

**LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: Appropriation Bill 2002-2003 [No 2])

Members:

**MR B SMYTH (The Chair)
MS K MACDONALD
MS K TUCKER**

TRANSCRIPT OF EVIDENCE

CANBERRA

WEDNESDAY, 26 FEBRUARY 2003

**Secretary to the committee:
Mr D Abbott (Ph: 6205 0199)**

By authority of the Legislative Assembly for the Australian Capital Territory)

The committee met at 2.07 pm.

THE CHAIR: I call the meeting to order and welcome the Treasurer and his officials. Thank you all for coming, and I hope that we'll get through this quickly so that we can get the report on the table by next Tuesday.

However, I would like to start by pointing out that the secretary of the committee, Treasurer, provided your office with a list of questions on Friday morning and, with the exception of those from the Department of Health, we've not yet received any answers to those questions. Part of the reason for that, I understand, was that your office apparently didn't pass those questions on until yesterday afternoon.

Mr Quinlan: I didn't know my office was the mail box. Could I just say that, in relation to that, I'm very happy to accept all of those questions on notice and to ask all officers to respond to them promptly. I have to say, when I first read the document, it looked like an agenda for the anally retentive, because of the degree of detail and the repetition involved in it. Nevertheless, if it does save time, we'll make the commitment, and I'll make the commitment on behalf of other ministers, to prompt responses.

Most of this is quantitative and repetitive and there are some elements that quite obviously you'd want to discuss, but I would have thought that we'd spare everybody the mortal detail of grinding through them one by one—the how many people were paid at what rate and for how long. So we'll take those on notice.

THE CHAIR: Thank you for taking those on notice. I would have thought that the whole purpose of such a committee was to look at that expenditure, to see whether it is appropriate or whether, through Treasury and then into the Assembly, the figures are accurate and correct. I'm disappointed that you would start by calling it anal and repetitive. The reason it's repetitive is that, in the main, it comes from words you yourself use in your bill. Let's move on.

Mr Quinlan: Let's not play this game beyond five minutes. If the object of the exercise is to grind through, item by item, with a view to trying to find out where two and two doesn't make four, then I think that's your job. I've asked officers, as you've just heard, to provide the information that you've asked for.

Let me assure you that, as Treasurer, I didn't go through every item, line by line, and work out exactly how many people there were, what their pay rate was, and for how long they were working on something. I've made some assumptions about what departments have done to put their estimates together and the rigour with which Treasury vets those matters. They are, after all, estimates. It's like the rest of the budget. I'm sure you've been involved in this process actively before, and realise that they are estimates and that, yes, at the bottom, right at the bottom, there are individual numbers that build up.

All I'm saying is that I don't see a great deal of actual information to be gained by wandering through those one by one, when we can provide you with the information, in writing—

THE CHAIR: Which, as you've now given the commitment, will appear. The point simply is this: this is a parliamentary accounts committee and we have a right to go through them one by one and we'll do so if we choose.

Mr Quinlan: Absolutely. Yes. However, the point I'm making is that I wouldn't have thought that it would be necessary, in a public hearing stretching over two or three hours, to talk about how many people, what they're paid and for how long.

THE CHAIR: We also provided a timetable, to avoid the clogging normally associated with these committees. Perhaps we'll move into the Chief Minister's Department.

Mr Quinlan: I want to make a couple of general statements, if you wouldn't mind.

THE CHAIR: All right, my apologies. Treasurer, would you like to make an opening statement?

Mr Quinlan: What the Appropriation Bill does, as I said in my tabling speech, is puts beyond doubt the source of funding for the various initiatives that are being undertaken and were certainly not anticipated before the fires, of course. As a function of the Appropriation Bill, both the Assembly and the public have some knowledge, not all, of the amounts of money that are being committed to recovery from the bushfires, a very serious tragedy that has befallen this city.

Quite clearly, there's an undercurrent in the repetitive questions that are here—could these projects be funded from existing budgets? That exercise was not conducted because they're not projects that were budgeted for. Effectively, if you look at all of them, other than a couple that are for additional expenditure, given the level of activity—hospitals, emergency services and so on—they are quite unique and ought be brought before the Assembly, I think, as unique appropriations.

You will recall that, I think, at your last public accounts meeting, or at least your last Public Accounts Committee, you discussed with the auditor the finalisation of annual statements. There was a discussion about whether it could be done by 30 September—BHP does it and therefore why shouldn't the ACT? All that goes to say that, to get it right and to know exactly where you're at, at a given point in time, you need a minimum of two months to be sure that you have the whole picture and you have all of the expenditure brought to account, because I hope you appreciate that there are leads and lags.

We've tried. As a function of legislation that I brought in while in opposition, we now have financial quarterly reports which replace monthly reports. Monthly reports were absolutely useless because they just totted up whatever transactions were to hand and there was no massaging for timing differences in expenditures or receipts and, as you know, rates go out once a year and that sort of thing. It's very dangerous, as I think you found in the Assembly, to pull figures out of a quarterly report and use them publicly, because you could well be embarrassed, as you were.

Really, it is probably very advisable to stick to the final estimates that are derived from this, because most of the departments and most of the finance officers will know or be aware of the exceptions that are occurring. However, they still won't be able to guarantee you that the numbers that are here are the numbers that have occurred absolutely to 30 December, with care.

Yes, these are estimates and they're based on the best knowledge available. The best knowledge available is, as I was trying to explain, probably the budget, garnished with the knowledge of exceptions held within the administration. When we were putting this together, were there other bids, bids that didn't make it? Yes, there were, and I'm sure Treasury could give you a couple of examples if you want. I forget them, but I remember discussing them at the time.

Within the time available, was there critical analysis of the bids that were put forward? Yes, again. I can assure the committee that, yes, Treasury is still doing its job. We're very happy, I have to say, that the public sector, the administration of the ACT, has shown a tremendous response since the bushfires, under very trying circumstances. It's not possible to multiply resources much. We've had some volunteer assistance, nevertheless the pressure, the workload, within the public sector in the ACT over the last month or so has been horrendous. I think it's to everybody's credit that we're able to put forward as definitive a document as is before you, anyway.

In case you ask it, yes, some of this may well be recoverable as we work through insurance claimability, and as we work through the national disaster relief arrangements and agree, line by line effectively, with the Commonwealth as to what will be recovered. In the meantime, the government has had the responsibility of making sure that it had appropriated through the Assembly, where there was time for it to be done, the funds that it was applying to bushfire recovery.

I think it's fairly obvious that the public response, at least, to what has been done, not just by the government, but by the government and other agencies and organisations in this town, has been nothing short of fantastic. As far as I'm concerned, this bill is necessary, informative and, to a large part, speaks for itself.

THE CHAIR: Thank you, Treasurer. You make the point that it is unique and it's to allow you to know where you're at, at a point in time, but doesn't it therefore raise the question of risk management and why we fund a hospital. For instance, for its budget, it asked for another couple of hundred thousand dollars to meet what it is saying is unexpected need, but surely accident and emergency is funded to cover this, and it has emergency plans and risk management strategies in place?

Mr Quinlan: You might follow this up with questions of the appropriate agency, but let me say that they—

THE CHAIR: That's just an example.

Mr Quinlan: I'll pick up that example and answer it. I think it's public knowledge that the Canberra Hospital handled its record number of emergency cases. Is it sensible risk

management to build in a more than absolute former peak? That's not good risk management.

THE CHAIR: No, that is true, but there must be some allowance given to allow the services that are provided by Emergency Services to meet certain events in their risk management strategies. However, you're right. I'll take that up with the hospital when we get to it later on.

Mr Quinlan: They will have peaks and troughs but, if someone came to me and said the health budget is based on a possibility that we'll break a record this year, they'd be thrown out. If we get to that exceptional circumstance then we will take action. We might even have an extra appropriation bill, for example, as we do.

THE CHAIR: I note that a number of the tasks that probably are done normally by Urban Services have been moved to the Chief Minister's Department. How much of this would happen if Chief Minister's wasn't funded for it? Is this beyond the existing resources of CMD without the appropriation?

Mr Quinlan: There's not a lot. I'll allow Mr Tonkin to answer this after I just say a couple of words. This was a unique time that required decisive and prompt action. What we have in Canberra is many people, not only directly affected, but also deeply traumatised by the worst natural disaster and the worst property disaster, I think, in Australia's history.

The mending process will go way beyond the physical restoration of homes and services and the infrastructure of the city. The first major step will be the day that we finish that job, but it won't be the end of the job. I think it behoves the government and the Assembly as a whole, to endorse and to align itself with action that allows for prompt addressing of people's distress, at least in terms of material matters, so that the whole spectrum of distress is addressed and put behind us.

ROBERT TONKIN was called.

Mr Tonkin: I am Robert Tonkin, Chief Executive of the Chief Minister's Department. The answer to your question is no.

THE CHAIR: If Chief Minister's doesn't receive such an appropriation, what would have to be foregone?

Mr Tonkin: That would be a matter for government. I just invite you to review the program allocations inside the department and pick for yourselves which programs we don't proceed with—it is as simple as that.

THE CHAIR: How much has been claimed from the Insurance Authority so far in regard to these payments? The departments pay insurance to the Insurance Authority to cover such events, I assume. Why haven't we gone—

Mr Tonkin: To my knowledge, the Chief Minister's Department does not pay insurance to cover the costs that we might have in diverting activity to another unforeseen event. Insurance relates to a tax on losses in terms of property and so on, and such questions are better directed to the relevant departments that run these things.

As the Treasurer has pointed out, this is an exceptional event not within the reasonable projection of anybody. Departments quite appropriately do not carry the levels of contingency funding to enable them to seamlessly respond within an existing allocated budget for an event of this scale. If they did, I would expect that, both in the government budgetary process and through the Assembly, questions would be asked about why this pile of money was sitting around just in case, when we have a mechanism available at the initiative of the government, with the will of the Assembly, to provide it as required.

I would argue that the Chief Minister's Department, as with the other departments, is very leanly structured and we don't have the capacity to do this. If we were to divert, the clear effect would be marked detriment to other existing and committed programs. That would—this is not a government view, but my personal view—simply compound the negative impact of the fire event across other programs.

THE CHAIR: Thank you. Ms Tucker.

MS TUCKER: Thanks. Are we going to go through department by department?

THE CHAIR: Yes, we'll start with Chief Minister's and work through.

MS TUCKER: Just before we do Chief Minister's, on the general question of how you've dealt with the situation, you have used Treasurer's Advance for a couple of issues which you've highlighted at the back, which includes provision of financial assistance to bushfire victims and so on. You did use Treasurer's Advance for some. This is slightly off the track, but I'm just a little bit fascinated. In your explanation of Treasurer's Advance, you have two other sums of money which are for the Cannons and Volunteering ACT. I'm interested to know why that was an issue that couldn't be foreseen, and why you had to spend that money.

Mr Quinlan: They're quite apart from the bushfire and all that sort of thing. They're just—

MS TUCKER: Yes they are, I know, but it's an opportunity for us to ask you.

Mr Quinlan: Right. The Cannons' case, I think, was a fairly high-profile process whereby successive administrators—because there was one and then another—were asking for an immediate answer. It was an answer by Friday, a viability by Friday, or the NBL would virtually cancel the licence and the Cannons would be out of business. It becomes a judgment thing then.

The \$100,000 that was provided to the Cannons made the difference between them folding in December and surviving, and whether they survive in the long term is still problematic. That's a judgment that I made in the first place. I did not have enough time to go right through whole processes but I did, in fact, discuss it with the Chief Minister. I said, "I'm going to come up with this arrangement. In fact, what I'm going to do is underwrite future fundraising by the Cannons." It is effectively a loan. It is a loan that, if it is not repaid in any manner or form, or offset by fundraising which would come back to pay it, it would come out of the allocation that we would normally make to the Cannons next year, because our national sides receive \$100,000.

