—under the floor, in the ceiling, in the cavities, nothing visual.

Just let me distract for a moment. This is an inconsistency as well. With those unfortunate people who have found they need to be vacated, it is based on visual evidence. In our case, there is no visual evidence, but we are still going to be vacated.

THE CHAIR: Do you suspect it is a mistake?

Mr O'Neill: No, I do not suspect a mistake. I am assuming that material—I do not know whether material was installed there—was retrieved out of the ceiling cavity. It was not pumped down into the wall. I remember back in the 1970s I thought about asbestos, and I thought, “How would you put it down the wall?” It was advertised that way—down the cavities as well as into the ceiling. I thought, “I’ll get the ordinary old fibreglass,” as it was then.

THE CHAIR: In this case, either your concern is that you will be forced out of the house—it will be acquired and you will lose your home and all the effort you have put into it—or, if you are allowed to remain for up to five years, you are concerned about the restrictions that have been placed on home owners.

Mr O'Neill: I am concerned about the restrictions. I would have no restriction on the time that one could stay if your house was reassessed or assessed and then reclassified. In terms of the five years, they are very restrictive. The house is in very good condition. Whatever they impose, if you want to stay, you put up with it and advise everybody who enters the house that it is an asbestos house. It is all aimed to get us out, to get us into that starting paddock, to make it unattractive for us to contemplate anything other than a speedy vacation.

THE CHAIR: You would be happy for some sort of review or appeal mechanism to be put in place?

Mr O'Neill: Yes.

THE CHAIR: You mentioned the Ombudsman.

Mr O'Neill: The Ombudsman was a means to be heard. One of my next steps was whether I complain to the Auditor-General. To me there is a fundamental flaw. The flaw is: prove it. Have a test to show that this material is there. It is all very well to say what happened, but if you were to do an assessment, you would probably save money in the sense that a thousand houses could be remediated and not be demolished for whatever the cost would be. Just the cost of demolition and land remediation, I expect, would be probably \$50,000—just that. For less than \$50,000—you would assume that for a house that was in reasonable order. But things like the cornices were all removed and there was nothing behind them.

MS PORTER: Thank you for your submission and for coming before us. We know this is a very difficult time for you, your wife and your family. At the beginning of what you said, you said you wrote to the task force and raised this with the task force and you did not receive any kind of response; is that correct?

Mr O'Neill: Yes.

MS PORTER: No response whatsoever?

Mr O'Neill: No.

MS PORTER: Not even an acknowledgement of the letter?

Mr O'Neill: No. I wrote again, after speaking to the Ombudsman's office. I do not wish to criticise them, but they saw it as a matter of saying, "Ring them up and have a chat." I said, "No, I'm too concerned. This is a serious matter." So I wrote formally to the task force again and I copied my letter to Mr Neave, and there was no response to that.

MS PORTER: Has the task force offered any kind of meeting with you since, to sit down and go through your concerns that you have outlined here and to us just now?

Mr O'Neill: No. I would be more than happy to do that, but I am still focusing on the fundamental flaw of the scheme, which is the fact that it is based on outdated evidence, the evidence being that we are on a list of names where a remediation program was undertaken in 19-whatever-it-was.

MS PORTER: I was trying to clarify whether that offer has been made.

Mr O'Neill: No, there has been no offer.

MS PORTER: If you choose to remain in your own home, as you obviously want to, what would be the conditions under which you want to remain? What things do you want the government to say to you about remaining in your own home? What will make it okay for you?

Mr O'Neill: Let us assume there is material there. It is not visual but it can be detected by some scientific analysis—whether that could be removed to enable the house to be taken off that list and therefore not to be subject to the eradication program. So there are no conditions. That would be the ideal. But there has been no attempt to assess the house to determine whether that is feasible.

At the other end of the scale, if we just go along with the scheme, all the conditions apply that it is a tainted house. It is an affected house; therefore it is a danger to the community. And for five years we can continue to live in it, depending on individual circumstances, which is that you have a five-year devalued valuation. So in five years or six years time when you leave, you have a valuation based on 2014. So there are serious handicaps.

If the valuation was done at the time of departing from the house, that, for a start, would ease our way out. The conditions, hopefully, would not be too onerous. When you read about the medium-term management, residents are to have asbestos awareness training—more than happy. There is implementation of an asbestos management plan. Now we are talking about not an evaluation but probably more effort than an assessment and valuation. There is an asbestos management plan, whatever that means. There is management of potential disturbance of the material—so we do not go in the roof and we do not go under the floor, I presume, or open up the cavities. With respect to devising a system to ensure that trades and services attending the property in the future are aware of the loose-fill asbestos, there is going to be a little sticker and whatever. And we have to make available relevant documentation.

I have read in the media that there are likely to be things like vents covered up, the

central air-conditioning system being installed quite separate from the old house. So that becomes ineffective in the way of ceiling light switches, power points and whatever.

MS PORTER: Just to clarify, that is not in that material but it is something you read in the media?

Mr O’Neill: Yes.

MS PORTER: About air conditioning and things like that?

Mr O’Neill: Yes.

MS PORTER: So that is not in that material?

Mr O’Neill: No, not in this material here. This is just the medium-term management—“medium term” meaning up to five years, “short term” meaning you can keep staying there until you get out quickly and “long term”, as it says, demolishing the property. As I say, there is no evidence, other than the fact of the general evidence, that there are levels of asbestos in the non-habitable parts of the home.

MS BERRY: I want to clarify about your home. If there was an opportunity for you to have a further forensic test done on your home and it showed that there was loose-fill asbestos somewhere, what is it that you would want out of that? Would that then satisfy you to say that you would need to take the next step, or would you want to see that it could try to be remediated again when, clearly, that has not been successful in the past for a lot of these homes?

Mr O’Neill: I am not totally familiar with the remediation that was done. I know vacuum cleaners were used and there was the ceiling cavity, so it was limited to the ceiling cavity. In some houses it actually went down into the cavities and that was not removed. Some went under the floor space and that was not removed—in most cases, I understand. So the remediation done back then was based on a specific area, a specific task, painting surfaces to stop the material being released into the air. But if there was an assessment made of the house and it was found that there were levels of asbestos tucked away in there, we would be on the next bus. At the moment there is nothing. It would be terrible; you say to somebody, “We’re caught up in the asbestos thing.” “You’ve got asbestos?” “Well, there’s no evidence. I can show you the report,” for tradesmen or whatever—if you go outside the terms of the report. So it is silly. I show this report to a tradesman and the tradesman says, “It doesn’t tell me anything. I’m not going to be in the habitable areas; I’m in the uninhabitable areas, and it doesn’t tell me.” There should be something to say that there is a serious problem with a house—and all our houses.

MS BERRY: The Downer house that they discovered was a house that was not remediated. It still had all the asbestos in there and it had travelled all the way around the house, up through the wall cavities and into the house. That has been the experience in some of the other houses that were under this failed remediation. I want to get clear in my mind that if your house was assessed to have asbestos, even in the

uninhabitable areas of your home, and there was a chance that it could enter the inside of the house, just by the nature of the product as it moves, that would convince you to leave?

Mr O'Neill: Certainly, we would be in a position to make a better decision. At the moment our decision is whether we go or we stay. "Go" is easy—relatively easy. "Stay" is very hard. As I have said to those that will listen, we are reluctant. We want to be—

MS BERRY: I think everybody is—

Mr O'Neill: shoe-horned out the door, in a sense, rather than simply that we have fitted a definition. As I say, there has been at least one case reported where the person claims they had the remediation program, so their fibreglass was taken out, but they are listed. That needs to be tested. If a person is making a claim, and I am making a claim in my own way—prove it. I can listen forever. I can see things on the television about the Royal North Shore Hospital with asbestos, with patients in it. I do not see that being evacuated or whatever. Out of those thousand-odd houses, there are probably different categories—extreme, medium and low. If "low" is dangerous, there is no issue; we do not need to distinguish. We are just not satisfied yet with the process. That is why we are claiming there is a flaw in the process. It is beautifully crafted to get us out the door.

I forgot to mention I also complained to Mr Abetz, to ask him to have regard to what I saw as the flaws in the system. So I have been complaining to everybody, and I appreciate that I have been given an opportunity to come here and complain and be listened to.

MS BERRY: Thanks for coming in.

MR HANSON: With the assessment that was done of your home, when was that done? A couple of months ago?

Mr O'Neill: That was done very recently—in September 2014.

MR HANSON: Did they just go into the livable spaces of your home or did they go into the subfloor?

Mr O'Neill: The assessor looked under the subfloor with a torch. That was as close as they got to looking. But there was nothing in the old cavities. It is a bit hard to work it out. There was nothing obvious. There was no thin stuff lying around. That was my experience when I was there in the past.

MR HANSON: There seems to be a view from the so-called experts that every house will need to be demolished simply because there is no way to guarantee that the house is safe. In essence, do you accept that or do you think that is an overreaction?

Mr O'Neill: I would not say it is an overreaction; I would say it is a very cautious approach. Indeed, this is what this recommendation says without any justification other than the fact that for the long term, demolish the property. There is no argument

that every house is contaminated. It just simply states in respect of our house that there is no evidence in habitable areas. I stress that. Therefore, the house is to be demolished. It does not go into the question of uninhabitable areas. It does not even examine those or even suggest they be examined to sign off. I just think it is very cautious on the part of the assessors based on what is probably general experience throughout the world with asbestos.

MR HANSON: In your personal circumstances, if the government was to say, “We are satisfied that there is no asbestos found, the risk is low,” you would want to stay on indefinitely?

Mr O’Neill: Yes.

MR HANSON: Or would you want to stay on for a limited period and then sign on to the program, accepting that you will move in five years time, or would you basically say, “Just leave us alone”?

Mr O’Neill: We would rather stay. That is our home. As I say, I am arguing on this fundamental hurdle. If we are found to be in the swimming pool with the rest, we will swim and vacate the pool and be off. The issue of whether we can buy another house or whatever, we will be back in another forum talking about that in future years—about valuations or whatever. I will be complaining to someone about that, I guess.

MR HANSON: Do you feel there is a sense that the government has engineered—this is what your evidence suggests—the program to make it untenable to stay so that they are essentially trying to get people to sign on because the risk of not signing on is so great in terms of their coming to take your house, anyway?

Mr O’Neill: I think that is generally right. As I say, I admire the skill of the drafters of this scheme. It is also complemented by the skill of the political process in selling it to the community. The econocrats, the number crunchers, have worked out a scheme which is based on not minimising but reducing the cost to the community. I cannot disagree with that. It has become a land management project. It will certainly benefit a failing economy—not a failing economy; a slowing economy—in terms of construction.

It is all pluses. If I was sitting there at the committee and doing the little ticks on the boxes before advising the Chief Minister, there are lots of ticks. But when it comes down to the home owner, the home owner in the first category would go, “Whoopee! We’re out of here. Thank you.” I do not know whether that is 100 or 500 houses. But in the latter category, which is us that need to be persuaded, there needs to be that category: “Yes, the house does have levels of asbestos and they will leak into the house,” or whatever. It has not happened yet. I do not know whether the September assessment is indicative of the entire history of the house.

MR HANSON: You feel you are caught up as an individual in a one-size-fits-all process?

Mr O’Neill: Yes. There needs to be a little bit of adjustment. When I was drafting this definition, I tried to think about whether it was hurting those that were benefitting

from it. I was thinking of the retired, the pensioners, the aged and whatever. I tried to give them a category and give them the capacity to have special treatment. Special treatment could be up until a time of departure of their choosing. If that is 20 years off, that gives a problem for the government, but it is not an insurmountable problem. It might be serious, but it is not insurmountable.

Many issues need to be managed over time. It is convenient to get it all out of the way. You move from there, being people to be vacated from the homes, to a situation of managing the remediation and then sale. It is different. There is no connection between us and what is going to happen with our block of land in three years time, say, when it is offered back to us, to enable us to buy it if we wish at the full value applying at that time, not on the October 2014 value, the price that was given to us. It may be that we are not able to buy back our block of land.

THE CHAIR: We have run out of time. Thank you for coming here today. Clearly, the new message we have received from you is the issue of the definition, whether it is appropriate and, of course, whether there should be some sort of review mechanism. I thank you for your time, your submission and for coming in today. A copy of the *Hansard* will be provided. Could you review that? If you have any corrections to make, you could forward them to the secretary? She would be very grateful.

DONALDSON, MR IVAN JAMES, Private capacity
FANNING, MS MARGARET PATRICIA, Private capacity

THE CHAIR: Mr Donaldson and Ms Fanning, welcome and thank you for attending this hearing of the public accounts committee inquiry into the appropriation bill to cover the costs of the loose-fill asbestos insulation eradication scheme. The committee has decided to do this inquiry as a result of the letter from the Chief Minister received on 14 November. We decided to do this on 17 November. The bill was tabled on Tuesday of last week and we hope to balance the needs of the government, which is keen to have the bill debated on Thursday, against the need of the community to be heard.

Thank you for agreeing to participate in that process and thank you for your submission. For your information, all the submissions are now on the website but we have redacted personal details; it was not the intention of the committee to inadvertently publish a list of some Mr Fluffy houses.

With that, we will go straight to your presentation this morning. Before you is a privilege statement. We need to note for the record that you have read and understand the privilege implications of the statement?

Mr Donaldson: Yes, I have read it.

Ms Fanning: Yes.

THE CHAIR: Thank you. The proceedings are being broadcast today, as well as being transcribed and webstreamed. Would you like to make an opening statement to the committee?

Ms Fanning: Yes, thank you, Mr Chairman. I and my husband, Ivan Donaldson, are owners of a so-called Mr Fluffy house. We bought our house more than 25 years ago in 1989 and over the years since then we have made a huge emotional and financial investment in our home. In 2006 to 2007 we undertook a major renovation and extension of the house, believing then that it would be where we would spend the rest of our lives, and our house was designed for that purpose.

Of course, we would never have done so if we had been made aware of the continuing dangers that remnant fibres might pose. We have been devastated by the developments that have unfolded over the last eight months, and it has been a time of huge anxiety for us.

We very much welcome the opportunity that we have been given by the committee's inquiry to raise issues relating to the scheme. We note that the *Canberra Times* of 29 October reported the Chief Minister as saying that she was open to considering any good ideas for possible improvements, albeit at the edges of the scheme. Her intention, we understand, is to encourage as many owners as possible to opt into the scheme, and the improvements that we have suggested in our submission aim to do just that.

We are appreciative of the efforts the government has made to address the situation that has arisen and we recognise the financial constraints that the government faces.

However, we remain concerned about a number of the elements of the scheme and the impact that the government's decision will have on us and many other affected owners, so we believe there is a pressing need to ensure greater flexibility and fairness in the way in which the scheme operates.

We are realistic; we are not seeking fundamental changes to the scheme. We recognise that the government is committed to providing an enduring solution to the Mr Fluffy disaster and it has therefore resolved that all the houses concerned must be demolished. The modifications to the scheme that we have recommended are simply ones that seek to lessen the financial and emotional stress that many owners are experiencing. We believe that the cost of these changes would be negligible and that the cost of most of them—there are some that would have a cost—would be relatively modest. We believe that overall they are achievable without putting an undue burden on the budget.

Indeed, our view is that if these changes are adopted there could be some offsetting savings by giving affected owners a greater certainty and thus facilitating a smoother and probably in many cases a speedier exit from their houses. It would help maximise the opt-in and in many ways could be regarded as a win all round.

We have pointed out in our submission that most owners face the fear of large financial penalties as the result of the government's decision. They are now in the situation of having to find a replacement home in quite a short time frame. In what could be a rising market, not only will affected owners have to pay more, and perhaps significantly more, for a property that is equivalent to the one they are losing; they will also have large stamp duty and other transaction costs as well as significant other relocation costs.

Changes that would make a real difference to us and other affected owners and which we believe would make a fairer scheme are some changes to the valuation process, a modification to the stamp duty concession, a more flexible approach to those who need to stay in their homes in the medium term beyond 1 July and a modest increase in the relocation assistance grant. Ivan is going to make a few points on each of the major changes that we are suggesting.

Mr Donaldson: Margaret is my wife, and we share a house in Canberra. We have made nine recommendations and also made a suggestion to the committee about drilling down into the data that has been brought forward from the ACT Treasury. I note that the committee had an extensive conversation about that very subject on Friday. Indeed, this morning in the *Canberra Times* there are some numbers off the back of that which I would like to come back to, because I have considerable concern about one of the numbers that is published—whether it is correct or not. It bears on the cost of this scheme in a significant way, and it is extraordinarily surprising. But we will come to that.

We made nine recommendations, as I said. I am not going to go through those in an iterative way. I would like to focus on three areas and some key points. The three areas I want to focus on are valuation, stamp duty and the adequacy of the relocation assistance grant.

For valuation, there are two things that are problematic. One of them is that we are faced with a date for valuation of 28 October 2014. This is inequitable. It is portrayed as something which is fair to all. The truth is that if you are close to 28 October for your valuations, that may well be true. On Friday this committee heard a significant contributor to advice to government—the CEO of the Real Estate Institute of the ACT—inform you that his view had changed on the basis of the way in which the market has moved since 28 October. This concern is not just a two-week or three-week exercise; it is a concern particularly for those people who are still trying to make up their minds and who will not come into the buy-in until later in 2015, prior to 30 June. The further we go along, the less equitable this is. That is our fundamental concern about the question of 28 October.

Our suggestion is that the valuation should be at the time of opt-in or at the time of valuation. That is a matter for advice to government by the experts, but in that way not only do we get a fairer outcome but we take the angst off the table in relation to those people who are worrying about what is going to happen. We remove that. If the government is correct and it does not agree with Mr Bell—if it is correct, there is no problem, because it is saying, as I understand it, as of Friday, that the market is not being affected by this intervention. That is not his view, but that is the government's view. If I accept the government's view, the answer is that there is no problem with the suggestion I am making from a cost impact point of view.

The other issue is this approach that has two valuations on the table and the outcome being the average of those two. The valuation industry have made it clear that their expectation in public—they said this only last week; I do not have the reference in front of me—is that the likelihood is that the valuations will be about five per cent one way or the other. The government have said that up to 10 per cent they will not dispute a difference, and that is fair enough; I do not argue with that. But now that we know that most of the differences are going to be in the five per cent range, any cost impact is only 2½ per cent if we go with the proposal that is in this submission—which is that you take the higher of the two valuations.

It is not a significant cost impact, and once again it removes the angst from the equation. It does the thing that the Chief Minister and the government want—to get everyone to opt in. It helps to remove that uncertainty for those who wanted to move now. That is what the government wants us to do. We have done that as the only rational thing we can see in our circumstances; we have moved. From what I have seen around the traps, we have been around the auctions and real estate agents for some weeks now, and we see plenty of our friends, some of them in this room, who are around looking to get in, buy up and take the risk. But why should they have to take such a significant risk for such a small modicum increase in the cost impact if it is only of the order of 2½ per cent?

We have costed that on the basis of some assumptions we have made. They are in our submission; I do not want to go into the detail of that. I am quite happy to have them tested. I will note that the ACT Treasury has not articulated its assumptions in any great detail that I am aware of, but at least we have tried to understand what the market is doing. We have gone to every major affected study. We have looked at the median prices. We have come up with a number which, surprisingly, was very similar to the ACT Treasury number of \$642 million. My number was \$700 million. We are

in the same ball park.

The assumptions that underpin my suggestion in our submission are documented and challengeable. I do not see the same thing from the ACT Treasury's data, and I am very disappointed in that. That is something I would encourage the committee to drill down into when it goes forward from this committee to the Legislative Assembly.

That is valuation. The second thing is the stamp duty issue. This is the furphy of the waiver. I believed it was a waiver. That is what the government told me on 28 October: stamp duty would be waived. There was a constraint; I understood that: it is limited to the extent of the value that is assessed on your existing property. I accept that; I am not going to argue with that. That is quite reasonable. It is a private good if I want to pay more for a new house, but it is not a private good if I am going to pay the same or somewhat less, and the stamp duty intervention is welcome.

However, it is not a waiver. I have made this point to the Chief Minister; I have made this point to the task force; I have made this point to this committee. No-one in government has responded to me to give me an answer on this. If I buy now and I surrender in six months time, I do not get a waiver on the stamp duty; I get a reimbursement at the end of the process. I do not have \$50,000 to dip into my pocket and put on the table to pay that stamp duty up-front. I need to borrow money. That is at a cost. Later on I would like to circulate, if I could, chairman, with your permission, documentation of the various cost elements that are involved in the moves that people have to make. But we will get to that.

THE CHAIR: Mr Donaldson, we probably need to be—

Mr Donaldson: Have I got a problem with time? I beg your pardon.

THE CHAIR: No. We are going to finish at quarter past. We may not get time for questions if you continue. I understand the complexity of it all.

Mr Donaldson: I am nearly there. It is complex and I really do appreciate the opportunity to have these matters aired. I really do, because there is real scope for some sensible readjustment of some of the finer design features of the program, at not significant additional cost.

