QON No. 9

**Legislative Assembly** for the
**Australian Capital Territory**
Standing Committee on Public Accounts and Administration

# Inquiry into Annual and Financial Reports 2023–2024

## Answer to question on notice

Asked by: Mr Andrew Braddock MLA

Addressed to: ACT Insurance Authority

Redirected to:

Reference: FINANCE

Hearing: 17/02/2025
In relation to: Insurance of Standing Timber
Question received: 18/02/2025
Answer Due: 26/02/2025

The ACTIA annual report states on page 15 that:

*The Authority has agreed to self-insure standing timber within both the Arboretum and ACT Forests for the 2024-25 period, based on unfavourable terms and premium rates being indicated by commercial insurers.*

On what basis is insurance for standing timber valued and sought? Specifically, is it based on the value of the merchantable timber, the cost to replant trees and reestablish associated ecosystems, or something else?

**Ms Rachel Stephen-Smith MLA**: The answer to the Member's question is as follows:

The self-insurance is provided on the basis of the merchantable valuation of the timber, which is provided each year by the relevant government agency.

The insurance includes limited cover (up to $935,000 in any policy period) for the cost of replanting trees. There is no cover provided for the cost of re-establishing eco-systems.

Approved for circulation to the Standing Committee on Public Accounts and Administration

Signature: Date: 1/3/25

By the Minister for Finance, Rachel Stephen-Smith MLA