



Australian Capital Territory

BUDGET

2003—2004



building our city
building our community
ACT Government

SUPPLEMENTARY PAPER
BUSHFIRE RECOVERY

Guide to the Budget Papers

Structure and content of the 2003-2004 Budget Papers

The 2003-2004 Budget is presented in four budget papers.

PAPER N° 1

SPEECH

The Treasurer's speech to the Legislative Assembly highlights the Government's Budget strategies and key features of the Budget.

PAPER N° 2

BUDGET AT A GLANCE

A summary of the overall budgetary position together with information on the Government's expenditure in key service delivery areas. It provides cross references to other budget papers to assist readers in locating details of specific budget measures.

PAPER N° 3

BUDGET OVERVIEW

Summarises the 2003-2004 Budget and forward estimates for the general government sector, the public trading enterprise sector and the total Territory Government. Details of the projected 2003-2004 Budget results are provided, as well as background information on the development of the 2003-2004 Budget, including consultations with the community, economic conditions, and intergovernmental financial relations.

The *Appropriation Bill 2003-2004* is appended.

PAPER N° 4

BUDGET ESTIMATES

Information on each department and their respective output classes, including descriptions of functions, roles and responsibilities, together with major strategic highlights. Full accrual financial information is provided for the general government sector as well as details of the Territory's public trading enterprises.

SUPPLEMENTARY PAPER

BUSHFIRE RECOVERY

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Introduction

On 18 January 2003, the ACT experienced a fire disaster, unprecedented in its history, and of a scale ranking it as one of Australia's worst single day natural disasters.

The devastation tragically included the deaths of four people and many others who were injured, in some cases very badly, as well as the loss of some 500 properties, including homes, businesses, community educational facilities, rural properties, stock, ACT Government facilities and assets, equestrian and other sporting facilities as well as places and items of environmental and heritage significance, wildlife and family pets. Many other properties were damaged.

The Government and its departments and agencies, together with many thousands of people across the ACT – community, church, business, unions, and individual citizens - responded immediately to the crisis to meet the needs of those affected by the fires. Both in fighting the fires and in the immediate response to the disaster, the ACT received generous assistance from neighbouring local government areas within the ACT region, from Governments, particularly the Commonwealth, New South Wales, Victoria and Queensland, and from thousands of businesses, organisations and individuals from around Australia and overseas.

It was an extraordinary response that demonstrated clearly both Canberra's depth of community spirit and the more general attitude of compassion and commitment that Australians share in a crisis.

The response of Canberrans to the January 2003 bushfires was recognised by the award of the 2003 Canberra Citizen of the Year to *"everyone who fought the bushfires of 18 January 2003, all those who supported them in their heroic efforts, and all those who offered generous assistance and counsel to their fellow citizens in a time of need"*.

The longer term recovery effort is well underway. This task involves support for affected individuals and families, and extensive rebuilding and restoration. The aim is more than a simple return to the pre-bushfire situation. The goal is to ensure a Canberra that is more secure and revitalised, and, having learnt the lessons which have come out of such a major disaster, captures and builds upon the community spirit, cohesiveness and pride which the response to the fires triggered.

This budget document naturally concentrates on Government related activities. However, the bushfire recovery is a project of the entire ACT community. It will, in the end, be the achievement of the people of the ACT.

Initial Response

SPECIAL ARRANGEMENTS

A range of special arrangements have been put in place to assist, coordinate and manage the complex recovery process. The Administrative Arrangements Orders were revised on 23 January 2003 to give the Chief Minister formal Ministerial responsibility for the Bushfire Recovery. Individual Ministers and agencies retain responsibility for the conduct of their aspects of the bushfire recovery, with the Chief Minister's oversight responsibility providing focus, whole of government co-ordination and enhanced community involvement. Much of the implementation work is and will continue to be done by line agencies.

The **ACT Bushfire Recovery Taskforce** (Taskforce) was established on 24 January 2003. Chaired by Mr Sandy Hollway, and including prominent ACT residents and senior Government officials, the Taskforce was established to advise the Government, provide leadership for the recovery, and to act as a bridge between Government agencies and the community – industry, business, unions, the community sector, residents and Canberrans generally.

The Taskforce comprises:

Mr Sandy Hollway (Chair);

Mr Rob de Castella, as a representative of those people whose homes were destroyed;

Mr Terry Snow, Executive Chairman of the Canberra Airport Group, as a representative of the business community;

Ms Maureen Cane, Executive Director of Communities@Work (the recently amalgamated Tuggeranong and Weston Creek Community Services), as a representative of the community sector;

Mr Robert Tonkin, Chief Executive of the Chief Minister's Department; and

Mr Alan Thompson, as Chief Executive of the Bushfire Recovery Taskforce Secretariat.

A **Taskforce Secretariat** was established to support this group, and to provide a strong policy and program management team. Headed by Alan Thompson, seconded from his position as Chief Executive of Department of Urban Services, this small group of people drawn largely from the ACT Public Service provides the specialist skills and human resources necessary to support the Taskforce and co-ordinate and manage the wide range of recovery issues, both within the government and across the community.

A **Community Recovery Centre** was established in Lyons on 24 January 2003 to provide a central point for providing services and information for Canberrans affected by the bushfires. The Centre was initially established and managed by the Department of Education, Youth and Family Services with assistance from other ACT Government agencies and community groups, Commonwealth Government staff provided by Centrelink and the Department of Family and Community Services, and personnel from NSW and Victoria. The Centre is now under the direction of the Taskforce Secretariat and continues to bring together a wide range of Government and non-Government services to maintain contact with and support individuals, notably through case managers.

