



The Hon Bill Shorten MP
Parliamentary Secretary for Disabilities and Children's Services
Parliamentary Secretary for Victorian Bushfire Reconstruction

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Ms Vicki Moritz
Secretary
Marysville and Triangle Development Group
Lady Talbot Drive
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Vicki

Dear Ms Moritz

Thank you for your email to the Prime Minister's office seeking support for assistance to people who lost their non-principal place of residences (NPPRs) in the February 2009 Victorian bushfires. Your email was referred to me for reply as it falls within my responsibilities as the Parliamentary Secretary for Victorian Bushfire Reconstruction.

First, allow me to take this opportunity to once again offer my deepest sympathies to the people of the Marysville and the Triangle region, and to applaud the Marysville and Triangle Development Group for the hard work it has undertaken in the rebuilding of the region. I am sure that the efforts of your community will lead to the area flourishing in years to come.

As you are aware, the Commonwealth has worked alongside the Victorian Government and worked closely with the Victorian Bushfire Reconstruction and Recovery Authority and the Victorian Bushfire Appeal Fund to provide assistance to community groups and individuals affected by the 2009 Victorian bushfires. The Commonwealth provided the Appeal Fund with charitable tax status, launched the Fund with the Victorian Government and contributed an initial \$2 million donation.

The Commonwealth has also made significant amendments to Federal taxation legislation to allow the Fund to provide a range of assistance to those affected by the Victorian bushfires if the Fund chooses to do so, including:

- extra payments up to \$15,000 for households in transitional housing;
- grants up to \$10,000 for primary producers to restore their farms, including fencing and help for farmers whose primary residences were owned by a trust company and who were ineligible for donations;

- reimbursing those who performed a range of activities directly after the fires, such as providing sanitation and removing dangerous trees;
- allowing a "look through" the legal structures in relation to the ownership of primary residences for example where a farmer uses a corporate or trust structure to own the residence; and
- support for a wide range of community infrastructure including halls, sporting grounds, small business advisory services, community and cultural events and a retirement homes.

The Fund has subsequently requested that the Commonwealth consider amending the taxation legislation further to permit the Fund to assist NPPR owners without fear of affecting the charitable status of the Red Cross which administers the Fund.

It is estimated that around 400 of the over 2,000 homes destroyed during the bushfires were NPPRs. The Commonwealth acknowledges the concerns you have raised that many NPPRs in affected communities will not be rebuilt without the provision of financial assistance.

In response to this request, the Commonwealth sought advice about how the Commonwealth taxation legislation could be amended to allow the Appeal Fund to provide assistance to NPPR owners without undermining the integrity of Australia's charitable tax system, or the operation of the commercial insurance market.

After careful consideration, the Commonwealth considers that a collaborative approach to this issue will best ensure that any assistance provided to NPPR owners can be appropriate and targeted to those most in need, while also maintaining the integrity of Australia's charitable tax laws so that people have confidence that their donations are distributed in accordance with donor and community expectations.

The Commonwealth Government has, therefore, decided to establish a taskforce to consider ways to assist owners of NPPRs that were destroyed in the February 2009 Victorian bushfires.

The taskforce will be chaired by myself, as Parliamentary Secretary for Victorian Bushfire Reconstruction and the Assistant Treasurer, Senator the Hon Nick Sherry. In addition to the Victorian Bushfire Reconstruction and Recovery Authority, it is proposed that the taskforce will also comprise representatives of the Victorian Bushfire Appeal Fund, the Australian Taxation Office and the Commonwealth Treasury.

The first meeting of the taskforce will be held on Friday, 21 May 2010.

The Commonwealth remains committed to standing by bushfire affected communities and to working with the Victorian Government, the private and not-for-profit sectors to help all of the affected communities rebuild.

Yours Sincerely



Bill Shorten