I have dealt with stamp duty. I will come now to the relocation assistance grant. I will not go into the detail of the numerous issues—that people, when you start thinking about it, will find that \$10,000 does not even go close. It sort of makes an assumption that the rational person will time their purchase of a new property for the time of surrender. That would be beautiful, if that could happen. That would be terrific. That is an assumption which is completely outside the real. All sorts of circumstances are out there. People are concerned. They want to try and create certainty and they want to get into the market. Others want to push it out a little further.

We have done some numbers, and I appreciate that some of the numbers will not apply to every person, but it adds up in our head to something like \$38,000. It is not just a question of money, for \$1,000 for the deed issue. It was made clear to the committee on Friday that that is one aspect. There are, in fact, three in relation to just

selling your own property. Then, of course, there is the question of purchasing a new property. I think you had evidence that that number, in the light of one of the lawyers that gave evidence, was something like \$5,000, not \$1,000. That is just one element which is not even close to being met, and that will be met by everybody. Everyone has relocation costs; everyone has legal costs. Some people have temporary accommodation; some people do not. There is a whole range of it. If I could circulate that, which tries to explain it. I am conscious of time and I really want to give the committee an opportunity to ask any questions they might want to. I will hand it back over to Margaret to summarise the situation and then leave it open.

Ms Fanning: We are, of course, very happy to expand on any points and to answer any questions you might have.

THE CHAIR: That is very kind. We all understand that it is a very, very complex matter and to give you half an hour to put your case, we all know, is not enough, but we had so many people who wanted to speak and we wanted to give everybody a chance. I will give you a question on an area you did not get time to look at. Thank you for your submission; the quality of the submission is fantastic and the recommendations are very good. You talk about a more realistic rebuild option. What would you like to see there? A lot of people are saying they want to go back to their block and it is the value—you cannot put a value on leaving your home, your neighbourhood.

Ms Fanning: There are a couple of areas in which it could be made more realistic. The first would be if properties came back on the market more quickly than the time frame that seems to be envisaged. There has been mention of up to five years. Certainly, for people like us, five years away is a long time to be thinking of being able to come back to the block and then go through the process of rebuilding. The time frame may not be such a significant impediment to younger people, but many of the owners of these houses are people who are older and that sort of time frame makes it very difficult.

And, if it is up to five years before the block comes back on to the market, there is going to be a very significant increase, in all probability, in values, which may put it out of the reach of prospective buyers who are affected owners. The government itself has said it expects the price to increase by 25 per cent. It could be more than that for some. The block we happen to own is very well located. It is a sizeable block. If it is being sold as suitable for dual occupancy or possibly subdivision after a period of five years, I think the increase in value is likely to be considerably more than 25 per cent. That would be my guess, but I guess none of us can be certain of these things.

Dealing with those blocks I think more quickly, and a greater readiness to consider offering them to the owners at something closer to the October valuation, would make a huge difference.

MS PORTER: I wanted to understand whether or not you have been approached and you have sat down individually and spoken with anyone from the task force?

Mr Donaldson: I have certainly tried, and from time to time I have had the opportunity of speaking to one or two people. On one occasion I had to query the fact

that the assessment that was done on our home for the presence of asbestos actually was not ours, because of the features. When I rang, I discovered—and they took some days to find this out—that I was in a house that I had been told according to this assessment was clean. We sat there for a week waiting for an answer. They had given us the wrong assessment report. We were pretty unhappy. I almost had our grandson come into the house off the back of that particular report. We found ourselves in a situation where it was wrong, when we started looking at the detail.

That is an example of something that took too long to resolve, in my opinion. I know we are one of 1,021, and I appreciate that there are resource issues, but it is now over a week since we received an email from the CEO of the task force saying that someone would be back in three days to talk about our personal circumstances. I rang immediately and said, “We’re going to an auction on Saturday. We want to know what’s the score in relation to the stamp duty issue.” I am still waiting for an answer. I get totally frustrated. I have got to the point where I do not want to talk to the task force. I will just go through our lawyers and we will just deal with what we deal with ourselves. Eventually there will be some deed exchange issue. But I am not interested, because I am really not getting the response that I would have thought was reasonable.

I needed advice. I was concerned about my exposure to that stamp duty non-waiver issue last Saturday week. I could not get an answer, and I am still waiting for the phone to ring.

MS PORTER: With regard to the issue of the assessment that you said was not your assessment but belonged to somebody else, when the assessors came to your home and carried out the assessment, how long did that take and what procedure did they follow?

Mr Donaldson: I thought Robson Environmental did an excellent job on the ground. We were there, present. We had an engagement. I would say it lasted about two hours. I made a point of saying, “I might be a bit concerned about that little crack over there or this particular cupboard. Can you please especially go to there, because we’re not in the business of trying to hide this. We want to know what the reality is.” And they did that.

When I got to the written report, when it came, I looked at it; it was talking about high lights and about corridors. I thought, “This is not our house.” I have not had an apology from anybody, but we do have the final report now and, fortunately for us in this case, it was consistent with the erroneous one. So we had that relief. Quite frankly, in the light of that, our grandson is not coming into the house, even though we have had that. I just cannot trust that process if that is what has happened. I am really sorry and disappointed about that, but that is the truth. No children, no family; nobody comes in.

THE CHAIR: Ms Lawder.

MS LAWDER: I am happy to pass to Mr Hanson.

MR HANSON: Thanks very much for appearing today. I want to go back to the time frame you talked about with the renovation because you may have seen media reports

that the government became aware of the increased risk in 2005. You have probably seen those media reports. You then did a renovation in 2006 and 2007. Did you receive any correspondence or were you made aware by the ACT government that there was an increased risk? Would you have done that renovation if you had been aware?

Mr Donaldson: Let me explain the circumstances and how we eventually found the letter by Neil Savery and Lincoln Hawkins, I seem to recall. An undated letter appears on our building file. I found that letter, buried in a building file—everyone knows what they are; there is a lot of paper there—when the *Canberra Times* started talking about it this year. We did not receive the letter of 2005. We, of course, did go through the 1993 remediation and we had a general view that this was an issue that needed to be managed by builders and anybody else. Of course, we informed our builder at the time. In fact, we had the discussion: should we knock this old house over and build another one or should we renovate? It was a line-ball financial and emotional decision, and at the end of the day we tipped over into, “Let’s just renovate it because we really like this house.” We would not have done that. We would not have gone anywhere near it if we had had the letter, which we did not get, or more robust advice about how it should be handled.

MR HANSON: This seems to have been a process of the government becoming increasingly aware, and of what was then communicated to owners, who then did renovations—or perhaps people who then purchased a house, not knowing. When did you become aware? Did you get the February letter or the July letter?

Mr Donaldson: No, we did not get the February letter either. We have still not received it. I asked if I could have a copy of it at one stage, but they said, “Oh, it doesn’t tell you very much, so don’t worry about it.” This is true. This is what we were told by the task force some months ago. So I have not pursued the letter. Of course I have seen the text of the letter since. We have been actively involved in trying to understand this issue for some months. But we did not get the 2005 letter. We most certainly did not get the letter in February of this year. It is really only because of the efforts of members of this Assembly and the *Canberra Times* who have publicised the issue that we really became engaged in the issue at all.

MR HANSON: There seems to have been a series of failures, then. Do you think there is a need to have a look at that in greater detail?

Mr Donaldson: Yes, I do. I support the notion that has been put forward about the inquiry. I think that would be totally appropriate.

THE CHAIR: Ms Berry, to finish.

MS BERRY: Thank you for coming in and telling your story today. We appreciate it. We know it is difficult for everyone involved. It touches everyone in the community in some way, I think.

Mr Donaldson: Yes.

MS BERRY: You have just said that you support an inquiry. Given the loose-fill

asbestos issue expands outside the ACT, do you think the inquiry would be better done by the commonwealth government rather than the ACT?

Mr Donaldson: Let us wait until we see the outcome of the New South Wales process. Mr Nile is undertaking an inquiry about their situation. I would like to see a tripartite process. I do not think it is only the ACT; I think that would not be sufficient. We do not really know the extent of this thing in New South Wales. We know something about it, but I do not know that they do yet. They have a process on foot to try and resolve that.

To me, this has a long history and a very sad and sorry one. I have seen the documents under FOI. I know people at the highest levels of government in those days were given very firm advice. I come from a technical professional background myself. If I had been given that sort of advice as the head of the Australian Building Codes Board when I was working, I know what my advice to ministers would have been—it would have been absolutely along the lines of what was given to senior people in those days, back in the 60s.

MS BERRY: In your submission, you talk about valuations at the time of the opt-in. If the circumstances changed in the housing market, regarding decisions that are made by the federal government in our community, it might make a difference to housing prices as well; they might actually go backwards. You would be okay with that?

Mr Donaldson: Absolutely. I totally support that because it is about removing the angst and the uncertainty. I would have no problem because that would be fair.

MS BERRY: And are you okay with it being over a longer period of time, or do you think the opt-in should occur when you make a date by which it has to happen—and get the valuation done—but not in five or 10 years time? Is that something you have thought about as well?

Mr Donaldson: We have thought about that, and our submission makes a recommendation in relation to that. I think the notion that it go out until sometime like February 2016 to give people a bit more time would be pretty widely supported.

THE CHAIR: We have run out of time. Thank you very much for your appearance today. A transcript will be provided when it is available. If there are any corrections or directions you would like to give the committee through the secretariat, please do that. I think the message we have all heard is: let us make sure we get the valuation right; choose the higher of the two valuations; clarify what a stamp duty waiver really is; look at the assistance that is being offered; and, particularly, provide better and more timely communications. Thanks very much.

MOYLE, MR BRENDAN, Private capacity

THE CHAIR: Mr Moyle, thank you for joining us by telephone to give your evidence today. This is a public accounts inquiry into the Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-2015. The committee has decided to undertake this inquiry following a letter from the Chief Minister. The bill itself was tabled last week. We are trying to balance the government's desire that it be handled quickly, but the members of the committee felt that it was more than appropriate that the community had their say. So thank you for your attendance today. I am aware that you have been shown the privilege statement. I need to confirm for the record that you have read that and understand the implications.

Mr Moyle: Yes, I read that and I am aware of the implications, thank you.

THE CHAIR: Thank you for that. We would ask you to speak clearly so that we can record what you say for the *Hansard*. The inquiry is being broadcast, as well as being webstreamed. It is a public inquiry. Would you like to make an opening statement to the committee?

Mr Moyle: Yes, thank you very much. Thank you to the committee for giving me the opportunity to speak before you. You have all read my submission. I apologise; I did try to make it quite detailed. Our primary concern is that there has been an awareness of the implications of Mr Fluffy since 2005. That has been well documented when you look at the 2005 and 2007 reports, plus media articles that have undertaken investigative reporting.

The primary concern for me is that we bought our house in June 2012. We did not get the February letter. In May we received the registered post letter telling us that our house was in fact a Mr Fluffy house. That came as quite a significant shock to my partner and my family. Less than two years after we had bought the home of our dreams we found out that we had inadvertently bought something without being aware of the risk. Basically we are at risk not just in terms of our physical health; we face significant financial disadvantage, which has now come to fruition through the proposed approach to addressing this.

A lot of the renovations that we had done over the last two years or so were primarily to address the amenity and to make the house safe and more comfortable. I am talking about security roller shutters, solar panels and things like that. They, unfortunately, do not contribute to the overall value of the property significantly. We have been left in a position where, unfortunately, we will incur a significant financial loss.

You spoke to the Property Institute on Friday. I believe that there is now an awareness that they got it wrong or they did not understand that the market would change so significantly. There are also significant issues in that my daughters have lived in that dwelling. We are looking at having to destroy their clothes and mattresses. Sheets have been taken from the linen cupboard that is contaminated and put onto mattresses and everything else.

So for us there are a couple of primary questions: one, we feel that there needs to be a greater level of inquiry into what has actually been allowed to transpire. It is quite

interesting, and something that I did not put in a submission. It looks to me that there could be quite significant breaches of the Public Health Act 1997 as well as the Environment Protection Act 1997. Part 4 of the Public Health Act deals with unsanitary conditions. Under section 23 of the Environment Protection Act you are looking at contaminated land and duty to notify of actual or threatened environmental harm.

The problem that we now face is that, firstly, if we had been made aware of the level of information that was even in that 2005 report, we never would have bought the house in the first place. Secondly, if we had been made aware of recent developments since the Downer house, we never would have invested all the extra money in the house.

Now we are losing financially and facing an outcome which is going to disadvantage us. But, on top of that, nobody actually made us aware. I have been highly exposed, and so have my children. One of my eight-year-olds has been in the ceiling cavity with me. I climbed up the ladder in May. I had her there with me because she wanted to come and help me. We have been told that we have been highly exposed. It is one thing to struggle with the emotional stress that is going to be sitting on me for the next 30 years, but for me as a parent—I have to incur that and wear that for the next 30 years, working out whether or not my eight-year-old daughter will make it to 40.

Someone needs to be held accountable for this. I am sorry; it is just that people were aware of this. The more I look, the more I see that there was legislation in place that, on the surface, nobody seemed to have adhered to.

I might wrap up there, if that is all right, and open this up for questions.

THE CHAIR: Thank you, and thank you for your kind words. It must be awkward. I think all of the committee are very pleased to present this opportunity for you to have your say. Let us start with the inquiry. The breaches that you are talking about, particularly the duty to notify—what makes you think the acts have been breached?

Mr Moyle: I will be quite straight with you. Section 4 of the Environment Protection Act 1997 states:

... *contaminated*, in relation to land, means the presence in, on or under the land, or a building or structure on the land, of a substance at a concentration ... at which the substance is normally present in, on or under land, or a building or structure on land, in the same locality ...

So basically we are talking about the situation where, if there is a toxic substance or contaminated substance above and beyond background levels, there should be a level of notification—particularly, and this is where it goes to part (a), there is “a risk of harm to human health” or (b) there is “a risk of environmental harm”.

When we look at that, I will be quite straight with you. The 2005 report—I have detailed it in my submission, and I do apologise that I do not have it here—talks about the risks of exposure to asbestos. The 2005 report also then details some of the risks in terms of how some things could actually make loose asbestos mobile.

So there was a risk there. That is a public health risk. I fail to see why people did not actually notify anyone or advise people. When you look at the sheep dip issue, that was managed under contaminated land, because there were significant public health risks. When I look at the Public Health Act, at part 4, “Insanitary conditions”, it says, at section 67:

A person must not—

(a) cause a condition, state or activity that the person has reasonable grounds for believing to be an insanitary condition ...

Part (b) of that section says:

... allow or suffer a condition, state or activity that the person has reasonable grounds for believing to be an insanitary condition to exist on, or to emanate from, a place occupied by that person.

When you go to the definitions in that act, it says:

... *insanitary condition* means a condition, state or activity in relation to any of the following that a reasonable person would consider to be, or to be liable to become, a public health risk, damaging to public health or offensive to community health standards ...

Part (a) of that states:

... a building or structure ...

THE CHAIR: Thank you for that. We have a lot of ground to cover. In paragraph 5 of your statement, you talk about the need for greater flexibility to negotiate with affected home owners. We have had commentary and talk about one size not fitting all. What sort of flexibility would you be after?

Mr Moyle: To be quite honest with you, we want to move on. The problem we have is that we cannot get finance; we cannot get anything because all our equity is tied up in our house. In terms of flexibility, from the conversations I have had previously with the task force, I said, “I have no problems with you guys actually making whatever money you can make off my block. Just give us what’s fair and reasonable,” not just to ensure that we get paid out at market value but so that we can replace some of the major items we have to replace or remediate—washing machines, dryers, vacuum cleaners, the mattresses we have to replace. We have to cover the real costs of getting into a new house. If, as we have been told, we have to look at up to \$28,000 in mortgage insurance, it means potentially we have \$170,000 equity in our house. That is not being covered.

We have been told by the task force that if we were to purchase now, we would have to be able to fund; we have to be able to put the stamp duty up. We worked it out. We have managed to borrow \$30,000 from family, to be able to look for another property. But for us to be able to put that \$30,000 down, we have to have \$80,000. So there needs to be flexibility in helping to address some of those costs because this is not our

fault. And there needs to be flexibility so that we are not too heavily financially disadvantaged. We have young kids. Kids grow out of their clothes and stuff like that. I am happy to wear some of the loss for that, but we should not be out of pocket to the tune of between \$50,000 and \$150,000—not on a place we only bought two years ago. And we are becoming out of pocket because people knew and they did not notify us.

THE CHAIR: Ms Porter will now ask some questions.

MS PORTER: Good afternoon, Mr Moyle. I am sorry to hear you are not well. Thank you very much for writing to us and allowing us to talk with you today. You said you were not notified when you purchased the property. When you got the deeds of the property, one presumes there was nothing in those deeds or the documentation that indicated to you that this house had been cleared of Mr Fluffy in the past, and there was not also a letter that had come out in 2005 included in that documentation. Is that correct or was just one of those the case?

Mr Moyle: There was one, which was a certificate of completion for asbestos removal work, which was included on our building file. It states, “This document confirms that loose asbestos insulation has been removed. Tests carried out established that the National Health and Medical Research Council Worksafe standards for safe asbestos removal have been met.” However, with my submission I also attached the asbestos awareness fact sheet provided by the ACT government, which was seven years after 2005. It talks about “materials containing asbestos” or “MCAs”. It talks about “bonded asbestos”. Step 2 on that fact sheet is headed “Assess the risk”. It states:

Visually check the condition of the MCA—is it cracked, broken etc?

If it’s in good condition and left undisturbed, it does not pose a health risk.

If you suspect it is not in good condition, arrange for appropriate maintenance or removal by a qualified person.”

Nowhere in that document that was provided by the ACT government does it even refer to loose-fill asbestos or any risk with that.

MS PORTER: Has anybody from the task force been in touch with you to sit down and talk through what this means for you as an individual family?

Mr Moyle: Yes. My partner and I have met with them. They said the only flexibility we have got is the ability to actually work out when we leave the premises.

THE CHAIR: Ms Lawder.

MS LAWDER: I noticed you talked about working in the subfloor and then getting into your car and that the task force have declined to have your car tested. Have you had any quotes or ideas of how much it would cost you to have it tested at your own expense?

Mr Moyle: Up to about \$1,000 is what I was told.

MS LAWDER: So presumably your request or recommendation may be that, in such instances, the testing of a vehicle like that should be included?

Mr Moyle: That would be my preference. I will be quite straight with you: I have been rolling in the dirt, the dust and everything else within the areas that I have now been told are highly contaminated. I then got into the vehicle on a number of occasions to drive down to Bunnings. I am reluctant to let my children in that vehicle any more just because of the risk.

We were told by the ACT task force that those fibres were not found in the living areas, but they did never actually tested the living areas, just the cupboards and cornices. In the conversations that I have had about national asbestos management standards, they particularly mention cross-contamination. They say do not wash contaminated clothes with non-contaminated clothes. The same thing goes when all of your linen is completely contaminated and you have been told you are never allowed back into that cupboard again. But for two years we have been putting contaminated linen on our mattresses. We have no assurance that our mattresses and everything else are fine.

MS LAWDER: Yes, absolutely. We heard from an earlier witness about the potential costs of replacement of things like mattresses as well—far higher than the amount under the offer. So once again I guess your recommendation would be greater reimbursement for those types of costs.

Mr Moyle: I think so. For me, it is about being pragmatic. There are always going to be people out there trying to maximise whatever they can get out of it. But there are a lot of people in a similar position to my partner and me and my family who just want to be able to negotiate in good faith and in a realistic context. We are within the statute of limitations and we do not want to have to sue. Some might say we are given no other option but to pursue all legal avenues. That is not the path that we want. We just want to be able to get out of the house, get our family a place and restart our lives.

MS BERRY: Thank you, Mr Moyle, for sharing your experiences with us in detail. It is very useful for us to get an idea of what is happening to people, and their different circumstances. I have a question regarding both of the proposals that you have made on the last page of your submission. The first one talks about flexible negotiations and this was the sort of thing that you were just talking about with Ms Lawder. Have you thought about what kind of compensation payment would be appropriate for you to replace or remediate the items in your home?

Mr Moyle: To be quite honest, we have done some cost analysis on our house—[inaudible].

THE CHAIR: Mr Moyle, you are very hard to understand.

Mr Moyle: I am sorry about that. We have given some consideration to it. We would actually be very happy with a payout similar to what was allocated under the sheep dip case. \$30,000 or \$50,000 would get our lives to a point where we would still lose but it is not going to absolutely destroy us or wipe us out, plus the real value of the property. My partner and I would be happy to walk away, if our house was worth, say,

\$580,000 or \$590,000, with an extra \$30,000 or \$50,000. We would at least be in a position where we could actually get out and not be too inconvenienced. Our kids could get out into a safe environment and that would allow us perhaps to move on.