The **Community and Expert Reference Group** (CERG) was established on 3 February 2003 as the key advisory body to the Taskforce, and as an essential channel of two-way communication to ensure that the recovery strategy is informed by community views and needs, and by local knowledge and expertise. The CERG brings together community groups, fire affected residents, unions, the business community and the Commonwealth. CERG's involvement has been invaluable to the recovery. Amongst other achievements to date it has:

- provided direct intervention and assistance on insurance, banking and business issues;
- played an important role in the identification and monitoring of community health (including mental health) and safety issues;
- provided early warning of issues generally, and a channel for communication between the Taskforce, Government and the community in addressing community concerns for both urban and rural residents;
- worked together with community groups on a wide range of projects such as garden and environment cleanups, and the rebuilding of community assets; and
- provided direct feedback to Government so as to assist in the tailoring and streamlining of program delivery.

The members of the Community and Expert Reference Group are:

- Ms Elizabeth Whitelaw, lawyer (Chair);
- Ms Catherine Townsend, Institute of Architects;
- Ms Claire Middleton, ACT Division, Planning Institute;
- Mr Jeff Carl, Weston Creek Community Council;
- Mr Peter Malone, Unions ACT;
- Mr David Dawes, Master Builders Association;
- Ms Nicola Davies, ACT and South East Region Conservation Council;
- Mr Daniel Stubbs, ACT Council of Social Services;
- Mr Chris Peters, Chamber of Commerce;
- Mr Richard Tindale, business sector;
- Ms Karla Ries, Duffy Primary School P&C;
- Ms Liz Tilley, Duffy resident (home destroyed);
- Ms Joanne Matthews, Kambah resident (home destroyed);
- Ms Annette Ellis MHR (Member for Canberra);
- Dr Tony Griffin, rural lessee; and
- Senator Gary Humphries (Commonwealth representative).

INQUIRIES AND STUDIES

In addition to these management and consultative arrangements, a number of major inquiries and studies will contribute to the recovery.

The ACT Government has established an Inquiry into the preparation for and operational response to the January 2003 bushfires by the ACT's emergency services and other relevant agencies. This inquiry is being conducted by Mr Ron McLeod, the former Commonwealth Ombudsman. The Inquiry commenced on 3 March 2003 and will report by 30 June 2003.

The ACT Chief Coroner has established a Bushfire Inquiry to be conducted by Magistrate Doogan. Ms Doogan's Inquiry will undertake an examination of the cause, origin and circumstances of the fires which destroyed and damaged property in January 2003 and inquests into the deaths associated with those fires.

On 19 February 2003, the Chief Minister announced the conduct of a major study into the non-urban areas of the ACT affected by the bushfires. This study will consider the best uses of non-urban land for the sustainable development of the Territory, including the impacts on infrastructure, adjacent areas, and the region. The results of this study, which are expected by end September 2003, will contribute to the development of the Canberra Spatial Plan and the overall Canberra Plan. This study will be informed by the development of a new draft business plan by ACT Forests and a recreation strategy being developed by Environment ACT.

This study will be directed by a steering committee chaired by Mr Sandy Hollway and comprising the members of the Bushfire Recovery Taskforce, supplemented by:

- Professor Peter Cullen – Chair, Natural Resource Management Advisory Committee;
- Professor Bob Wasson – Chair, Sustainability Expert Reference Group;
- Mr Kevin Jeffery – Member, ACT Bushfire Council;
- Mr Ted Evans – Former Secretary of the Commonwealth Department of Treasury;
- Professor Peter Kanowski, Head of the Department of Forestry, Australian National University
- Ms Dorte Ekelund, Director Territory Planning Branch, Planning and Land Management (PALM); and
- Ms Annabelle Pegrum, Chief Executive of the National Capital Authority.

As announced by the Minister for Planning on 12 February 2003, PALM is coordinating an Urban Edge Review in response to the impact of the fires of 2003. The urban edge includes all open space lands that abut residential areas including the 'open space fingers', such as road corridors, floodways and pathways that extend into and through the metropolitan area. This Review is investigating planning, design and management of the urban edge of Canberra, including current urban edge treatments, design standards and guidelines and management approaches. It will assess bushfire risk to residential property and whether any areas should be considered for bushfire prone designation or in fact other land use and management approaches that are more appropriate. The Review will address future residential and other land use areas.

ACTION PLAN GOALS

The Taskforce's Action Plan identifies six goals for recovery, under four general themes.

Supporting People

1. support those who have been significantly impacted by the fires;

Community Involvement

2. ensure that the community actively participates in the process of rebuilding and recovery;

Clean Up and Rebuilding

3. ensure clean up of the Territory in a way that is safe, timely, efficient, cost effective and respectful of people's interests and needs;
4. facilitate rebuilding in a way that is safe, timely, streamlined and provides individuals with real choices; and

Learning Lessons and Building a Stronger Future

5. provide up to date, relevant and useful information to assist with the recovery process; and
6. learn lessons from this event so the ACT Community moves forward positively.