Before committing to this loan, not having enough time to go and see everybody, I then had my office contact the office of the shadow Minister for Sport, Mr Pratt, and got the endorsement of the official opposition for the action that was being taken. I then had the lawyers draw up a loan deed, so a whole deed has been struck between ourselves and the administration. As an aside, I actually went out and raised about \$30,000 in commitments for the Cannons myself, through my network. However, given that their survival is so doubtful I have not called that \$30,000 in, because there's a distinct possibility that those people will be supporting something that then disappears, and I couldn't do it.

At worst, that \$100,000 was required immediately and it was just a question of, "It's up to you, Quinlan. Do the Cannons go or stay today?" That's it, and it was in the form of a loan and it will be offset against next year. If the Cannons fold tomorrow night then there will be no \$100,000 for next year. We'd just have to think of it as offset against the \$100,000 that we might have given them if they still existed, if you know what I mean. That's about the arrangement.

MS TUCKER: You consulted with the opposition, so-called?

Mr Quinlan: Yes, so-called.

MS TUCKER: No other members of the Assembly who are interested—

Mr Quinlan: I do accept that there are times when I think we have more than one opposition.

MS TUCKER: Ms Dundas is interested. I'm interested. You haven't noticed.

Mr Quinlan: I will agree that there are quite often times when we—

THE CHAIR: Our time is limited. If we could keep this tight rather than discussing basketball.

MS TUCKER: Is the Volunteering ACT \$100,000 going to take us long to explain?

Mr Quinlan: No, because I'll have to take that on notice. I can't recall that. I know they were in a certain amount of difficulty and they've done it.

MS TUCKER: Maybe you could take that on notice.

Mr Quinlan: Yes.

MS TUCKER: Just on Chief Minister's Department—

THE CHAIR: Can you answer that?

Mr Tonkin: I think I can answer it.

Mr Quinlan: We'll get it.

MS TUCKER: I don't want to take up the whole afternoon.

Mr Tonkin: No, but you asked the question.

MS TUCKER: I did.

Mr Tonkin: It's faster to answer it now than write an answer. That answer is that Volunteering ACT had been provided with what the previous government, I think, understood was a one-off financial commitment. Volunteering ACT had interpreted that as being a continuing commitment, or they put in place arrangements which required ongoing funding. So we had not programmed it into the budget because we thought it was a one-off. They came forward and made representations. The government decided, in line with those representations, to respond to the request. It was as simple as that.

MS TUCKER: They thought it was not a one-off and you thought it was?

Mr Tonkin: They had set up an arrangement, an organisational structure with programs and activities going forward which rested on that level of funding, but we were fairly clear that it wasn't a continuing form of commitment.

MS TUCKER: You have some issues with process there, obviously.

Mr Tonkin: Not from our point of view, we didn't think

MS TUCKER: So people just think the money's ongoing, they tell you and then they get it. That'll be interesting for the community sector.

Mr Tonkin: No, it's a matter of representation. If an organisation makes a representation to the government and makes a case, it is as with every other request for funding. We get many, many requests for funding, most of which are responded to in the negative.

Mr Quinlan: If they stuff up but they're doing a great job, we'll all least allow them a soft landing.

MS TUCKER: Okay.

Mr Tonkin: I am not arguing that it's not also a mistake by Volunteering ACT.

MS TUCKER: We'll spread that one out. That's good. On to the pilot projects.

THE CHAIR: Perhaps we will move onto the Chief Minister's Department. The recovery task force—this is obviously expenditure for this year. How long do you expect the task force to remain in operation?

Mr Tonkin: It's very hard to say. As we've calculated in there, at least until the end of the financial year. We will be reviewing it as we go forward, both in terms of the need and of the success of the programs, and so on. Our present estimate—and I keep looking at Alan Thompson across the room because running it is his baby—is that we will need the existing arrangement until the end of this financial year. As we get close to that, we will review it.

THE CHAIR: How much of that funding is recoverable from the Commonwealth? I assume you can't get that from the insurance, but is it recoverable from the Commonwealth?

MEGAN SMITHIES was called.

Ms Smithies: I am Megan Smithies from Treasury. None of that, except for the salaries component relating to the external consultants, will actually be recoverable from the Commonwealth.

THE CHAIR: Even under clause G, the catch-all clause?

Ms Smithies: Even under clause G.

MS TUCKER: I have a question about the Chief Minister's section. In the section on the recovery centre money, you have here, "The Recovery Centre will continue to provide outreach support and referral to services and counselling. Planning and Land Management will offer a one stop shop in relation to re-building." I am interested to know about this because I've had a couple of concerns expressed to me by people who are attempting to rebuild to the effect that, when they go to the recovery centre, they get the one-stop shop and they get the advice saying, "We're going to facilitate your rebuilding in a way that meets energy efficiency requirements, and so on", but when they actually get to PALM there's a wall. It's as though, "If you rebuild the way that you built before, it will be instant—zero delay. If you want to do something different, it will not be."

Whether or not that's the official position, the comment I'm getting from people in the community who are working with this is that there doesn't appear to be appropriate coordination between what's being said in the recovery centre and the actual practices in PALM. I'm wondering if you have actually put money into PALM itself to deal with this, so that you have sensitive people there behind the counter who know what they're dealing with, who realise this isn't a normal day and who are actually dealing with people appropriately, because it's not happening.

Mr Quinlan: They're all sensitive people, Kerrie.

MS TUCKER: Are they? They don't appear to be from the evidence of some of the architects who have spoken to me and who are working with already traumatised residents.

Mr Tonkin: Perhaps we can pick up one of those aspects first, and that is that I think the advice they're getting in both places is correct and is consistent. If people want to rebuild their properties within the building envelope, in other words, broadly the physical size and shape of what they had before—even if they have to build it in accordance with new building requirements, new energy requirements and so on but, as a structure, it will then occupy about the same space or fit within the envelope that's allowed—then it's virtually instantaneous. If someone wants to go from, for example, having a single-storey house to a two-storey house then clearly that's a change, and the process must protect the interests not only of that person but, of course, of all the neighbours, under the way it works normally.

If they want to significantly vary what they build on the property, then there are processes that have to be followed in the interests of the community. That's the

distinction. That's what has been said consistently, I believe, in advice that's gone out: "If you want to build in the physical envelope, fine, we can expedite it. If you want to make some significant change, then that clearly requires appropriate other processes which are there for good reason."

MS TUCKER: In fact, that's not what happened with this case. I would be happy give you the names of the people later, because it was just removing the laundry from the north side and staying within the existing footprint.

Mr Tonkin: If you would give us the details of the case, the people here will chase it up.

MS TUCKER: There seems to be a problem. My question was, have you actually recognised that there might be a need to work within PALM, or are existing resources in PALM dealing with this?

ALAN THOMPSON was called.

Mr Thompson: I am Alan Thompson, Chief Executive of the bushfire recovery task force. I apologise, there's nobody from DUS here at the moment, but Allan Eggins was due to arrive, I understand. My understanding is that, within the DUS allocation of some three point whatever million, there is a figure of some \$200,000 to boost the PALM resources, because we are aware there is going to be a bow wave of—well, we're already confronting a bow wave of people with inquiries, development approvals and the like. So there was quite a conscious allocation of \$200,000 for that.

THE CHAIR: That's good news, because—

MS TUCKER: So the \$200,000 is for extra staff?

Mr Thompson: Extra staff, fundamentally.

MS TUCKER: Extra staff within PALM?

Ms Smithies: Yes.

THE CHAIR: There's \$100,000 that is streamlined that is—

Ms Smithies: It's under the 369, that's right.

Mr Tonkin: It's on page 10 and in two bits, \$107,000 and \$84,000.

MS MacDONALD: On page 7, you talk about the amount for uninsured versus insured property clean-up. What's the proportion of uninsured to insured? Do we have an idea? We must have some idea.

Mr Thompson: I can try to answer it, but it's very imperfect at the moment. The Insurance Council tells us that, Australia wide, one in six properties are uninsured, which is a startlingly high figure. I'm just looking at Steve Ryan down there. At the moment we're aware of 10 properties that are uninsured, out of the 474. That would imply that some 95 per cent of properties here are insured. I suppose we're still a bit worried, because we only know about what's uninsured when we finally get to the end, when people actually register with us to declare that their property was uninsured.

Mr Tonkin: We've taken the cautious position, the theory being that those people who have not yet presented to the Lyons centre, may well be the people who are, for all sorts of reasons, a little bit less organised. It may be a higher proportion of those are uninsured. We've worked on the assumption that one property in 10 was uninsured and that's the basis upon which that estimate was made. Clearly, if funds are not required, they'll be returned. We're trying to take a prudent slice and one in 10 is way better than the national average, anyway.

Mr Thompson: Yes, that is one in six.

MS MacDONALD: The national average? Is that just for the actual building itself, not for contents?

Mr Tonkin: This is about construction not contents.

MS MacDONALD: Yes, that's fine.

Mr Thompson: A significantly higher number have either no insurance for contents or are significantly underinsured for contents.

THE CHAIR: Have you not, therefore, underestimated those figures?

Mr Tonkin: In terms of those who are uninsured? No. I think, in terms of the funding for the clean-up of uninsured properties, on the basis of the evidence to date—and we're getting better, even between the time we built these estimates and now—we're probably overproviding for that cost.

Ms Smithies: We also have 80 ACT Housing houses, which come under our insurance auspices, and so won't fall under this arrangement.

Mr Tonkin: I would have thought that, under this estimate, we should be covered reasonably well for the clean-up of uninsured properties. This is a clean-up to a standard of demolition.

THE CHAIR: This is on top of the almost one million dollars that's paid to Bovis Lend Lease to run the project.

Mr Tonkin: Bovis Lend Lease's payment is to run the process, not only for uninsured buildings but for insured ones. In other words, Bovis is project managing the total clean-up process—\$920,000 to Bovis.

THE CHAIR: \$980,000 all up. However, that's an extra \$20,000 on top of the actual cost of the clean-up per house for—

Mr Tonkin: No, as I said, the Bovis contract is there to manage the clean-up of all properties. We are providing a subsidy for people whose properties were insured, but where the insurance did not specifically provide for the actual cost of demolition. That's \$5,000 per property. In order to access the \$5,000, building owners have to use Bovis Lend Lease. The reason for that is so that we can undertake the clean-up in a coordinated fashion: scheduling the block-by-block approach to it, managing the traffic flows, maintaining the occupational health and safety standards and so on. All those things are what Bovis is doing for us.

THE CHAIR: In the normal course of events, though, the cost of clearing a block is somewhere between \$6,000 and \$15,000—that is what I'm being told—but Bovis then will provide a service on top of that worth \$1 million.

Mr Tonkin: For the territory as a whole, worth \$920,000.

THE CHAIR: To coordinate the clearing of the blocks.

Mr Tonkin: To project manage the overall clean-up activity. Do you want to go through it in detail?

Mr Thompson: I can take you through some of the elements.

THE CHAIR: So this is simply beyond the 474 homes destroyed?

Mr Tonkin: If you have 500 blocks that you're cleaning up, there's a question: you can blow a whistle and they can start and the result will be chaos. We're seeking to avoid chaos and to make sure that occupational health and safety is managed properly. Alan can talk about it in more detail.

Mr Thompson: Yes. You can start from that viewpoint—just to have a reasonably orderly process for cleaning up all of these damaged properties we needed some coordination. Bovis are doing that through organising traffic planning, so that there are defined routes for the trucks; through scheduling the demolition process, so that we don't end up with huge traffic jams at the landfill; and through organising acceptable work practices on site over and above the WorkCover requirements.

Then, if you look at it from the viewpoint of the individual customer, what home owners can now do is go to Bovis, Bovis then sit down with them and work out what they want on their site and how much they want cleaned up—because some people do want to hang onto a swimming pool, some trees or a rockery or whatever—and Bovis call for three quotes for that clean-up. They again sit down with the client and decide which one of those to accept, and then they actually organise the contacts with the utilities—it's virtually all ActewAGL—and then they actually manage the clean-up, if you like, on behalf of that client or that household.