I do understand there are people out there who are lobbying for a lot more. Realistically, they might have the opportunity to perhaps pursue legal options. Talking to a lot of lawyers [inaudible] what the real cost actually is. To me, that is the risk. You could be negotiating in good faith but it means we have limited other options. But if you consider the legal option, it is then your cost. It would cost us in terms of time, but it also then costs the ACT government and ACT taxpayer a lot of additional money as well.

MS BERRY: I could not quite hear everything you said, but I am sure we will be able to get it clearer from the *Hansard*, so thank you for giving us that information. The second part of your proposal was that a board of inquiry should be held. Given that the loose-fill asbestos issue is not contained to the ACT and people have been submitting to us today that perhaps there should be a tripartite inquiry or that the commonwealth should conduct an inquiry into this, do you think that would be a more complete option, rather than just restricting it to the ACT?

Mr Moyle: I think the ACT has a very different dynamic. Can I make this disclosure: I am the chair of an Aboriginal housing provider in Queanbeyan and one of our properties is affected over there. So I am actually well versed in the New South Wales issues. From my perspective, though, you are talking about two very different scenarios. I think the New South Wales government has only really just become aware of this, whereas in the ACT what needs to be given greater scrutiny is: what information has been available since 2005? How has this varied from the information that was put out to people—to other home owners, builders and, in particular, those people like us who have inadvertently gone in and purchased properties without the full information being made available to us? I think a tripartite inquiry may provide some benefit, but there needs to be specific consideration given to the ACT government and the management of this since 2005 or when that task force was first established.

THE CHAIR: Mr Hanson, a new question.

MR HANSON: In terms of your submission, you have raised some concerns about the role of the FORAG group—the fact that they had undue influence, and the relationship between members of FORAG and the government. I imagine you are particularly highlighting the decision of Ms Heseltine to announce her potential candidacy for the Labor Party in the middle of this process. What are the concerns that you have with that?

Mr Moyle: Can I put a caveat on that: I think FORAG did some amazing things in getting the conversation happening and getting it started. So I do not want to disrespect some of the great work that FORAG have managed to accomplish. My primary concern is that the ACT government has what is called an engagement framework. From my perspective I have not yet been able to see that the Chief Minister, the Chief Minister's department or the task force have actually managed the engagement in compliance with that framework, even though they are committed to it.

You are right; the concern is that this consultation is being driven primarily by one source that is not representative. Then, when that source comes out and identifies a political affiliation, to me, as an individual home owner, and without being disrespectful to anyone, that highlights significant concern.

I am not going to make allegations about anyone, but it is a matter of transparency. Given that this has been an ongoing saga and, to be quite honest, a debacle in some of the way that it has been managed, I think there needs to be transparency highlighted to all affected parties, whether they be the government, the Legislative Assembly, the Mr Fluffy home owners or their neighbours, or other interested parties. Mr Hanson, does that answer your question?

MR HANSON: Yes, that is fine; thanks.

THE CHAIR: The flexibility that you require, beyond compensation, does that then move to other things? You said you just want to move on. Does that also apply to those who would like to go back and rebuild on their blocks?

Mr Moyle: I could not speak on behalf of those people, and I would not want to. I will be quite straight with you: our preferred option was that our house be knocked down and rebuilt exactly as it is, because we really love our house. We bought it two years ago in the location we wanted, and everything else. In saying that, being really pragmatic, we understand the financial stresses for the ACT government in terms of managing this. So we are happy to move on. That is certainly our viewpoint. I know there are a lot of people out there who do not share that same position. But I do not feel confident that I could speak on behalf of them on that matter.

THE CHAIR: That is fine. There being no further questions, Mr Moyle, thank you for taking our call whilst you were away. A copy of the transcript will be provided. If there are any suggestions or corrections you would like to make, please feel free to contact the secretariat to enable that to happen. Thank you for your time, and we will suspend the hearing at this stage.

Sitting suspended from 12.41 to 2.12 pm.

Evidence was then taken in camera but later resumed in public.

CHALLENGER, MRS MEGAN, Private capacity

THE CHAIR: Thank you, ladies and gentlemen, for attending this afternoon's session of the public accounts committee inquiry into the Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-2015. As you would be aware, the Chief Minister wrote to the committee on 14 November asking if we could consider the bill. The committee resolved to do so on Monday, 17 November. The bill was tabled last Tuesday and it is the government's intention to bring the bill on for debate on Thursday this week.

The committee determined we would have an inquiry, first so that we might speak with the government to find out their views, but particularly to give members of the public a chance to have their say, as many felt they had not had that opportunity. With that in mind, we called for submissions; some 50 or more submissions have been received and are now on our website. The committee went through a process where we selected various individuals or families to come and speak with us on the basis of the nature of their stories so that we covered as much of the story of the Mr Fluffy home owners as possible. For reasons of privacy and not to inadvertently make public an abbreviated list of Mr Fluffy homes, we have redacted identifying details from those submissions.

This afternoon we welcome you, Mrs Challenger, to the committee. I understand you have been shown the privilege statement in front of you. I ask that you confirm that you understand its implications?

Mrs Challenger: I do.

THE CHAIR: This is being broadcast this afternoon as well as webstreamed, and we are recording it so we can make a transcript. Mrs Challenger, welcome to the public accounts committee.

Mrs Challenger: Thank you for the opportunity to appear before you. I am here because my family has suffered a loss of around \$80,000 on the sale of our Mr Fluffy house in June of this year. We feel like the forgotten victims of this disaster. In January of this year my husband and I made an offer on what was to be our dream home in Wright, with the intention of selling our existing home in Wanniasa a few months later. We exchanged contracts on the house in Wright and paid our deposit on 6 February. Towards the end of February we received the letter from the ACT government informing us that our existing house, which we had lived in for 14 years and extensively renovated, contained loose-fill amosite asbestos. We knew this revelation would make it more difficult to sell the property, but we had no choice but to proceed because we were already committed to the purchase of the new house.

We listed our Mr Fluffy house for sale in June, and anyone who came to inspect was informed about the asbestos issue before entering. Some people chose to leave immediately; those who did not were provided with a copy of the Robson Environmental inspection report.

On auction day, 28 June, the house sold to the only bidder for \$403,000. We had it valued the following week by a registered independent valuer who estimated it to be

worth \$480,000, assuming it did not contain the asbestos. I sent this and another valuation to the task force on 7 July with a letter outlining our circumstances. We are now struggling with a mortgage on our new home that is much bigger than we had anticipated and much more than we can afford. We are borrowing money from my elderly mother, who is a pensioner, to make the repayments, but we cannot continue to do this for much longer.

We want to be reimbursed for the difference between what we had to sell for and market value, but the buyback scheme in its current form makes no provision for this. The scheme does, however, provide for reimbursement for those who privately demolished prior to 24 October. It strikes me as quite an inconsistent and discriminatory appropriation of funds that those who privately sold at a loss and with full disclosure are not also being reimbursed.

As part of the buyback scheme, those houses like ours which sold after 18 February are to be bought back at the contract price rather than market value. I agree in principle with this element of the scheme, because it ensures that no-one can make a profit from buying a Mr Fluffy house at a discounted price and then having it bought back from them at market value. What this means, though, is that, if we are not reimbursed, the government will be making a saving at our expense, considering that, if we had not sold, the government would have had to pay full market value for the property.

We certainly were never given a Mr Fluffy discount when we purchased the property, because the asbestos issue was never disclosed. Yet we had to sell with full disclosure and at a discounted price because not to do so could have seen us and our agent facing legal action.

I have raised the issue of reimbursement with Andrew Kefford, who, on 20 November, informed me that he is in discussion with the government on the matter. I fail to see why any detailed discussions would be necessary when it is glaringly obvious that it would be completely unjust and immoral for the government not to return to us the money it will be saving. I wrote to the Chief Minister on 17 November and to Minister Rattenbury on 3 November seeking answers, but have not yet had any response from them.

We have suffered a significant and quantifiable loss, through no fault of our own, that will financially cripple us for many years to come. My husband and I are not high-income earners, and we have a young child to support. I urge the committee to recommend that this inconsistency in the appropriation of funds is corrected so that we are not unfairly discriminated against simply because we are no longer the crown lessees of the property. We are victims of this disaster too and, although we are in a minority, we do not deserve to be ignored or forgotten.

THE CHAIR: When did you purchase the house in Wanniasa?

Mrs Challenger: October 1999.

THE CHAIR: Had you carried out any works on the house?

Mrs Challenger: We had substantial renovations done to the bathroom and the laundry. We also added a deck.

THE CHAIR: At any time were you aware that it was a Mr Fluffy house?

Mrs Challenger: No, we were not.

THE CHAIR: Did the renovations require planning approval?

Mrs Challenger: They did not, no.

THE CHAIR: There were letters sent in 2005?

Mrs Challenger: We remember receiving a fairly innocuous letter around that time, but it was not formally addressed to us and it was so generic that it did not ring any alarm bells.

THE CHAIR: The letter in February came as a complete surprise?

Mrs Challenger: It did.

MS PORTER: Thanks for appearing before us and thanks for your submission. When you say you had no knowledge when you bought the house, does that mean you did not have a certificate to say the house had been cleaned of Mr Fluffy?

Mrs Challenger: Our conveyancer certainly never drew that certificate to our attention. I had never sighted such a certificate.

MS PORTER: So you were completely unaware?

Mrs Challenger: Yes.

MS PORTER: I know you have had conversations with Mr Kefford, the chair of the task force.

Mrs Challenger: Yes.

MS PORTER: Have they been via email and telephone or have you actually sat down and spoken with somebody privately?

Mrs Challenger: Most of my contact with the task force has been via email. I have had a couple of conversations with people over the phone. I spoke to Mr Kefford directly in person on the day that the impact statement was tabled in the Assembly. It was only a very brief conversation. He urged me to email him my details and said that he would follow up on it.

MS PORTER: He said he was putting the matter before—

Mrs Challenger: He was in discussion. He would need to initiate a discussion with the government regarding the matter. He said at the time it was a question of how far

back they took it. I do not completely understand what that means but I assume that they would perhaps consider reimbursing people who had sold at a loss since February. Certainly that may have been his thinking at the time but I have heard nothing else since then.

MS LAWDER: Apart from your significant financial concerns, which obviously cause stress—

Mrs Challenger: Yes.

MS LAWDER: do you feel other stress perhaps relating to potential health impacts from living in a Mr Fluffy home?

Mrs Challenger: To be honest with you, I try not to think about that, because as it is I wake up with a sense of dread and I go to bed with a sense of dread over the financial implications for us. I do my best not to think about the health implications at this stage, particularly when it comes to my young daughter.

MS LAWDER: Given you are no longer a Mr Fluffy owner, are some of the other supports available through the task force made available to you?

Mrs Challenger: I have not looked into any of those. To be honest with you, I feel very happy now not to be in a Mr Fluffy house. In fact, when we left our house that we had been in for so long, we were sad that we were not sad to be leaving it. We left with quite mixed emotions. No, I have not looked into any of those services at this stage.

MS LAWDER: Again, notwithstanding your financial concerns, I hope your new house is fabulous for you.

Mrs Challenger: Thank you very much. That is very kind of you.

MS BERRY: Thanks for coming in to tell your story. Can you clarify this for the committee: when you purchased your new home in Wright, that was prior to receiving the letter from the government in February?

Mrs Challenger: Yes.

MS BERRY: Then you had to change the price for the Wanniasa home?

Mrs Challenger: We did. We assumed that—

MS BERRY: So you were selling it for a price and then you had to—

Mrs Challenger: We had not put it on the market at that point in time.

MS BERRY: You had gone to the Wright house first?

Mrs Challenger: That is right. We assumed we would sell perhaps in May or June. Based on the advice of an agent, we assumed we could get around \$460,000 or

\$470,000 for the property.

MS BERRY: After you received the letter in February, you had to inform the new buyer about it being a Mr Fluffy home and the price was much less than you had finance for, for your new home?

Mrs Challenger: Yes, it was.

MS BERRY: When you wrote to Mr Kefford on 20 November, did he indicate he would get back to you in some time frame?

Mrs Challenger: He said “shortly”.

MS BERRY: That is nearly two weeks ago now?

Mrs Challenger: Yes.

MR HANSON: The point you seem to be making pretty clearly is that you have been inadvertently caught in this mess?

Mrs Challenger: We have, yes. Had we known we were living in a Mr Fluffy house and that we would have to sell for a substantially discounted price, we would have purchased a far less expensive property.

MR HANSON: Or perhaps not moved at all at that stage?

Mrs Challenger: Absolutely. But we were already committed so we had no choice.

MR HANSON: The scheme is to an extent to make sure there has been no profiteering, but you can make it pretty clear that this is not about profiteering; it is simply a matter of unfortunate timing?

Mrs Challenger: That is right. I do not disagree that no-one should be making a profit from this situation. At the same time I do not think the government ought to be making a saving at our expense due to our unfortunate circumstances.

MR HANSON: Let us hope you hear back soon.

Mrs Challenger: Thank you, Mr Hanson.

THE CHAIR: With the assistance package that was offered to families, I assume you have missed out on that?

Mrs Challenger: I have, yes.

THE CHAIR: Just so the committee gets a sense of what it costs to move house these days, have you done an estimate of what it cost you to move from the existing house?

Mrs Challenger: We are not in the Wright house at the moment. We are not able to move into that until 1 April, so we are currently renting.

THE CHAIR: Just moving out has cost how much? What does it cost to move house these days?

Mrs Challenger: Probably between \$2,000 and \$3,000. I think \$10,000 is overly generous. Yes, \$2,000 to \$3,000 in my estimation.

THE CHAIR: When you moved out, did you take all your possessions with you or did you determine to leave some?

Mrs Challenger: Yes, I did. We took everything. The asbestos was not found in any of our living areas; it was found in the subfloor and it was found in the air-return cupboard for the heater. With the lack of any other advice, we assumed all our belongings were safe to take with us.

THE CHAIR: The information you have generally received since the February letter: have you found it helpful?

Mrs Challenger: Not at all, because it does not cater to our situation whatsoever.

THE CHAIR: In terms of the government's consultation, do you feel you have had a fair opportunity to participate in the consultation?

Mrs Challenger: No. I think I made the most of any opportunities I had to speak to the Chief Minister and Andrew Kefford through various FORAG events, but nothing seems to have come of those discussions to date.

THE CHAIR: We have heard a lot this morning from people who have had a similar experience. Everybody acknowledges it is a big job—

Mrs Challenger: Of course.

THE CHAIR: and that the government is doing all it can. Is there a need to get the government to drill down and look at the individual circumstances? They seem to have adopted one size fits all.

Mrs Challenger: That is right. There are so many different circumstances that the scheme in its current form cannot possibly address the needs of all involved and clearly it does not, because there are so many unhappy people.

THE CHAIR: What would you urge the government to do?

Mrs Challenger: To be honest, I think it would be worth speaking with the 1,000 and however many families involved to fully gauge the different circumstances that people find themselves in through no fault of their own.

THE CHAIR: Mrs Challenger, thank you very much for your time. There will be a transcript produced as a result of your appearance today. When you receive that, if there are any alterations or corrections you would like to make, please forward those to the secretariat and we will look at them and include them if necessary. Best of luck in your new house when it becomes available.

ERSKINE, MS JOANNE, Private capacity

THE CHAIR: Ms Erskine, you were here when I gave the introduction; so I will not go through that again. Can you confirm for the committee that you have seen the privilege statement and understand its implications?

Ms Erskine: Yes.

THE CHAIR: Would you like to make an opening statement?

Ms Erskine: Yes, I would, thank you. I should start by saying that I am one of the Mr Fluffy owners who would like to stay on their land. I am a single mother with a disability and have established an acceptable lifestyle for myself in my neighbourhood and within my community. I understand that with every government policy there are a few unanswered questions, but with this policy there seem to be more unanswered questions than solutions offered.

The scheme is said to be voluntary, but it does not really give people a choice. We can choose not to be part of this voluntary scheme and have to live in our houses in a substandard condition come July. It is not really an acceptable option or deal. For the owners that are happy to take the buyback offer and move on, that is great and the scheme works very well for them.

Due to the limitations of my disability, I am restricted to houses that are suitable for me. I cannot just buy or rent any house that is on the market. It needs to have some very specific features, features that I have spent almost \$60,000 adding to my current home over the years. There are a number of people in similar situations to me, such as the elderly, other people with a disability or people at risk of being disadvantaged or marginalised.

Yesterday I went on to allhomes. I searched the whole of the ACT with only two parameters: one that it was a house and, two, that it was disability friendly. I acknowledge that not every disability friendly house is registered that way, but in the entire territory there were only 11 houses listed; only two of these were in Belconnen; and there were none within 10 kilometres of my current house or my community.

With the additional parameter of the likely value of my property, the results went to zero. If I went into the rental market there are only five houses that are listed as disability friendly in the entire ACT, with the average weekly rental almost double my current mortgage payments. The ACT government has made it sound like they are working with individual home owners to work out the best solutions and offer the best advice to each participant.

In my few simple queries I have been handballed from ACTPLA to TAMS to the Tree Protection Unit and to the task force, often with each saying that the other agency is wrong or that it is someone else's responsibility. There is a pressing need for good, consistent and timely advice from all government agencies, possibly providing people with a single point of contact for all issues.

On 10 November I put forward a very simple question to the Tree Protection Unit.

They took my details and were going to call back and arrange a meeting. I am still awaiting a response. On 11 November I put forward four relatively simple written questions to the task force and I am still awaiting a response. Home owners cannot be expected to make sensible, informed decisions regarding their homes when we cannot get simple information in a timely manner from various government agencies.

There are several aspects of the Mr Fluffy proposed acquisition legislation that remain unclear. If the legislation does override tree protection and heritage acts and allows rezoning of unit title on some blocks, does this apply to Mr Fluffy houses or only the Mr Fluffy houses that enter into the buyback scheme and are controlled by the government?

If I cannot get the same option as those who have knocked down before 28 October and I have to investigate going into the buyback scheme, what guarantees can I have as to the time scales of being able to get my land back or when will the price be known? If these cannot be stated now, I am in temporary, uncertain and disruptive arrangements for several years.

Using the government figures that were reported in the *Canberra Times* this morning, to demolish, maintain, secure, value and assess my property as well as my stamp duty waiver assistance and legal package, it will cost the government almost \$210,000. This does not take into consideration the administration costs to government, the potential 2.3-plus years of temporary housing and living arrangements or the negative impact on my neighbours and my street of having a minimally maintained, security-fenced vacant property next to them.

If the government did offer me the same deal as the people that demolished before 28 October and had just given me demolition costs, for which I have had private quotes from \$40,000 to \$50,000, plus market value of my house and allow me to keep the land, it would cost the government less than this figure. The government would not be out of pocket the \$298,000-plus that is reported. This would also save many years of government administration costs and financial, physical and emotional stress for me and potentially for my neighbourhood.

As it currently stands, the Mr Fluffy buyback scheme is inadequate in offering a fair, reasonable and equitable option to all affected home owners. All I want is the same as most people seem to, which is a fair and equitable outcome for all home owners. All home owners should be offered the same options.

THE CHAIR: Has the process by which you get your information about what is going on been adequate?

Ms Erskine: Not particularly. Every time I have dealt with the task force it has been my contacting them with a specific query. I will just get the letters like everyone gets, the standard letters that come from Katy Gallagher.

THE CHAIR: If you were able to stay on your block and the government was willing to meet the cost of the house and the demolition, how would you make that process happen? You would still have to move out? You would be with out-of-pocket expenses there?

Ms Erskine: There would be. But the way I view it is that if that is an option for me offered by the government, by the middle of next year there will be minimum disruption to me and to my neighbourhood. I can be in an equivalent house on my land. That is six months of rental, and knowing that it is only six months of rental. If you are looking at many years, I am looking at where does my child go to school? Where do I rent? Do I sign a lease for a year or less? If I can buy my land back before then, do I have to break a lease? It is all of these sorts of questions and uncertainty that are the main cost.

MS PORTER: Thank you very much for coming before us and for your submission. With regard to the information that you are getting that the chair asked you about, at any stage has the task force contacted you and said, “We’d like to come and sit down or have you come and be with us and sit down one to one and have a conversation about your particular situation”?

Ms Erskine: I have had my one-on-one meeting, and I do have a case officer, a client services officer. I went into that meeting, and I followed up the questions that I had in that meeting in an email form—the four questions. After, I think, about a fortnight, having received nothing from the task force, I emailed back that contact and asked, “Have you any further information?” They just said that they were still working on it. That was probably about a week ago. That is the only contact I have had with them. It has been almost three weeks since my original questions.

MS PORTER: Since you had the one-to-one discussion and raised four matters that you wanted answers for, you have not got the answers yet for those four matters?

Ms Erskine: No.

MS PORTER: If you had the lot cleared yourself as you just described, and you rented for six months, are you confident that you would be able to find somewhere that you could rent suitable for your particular needs in the short term?