PROGRESS REPORT

Significant achievements so far include:

Supporting People

- Approximately 5000 people were accommodated in four evacuation centres across Canberra on January 18 and 19, the first 48 hours of their operation. Evacuation centres remained open until 27 January;
- Urgent treatment was provided for many people at Canberra's main hospitals, including for lacerations, fractures and respiratory problems, and severe burns victims were transferred to Sydney;
- After the emergency/evacuation phase the ACT community, ACT Housing and the accommodation market met the interim housing needs of 500 households who lost their homes;
- Utilities and infrastructure were restored to over 50,000 homes.
- Over 1400 people have registered at the Recovery Centre at Lyons which brings together a wide range of Government and non-Government services to maintain contact with and support individuals, notably through case managers;
- A range of Government financial grants (detailed below) have been provided to affected households and businesses;
- The Canberra Bushfire Appeal, conducted independently of Government, has raised over \$7 million;

Community Involvement

- Over 1000 volunteers registered through Volunteering ACT, with countless more assisting neighbours, friends and work colleagues directly;
- Community groups and volunteers are assisting with the clean-up and rehabilitation of the environment;
- Communications have been established, including through the "*Community Update*" newsletters to all affected areas, the regular provision of recovery information in local papers, and community meetings;
- The community's extensive and committed effort in responding to the disaster was recognised by the Community being awarded Canberran of the Year;

Cleanup and Rebuilding

- Clean-up and re-opening of most roads has involved removal of huge volumes of fallen or dangerous trees;
- Bovis Lend Lease has been contracted by the Government to manage an efficient and safe clean-up, with the support of local businesses, unions and industry organisations;
- Safe disposal of contaminated waste is being achieved through a landfill site at Stromlo, fully dedicated to block clearance;
- (As at 28 April 2003) 340 blocks have been cleared;
- Streamlined demolition and building approvals processes have been introduced;
- A Design Advisory Service has been established for residents to provide information and guidance on home building;
- Construction of the first replacement homes commenced in mid-March;
- Restoration, rehabilitation and monitoring of Tidbinbilla Nature Reserve and Namadgi National Park has commenced;

Learning lessons and Building a stronger future

- An inquiry by Mr Ron McLeod has been established to examine and report on the preparation and adequacy of the response by ACT Emergency Services and other agencies; and
- Reviews have been initiated to consider and advise on issues of Non-Urban Land, the Urban Edge, and Recreation to ensure we learn from our experiences and plan for our future.

Funding the Recovery: First Phase 2002/03

FUNDING TO DATE

In total, \$29.694 million is being provided in 2002-03 to deal with the immediate emergency, and to meet the initial needs of the recovery effort.

The Government's strategy has been to respond to the needs of the bushfire recovery as quickly and comprehensively as possible. The expenditure summarised below (an overview is provided at Attachment A) has been grouped against the goals of the Bushfire Recovery Taskforce Action Plan.

SUPPORTING PEOPLE (\$7.723M)

Emergency funding was provided to establish and operate the Evacuation and Recovery Centres and to provide emergency daily allowances (\$75 per person per day), and emergency short-term accommodation assistance.

Emergency funding also was provided to ACT Health and the Department of Disability, Housing and Community Services to offset a number of emergency response costs. This included funding to meet the needs of those injured in the fires, to provide ongoing counselling and outreach services, and to meet evacuation and relocation costs and other necessary needs of residents of disability group homes who were affected by the bushfires.

As part of its general function of planning and effecting a coordinated and speedy recovery, the Taskforce and its Secretariat has been funded to develop and oversee the co-ordination and implementation of the many programs directed at supporting people, including the operations of the Recovery Centre.

The Recovery Centre provides outreach support, case management, referral to services and counselling. Over 1400 people have registered at the Recovery Centre.

A range of grants have been provided to affected households, businesses and, rural lessees, including:

- \$5,000 Assistance Package for owner-occupiers or renters to replace essential household and personal items lost in the bushfires. A further \$5,000 was provided for those who did not have household contents insurance;
- \$3,000 Disaster Relief Grant to assist businesses and rural leaseholders whose business assets were destroyed. The grant was provided to assist with business revival as a means of recovering employment and income losses resulting from the fires;
- assistance for affected rural lessees, comprising 100% of costs for cartage for feeding animals for one week after the fires and 50% of cartage cost after that, until conditions improve with changes in the weather and on a needs basis; and
- a 50% interest subsidy on loans of up to \$50,000 for affected businesses and \$130,000 for affected rural leaseholders to repair bushfire damage or capital losses.

In addition, a range of fees and charges have either been waived or deferred, including:

- waiver of land tax for the period 1 January 2003 to 31 March 2003 for rented properties that have been destroyed or rendered uninhabitable;
- waiver of stamp duty payable on the registration of a replacement motor vehicle that was destroyed, up to a maximum amount of \$750 per registration;
- waiver of the stamp duty payable on the purchase of a replacement house or block of land for an owner occupied property

that was destroyed or rendered uninhabitable, up to a maximum amount of \$7,000 for the purchase of a replacement home, or a maximum amount of \$2,800 for the purchase of a replacement parcel of land for the purpose of building a new home;

- water and sewerage charges waived for six months where homes have been destroyed;
- waiver of rates for a period of up to 6 months from 1 January 2003 for properties that have been destroyed or rendered uninhabitable; and
- charges for identity and land title documents waived, including destroyed driver's licenses, land titles, and birth, death and marriage certificates.

A Canberra Tourism and Events Corporation's (CTEC) tourism marketing campaign has been supported with additional funding of \$100,000. The awareness campaign is ensuring that Canberra's important and valued tourist facilities continue to be promoted nationally, and aims to turn around the reduction in visitors since the bushfires.

Free school bus travel has been provided to students from families who have had to relocate as a result of the bush fires.

The ACT Government donated \$100,000 to the Canberra Bushfire Appeal.

COMMUNITY INVOLVEMENT (\$1.175M)

The Taskforce and its Secretariat are funded to achieve the greatest possible level of community involvement in the recovery effort. Amongst other activities, the Secretariat provides support to the work of the Community and Expert Reference Group, publishes and/or facilitates regular community bulletins, facilitates public forums and works with community groups.

Active community participation programs include the 'Community Engagement in Restoration of Murrumbidgee' which provides for joint Government and community planning and implementation of conservation, restoration and construction works along the Murrumbidgee River corridor and catchment.