MS TUCKER: And the household pays them.

Mr Thompson: No. The household pays the cost of the demolition subcontractor, but no money flows to Bovis. All of Bovis' costs are—

MS TUCKER: So all this money that you're giving Bovis is for managing clean-up?

Mr Thompson: That's right.

MS TUCKER: What's the period of time?

Mr Thompson: About four months.

MS TUCKER: So \$980,000 for four months' work.

THE CHAIR: What was the process to select Bovis—a short tender process, a quick tender process or single select?

Mr Thompson: Single select.

THE CHAIR: Single select? Is Bovis the only provider of that service?

Mr Thompson: It was the only provider of that service that we could identify that was here and had knowledge of how Canberra worked. In addition, it had this other set of credentials, having been involved in the World Trade Centre clean-up. There may well be other companies elsewhere in Australia, and they would probably be the large construction companies, who might be able to do that credibly elsewhere, but those companies don't really have a presence in Canberra. Here, we're talking about Laytons and companies such as that. Bovis is the only one of those large companies that has a strong presence in Canberra. The rest of our building industry—and it's a good industry—are smaller operators rather than people with the sort of project management skill that Bovis has.

THE CHAIR: So the thought was that it needed to be undertaken quickly. We've looked around and just come up with Bovis Lend Lease as perhaps the only firm with the credentials and the ability to do it quickly, to facilitate the recovery process.

Mr Thompson: Yes. It was willing to do it. It is an interesting company, because it is a very big national and international company, but the group of people who work for that company here are mostly long-term Canberrans, and they were wanting to make their own contribution. The vast majority of the actual people out there on the site are people who live and work in Canberra. The company is now called Bovis Lend Lease. Prior to that it was called Lend Lease, and prior to that, Civil and Civic, and it has been involved with the building game in Canberra for many years.

It's probably important to say that we didn't just accept that company's price at face value. We did have it checked out by an independent quantity surveyor to assure ourselves that the rates were fair and competitive. We also went through an appropriate procurement process with a sign-off by the Procurement Board as well.

Mr Tonkin: Yes, it went through the proper processes and I should say that Bovis has also been managing a lot of the public consultation process. If Bovis hadn't been doing it, then we would have had to employ public servants or somebody else to do that part as well. They're not just standing there watching the trucks go past: they'd have been the ones in the recovery centre and so on—they are doing a lot of extra things.

MS MacDONALD: One would hope they weren't just standing there watching the trucks go past.

THE CHAIR: Ros, you had a question?

MS DUNDAS: I had a question on the non-urban strategic development study.

THE CHAIR: Yes, if you like.

MS DUNDAS: I have a number of questions about this. First of all, why isn't this being done in PALM?

Mr Tonkin: It's not. The non-urban one?

MS DUNDAS: The non-urban strategic development study on the sustainable land use options for non-urban areas.

Mr Tonkin: It's my understanding that it's not being done in PALM.

Mr Quinlan: No.

MS DUNDAS: No, the question is why isn't it being done in PALM.

THE CHAIR: Why not?

Mr Quinlan: It doesn't fit. This doesn't fall neatly within PALM.

Mr Tonkin: It doesn't fit neatly within any one agency. This is a study that is best described as looking at all the future land use issues for the ACT, effectively beyond the Murrumbidgee. In other words, it's there to address issues that are managed at the moment by Environment ACT, and which impact also on rural leaseholders. This runs back across into PALM, because it has managed the leasehold system for rural leaseholders. The study cuts across a range of areas in government. Obviously, it will have a significant impact on ActewAGL, because it will affect the water supply, so it's certainly not just a PALM thing.

Clearly, we're interested in the future management of this area from a sustainability viewpoint. All the issues of the Office of Sustainability in my department, the Commissioner for the Environment, our sustainability reference group, and so on, will have a very active part to play in this process. It's not just an urban planning issue or an urban-rural interface issue: it's a much larger scale study, embracing the whole of the non-urban part of the territory.

MS DUNDAS: But also looking at the urban interface.

Mr Tonkin: No, it is not.

Mr Thompson: No. There are two things running in parallel. I guess you could call one the spatial planning process that was kicked off last year. That process will carry on now but, in light of the bushfires, that spatial planning process will pick up some of the urban interface stuff that is very important. The study here—that is against CMD, the non-urban one—is very much about the rest of the ACT to the west. As Robert said, in simple terms you can think of it as being the land to the west of the Murrumbidgee.

The other important issue to remember about that land is that a lot of it has been ACT Forests'. There are big issues for the government to decide about, both in terms of the future of ACT Forests, which is Minister Wood's interest, and the flow-on, quite significant financial implications for the territory in either replanting with pine or not and, if not, the implications of that in terms of the budget. It's actually a study that has to pick up those sorts of forest industry and financial issues, as well as the environmental ones.

Mr Quinlan: And the economic development issues.

MS DUNDAS: The budget paper says it'll link to the Canberra plan.

Mr Thompson: Yes.

MS DUNDAS: Is it going to influence the spatial plan in any way?

Mr Thompson: Yes.

Mr Tonkin: The spatial plan is, of course, a component of the Canberra plan. In other words, the Canberra plan is the integrated expression of spatial, social and economic elements and, as we move forward to finalise all these things, so we'll be focusing on where these things interact. Clearly, as the Treasurer has just said, there is an economic issue about the future of that area, there's a significant environmental issue, and there is to an extent an urban planning issue, but that is not as great as the other two.

The spatial plan ultimately will focus pretty much on the built environment and its potential areas of expansion. No-one is suggesting we expand the built environment west of the Murrumbidgee.

THE CHAIR: No.

Mr Tonkin: Not that heroic.

THE CHAIR: The original plan did.

MS TUCKER: A decision has been made about what's potentially urban land and what isn't, obviously. Is that such a clear-cut decision?

Mr Tonkin: Not a decision. I think what you'll find, as the discussion on the spatial plan proceeds, is that there's a dialogue going on about areas that have the potential for that. When you're defining what is potentially urban land—and this is very much Lincoln Hawkins's part of the world, rather than mine—you can map all the constraints on the territory that show where you can't have urban land. You can do that on the basis of environmental sensitivities, in terms of slope, the catchment areas and so on. So you plot all those things and you keep ripping bits out of it—areas that are directly under the glide path—

MS TUCKER: Yes, I understand that, but the question, following on from Ms Dundas's question, is that you have this study in Chief Minister's looking at non-urban-capable land—

Mr Tonkin: It's not in Chief Minister's. It's funded through Chief Minister's. It's certainly not a Chief Minister's department study.

MS TUCKER: Where is it going to be then?

Mr Tonkin: I refer you to the Chief Minister's press release of 19 February in which he spells out in some detail the terms of reference for the study. It's probably best to look at that.

MS TUCKER: The question was, if it's not being run from Chief Minister's, from where is it being run?

Mr Tonkin: We will facilitate conducting the inquiry, but it's a matter of appointing a group of people to do it—

MS TUCKER: Okay.

MS DUNDAS: Which still hasn't been done?

Ms Tonkin:—which hasn't been done. We will contribute to it, support it, but it'll be done by an appropriate gathering of people with the right background skills and expertise.

MS TUCKER: Sure.

MS DUNDAS: What's the timeframe for it? When will it be fitting—

Mr Tonkin: Alan can answer that.

Mr Thompson: I'm actually going to jump back to a question you asked before because, at this stage, we hope that we can have it all finished by August, so that it can then feed into the final phase of the spatial plan.

Mr Tonkin: And the Canberra plan.

Mr Thompson: And the Canberra plan. We're seeing this very much as a set of inputs that then feeds into the final version.

Mr Quinlan: We're also in the process of preparing an economic white paper, which is back on schedule, and a discussion paper on that will be released fairly soon. Because that is coming from an economic development perspective, you'll find that there are different concepts that are going to clash in this process. We want to bring those concepts from those dimensions together to make sure that we're actually planning in a sensible way.

We're looking at spatial planning and economic planning. Then, after we've thought about all of the options in relation to economic development, and all of the options in relation to spatial planning, protection and sustainability, we'll bring them together and ask how we then make those things work—how we make sure that we do have an economically sustainable place as well as an environmentally sustainable place. All that will go into that August melting pot, yes.

MS DUNDAS: So the economic white paper is coming out before this report?

Mr Quinlan: There is a discussion paper coming out shortly, which will be flying some ideas.

MS DUNDAS: A discussion paper which will feed into this report, which will then feed back into the white paper?

Mr Quinlan: Yes. It's going to test our capacity to absorb ideas.

MS TUCKER: Talk to yourself.

Mr Tonkin: We're talking to you, too.

Mr Quinlan: Ideas will be thrown up and they'll be thrown up for public debate. This is not going to pop out at the end as a book, a bible.

Mr Tonkin: To answer your question about precise timing, a draft report is to be submitted by 20 June for a process of public consultation, prior to decisions by the end of August. That's what the Chief Minister said in his press release.

MS DUNDAS: So there'll be, I think, from memory—is that the one that has two weeks for consideration of public comments before the final report?

Mr Tonkin: A final report is to be submitted within two weeks of receipt of comments on the draft report. In other words, there's a process to 20 June, a process for consultation, and then a two-week period to take account of that and finalise the report.

Mr Thompson: So it will be roughly eight weeks for public comment, through to mid-August.

MS DUNDAS: I'm asking how much of the report will actually be changed with only two weeks to change it.

Mr Tonkin: Word processors are wonderful things. It's a matter of the nature and the extent of the dialogue. We're setting out a set of objectives here, otherwise we will end up with something that just goes off into the distance. What we clearly want from all these various activities we're undertaking is a series of deliverables which run up against quite clear time lines so we get outcomes, so we know what's happening and so we can respond.

MS DUNDAS: Are you confident that two weeks is a long enough time?

Mr Quinlan: There is also the assumption that all public comment will not arrive on the last day of the eight weeks, that there will be, in fact, quite active and open debate during the course of that time. That's the end of it.

MS DUNDAS: But you are confident that two weeks is going to be long enough?

Mr Tonkin: That's our present aspiration.

Mr Thompson: Can I suggest what I think the output of this draft report will be? I suspect it will be a draft report that actually presents a set of options or scenarios, and I suspect that the way the public comment will then run will be to present strong views

about this scenario versus that scenario. When you get to the end, it will then be up to the study team to work through that. Presumably, they'll pick on one scenario. You'd guess they might fine tune it in light of whatever comment has been received, and make the according set of recommendations.

THE CHAIR: Is the study something that we can pick up under the NDRA?

Mr Tonkin: No.

Mr Quinlan: I doubt it.

THE CHAIR: It's not under the Commonwealth natural disaster risk management studies program?

Mr Tonkin: Natural disasters response and risk management?

THE CHAIR: Yes, there's a whole section in the NDRA that allows you to carry out studies.

Ms Smithies: There's a whole program that the Commonwealth government runs which is outside the NDRA for which the states can bid annually. It's about \$3 million worth that the Commonwealth puts it annually. I understand that the deadline for those bids closed probably a couple of weeks ago.

THE CHAIR: So we haven't bid for funds under that program?

Ms Smithies: I've not lined up their classifications against what this is supposed to do. That scheme is more about disaster mitigation and prevention, which isn't—

Mr Tonkin: It may well be that the consequences of some of these studies will produce programs which could be claimed against that program, going forward. It's an ongoing thing.

MS TUCKER: I'm still not clear: we have this non-urban land use study and I asked you the question about when the decision is made about urban-capable and non-urban-capable land. If you're having a study—and you say here, “will report on sustainable land use options for the non-urban areas of the ACT”—that implies that the people who are given the job of looking at this question will know what are the non-urban areas. You've just said, and I agree with you, that it's a complex process to work out what is potentially urban land and what isn't. I'm trying to understand how this group, which is charged with looking at the strategic development of non-urban areas, decides—or has it already been decided—what areas it is looking at?

