NATIONAL PARTNERSHIP

AGREEMENT FOR NATURAL DISASTER RECONSTRUCTION AND RECOVERY

Council of Australian Governments

An agreement between

 the **Commonwealth of Australia** and

 the **State of Queensland**.

This Agreement will contribute to the reconstruction and recovery of communities in Queensland affected by flooding and cyclones between November 2010 and June 2013. It supersedes the National Partnership Agreement for Natural Disaster Reconstruction and Recovery negotiated by the Parties in February 2011.

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National Partnership

Agreement for Natural Disaster Reconstruction and Recovery **INTERGOV ERNME NTAL AG R E E M E N T**

**ON FEDER AL FI NANCIAL R E L A T I O N S**

PRELIMINARIES

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

2. Given the scale of the floods and cyclones between November 2010 and June 2013, and the significant costs as a result, the Commonwealth Government is providing support for reconstruction and recovery of the communities affected. In entering this Agreement, the Commonwealth and Queensland acknowledge that primary responsibility for the protection of life and property in response to a natural disaster lies with the States. Queensland also acknowledges the need to ensure that a strategic approach is taken to reconstruction and recovery efforts, incorporating the principles of local input, and leverage effort across all three tiers of government and the private and not-for-profit sectors.

3. The key mechanism for the Commonwealth to support the States following a natural disaster is the NDRRA. This Agreement is intended to further strengthen and complement the governance and accountability provisions of the NDRRA by setting out:

(a) the objectives and outcomes sought through reconstruction and recovery efforts;

(b) the governance arrangement for the Commonwealth and the States to work together in the reconstruction and recovery effort;

(c) the roles and responsibilities of the Parties, including the Australian Government Reconstruction Inspectorate, which is responsible for the oversight of the reconstruction and recovery effort; and

(d) the arrangements for both reporting on, and the auditing of the expenditure devoted to, the reconstruction and recovery effort.

4. This Agreement will be implemented consistently with the objectives and outcomes of all National Agreements and National Partnerships agreed by the Parties. In particular, the Parties are committed to addressing the issue of social inclusion, including responding to Indigenous disadvantage (for example, the reform commitments provided in the National Indigenous Reform Agreement) and those commitments are embodied in the objectives and outcomes of this Agreement. This Agreement will also be implemented consistently with the National Strategy for Disaster Resilience agreed by the Parties.

PART 1 — FORMALITIES

**Parties to this Agreement**

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

Queensland.

**Term of the Agreement**

6. This Agreement will commence as soon as the Commonwealth and Queensland sign the Agreement and will expire on 30 June 2015, or on completion of the projects relating to the disaster events outlined in this Agreement, including acceptance of final performance reporting and processing of final payments against project milestones. The Agreement may be terminated earlier or extended as agreed in writing by the Parties.

7. This Agreement supersedes the National Partnership Agreement for Natural Disaster

Reconstruction and Recovery signed by the Parties in February 2011.

**Enforceability of the Agreement**

8. 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.

**Delegations**

9. Commonwealth Ministers with portfolio responsibility for reconstruction and recovery, or their delegates, are authorised to agree Schedules to this Agreement. The Ministers or their delegates are also authorised to agree any amendments to Schedules on behalf of the Commonwealth.

10. Queensland Ministers with portfolio responsibility for reconstruction and recovery, or their delegates, are authorised to agree Schedules to this Agreement. The respective Ministers or their delegates are also authorised to agree any amendments to Schedules on behalf of Queensland.

**Interpretation**

11. For the purposes of this Agreement, the definitions of terms such as “floods”, “cyclones” and “disaster-affected communities”, as they apply to Queensland, are set out in the Schedules to this Agreement.

PART 2 — OBJECTIVES, OUTCOMES AND OUTPUTS

**Objectives**

12. This Agreement will contribute to the reconstruction of Queensland communities which were affected by the floods and cyclones between November 2010 and June 2013.

**Outcomes**

13. This Agreement will contribute to the following specific outcomes in flood or cyclone affected communities:

(a) repair of damage to essential public assets as a result of the floods or cyclones outlined in this Agreement;

(b) replacement or restoration of essential public assets;

(c) support for the recovery of communities and local economies severely affected by the floods or cyclones outlined in this Agreement; and

(d) assisting communities to be more resilient for future disasters, in keeping with the objectives of the NDRRA and the National Strategy for Disaster Resilience.