Funding has also been made available through community grants to assist local groups in recovery related projects.

Similarly, the specific studies and planning which will guide the ACT's long term direction, such as the Study into Non Urban Bushfire Affected Areas and the Spatial Planning work, referred to earlier, are proceeding within clear and open community consultation processes.

CLEAN UP AND REBUILDING (\$14.044M)

As part of its functions, the Taskforce and its Secretariat was funded to develop and oversee the demolition and clean up process, and to assist in the subsequent planning and coordination of the rebuilding effort. Within this framework the following actions have been undertaken by various agencies:

Clean Up:

- contracting of a project manager, Bovis Lend Lease, to ensure a coordinated clean up of properties destroyed by the bushfires;
- provision, subject to certain conditions, of a demolition grant of up to \$5,000 for home owners and community organisations where insured, and meeting the full cost of a standard demolition for uninsured home owners;
- the waiving of fees for disposal of fire-damaged building material from residential and community properties, with a concessional rate for institutional and commercial properties;
- removal of dangerous trees, and the clearing of debris and other waste from roads and properties affected by the fires, to ensure public safety, including the safe re-opening of roads;

- the urgent disposal of livestock and wildlife killed by the bushfires, to protect public health;
- the removal of burnt pines in areas adjacent to Duffy and Holder, and casuarinas along the Murrumbidgee River Corridor, and the management of pine trees located on public open space across Canberra. Additionally ACT Forests is engaged in the “salvage logging” of some 500ha of burnt pine plantations to date, with an additional 600ha forecast, to achieve sale of some of the burnt timber;
- establishment of waste facilities, including a temporary site at Stromlo, to ensure the professional and safe disposal of the demolition material;
- clean up and repair of rural roads affected by landslips due to rain following the bushfires;
- replacement of approximately 1600 garbage and re-cycling bins destroyed in the bushfires; and
- funding of residual clean up, repairs and maintenance costs, not covered by insurance, for those schools affected by the bushfires.

Rebuilding:

- funding of land acquisition costs for the replacement of 55 ACT Housing rural dwellings destroyed in the bushfires;
- funding of the aerial grass seeding of burnt areas, planning for stabilising of catchment areas to protect water quality, and associated costs for aerial surveys and recovery plans;
- the supply of feed for Tidbinbilla animals;
- provision of funding to support additional weed suppression measures to protect vulnerable areas affected by the bushfires;
- provision of additional resources to PALM to implement streamlined building processes, enhanced building/structural inspection services and to review land management and urban design issues;
- the waiving of fees relating to a range of planning approval and certification requirements to replace destroyed buildings;
- commencement of the replacement of urban assets destroyed by the bushfires including: verge and shrub beds, screen plantings, dry land grass areas, semi-natural open space and sports grounds, new line marking, and replacement or painting of signs, bridge rails, bus shelters and street furniture;
- development of a Rural Assistance Recovery Program to assist rural lessees in areas such as weed suppression, soil stabilisation and replanting, including funding for Greening Australia’s ACT Rural Recovery Project;
- commencement of the restoration and rehabilitation of fire suppression trails made in combating the fires, and the restoration of existing walking trails and fire trails damaged as a result of the bushfires;
- funding of residual replacement costs, not covered by insurance, for Howard Florey Centenary House (the Health Protection Service Headquarters); and
- provision of funding for a free plant issue scheme to residents whose house and/or gardens were destroyed by the bushfires.

LEARNING LESSONS AND BUILDING A STRONGER FUTURE (\$1.619M)

A number of actions, including some already noted above, are being taken by the Government, the ACT Bushfire Recovery Taskforce, its Secretariat and relevant agencies to ensure that all lessons from the bushfires are fully understood and acted upon, including putting in place essential planning for the future:

- A Study into Non Urban Bushfire Affected Areas has been funded to provide advice on the best uses of non urban land for the sustainable development of the ACT. This work, which will be informed by a new draft business plan being prepared by ACT Forests and a recreation strategy being developed by Environment ACT, will together with the Urban Edge Review, being undertaken by PALM, provide important inputs into the Canberra Spatial Plan and the overall Canberra Plan to be completed later this year; and
- A Review of Heritage Places affected by the bushfires has been funded to assess damage and required essential works, prepare location and condition reports and establish processes for their continued conservation.

Additionally, the Inquiry into the Operational Response to the January Bushfires, and the Coronial Inquest will provide further important advice to Government, strengthening this learning experience and the future response to bushfire risks and events.

In parallel with these activities, immediate work has commenced to provide essential bushfire protection measures. Funding has been provided to undertake fuel management works in the Canberra Nature Park adjoining residential areas including Aranda Bushland, Black Mountain and Mount Ainslie.

ADDITIONAL FIREFIGHTING/PROTECTION COSTS (\$5.133M)

Funding of \$5.133m was also provided in 2002-03 to cover additional unanticipated costs directly incurred in fighting the January bushfires by agencies including the Emergency Services Bureau, ACT Forests and Environment ACT.

Completing the Recovery: The Forward Strategy

LOOKING AHEAD-2003/04 AND BEYOND

Although much has been accomplished, bushfire recovery remains a key Government objective for 2003-04. The effort will be sustained until the process is completed.

The focus of initiatives to date has been on urgent needs and recovery essentials, including:

- support for people affected by the bushfires;
- restoration of essential services and infrastructure;
- ensuring public safety;
- clearance of blocks;
- establishment of machinery to drive recovery in partnership with the community;
- public information;
- forest salvage;
- addressing critical environmental needs such as protection of water catchments; and
- preparing for the major rebuilding that must be done.