Mr Tonkin: I think you raise a very good point. There is an area of overlap, to some extent, between this study and the study that is looking at what I might call the more immediate urban issues to do with the urban-bush interface and associated things. That is the one that Minister Corbell has announced. There is a bit of an overlap there. No-one has decided. The government has not decided or drawn a very clear line on the map to say that which is the area or boundary of one study and which is the boundary of the other.

What we do know, though, is that there are some areas that are adjacent to the present urban areas which have, on the basis of constraints mapping that's been done, significant potential to be considered as urban areas, or be partially urban. So they're going to look at that as part of the spatial planning process. What would it mean if you selected and developed areas adjacent to Weston Creek, for example, for urban development? They will ask what the options are and so on. They're going to do that.

The people looking at the broader study, which will cover issues such as forestry, have to address issues about Mount Stromlo. Stromlo, the mountain itself and the slopes that run up to it, are not within what constraints mapping would determine is urban-suitable land. There is a question of what we do with the physical environment of Mount Stromlo, in the future? Clearly, it has to be vegetated, but with what?

MS TUCKER: Some areas will be clear, yes.

Mr Tonkin: Some have to be cleared. Is it going to be—

MS TUCKER: No, some areas will be clear, those that are definitely non-urban, yes.

Mr Tonkin: If you are running an integrated strategy for the Stromlo area and its future economic use, the study may suggest that we put the pine forest back. It may. I wouldn't say it will—

THE CHAIR: It would be a brave study.

Mr Tonkin: It's one of multiple options that can come up. Before you make a final set of decisions, you'll get the outcome of both processes coming together. So there is a bit of blurring, because no-one has drawn a hard and fast line. Put crudely, the urban-capable land activity, and so on, is looking at areas to the east of Coppins Crossing Road and the Uriarra Road. If you want to draw an actual line on the ground, you have the Uriarra Road that comes off the Cotter Road and then to Coppins Crossing. It has land to the east that is adjacent to urban land and that therefore you might think about. The land to the west is getting up into that slope, or into the rural area, and you wouldn't more actively look at that. No-one's drawn up a hard and fast boundary.

MS TUCKER: I will ask one other quick question on that, because the chair wants to move on. Is this non-urban study, before we get to the point where you have produced a discussion paper, open to submissions and community input?

Mr Thompson: Yes. As Robert said, we haven't appointed the group yet. We're still working on that. The way we envisage this running is as a classic inquiry process, gleaning a lot of factual information from all sorts of sources and getting the views of a lot of stakeholder groups, including those of the broader community. Not least, there'll obviously be significant input from the forest industries and the like, from nature conservation people, but people involved in recreation will show a really huge level of interest.

MS TUCKER: Yes.

Mr Thompson: Because they have been involved with most of those pine forests for many years.

Mr Tonkin: That's where the social plan gets into the game.

MS TUCKER: Mountain bikers.

Mr Tonkin: All sorts of people.

MS DUNDAS: I have more questions about this but I am happy to move on.

THE CHAIR: Do you want to put them on notice?

MS DUNDAS: Yes.

Mr Quinlan: Subaru Rally.

Mr Tonkin: If they are quick ones, we can handle them, Brendan.

THE CHAIR: Sorry?

Mr Tonkin: We can handle quick ones. It's faster for us and more cost-efficient.

THE CHAIR: I'm sure, but we have another four departments to get through in under an hour. Do you want to finish off?

MS DUNDAS: I'm sure the Standing Committee on Planning and Environment will pick them up later.

THE CHAIR: Still in Chief Minister's, we might move on to the McLeod inquiry. It's \$400,000 for this year. Is there an expectation of money next year, given that it'll run into at least one month of next year?

Mr Tonkin: No, it won't. It will report by 30 June.

THE CHAIR: Is it 30 June or is it July?

Mr Tonkin: June. There might be some consequential effect, but the plan is—

THE CHAIR: Based on that, how many public meetings are expected and how many submissions?

Mr Tonkin: The conduct of the inquiry is a matter for Mr McLeod. How many submissions are expected? The answer is, that is unknown. We advertised last weekend for submissions, so it's a matter of how many people want to make a submission. There's no limit, obviously.

THE CHAIR: How do we determine that \$400,000 will be adequate?

Mr Tonkin: It was determined on the basis of the cost of the people undertaking the work—Mr McLeod and Mr Ellis, and a couple of people to support them—the cost of the administration, office accommodation and the publication of the report. That's it. These are estimates but that's—

THE CHAIR: Certainly, they are estimates but surely you factored into this the cost of the number of public hearings, the duration and locations. There must be some estimate of how many submissions you're going to have to read and process?

Mr Tonkin: The issue of how Mr McLeod conducts it is a matter for him.

THE CHAIR: Was he consulted about the \$400,000, or is that all the government's—

Mr Tonkin: We haven't spoken to him in any detail about how he proposes to conduct the inquiry. The question of whether there are public hearings is a matter for Mr McLeod. What we've put as an estimate here is what we estimate to be the cost of conducting this activity. It is not an inquiry under the Inquiries Act and it does not have the panoply of costs associated with such an endeavour.

MS TUCKER: I thought the Chief Minister said it would be a public process.

Mr Tonkin: It is a public process.

THE CHAIR: That's why it keeps vacillating.

MS DUNDAS: Sorry, Mr Chair, to jump in. Do you expect that that amount, the \$400,000, might change after McLeod sits down?

Mr Tonkin: It's up to Mr McLeod. We had to make an estimate of provision because he was still, is today, the Commonwealth Ombudsman, so there was a degree of care needed in this process. We've made what we believe is a reasonable estimate for the cost of conducting the inquiry. If he comes forward and says, "I want to do X, Y, Z" and comes up with other proposals, that can be entertained through other mechanisms. Again, as I say, that is a matter for him. We believe we have made reasonable provision for what we consider to be the identifiable costs of the conduct of the inquiry.

MS DUNDAS: What other mechanisms might they be?

Mr Tonkin: That's a matter for Mr McLeod.

THE CHAIR: Is this a starting estimate not a limiting sum?

Mr Tonkin: All these things, I expect, are starting estimates, depending upon how the recovery proceeds.

THE CHAIR: I look forward to the fuller answers.

MS TUCKER: I have a question on McLeod. It's actually more for Mr Quinlan as Minister for Emergency Services. Is that your area?

THE CHAIR: No, it is Bill Wood's now. It was a flick pass before Christmas.

MS TUCKER: I can't keep up. Perhaps it could be taken on notice. I'm interested to know whether or not—well, I guess I can't if it's for Bill Wood.

THE CHAIR: Bill Wood is not appearing. Put it on there on the record.

MS TUCKER: Okay. I'd like to know whether individual fire fighters are able to put in submissions to the coronial inquiry and the McLeod inquiry. I understand that, in fact, there's a direction that submissions to the coronial process only go from the senior person representing Emergency Services. I want to know if that's correct.

Mr Tonkin: I can tell you that, in relation to the McLeod inquiry, any citizen, any interested person, can make a submission to the McLeod inquiry. They're all members of the public.

MS TUCKER: So it wouldn't be accepted if there was a direction—

Mr Quinlan: Can we allow Tim Keady—

MS TUCKER: Mr Keady could be able to answer that, yes.

TIM KEADY was called.

Mr Keady: Good afternoon. I am Tim Keady, Chief Executive of the Department of Justice and Community Safety. I'm sorry, I didn't quite catch the full question. I think it's something about a direction?

MS TUCKER: Can you confirm that the firefighters have been directed not to put in individual submissions to the coronial process?

Mr Keady: I know nothing of the kind.

THE CHAIR: Sorry, you know nothing of the kind, or nothing of the kind has occurred?

Mr Keady: No. Unless something has occurred that I know nothing of, first, I know nothing of the kind, and second, I would regard it as being completely inappropriate for any such direction to be given. It's been made very clear, I think, that the McLeod inquiry is open to anybody who wishes—

MS TUCKER: And the coronial—

Mr Keady:—and the coronial inquiry. The coronial process is a judicial process. It has advertised for submissions. Anybody, including a firefighter, who feels that they have something relevant to say to either inquiry is quite free to approach them and to provide information about things relevant.

MS TUCKER: From within the fire brigade as well?

Mr Keady: They'll be absolutely nothing done by the administration to dissuade them from doing so.

MS TUCKER: Thank you.

MS DUNDAS: Under the CTEC appropriation, do you have any figures on what the downturn in business in the ACT was in one month?

Mr Quinlan: It's only anecdotal, but we've had some claims of 50 per cent drops and things like that. That's it.

MS DUNDAS: A total of \$430,000 for anecdotal evidence.

Mr Tonkin: The answer is that there was a drop-off of between 50 and 90 per cent of bed nights. The lower cost accommodation areas did quite well in the immediate response because people were being accommodated there, but there have been

cancellations of school parties owing to the unhelpful activities of the Victorian Education Department and so on. There's been a big falling off, and part of this program is to try and recover the ground.

MS DUNDAS: Is it actually more an expected future downturn?

Mr Tonkin: No, it's current. There's a clear current downturn in tourism and visits to the ACT, as there is a downturn in participation by members of the Canberra and Canberra region community at regional tourist facilities. Cuppacumbalong, Lanyon and places like those might have fallen off the face of the Earth for all the people visiting them. People have stopped going to things and they must to be encouraged: they must be told that these places are still there, in full functioning order, and people ought to go and visit them, as they used to.

MS DUNDAS: I think it's going to be worth around \$430,000 all up for tourism. Do you have any idea how that's likely to be spent? Is it a targeted ACT campaign or a regional campaign?

Mr Tonkin: It's a campaign that has been targeted at—wait until I read my notes—it's targeted at the ACT, it's targeted at our normal drive-connected areas, such as Sydney, New South Wales and even Brisbane. It's aimed at our normal catchment area for tourism. It has funding coming from the existing CTEC budget, from this supplementation, from the industry and so on.

THE CHAIR: If CTEC is redirecting \$450,000 from its existing budget, what goes?

Mr Tonkin: That I can't tell you. I think what goes is—is it money we had for the car race.

PETER GORDON was called.

Mr Gordon: I am Peter Gordon, from the Chief Minister's Department. CTEC has an annual major autumn campaign. It's one of the biggest promotional times of the year. That autumn campaign has been significantly reoriented towards building on the attraction of Canberra and its region in autumn, but focusing specifically on encouraging people to visit through the recovery period.

MS TUCKER: Will there be a focus on trying to get the school groups back?

Mr Quinlan: Of course. There have been letters flying and Garry Watson is working on it.

Mr Tonkin: Garry does a fabulous job. We get over 150,000 school kids a year and we want to maintain that, not only because it is a great national thing to do, but because their economic effect on the territory is between \$6 million and \$10 million.

THE CHAIR: The repeat visits are good as well. What contact has been made with the federal government and what's the response so far? Have they chipped in?

Mr Quinlan: No. I've met with Joe Hockey on this specific topic. We reminded him that the Commonwealth fed something like half a million into the south coast and half a million into the Blue Mountains after their disasters of a year or so ago. The response we have had so far is, "Put it on the list of things that Jon Stanhope will be presenting to John Howard in response to John Howard's line, 'Let me know what we can do over and above'." So it will be included in that.

I do expect that there will be some consideration given by the federal government to that call. Whether it is as high as half a million, I don't know. I can put it in the context of the fact that the federal government gave us a half a million towards our bushfire appeal, when we lost something close to 500 homes, and to the Sydney bushfire appeal, where they lost 86 homes, it gave \$1 million.

THE CHAIR: I understand that was matching state government funding at the same time and, of course, the federal government has given us \$500,000 against a \$100,000 donation to the fund from the ACT government.

Mr Quinlan: It is not \$100,000 because we've just talked about another \$450,000 that Mr Gordon explained will be directed to this campaign. We will be contributing to it, it will be taxpayers' money and it will be going towards a post-bushfire tourism push.

THE CHAIR: When will that list go to the Prime Minister? Is that dependent on insurance?