Ms Erskine: Not in the current rental market. I have had a number of friends and family who are saying that I can stay with them, obviously for a short amount of time, which would be workable—but obviously not for one to two-plus years. That would not be sustainable.

MS LAWDER: Can I clarify? You feel that those people who demolished privately have in a way been advantaged: they could afford to demolish privately and then have been told they would not have to surrender their lease; they get financial advantage, if you like?

Ms Erskine: My basic point is that I think with this policy everyone should be offered the same options. A question that I raised with 104.7 was asked of Andrew Kefford along those lines. His response was basically that they did not want to disadvantage those that took the risk to demolish early. But they were not; they were rewarded. And those that waited on the advice of the task force were the ones that were disadvantaged.

MS LAWDER: You also said in your opening statement that the scheme is said to be voluntary but you did not feel it really offered a choice.

Ms Erskine: Not particularly, no.

MS LAWDER: Do you have three or four options that you feel should be offered in terms of choice?

Ms Erskine: If you are someone who is happy to take the package and move on, that is great. I think there should be options similar to those prior to 28 October. You should be given the demolition costs, get fair value for your house and get to keep your land. That would cover a lot of people from a lot of different categories. As has been raised, there are so many different stories and so many different circumstances; one or two options are not going to fit 1,000-plus families. There does need to be a bit of leeway, a bit of concession in some ways. People who are 80 years old and who may be happy to stay in their houses could perhaps sign a waiver and then, once they pass their estate, go into the program or something like that. I do not think there are many people who would object to that and say that was wrong.

MS LAWDER: Do you feel there is sufficient information for you to make an informed choice? If you do not sign up by 30 June, do you feel you understand what might happen after that?

Ms Erskine: I understand the implications of living in a house without cooling and air conditioning, overhead lights—a dangerous building and compulsory acquisition, which in a sense does make it not particularly a voluntary scheme. In regard to a decision that I make, whether I join the scheme or not, it is very difficult when you cannot get answers from various government agencies about relatively simple questions. For example, one of my questions to the task force and the Tree Protection Unit was this. I have a lovely big tree in the block next door to me which is probably three or four metres from my boundary. Because that tree is not on a Mr Fluffy block, if Mr Fluffy legislation overrides tree protection acts, how does it affect a tree that is not on the block but impacts the block? That is one of the questions that I feel is a relatively simple question and one I should not have to wait almost a month to get an answer to.

MS BERRY: Thank you for coming in and sharing your story with us this afternoon; we appreciate it. You are right: there have been a number of different circumstances around this terrible issue. Can you clarify for me what would work for you or for your circumstances out of this scheme? What would be your preference?

Ms Erskine: My preference would be for the government to, say, give me demolition of my house and market value of the house. I am in a situation where my land is the most valuable part of my house-land package. If I was given demolition and market value of my house and just left to go and do everything else myself, it would cost less than the \$210,000.

MS BERRY: So the government give you back the remediated land?

Ms Erskine: I can get it privately demolished and I can do all of that.

MS BERRY: You want to get it privately demolished?

Ms Erskine: The private demolition quotes have been between \$40,000 and \$50,000 and it could be done—

MS BERRY: That is for demolition of the house?

Ms Erskine: The demolition and the remediation of the land. I could get it done by February next year, whereas if I wait for the government to remediate my land it could be many, many years. So if the government said to me, “Here’s \$200,000. You get to keep your land and as long as your house is not standing after 1 July we do not have a problem,” I would take that money, demolish my house, put it towards rebuilding a suitable equivalent house to what I have on the block of land, and that would be it.

MS BERRY: You say it is \$40,000 to \$50,000 to demolish and remediate—

Ms Erskine: An asbestos house.

MS BERRY: And then get how much off the government?

Ms Erskine: About \$200,000.

MS BERRY: Plus the land and that would be your deal?

Ms Erskine: Yes. My land is worth \$450,000. In a good market, in the current market, my house and land is worth about \$600,000. That is \$150,000 difference, \$50,000 for remediation and things like that, so \$200,000 would cover everything and the government would not have to deal with many years of administration to deal with my block.

MR HANSON: Thanks for coming in today, Ms Erskine. The tardiness, I suppose, of government agencies getting back to people is something I have heard of reasonably consistently. The task force says, “We’ll get back to you,” and then you are left hanging and waiting and they do not. Has that added to the stress?

Ms Erskine: It has a little bit, because it hinders you making a decision. If you have to think, “Well, how am I going to get \$300,000 to potentially rebuild if the scheme does not work and if I am not exempt from the Tree Protection Act”—under the current Tree Protection Act I cannot even clear my block, let alone disturb any soil on it, so my house cannot be cleared—obviously if my house was part of the Mr Fluffy legislation, whether or not the government owned it, I could clear the block. So it is little aspects like that that put your decision planning back weeks or even months.

MR HANSON: Was there any explanation from various government agencies why they were taking so long?

Ms Erskine: No, the task force just informed me that, “You have your client services people,” and they have to farm the questions out to various technical officers and

agencies and then obviously get the results. I must say that the only time I have been extremely frustrated and almost cried in this entire process was in a phone conversation with the Tree Protection Unit. That was just atrocious. When people are hitting these brick walls with government agencies that should be willing to help, it is very difficult for people to make rational decisions about their biggest asset.

THE CHAIR: You made the point in your first letter that you would be unlikely to get another mortgage.

Ms Erskine: Yes.

THE CHAIR: If the government were to come to the party and agree to the course that you would like to follow, will you have sufficient funds in that money to build a new house to the standard that you have already got?

Ms Erskine: Yes, I will—an equivalent house, yes.

THE CHAIR: If you had to move out and go into the rental market long term, with all the attendant issues that you have addressed, what would be your chances then when the block was remediated, depending on the time? Would you be able to come back then?

Ms Erskine: No, because I believe the block will sell for significantly over what I would receive for it, because of the suburb that it is in. There have been instances where houses in my area have gone for \$100,000 to \$150,000 over unimproved land value, for people just to knock the houses down to get the land.

THE CHAIR: In your particular circumstance with the disability that you have, how important is it to be in that central part of the city? You mention in your second submission about being close to bus stops and services?

Ms Erskine: For me it is to maintain independence for as long as possible and not be a burden on systems—government systems and services. A prime example is that I have a good friend who lives in my street. When I was unable to drive and I had an eight to nine-week old baby, she would pick me up, take me to my remedial place and look after my child for an hour, whereas, if I was just plopped into a community where I was not established, things like that would not be possible. There are occasions when I cannot make that 200 metres to the bus stop. So these are all big considerations for me.

THE CHAIR: You mentioned that having to move further out into an outer suburb would disadvantage you?

Ms Erskine: That would be because I did buy seven or eight years ago, and I could not afford to live in that area now. But I would have to live in a further-out suburb and it would cost me potentially double in cabs, if there even were buses where I lived and these sorts of things.

THE CHAIR: When you purchased seven or eight years ago, what due diligence did you do about the history of the house? Were you made aware that this was a house

that had been part of the clean-up process?

Ms Erskine: Not in the building reports. I knew the person who lived in the house, who sold me the house. They had explained exactly what had been done in the remediation work, and they gave me the certificate in a folder with all the other house stuff. If I had not known the person and they had not done that, no, I would not have known it was a Mr Fluffy house. I knew it would have had asbestos, that there was a possibility it had asbestos, but not loose-fill asbestos.

THE CHAIR: You were not there in 2005 so you did not see that letter, but did you receive the letter in February?

Ms Erskine: Yes.

THE CHAIR: When you received that, what did that say to you in terms of your house?

Ms Erskine: Initially, I thought, “This isn’t that important. Why are they writing to me?” because it was not addressed specifically to me. It was just to “the householder”. I found it did not actually say much. It just said, “This is going on.” The letter did not go anywhere. It did not say, “This is going to happen,” or anything like that. I must admit that I probably threw it out after reading it.

THE CHAIR: You said you had made consideration but you were almost urged to wait until the task force had reported. Did you feel that it was advantageous for you to wait?

Ms Erskine: Yes, very specifically I asked the task force and was very specifically told to wait and be patient, and wait until the outcome of the policy was released. I believe quite a few people were in the same situation. I had done a bit of research into demolition and builders before that date but had decided to take the advice of the government and wait.

THE CHAIR: You now feel disadvantaged by that decision?

Ms Erskine: Yes.

THE CHAIR: On the second page of your second submission, at paragraph 3, you talk about a building company that clearly advised their clients to knock down before the 28th?

Ms Erskine: Yes.

THE CHAIR: They have seemingly got an advantage from that. Do you get a sense that there was—you used the words “insider knowledge”. Do you get a strong sense of that or is that an assumption you are making?

Ms Erskine: No. I think with any policy, obviously, government is going to have to go and talk to a lot of people in the building industry, the demolition industry, to get enough information to put a package together. There would have been people who did

have a fair idea or a fair understanding of what direction this policy was going to take. So these people did take a risk by listening to their builders, but potentially it was not a risk because they could have got nothing afterwards as well. They did not know. But I think it would be interesting to see, with the people who did knock down prior to the 28th, if there are any links or connections in any way to any knowledge that could have assisted them.

THE CHAIR: In terms of what will happen now, perhaps firstly for your circumstances and in the broad, what needs to be changed in the way things are being progressed to make it work better for people like you?

Ms Erskine: I think a lot more communication, a lot more consultation. I understand they had the individual case officers and those case officers cannot get all the answers very quickly. But just keeping people a lot more informed and having a really good understanding of each person's individual circumstances could potentially save the government a lot of money, because people might not cost the average amount.

THE CHAIR: On page 3 of your second submission it says:

I would like an explanation why I am not given the same offer as owners 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?

What specifically do you feel you have missed out on in the offer?

Ms Erskine: Potentially the cost of the demolition, the market value of my house and being able to keep my crown land. If I had been offered that, I could start right now, demolish my house and rebuild a house, with minimal disruption to me, my life, my son's life, the community—everything. And by July next year, it is all over. Whereas, as it stands, this process could go out for four or five years. I have uncertainty about where I will live, and it could potentially cost the government a lot of money.

THE CHAIR: How big is your block of land?

Ms Erskine: 731 square metres, so it can be subdivided if the government feels—

THE CHAIR: If they so choose.

Ms Erskine: Yes.

MS PORTER: Did we ask you, when you first started talking to us, when you actually found out you had the asbestos in your house? When you purchased the house did you have a certificate saying that this was an ex-Mr Fluffy house or a house that had been cleansed?

Ms Erskine: The cleaning certificate from the 90s?

MS PORTER: Yes.

Ms Erskine: The only reason I had that was because I bought the house from someone I knew. They had given me a folder with everything to do with the house—so all appliances, all paperwork and things which normally you would not receive when you buy a house. They had disclosed to me they had this work done and this had all happened. It was not in the paperwork that would normally have been passed over to a new home owner but I did have a copy of that certificate, yes.

MS PORTER: But you believed your house did not have asbestos in it anymore, that the loose-fill had been cleaned?

Ms Erskine: The roof cavity had been cleaned. I am sure it is still in the walls.

MS PORTER: At that time you had confidence in it?

Ms Erskine: Yes, and my house is in very good condition. There are no cracks in cornices. When they did the air quality test, there was no asbestos in the air.

MS PORTER: How long did that air quality test take?

Ms Erskine: An hour or so. It was just the standard one that they came around and did to all the houses, where they put little air testers in about 13 different places around the house and left them for about an hour. I did not have it in my air conditioning or heating ducts. They did not detect it anywhere.

MS PORTER: Nowhere in the living spaces at all?

Ms Erskine: No.

MS LAWDER: If you were appointed head of the task force tomorrow, what are the things you would tell your team to focus on? What are the key things you would like to see addressed?

Ms Erskine: I think looking at the policy and trying to get it to work for multiple different categories of people. There has to be more flexibility. You cannot expect people who are 80 or 90 years old to suddenly move out of a house, or people who are terminally ill or people who have a disability. There has to be some flexibility. I think it can be quite easily written into the policy. And to communicate with people a lot more efficiently.

MS BERRY: One-on-one conversations and how that works is a way forward for you? Do you think that is probably the most important thing now, having regard to all those individual stories that we are hearing a little bit of this week? It is an important way forward to work out what sort of flexibility there could be, if there could be any.

Ms Erskine: Yes, and to get a really good indication of who is happy to take the deal, who wants to stay on their land and why they want to stay on their land. There are so many different categories of people and different reasons that people want to keep their land. If the government has a good understanding of that, it would be relatively easy to write a policy that would keep most people happy.

MS BERRY: With the appropriation bill, which is what we are talking about, to get the money to be able to fund some sort of program into this, that bill going ahead is probably an important part of getting the money in the program, whatever the program looks like.

Ms Erskine: Yes.

MS BERRY: Once that money is in the system, the federal government loan, do you think that we then need to start really thinking about what sort of flexibilities there are? There are a lot of people, as you said in your submission, who are happy to leave and can afford to leave straight up and buy a new home. But there are others, like you, who have suggested another model. There are even others still who would not be in your category either, who would be even more disadvantaged than you are.

Ms Erskine: There would be, definitely. Often it is the people who are more disadvantaged who do not have access to the internet, or older people who do not have Facebook accounts. A lot of the information I have found out recently has been through social media sites. That was the only reason I knew to put in a submission—from one of the Facebook pages. It has to be acknowledged that often the people worst hit are the hardest to reach and bring into the program.

MS BERRY: I also saw in your submission about being a taxpayer; that taxpayers will foot the bill and that this has been a very financial solution to a complex and emotional issue. You think that, more than that, there needs to be a moral solution to this as well?

Ms Erskine: Yes. I do not think any policy can be solely about money. It does always have to have an ethical and moral component to it.

MS BERRY: We heard from one of the witnesses this morning who was a community member, who was not in a Mr Fluffy home but was talking about the same sorts of things that you are talking about now.

Ms Erskine: I think also it is not just me; it impacts my neighbours if they subdivide my land. My rateable value goes up. Their rates go up as well. They could potentially be living next to a boarded-up, minimally maintained house for up to five years and then have two two-storey units with six cars coming and going. So it will impact neighbourhoods as well and would totally change the streetscape of many streets and the communities that live there.

MS BERRY: From your point of view, you want to stay?

Ms Erskine: Yes. I do not want to unit title my block. I do not want to build a big fancy house or anything. I basically want my block of land with my gardens and an equivalent house to live in. That is really it.

MR HANSON: A large part of your submission is focused on the 28 October date and the difference in the scheme being applied to those prior and those after.

Ms Erskine: Yes.

MR HANSON: You are saying that the task force was telling people not to do anything.

Ms Erskine: Yes.

MR HANSON: If not pressuring people, it was certainly giving strong advice to them and meanwhile members of the building fraternity, a number of them, were saying, “Demolish now.”

Ms Erskine: Yes. They had given advice that it would be advantageous to demolish before the policy was released.

MR HANSON: I have heard this from other people as well. I do not know if you have spoken to others as well?

Ms Erskine: No.

MR HANSON: I have heard it from other areas. There seems to be a sense of whether people had foreknowledge or why did they then demolish when the task force was saying not to. You have asked whether there is going to be an inquiry into that issue; you think that needs to be looked at?

Ms Erskine: I asked if there was going to be any investigation into whether that was the case. I do not know how many people did demolish before the 28th, so I do not know how many people are in that category—whether they are members of the building industry or their father is in the building industry or their friend or their partner works for the ACT government.

MR HANSON: So some sort of insider knowledge essentially?

Ms Erskine: Yes. Not necessarily, “This is what’s going to happen,” but maybe just a simple comment like, “Yes, it probably would be good that you demolish before the 28th.” The way I look at it is, if I had followed what I was going to do, I could potentially be many hundreds of thousands of dollars better off.

MR HANSON: You are saying essentially that, if you had not been urged by the task force to wait, you would have demolished?

Ms Erskine: Yes, because I actually looked into demolishing and rebuilding in the May, June time frame. Yes, I would have signed a demolition contract and possibly a building contract before that date.

MR HANSON: So you feel, in a sense, that the advice you got has led to your disadvantage?

Ms Erskine: Yes, and it was not just the odd mention by the task force. There were articles in the *Canberra Times* where Katy Gallagher publicly said, “Wait for the policy; be patient”—that sort of thing—and verbally in the task force. I think also with frequently asked questions about something on the web page as well it said,

“You are urged to wait until the outcome of this policy.” So it was not just based on one comment; it was based on numerous recommendations from the government.

MR HANSON: Given the time again and everything you now know—

Ms Erskine: I have worked in government before, and you like to think you have a bit of faith that the government has your best interests at heart. You think, “Well, they must think it is a fair policy so we’ll wait until the outcome.” But it has not turned out that way.

MS PORTER: I want to clarify the way you learned about the inquiry. You said Facebook was the way you learned about this inquiry or that you could put a submission in?

Ms Erskine: That is right.

MS PORTER: You did not hear any other way in the media, from the ways that the committee has been advertising—

Ms Erskine: No. I must admit I do not buy the paper. I pretty much just read the news on the internet. I am very rarely in front of the television at news time, with a young child. So most of my news is when you sit down and you either check Facebook or you check your internet at the end of the day and there are news stories and things like that. That is how I got most of the knowledge about this.

MS PORTER: This is important feedback for us when we are making sure that people know about things we are doing.

Ms Erskine: Yes, one of the biggest was my dad. He obviously reads the paper every day, so occasionally he would pass things on to me. But it was generally through social media.

MS BERRY: You did not get an email or anything from the task force?

Ms Erskine: No.

MS BERRY: Other people I have spoken to knew they could put a submission in, because they had been invited by the task force?

Ms Erskine: The only email I have had from the task force was the response from my case officer saying that she will get back to me with the answers. That is the only email I have ever had from the task force.

THE CHAIR: You do not get the newsletters?

Ms Erskine: I do get the newsletters, yes.

THE CHAIR: I think it appeared in there.

MS PORTER: It did.

Ms Erskine: If it appeared in the newsletter once—I do not read every single one; I do, but maybe a week or so after they have come in—but I did not get a separate email regarding the submissions.

THE CHAIR: Thank you, Ms Erskine, for your appearance today, and we wish you well in the future. A transcript of today's hearing will be provided. If you would like to read it and have any corrections or any other material you would like in it, please contact the secretariat.

Sitting suspended from 3.05 until 3.28 pm.

KILCULLEN, DR ANNE, Private capacity

KILCULLEN, MR JOHN, Private capacity

THE CHAIR: Welcome, ladies and gentlemen, to this final session of the hearing by the public accounts committee into the Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-2015. The committee received a letter from the Chief Minister on 14 November asking that we inquire into the bill. The committee resolved on Monday, 17 November to do so. The bill was tabled on Tuesday of last week. The government is bringing on the bill for debate this Thursday.

The committee, in holding this inquiry, is trying to meet the requirements of the government to have access to the funds that the federal government has made available while at the same time ensuring that the public has their say on this bill. We thank those who have put in submissions and have offered to appear today.

Before you on the table is a pink card, the privilege statement. I need for the record an acknowledgement that you have read the card and understand its implications.

Dr Kilcullen: Yes.

Mr Kilcullen: Yes, I have.

THE CHAIR: Thank you. For your information this hearing is being transcribed by the Hansard office as well as being broadcast and webstreamed. We thank you for appearing today. Would you like to make an opening statement?

Dr Kilcullen: I am here as a resident and joint owner of a property that is affected by loose-fill asbestos. Briefly, we want to have the affected building demolished by approved contractors and to rebuild on its footprint on our land. We seek compensation from the government for the costs of demolition and the value of the old house corresponding to what was offered to those who did the demolition and rebuilding before 28 October.

There is a spectrum of people affected. Some people I believe are on high salaries and have million-dollar houses. I know of other people who have just entered the owning market and have heavy mortgages which are really killing them to keep paying while they have to rent. We are somewhere in between those extremes. We did not have a strong financial beginning; when we were married 10 years we had four children, two PhDs and not a job between us. So we started from there. But we both worked for 40 years and when we retired we came to Canberra to be with our children, three of whom were here at that stage.

We bought a modest house because it was two doors from our daughter. When we sold our Sydney house, which was, again, a modest house but it was a Sydney house, we were able to build an extension. By that time two of our children had moved away, so we wanted a place where they could come to. We also planned it in such a way that as we age we would be able to live there close to our daughter. So we built it with wide doorways and an appropriate bathroom for people who might be using wheelchairs—that sort of thing.

I have been thinking beyond the time when I made the original submission, mostly at 3 o'clock in the morning. I have an additional supplementary submission that I would like to read to you. I can give you a copy of that on a USB. This is a comparison of the costs and gains from track A, which is what I have called the plan that has been presented, and track B, which is the plan that we would like to see available to us—not spoiling track A for those whom it suits.

In track A the costs to the government would be reimbursing for house, plus land, plus gardens, plus any additional structures on the premises. Track B would be reimbursement for required demolition envelope only, which, in our case, would leave an area with three mature trees, some garden walls, landscaping and a carport that is not attached. So our track B would be a saving. The first half a dozen are track B savings.