Clearly, not all these tasks have been fully accomplished and they therefore remain priorities in 2003/2004. However, substantial momentum has been gained, and the next stages in the recovery process, addressed in the 2003-04 Budget, involve a three part strategy:

- (1) the consolidation of the progress to date and carrying the 2002/03 priorities through to completion;
- (2) lifting our sights to longer term issues; and
- (3) looking beyond mere “recovery” to improvements, and positive legacies for the future. The aim is not merely to replace what was lost.

The budget, therefore, provides the opportunity not only for a stocktake of what has been done in the very active period since January, and the reinforcement of these early responses, but also shaping of a coherent strategy for moving forward.

VISION FOR RECOVERY

The forward strategy proceeds from a vision of the future: a picture of what we want Canberra and the ACT to be like; what in fact will constitute a successful recovery.

It adopts the Taskforce view, stated in its Action Plan, that:

“The recovery...should not aim simply at a return to the pre-bushfire situation... the objective should be a Canberra more secure and revitalised...not just to a return to the past but to position the ACT better for the future.”

This requires:

- restoring Canberra suburbs - the quality housing, beautiful gardens, neat and green streetscapes, open and accessible public areas, recreation and community facilities, shops and businesses;
- re-establishing the surrounding rural areas, both in terms of their natural splendour and the distinctive landscape they provide for the community and visitors, and in terms of sustainable mixed uses ranging from commercial and business uses to community recreation;
- rebuilding secure and high amenity neighbourhoods for families, children and other residents, and close local communities comprising both existing residents and newcomers;
- retaining and reinforcing the strong community spirit in Canberra and the ACT, the capacity of community organisations, and the sense of pride in how the community by working together came through the crisis to build an even better ACT;
- positioning the ACT economy for the future, not only by supporting bushfire affected businesses and industry to recover, but where possible building a stronger economic base for the longer term; and
- harnessing the potential for positive legacies in fields ranging from urban design to improved emergency services.

The bushfire recovery strategy has been shaped, and budget priorities set, so as to achieve the progressive realisation of this vision.

PRIORITY PRINCIPLES

In determining priorities for budget initiatives the following principles have been applied:

- **Putting people first.** This means giving top priority to supporting the individuals affected by the fires who suffered both material damage and psychological and emotional impact. It also means giving priority to restoration of places and facilities which people need, such as recreation areas and community facilities. The clean up work will, over time, need to remove what has been burnt but the replacement and restoration will need to be deliberately sequenced, with the focus on the needs of people. Priorities would include:
 - affected suburbs, including parks and fringes;
 - the Murrumbidgee River Corridor and Cotter, including recreation points; and
 - key places in reserves such as Visitor Centres.
- **Investing now to save later.** In particular, it will make sense to devote resources at an early stage to land management to protect the environment against erosion and other problems following the bushfires, rather than neglecting this and having to correct the environmental degradation at greater expense later on. Also, funding of data collection now will provide a more sound basis for future programs to restore and protect the environment. In the replanting program a priority will be for land restoration and stabilisation (such as containment lines).
- **Doing all we can to prevent re-occurrence.** To an important extent this involves learning the lessons from the January fires, but it also includes prudent physical measures, such as open spaces or buffers on the urban fringe.
- **Taking the opportunity to replace or restore community assets in ways which are “smarter and better”.** We should not automatically fall into a habit of rebuilding or replacing exactly what was there before, whether in relation to community facilities, recreation areas or physical infrastructure. There is the opportunity to think first whether there are better approaches.
- **Providing a positive legacy for the community.** This legacy will be of two kinds - tangible improvements to the environment and the built structures of Canberra, and the intangible but nonetheless important legacy of improved management, greater community partnership and enhanced civic pride.
- **Getting the balance right between rapid response on the one hand, and not pre-empting longer term decisions on the other.** It has been an important principle of the recovery to get on with the job, recognising that there is not the luxury of time for endless analysis of data and options. Even so, important decisions which will affect the fundamental nature of Canberra for many years to come must be soundly based and thought through. Thus, for example, the Non Urban Land Use Study will examine land use options in depth and in close consultation with the community, but will also reach conclusions and recommendations on a “fast track”, with a final report in September 2003.

A COHERENT STRATEGY

The coherence of the recovery strategy, reflected in the Budget, involves:

- in each year, a set of actions which continue the progress on a broad front, reinforce one another and reflect sound priorities; and
- over the budget year and the out-years, an efficient and effective roll out of the recovery program, including a sensible phase down as the job gets done.

This is described in more detail below.

PROPOSED FUNDING FOR 2003-04 AND THE FORWARD YEARS - \$22.799M

The funding program for 2003-04 and the forward years, together with funding already provided in 2002-03, reflects the strategic approach set out above.

In summary the following new or continued measures are proposed, with the Taskforce and its Secretariat, which will continue to operate into 2003-04, again providing strategic and operational support across all areas:

SUPPORTING PEOPLE (\$3.581M)

The Recovery Centre will be funded to enable it to continue to provide the broad range of support services commenced in 2002-03. The Centre will operate until such time as the demand for its services is able to be appropriately and satisfactorily accommodated within mainstream programs.

The following support programs and/or additional resourcing will continue:

- the business assistance grant scheme;
- the interest subsidy scheme;
- additional resources for counselling services; and
- free school bus travel for students who have had to relocate (to end school year 2003).

COMMUNITY INVOLVEMENT (\$1.027M)

Activities ensuring vital community participation in the recovery effort will be sustained into 2003-04. This will occur through the work of the Community and Expert Reference Group and the Taskforce and Secretariat, the continuation of regular community bulletins, media releases, facilitation of public forums and community projects.