Mr Quinlan: It's not within my purview but, yes, that's a soon job. Let me tell you, I'm jumping up and down about that one myself, because—

THE CHAIR: The last time we heard soon, it was the next day. Is this soon a next day, next week or next month one?

Mr Tonkin: It's my sort of soon.

THE CHAIR: A specific question is to you then, Mr Tonkin, is this a next day, a next week or a next month soon?

Mr Tonkin: I think soon is a very appropriate term.

THE CHAIR: Perhaps you'd like to qualify it a little bit more?

Mr Tonkin: No.

THE CHAIR: I'm sure you wouldn't. Perhaps you will qualify it a little bit more.

Mr Tonkin: No.

THE CHAIR: I mean it's a reasonable question to ask when such a—

Mr Tonkin: Soon. I would hope within the next week.

THE CHAIR: Within the next week, thank you, Mr Tonkin.

Mr Tonkin: I said, "I would hope within the next week." Quote me correctly.

Mr Quinlan: I think it has to happen that way, quite frankly, because no matter how big the disaster, and how gut-wrenching the effects might be, they still fade.

Mr Tonkin: Clearly, we want to do it. It's a matter of making sure we make the best bid.

THE CHAIR: Should we move onto Health and Community Care? The Health Department cannot attend today and it has provided some answers. Why don't we move on to JACS and we'll get to Urban Services when those officers arrive.

Clearly, JACS has borne a big part of the face-to-face effort in fighting the fires. Of the immediate response money, \$1 million has come from the Treasurer's Advance and \$1.7 million is being requested here in the budget. How much of that is recoverable from either the insurance or the NDRA?

Mr Keady: I don't think it's possible, as yet, Mr Smyth, to calculate that. The figures you see there won't be the sum total of our costs. For example, we're still waiting for details to be given to us from the interstate units that came into Canberra and who not yet in the position to tell us what they'll be claiming from us. When those costs are known, they'll be added to the direct costs of which we're aware, and the Treasury will no doubt negotiate then with the Commonwealth to find out what would fit in with the NDRA requirements. So far as insurable cost is concerned, most of that cost goes to the direct firefighting effort. I don't think much of that would be recoverable. It's not damage, it's operational costs.

THE CHAIR: Much was made of the operational costs, indeed claims were made that up to a million dollars a day were spent. Clearly, 1 and 1.7 is about \$2.7 million for a period of two or three weeks. Is it possible to give us a breakdown of the day-to-day costs?

Mr Keady: We're still getting some of those costs in, as I said. We expect to be paying a substantial amount for the attendance of the New South Wales Rural Fire Service, the New South Wales Fire Brigade and the Queensland Fire Brigade. We have none of those costs available to us. We've attempted to get estimates. They're not in a position yet to provide them. The major cost was the New South Wales Rural Fire Service. They're still recovering themselves from their own significant efforts, not just in the ACT, but elsewhere, so they're not in a position to pass on details which are yet to come to us.

THE CHAIR: How long do you expect that to be?

Mr Keady: We are pushing Rose Hill and they're just not able, they say, to give us a figure. We need it as soon as possible. As you can understand, we are very anxious to have it as well, but we're not in a position to answer for them, unfortunately.

MS TUCKER: I'm interested in understanding what this money for the inquests is going to.

Mr Keady: There are at least three groups of costs. Two of them are related to the Coroner's costs. There's a coronial investigation process under way. The Coroner will have counsel assisting and a legal team to assist her. Some of that will be contributed by the DPP, as counsel assisting. Then, separately, there are the costs of the territory in preparing for and responding to the coronial inquest.

MS TUCKER: So part of it's legal costs?

Mr Keady: Yes, mainly, and preparatory costs associated particularly with the Coroner.

MS TUCKER: What percentage of this are you estimating is legal costs?

Mr Keady: Virtually all of those costs.

MS TUCKER: Okay, I'm not being clear. I thought you said that, out of this \$150,000, there was money for the coronial process, but then there was money for legal representation.

Mr Keady: No, I said legal costs. The costs of the legal team assisting the Coroner.

MS TUCKER: So there are no costs here for the legal representation of government officials?

Mr Keady: Not for government officials. The government will be represented by a legal team which will represent the whole of government. There is no provision—

MS TUCKER: So that's not going to be seen here. That's just absorbed into the—

Mr Keady: No, those are the costs for the year ending 30 June this year. I don't even know whether the inquest will be under way by that stage, but the preparatory and investigation phase is well under way.

THE CHAIR: So this money covers the additional costs for the Coroner, over and above what's already been built into the budget, because we assume there's a standing allocation to maintain the Coroner.

Mr Keady: Exactly.

THE CHAIR: You said there is legal representation for the government.

Mr Keady: The territory, that's correct.

THE CHAIR: So the territory has appointed counsel—

Mr Keady: Indeed.

THE CHAIR: —to—I don't want to say defend itself—to represent itself.

Mr Keady: To lead its legal representation, yes. Senior counsel, yes.

THE CHAIR: How much of this money is for the counsel?

Mr Keady: I'll have to take that on notice.

THE CHAIR: If you would.

Mr Keady: Yes, I can give you a breakdown.

THE CHAIR: Would you provide the names of the people in the team of legal counsel?

Mr Keady: I can tell you that. The senior counsel will be Peter Johnson SC, from the Sydney bar.

MS TUCKER: What happens if we have a situation, as occurred in the Gallop inquiry, where you have public servants wanting to actually make representations but take a different view from the general line of the government? Will there be the capacity to support them with legal representation?

Mr Keady: It depends on how the situation evolves. The Gallop inquiry was a separate process. If you go back to something like the Bender inquest, which is perhaps a more apposite example, conflicts of interest developed because the legal interests of individuals diverged from those of the territory. It was in those circumstances that separate representation was approved of, and paid for, by the territory. If that kind of situation develops again and there is a request for separate representation based on

divergence of interest—a divergence of interest is a different thing from somebody simply having a point of view that they wish to express—then the necessity for assistance for that legal representation will be dealt with and assessed on the basis of the circumstances.

If individuals, whoever they are, wish to make submissions to the Coroner they're able to do so, and indeed they're being invited to do so. If those submissions develop to the point where the Coroner may choose to call them to give evidence, they would become the Coroner's witnesses. They would be assisted to that extent by the counsel assisting the Coroner. It's not necessarily the case that anybody who wished to make a submission as an individual, and who may be called, would require personal legal representation.

MS TUCKER: No, I understand that, but that situation of divergent interest could develop.

Mr Keady: It could, and what we can't foresee is exactly how what will be a very lengthy and rather complex process will transpire. We'll have to deal with those issues when and if they arise.

MS TUCKER: Yes, I'm just flagging it because there's the potential for that situation to develop. Is the government going to have legal representation in the McLeod inquiry?

Mr Keady: I don't think so, no. The McLeod inquiry is not intended to be a process involving lawyers, where people appear through and speak through lawyers.

MS TUCKER: I understand that, but what if that weren't the case, and people chose to do that for whatever reason?

Mr Keady: Well, that would be a matter for Mr McLeod.

MS TUCKER: If that were the case, the government would have to make a decision about whether it wanted to fund legal representation. Okay.

Mr Quinlan: Certainly, I can advise the committee that, should the position arise that individual officers of the administration need legal representation, that will be made available.

MS TUCKER: Thank you.

THE CHAIR: What happens now with the conduct of the inquest? You said you didn't expect the formal inquest to start this financial year. Are they in the discovery phase, the pre-inquiry phase?

Mr Keady: Yes. I can't speak for the Coroner, but given the scale of the event and the huge amount of information that has to be collated to prepare what is normally a commencing document, which is the Coroner's brief, that work is substantially under way. I don't know how long it's going to take before the substantive proceeding can get under way. It's quite possible that there will be preliminary hearings well in advance of

that to take appearances, for example, applications for leave to appear and those kinds of early procedural steps, but I don't know when the inquest proper will commence. Given the scale of the work required to prepare for it, I imagine it's more likely to be the other side of the financial year.

THE CHAIR: Is the cost of the inquest something that would be covered by the insurance or through the NDRA?

Mr Keady: Not through the NDRA, I believe. It's quite likely, I think, that some of the cost may be recoverable from insurance, but that's being examined, I believe.

THE CHAIR: All right. I understand the policies will allow us to recover the cost of firefighting?

Mr Keady: I'm not aware of that. I don't know that insurance would normally cover the firefighting effort.

THE CHAIR: All right, we'll ask the authority.

Mr Keady: I think the insurance bill goes to damage and damage consequence.

MS DUNDAS: Just to clarify, in the coronial process, how much of this \$150,000 is going to support the Coroner, and whatever that amount is, why couldn't it have been met within the Coroner's normal budget?

Mr Keady: Because the nature and scale of this inquest—I don't know if it is unprecedented—is certainly a very unusual event in the ACT legal calendar and in the experience of the ACT courts. There will have to be external counsel appointed as counsel assisting, for example, which will be an extraordinary expense and, given the likely duration of that person's involvement, will be quite a considerable expense. Normally, in an inquest, the role of counsel assisting is performed by one of the lawyers who works for the DPP. On this occasion, I understand it is intended that external counsel will be engaged, because the DPP is not able to devote the time and attention to it and still run his office. That's an example of one of the expenses there.

There would also need to be others assigned, lawyers who would probably come out of the DPP's office, solicitors to assist counsel over the period of the inquest. Those people will have to work, I would imagine, full time on this task and the DPP at some stage would have to backfill those positions, so there's an accumulation of expenses. It is likely that there will be other administrative expenses associated with this process.

Given the sheer magnitude of the documentary record that will be accumulated, and the need to manage things like inquest transcripts and so forth—I know that it is intended to develop an IT support base, which would use specialist software to help with all of that, and which would then also be available to parties appearing—those kinds of costs will accumulate. Some of them we probably wouldn't be able to identify fully until this process is fully under way. Those are just examples of some of the costs that the Coroner will bear.

MS DUNDAS: Just to pick up on the point in terms of the entire appropriation for JACS, you haven't yet figured out what the sum total of the extra additional costs for JACS is going to be, so this—

Mr Keady: That's only for this year, remember. This inquest will be substantially in the next financial year and those costs are not being calculated or included in that provision.

MS DUNDAS: You also mentioned, though, that the figures for the immediate response have not yet come in from New South Wales.

Mr Keady: That was in respect of the coronial inquest.

MS DUNDAS: Yes.

Mr Keady: Okay.

MS DUNDAS: Moving back, though, where would then any extra money come from to meet those costs that you have not yet determined?

Mr Keady: We'll take that matter up with the government when those accounts are received. We have flagged that we are unable at this stage to provide figures for the costs of those interstate involvements, because those interstate elements aren't able yet to provide us with the figures.

MS DUNDAS: Treasurer, do you have any idea? JACS can't find any additional funds in its budget, even with the extra \$2.7 million, to meet those extra costs? Are we looking at a third appropriation bill or are we looking at more use of Treasurer's Advance? How is the government going to meet all these unforeseen costs?

Mr Quinlan: I would say that it is more likely to be Treasurer's Advance than a third appropriation, but it depends on the magnitude of any other emerging costs associated with this event. One of the reasons we didn't write off the whole Treasurer's Advance and not bring forward Appropriation Bill No 2 is that we need scope to do that, and an appropriation bill does take time and a process. We're in the middle of it right now. There are a lot of people in the middle of it right now. When the costs come, they have to be met. These are costs visited upon us by circumstance and the answer is whatever it costs, that has to be met.

The services we've received, we've received at very low cost because they're mainly volunteer services. At the same time those people have to be fed and housed, and there are consumables involved in the process and it does cost a lot of money. When we get the bills, we'll get them in. I refer to the speech that I made in the house in presenting the Appropriation Bill, when I said that, in other jurisdictions, sometimes it has taken up to three years to finally sign off and say, "That's what the disaster cost." There will be some elements of that, in this process, but let's hope that it's a rapidly diminishing process and that we can absorb the costs that tail off.