On track A the government would pay for demolition, pay for expert demolition work on all structures and the grounds, pay for all of that tonnage to landfill, pay for maintaining and, no doubt, expanding the sites for contaminated waste.

On track B the government would have to pay less: for demolition, expert work on the contaminated buildings only, significantly reduced tonnage to landfill and significantly reduced need for waste management and space.

On track A the government would be paying—that is waiving—the owner's stamp duty on our next purchase. If we retain the ownership of our land, the government would not be paying us for any stamp duty.

On track A the government would be paying for the monitoring of the abandoned house and yard for the period from purchase to demolition. There would be no such payment on our track B; the house would not be abandoned until the time of demolition.

On track A the government would pay for the monitoring of the abandoned house and yard for the period from demolition to rebuilding—that is, the next phase. On track B the owner would remain responsible for monitoring from the period from demolition to rebuilding. It would still be our land.

On track A, the government would presumably lose rate payments for the extended period up to five years for which the land is vacant. If we continue to own it, they may not lose at all or they may perhaps let us off paying rates while we could not live in the house for perhaps a month while it was being demolished. Those are things which we can set against what I think has been the government's intention for track A—the gain on resale and rezoning. On our plan, that gain would not be available to the government.

There are costs and gains, and they are not all financial, to the ACT community as distinct from the government's Treasury. The cost of track A is that there would be a loss of the unpaid interfamily social support of children on the one hand now and the elderly in our next 10 years or so if we relocated away from being two doors from our daughter. On our plan, the unpaid interfamily social support of children and the elderly would be maintained, with a short break.

In respect of the costs of track A, there would be a flooding of the rental market with anxious, cashed-up people, uncertain of the time frames for their leases. Poorer renters who are already having a bad enough time would be pushed into homelessness. As it is, on any given night, one in 40 people in the ACT are homeless. There will be more if the rental market is flooded by Mr Fluffy people. On our plan, there would be a shorter period of lower anxiety for displaced residents, who might, if they knew it was going to be six months or whatever it was, find people or family who would put them up for that time and not need to plan long term.

Another cost is the disruption of mutually supportive neighbourhood friendship networks. There would be a shorter period of disruption if we continued to own our land. The loss of the environmental amenity of neighbourhoods is a major concern of many people. On our plan, the visual amenity would be maintained. We would replace the house with something similar and compatible with what is there and the ecosystems of our trees and gardens would be mainly maintained.

There would be on the track A plan costs to mental health. If owners could keep their own properties where they chose to, there would be lower risks. Owners could keep doing gardening, could feel empowered as they made the plans for their new building. My position is that the track B we are suggesting would not cost the government nearly as much as they think and would certainly cost them less in these other matters.

I have two questions about things that I do not know. On our property our new building has a tiny connection in one part of the roof, which is why it has to be demolished. It cost over \$300,000 four years ago. There was no connection of any adjoining walls, but we were told by the technical officer that it had to go. That contains what we have otherwise been told is tonnes of cleanable metal roof, cleanable double glazing, cleanable paths, unaffected gardens. I want to know what the plan is for dealing with the uncontaminated waste that will be generated by the demolition or the clearing of lands.

My other question is about the time frames. If we could know that there would be some kind of framework between when we sold, when we got the money, when we had to leave, when we might go back, a lot of this anxiety would be dissipated.

THE CHAIR: Thank you for that. Will you make a copy of the additional submission?

Dr Kilcullen: I have printed copies, but I also have it on a USB.

THE CHAIR: Let us go to where you finished—the need for certainty. On page 3 of your original submission you have a section entitled “Owners need clear time frames”. How badly is the lack of clarity affecting the decision-making process on your behalf?

Dr Kilcullen: Terrible.

Mr Kilcullen: Yes, it is terrible. I am the joint owner of this property that we are talking about. We have been going round and round on a track with many branches trying to make these decisions now for a couple of months. There are many

uncertainties. We just do not seem to be getting anywhere.

I have been listening at home—we both have—to the internet broadcast of this committee. Thanks to Dr Cullen and her colleagues for helping us get to that. I must say, it is an excellent system. It is like being here, only better, actually. Take that whichever way you like.

It became clear to me on Friday that unless Mr Barr changes his mind in a way I do not think is going to happen, any suggestions we make about alternative ways of doing this that might save money et cetera are pretty much a waste of time. Let me make a few remarks about Mr Barr's comments. Ms Berry referred to various proposals such as ours to give owners the option of retaining their block. She asked:

... are these things that the government can consider?

His answer was:

... the more important question is what the community can afford ... There are myriad ways to be more generous ... this is other people's money ... we have endeavoured to be as generous as possible ... there are economic and fiscal realities.

According to Mr Barr:

... we—

That is the government—

have settled on an approach that I think balances those competing interests and competing priorities.

He went on to say that the government's plan:

... has struck the right balance, is compassionate and deals with the problem in a way that we can just afford ... This is at the outer limit of affordability for the territory.

He is saying that it is at the upper edge. If all of that is true, there is going to be very strong resistance to anything that might involve initial expense for the government or loss of revenue.

Ms Gallagher has endorsed this. She wrote recently in a letter that we all got:

I acknowledge that it does not offer everyone everything they want but I must stress that to attempt to do so would make addressing this problem financially impossible.

There is talk here about financial and economic realities, which are hard things which are there, of something being financially impossible. I would like to point out that, in fact, what we are talking about are political choices. The government have your bipartisan support—indeed tripartisan support; the Greens have a minister in this

government too. All three of the political parties and the officials are on a unity ticket here; they are all telling us that the plan is as good as it can be and that if we want more or if we want something that involves some loss of revenue, then we are dreaming.

Political choices—what are they? First of all, there is the choice not to take the political risk of asking the citizens of Canberra to pay anything more in the way of rates or anything like a flood levy. Remember the Queensland flood levy? There is also a choice about which projects the government is willing to postpone or to reduce. There are political choices there.

In an email exchange some time ago, I suggested to Ms Gallagher something like the Queensland flood levy; her answer was that this was an unreasonable demand on other taxpayers. I must remind you that we are taxpayers as well. She gave a figure on that in her testimony on Friday. She said, I think, \$660 per household. Mr Hanson asked whether this was on the assumption that 100 per cent of owners would want to keep their blocks; she said yes, it was. If it is something like 50 per cent, that would be 300 and something dollars. It could be spread out over a number of years; it does not have to be all in one hit.

Bear in mind that the destruction of 1,000 houses increases the value of all the rest. It may be that the housing market in Canberra is going to go gradually downwards for a while; but even so, in comparison with what the value of these houses would have been otherwise, the destruction of 1,000 houses enhances the value of those that never had this asbestos in them. So there is a windfall coming to anybody who owns a house that never had asbestos in it.

It does not seem to me to be unreasonable for the government to intercept some of this windfall in the form of some kind of rate increase. Many other people who have put in submissions have suggested that there are ways of doing this that do not involve a great deal of extra expenditure on the public purse. A number of us have been struck by the thought—there are half a dozen submissions that make this point—that the government is proposing to buy the whole property. It does not, in fact, need to buy the land; if it left the land in our possession, it would save a lot of money up-front.

The Treasury officials may well say, “No, this won’t work.” But I would urge members of this committee—in fact, I urge all members of the Legislative Assembly—to insist upon seeing the details of this. You need to know what their data is and what their assumptions are—and they are surely making many assumptions—and see how the calculations work out. I will leave it at that. You may have questions to ask.

THE CHAIR: I am not sure if you are aware that the Treasurer did table a document before the sitting on Friday that has some of their assumptions in it. It is now posted on the web if you have not seen that.

Mr Kilcullen: I have not seen that.

THE CHAIR: If we go back to the certainty and the time lines, how hard is it to make an informed decision given the information you currently have before you?

Dr Kilcullen: Extremely. We do not yet know what our valuation will be. We probably will not get it before Christmas, because the second valuer will be coming on the 16th; he has a week to do it and then they have to compare. So we will not know what value we would have. But in particular, we will not know what amount we would need to buy our property back, because we have no idea when it will be available to come back to us or at what price—how much the market will have changed by then.

Mr Kilcullen: Those are the two points—when it will come back and what the price will be. We have put in a statement that we are interested in this buyback. We ticked the box that says we want to come back to the block. But we do not expect to ever be able to come back to the block because the price would be too high and it will be years hence. We have been seriously contemplating doing the whole thing at our own expense. We are probably not going to do that, but the government is offering us nothing as far as we can see.

Dr Kilcullen: Because of the uncertainty.

MS PORTER: Thanks very much for your submissions. You were talking about the confusion about the information. Has the task force offered you a time to sit down individually and have a discussion with them privately to discuss your concerns and the suggestions that you have made?

Dr Kilcullen: We had one meeting with them when we were hoping that, by thorough testing, we might be able to save our new big section. The technical officer was very definite that there was no possibility at all of that. That was the extent of our meeting. In fact, we did not know until the week before that we had had a particular person assigned to us as a case manager.

MS PORTER: That meeting with the case manager—that was just around the asbestos report and what you wanted?

Dr Kilcullen: No; they have not heard any of this. They have not—

MS PORTER: That is what I am saying. It is not to do with what you have presented to us?

Dr Kilcullen: No, just about that particular part of the building—whether it would all have to go.

Mr Kilcullen: I would not expect that they could take seriously anything that we are saying, because it is not within the framework of the plan they are implementing. This is for politicians, not for public servants.

MS LAWDER: You bought your home in 2001?

Mr Kilcullen: Yes.

MS LAWDER: I think you said in 2010 you did some significant renovations?

Mr Kilcullen: Yes.

MS LAWDER: You lodged plans with ACTPLA, I presume?

Mr Kilcullen: Yes.

MS LAWDER: Did anyone from ACTPLA raise any concerns with you about asbestos in that time?

Dr Kilcullen: Not with anything that rang any alarm bells with us.

MS LAWDER: The builders or no-one suggested anything?

Dr Kilcullen: No, it was all passed. We got the letter when we bought the house in 2001, but it spoke of cavities, not of the cornices, which is where it was, in fact, found in our house, because it is old and it has split a bit. We were careful, as we have been for many years, about anything that was asbestos, so we made sure that any tradesman that was making any hole in the wall wore a mask and knew that they needed to be careful. That was the extent. There was nothing that made us be any more concerned. Nobody raised the question with us in the process of getting that application.

MS LAWDER: And did you have recent tests done?

Mr Kilcullen: We had asbestos assessors twice within the last few months

MS LAWDER: What were the results? Did they find fibres?

Mr Kilcullen: The more thorough test found five places in the house, five rooms—

Dr Kilcullen: Four.

Mr Kilcullen: Four, was it, in which material had come from the cornices. In fact, when they came in, the first thing they did was to run their torch around the cornices. They knew where to look. It is not the wall cavities; it is the cornices. Of course, when a cornice leaks, it comes straight into the living space.

Dr Kilcullen: In our case we were lucky because we have got a particular kind of cornice thing so that the dust had settled, and I am not the kind of person that cleans on top of my cornices. So that is where it was. One of those was above the linen cupboard, so everything in the linen cupboard was just out. Unfortunately, one of them was also in the bedroom where our grandchildren sleep when they have sleepovers. So the bedding, soft toys—everything in that room that was not enclosed in a cupboard with glass—was out. Anyway, there were several places.

Then they came in with their masks and things on another day and went around and cleaned. We were not inside because we were not supposed to be, but what they were doing was cleaning all of the walls. I think they first wrapped up the stuff that they knew was contaminated. Then they went around and sealed all the cornices. We feel comfortable to live in the old part of the house for the time being, but not long term

because it will crack again next time the earth moves.

We have not worried about the new part because we honestly do not think there is any likelihood of contamination. The old Mr Fluffy stuff has been covered for several years by extra insulation on the top and the only connection is through—it would have had to jump up above the other and get blown in, and it is really unlikely. We have accepted the risk for ourselves of staying there, but our grandchildren are not coming and staying and they are only quickly passing through to get to the safer bit to play if they come to visit.

Mr Kilcullen: We got a letter in 2005 which substantially tells us the same thing as the certificate. I think we are entitled to rely on this certificate and we were meant to. The certificate was given for a purpose, and it assured us that, apart from the wall cavities, the building was safe. We have been duded. I do not say it is deliberately, but now that the government knows that this certificate was false and misleading and has led people to make decisions which are, in some cases, going to be fatal for them or their family, it ought to remedy the situation without imposing further injury on the people who have been misled. To force us to go from our blocks, to relocate or to live in a state of uncertainty for years, is an injury, and we object to it.

MS BERRY: Regarding the time frames, there are 1,000-plus homes that have this terrible legacy inside them and if everybody said, “Yes, we’ll have our homes demolished and we’ll move out for a little while,” and that all happened, it would have to happen over a period of time, because 1,000 homes could not be cleared—in your mind, if there was some certainty around this; that, once there was a scheduled, organised or planned for demolition and remediation of these blocks, if it went from three or four or five years, would that be a satisfactory outcome, putting everything else aside?

Mr Kilcullen: Providing there was some assurance about price, and I do not see how they can do that.

Dr Kilcullen: I think that is too many years for us. I quite agree that, for the people who want to sell and go, that should be allowed and, if the government is able to redevelop that land and get some money back for it, I do not live where they are going to have their extra bits, so that does not bother me; it might not work for the people around. That is fine. I think the people who are really in trouble—you must have heard the stories—are people who had just bought a house, completely mortgaged it, could not even move in, were paying mortgage and rent and were just at the beginning of things. We are not getting any more money from anywhere, ever, but they are at the beginning and they should go ahead of us because our house is not fatal right now.

But in a matter of months we will have cleared out, we hope, most of the accumulation of 60-plus years—the books and other stuff. We could not move next month because we really have not got anywhere. We have not gone through all of that stuff. But in the next six months or so, I think if we had some—and it is the difference between the demolition time and the—

MS BERRY: I understand what you are saying.

Mr Kilcullen: I heard the tail end of what was being said by the person before us. We also wondered whether we would demolish our house as soon as we realised how toxic it was, but we waited in the belief that when the government's plan came out it would be a fair thing and it would not disadvantage people who had waited. I will not say that we were told to wait by anybody. I did not hear anything like that, but we thought about this and decided we would wait. But the time interval for the demolition of all these houses is unavoidable, with so many houses being demolished. We could have started now. There are other people who could have started early. It is not going to start until June.

Dr Kilcullen: We could have paid for it and got reimbursed. We have some money for our future knees, eyes, hearts and stuff, and possibly some travel. But we could have spent some now if we could have got it back. But we cannot afford to—

Mr Kilcullen: One of the things we are asking for is to be treated like the people who acted before 28 October.

MS BERRY: This all started a long time before self-government. Some people have suggested there should be an inquiry and that perhaps it should be a commonwealth inquiry, given that it spreads further than the ACT.

Mr Kilcullen: Yes.

Dr Kilcullen: Yes.

Mr Kilcullen: I think there should be an inquiry in the ACT and a broader inquiry such as you mentioned. I think last Friday the Chief Minister said there would be an inquiry in the ACT. She would not buy 1 July, but some time before the next election there will be one, surely. I think that is right; there should be an inquiry.

Dr Kilcullen: But that is not going to fix things for us, because it is about the present uncertainty and the expectation of continuing uncertainty. If we knew it was six months, we would go and live with our kids in all their places for a month or two each. We would have a way of dealing with that. But the fact is that it is just so indefinite and there is the amount it would cost to come back.

MS BERRY: That is the view that has been put. An inquiry is not going to resolve this situation. You really need to get the money.

Mr Kilcullen: No, it has to be done but it is not an immediate priority, I would say.

THE CHAIR: A quick question from Mr Hanson, and then I will have to draw this section to a close.

MR HANSON: Thank you very much for your submissions. They are very thorough. I would like to make a point: certainly there has been bipartisan support to fix the Mr Fluffy program and problem in that form. What I would like to say is that the purpose of this inquiry and the engagement we have had with constituents outside this inquiry are aimed at making sure that the government's plan is as flexible and as fair as it can be. I think a lot of the evidence being given will contribute to that. Your time

in terms of the submissions and so on is not wasted. We do not know where the government will go with their plan, and it is their plan. But certainly the evidence being provided will be useful. I cannot guarantee that it will affect their decisions but it is not just a futile exercise. I hope it will help to inform the government when they make their decisions.

Mr Kilcullen: At least we got it off our chest, so it was worth doing.

THE CHAIR: That brings this section to a close. Thank you very much for your submission and for your time today.

Dr Kilcullen: Thank you for listening to us.

Mr Kilcullen: Yes, thank you very much.

THE CHAIR: That is what we are here for. A transcript will be provided when it is available. If you would review that, and if there are any additions or corrections you want to make to it, please inform the secretariat and the committee will look at doing that. Thank you.

POOLE, MR FRANK STEWART, Chairman, ACT Asbestos Industry Forum

THE CHAIR: Mr Poole, were you here when I made the introductory remarks?

Mr Poole: Yes, I was.

THE CHAIR: I will skip those and ask you to confirm for the record that you understand the privilege implications of the statement on the table in front of you?

Mr Poole: Yes, I have seen it and I agree with it.

THE CHAIR: We will give you the opportunity to make an opening statement and then we will have some questions.

Mr Poole: I am a class A asbestos assessor working in the ACT. At present I represent the ACT Asbestos Industry Forum, which has only recently been formed, mainly as a result of the problems we are seeing.

Thank you for the opportunity to address this committee and raise a number of points of concern from the ACT asbestos industry. First, I make it quite clear that the ACT Asbestos Industry Forum members have no desire to delay the passing of this appropriation bill. We are fully aware, having been the recipients of many heart-breaking stories from people living in Mr Fluffy-affected homes, of the distress caused by not being able to plan their future lives.

We also support the review of the many ACT regulations, acts, notes and codes affecting the detection and management of asbestos. However, having said that, we have reservations about the way this has been implemented and the effect on the safety and health of the Canberra community and workforce. I shall be addressing this as I proceed.

The forum is concerned that we may be appearing unsupportive towards the task force. We acknowledge that efforts have been made by the task force to brief industry on their progress and/or their future intentions. However, it is not possible to constructively consider a verbal briefing and no printed matter was ever issued. At any rate, briefings ceased some time ago, before any definitive decisions had apparently been made as to changes in legislation.

Our principal concern is that we did not have the opportunity of commenting on or providing input to the now approved changes to the regulations, and this lack of consultation has unfortunately created a sense of suspicion which has been fuelled by further situations. For example, the Chief Minister and Andrew Kefford of the task force both promised there would be no reduction in current ACT standards for asbestos management. This has proved to have been forgotten as the changes agreed by the Assembly will, we believe, result in a reduction in asbestos management standards, particularly in the competence of asbestos assessors and removalists. This has resulted in asbestos assessors arriving in the ACT on an opportunity basis, some with competency based on what are considered by the ACT asbestos industry as inadequate standards. This may very well have long-range implications for health in the ACT in 25 to 35 years.

Class A asbestos assessors' licences have been issued to interstate individuals by ACTPLA with caveats such as "only valid for air monitoring" and "issue of clearance certificates based on air monitoring results". The responsibilities of a class A assessor are clearly listed in a number of ACT acts requiring competency to be proven by the presentation of proven required experience, training and education. There are no provisions for a class A minus. This action denigrates the licence's existing ACT class A assessors and is misleading.

What should be questioned is where the request for authority came from for this to occur. The forum submits that these actions will affect the viability and professional status of ACT assessors now and, unless corrected, into the future.

A number of assessors have provided comment and suggestions to the task force and to ACT WorkSafe on existing regulations and upon the difficulties in adopting the model Safe Work Australia work health and safety regulations and codes. Very little or no feedback has been forthcoming and there has been no indication of whether any suggestions have been accepted or reasons for rejection provided.

It appears that harmonisation and the adoption of the model will occur with little change. There seems to be an attitude of, "Don't confuse me with advice. I know what I'm doing, and I don't have the time or inclination to change what I know." To drafters and regulators, legislation is merely words and phrases; but to asbestos assessors and removalists, it is the basis of how they must operate and, unlike the regulators, these words affect their livelihood, profitability and professional status. As stated in our submission, we contend that there is inadequate knowledge and experience of practical asbestos management in a commercial setting among the drafters.

It was expected that local business, particularly those on ACT preferred contractor panels, would be engaged to provide their expertise after many years of us working with Mr Fluffy-affected homes. But, unfortunately, the task force has not utilised this and instead engaged personnel from outside the ACT. We believe the task force is not receiving the best available advice possible for such an issue. A number of large out-of-territory companies are apparently being encouraged to set up temporary offices and bring staff from interstate. It also appears that there have been major slabs of work passed to these companies without offering them to local businesses.

It is not expected that there would be an additional cost for using locally based assessors who will remain after Mr Fluffy, but the local industry should be preferred to quote for work and not be passed over for opportunistic companies on the assumption they are more expensive or do not have the resources to meet the task force timetable.