Specific recovery projects that will involve direct community action include:

- the design and establishment of a landmark memorial which will appropriately acknowledge the 18 January bushfire disaster and those who were affected by it;
- the running of a community firefighting units trial; and
- the continuation of the community participation program in the planning and implementation of conservation, restoration and construction works along the Murrumbidgee River Corridor and catchment.

CLEAN UP AND REBUILDING (\$13.630M)

Clean up and rebuilding activities that will continue beyond 2002-03 include:

- the program for removal of burnt pines adjacent to Duffy and Holder and casuarinas along the Murrumbidgee River Corridor, and the management of pine trees located on public open space across Canberra;
- additional weed suppression funding;
- landslip repair works along rural roads;
- the closure and restoration of the Stromlo waste disposal site;
- funding for land acquisition costs for the replacement of destroyed ACT Housing rural dwellings;
- reinstatement of urban assets (including verge replanting and replacement of other road and road related infrastructure) destroyed by the bushfires;
- the Rural Assistance Recovery Program;
- restoration and rehabilitation of areas such as fire suppression trails, existing walking tracks and fire trails damaged as a result of the bushfires;
- additional resources to PALM to implement streamlined building processes and advisory assistance; and
- the free plant issue scheme.

Additionally, new funding will be provided in 2003-04 and 2004-05 to repair and replace road infrastructure damaged by the fires and in the subsequent clean up and rebuilding effort.

LEARNING LESSONS AND BUILDING A STRONGER FUTURE (\$4.561M)

Activities that will continue beyond 2002-03 include:

- the Study into Non Urban Bushfire Affected Areas;
- the McLeod 'Inquiry into the Operational Response to the January bushfires';
- the Coronial Inquest into the bushfires;
- the Review of Heritage Places affected by the bushfires; and
- fire fuel management works.

Additionally, new funding will be provided in 2003-04 to:

- undertake spatial data acquisition by Environment ACT to support recovery planning in non- urban areas;
- finalise a Recreational Strategy for natural areas of the ACT, to guide the redevelopment of recreational facilities and their management; and
- undertake vegetation and weed control on rural road verges, to improve road safety and reduce fire hazard.

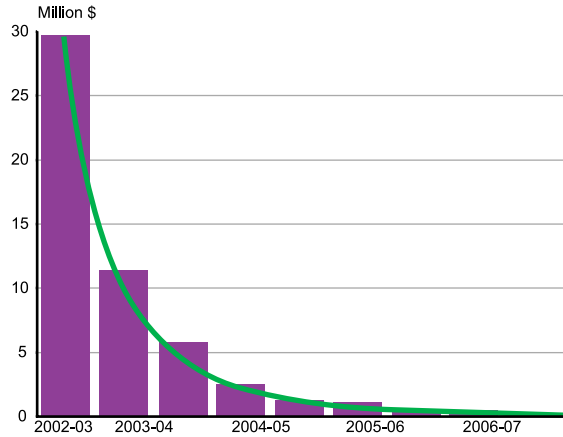
The following Maps indicate the general location of works and other activities to be undertaken as part of the physical recovery.

Note: The map "Recovery Work - Weston Creek, Woden and Tuggeranong" has been reduced for printing in this publication, therefore the 1:40,000 scale is no longer accurate.

RECOVERY EXPENDITURE PATTERN

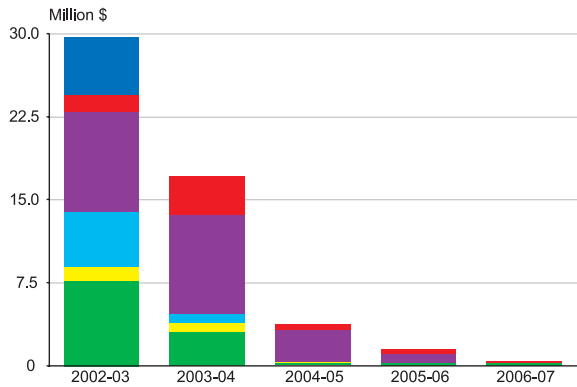
Graphs 1 and 2, at right, provide a visual insight into Bushfire Recovery funding across 2002-03, the budget year and the forward year estimates.

Graph 1 illustrates predicted spending on a 6 monthly basis, with most expenditure occurring in the first half of each year.



Graph 2 shows the expenditure pattern on a full year basis, both in total spending and by category.

- Supporting People
- Community Involvement
- Cleanup and Rebuilding - Private
- Cleanup and Rebuilding - Public
- Learning Lessons and Building a Stronger Future
- Additional Firefighting/ Protection Costs



As can be seen considerable investment has been made in 2002-03 to address critical people needs, including safety, immediately, as well as establish a coordinated and sound framework for completion of the recovery and to generate momentum for the most pressing priorities. Expenditure in later years progressively reduces in line with the declining level of remaining need.

Graph 2 also illustrates how expenditure in later years also shifts in relative terms from the initial focus on addressing individual needs, and establishing the recovery framework, to broader community and physical infrastructure restoration and improvement.

The Territory can also expect that further initiatives in future budgets will be needed following the completion of the McLeod Inquiry, the Coronial Inquest and other relevant studies, notably the Non Urban Land Use Study, currently being undertaken.

INSURANCE FUNDING REBUILDING AND REPLACEMENT ACTIVITY

In addition to recovery activities directly supported as government initiatives, over \$44m will be reinvested in rebuilding and other replacement activity from relevant insurance coverage, excluding ACT Forests. This will cover reinstating damaged and destroyed assets including:

- fire and ambulance stations;
- the Health Protection Service Headquarters (Holder);
- the Grant Cameron Community Centre (Holder);
- playgrounds;
- bridges;
- public housing;
- depots, signage, observation towers and fencing; and
- replacement of vehicles and equipment.

