

North Queensland Strata Title Resilience Pilot Program

FEDERATION FUNDING AGREEMENT-ENVIRONMENT

Table 1: Formalities and operation of schedule	
Parties	Commonwealth Queensland
Duration	This Schedule will expire on completion of the initiative, including final performance reporting and processing of final payments against milestones, unless otherwise agreed in writing between the Parties. Expected date of completion for this Schedule is 30 September 2027.
Purpose	This Schedule will enable the delivery of the North Queensland Strata Title Resilience Pilot Program (the Program) by the Queensland Government. The Program will provide grant funding to pilot tropical cyclone and related flood risk mitigation works for residential and mixed use residential strata title properties in northern Queensland to test the impact on insurance premiums. Where possible, the Program should leverage the results of the North Queensland Strata Title Inspection Program – a previous joint initiative between the Commonwealth and Queensland Government.
Estimated financial contributions	The Commonwealth will provide a financial contribution to the Queensland Government of up to \$40.0 million (a) in respect of this Schedule with final funding to be determined by the number and costs of projects incorporated in the Program. The Commonwealth's financial contribution allows for administration fees of up to 3.5 per cent (\$1.4 million) for the Queensland Government to deliver the Program, with \$38.6 million to be allocated to cyclone related mitigation works. Delivery costs are anticipated to be approximately 10 per cent of program funding. This will comprise contributions of \$1.4 million from the Commonwealth, and \$700,000 from the Queensland Government. Additional delivery costs borne by the Queensland Government will be funded from \$4 million in unspent Strata Title Inspection Program funding.

Table 1: Estimated financial contributions *

(\$ million)	2023-24	2024-25	2025-26	2026-27	2027-28	Total
Estimated total budget	30.029	14.570	3.436	18.209	0.355	66.599
Commonwealth contribution	28.0	12.0	0	0	0	40.0
Balance of non-Commonwealth contributions*						
Queensland Government	0	0	2.436	17.209	0.355	20.0
Additional Queensland Government Contribution to Program Delivery (b – STIP funds repurposed)	1	1	1	1	0	4.0
Additional Queensland Government Contribution to Program Delivery (c –STIP Delivery / Grant costs)	1.029	1.570	0	0	0	2.599

* Table 1 reflects current budget allocations and is subject to change as program is developed and funding requirements further refined. Reference Table 2 for milestone payment details.

(a) Commonwealth funding under the Program will fund up to 50 per cent of the estimated costs of cyclone risk mitigation works for eligible strata title properties. The Queensland Government will fund 25 per cent.

Strata property owners will also be required to fund at least 25 per cent of works. Owner co-contributions are to be managed through standard strata fee arrangements.

Additional terms

1. The Queensland Government and the Commonwealth as represented by the National Emergency Management Agency (NEMA) will form a jointly chaired steering committee to oversee the delivery of the Program. The following matters will be considered, but will not be limited to:
 - a. developing and agreeing the grant program guidelines, including the eligibility criteria of projects, in consultation with the insurance and strata industry;
 - b. settling detail of reporting requirements; and
 - c. monitoring the uptake of the pilot program.

2. In designing the Program, in consultation with NEMA, the Queensland Government will:
 - a. give consideration and clearly document what mitigation works will be eligible under the Program and which entities will be eligible to receive funding (for example, Body Corporates);
 - b. consider the types of mitigation works recommended to strata properties under the North Queensland Strata Title Inspection Program to minimise damage from wind, rain and storm surge;
 - c. allow for a representative sample of existing strata title properties (eg. residential and mixed use residential, geographic spread, age of property) to be initially approved to support an assessment of the benefits of the Program;
 - d. include pre works inspections to assess if proposed mitigation works are recognised eligible resilience options under the Program (the transparency mechanism); and
 - e. include post works inspections to confirm mitigation works have been undertaken and completed.
3. The Program must be geographically targeted to strata title properties within 100 km of the coast, north of the Tropic of Capricorn (north of the southernmost boundary of Rockhampton) including islands off the Queensland coast.
4. To enable joint evaluation of the Program's impact on reducing strata property insurance premiums, the Queensland Government will provide quarterly milestone reports to NEMA. Data will include:
 - a. information on the projects – anticipated end date for each project, project locations, and types of works funded, the funded amount;
 - b. impact of mitigation works on reducing insurance premiums for the strata property;
 - c. if applicable, reasons why a reduction on insurance premiums for strata properties was not achieved by mitigation works; and
 - d. details such as the total funding allocated, grant funding paid and strata property owners financial contributions.
5. NEMA may request ad-hoc progress updates.
6. The Program may be extended by mutual agreement if underspent.

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| | <ol style="list-style-type: none">7. The Minister for Emergency Management will announce the opening of the Program with all media releases managed jointly between the Commonwealth and Queensland Government.8. A review will be conducted to assess the degree to which the agreed objectives and outcomes and/or outputs of the Schedule and Program have been achieved, and to inform decisions regarding future programs, as detailed in the Monitoring and Evaluation Plan. |
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Table 2: Performance requirements, reporting and payment summary

Output	Performance milestones	Due by	Payment
North Queensland Strata Title Resilience Pilot Program	Queensland enters into a funding agreement with the Commonwealth	N/A	Nil
	<p><u>Milestone 1</u> Submission of the Program’s planning documentation to NEMA’s satisfaction, comprising:</p> <ul style="list-style-type: none"> • project implementation plan; • risk management plan; • detail about the Program’s pre and post inspection process; • a stakeholder engagement plan; • a communications plan; • a monitoring and evaluation plan; and • anticipated grant delivery timeline. <p>Templates for these documents will be agreed between both parties.</p>	Submitted to Commonwealth for endorsement within three months of commencement of this Schedule	Nil
	<p><u>Milestone 2</u> Submission of draft Program guidelines for NEMA’s review and comment.</p>	Submitted to the Commonwealth for endorsement within three months of commencement of this Schedule	Nil
	<p><u>Milestone 3</u> The Queensland Government will open the Program for applications ensuring it is communicated in line with the communications plan.</p>	30 June 2024	\$1,400,000
	<p><u>Milestone 4</u> The Queensland Government to submit:</p> <ul style="list-style-type: none"> • quarterly milestone reports that includes data as outlined in Additional Terms clause 4 (a) to (d) of this Schedule for grants applied for, committed to, and/or approved since the Program commenced. 	Due after the end of each quarter as detailed in the Assurance and Reporting Framework until completion of program.	Up to \$38,600,000 in total. (Payments made in arrears on request in quarterly reporting. Quarterly milestone payments will be based on two thirds of the total grant funding provided to recipients in the relevant quarterly period.)

	<p><u>Milestone 5</u> The Queensland Government to submit:</p> <ul style="list-style-type: none"> • end of financial year progress report for the preceding financial year summarising activities from the financial year 	<p>Due after the end of the financial year as detailed in the Assurance and Reporting Framework until completion of program</p>	<p>Nil</p>
	<p><u>Milestone 6</u> <u>The Queensland Government to submit:</u></p> <ul style="list-style-type: none"> • Final end of financial year progress report for the preceding financial year summarising activities from the financial year 	<p>Due after the end of the financial year as detailed in the Assurance and Reporting Framework of completion of program</p>	<p>Nil</p>

The Parties have confirmed their commitment to this schedule as follows:

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Murray Watt MP
Minister for Emergency Management

27/3/2024

Signed for and on behalf of the State of Queensland by



The Honourable Meaghan Scanlon MP

Minister for Housing, Local Government, Planning and Minister for Public Works

18/04/2024