

ATTACHMENT 1: PROVIDING RELIEF TO FLOOD AFFECTED COMMUNITIES

	Total ⁽¹⁾ \$m
Natural Disaster Relief and Recovery Arrangements (NDRRA)	-4,900
Under the NDRRA the Australian Government partially reimburses the States and Territories for eligible expenditure on certain natural disasters. This includes personal hardship and distress grants, restoration of essential public infrastructure and Community Recovery Assistance. Costs estimates are preliminary.	
Australian Government Disaster Recovery Payment	-600
The Australian Government Disaster Recovery Payment (AGDRP) is a one-off Australian Government payment provided under the Social Security Act 1991 to eligible Australian residents. The AGDRP provides short-term, non-means tested financial assistance of \$1,000 per eligible adult and \$400 per eligible child to those adversely affected by a major disaster, either in Australia or overseas. The number of claimants is estimated at 490,000.	
Disaster Income Recovery Subsidy	-120
The Disaster Income Recovery Subsidy provides assistance to eligible employees, small business persons and farmers who lost income as a result of the floods. This Subsidy will provide fortnightly payments equivalent to the maximum rate of Newstart allowance depending on the person's circumstances. The number of claimants is estimated at about 70,000.	
Donations to the State relief funds and appeals	-12
The Australian Government has made a donation of \$11 million to the Queensland Premier's Relief Fund and of \$1 million to the Red Cross Victorian Floods Appeal.	
Total	-5,632

(1) Preliminary estimates. Full details will be contained in the 2011-12 Budget.

ATTACHMENT 2: PAYING FOR RECOVERY AND RECONSTRUCTION

	Impact on underlying cash balance					Total
	2010-11	2011-12	2012-13	2013-14	2014-15	
	\$m	\$m	\$m	\$m	\$m	\$m
Flood Levy	0	1560	235	0	0	1,795
The Government will introduce a temporary levy on individual tax payers to raise funds for the recovery and reconstruction effort. From 1 July 2011, with effect for the 2011-12 income year only, a levy of 0.5 per cent will apply to taxable income of between \$50,001 and \$100,000 and 1.0 per cent to taxable income above \$100,000. Individuals who have received an Australian Government Disaster Recovery Payment for a flood event in 2010-11 will be exempt from paying the flood levy.						
Cleaner Car Rebate Scheme - not proceed	0	157	119	85	69	429
The Cleaner Car Rebate Scheme was to provide grants of \$2,000 to motorists who scrap their pre-1995 passenger vehicles and purchase new, low emission, fuel efficient vehicles. The Government will not proceed with the scheme. This will provide savings of \$429 million over the forward estimates.						
Priority Regional Infrastructure Program (PRIP)	0	50	125	125	50	350
The \$800 million PRIP is being established to invest in projects identified by local communities in regional areas. The Government will reallocate \$350 million to support flood recovery of funding from the PRIP to support flood recovery efforts in regional Australia. This will be allocated under the NDRRA in consultation with Queensland Government, Local Governments and Regional Development Authorities.						
Capital Development Pool (CDP) - abolish from 1 January 2012	0	55	78	81	84	299
The Capital Development Pool will cease funding of new projects from 1 January 2012, saving \$299 million over the forward estimates. All current projects already funded under the program are unaffected.						
Green Car Innovation Fund - abolition	3	16	6	26	183	234
The Government will wind up the Green Car Innovation Fund from 2011-12, realising savings of \$234 million from uncommitted funds over the forward estimates and \$401 million over the life of the program. The Green Car Innovation Fund was initially established in 2008 as part of the Government's A New Car Plan for a Greener Future to assist projects aimed at producing low-emission, fuel-efficient vehicles and components.						
National Rental Affordability Scheme (NRAS) - limit dwelling target to 35,000	9	22	63	75	96	264
The Government will limit the National Rental Affordability Scheme dwelling target to 35,000 by 2013-14 rather than 50,000, saving \$264 million over the forward estimates. Priority will be given to applications from flood affected areas across Australia in allocating the remaining incentives (around 13,000), in consultation with the relevant State.						
Carbon Capture and Storage Flagships - reduction and deferral of funding	0	110	18	0	122	250
The Carbon Capture and Storage (CCS) Flagships program forms part of the Clean Energy Initiative and provides grants for projects to help accelerate the development and deployment of low emission coal technology by supporting industrial-scale projects in Australia. The Government will reduce its funding for the CCS flagships program by a total of \$250 million across the forward estimates period, with \$160 million of this to be re-phased to beyond the forward estimates.						
Solar Flagships - reduction and deferral of funding	0	75	50	-50	175	250
The Solar Flagships program forms part of the Clean Energy Initiative and provides grants to support the deployment of large scale solar energy generation projects in Australia. The Government will reduce its funding for the Solar Flagships program by a total of \$250 million across the forward estimates period, with \$190 million of this to be re-phased to beyond the forward estimates.						