Much of my comments may have been avoided and our trust in the task force retained had local industry been properly consulted and trusted with a draft of the proposed amendments and changes that have now been agreed by the Assembly. These changes will affect the work and effectiveness of the local ACT asbestos industry into the future and well after Mr Fluffy and the life of the task force. The forum has great concern about the proposed standards for asbestos assessors. It is seldom that an

industry body comes to government asking for assistance in increasing the regulatory requirements affecting their industry, but this is one time it is occurring.

The standards of competency proposed are those of the model regulations and are considered by the ACT assessors as grossly inadequate in the requirements for licensing. Harmonisation will saddle the ACT with standards of competency for asbestos assessors that will not provide reliable asbestos management for workplaces or for the community.

It has been the observation of a number of our assessors who have attended or sent staff that current training courses are inadequate in content and in many cases conducted by ineffective trainers, with assessments often talked through, thus ensuring a competency rating for all students. In the model legislation and codes, there is no reliable way of determining what essential on-the-site experience has actually been carried out and there is no requirement for building knowledge or terminology or an understanding of the asbestos regulations and codes, just to mention a few shortcomings.

In summary, we believe the remediation of Mr Fluffy properties will be a target for out-of-territory opportunists which may result in an overall lowering of asbestos management in the ACT, non-compliant work and shortcuts. Although now possibly too late, we would like to see meaningful consultation with a will by the regulators and task force to accept advice and to do the best for the territory rather than blindly accepting a deficient model for the sake of harmonisation.

It is strongly advised that the training, education and experience required of an assessor for work in the ACT be reviewed and consideration be given to retaining some form of two-tier assessor recognition. The desirability for mutual recognition is recognised, but not at the expense of accepting the lowest common denominator for work in this important area of workplace and community health and safety in the ACT.

I look forward to a restoration of trust with the task force and offer the services of members of the industry to both the task force and ACT WorkSafe to assist in restoring and indeed improving asbestos management in the ACT. Thank you for your time.

THE CHAIR: How long have you been a class A asbestos assessor?

Mr Poole: I have been an asbestos assessor for just on 20 years. I have been licensed in the ACT since the licences were issued in 2006. I was a member of the asbestos working group that sat in the ACT about six or seven years ago.

THE CHAIR: When was the ACT Asbestos Industry Forum formed?

Mr Poole: As I said, it formed about three weeks ago, primarily as a result of concerns we had about what was happening. We do not look for extra work, believe me.

THE CHAIR: How did the government contact you before the forum was actually formed? Was there a predecessor group?

Mr Poole: No, there was not—just contacted through local assessors. There are not a great number of assessors in the ACT. It is not difficult to contact the key members of it; we do talk to each other.

THE CHAIR: How many assessors are there?

Mr Poole: Living in the ACT, working in the ACT or licensed in the ACT?

THE CHAIR: Let us start with licensed in the ACT.

Mr Poole: Licensed in the ACT—there must be getting into the 40s or 50s actually holding licences. The majority of those are interstate; they come into the ACT and work.

THE CHAIR: Is it possible to put in writing what you see as the deficiencies that were passed in the Assembly last Tuesday?

Mr Poole: I have commented to the task force in writing extensively on what I see—my concerns are shared by a number of others, but it was not a joint paper to them; it was just my views—as problems with adopting the model regulations into the ACT. I have written to the task force and to ACT WorkSafe with some suggestions on how we can retain a two-tier system of licensing for assessors and still basically fit into the harmonisation requirements of just one level of asbestos assessor. I have written on a number of occasions on problems we have found arising from the current ACT regulations and acts. I can provide copies of any of those.

THE CHAIR: Yes; can we have copies of those. We are not aware of what the task force has received.

Mr Poole: You would like copies of all those?

THE CHAIR: Yes, please. You said the standards of competency proposed are those of the model regulations and are considered by the ACT as grossly inadequate. What is grossly inadequate about them?

Mr Poole: The model regulations which have been adopted by New South Wales—we are looking at the way that has been adopted, because New South Wales appears to be the driving force within the task force as far as guidance is concerned—only require what they call a competent person. There is nothing in the model which lays down what education qualification they must have. These people, assessors, have to write fairly complicated reports at times, so they require some degree of education. In the ACT they require an appropriate tertiary qualification.

The amount of experience required is not laid down; it just says “experience”. In the ACT we lay down that you must do so many residential and so many industrial over a period of time. The model has them attending a training course, which is that one I referred to, which we have had some of our people send their staff on and have been greatly disappointed in and very critical of the standards, particularly on the assessment side. In one course, the instructor just stood up and basically told them

what to write on their assessment form. This is just not good enough and needs to be looked at.

You can understand perhaps why we are very suspicious of what is happening. In the ACT we have always taken pride in having high asbestos standards. That was brought about some years back by the working group, which brought in standards. We have been quite proud when we go to other states and say, "Yes, but we're licensed and we know what we're doing." I am not saying that there are not people in other states who are equally competent, but it is very difficult to get the recognition of that competency. We do not have that problem in the ACT.

We are easily recognised by anyone as to what we are competent to do. We had two levels—a class A and a class B. A class B has 10 domestic and four industrial sites to do under supervision; then he becomes a class A. That means he can be employed usefully by an assessing company as an assessor because he can go out and do the fieldwork, which means that he can be paid and he can get more experience whilst he is doing this. Then, as he gets more experience, he becomes a class A. Again, there is further work that is laid down in the regulations for him to do.

The model has none of that at all. You just go to a class A—full stop; that is it. There is no way of explaining how you get there. There is no facility for a monitored progression of experience. You just say, "Yes, I'm experienced; this is what I've done," and that is it. We do not believe that is good enough.

THE CHAIR: Given the impending demolition of 1,000 homes, what are the implications or risks from having what you call an inadequate system?

Mr Poole: The clearance certificates that are issued at the end of it rely on the assessor having the skills, the knowledge and the experience to know what to look for, to see whether the place is cleared or not. For example, I have been to sites which have been cleared and there has been dust left in gutters where a sheet of asbestos has been resting. That has just been left there, yet the removalists say, "Yes, that is clear." I pointed out to them that dust is the very thing you are trying to avoid. It is something that becomes airborne very easily and can contain asbestos fibres. That is one thing we look for. Somebody who is inexperienced or may be a bit sloppy in their work would not worry about that.

MS PORTER: Good afternoon and thank you for your submission. When the chair asked you how many assessors were here in the ACT, you gave an estimate of a number. Then you said that a number of those would be from New South Wales who are operating here.

Mr Poole: Interstate, yes.

MS PORTER: Yes. How many assessors of the quality that you are talking about with the original qualifications—A and B—are ACT qualified people who live and work here rather than the ones that are working from interstate? Do you know? If you do not, you could take it on notice.

Mr Poole: I can take that on notice. I have the list here. It is available on the website.

I can do that breakdown for you if you wish.

MS PORTER: Thank you; that would be helpful. Your concern relates to the competencies and the way the regulations will be rolled out in respect of As and Bs. But it seems to me that the A would be more competent than the B, because the B person is having to be supervised somewhat. Are you suggesting that the A is in some way being dumbed down to a level more like a B? I am not quite sure what is happening to the competency. If a person is competent, then somebody has had to tick off against that competency. I heard what you said about the way they were ticked off. You have heard that some people were ticked off against the competency, but if the person is seen to be competent, they are supposed to actually be able to demonstrate that they are.

Mr Poole: We have not yet seen the proposed requirements for licensing. We have been basically told that we are adopting harmonisation. Under that, a class A asbestos assessor is the only asbestos assessor. There is only one. He could do air monitoring and clearance of friable asbestos. Anything else only requires a competent person. We maintain that that is just not good enough. Somebody goes out to your house and does an asbestos inspection and it is just done by a competent person.

A competent person is purely somebody who maintains that they are competent and can make the licensing authority agree with them. I will quote from the ACT act. It states that, “A class A assessor can undertake and supervise air monitoring, undertake field surveys to identify location type and condition of asbestos in buildings, assess the risk of identified asbestos present and advise on how it should be managed and report about the work carried out.”

That involves all buildings—industrial buildings, commercial buildings, as well as domestic. You require a knowledge of air-conditioning systems to be able to work out where in an air-conditioning system you may find asbestos. There are a number of areas in domestic homes where you find asbestos that a lot of people are not aware of.

The class B assessor can only undertake field surveys to identify the location, type and condition of asbestos in buildings. They cannot provide a report or advice to others on handling the asbestos. Our class Bs go out with field sheets. They identify where the asbestos is and its condition. They come back in and they provide that to the class A who, with the class B, then writes the report and makes the assessments.

This way the B is getting experience in both report writing and also understanding more of the industry. I believe it is a good system. I proposed to ACT WorkSafe that we incorporate a system of logbooks so that when somebody applies for a licence they are given a logbook and that is filled in and noted by the class A assessor who is monitoring them. That then provides a basis for their experience.

Experience is the biggest thing with asbestos assessments. There are so many areas where you find asbestos in so many different forms that it takes many years before you really reckon that you can identify where you will find asbestos. Even today I find it in places I have never seen it before.

MS PORTER: This training course that you are talking about, the one that you are

concerned about, is this the training course that we are rolling out? Even in the fire unit I belong to, I have been told that I must do this course so that, if I come upon it in a home, I immediately recognise it, report it and leave. That is my only responsibility, to say, "That looks like Mr Fluffy. I am now walking out of this place and I am now going to report it." That is the only qualification I will have.

Mr Poole: That is a different course.

MS PORTER: That is a different course. We are not talking about that?

Mr Poole: The course I am talking about covers such things as air monitoring. Then with air monitoring, they are shown an air monitor. They are not told how to position it. They are not told how it should be looked after when it is on site, the documentation that must go with it. The courses are very, very deficient in every way.

MS LAWDER: Who currently runs the training? Is it on-the-job training or is it a TAFE-based course?

Mr Poole: No, it is formal training. It is run primarily in Sydney and Wollongong. Robson Environmental is about to start running them, thank goodness. But it does not want to run them because it believes they are so deficient. Robson, which is probably the largest of the assessor organisations in Canberra, has sent their staff up to Sydney and this is the comment it has come back with.

MS LAWDER: Would it perhaps be fair to say that this change has come through in preparation for the clean-up of Mr Fluffy homes and it is allowing interstate companies easier entry into the market in preparation for that clean-up?

Mr Poole: Yes. There are a number of implications of this. I know it sounds like sour grapes from my point of view because we are getting competition coming in, and perhaps it may be. But the thing is that in the ACT we have a preferred panel of contractors. That has never been acceded to by the task force at all. We have very competent assessors in the ACT, but our advice tends to be ignored. It will be taken, but generally ignored.

Some of these people coming in from interstate are good. There is no doubt about that. We would have no problems with them. One of our concerns is that they are all investing a lot of money and time in bringing people into the territory on the assumption that there is going to be a lot of work. Well, there will be, but it is going to be over a long period of time. Nobody has looked around and said exactly how many assessors are going to be needed for this. We are a bit concerned that we will end up with a surplus of assessors in the ACT all trying to find work to do within the ACT. That is going to obviously affect the profitability and viability of the ACT local companies.

MS BERRY: Thank you, Mr Poole, for coming in today. Regarding the class A, how long does it take to get a class A assessment?

Mr Poole: Currently, because of the requirement for training, it takes about four years. That can be shortcut if they have previous proven experience and proven education

qualifications and the like. That is basically how long the current regulations say.

MS BERRY: For the class B?

Mr Poole: About 10 weeks we can do a class B in.

MS BERRY: At the moment you say there are enough class A assessors in the ACT for the work that is coming up?

Mr Poole: I do not know that, because we have not been advised of how many are going to be needed, what work is coming up and over what time frame. The time frame is a critical point.

MS BERRY: Have you guys spoken with—I know you have only recently formed or re-formed—the CFMEU or the building industry unions or the MBA about these issues you are raising with us today?

Mr Poole: Interesting point. We are about—we have not done it yet—to go to the Master Builders Association, because we are such a small group. It has been raised within our forum that we should form an association, which I am right against because we are just too small for that. So I have been asked to go to the MBA and talk to them about possibly forming as a chapter within the MBA—something along that sort of line—which I think is a far more realistic way than trying to run our own course with relatively few people.

THE CHAIR: Unfortunately, time constraints mean we might finish there.

Mr Poole: And I had so much more to say, Brendan.

THE CHAIR: I am sure you have. You have taken a question on notice. We look forward to that documentation. I assume they were documents to the task force, the asbestos regulatory task force, not to the ACT task force, or to both?

Mr Poole: It is documentation that goes to the ACT task force. It is documentation that goes to a member of the ACT task force who specifically asked me to give her comments on specific things. I emphasise: what I am sending you are my comments, not the forum's comments; it did not exist at that time.

THE CHAIR: We look forward to receiving that. As I have said, this is being recorded today. A transcript will be forwarded to you as soon as it is ready. If you could review the transcript and suggest any alterations or corrections if required and send it through to the secretariat, we would be grateful to look at that. Thank you for your time with us today.

HETTINGER, MR MIKE, Chair, North Canberra Community Council
PARSONS, MR NEIL RANDALL, Member, North Canberra Community Council
and President, Turner Residents Association
PLATT, MRS TOLA, Private capacity

THE CHAIR: Thank you for attending this hearing of the public accounts committee inquiry into the proposed Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-2015. The committee resolved on 17 November to hold this inquiry following a letter from the Chief Minister asking us to consider doing so. The bill in question was tabled last Tuesday and the government would like to see it passed this Thursday.

The committee decided we should have an inquiry. We think it is important that (1) we get the report but (2) we have the transcript of the proceedings and the submissions that have been provided. They have been loaded to the website, where some details have been removed so that we did not inadvertently publish a small list of the Mr Fluffy homes.

We would like to thank you for attending today. In front of you on the table is the privilege statement. Can you acknowledge for the committee that you have seen the statement and understand the implications of it?

Mr Hettinger: Yes.

THE CHAIR: So acknowledged. The proceedings today are being taped for Hansard as well as broadcast and webstreamed. Would you like to make an opening statement?

Mr Hettinger: I am accompanied by two owners of Mr Fluffy houses, both of whom are members of the North Canberra Community Council, NCCC.

The first thing I would like to do is continue a theme from the last time I appeared before you. That was for the bushfire preparedness inquiry. At that appearance I suggested that the government can take advantage of community councils to provide information and consult for various issues beyond just the usual planning topics like development applications, territory plan variations and that sort of thing. I nominated bushfire preparedness as an example because I felt that the community councils were a way to get involvement with issues outside your basic planning and also to provide an outlet so that people in different areas would know about bushfire preparedness planning.

I also think this is a big issue—loose-fill asbestos—and it qualifies as that sort of issue as well. Given that I and council consider it an important issue, we are quite disappointed that the task force did not take the initiative early on to appear before a community council. We do not know if they have appeared before other community councils.

We had a meeting in mid-November and we were disappointed that the task force declined an invitation to appear. We had to work it on the hop. We had the meeting; there was a light rail presentation and the minister for TAMS, Shane Rattenbury, showed up. We thought he was going to take questions and answers more about light

rail, but the Q&A shifted right to Mr Fluffy, and that is where it stayed for pretty much most of the rest of the time he was there. There was a lot of passion and a lot of emotion there about the issue. That was the first time as a community council that we really became aware of what was going on. As chair of the community council, I am concerned that we had not received anything else before that.

Given that we are talking about Thursday, we are concerned about everything being rushed through without time to really think about the impacts of all this. As I said, we were caught on the hop. I noticed a submission by the Weston Creek Community Council which pretty much says the same thing. I will mention their submission as well. Some of the things I noticed were that a number of people were coming together for the first time at their public meeting, which was the night before they put their submission in. That is pretty much true for us. We really are struggling to understand all the information that is there. If I am inaccurate on anything, it is because I do not know all the issues that are there because I am having to get up to speed very quickly.

Council is struggling to understand the detail of what is happening. In general I think our community council, as well as Weston Creek, are concerned about what is going to happen with the blocks if they are subdivided and put onto the market, especially in RZ1 zones. We are not sure what the impacts are going to be around existing neighbourhoods. As a council, we represent not just Mr Fluffy owners but people who live near and next to Mr Fluffy owners, some of whom may not even realise that they live next door to them. I have no idea who else on my street might be a Mr Fluffy owner.

We are concerned that there are a lot of details that have not been followed through. I have to admit that I feel we are flying blind on this. It becomes really difficult to try to determine exactly what is going on.

Related to the fact that we are looking at affected properties possibly being dual titled and knocked down, with rebuilds and all sorts of things, we are concerned that as far as the blocks are concerned, it seems as if Mr Fluffy is actually becoming the town planner. Mr Fluffy is becoming the de facto town planner because it is Mr Fluffy that is driving what places get subdivided, what places get dual unit titled and that sort of thing.

We are very concerned that instead of looking at what kind of densification is going to happen across Canberra and determining the locations, taking into account a holistic planning perspective, it is just being done in an ad hoc way, saying, "There's a Mr Fluffy block; there's a Mr Fluffy block; there's a Mr Fluffy block." We have a concern about that.

We are also concerned, because we have not seen the number of individuals involved, that in some ways the consultation is one way; it is with the owners. The owners do not know who the other owners are. A real advantage to consulting in a community council setting is that people know who everyone else is; it is a two-way consultation and owners get to consult with one another as well. That means that other issues and even suggestions on how to deal with this problem can be canvassed. So far we are not aware of that being done.

At that meeting and just after that meeting, we formed a working group on it. Owners approached with a number of issues that were identified. Again, this includes the issue of knockdown, rebuild, demolition and rebuild, and owners seeking first option to buy back their block. We are also looking at purchasing replacement homes and the market valuation, especially from 28 October 2014. We are looking for flexible arrangements for asbestos management post June 2015, and for greater clarity on the forced acquisition arrangements. We really are not sure how that is going to work. Both the owners here can probably provide more specific information; I am not a Mr Fluffy owner myself.

As I said, we are not sure exactly of all the issues. We are trying to find out as we go. We have been trying to consult with people that we understand are Mr Fluffy owners. In our submission, we bring up one resident who believes their home is not contaminated; that is another issue we need to raise as well.

On the impact as far as subdividing properties is concerned, we are concerned about RZ1 properties being subdivided. There have been issues we have had in the past with knockdown rebuilds and exempt developments. The planners are not necessarily following what the law says; community councils—not just us but other community councils—are quite cognisant of the fact that we have become the de facto regulators. We are volunteers; we do not get paid for what we do. We find our taxes and our rates are paying for other people to possibly not do anything about a planning issue or not actually regulate in the way we feel they should. We are then left basically having to fulfil their function for them.

We feel there could be a number of downstream issues that come from this. We really need to think about those issues and what the impacts are before proceeding further.

The other thing—I mention this in my submission—is that we are concerned about a one-size-fits-all approach as far as owners are concerned. There are very different situations that apply to different owners.

I am happy to take any questions.

THE CHAIR: On the second page of your submission you make eight different points. The paragraph that leads into the eight dot points says:

Council believes there are moral and financial grounds on which owners should be allowed to have their homes demolished and land remediated by the Government, and for the Government to contribute to financing the rebuild. Those grounds include that:

1. the Government has known of the seriousness of the asbestos contamination since 2005 (2005 and 2010 reports), withholding this public health information from the community, reportedly to prevent impacts on house values ...

Does the council have a view on what the government should have done from as early as 2005 with that information?

Mr Parsons: As well as being a member of the North Canberra Community Council,

I am president of the Turner Residents Association, and a Fluffy house owner. It obviously came as a great shock to receive the news that we had a house that was potentially dangerous. We are grateful to the government and the opposition for the response to the program. It is difficult for the government to meet these obligations, especially given the position of the commonwealth, but we feel the program could be better designed to be more flexible for the owners and at the same time not cost the government any more money. We obviously understand the difficulties of the budget.

The program was offered on 28 October and a decision is being rushed through very quickly without an opportunity for the community to negotiate or contribute to the program in a meaningful way. We can understand why you need to quickly get the money to those people who are affected—those who are really badly affected and have had to leave their homes, for instance, and are meeting rent and mortgage payments at the same time. That is completely understandable. But there are other groups of people who are still in their homes who are looking to rebuild, for instance. That is a really important issue among a subgroup. I am appearing at 5.30 in a separate capacity and I am hoping to speak exclusively about the rebuilding option and an alternative way of financing it that I think is viable. We visited Mr Kefford this afternoon and discussed it. He said it had not been considered and that it might be possible.

THE CHAIR: Just to come back to point 1 and potentially point 2, about the risk and the government knowing, does the council have a view as to what they should have done and whether they should have done something earlier?

Mrs Platt: I live in Braddon and I own a Mr Fluffy-affected house. My husband and I bought the house in 2010. In our contract—we have just gone back and looked—there is only a certificate that we have in there. We were aware it would be in the wall cavity, but, according to that certificate, we would think there was no more in the roof.