A further \$21m of insurance coverage will also be provided for cleanup, debris removal and reinstatement of a depot and property in ACT Forests.

NATURAL DISASTER RELIEF ARRANGEMENTS (NDRA)

In the event of a significant natural disaster, States and Territories access Commonwealth assistance under the Natural Disaster Relief Arrangements (NDRA). The NDRA provides assistance to States and Territories to alleviate the financial burden associated with the provision of natural disaster relief payments and infrastructure restoration. The NDRA ensures States and Territories are partly reimbursed for natural disaster relief costs once their expenditure exceeds a certain thresholds.

The NDRA assists with eligible expenditure measures on acts of relief or restoration adopted by a State or Territory, where the level of damage and distress is a direct result of an eligible disaster (eg bushfire, earthquake, cyclone or flood). However, the NDRA also sets a number of conditions on eligible expenditure.

The Territory estimates it will receive around \$17m in reimbursement from the Commonwealth under the NDRA.

Areas where the Territory seeks to receive assistance includes costs incurred for:

- personal hardship and distress relief;
- restoration or replacement of essential public assets;
- interest subsidy grants to small businesses;
- psychological counselling; and
- other acts of relief and restoration.

In addition to the Commonwealth's NDRA assistance, as noted in the Introduction, the Commonwealth also assisted directly in meeting the immediate needs of the crisis. Personnel, equipment and information were provided both through its civilian and military agencies to assist in the firefighting effort and in assisting the staffing of the Recovery Centre. Other Commonwealth assistance is being made available to individuals by programs operating through Commonwealth agencies such as the Department of Family and Community Services and Centrelink.

The Commonwealth, in a letter from the Chief Minister to the Prime Minister, has also been asked to consider providing further assistance to the Territory to assist the recovery, and in particular to address the longer term impacts of the disaster. Four key areas of direct assistance have been sought:

- Tourism Promotional Package;
- Forest Industry Package;
- Re-Greening the ACT; and
- Improved Emergency Communications Systems.

A response from the Prime Minister has just been received. The Commonwealth has agreed to provide \$0.5m towards the Tourism Promotional Package and \$1m towards the Forest Industry Package. A commitment has been given to working with the Territory to develop proposals relating to our other requests. Details of any final assistance relating to these matters will therefore be subject to further discussions.

Overview of Recovery Funding by Year

The following is a snapshot, year by year, of what the recovery strategy will deliver:

- 2002-03** Significant expenditure is occurring in 2002-03. The recovery process is proceeding on a very broad front with the emphasis on human recovery and other needs, but with appropriate attention given to the commencement of physical recovery.
- 2003-04** Funding is appropriately reducing in this year. Recovery activities will increasingly be returned to the mainstream of government agencies and non-government organisations. Support for people remains an important priority. 2003-04 also sees a move beyond block clearance to rebuilding of private homes, government housing and community assets. Re-greening accelerates, both in suburbs and surrounding areas. Restoration focuses on areas of special interest to the whole community including parks, the urban/rural fringe and recreational areas. In 2003-04 some legacy benefits emerge including newer and better community facilities and infrastructure. Work on the next generation of issues (notably the Non-Urban Study) is driven through to completion in close consultation with the community. This work feeds into the overall Canberra Plan.
- 2004-05** No further Taskforce funding is provided as its work is completed. Human resource needs have declined with the residual picked up in normal programs. Rebuilding of homes should be substantially completed. Restoration of the environment continues at a high level. However, the bulk of physical restoration is still in the areas most important to people's daily living. Additionally, by this time the Non Urban Land Study and other studies will have enabled final decisions to be made on such important land use issues as the future of forestry and, more generally, the long range sustainable pattern of land use in the ACT.
- 2005-06 & 2006-07** Most aspects of the recovery are virtually completed with only relatively small spending being needed to round out the work. The main exception is the implementation of findings from the Non Urban Land Study, over a number of years, but the programs will be firmly in place.

FIRE RECONSTRUCTION LEVY

In total approximately \$52.5 million is to be provided over 5 years to give effect to the recovery, with most funding (\$50.5 million) being expended in the first 3 years – 2002-03, 2003-04 and 2004-05.

As an essential and immediate response to the disaster of 18 January 2003, this program and funding is both unanticipated and substantial within the normal budget cycle.

As noted above, approximately \$17 million of the program is estimated to be recovered under the Commonwealth's Natural Disaster Relief Arrangements scheme. Additional assistance is also being sought from the Commonwealth to support recovery programs.

A two year Bushfire Recovery Levy is to be introduced to partially meet the balance of the net cost of the bushfires. A fixed rate levy based on the Average Unimproved Value (AUV) of each rateable property in the ACT will be implemented for a two year period from 2003-04. Pensioners will receive a 100% rebate on their portion of property ownership and ACT Housing properties will be exempt. Separate legislation will be developed to implement the Fire Reconstruction Levy.

This initiative aims to raise approximately \$5m net per annum for two years commencing in 2003-04. The rate charged on AUV will be recalculated annually and will depend on overall AUVs in the ACT.

Impact on the General Government Sector Budget over 2002-03 to 2006-07	\$m
Total cost of initiatives and non insurance related work*	52.5
<i>plus:</i> work funded from "self-insurance" fund**	8.6
<i>less:</i> total estimated return from NDRA	17
Total revenue from Fire Reconstruction Levy	10
Estimated Net cost of event over five years	34.1

*this excludes any reconstruction, clean-up or reinstatement in ACT Forests

**this is the insurance which the Territory provides for within its own insurance provision and is not recoverable from reinsurance.