**Outputs**

14. Queensland agrees to provide the Commonwealth on a monthly basis with a Reconstruction and Governance Report based on the January 2013 format, that provides information on the progress of recovery and reconstruction relating only to the events under this Agreement. Material changes to the format will be agreed between the Parties.

15. The Australian Government Reconstruction Inspectorate will report to the Prime Minister on the progress of reconstruction and on its assessment of value for money across the Queensland reconstruction program on a six-monthly basis or as required by the Prime Minister.

PART 3 — ROLES AND RESPONSIBILITIES OF EACH PARTY

16. To realise the objectives and commitments in this Agreement, the Commonwealth and Queensland have specific roles and responsibilities, as outlined in the Schedules to this Agreement. In general terms, the role of the Commonwealth and the States are outlined below.

**Role of the Commonwealth**

17. The Commonwealth agrees to be accountable for the following roles and responsibilities:

(a) providing a financial contribution in respect of its obligations under the NDRRA to

Queensland to support the implementation of this Agreement;

(b) auditing the performance of bodies directly involved in the expenditure of NDRRA

funding for flood or cyclone reconstruction and recovery activities; and

(c) monitoring and assessing performance in the delivery of activities under this Agreement to ensure that outputs are delivered and outcomes are achieved within the agreed timeframe.

**Role of Queensland**

18. Queensland agrees to be accountable for the following roles and responsibilities:

(a) providing relevant information and documentation to the Commonwealth necessary to track the use of NDRRA funding from its source to the point of final expenditure and/or final recipient;

(b) delivering on outcomes and outputs assigned to Queensland for implementation; (c) monitoring and assessing performance in the delivery of activities under this

Agreement, and reporting on this to the Commonwealth consistent with current

practice, with any changes to be agreed between the Parties; and

(d) providing assurance on the eligibility of local government and state

government-owned assets for which NDRRA funding is claimed, consistent with

current practice.

**Shared roles and responsibilities**

19. The Commonwealth and Queensland share the following roles and responsibilities: (a) developing the Schedules to this Agreement;

(b) participating in consultations as appropriate regarding the implementation of this

Agreement;

(c) continuing to provide, in line with current practice, assurance around value for money across the Queensland reconstruction program for local government and state government owned assets; and

(d) conducting evaluations and reviews of services and outputs delivered under this

Agreement.

20. The Parties will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to the replacement or restoration of essential public assets, and that the roles of both Parties will be acknowledged and recognised appropriately.

PART 4 — PERFORMANCE MONITORING AND REPORTING

21. The NDRRA are the primary mechanism for the Commonwealth to provide funding to the

States for flood and cyclone reconstruction and recovery efforts. Under the NDRRA, States and

Territories are required to provide independently-audited financial statements to support any

claim under the NDRRA, including the requirement to substantiate spending against any

advance payments. These statements are to be audited by the Auditor-General of that State,

consistent with NDRRA guidelines.

22. Under this Agreement, the Parties agree to meet the key performance reporting requirements and project milestones for the reconstruction projects. Queensland agrees to report to the Commonwealth on:

(a) recovery and reconstruction progress, including the extent to which milestones are being achieved and what additional funding is being leveraged, on a monthly basis, or as otherwise agreed between the Parties. The report will be based on the format of the January 2013 Reconstruction and Governance Report, and provide information on the progress of recovery and reconstruction relating to only the events under this Agreement. Material changes to the format will be agreed by the Parties.

(b) progress with expenditure under the NDRRA, including advice on the level of expenditure in key areas of the reconstruction effort;

(c) revisions to estimates of costs, as detailed in the NDRRA; and

(d) actual costs for reconstruction projects as soon as practicable after the completion of reconstruction work on a project-by-project basis.

23. Given the large quantum of Commonwealth funding involved in the floods and cyclone reconstruction and recovery effort, the public is likely to expect an even higher standard of transparency and assurance that funds are being used appropriate

24. The Parties recognise that each jurisdiction’s Auditor-General has the responsibility for auditing all public sector entities, including departments, statutory bodies and local governments within that jurisdiction. The Commonwealth Auditor-General will explore with the Queensland

Auditor-General an agreed audit plan that would provide the capacity for Commonwealth

funding under the National Partnership Agreement and the NDRRA to be audited from its

source to the point of final expenditure and/or final recipient through a complementary

approach to performance audits. The audit plan will determine the scope, timing and frequency

of any audits relating to Commonwealth expenditure.