We still won't know for some time exactly what we're going to get out of insurance, and we won't know exactly what we're going to get out of national disaster recovery arrangements, because there will always be elements at the margin. We've already discussed some of them today.

THE CHAIR: The figure that was being touted for the cost of fighting the fires of \$1 million a day is rapidly dissolving now?

Mr Quinlan: It sounded a big figure at the time, didn't it—a bit of drama.

THE CHAIR: A bit of gilding the lily, perhaps.

Mr Quinlan: I don't know. If you added up all the costs, I'm sure it was costing a million a day, but whether it was costing an additional million a day, I don't know.

Mr Keady: There are some potentially big ticket items to come from interstate, for example, the amount of aviation that occurred in the ACT for a considerable period of time, which was formally engaged by New South Wales. What we don't know is how much of that cost is going to be passed on to us, because some of that aviation was to fight fires in New South Wales, and then they came into the ACT. They may choose not to pass on that cost.

THE CHAIR: A large percentage of that is recoverable from the NDRA, is my understanding.

Mr Keady: I'd imagine so. Once it is over the threshold, that's true.

THE CHAIR: Once you cross the 4.7 and, when you cross the 8.3 threshold, the federal—

Mr Quinlan: I don't think anybody said it was a net \$1 million a day.

MR CHAIR: Thank you for the clarification, Treasurer.

Mr Tonkin: You might recall the degree of activity going on.

THE CHAIR: Perhaps we might move on to Education, Youth and Family Services. Treasurer, could you give the committee an update? Have all the \$5,000 and \$10,000 grants that were made available to affected individuals been given?

Ms Smithies: I understand that 475 have been given to date, and there are a number that are in dispute at the moment.

THE CHAIR: Can you tell us how many were for the \$10,000, what the breakdown was and how many are in dispute?

STEPHEN TREGEA-COLLETT was called.

Mr Tregea-Collett: I am Stephen Tregea-Collett, from the Department of Education, Youth and Family Services. We're still waiting for the Insurance Council of Australia to come back to us with the figures that show who is not insured before we can pay out the extra \$5,000.

THE CHAIR: At this stage, how many have picked up \$10,000 rather than the \$5,000, and how many are in dispute?

Mr Tregea-Collett: Nobody has been approved for it yet, because we do not have the evidence that they're not insured.

MS MacDONALD: So all the grants that have been paid are \$5,000 grants, with the additional \$5,000 pending.

Mr Tregea-Collett: That's correct. We've done it as a two-stage process: we're not waiting for the first \$5,000.

THE CHAIR: So everyone who was affected and is eligible for the first \$5,000 has received that.

Mr Quinlan: If they've applied for it.

THE CHAIR: If they've applied for it.

Mr Tregea-Collett: Yes.

THE CHAIR: And we're now awaiting the approved list of who was not insured from the Insurance Council of Australia, so that those people may receive the additional payment.

Mr Tregea-Collett: That's correct.

MS MacDONALD: Are you expecting more people to apply for those \$5,000 grants?

Mr Quinlan: You wouldn't expect there would be many, would you?

MS MacDONALD: No.

Mr Tregea-Collett: There shouldn't be many more.

Mr Quinlan: The books aren't closed.

THE CHAIR: The evacuation recovery centres and things like the repairs and maintenance—are portions of those picked up by the insurance or the NDRA?

Mr Tregea-Collett: The repairs and maintenance form an accumulation of amounts that is below the threshold of \$25,000. It is made up of the removal of trees from a school ground and the replacement of sandpits after a horse was located in a preschool.

Ms Smithies: The work of the evac centres will certainly be picked up. The evac centres will be picked up through the NDRA. There may be a slight dispute about some of the repairs and maintenance.

MS MacDONALD: How many schools are we talking about?

Mr Tregea-Collett: It's mainly the two or three schools located in Weston Creek, so it's very few.

MS MACDONALD: And that's public schools only?

Mr Tregea-Collett: That's government schools. We've made some offers of temporary accommodation to Orana, which weren't taken up, but it's only public schools.

THE CHAIR: Right. Why do we have things that fall below the threshold? Is there not one insurance policy that your department has with the Insurance Authority, or are there a number of insurance policies and each has a separate threshold?

Mr Tregea-Collett: The threshold applies to each individual school in the insurance policy.

Mr Tonkin: There was a question asked about the request for grants. I have a little bit of further information. The relief grants assessment team has received around 700 applications. \$2.35 million has been paid to 475 applicants. It's estimated that 100 applicants may qualify for the second payment, subject to the insurance advice. 190 applicants do not currently meet the selection criteria. Some people who don't meet the criteria are applying for assistance. The balance of cases are waiting for additional information so that the assessment process can be completed. That's the full readout.

The other point we would make is that we are moving towards setting up an appeal arrangement, so that people who are not happy with the outcome have a mechanism by which to appeal the decision to an independent party.

MS MacDONALD: Can you explain, where people miss out on the criteria, what those criteria are?

Mr Tonkin: I can't explain it, but someone else might. Barbara?

BARBARA BAIKIE was called.

Ms Baikie: I am Barbara Baikie from the Department of Education, Youth and Family Services. I understand that some of them didn't meet the criteria because they were businesses when the grants were for individuals. That is the sort of thing.

MS MacDONALD: Okay.

THE CHAIR: Has the Insurance Council given you an indication of when they might have the numbers, or the addresses?

Mr Tregear-Collett: Not that I'm aware of.

Mr Tonkin: Sorry, if I read the brief I'd be better placed.

THE CHAIR: You can table a copy of the brief.

Mr Tonkin: No, I'm afraid that it's illegible. That's why I'm having some difficulty with it.

THE CHAIR: Perhaps I can help you. I've got stronger glasses.

Mr Tonkin: A most kind and generous offer, but I think these will suffice. Official reasons for rejection are that houses were not the principal places of residence, and that houses were deemed habitable by PALM—if your house is habitable you have a house. If there are two or more householders—someone's a house sitter, a boarder or lives in a self-contained flat—these are issues which have to be subject to further consideration, because there are some zones of anomaly which we do want to explore a bit more carefully.

MS TUCKER: There's some flexibility there because I know there was a person who was actually minding the life possessions of a friend, and they were all burnt. That person was obviously affected by the fire, but didn't seem to fit anywhere.

Mr Tonkin: The person whose possessions were being minded.

MS TUCKER: The person whose possessions were all lost in this house.

Mr Tonkin: Well, there are issues such as this. As we discussed the other day—was it only yesterday? I've forgotten—in the task force meeting, if people had stored their possessions at home with their parents while they were going overseas, unless they specifically notified the insurance company, they were not covered. One of the things we're finding as we work our way through the details is the deficiencies or the cunning running of some insurance policies.

Part of the lessons learnt process that will go on will be bringing those out so the public understands where the pluses and minuses are in such things, and who is being more cooperative than others. We will look actively at that as part of this process but, if you

set up any criteria, you are likely to have people falling outside the bounds. It's a matter of having a process, and having a process of fair and reasonable review, which is what we'll be seeking to establish.

MS MacDONALD: You mentioned the issue of the boarder—

Mr Tonkin: Yes.

MS MacDONALD: —possibly falling without.

Mr Tonkin: A boarder is part of the household.

Mr Quinlan: The \$10,000 was actually intended for a household to put itself back together. It's not as if, if you're there, you get \$10,000. It's about restoring utensils and basic necessities—it does include clothing and that's an individual thing. It's about a minimum amount that you would need to be a functioning household again. Then, of course, a lot of people say, "I was living there", when they were in group houses, but individuals would say, "I'm applying as an individual." There's an equity question as to whether we're looking at allowing the re-establishment of a household as opposed to giving every individual who can identify themselves \$10,000 because they were there.

Mr Tonkin: It's only a small number of cases.

MR QUINLAN: We would like to do the second, but you have to be a little bit dispassionate about this.

Mr Tonkin: There's only a small number of cases, so it's a matter of working each of them through I think.

MS DUNDAS: Where will the review process sit, or the reviewers?

Mr Tonkin: Alan, you have a go at this.

MR QUINLAN: Not in Treasury.

Mr Thompson: We're intending it to be an arms-length review process.

MS MacDONALD: Would you come back to the table?

Mr Tonkin: It's an arms-length review process. It'll be an external eminent person. I've got a list. There's a list of people who will probably regret they ever asked whether they could be of assistance.

MS DUNDAS: You're going to get all the eminent people in Canberra with this process.

Mr Tonkin: There are these phone calls saying, "Glad you've mentioned this to me. We would like you to do x, y or z." The aim is to get someone who's outside government, who's identifiable and respected in the community, to run a process.

People could appeal these things through the AAT, but the time and the cost of going down that path makes it silly. We want a robust, demonstrably fair, rapid process.

MS DUNDAS: Secretarial support then for this?

Mr Tonkin: Alan Thompson just volunteered to provide that through the task force, no doubt funded by Chief Minister's.

MS TUCKER: Are you saying that there's no way you can appeal the decision?

Mr Tonkin: You can. That is the appeal.

Mr Quinlan: No, we're setting up the appeal process.

MS TUCKER: Right, okay.

Mr Tonkin: We're setting up an appeal process. What we're saying is that, rather than requiring people to go through the AAT—

MS TUCKER: I see, sorry. I misunderstood.

Mr Tonkin: —we're trying to get a process which the Assembly and others would say is a fair, clean, quick process.

MS DUNDAS: Are you working out how the task force will run both the initial process and the appeal process secretariat?

Mr Tonkin: We can keep that separate. That's not too hard, even if it has to sit within Chief Minister's. I don't mind. The functional responsibility for recovery is the Chief Minister's, but the people making these decision are at arm's length from my department. They're under the task force secretariat, which has its own chief executive. If we set the appeal process outside that arrangement that would be easy enough to demonstrate. What you want is someone to make the decision who has had no part to play. Normally, you would do that internally in the department: it's made at level A and it's reviewed at level B.

MS DUNDAS: What is the timeframe for the establishment of this?

Mr Quinlan: Soon.

Mr Tonkin: I think we'll use a bigger word this time—imminent. The eminent persons will imminently be appointed.

MR SMYTH: Shortly.

MS TUCKER: I have one more question on this one. The last dot point says there is money for additional clean-up, repairs and maintenance costs for schools and so on. I'm

aware that Duffy Primary School, which you know set up the community response centre, incurred some costs doing that. Is it going to be assisted with those costs with this money?

Mr Tregea-Collett: Again, as with many of the estimates, this is only what we received up to the time that the Appropriation Bill was put together. If Duffy requests extra assistance from the department, it will be considered.

Mr Quinlan: Was it Duffy school or just Duffy residents which set up—

MS TUCKER: No, Duffy Primary School actually opened up the school and used it as a community drop-in. It used its own resources to do that.

THE CHAIR: It ran continuous barbecues and morning teas.

MS TUCKER: A lot of that was donated too, but it did incur costs and it would like not to have that coming out of its budget for the school year. Perhaps you could follow that up.

Mr Tregea-Collett: We have certainly asked all the schools to give us a list of their extra costs associated with the bush fires.

MS TUCKER: Okay, thanks.

THE CHAIR: Perhaps we'll move on to Urban Services and Forests, although I note they haven't arrived.

MS DUNDAS: I have a quick question on ACT Forests, if we can.

THE CHAIR: All right, let's do Forests then.

MS DUNDAS: The money being appropriated is for costs such as plant and equipment hire. Was that to replace equipment needed that was destroyed or for equipment that we just didn't have?

Mr Quinlan: I'm not sure, but what you have is a requirement to harvest harvestable burnt trees within a short space of time.

MS DUNDAS: So there's extra equipment needed?

Mr Quinlan: I'd presume that because it is equipment hire, but it's only a presumption, so I'll get that confirmed. This stuff is going to last three months and then it's useless, so it either has to be harvested and milled or harvested and stored, which is effectively dropped in a pond, or sprayed continuously.