Late last week my husband tried to confirm whether the 2005 letter that was sent to home owners was sent to our property. We got confirmation from ACTPLA that it had never been issued; there is nothing on our files. Basically we never saw the 2005 letter. If we had seen it, we would make informed choices differently; we would not have bought that property.

Also, we believe that because the 2005 information maybe was not related to health or whatever other reason—I have not seen that document—we would have thought maybe there were some things going on about the clean-up in 1991 or 1992, according to the certificate that we got. I think it was done in February 1992. We bought it based on the information available at that time.

We tried to renovate the house as well; we wanted to do an extension. In 2012 we submitted our plan to ACTPLA and our plan—fortunately or unfortunately—was rejected. There is no letter, according to that information, to say, “Hey, be careful, your house has got loose-fill asbestos in it.” There was nothing at all.

In late 2013, because we could not do any extensions, we tried to do some renovation just to accommodate our family. In February 2014 we received this letter and my husband said, “Okay, have you seen this document?” I said, “Okay.” We had been

pulling off the wall in our laundry to try to make another bathroom, because we had one big bathroom with the toilet in it and we wanted a second toilet because our family is growing at the moment. The little one wants his own space. When mum comes to stay with us to look after our little one, she would have her own bathroom. Also our bathroom has a sliding door. Our plumber pulled down the wall for us because he was going to draw the drainage plan and submit it for us, but then we got the letter in February 2014, so we tried to stop.

MR HANSON: I have a supplementary. In essence, if you had known what the government knew, you would not have been doing this in your laundry and you would have made different decisions?

Mrs Platt: If I had seen the 2005 letter, I would not have bought that house. We bought that house with the view that we were going to retire in that house. We bought that house before we had our first child.

Mr Parsons: Similarly, we bought our house before the 2005 letter, in 2003. In theory, we knew about asbestos. There was a card on the title, but, as you probably know, it did not give much information other than that it might be in the walls. It was not in the subfloor; it was not in the ceiling. We were completely unconcerned, and I would be surprised if anyone in Canberra did not buy a house because it had that certificate on it. That was the understanding.

As to whether the government knew more about it than the average citizen, in theory, I think that is true. A number of governments over the years have clearly known more. There was the 1968 letter that clearly said the government knew more. There was the investigation done from 2003 to 2005. They clearly understood more. I understand the pressure was on all those governments to understate it so that the owners at the time would not be penalised. But it was never fixed. I also understand, especially in our situation and in Kathy's situation, there is no comeback to that because of the statute of limitations. But I certainly feel there is an ethical obligation on the government, from whichever side, to fix this.

THE CHAIR: Mr Parsons, you are going to have a chance to talk later; we are going to run out of time. I think Ms Berry had a supplementary.

Mrs Platt: Can I please add to my answer: also, when the asbestos report came back, there was asbestos in our air-conditioning vent. Then the report said that it is a livable house. I learnt later, when I put in a submission to get the remedial work endorsed by the task force, and the task force called me back and asked me, "Oh, are you sitting down or standing up? We rejected your remedial work based on there is not much information in there on what they are going to do. However, I draw your attention to the fact that I looked at the assessment report and talked to my colleagues at WorkSafe and they said that the house should not be rated as livable."

THE CHAIR: Ms Berry with a supplementary?

MS BERRY: Mr Parsons has pretty much answered it.

MS PORTER: With regard to your statement that the community councils could be

more involved, what are your thoughts on the fact that a lot of people who are involved in this have got some issues around their privacy and that they may want to have it dealt with in an individual or one-to-one way instead of coming to group meetings? We have heard from a lot of witnesses that they would like to sit down with the task force individually and go through their particular concerns. For them, that would be a way of hearing the information better and exploring the difficulties they are experiencing, which are all different, as you have all pointed out, in a one-to-one way so that their matters can be dealt with more individually.

The other question I had was: did you hear the commentary from one of the witnesses on Friday? I asked a question about the concerns around changing the nature of the neighbourhood with a subdivision and also the retitling of certain blocks. I was told that the neighbourhood nature was very important and that they would take that into account. I was wondering if you heard that comment on Friday at all, Mr Hettinger? Mainly I want you to talk about the fact that people really are asking for that one to one and your comment about that.

Mr Hettinger: I am not saying you cannot see people one to one, but the option to come to the community councils was never actually pursued. That is a major concern that we had and it seems that Weston Creek Community Council has as well. I think it would have been very good if someone, whether from the task force or whoever, actually came to a meeting of the community council and provided some views to the community council, and it would have been up to people to decide themselves whether or not to attend. Sure, some people might want to not talk to anybody else and are concerned about their privacy, but there are going to be a lot of other people who do want to talk to other people and do want to find out what the rest of the community thinks about it. That potential option was not pursued, because so far we have never had a visit by anyone from the task force on this particular issue. All we have had is a minister in an area that is not necessarily his responsibility having to field ambush questions from right and left, and him having to answer on the hop. No, I do not think that was the most effective way to pursue it.

As far as the statement goes about saying neighbourhoods are important and their character would be taken into account, the code itself says that any new buildings will take into account the existing neighbourhood and will be complementary to it. So far, I can tell you that most knockdown-rebuilds, especially the exempt developments, have not been complementary to the existing neighbourhoods. So, no, I do not put a lot of value on that statement.

MS LAWDER: The last page of your submission talks about stamp duty and people relocating to another jurisdiction. Also there was one about stamp duty when people purchase into a more expensive market. We even had a suggestion earlier today that it is actually going to be a reimbursement rather than a waiver. I am not sure if that is correct, but someone today mentioned that. Have you had many people talk to you about the stamp duty issue?

Mrs Platt: Yes. For me, I have no choice but to sell my property through the ACT government. I would prefer that the stamp duty should be included in the price because the net cost is pretty much the same. Also, it is the uncertainty of the stamp duty waiver. Is there an expiry date on that offer, the stamp duty waiver? Also, why

do people who buy property in New South Wales have to be penalised? I feel like they are discriminating against people who are moving on, moving out from the ACT and going into New South Wales or whatever they decide to do. For me, I would prefer to go and look at New South Wales because basically it would suit my needs. Also, I feel let down by the ACT government and I do not want to be part of it. That is how I feel. Why do I have to be discriminated against?

Also, I just learned last night when what I call my Fluffy friend mentioned to me, “Oh, if you’re looking to buy a property now, you make sure that you have the stamp duty money to pay for it because it is not a waiver; it is just reimbursement at this stage.” I asked the task force on Twitter last night, and I have not received any confirmation back yet. I feel like there is not enough information there for me about stamp duty.

Mr Parsons: There are two big issues. I was on a subcommittee in FORAG, and their big issue is stamp duty and the valuations. The valuations are set at 28 October and people are now buying into a rising market. We are buying into a different market and obviously having to pay a higher price. There is a strong feeling that stamp duty should be exempt not just to the level of the value of the house.

Valuations, again, are a big issue. The government is saying it is paying market value, but it is not. It is paying market value in another market. You may as well be saying it is 1980. It is a different market. The risk is being taken by the owners; it is not being taken by the government. The owners would take up or down; it just has to be market value at the time it gets valued.

MS BERRY: But the market could change in future years and go down again.

Mr Parsons: It could do, but that is fairer, because people are buying in the same market. If it goes down a lot, you are selling and buying and being able to get an equivalent sort of place.

MS LAWDER: Instead of two years apart or something.

MS BERRY: I just wanted to be sure, because we have had other people say the same thing. I wanted to make sure that that was an understanding as well, that it might not always go up; it might actually go down.

Mr Parsons: Sure, and that is reasonable.

THE CHAIR: We are going to have to call a halt to it there. I am sorry; the committee is aware that these are short time frames. We thank you very much for making the effort to put together the submission and we acknowledge your efforts. When a proof transcript is available it will be given to the witnesses. Please read it and if there are any corrections or additions you would like to make through the secretariat the committee would be happy to look at that. We thank the North Canberra Community Council for their attendance.

RYAN, MR SHAUN MONTGOMERY STEPHEN, Private capacity
RYAN, MRS CATHY LOUISE, Private capacity

THE CHAIR: Mr and Mrs Ryan, thank you for taking the time to send us a submission and for appearing today. Welcome to the inquiry into the Appropriation (Loose-fill Asbestos Insulation Eradication) Bill 2014-2015 by the public accounts committee. The history is that we were written to by the Chief Minister. The committee decided to hold an inquiry. The government would like to see this bill passed on Thursday, so we apologise for the short time frame. We are trying to accommodate the government but we also believed it was important to allow the community and individuals to have their say; hence your invitation to appear here today.

In front of you is a privilege statement. Can you confirm you have read the statement and understand the implications of it?

Mrs Ryan: Yes.

Mr Ryan: Yes.

THE CHAIR: Would you like to make an opening statement before we go to questions?

Mrs Ryan: I have an opening statement. I am a Fluffy home owner. Basically we chose to make our submission to the inquiry as we feel that the buyback offer that has been made as a one-size-fits-all approach is unfair and will see us and many more Fluffy home owners financially disadvantaged as a result. I refer to the task force newsletter No 12, "Message from ACT Chief Minister Katy Gallagher", paragraph 3, where she states:

Such a solution needs to be underpinned by fairness and choice for home owners, combined with sustainability for the budget and the broader community.

"Choice", by definition in the Oxford Dictionary, is an act of selecting or making a decision when faced with two or more possibilities; fair, just or appropriate in the circumstances. Neither of these definitions applies to the position that we or many other Fluffy owners find themselves in.

Certainly the buyback solution has factored in the sustainability for the budget and the broader community. From the very beginning all we have wanted to do is keep our land and be reimbursed for the demolition and the cost of the existing home. We have never wanted any additional compensation. As we have stated in our submission, we had access to funds to commence demolition of our home and to start rebuilding, in the hope of reimbursement. We had commenced inquiries with ACTPLA to see what options we may have had for our land, fearing it was now worthless. ACTPLA advised that we were in an RZ1 zone and the only option for us was a dual occupancy.

Close friends of a family member were also in the position and had commenced seeking quotes et cetera to start their own demolition and rebuild process. However, upon contacting the task force to advise that they would be undertaking their own

knockdown and rebuild, they were specifically and strongly advised not to knock down their house and to await a decision from the government. This discussion occurred well before 28 October. As the information coming out of the task force prior to this pointed towards a fair scheme providing home owners with possible choices, this advice seemed reasonable at the time. It certainly does not now.

The government's formal decision to allow those home owners who did privately knock down their home the ability to retain their land and be reimbursed has created two classes of home owners. If given the choice, we would gladly have taken this offer, and we feel many other families would also have taken this option.

In relation to the buyback scheme which we are now forced into, the government states that this is voluntary. By definition, "voluntary" means something that is done, given or acting of one's own free will. How is this scheme voluntary when the Chief Minister admitted last week that if we do not volunteer we will be faced with compulsory acquisition of our home?

Quite frankly, I feel as though we have a gun to our head. The statement I made to my sister-in-law the day the buyback announcement was made was, "Sell your house or else. Where is the fairness or choice in this?" The government are saying they need to go down this path in order to defray the costs and recoup money. Surely paying home owners only for the rebuild and demolition would cost less to the government than a market rate buyback.

The scorched earth policy to destroy everything on the block of land before offering it back to the home owners is very distressing. Destroying something that people have spent years and countless dollars building up seems overkill and tragic. This will leave a lot of people not wanting to return to their land. Destroying gardens as well as homes is simply reminiscent of a previous ACT government choosing to demolish the old Canberra hospital via an explosion, to ensure Canberrans overcome their emotional attachment to the place.

This will not work in our case, as we love not just our home and our land but also our neighbours and our whole neighbourhood. These cannot be demolished, but they will be taken from us.

In addition, throughout this process there has been much conflicting information regarding the ability to buy back our land. For example, will we get the option to buy back the full amount of our land as one block, or will we have to buy two or three subdivided blocks in order to secure the full amount of our original land? The buyback also needs to be for owner occupation. How long do we need to live in the house—one day, six months, years?

The unfairness and inconsistency in the way that we are being treated can be seen in the ACT government treatment of Fluffy owners and those who lost their houses in the 2003 bushfires. We have a vacant block of land in a street behind us only 50 to 60 metres from our house. This is a very large block, well over 1,100 square metres. While the house was destroyed in the 2003 bushfires, the owner has been allowed to retain this land in full without the need to rebuild at any time. My understanding from neighbours in this street is that over the past 13 years the government has often footed

the bill to keep the block tidy, even having government staff mowing the block over summer. The contrast is obvious. Why can we not be allowed to keep our block, as an option when we purchase our block?

We would also like to question the role of FORAG in developing the ACT government's solution and particularly the feedback that was provided by FORAG leadership in response to the government's policy. FORAG advised its members at its last town hall meeting that it would circulate the group's response before it was provided to the government. Members have seen nothing of this response and, despite many questions and requests to the group's founder, requests have gone unanswered. This is a serious concern, noting the government decided throughout this process to only talk to this group, denying many other Fluffy home owners a voice.

We have noted that there is also a misconception in the general public that Fluffy home owners will be cashed up when entering the property market and thus drive up house prices. This is certainly not the case, as no-one will be cashed up. We will need to go into more debt in order to replace our home or rent, which puts our future plans on hold. We certainly believe that house prices will increase over the coming months. Perhaps just as importantly, every Fluffy home owner that I know will have to spend tens of thousands of dollars replacing home contents that must be treated as toxic waste. There is an emotional cost to these contents, too. For example, my 12-year-old nephew and 10-year-old niece also live in a Mr Fluffy home right behind our house. These children have Mr Fluffy asbestos in their wardrobes and carpet throughout their bedrooms. They have lost all their clothes, toys and books as well as their own space of their bedrooms. Our niece cries herself to sleep every night. Where is the fairness?

THE CHAIR: Thank you for your submission and thank you for your appearance today. Perhaps you could tell us: how big is your block?

Mrs Ryan: 928 square metres.

THE CHAIR: And the indications are that—

Mrs Ryan: Anything over 700 will be subdivided or made unit titling, which would make it more expensive to purchase back.

MR HANSON: Thanks for coming in and putting your case forward. It seems that your consultation with the task force, the information you were provided with, was either inadequate or contradictory, particularly the point regarding the advice about the 28th and whether to demolish or not. Previous people have mentioned that point and have said, "Well, if we'd known, we would have demolished." It seems that some people knew and some people did not. So there are concerns around that. Essentially, if you had known and you were not being encouraged by the task force to hold off, you would have demolished?

Mrs Ryan: Absolutely. If we had known that we would be reimbursed in full for the demolition and the house that was on the block and we would get to keep our crown lease, without a doubt, we would have done it.

Mr Ryan: That is all we want.

Mrs Ryan: That is all we have ever wanted. Early information that came out from Simon Corbell indicated that anyone who was to start knocking down would have to pay those costs themselves. So even from that statement it felt, whilst we had the means to borrow the money to do it, we would need to be reimbursed for that cost based on our future plans. Whilst we could have borrowed the money to do that, if we were not going to be reimbursed we still would have been left fairly financially impacted by that.

MR HANSON: You feel like you have been misled to a point, and now that you are past 28 October, as you said, you have a gun to your head in that if you do not sign on to this scheme then potentially you are so far out of pocket that you cannot proceed.

Mr Ryan: We feel that if the house cannot remain upright and it has to come down then where does that leave us and other property owners? We like the position; my family has had that property for 22 years. My father owned it and now we own the parcel of land. I purchased it from my father. I know the history. The house was put under a tent all those years ago, and we knew the history. We thought it was all good and safe and there has never been a thought in the backs of our minds. We had no fear of living in the house. If there is a blanket approach and everything has to come down, our feeling is that there should be no win, no gain principles. If we have to be uprooted from our property, which is a four-beddie with a double garage, where can we go? We have looked on the market. There is nothing in our price range where we can uproot ourselves and basically obtain what we have now.

That is why the principle is that, given a choice, as Cathy said in her opening statement, there just seems to be one offer on the table, and that is not originally what was stated; it was a choice. There just seems to be one offer on the table. Our choice is to remain on our land because after 22 years there are gardens and plants there. That might seem insignificant, but it is our street, our neighbours and so forth. Twenty-two years is a long time to have been in one area.

MR HANSON: You were part of the FORAG group and you thought they were going to provide you with information and be consultative. What happened?

Mrs Ryan: When it first came out I was quite stressed and emotional. I am still quite stressed and emotional. I joined the group thinking that that was the way to go. To be honest, I do not think they have fairly spoken on behalf of all Fluffy home owners. I have certainly never had a conversation with Brianna. I have never been contacted personally other than receiving updates and filling in some surveys. I do not think they do. At the last town hall meeting we were told that we would be privy to the submission that was going to be put forward to the government. We were not. We do not know what has been put forward on our behalf, as home owners.

Mr Ryan: To this day, no-one has seen the submission.

Mrs Ryan: As far as I am concerned, this is what I am putting forward for us. In talking to other home owners and having looked at comments on Facebook, other people are in the same position that we are in. They would like to stay on their land and they would like that option that the people who have privately knocked down

their homes have. Good luck to them; they took the gamble and they won. As far as I am concerned they got the golden ticket.

I appreciate that it needs to be rushed through. There are people that need to buy new homes and move on. We are not in that position. I am in fight mode at the moment because, quite frankly, I want to keep my land and I want to stay where I am. I do not want to make any money out of suing anyone. There are clearly two offers. You had to have demolished your house prior to the 28th to be eligible for one of those offers, and that is just not fair.

MS BERRY: There is nothing fair about this for anyone, and I know no financial compensation will sort this out for anyone. But for you, what sort of financial compensation are you talking about? With the offer, comparing with what you know about the scheme right now, what would work for you to at least financially get you somewhere?

Mrs Ryan: We have not had the valuation done on our house. I have been doing research and I have got a fair idea what it will come up at, what I believe it will come up at. I have looked around to see what is on the market. There is nothing that grabs my fancy. The only option for us, we feel, is that we want the demolition costs reimbursed and the cost of our house. It is not a fancy house by any means, but it was our home. It is where we have been for a long time. We were planning to travel around Australia for 12 months and rent it out. At the end of that 12 months, we were coming back to Canberra, and that is where we were coming back to. I do not want to come back to Canberra and be down in Banks or Theodore—

Mr Ryan: No offence—

Mrs Ryan: No offence to anyone who lives there. We are in a central location and we love the location we are in.

Mr Ryan: Correct.

Mrs Ryan: The Land Development Agency can release as much land as they like on the outskirts of Canberra, but, quite frankly, I do not want it. If I wanted to live out there, I would have sold and I would have moved out there. I do not want to live on top of someone else. At the moment our house is on a corner block, in the centre of the block, well away from our neighbours, who we get along with. We do not want to live on top of our neighbours. We have a lot of stuff personally that would not fit on a 450 square metre block, as I am sure other people have. In addition to the double garage, we have a double carport and a large block to accommodate our lifestyle. Staying on the block is all I want.

Mr Ryan: Your question of what we feel would—sorry, can you state that again?

MS BERRY: It was that. I know it is not going to sort things out emotionally. I understand that; I think we all do. But what would get you to some point where you felt it was okay and fair?

Mr Ryan: Basically what Cathy stated—whatever the cost, whatever the monetary

value is to demolish the house and then be compensated for the value of that property, which we have proposed. We have a four-bedroom, one-bathroom house. We do not want to be reimbursed for these modern-day homes whereby you have got four bedrooms, open living, an ensuite et cetera. We just want to be reimbursed for whatever the value of our existing property is, our home, plus the demolition costs. That is it. It is whatever that value might come to, which we feel would be under \$300,000.

Mrs Ryan: That would result in them not having to waive stamp duty or reimburse stamp duty or the like. It would be far less than what they would pay us to buy the house.

Mr Ryan: But we recognise that because of the situation we are in—we are at the end of a cul-de-sac; the property behind us just happens to be my sister's. My brother-in-law, Mike Desmond, is here today. He is the owner of the property behind us. It goes through one's mind to know that, with both properties gone, there is over 1,800 square metres of land. It is pretty obvious that the government will make a motza off our two properties. With our two homes gone, God only knows how many units or whatnot they are going to put up. We recognise that with this buyback scheme, to make money, if you like, to put a fair offer across by reimbursing people and then cashing in on our misfortune—unfortunately, it just does not seem fair. You are saying there is no fair answer to the whole situation, but—

Mrs Ryan: There at least has to be choice.

Mr Ryan: Yes, choice. I do not know how to explain. Everyone has a unique situation. It is just frustrating.

MS LAWDER: Good on you for fighting for what you believe in. It is people that fight for what they believe in that make the world a better place. I understand it could be difficult for you, but you have chosen to live where you are in Kambah and you want to go back there. Can you put into words what it means for you to remain there in your community?