25. The Parties also agree that the Queensland Auditor-General will provide the audit findings, and the basis for those findings, to the Commonwealth Auditor-General for audits conducted in line with the agreed audit plan.

PART 5 — FINANCIAL ARRANGEMENTS

26. The Commonwealth will provide financial assistance to Queensland for flood and cyclone recovery and reconstruction activities in accordance with the provisions of the NDRRA. Any new proposals for assistance (for example, falling under Category D of the NDRRA, or non-NDRRA items) will need to be proposed to the Prime Minister, accompanied with business cases demonstrating value-for-money. Proposals should be consistent with the Principles Related to Proposals for Additional Natural Disaster Assistance, set out in a Schedule to this Agreement.

PART 7 — GOVERNANCE ARRANGEMENTS

**Ministerial oversight**

27. The governance arrangements in this Agreement aim to:

(a) ensure that the Commonwealth and Queensland collaborate effectively in the reconstruction and recovery process;

(b) establish clear roles and responsibilities for the Commonwealth and Queensland in the reconstruction and recovery process; and

(c) identify clear lines of reporting and transparent accountability for outcomes.

28. At both the Commonwealth and Queensland Government levels, Cabinet committees will oversee the recovery effort and report directly to the Prime Minister and Queensland Premier respectively.

29. The Commonwealth Minister responsible for Queensland Natural Disaster Reconstruction and Recovery will coordinate Commonwealth Ministerial involvement in Queensland flood and cyclone recovery efforts. This includes the Minister participating in the relevant Queensland Cabinet Committee to facilitate good communication between Queensland and Commonwealth Cabinet Committees.

**Australian Government Reconstruction Inspectorate**

30. The Commonwealth has established an Australian Government Reconstruction Inspectorate

(the Inspectorate) to oversee the reconstruction activity to provide assurance that value for

money is being achieved in the expenditure of both Commonwealth and State funds during the recovery phase. The Inspectorate:

(a) reports to the Prime Minister;

(b) works closely with the established processes within state agencies and provides an additional level of check and balance for the expenditure of funds; and

(c) does not replicate the function or responsibilities of decision-making or statutory bodies, such as the Queensland Reconstruction Authority or the Commonwealth or State Ombudsmen or Auditors General.

31. The Inspectorate performs its functions by continuing to:

(a) work collaboratively with the Queensland Reconstruction Authority on continued improvement to the value-for-money framework ; undertake scrutiny of reconstruction projects undertaken by local governments and state departments and agencies;

(b) undertake scrutiny of benchmark prices to ensure value for money;

(c) where appropriate, undertake scrutiny prior to execution for complex or high value contracts; and

(d) respond and investigate complaints or issues raised by the public.

32. Membership of the Inspectorate is a matter for the Commonwealth to determine, but will include:

(a) a Chair with extensive experience of public sector management and decision-making; (b) the Secretary of the Australian Government Department of Finance and Deregulation

(DoFD); and

(c) two independent members with relevant private sector expertise and experience, such as audit and assurance.

33. The Commonwealth will support the provision of expert advice to the Inspectorate, for example in the fields of quantity surveying, construction management, audit and assurance, and contract law, as necessary through its National Disaster Recovery Taskforce.

34. The Parties agree to update the operating protocol between the National Disaster Recovery Taskforce and the Queensland Reconstruction Authority within 60 days of the signing of this Agreement to incorporate learnings from the past two years to ensure the effective and efficient provision of information.