Ms Smithies: Actually, I think it's more—

THE CHAIR: This is more fire fighting, isn't it?

Mr Tonkin: This is just fire fighting.

Ms Smithies: Yes, this is just for the immediate response. This is \$35,000.

Mr Tonkin: This is just hiring stuff.

Mr Quinlan: Right.

Mr Tonkin: They might have hired the odd generator or something. It's that scale of material.

Ms Smithies: It's \$10,000 for repairs and maintenance. It would probably be more accurately described as not necessarily plant hire, but consumables and repairs and maintenance.

MS MacDONALD: So it is replacing equipment that was destroyed?

Ms Smithies: Replacement of uninsured damaged parts, including antennas and tyres, damage to tankers saved from the burning Stromlo depot, and so on. Estimates include chainsaw fuel and oil. There is \$10,000 for repairs and maintenance, \$20,000 for overtime and \$5,000 for fuel. Again, it's just during the event.

THE CHAIR: It does seem very small against—

Ms Smithies: This is heavily qualified by the fact that they've actually lost all of their financial records, so all of these are actually estimates based on what they can come up with.

THE CHAIR: It does seem extraordinarily small against what JACS has asked for. Urban Services has asked for an immediate response of \$1.3 million.

Mr Quinlan: The forestry operation itself is fairly small.

Ms Smithies: And a lot of it will be coming back on insurance.

MS DUNDAS: Was it equipment that we might have had once, but sold off with the downsizing of ACT Forests and now need again?

Mr Tonkin: No, this would simply be the stuff that was knocked around while they were fighting the fire. You shred tyres on stumps. I'm sure the chair of the committee is—

MS TUCKER: Are they not covered by insurance?

Ms Smithies: Not below a certain threshold.

MR SMYTH: There were numerous tyres shredded every day.

MS TUCKER: What about the fire engines, the tankers and pumpers that were actually burnt in the fires. Are they just covered by insurance?

Ms Smithies: Yes.

MS TUCKER: So we don't have to have money for that.

Mr Quinlan: Hopefully.

Ms Smithies: Yes.

THE CHAIR: I note the call centre is now costing us \$200 million. I assume that's a—

Mr Tonkin: \$200 million.

THE CHAIR: I assume that's a typo. I know you're committed to service, Treasurer.

Mr Quinlan: There were a lot of people there.

Mr Tonkin: What they did was probably worth it.

THE CHAIR: There goes your budget—the call centre budget.

Mr Tonkin: We were trying to get it recognised.

Ms Smithies: \$200,000, yes.

THE CHAIR: Yes, I suspect it's probably \$200,000. Looking at Urban Services and the reconstruction assessment, you have some of your plans there: a building approval process with the capacity to review land management and urban design issues. Are they picked up by the NDRA in studies that are done as a consequence of a natural disaster?

Mr Quinlan: These aren't studies, these are activities.

Ms Smithies: In large, they won't be.

Mr Tonkin: We could say that, in general terms, we're going to give it our absolute best shot in terms of how we're going to seek funding, and we're getting very good help and assistance from the Department of Transport and Regional Services as part of that process.

Mr Quinlan: Part of the Jon to John letter, after Howard said he would—

THE CHAIR: Do whatever, yes.

Mr Quinlan: —yes—will include a request that they consider all of the inclusions in claims under the NDRA with the degree of sympathy that they deserve.

THE CHAIR: The hazard reduction of \$280,000. How much hazard reduction is going to be done by the end of the year, and will this be over and above what was planned?

Mr Tonkin: As I understand it, this was the immediate response by CityScape, and others, chopping down—

THE CHAIR: This is for things that have already occurred?

Mr Tonkin: This is for the things that have occurred.

Ms Smithies: This is the immediate tree-felling in rec areas, camp grounds and adjoining areas, yes.

Mr Thompson: This is overhanging burnt trees, preventing the stuff from falling on roads, that sort of thing.

Mr Tonkin: General advice provided.

MS MacDONALD: I guess this wasn't normal, but stepped-up hazard reduction, that would have been part of the normal bushfire fuel management plan?

Mr Tonkin: No.

Ms Smithies: No.

MS MacDONALD: Is it stuff that's already burnt out, as well?

Mr Tonkin: It was a response, at the time of the fire and immediately after the fire, to deal with things such as burnt-out trees hanging over the parkways, trees in public places which were a danger to the public, and organising the removal of the trees that the public in general, helpfully or not helpfully, chopped down.

THE CHAIR: Perhaps we're confusing the words "hazard reduction" with "fuel reduction", and these are hazards that occurred—

Mr Tonkin: These are hazards that occurred on the day or over the week afterwards.

Ms Smithies: That's right.

MS MacDONALD: Okay. I was also looking at creating clearings and containment lines.

Mr Tonkin: That was again part of the firefighting process, in other words, being out there with graders and stuff, doing the things that we were doing on the ground in the mountains and the rural areas of the urban fringe.

MS MacDONALD: Going back to hazard reduction again, as well as things such as roads, it would also include things such as bike paths and so on, where there might be a public liability problem?

Mr Tonkin: If we could find them and deal with them, yes.

MS MacDONALD: Okay. I know of one.

Mr Tonkin: Please let us know. Get onto the appropriate person.

MS TUCKER: Thanks. I have a question about the restoration works. I'm assuming that that is ongoing, and is not just about what happened at the time. I just want to draw your attention—and I'm hoping that people are already well aware of it—particularly to the containment lines and the roads that were bulldozed at the time of the fire, because some of them are now eroding seriously. It's a major issue.

Mr Tonkin: Yes, a briefing has been provided to the task force already by Environment ACT. Environment ACT has already commenced working out the best method of prioritising remedial work, particularly for those areas that are subject to erosion.

MS TUCKER: Yes. Stockdale Drive and that area is a real mess, already.

Mr Tonkin: The priority for Environment ACT has been up in the Brindabellas, where the greatest risk of erosion is. The area that's outside Belconnen is not on the same degree of slope and stuff, but there are very big roads which were pushed through the mountains as part of the firefighting earlier on.

MS TUCKER: It's going to be a problem anywhere if it isn't done urgently, whether it's Stockdale or elsewhere. I take your point that some bits are more urgent and are steeper and more dangerous with regard to erosion, but it's going to cost us more in the long run if we don't do it now.

Mr Quinlan: Well, that's part of it. We discussed earlier the study on non-urban land and where we are going. That's necessary to get this done and make some decisions, because land has to be managed no matter what. Even if we said we'll use that one day for something, it has to be managed now for weed control, for erosion, and so on.

MS TUCKER: Yes, weed control and ferals.

Mr Tonkin: Yes. I'd expect that the \$550,000 you see there in the first sub-paragraph is for those sorts of purposes.

MS TUCKER: Yes, I just hope it's enough, that's all. I make the point which is obvious—it's going to cost us more later if we don't do it now.

THE CHAIR: That's a question. Is the estimate of almost \$1 million for the start of the restoration work or for what the restoration will cost?

Mr Quinlan: We're going through the budget round now, Mr Chair, so I'd just ask you not to encourage the people over on my left to make further bids.

MS TUCKER: Does it mean that we need to get more staff in right now? Is that what this money means? Are you employing more people because there has to be this intense restoration program? What's this money doing?

Mr Tonkin: Again, I came back to the point that my reading of it is that the remediation and stabilisation \$550,000 under immediate response is partly to do that as well. Then you have the restoration works.

Mr Thompson: I am Alan Thompson, Chief Executive of the Bushfire Recovery Task Force. It's my understanding that the funds that are there are primarily focusing on restoration of the unleased lands—Namadgi National Park and those areas. A lot of it will actually probably go to plant hire again, because we cleared very significant containment lines mainly around the Bendora fire, and now we need to go back in and assist regeneration on those lines. That will involve more earth moving. We'd hope it can be done sensitively.

In some places, it will be used to create diversions to drainage lines, so that you don't get the erosion straight down the path of the cleared line. A lot of it is to re-rip the soil so there will be natural regeneration. In the main, that will involve hiring plant. It's not so much more staff, it's more plant plus operators to get the process running.

There is the separate issue of the road around Belconnen, which I don't believe is covered by those funds.

MS TUCKER: Which road?

Mr Tonkin: The firebreak.

MS TUCKER: Are we talking about around Stockdale Drive? So that's not covered by this?

Mr Thompson: I don't believe so. A lot of that was pasture and it will just regenerate itself.

MS TUCKER: But it's eroding.

Mr Thompson: In parts, I'm sure you're right, but I'm saying that a lot of it will naturally regenerate on the gentle slopes. There is some work to be done in fence restoration there and, in the steeper parts, a similar process of earthworks to minimise the erosion risk.

MS TUCKER: Where does the money come from for that?

Mr Tonkin: It might be easier if we take those details on notice, given we don't have the people here to answer those questions.

MS DUNDAS: Do you understand the question?

Mr Thompson: We're very aware of it as an issue and we've been working on it literally in the last couple of days. I don't believe it was loaded into that allocation which, as I understand it, is primarily about public land restoration.

MS TUCKER: The rural areas, yes. Okay.

MS DUNDAS: Has a decision been made about the need for a permanent firebreak?

Mr Quinlan: Are you talking about the urban fringe again?

MS DUNDAS: I am and we've already got the so-called road.

Mr Quinlan: We've already canvassed that.

MS DUNDAS: Is it going to be maintained as a firebreak or regenerated to such a point that, next year, we'll do it again?

Mr Quinlan: That's the little parallel study under Mr Corbell. He's looking at the urban fringe and what's the most sympathetic and appropriate urban buffer or fringe that we might have. So many Canberrans are afraid that we're just going to have some barren space between ourselves and the trees and the bush, which they originally specifically moved towards. There'll be judgments made at the end of that study, but there won't be a perfect answer.

Mr Thompson: If I could just talk about that firebreak, Ms Dundas. If you take Belconnen, under normal weather conditions, having grassy paddocks all around Belconnen is an absolutely perfect way of dealing with fire. We had such extraordinary conditions four or five weeks ago that even grass was burning in a way that nobody had ever seen before. Then we have this bare earth policy, but that's not sustainable in the long run for the very reason of erosion. It simply won't last. I think we're better off to regenerate it, and then if we get another extraordinary event we go back to ploughing to bare earth again. Hopefully, that won't be for 40 or 50 years. In the mean time, the other options, such as a concrete freeway around the edge, probably aren't very palatable.

MS DUNDAS: You need to put Gungahlin Drive somewhere.

Mr Thompson: Yes, it could be another way of doing Gungahlin Drive. For areas such as Duffy, it's probably worth reflecting that, along Warragamba Drive, in conventional terms the view would've been that we had an adequate firebreak. It was 70 to 90 metres all the way along there, and yet it was not adequate on the day.

THE CHAIR: It certainly wasn't, and neither was Tuggeranong Parkway, if you're looking at building expressways around the place.

MS DUNDAS: Will that be covered in the review of land management and urban design issues that is picked up under the reconstruction assessment appropriation—breakdown sorry—

Mr Thompson: No.

Mr Quinlan: That's Mr Corbell's lot.

Mr Thompson: The urban fringe stuff would be part of the spatial planning process.

MS DUNDAS: So there's not extra funding for that?

Mr Quinlan: No.

Mr Thompson: No.

MS DUNDAS: So is this extra funding, \$178,000 for the review of land management and urban design issues, just rebuilding or is it looking at the broader issues?

Mr Quinlan: It's reconstruction, isn't it?

Mr Tonkin: Some aspects of their contribution will be for that, because issues such as the design of the urban fringe, landscaping and such will come into that study, so that money will partly assist that study. The existing capacity of Planning and Land Management and other agencies will partly contribute to that. The aim in this appropriation is to bid for the extra that is needed. There's an awful lot of work going on in responding to the bushfires and so on that is being done within the existing capacity of agencies, right across government.

MS DUNDAS: So the money for the review of land management and urban design issues is partly going to assist the study on the urban fringe. What's the other part doing?

