



## **THE GOVT BUYBACK DEADLINE IS HERE!**

### **Get rid of your Asbestos problem before it's too late!**

#### **Find out if you have loose-fill asbestos NOW!**

**If your building was built before the 1980s, you may have loose filled asbestos. Register now and the government will buy your Asbestos affected property at market rates. Here's all you need to know....**

#### **What is loose-fill asbestos?**

Loose-fill asbestos insulation was widely used before the 1980s. Infamously the Mr Fluffy Company installed crushed asbestos as insulation in thousands of properties. This dangerous loose fill asbestos affects homes in both NSW and the ACT.

Loose-fill asbestos, by contrast to its bonded sheeting cousin, is friable and highly dangerous. The fibres are free to float around in the roof cavity, and can find their way into the living areas of homes. The dangers to occupants from loose-fill asbestos cannot be understated.

#### **What is the government's response?**

The Government has introduced an optional testing and buyback scheme for properties affected by loose-fill asbestos. If your property has been inspected by an asbestos inspector and found to contain loose-fill asbestos, you can sign up to the buyback scheme.

#### **How does the buyback scheme work?**

If you sign up to the buyback scheme, you will have the option to sell the property at market value, as if there was no loose-fill asbestos. You will be able to sell the land only, or the land and the premises. Currently, for strata schemes, this will require the passage of a resolution without dissent to dissolve the scheme.

#### **What if we don't want to sell?**

All properties with loose-fill asbestos will be placed on a publicly accessible register. They will also be required to display a warning tag. All members of the public, importantly prospective purchasers, will be aware of the potential health risk that the building poses. This will have substantial impacts on property values.

#### **Any other changes?**

It has also been proposed to require disclosure of a property's position on the register when a person wishes to sell their lot. This will also have substantial impacts on property values

#### **Who can I use to complete the survey?**

Asbestos surveyors do not have to be licensed or approved by the relevant regulator. However, the person engaging them must be satisfied that they:

- Are properly trained to handle and take asbestos samples
- Have the knowledge and experience to identify suspected asbestos

Solutions in Engineering have efficient, competent inspectors and will ensure that your building is as safe as possible.

#### **Important information for strata scheme properties:**

As any loose-fill asbestos insulation is likely to be located within common property, owners of properties that belong to a strata scheme generally cannot register for free testing by themselves.

However, the Owners Corporation of the strata scheme can choose to register the entire scheme. To do so, the Owners Corporation must decide to register the strata scheme by way of a resolution at a general meeting. The Owners Corporation will need to nominate a person to register the strata scheme for free testing (e.g. the strata managing agent or a member of the executive committee).

NSW Fair Trading will require a copy of the resolution that was passed at the meeting as evidence of the decision to register. Prior to voting at the general meeting, lot owners should be aware of the implications of the strata scheme being found to contain loose-fill asbestos insulation. Visit the New Laws page on the NSW Fair Trading website for more information. Lot owners should also be made aware of the assistance available to them under the Government's Voluntary Purchase and Demolition Program.



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If loose-fill asbestos insulation is found in the strata scheme, individual lot owners will be contacted to arrange for the next phases of the Program. You can read more on the Testing for loose-fill asbestos and Valuation process pages on the NSW Fair Trading website.

#### Loose Fill Asbestos Installation Flowchart:

1. Before 1 August 2016, register with the NSW government (NB: Properties constructed before 31st December 1992 would be the most likely to contain loose-fill asbestos)
2. Be inspected (either via the NSW government scheme or using a private inspector)
3. If loose fill asbestos is found then:
  - a. The property is placed upon the register, and the occupier can:
    - i. Sell the land and the building (using a resolution without dissent) to the government, who then demolish, remediate and eventually sell the land back to another party; or
    - ii. Sell the building only to the government, who then demolish the building and remediate the land in exchange for a compensation payment from the government, with the occupier then able to redevelop on the remediated land; or
    - iii. Do nothing (note that both a and b currently\* require a resolution without dissent, so if this can't succeed then this may be the default outcome for many strata schemes), with consequences including:
      - Unsafe loose fill asbestos
      - Risk of legal liability because of unsafe asbestos
      - Diminished property value, including a potential inability to sell a unit.

- b) The property must have signage installed warning of loose-fill asbestos

4. If no loose-fill asbestos is found, then continue as normal.

#### Summary:

If you live in one of the designated local government areas and your home was constructed prior to 1980, there is a real risk that your home contains loose fill asbestos insulation.

\*Changes to the *Strata Schemes (Management) Act 2015* come into effect the 30th November 2016 reducing the percentage from 100% to 75% vote to sell the scheme for redevelopment.

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