Mr Ryan: It is a matter of belonging, when you are talking to people. We have moved away. We have been in a situation where we only recently returned to Canberra in the last three years. We spent five years abroad. We purchased a property in Newcastle and gave the sea change thing a bit of a go. But, ultimately, we were drawn back to Canberra. We cannot say what it was, because Newcastle was very nice, and we were on the water and so forth; we had a lovely property up there. But it is the neighbourhood itself. We are at the top end of Kambah. It is very quiet; it is very safe. It is very family orientated. It has just been good to us for the last 20 years. You have that good feeling of nurture. That is what we have come back to. Like I say, we went abroad and came back—

Mrs Ryan: Not abroad.

Mr Ryan: Not abroad; I do not know what it is—interstate or whatnot.

THE CHAIR: New South Wales; it is another country.

Mr Ryan: Yes, New South Wales, over the border. We came back to Canberra. We never had it in our heads to sell. When we are talking to people that do not know anything about Mr Fluffy, even my work companions and so forth, they feel as though all the Mr Fluffy owners are going to be cashed up and so forth. There is a misunderstanding out there in the community. We are quite happy where we are. We have not had our home valued, only because we do not want to comply with what is on the table, to be honest. We do not want to accept a compulsory offer. It is not voluntary; it is compulsory. We are just not willing. We just do not want to move on, basically. I hope that answers your question.

MS PORTER: Thank you very much for coming before us, for your submission and also for speaking to your submission. In relation to some of the information that you have been given on compulsory acquisition and that you must have your block subdivided, that is not information that the committee have received; there is an option. We have been told there is an option for you to remain on your block, to have your block, once it is cleared, back again. So it does not have to be subdivided, we have been told. That is my understanding.

With the other issue around acquisition, the Chief Minister has said that at this stage compulsory acquisition is not something—I am not asking you to comment on this. My point is about the confusion around information. Has anyone from the task force offered to sit down with you and to listen to you the way that we have listened to you and have an individual conversation with you so that they can explore all these issues that you have brought to us, hear the pain that you have, obviously, but help you through discussing this information about whether it has to be subdivided, and the stuff about compulsory acquisition? Has anyone done that for you?

Mr Ryan: No.

Mrs Ryan: No, not to date. On your point—I realise it was just a comment and they are not broaching compulsory acquisition at this stage—there was something in the *Canberra Times* over the weekend, stating:

Chief Minister Katy Gallagher has restated her determination to demolish every Mr Fluffy home, and warned home owners that if they don't take up the offer by June next year they could face compulsory acquisition.

That, quite frankly, sounds like a threat.

Mr Ryan: A gun to the head.

MS PORTER: Is that a direct quote by the Chief Minister or is it something the *Canberra Times* has said?

Mrs Ryan: That was in the *Canberra Times*. You were here on Friday when she obviously gave her submission.

MS PORTER: She did not say that.

Mrs Ryan: That is what the *Canberra Times* has reported. We are looking at all the information that comes out. That is something I have read. I will have to go back and look at the footage, but they are the reports that are coming out to us.

MS PORTER: I am asking you: has anybody offered to sit down and clarify some of the stuff for you?

Mrs Ryan: No.

MS PORTER: That is what I am asking you.

Mrs Ryan: I have heard the task force will do one-on-ones with you, but at this point in time, no.

Mr Ryan: No, no-one has. I heard the gentleman, Neil, mention earlier that the letter that came out in 2005—this is a little bit off-skew—was addressed to “The home owner”. Seriously, when people receive letters in the mail addressed to “The home owner”, they are generally put in the bin. If something was brought to our attention with “Warning” or to that effect—but you guys have seen the letter and it was to “The home owner”. We pay our rates and our taxes. They knew who we were. They knew who the home owner was. Why not address the letter to the home owner themselves, not “The home owner”?

Neil stated that he felt there was a little bit of an ethical clause on the part of the government. The bottom line is: by all means demolish the property. We will move away for 12 months, or however long it takes to demolish the house, but why can't we simply be allowed then to return to our block? Why is there this one case of, “We're going to give you money and move you on,” because of wanting to cash in on our misfortune? That is the bottom line as we see it.

Mrs Ryan: That is our view. That is clearly our view.

MR HANSON: I have a quick supplementary following on from the point that Ms Porter made: under the government scheme, you will be offered your block back but it will be subject to the unit title or subdivision, depending on what has happened with that block, which the government is anticipating would be an extra 25 per cent. I am assuming that would make it very difficult for you; essentially, after everything that has happened, you would then be going back to a block which is subject to market forces as well as a 25 per cent price increase. That forces you off your land, essentially.

Mrs Ryan: Correct.

Mr Ryan: Yes, correct.

MR HANSON: It might sound like you are being offered your block back, but once you put 25 per cent on it—

Mrs Ryan: It comes with conditions and then we have to borrow to rebuild at that point.

MR HANSON: Yes, and it becomes untenable.

Mrs Ryan: Yes, and relandscape.

THE CHAIR: We will finish there. Thank you for your honesty. It was fabulous to have you in. It certainly broke me up. With respect to your line, “a matter of belonging”, I am reminded of the words of Dennis in *The Castle*: “In summing up, it is the constitution, it’s Mabo, it’s justice, it’s the law, it’s the vibe. That’s it.”

Mr Ryan: “It’s the vibe.” I didn’t want to go there!

THE CHAIR: Thank you very much. The transcript will be provided when it is available. If there is anything you want to add or any corrections you want to make through the secretariat, we would be grateful to receive them. Thanks for your honesty and your courage today.

Mr Ryan: Thank you for this opportunity.

PARSONS, MR NEIL RANDALL, Private capacity

THE CHAIR: Mr Parsons, you were here earlier for the rigmarole so I will not go through it again. If you would like to make an opening statement, the committee would be grateful.

Mr Parsons: I am a Fluffy home owner. As I said earlier, we are grateful that the government and the opposition have got together and offered the package and addressed the loose-fill asbestos disaster. That is fantastic. I was thinking, though, as I mentioned earlier, that the program could be better designed.

The *Preferred way forward on loose fill asbestos* report identified four guidelines that it was going to design its program on. Basically they can be summarised as, firstly, demolish all the houses; secondly, provide a fair outcome for owners; thirdly, provide as much reasonable flexibility and options for informed choices to be made; and, fourthly, minimise the cost to the ACT government.

Obviously the program is going to achieve the first objective of demolishing the houses, and it is working hard at minimising the costs. Where we feel it is letting everyone down is on the fair outcome for owners—on the valuation, for instance. But most importantly, it is letting us down on reasonable flexibility and options, because it is basically offering only one practical option that we are going to be able to accept.

MR HANSON: Can you cite the document you are quoting from for those four points?

Mr Parsons: Yes; it is the *Preferred way forward on loose fill asbestos* report.

MS PORTER: To clarify with you, the report came from whom and went to whom?

Mr Parsons: It came from the ACT government with the documents that came straight after 28 October.

THE CHAIR: This is a report of the task force on how the whole issue should be addressed.

Mr Parsons: Yes. Because of the limited time, I really only want to concentrate on what a lot of the owners, including the previous two, Shaun and Cathy, mentioned, which is the opportunity to rebuild on our blocks. They identified very movingly, I thought, why they want to stay in their area. We are the same. There is a social capital that is in neighbourhoods. For us, we have come to terms with the health consequences—nearly. That is for both us and our children. But we never considered that this was going to be possible—that the government would compulsorily acquire our land, take it away and not let us reasonably rebuild. That only came four weeks ago. We feel the speed at which this is happening is unreasonable for us to respond to. We understand—I think I mentioned this earlier—that there is a need for people to receive money in some circumstances, and we certainly do not want to stop that. But the response should allow for changes to happen if the bill is passed on Thursday. Maybe that can happen by making an announcement at the same time saying that changes will be considered to the program over the next few months—in case you are

worried by people being misled by it.

In our case, our connections are that I am president and my wife is secretary of the residents association in our suburb. I have been treasurer of the Dickson Swimming Club for 10 years. I am treasurer of the ANU Sport and Recreation Association, which is just across the road. I have been on childcare and school P&C committees and finance committees. Our friends live in the street. We socialise with our friends. Our street Christmas party is happening in a couple of weeks. Our children's friends live in the street. A friend of mine from school lives just two doors away—one of my best friends. We just do not want to move. This is the social capital that binds communities like ours. We think the government program does not value any of this. It puts no value on this and provides no realistic opportunities for us to stay there.

I have talked to friends about this, and without exception they say things like, "That's un-Australian," "They can't do that," or "That's wrong." I do not think that, where this is a building problem where the land is not needed for a public purpose like a road, a hospital or something like that, it is right or ethical for people to lose their land in this way.

As Cathy mentioned, the government has offered some people in the affected group the opportunity to stay on their land, rebuild and be compensated up to the market value. All we are asking for is exactly the same treatment. We think that is fair and reasonable. People say they have taken a risk. In a lot of ways they have not. They were the worst affected ones; they had to move out of their houses whatever happened. They had to knock down their houses whether the government came up with a package or not. It was an easy decision for them. We followed the informal advice from the task force and the SERG members to wait until a response from the government came before we did something with our property. In some ways, we feel penalised for following the advice from these people. We definitely feel it is inequitable that some people in the group are getting an offer and others are not.

The option to rebuild is not one that is going to be taken lightly; it is going to be really expensive. Anyone who has to do it will be significantly out of pocket. It is not like in the bushfires. In the bushfires, less than half of the people decided to rebuild, and the ones that did rebuild were mostly covered by insurance. Insurance covers a lot more of the cost than this program is going to cover. It is new for old basically. We would expect to be hundreds and hundreds of thousands of dollars worse off than if our house burnt down tomorrow. But we still want to stay there, and we are still going to be willing to go into more debt to pay for that, because we want to stay where we are. That is how much we value where we live. Less than half the bushfire people rebuilt. Because it is so expensive for people to rebuild, we do not think it is going to mean that many people will take that option, so the impact will be significantly less.

The other thing that happens when you get insurance is that you get paid rent for alternative accommodation for a year or two, which we do not. We are going to be out of pocket for that as well. Offering the rebuild opportunity would meet objective 3, the flexibility and options guide in the report that I referred to earlier.

It is obviously going to cost a lot of money. The government, because of the lack of help from the commonwealth, needs to address the budget issues. The task force came

up with an innovative way of doing that by this subdivision. I do not know of any other time that the government has chosen to subdivide properties in this way to try and recover money. I have to give it credit for that. But there are alternative ways of using that power. The ACT government is uniquely placed and is in a monopoly position to be able to resume leases and reissue leases of the type that is being proposed. You mentioned, for instance, that there is the option of buying back your block at a 25 per cent increase. That is enough to kill off most people rebuilding, on top of the extra building costs. It is going to be more than 25 per cent, much more than 25 per cent as well, for most blocks, I would imagine.

The alternative I am proposing, with this power which can be used on basically any block in Canberra if the government owned it, is, firstly, on public housing. I think there are 11,800—I looked it up—public housing residences in Canberra owned by the government. They have a regular divestment and purchasing plan for it. There have been four single houses, public housing, in our street, for instance, sold in the last five years. The last two were sold in 2012. They have both been knocked down and single houses have been put up. They are together. Together, the land area is nearly 2,400 square metres. It is galling to sit in our house, which is smaller—850 square metres, I think—and to see that the seller of those properties, the government, does not want to keep them, does not want to stay on them and yet is not subdividing them, whereas they are insisting on buying ours and subdividing it to make money.

The ones that were sold—I know this is history—they could have subdivided those ones instead. That can be done in the future. Any suitable properties from public housing stock that are going to be sold could be subdivided.

The other way that this can be done is by buying on the private market. There is nothing to stop the government buying blocks on the private market. The Saturday before last, there was a block sold in Turner, over 1,700 square metres, nearly 1,800 square metres, for \$1.387 million. That block can be divided up into two blocks that are bigger than our block. It could be divided up into four blocks that would still suit the government's purposes. That could have been bought for the \$1.4 million and sold for \$2.4 million. There is an opportunity for the government to make money that way and not force people off the land. The seller wanted to sell; that is the big difference.

It was a coincidence that we saw Andrew Kefford this afternoon. We made this appointment weeks ago to go and talk to him about it. He said that this alternative had not been considered by the task force. If, let us say, 25 to 30 per cent of the owners decide to rebuild, then, really, the government only has to go and find over the next five years 250 or 300 houses either out of the public housing stock or on the private market. Another advantage of this, as Mike Hettinger suggested earlier, is that it can be more targeted. The government can choose which blocks to do rather than letting Mr Fluffy himself choose them, which is what is going to happen. At the minute, there are some suburbs which have a concentration of Mr Fluffy houses. Our suburb only has eight. So there will be an unreasonable number of subdivided blocks in some suburbs and other suburbs hardly affected. That just does not make good town planning sense to me, wearing the hat of a Turner Residents Association member.

What we are saying, to sum it up, is that the two alternative methods are not very

different from the program being proposed, but the main difference is that the sellers are willing to sell. This can be targeted so that there are not too many in any one suburb. It is not restricted to the limited pool of Mr Fluffy houses and, as I mentioned before, there is no compulsory acquisition from unwilling sellers. The last bit I have written in my notes is, "Please don't let the need to rush this program to a vote end up destroying social capital and the intangible value that some owners have for their blocks and neighbourhoods." This particular option can be done at no extra cost. I am sorry; I have gone over time.

THE CHAIR: That is okay. In other words, what you would like to see is development controlled by good planning rather than, as Mr Hettinger said, let Mr Fluffy be the town planner?

Mr Parsons: Yes, I would. I understand the imperative. Our residents association would be objecting vehemently to any subdivision of RZ1 blocks at all, but I understand as a Mr Fluffy owner the need to try and meet the budget requirements. I am sure Mr Barr spoke about that on Friday. We want to be reasonable. If there were no alternatives, we could probably understand why our block was being compulsorily acquired, but it just is not necessary. There are these options.

THE CHAIR: In your submission, in the paragraph after the highlighted four points you lifted from the task force's recommendations, you say:

Three issues that stand out are the valuation date, the short period the scheme runs for and the lack of flexibility over demolition timing and most importantly no realistic opportunity to rebuild.

What is the dilemma with the valuation date?

Mr Parsons: The reason I did not talk about it before was because I was concerned about the time limit. The valuation date is set at 28 October. The government then announced it was going to ask people to make a decision by 30 June. There are 245 days between 28 October and 30 June. There are 1,021 houses—take off the 21 or whatever that are allowed to rebuild and there are 1,000 houses. That is more than four households each day that have to go out into the market and buy a new house. Basically the government said the valuations are set on this date and then they started a housing bubble. I have got a few quotes from the paper in September from Ron Bell, who is a SERG member and is President of the Real Estate Institute, as you all know:

The impact of 1000 buyers looking for new homes would have a huge impact on the local real-estate market, he said, with only 2400 houses on the market at the moment, 1000 fewer than this time last year. The demand could push up prices.

It is very clear. Another quote from him when he thought that the houses thing would be spread over five years was:

If ... all of a sudden you had 200 families looking for a property ... you could have an artificial boom.

Well, we are having a thousand in eight months, not 200 a year. So of course it is going to be a boom. You are asking owners to sell in one market and buy in another.

That is the valuation point that I wanted to make.

MS PORTER: Thank you for coming back and speaking to us.

Mr Parsons: Thank you for giving the time.

MS PORTER: With regard to the meeting you had with Mr Kefford, how was that meeting? Did you talk about other issues and clarify any other issues of concern that you had?

Mr Parsons: Yes. Mr Kefford, the task force and the government have been responsive and have the right intentions. It is a shame that they did not road test their proposal before it was released to the public. The opportunity to road test it with the FORAG subcommittee, for instance, that I was on would have been really welcome, because we could have brought up these options. We had been discussing these options of alternative funding methods within the group. That was a shame. No-one is perfect and I do not have a problem with the asbestos task force as a whole. I just think the program could be refined a bit.

He mentioned the opportunity with the buyback that would be offered. The idea is that each block that is able to be would not be subdivided by the government; it would have different rights attached to it and a new lease issued, so that you could either divide it into two blocks or three blocks, depending on the block. That right of being able to divide the block into two or three increases the value of the block enormously, but only if you are going to divide it into two or three.

We do not want to divide it into two or three; we want to stay where we are and rebuild, even though it is going to cost us a lot of money. It is going to be beyond our capability to buy it back. It is going to be possibly 50 per cent more expensive to buy the block back than what the value of the block would be.

MR HANSON: Putting aside the broader planning issues, in terms of the buyback of the block, what you are saying is that it would be a fairer solution for those Mr Fluffy owners—probably less than half—that wish to go back to their block; they should be able to do so without essentially the unit titling, so that whatever that market price then is does not have the 25 per cent attached to it?

Mr Parsons: That is right. Yes, I do.

MR HANSON: That would essentially be a measure that would then fit into the scheme that is already proposed; there would be an additional price to it?

Mr Parsons: Exactly. As Cathy and Shaun asked for, to match the scheme that is already offered to some home owners.

MR HANSON: It would match the scheme and the scheme's suggestion that the uplift—which is the 25 per cent measure—is worth about \$90 million, so it would depend how many people then took up that option as to how much it would cost. But you personally would be satisfied with that as a solution?

Mr Parsons: I would be.

MR HANSON: The Ryans are nodding that they would be too.

Mr Parsons: When you say the \$90 million, that is \$90 million if everyone wanted to do the rebuild. That is what it would cost.

MR HANSON: If it is a third, it is \$30 million.

Mr Parsons: That is right. Mr Kefford said when they first called for expressions of interest it was only 40 per cent that showed an interest in rebuilding. So it is going to be less than that. I would not be surprised—

MR HANSON: I suppose the point is that, if it is the 25 per cent or whatever that is applied, it will be less, and if it is not applied it will be more?

Mr Parsons: That is right. If it is 25 per cent, it might cost \$25 million, not \$90 million, and that can be recovered through these two alternative ways of unit titling other blocks that the government could either acquire or currently own.

MS LAWDER: You made the point in your submission about your own home, that it was substantially demolished and rebuilt and that it has had no traces of asbestos in the tests so far. It is far more urgent for some people to leave and some of them already have.

Mr Parsons: Yes.

MS LAWDER: In other instances the urgency may not be seen to be the same. What would you like to see in an instance like yours?

Mr Parsons: The reason I point that out is that I am not of the view that the house should be lived in in the long term. Even though no asbestos has been detected, absence of evidence is not evidence of absence. We are confident to live in the house we are in because of the way it was done. I spoke about it earlier—exposed to the elements. So the reason I put that in the submission was to look for the flexibility part, the guideline 3 objective, of not pushing everyone out of their homes by 30 June, not having conditions after 30 June that are so onerous that it makes life uncomfortable. For instance, there has been talk of covering up the heating vents, the down lights and stuff like that. You cannot live in a house without heating in Canberra in winter or without lights. There is such a range of contamination across all the houses that there will be quite a few houses that will be safe to live in. We have been living in it for years already. We are prepared to live in it for a few more, to be flexible.

The great advantage to the government is that we continue living in a house; they do not have to borrow money, they do not have to pay security costs for looking after it, they do not have to pay maintenance costs, and they receive rates. It seems sensible.

MS BERRY: On those practical or flexible living arrangements for the next couple of years, I do not think any government would be able to say, “Yes, it’s safe.” We heard evidence from Maurice Blackburn, on behalf of some of their clients, that there is no

safe level. Her advice would be to get out.

Mr Parsons: What I am suggesting in this case—

MS BERRY: I understand what you are saying.

Mr Parsons: is that a requirement would be that anyone who stays after 30 June has to have an asbestos test, maybe either every six months or every three months—whatever the government feels is appropriate. If the asbestos test comes up clear, you can stay living there. That seems a reasonably straightforward solution to that. I take your point: the houses have to go.

MS BERRY: I understand that, and it is good that you said that, because I was going to ask you how we do this. How do we make sure people can do so? If the threat is not obvious, if it is in the walls or whatever, but the living spaces are relatively safe, there should be regular testing?

Mr Parsons: I guess the asbestos testing is the way forward. Mr Kefford said this afternoon that after 30 June there would have to be an asbestos management plan for each house put in place. It depends on how onerous that is. That is a critical piece of information. That is one of the reasons why it makes it very hard to make a decision now about whether to accept the buyback or not. We just do not have the information about the alternatives.

The other big one we do not know is what will happen if anyone decides to stay in their house after 30 June. The Lands Acquisition Act gives the government—I think it is section 33—the power to acquire it at market value, which is clearly going to be less than what is being offered now. If the government, as Cathy suggested, is of a mind to do it, you are really in the poo.

THE CHAIR: Mr Hanson, a question to close.

MR HANSON: I do not have any more questions, given the excellent evidence that has been provided.

THE CHAIR: Mr Parsons, thanks for your attendance this afternoon. A proof transcript will be forwarded when available; you can check it and suggest any corrections.

I would like to say to those who have sat in the gallery almost for all of the last two days, thank you for your dedication to the task. To all those who appeared, thank you for your honesty in what has obviously been a very tough year and a tough couple of days. I formally declare this public hearing closed.

The committee adjourned at 5.57 pm.