**Commonwealth National Disaster Recovery Taskforce**

35. A Commonwealth National Disaster Recovery Taskforce (‘the Taskforce’) has been established.

36. The Taskforce has as its sole focus the oversight and coordination of Commonwealth interests in relation to the recovery and reconstruction efforts regarding the flooding and cyclone events that took place in Queensland between November 2010 and June 2013 and the flooding events that took place in Victoria in early 2011. The Taskforce:

(a) provides support, including Secretariat services, to the Inspectorate;

(b) reports to the Minister responsible for Queensland Natural Disaster Reconstruction and Recovery;

(c) provides the relevant Cabinet committee with regular progress reports on Queensland recovery and reconstruction, including updated estimates of the Commonwealth’s liability under the NDRRA;

(d) assesses spending on recovery and reconstruction efforts arising from the flooding and cyclone events to ensure consistency with NDRRA, in conjunction with Emergency Management Australia;

(e) assesses requests for Commonwealth funding assistance outside those automatically triggered by a declaration under the NDRRA (including all Category D requests) consistently with the Principles Related to Proposals for Additional Natural Disaster Assistance set out in a Schedule to this Agreement, and advises the Commonwealth Government on these requests; and

(f) ensures that a strategic approach is taken to reconstruction and recovery efforts, incorporating the principles of local input, and leverages effort across all three tiers of government and the private and not-for-profit sectors.

**Queensland-specific governance arrangements**

37. In addition to the general governance and accountability arrangements set out in this Agreement, Queensland-specific arrangements have been established and are included in a Schedule to this Agreement.

**Dispute resolution**

38. Any Party may give notice to other Parties of a dispute under this Agreement.

39. Officials of relevant Parties will attempt to resolve any dispute in the first instance.

40. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.

41. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to the

Prime Minister and relevant Premiers.

**Review of the Agreement**

42. The Agreement will be reviewed within 12 months of signing, or earlier as agreed by the Prime Minister and the Premier of any Party, and annually thereafter with regard to progress made by the Parties in respect of achieving the agreed outcomes.

**Variation of the Agreement**

43. The Agreement may be amended at any time by agreement in writing by all the Parties.

44. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.

**Interaction of this Agreement with the NDRRA Determination and Guidelines**

45. The Parties agree that this Agreement operates in parallel with the relevant NDRRA Determination that was extant at the time of the disaster event. In the event of a conflict between the Agreement and the NDRRA, this Agreement is taken to override the NDRRA, unless otherwise agreed by the Parties.

46. [Withdrawn]

47. The Commonwealth agrees to provide an exemption to the State in relation to clause 3.6.2 of the NDRRA Determination 2012 relating to the 2013 events covered by this Agreement. Accordingly, the State will not be required to seek approval from the Commonwealth in relation to the commencement of a restoration or replacement project estimated to be more than

$1 million. This exemption only applies if a restoration or replacement project is subject to the

Queensland Reconstruction Authority’s value-for-money and eligibility processes and the

oversight of the Australian Government Reconstruction Inspectorate as outlined in this

Agreement.

48. The Commonwealth agrees to provide an exemption to the State in relation to clause 4.3.2 of the NDRRA Determination 2012 relating to the events covered by this Agreement. Queensland shall instead notify the office of the Minister responsible for Queensland Natural Disaster Reconstruction and Recovery of approved submissions for the restoration or replacement of essential public assets.

49. In relation to Guideline 6 of the NDRRA Determination 2012, the Parties agree that, sporting, recreational or community facilities (such as playgrounds and associated facilities) and memorials that:

(a) were damaged in the 2013 events covered by this Agreement, and

(b) that had been damaged in a previous event covered by this Agreement, and

(c) that had been previously approved for reconstruction under the NDRRA,

will be considered eligible essential public assets for replacement or restoration funding under the NDRRA Determination 2012. The Parties note that similar assets, or assets assessed by the Queensland Reconstruction Authority as essential public assets, damaged only in the 2013 events covered by this Agreement will be considered eligible for restoration or replacement funding under the NDRRA.

50. The Commonwealth undertakes to fast-track consideration of Category C requests where there is clear evidence of severe impact on a community, with relevant impact information to be provided by the Queensland Reconstruction Authority as soon as practicable. Subject to the provision of appropriate evidence, the Commonwealth also agrees to expedite consideration of Category D requests.

51. The Parties will agree a framework for proposals for changes to betterment arrangements in relation to the 2013 events within two weeks of execution of this Agreement. A Schedule to the Agreement will detail the scope, criteria and other elements for the operation of any such agreed framework.

52. The Parties will agree the applicability to the 2013 events, of an extension of the current trial, to reimburse expenditure on local government internal labour as Category D proposals under the NDRRA, or by agreement between the Parties.