	Impact on underlying cash balance					Total
	2010-11	2011-12	2012-13	2013-14	2014-15	
	\$m	\$m	\$m	\$m	\$m	\$m
Renewable Energy Bonus Scheme - Solar Hot Water Rebate- capping funding	81	78	0	0	0	160
The Renewable Energy Bonus Scheme – Solar Hot Water Rebate provides a rebate of \$1,000 for a solar hot water system or \$600 for a heat pump hot water system and is available to help eligible home-owners, landlords or tenants to replace their electric storage hot water systems. The Government will cap funding from this program resulting in a saving of \$160 million over two years.						
Green Start Program- not proceeding with Round 2	88	41	1	0	0	129
On 21 December 2010, the Government announced the closure of the Green Start program. Savings from not proceeding with Green Start Round 2 of \$129 million over three years will be reallocated to provide funding for the Government's response to the floods.						
Building Better Regional Cities- redirection	0	30	35	35	0	100
The Building Better Regional Cities program provides funding to participating councils across Australia to invest in local infrastructure projects that support new housing developments. This measure will redirect \$100 million of funding to re-building infrastructure in flood affected council areas, including those not originally targeted by the initiative.						
Liquefied Petroleum Gas (LPG) Vehicle Scheme - capping annual claims	0	43	26	27	0	96
The Liquefied Petroleum Gas Vehicle (LPG) scheme provides grants for factory conversions and post factory conversions to LPG fuel systems. The Government will cap the Scheme at 25,000 claims per annum for the life of the Scheme from 2011-12. This will provide savings of \$96 million over three years.						
Australian Learning and Teaching Fund - discontinue funding	0	12	24	25	26	88
Funding for the Australian Learning and Teaching Council will be discontinued from 1 January 2012, providing savings of \$88 million over four years. The Government remains committed to continuing to improve the quality of higher education in Australia, and is establishing new quality and regulatory arrangements for higher education through: a new national regulatory and quality agency, the Tertiary Education Quality and Standards Agency; a new National Register of Higher Education Providers; a new Higher Education Standards Framework; and the My University website.						
Solar Homes and Communities Plan	85	0	0	0	0	85
The Solar Homes and Communities Plan (SHCP) provided rebates of up to \$8,000 for the installation of solar photovoltaic systems. The program ended in June 2009 and residual rebates are still being processed. The Government will cap the amount remaining available for outstanding claims, allowing \$85 million to be redirected to the flood recovery effort.						
Global Carbon Capture and Storage Institute- reduction and deferral of funding	0	60	35	-20	-20	55
The Global Carbon Capture and Storage Institute was established to connect parties around the world to address issues and learn from each other to accelerate the deployment of carbon capture and storage projects. The Government will reduce funding for the Institute by a total of \$55 million over the forward estimates with \$5 million of this contribution to the Institute to be rephased to beyond the forward estimates. The Government will continue to contribute \$100 million to the Institute over the forward estimates period.						
O-Bahn City Access	27	29	0	0	0	56
The Australian Government will withdraw its funding to the O-Bahn City Access project in Adelaide. This is the result of a significant scope reduction of the original project, resulting in only limited transport benefits. The project will not proceed at this point in time.						
Rephasing Infrastructure Projects - Queensland	6	71	136	255	-142	325
Rephasing Infrastructure Projects - Other	*	*	*	*	*	675
Total						5,641

Full details will be published in the 2011-12 Budget.