Mr Tonkin: It's part of the response to the issues being raised on a case-by-case basis by the individual householders.

MS DUNDAS: The individual house rebuilding?

Mr Tonkin: It's a question of how you can help people about the design issues and so on. It's very hard to generalise. You really have to take a lot of people's concerns step by step and say, "What are the needs of these areas?" We do want to look at issues about landscaping and stuff like that.

MS TUCKER: Improving energy efficiency.

Ms Smithies: Fire hazard reduction building.

Mr Tonkin: It does merge in. Unfortunately, there are no clear lines you can draw down here and say, "This is on one side of the activity and this is the other." It won't work.

MS DUNDAS: I just want to understand what that activity is.

Mr Tonkin: We can seek some further—

Mr Thompson: When I look at it, and I haven't read the words carefully, the spatial planning process had been funded, but I think this will enhance its capacity to deal with some of the new issues that have come out courtesy of the bushfire. In the end, a fair bit of that money will manifest itself in components of the spatial planning, but it's the bits we didn't expect to have before 18 January.

Ms Smithies: That's right.

MS TUCKER: I have some questions on housing. Can you just remind me again, how long is the task force in place for?

Mr Tonkin: Presently the task force and its secretariat is in place until the end of June. It's funded until that point. As we approach that date, the government will give consideration to how much longer it needs to continue and at what scale.

MS TUCKER: Thanks. When we had a briefing from the task force, Mr Hollway outlined the potential, potential only, for the need within a few months to deal with something of a crisis in accommodation. There could be a recommendation from that task force about building some kind of medium-term accommodation for people.

Mr Tonkin: Yes.

MS TUCKER: Have you taken that into account? You haven't here.

Mr Tonkin: No.

MS TUCKER: I'm interested to know why not.

Mr Tonkin: That's something which we would expect would occur primarily in the new financial year. As was said in the presentation at the briefing, we do not know whether there will be a requirement or not.

MS TUCKER: Yes.

Mr Tonkin: The best advice that we have so far is that it is likely not to be so.

MS TUCKER: Right.

Mr Tonkin: There is a question about that. Some of the advice we're getting from people in the building industry is that, by the time you organise and build medium-term transportable accommodation, the requirement is no longer there, so you end with a village of 100 transportable houses and nobody to put in them.

MS TUCKER: Okay, I didn't realise he was talking transportable.

Mr Tonkin: Whatever the response is.

Mr Quinlan: Whatever you do in the medium term.

MS TUCKER: You could build something that we could use later for people who need exit options from SAAP services. We could keep using them. It's okay.

Mr Quinlan: Yes.

MS TUCKER: It would deal with the immediate problem.

Mr Quinlan: You could ask whether we are now going to build permanent homes now.

MS TUCKER: Yes, there's a question about how we could accommodate the crisis at the moment, to which Mr Tonkin was alluding. That could be there for people who are

still staying with friends and families and it's not sustainable. You could actually link the other needs that we've identified in terms of transitional accommodation for people who are struggling in the community, that is, exit options for SAAP services.

Mr Quinlan: Build a ghetto.

MS TUCKER: No, we could do it well, Mr Quinlan. This is something you could integrate—

THE CHAIR: Do you want me to defend you at this stage?

MS TUCKER: You could bring that into the thinking. If there became a need for some kind of medium-term accommodation, it would be really important to link that with other identified needs in our community, the use of which can be ongoing.

Mr Quinlan: Quite obviously, there are people looking after others and that's an arrangement that won't last forever. I think the task force is quite aware that—

Mr Thompson: The really important bit of work that's approaching completion now is a survey we've been doing of a reasonable-sized sample. I think it's 400 of the affected households. We've been doing that as a telephone survey. Most of the phone contacts, in fact probably all, are complete now. We're hoping for results to be available next week. Essentially we are trying to get a feeling from those people about what their current situation is, whether it is viable for three months, six months or 12 months and, if not, what plans they have.

We do not have any final results from that. We have some very preliminary anecdotal stuff from the company doing it that indicates that some people will come under a lot of accommodation pressure. There will be, to some extent, pressure on the government to find solutions for those people.

We don't think the construction camp model is the right one. It might be, for example, though, that we involve ourselves in a head leasing deal, where we make use of some properties coming onto the market. There might be some medium-density accommodation somewhere that we then make available for people who've been affected by the bushfires for a period. It might be that sort of model. To be honest, until we get these results, answers to questions about what we might do are a bit hypothetical because we don't have a good feeling for the size of the issue.

MS TUCKER: Okay. We'll wait with interest to see that. Still on the same question, ACT Housing said they would take properties off the market that they were going to sell. What impact does that have on them? Actually, I've seen a house that is on the market so I don't know what's going on there. It was off and then it's on again, within three weeks, so who knows. If that's an issue for ACT Housing, why isn't that dealt with in this appropriation? I would have thought that, if they have a whole lot of houses on the market, it is because they have a plan of some kind. Now they're saying they won't have those houses on the market, what's the picture there? You could take that on notice.

Mr Thompson: Yes.

Mr Quinlan: We have a whole lot of houses that we lost in forestry settlements.

MS TUCKER: I know.

Mr Quinlan: It turns out that the settlements were not populated by forestry workers. We need to work through the insurance ramifications of replacing them in situ or replacing them elsewhere.

MS TUCKER: I'm just interested in the ones you had on the market that you then said you wouldn't have on the market.

Mr Quinlan: Yes, I don't know about that one.

MS TUCKER: I'd like to know, on that question on notice, whether in fact all houses have been taken off the market that were for sale, and if not, why not. Thanks.

Mr Tonkin: It may be that they've taken the view that some of the houses they're selling aren't suitable for public housing tenants. They might be in a state of repair that's not useful or recoverable.

MS TUCKER: Yes. I'd be interested to know that.

Mr Tonkin: We'll get their answer for you.

MS TUCKER: Thank you.

THE CHAIR: Treasurer, before you go—I am just looking at the time—is there any indication you can give the committee of what level of funding we expect to get from the insurance policies and from the Commonwealth?

Mr Quinlan: We've tried to get an indication but I think the overall assessment is that we're up for what, about eight?

Ms Smithies: Yes. We're up for a total cost of around \$4 million that we won't be able to get back from the NDRA. Sorry, and notwithstanding the NDRA assistance, we probably have a net cost budget of around \$15 million at the moment.

THE CHAIR: So the national disaster relief arrangements you believe will leave a shortfall of something like \$4 million on the areas it would cover, and the other hit to the budget is something like \$15 million?

Ms Smithies: That's right, but that excludes all of the forestry work.

THE CHAIR: It excludes the forestry because that's covered by a separate insurance policy?

Ms Smithies: That's right.

THE CHAIR: Right. The policies cover a number of items, including clean-up costs.

We were briefed by the Insurance Authority and I thank the manager of the insurance unit. The advice we were given at that meeting was that perhaps the insurance agency excess on the first policy was about \$4 million and on the standing timber policy it was about \$4 million. What is it that means that we can't claim off the policies, or what is it we actually can't claim that would lead to the \$19 million?

I welcome to the table the Insurance Authority.

PETER MATTHEWS was called.

Mr Matthews: I am Peter Matthews, General Manager of the ACT Insurance Authority.

THE CHAIR: Right. Thank you, Peter. Mr Matthews gave my office and some staff a briefing which unfortunately wasn't extended to other members of the Assembly, I understand. In that, Mr Matthews, you said that you thought the majority of the costs of the fires would be covered, and that a large amount that wasn't covered would be covered by the NDRA. Is that still correct?

Mr Matthews: Yes. It's still the case. What we're looking at here today is very different to the insurance issue. The matters here are broader community recovery issues, whereas the insurance matter is much narrower. It relies on the two policies that come into play—the property policy and the forestry policy. One of the problems we have with some of these issues is that matters like fire fighting and clean-up costs have to be related to the protection of insured assets. So if we can't draw that linkage, such things are not covered. I've been carefully through most of the items on here. Whilst there are some quite remote possibilities there, there is nothing there that overlaps with the insurance that we have in place.

THE CHAIR: The Insurance Authority currently has cash of about \$6 million to \$8 million. Has that been called on by any of the departments?

Mr Matthews: Yes.

THE CHAIR: We're using those funds now?

Mr Matthews: We are using those, yes.

THE CHAIR: And they're being used for what purposes?

Mr Matthews: Just to aid some of the agencies in their recovery.

THE CHAIR: Is that included through the appropriation or is that additional funding that the—

Mr Matthews: That is our own internal funding—

THE CHAIR: Right.

Mr Matthews: —from the authority. What we're trying to do is make sure that no agency is impeded by cash flow problems. The way this normally works is the agency is expected to make the expenditure, we reimburse the agency, then we call on our reinsurers. Some of the agencies are actually getting on with the recovery process very quickly and we're looking to keep the cash flow there.

THE CHAIR: So that \$6 million to \$8 million would just be used for cash flow management not for, say, programs that are covered by the second appropriation?

Mr Matthews: Yes. It's nothing to do with this.

THE CHAIR: The other assets that the authority has at the moment are about \$60 million worth?

Mr Matthews: Yes.

THE CHAIR: How would they be called upon by the departments for use?

Mr Matthews: Simply, they submit a claim to us. It's on the basis of a normal formal insurance claim. We have one claim in at the moment, just as an example, for \$185,000. This is basically for street lighting and things like that, and it is essential for public safety, as well as anything else, that they get on with it. They've gone ahead with that, made the claim on us and, as soon as we verify that, we will reimburse the agency.

THE CHAIR: So the case for the government to reduce any hit to the bottom line of the budget, of course, is to link all of this to the protection of assets or the cleaning up of assets.

Mr Matthews: Only where applicable. That's where we get into the difference between specific things and broad things, because one of the issues we worked through yesterday was the clean-up of trees alongside roadways. Those trees are not insured assets, so that clean-up cost is the sort of thing that falls to this rather than to the insurance policy.

THE CHAIR: To the authority.

Mr Matthews: There are a number of things like that.

THE CHAIR: All right, so it's a matter of just going through them case by case and working out what's applicable and what's not.

Mr Matthews: Yes.

Ms Smithies: As more things fall out of the insurance net, the cost to the budget will grow. As more claims are worked out, the cost to the budget will unfortunately grow, and we'll not get it all back through the Commonwealth.

THE CHAIR: No, but we'll add it to the NDRA list anyway.

Ms Smithies: We will indeed.

Mr Quinlan: We'll give it our best shot.

MS DUNDAS: Can I just clarify something that Mr Smyth raised? My office asked for a briefing from the Insurance Authority through your office, Treasurer, and was denied. Can you please explain why?

Mr Quinlan: Your office?

MS DUNDAS: Approached your office, the office of the Treasurer, and asked for a briefing.

Mr Quinlan: And got a briefing on the insurance situation?

MS DUNDAS: We asked for a number of briefings. We asked for a briefing on the Appropriation Bill and we asked for a briefing on the insurance situation, and the Appropriation Bill briefing is being sorted out, but the insurance briefing was denied. I only raise it, sorry, in this situation because Mr Smyth was able to access the insurance briefing.

Mr Quinlan: There has to be a line drawn. I'm not actually across the individual request and we should work it out between us. However, there has to be a line drawn as to the administration, the executive and the Assembly. My office is happy to provide briefings but—and I don't know about this case, so I'll talk to you about it and become informed—I'm sure there will be times when I say, "No, you can't just wander around talking to every administrator at any time."

MS DUNDAS: It just struck me because Mr Smyth's office was able to access one and my office wasn't.

MS TUCKER: That doesn't seem equitable.

Mr Quinlan: No. We will have a look at that.

MS DUNDAS: I didn't mean to take up the time of the committee with that.

MR SMYTH: No. It was a perfectly good question.

MS TUCKER: Unless it's the official opposition line again?

THE CHAIR: Treasurer, thank you and all the public servants for their attendance and their answers today.

Committee adjourned at 4.12 pm.