Conclusion

The program of funding made available for the recovery is both substantial and reflective of a considered and strategic approach that seeks to improve upon the pre-bushfire situation wherever possible, providing positive legacies and a better Canberra.

Expenditure is greatest in the initial years to ensure that essential issues, and in particular people needs, are addressed early and quickly, within appropriate priority principles. Over time the emphasis moves to provide greater relative attention to community and general public assets, but without neglecting continuing people needs which are progressively absorbed within mainstream programs.

The achievement of the recovery will in the end, however, not just be a result of Government funding or programs, but will be due to the collective effort and actions of all sections of the ACT community. The strategy for the recovery contained within the Budget recognises this total approach and seeks to enhance that effort in an effective, integrated and comprehensive manner.

ATTACHMENT A

Government Expenditure on Bushfire Recovery

Category of Expenditure	2002-03 \$'000s	2003-04 \$'000s	2004-05 \$'000s	2005-06 \$'000s	2006-07 \$'000s
Supporting People					
Evacuation and Recovery Centres – DEYFS	204	0	0	0	0
Evacuation and Recovery Centres – DDHCS	40	0	0	0	0
Emergency Assistance	150	0	0	0	0
Emergency Short-term Accommodation	36	0	0	0	0
TA Financial Assistance	1000	0	0	0	0
Hospitals	389	0	0	0	0
Counselling – ACT Health	288	250	0	0	0
Counselling and Outreach Services - DDHCS	100	0	0	0	0
Destroyed Disability Group House	100	0	0	0	0
Recovery Taskforce Allocation	835	523	0	0	0
Recovery Centre	1054	2,000	0	0	0
Financial Assistance Grants – DEYFS	2245	0	0	0	0
Bushfire Business Assistance Package - Business Grants	270	30	0	0	0
Bushfire Business Assistance Package - Interest Subsidy	65	189	189	189	189
CTEC Marketing Campaign	100	0	0	0	0
School Bus Transport	22	22	0	0	0
TA Donation Bushfire Appeal	100	0	0	0	0
Supplementary Emergency & Financial Assistance	725	0	0	0	0
TOTAL – Supporting People	7723	3014	189	189	189
Community Involvement					
Recovery Taskforce Allocation	1075	442	0	0	0
Community Engagement in Restoration of Murrumbidgee	100	200	100	0	0
Bushfire Memorial	0	185	0	0	0
Community Fire Units Trial	0	100	0	0	0
TOTAL – Community Involvement	1175	927	100	0	0
Clean Up and Rebuilding – Private					
Recovery Taskforce Allocation	492	184	0	0	0
Site Clean up	3230	0	0	0	0
Waste Disposal	740	0	0	0	0
Demolition Material Disposal Facility – Site Closure	0	150	0	0	0
Replacement of Garbage and Recycling Bins	80	0	0	0	0
Reconstruction and Assessment	369	0	0	0	0
Bushfire Development Application Process	0	215	0	0	0
Rural Assistance Recovery Program	170	150	0	0	0
Free Plant Issue Scheme	25	75	100	0	0
	5106	774	100	0	0

Category of Expenditure	2002-03 \$'000s	2003-04 \$'000s	2004-05 \$'000s	2005-06 \$'000s	2006-07 \$'000s
Clean Up and Rebuilding – Public					
Removal of Trees and Debris from Road Verges	1500	0	0	0	0
Cleanup of Burnt Trees in Duffy	300	0	0	0	0
Removal of Pines and Casuarinas	210	600	0	0	0
Landslip Rectification	300	200	0	0	0
Repairs and Maintenance	45	0	0	0	0
Replacement of Rural Housing	4400	4400	0	0	0
Aerial Grass Seeding of Burnt Areas	330	0	0	0	0
Restoration Works	998	0	0	0	0
Weed Suppression	50	250	300	300	0
Re-greening Fire Affect Areas	659	2600	1455	51	0
Fire Suppression Trails and Walking Tracks	100	700	700	600	0
Howard Florey Centenary House	46	0	0	0	0
Replacement of Gutters, Footpaths and Associated Works	0	100	400	0	0
Cotter Bridge Improvement	0	100	0	0	0
	8938	8950	2855	951	0
TOTAL - Clean Up and Rebuilding	14044	9724	2955	951	0
Learning Lessons and Building a Stronger Future					
Recovery Taskforce Allocation	469	451	0	0	0
Study into Non-Urban Bushfire Affected Areas	250	250			
Bushfire Recovery Program - ACT Heritage Places	100	200	0	0	0
Inquiry into the Operational Response to the January Bushfires	400	100	0	0	0
Bushfire Coronial Inquest	150	1,500	0	0	0
Fire Fuel Management - Accelerated Works	250	500	250	250	0
Rural Road Verges and Fire Fuel Management Plan	0	150	150	150	150
Increase Bushfire Fuel Management Planning Resources	0	80	0	0	0
Spatial Data Acquisition – Interpretation of Recovery Plan	0	130	40	40	40
Completion of Recreation Recovery Strategy	0	100	30	0	0
TOTAL - Learning Lessons and Building a Stronger Future	1619	3461	470	440	190
Additional Firefighting/Protection Costs					
Immediate Response - ACT Forests	35	0	0	0	0
Immediate Response – Emergency Services	3783	0	0	0	0
Immediate Response – DUS	1315	0	0	0	0
	5133	0	0	0	0
Grand Total*	29694	17126	3714	1580	379
TOTAL COST OVER EVENT					\$52.493 m

* Total funding includes 2nd Appropriation, 3rd Appropriation, Treasurers Advance and Budget initiatives. It includes Government Payments for Outputs, Expenses on Behalf of the Territory and Capital Injections. Any offsetting insurance revenue or Commonwealth assistance is not incorporated in the table.