

# PROJECT AGREEMENT FOR THE NORTH QUEENSLAND STRATA TITLE INSPECTION SCHEME

An agreement between:

- the Commonwealth of Australia and
- Queensland.

The output of this project will be the establishment and delivery of the *North Queensland Strata Title Inspection Scheme*.

# Project Agreement for the North Queensland Strata Title Inspection Scheme

## OVERVIEW

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.

### Purpose

2. This Agreement will support the establishment and delivery of the *North Queensland Strata Title Inspection Scheme* (the Scheme). The Scheme will inform strata title property owners about their property's susceptibility to weather damage and also identify ways to improve the resilience of these properties.

### Reporting Arrangements

3. The States will report against the agreed milestones during the operation of this Agreement, as set out in Part 4 – Project Milestones, Reporting and Payments.

### Financial Arrangements

4. The Commonwealth will provide a maximum total financial contribution to Queensland of \$12.5 million, exclusive of GST in respect of this Agreement, as set out in Part 5 – Financial Arrangements.

## PART 1 – FORMALITIES

5. This Agreement constitutes the entire agreement for this project.

### Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) and Queensland.

### Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and Queensland sign it and will expire on 30 June 2021 or on completion of the project, including final performance reporting and processing of final payments against milestones, unless terminated earlier or extended as agreed in writing by the Parties.

## PART 2 – PROJECT OUTPUTS

### Outputs

8. The outputs of this Agreement will be:
  - (a) the establishment of the Scheme; and
  - (b) the inspection and assessment of strata title properties.

## PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY

### Role of the Commonwealth

9. The Commonwealth will be responsible for:
  - (a) monitoring and assessing achievement against milestones in the delivery of the projects under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
  - (b) providing a consequent financial contribution to Queensland to support the implementation of this Agreement.

### Role of Queensland

10. Queensland will be responsible for:
  - (a) providing an in-kind contribution to support the implementation of this Agreement;
  - (b) all aspects of delivering on the project outputs set out in this Agreement; and
  - (c) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.

### Shared roles

11. The Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

## PART 4 – PROJECT MILESTONES, REPORTING AND PAYMENTS

12. Table 1 summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made. The Commonwealth will make payments subject to the annual performance report demonstrating the relevant milestone has been met.

**Table 1: Performance requirements, reporting and payment summary**

Outputs	Performance milestones or benchmarks	Report due	Payment
Development and establishment of the Scheme	<ul style="list-style-type: none"> <li>Contract with service provider agreed and signed, initial recruitment and on-boarding of Scheme staff and commencement of program documentation</li> </ul>	7/4/2018	\$0.8m
Inspections and assessments of strata title properties	<ul style="list-style-type: none"> <li>The Scheme program fully developed and ready to implement.</li> </ul>	7/4/2019	\$0.5m
	<ul style="list-style-type: none"> <li>Inspections completed for strata title properties (to March 2019)</li> </ul>	7/4/2019	\$3.0m
	<ul style="list-style-type: none"> <li>Inspections completed for strata title properties (to March 2020)</li> </ul>	7/4/2020	\$5.3m
	<ul style="list-style-type: none"> <li>Inspections completed for strata title properties (to March 2021)</li> </ul>	7/2/2021	\$2.9m

13. If a milestone is met in advance of the due date, where the relevant performance report demonstrates that the milestone has been met, the Commonwealth may make the associated payment earlier than scheduled provided it falls within the same financial year as the original milestone date.

## Reporting arrangements

14. Queensland will provide performance reports in accordance with Table 1 during the operation of the Agreement. Each performance report is to contain a description of actual performance in the period to date against the project milestones.
15. Each performance report for completed inspections will cover the number of inspections completed under the Scheme from 1 April to 31 March the following year.

## PART 5 – FINANCIAL ARRANGEMENTS

16. The Commonwealth will provide a maximum total financial contribution to Queensland of \$12.5 million in respect of this Agreement. All payments are GST exclusive.
17. The Commonwealth's funding contribution will include:
- on-going program management cost and
  - a variable payment determined by the number of inspections completed in each financial year.
18. The Commonwealth's funding contribution will not be reduced where Queensland secures funding from other activity partners.

19. The Commonwealth's and the Queensland's estimated financial contributions to the operation of this Agreement, including through National Partnership payments to the States paid in accordance with *Schedule D — Payment Arrangements* of the IGA FFR, are shown in Table 2.

**Table 2: Estimated financial contributions**

(\$ million)	2017-18	2018-19	2019-20	2020-21	Total
<b>Estimated total budget</b>	<b>0.8</b>	<b>3.5</b>	<b>5.3</b>	<b>2.9</b>	<b>12.5</b>
Less estimated National Partnership Payments	0.8	3.5	5.3	2.9	12.5
Balance of non-Commonwealth contributions	0	0	0	0	0

20. Having regard to the agreed estimated costs of projects specified in this Agreement, Queensland will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, Queensland bears all risk should the costs of a project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for Queensland to deliver projects cost effectively and efficiently.

## PART 6 – GOVERNANCE ARRANGEMENTS

### Enforceability of the Agreement

21. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

### Variation of the Agreement

22. The Agreement may be amended at any time by agreement in writing by both Parties.
23. Either Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

### Delegations

24. The Commonwealth Minister may delegate the assessment of performance against milestones and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### Dispute resolution

25. Either Party may give notice to other Party of a dispute under this Agreement.
26. Officials of both Parties will attempt to resolve any dispute in the first instance.
27. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.

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

*Signed for and on behalf of the Commonwealth  
of Australia by*

A large, stylized handwritten signature in blue ink, appearing to read 'Kelly O'Dwyer', is written over a horizontal line.

**The Honourable Kelly O'Dwyer MP**  
Minister for Revenue and Financial Services

24 October 2017

*Signed for and on behalf of the  
State of Queensland by*

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**The Honourable Michael de Brenni MP**  
Minister for Housing and Public Works and Minister  
for Sport

October 2017

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**The Honourable Kelly O'Dwyer MP**  
Minister for Revenue and Financial Services

October 2017

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**The Honourable Michael de Brenni MP**  
Minister for Housing and Public Works and Minister  
for Sport

27 October 2017