ATTACHMENT 3: TEMPORARY FLOOD LEVY

The Government will apply a temporary flood levy in the 2011-12 financial year, to assist with part of the costs of rebuilding infrastructure following the recent floods.

The levy will recognize capacity to pay. It will be designed so that low income earners do not pay anything. Higher income earners will be expected to pay a bit more. The levy will apply at 0.5 per cent of taxable income in excess of \$50,000, and 1 per cent of taxable income in excess of \$100,000. No levy is payable where the person has income of \$50,000 or less.

So for someone with an income of \$60,000, the levy will amount to 96 cents per week. For someone with an income of \$80,000, the levy will amount to \$2.88 per week.

People will make their levy payments through the tax taken out of their regular pay in the same way they pay the Medicare levy.

The Government considers that those most affected by the floods have already incurred financial costs and will not ask them to contribute to the recovery and reconstruction costs through this levy. Those people who receive an Australian Government Disaster Recovery Payment for a flood event in 2010-11 will be exempt from the levy.

Weekly flood levy compared to taxable income

Taxable income (\$)	Weekly flood levy (\$)
15,000	0.00
20,000	0.00
25,000	0.00
30,000	0.00
35,000	0.00
40,000	0.00
45,000	0.00
50,000	0.00
55,000	0.48
60,000	0.96
65,000	1.44
70,000	1.92
75,000	2.40
80,000	2.88
90,000	3.85
100,000	4.81
110,000	6.73
120,000	8.65
130,000	10.58
140,000	12.50
150,000	14.42
160,000	16.35
170,000	18.27
180,000	20.19
200,000	24.04

ATTACHEMENT 4: INFRASTRUCTURE AND FLOOD RECOVERY

The floods have caused unprecedented damage to Queensland infrastructure and the reconstruction effort will be significant to get communities back on their feet.

The task of reconstruction in Queensland may cause capacity constraints in certain sectors of the economy to emerge.

These pressures would constrain the ability of some sectors of our economy to meet the demands of rebuilding. That is why the Government has determined that the responsible thing to do is to hold over some existing investments to ensure there is sufficient supply in the economy until reconstruction is complete.

This will avoid the potential for existing projects to drive up the cost of skilled labour and the cost of building materials for reconstruction. It will also see greater value for money in the rebuilding itself, and ensure our mining industry and other economic sectors have access to the skills and material they need.

The Government will re-prioritise approximately \$1 billion of existing infrastructure projects, freeing up the necessary capacity to ensure a rapid reconstruction. The funding freed up by re-prioritising these projects will also be utilised to fund the reconstruction costs.

The Government will deliver every one of these deferred projects, and will recommence work immediately once reconstruction work in Queensland has been completed.

This has already been discussed with the Queensland Government. Through close collaboration, \$325 million in projects have been agreed for re-prioritisation, ensuring that the workers and materials will be on hand for reconstruction works.

The Government will continue to work closely with State Governments to identify projects, and will be announcing shortly those which are affected. The only project that will not proceed is the O-Bahn project in South Australia, yielding a save of \$56 million (see financing table).

Re-prioritising Queensland Infrastructure

	Total \$m
Temporary deferral of Queensland Infrastructure Projects	
Duplication of the highway from Vantassel Street to Flinders Highway	75
Alternate project arising from Herbert River floodplain study	40
Realign the highway from Sandy Comer to Collinsons Lagoon	40
Intersection upgrades along the Burdekin Road	20
Upgrade of highway between Cabbage Tree Creek to Carman Road and Back Creek Range	65
Upgrade of highway between Caboolture to Caloundra	86
<i>Queensland Total</i>	325

Re-prioritising projects requires tough decisions, with all infrastructure projects contributing to expanding productivity or improving safety. But delaying construction on one project frees up workers and material for rebuilding vital bridges, road and rail that has been damaged by the floods.

