

Australia: Survivors of Victorian bushfires receive minimal compensation

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28 April 2009

Promises by Australian state and federal politicians that their governments would rebuild communities following the massive bushfires that ravaged parts of the Australian state of Victoria on February 7, killing over 173 people and destroying thousands of homes, have proven hollow. Bushfire victims have received only minimal compensation for the widely predicted disaster.

Two weeks after the fires, Prime Minister Kevin Rudd told a “Day of Mourning” memorial gathering in Melbourne that his government had made a “solemn contract to each of these communities to rebuild—brick by brick, home by home, school by school, church by church, street by street.”

This process, he insisted, would be “not just in the trying and difficult days and weeks which lie ahead, but in the arduous task of the months and years that lie ahead.” Similar pledges were made by Victorian state Labor premier John Brumby.

More than 2020 homes were destroyed in the “Black Saturday” fires; 700 or just under a third of these had no insurance. Nevertheless, Victorian fire survivors have only received token government support. Small farmers unable to prove that over 51 percent of their income is derived from their properties will receive nothing from the official public bushfire appeal fund.

Victorian Labor Premier John Brumby has granted a one-off \$50,000 grant for owner-occupiers whose homes were destroyed and the possibility of an additional \$40,000 for some victims, subject to government approval.

According to the premier, \$35,000 of this amount can be used for building expenses and the remaining \$15,000 for restoration of home contents. Those with homes partially destroyed by the fires and those who were renting will receive \$15,000. The state government is charging survivors

who have been forced into temporary accommodation a “maintenance” fee of up to \$100 per week.

These paltry grants will not even cover the cost of repairs, let alone fully replace homes and contents. They amount to a fraction of the cost of a home in the fire affected areas.

Sina Imbriano, a resident of Humevale, a town severely hit by the firestorm on February 11, told the *World Socialist Web Site* that government delays in clearing some of the affected areas had also put fire survivors’ lives on hold.

“Some friends of mine were going to clear their property and had the okay from their insurance company. They weren’t allowed to do it though,” she said.

“The government has awarded Grocon [one of Australia’s largest construction companies] all of the clearing and building contracts and everything has to go through them. There are hardly any people doing the clean-up. The quotes they had were a lot less than the price Grocon is charging.

“My friends in Humevale are in a caravan on their property. They were warned that there is a danger of asbestos after the fires. The organisation is lacking. I’ve been to Kinglake and nothing has started there either”.

The Victorian government’s minimal assistance to fire survivors is not just a product of its immediate budgetary considerations, but a response to demands from insurance corporations.

In the wake of the disaster, the Insurance Corporation of Australia (ICA), the industry’s peak council, demanded that the government introduce legislation making home insurance compulsory for residents in fire prone areas. It also insisted that uninsured householders be given no access to the substantial bushfire donations, totaling \$315 million, made by people from around the country and throughout the

world. The ICA argued that if uninsured fire survivors received the money it would reward them and encourage fewer people to take out insurance in the future.

Last month ICA spokesman Paul Giles was quoted in an *Age* newspaper article, entitled “Insure or else”: “Why would you pay insurance premiums for 15 years when you know the bloke next door [without insurance] is going to get his home rebuilt to the same standard or higher?”

Giles’s comments produced an angry response from *Age* readers denouncing the powerful insurance lobby group. A letter from Patrick Robinson was typical. Giles and the insurance companies, he wrote, had “shown complete disregard for the wellbeing of those affected by the bushfires” and “any sense of human decency” towards those without insurance.

“Giles’s comments,” Robinson continued, “serve only to line the pockets of insurance companies and increase their profits. To leave those people without insurance destitute and homeless is irresponsible and inhumane”.

The reason many of the fire victims lacked insurance coverage was because they could not afford it. This economic factor may well have added to the high death toll, as those without insurance felt compelled to “stay and defend” their properties, or face the prospect of losing everything.

Most affected are residents on the lowest incomes—a fact well-known to the insurance corporations. One of the main reasons for the expansion of the number of homes in fire-prone areas is the price of land and housing. The median house price in Kinglake, for example, one of the hardest hit areas, is \$285,000, almost half that of comparable housing in suburban Melbourne, where the median value is around \$430,000.

Many ordinary working class families have moved to peripheral areas precisely because they cannot afford the costs of living closer to the city. And despite the lower costs, two-thirds of Kinglake residents still have mortgages, more than double the national average, which stands at 32.2 percent. These are the people being denounced by the insurance companies.

National building code

Brumby government has rapidly endorsed a new national building code, following demands from the building and construction industry. Standards Australia, which was responsible for developing the code and other safety legislation, is made up of 17 different groups, 12 of them building industry related and therefore able to wield major influence on decisions.

Repeated warnings from the Australasian Fire and Emergency Services Authorities Council (AFESAC) and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) for more rigorous regulations and fire safe materials have been ignored.

AFESAC spokesperson Naomi Brown recently told the *Australian* newspaper, “We believe in the way the standard has been put together that safety has taken a lower priority to... There’s no doubt that there has been an emphasis (in the code) on keeping costs down”.

According to the CSIRO, the new building standards will place some homes at greater risk from bush fires because the new constructions will be more susceptible to ember attack. Under the new code, fire safety requirements are less stringent for flooring, gaps and vents, and external materials are more combustible.

Victorian Premier John Brumby has brushed aside these concerns, stating, “At the end of the day the board made its decision”. A spokesperson for the state government later told the media that the government might “consider” altering standards if this were recommended by the current Royal Commission investigation into “Black Saturday”.

Like the pledges made by Rudd and Brumby, this vague promise is worthless. Once the issues surrounding the bushfires recede from the mainstream media, it will be business as usual for the state and federal Labor governments, with big business determining any future changes in construction codes, as well as fire and emergency measures.



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In line with its support for the insurance corporations, the