The Government's commitment to Infrastructure

Since 2007, this Government has more than doubled the Commonwealth investment in transport infrastructure when compared to the previous Government.

These Nation Building works have expanded the productive capacity of our economy, reducing bottlenecks and infrastructure constraints.

The floods have required the Government to re-assess its priorities across the infrastructure budget, including in other States.

The need to get Queensland back on its feet is an immediate pressure for both the infrastructure budget and labour force capacity. It is also an important part of the Australian economy.

However the Government's commitment to the projects that are re-prioritised is clear: we will deliver all projects. Their construction has been deferred and once the reconstruction work is undertaken, those projects that have been rephased will recommence immediately.

ATTACHMENT 5: SKILLS AND THE FLOOD RECOVERY TASK

The recovery from the floods will involve rebuilding damaged infrastructure, businesses and community facilities. The task is large and will call on the full flexibility of our businesses and labour market.

The rebuilding will be occurring at the same time as a large number of construction projects are also underway. That is why the Government has today announced that it will re-prioritise a range of infrastructure projects, which will reduce how much new construction activity is directly competing for resources with rebuilding efforts.

While Queensland may have some spare capacity now, as the rebuilding work gets underway, we can expect to see a rise in demand for skilled workers and labour more generally in flood-affected areas.

That is why the Government has today announced two measures to assist employers fill positions so they can get on with the task of rebuilding as soon as possible.

Connecting people to jobs in Queensland

The Government will provide an additional \$14.6 million to double the capacity of the Connecting People with Jobs Relocation Assistance Pilot program up to 4,000 places (from 2,000 places). A primary focus of the program will be to assist eligible unemployed Australians to relocate to Queensland to take up employment opportunities in flood affected areas.

The practical assistance provided under the pilot will provide practical incentives for the unemployed to move to areas which offer greater employment opportunities and to stick with their new job.

This pilot is also providing an incentive to ensure jobseekers stay in their new job.

	Total \$m
Expansion of the Connecting People with Jobs: Job Seeker Relocation Assistance Package	14.6

The Government will double the capacity of the Connecting People with Job Relocation Assistance Pilot from 2,000 to up to 4,000 places. A primary focus of the program will be to assist eligible Australians to relocate to Queensland to take up a job.

The two year program will provide assistance for eligible Australians moving to employment opportunities and includes:

- Up to \$3,000 to single participants and up to \$6,000 to families relocating to metropolitan areas;
 - Up to \$6,000 to single participants and up to \$9,000 to families relocating to regional areas;
 - In addition, up to 2,000 employers will be eligible for a \$2,500 financial
-

incentive to be paid in the early stages of the participant's employment;
and

- If participants leave their relocation employment within the first six months without good cause, or are dismissed for misconduct, the standard non-payment period will be increased from 8 to 12 weeks.

Up to 4,000 places will be available for job seekers relocating to take up a job, including those relocating to work in jobs related to flood recovery efforts. The eligibility requirements for the extension will also be expanded to include a wider range of job seekers by: expanding eligibility to job seekers who have been unemployed and on benefit for 3 months or more; including those who are prepared to move for at least 6 months; and relaxing location requirements where a participant moves to flood affected area.

Fast tracking short term migration visas

The Government will also fast-track processing of employer-sponsored temporary visas (457 visas) for employers involved in Queensland flood reconstruction work that are unable to source skilled labour locally. Under the change, a special team will be established within the Department of Immigration and Citizenship to deliver visas within five working days provided all required information is included with supporting evidence.

	Total \$m
Expedited Processing of 457 Visa Applications	0.0

The Government will fast-track 457 visa for reconstruction jobs so that claims will be processed in five days. Personalised assistance will be available to employers needing skilled migrants and will provide a much improved processing time for those applications which are 'decision ready'. This service will only be available to employers that are genuinely involved in flood reconstruction efforts.

These measures build on the other investments in a skilled workforce that the Government is already making.