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

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

**The Honourable Wayne Swan MP**

Treasurer of the Commonwealth of Australia

February 2013

**Signed** *for and on behalf of the*

*State of Queensland by*

**The Honourable Tim Nicholls MP**

Treasurer of the State of Queensland

February 2013

PRINCIPLES RELATED TO

Schedule A

PROPOSALS FOR ADDITIONAL NATURAL DISASTER ASSISTANCE

**(BEYOND EXISTING PROVISIONS OF CATEGORIES A, B AND C OF THE NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS)**

**A Framework for the Development and Consideration of Proposals**

A1 The following principles are to guide the development and consideration of proposals:

(a) Ensure that each level of government contributes appropriately to the funding needs, recognising that for large disaster events, the standard NDRRA provisions already provide that the Commonwealth funds the majority of State and local government costs for repairing/replacing eligible assets. Accordingly, a strong case showing the benefit to the Commonwealth and the States should be made, noting that contributions from States and local governments provide good incentives for high priority projects to be identified and, if approved, also provides incentives to obtain value for money in the management of the projects.

(b) A higher level of government should not provide assistance until the lower level(s) of government have also done so, and their ability to provide further assistance has reached its limits.

(c) Ensure that the structure of proposals and their funding arrangements do not undermine or distort the obligations on parties for security, business continuity or insurance— accordingly, proposals should not have the effect of providing a disincentive for individuals, businesses and governments to act prudently and responsibly in future.

(d) Each proposal should demonstrate why it should be regarded as a relative priority for funding — proposals need to show why they are critical to recovery and are unable to be funded in an alternative and more cost-effective or equitable way, in particular, the case should explain why the proposal has not been, or could not be, considered for funding under the standard infrastructure programs of the Commonwealth and State/local governments.

**Information Needed to Support Proposals Which Meet the Above Principles**

A2 Taking these principles into account, proposals which are developed should address the following issues where possible:

(a) Why does the Commonwealth government need to intervene in the way proposed?

i. What is the rationale for the proposal — issues to be addressed would include the scope for State and/or local government funding?

(b) What are the options and their pros and cons?

i. Are they supported by a cost-benefit analysis (or at least a cost-effectiveness analysis)?

ii. What evidence can be presented that the proposal will be cost-effective, and represents value for money?

iii. Are they supported by commitments to mitigate future claims of the same kind, for example a commitment for specific improvements in land use policies, zoning rules, etc?

iv. Has the proposal been, or could it be, considered for funding under another program? If so, why was it not funded or not considered for funding under another program?

(c) What is the fiscal impact of the options?

i. What is the cost — details of the costing assumptions and the basis for the costing calculations should be provided.

(d) Implementation arrangements

i. Issues to be addressed may include governance, management of risks and mechanisms to provide assurance on obtaining value for money.

Queensland-Specific

Schedule B

Governance Arrangements for

Reconstruction and Recovery

B1. This Schedule provides for a number of governance arrangements specific to Queensland in addition to the general governance and accountability arrangements set out in the National Partnership Agreement for Natural Disaster Reconstruction and Recovery (the Agreement).

B2. For the purposes of this Schedule:

(a) “floods” means floods that were declared disasters for which NDRRA assistance was activated from November 2010 to June 2013;

(b) “cyclones” means cyclones that were declared disasters for which NDRRA assistance was

activated from November 2010 to June 2013, particularly Tropical Cyclones Yasi and Oswald;

(c) “disaster-affected communities” means communities directly affected by the floods and cyclones between November 2010 and June 2013 in Queensland as per the NDRRA activations; and

(d) the Australian Government Reference Numbers (AGRN) for the specific events are:

 AGRN 422 – Qld - November 2010 - January 2011 Floods

 AGRN 428 – Qld – Tropical Cyclone Yasi commencing 2 February 2011

 AGRN 437 – Qld - Flood - 28 February 2011

 AGRN 450 – Qld - Flood - 19 April 2011

 AGRN 485 – Qld – Localised Heavy Rainfall, Northern Queensland – October 2011

 AGRN 466 – Qld - Southern Queensland Flooding November - December 2011

 AGRN 476 – Qld - South East Queensland Heavy Rainfall and Flooding 23-26 January

2012

 AGRN 472 – Qld - Tropical Low Far North Queensland - 3-4 February 2012

 AGRN 474 – Qld - Tropical Low - 3-4 February 2012

 AGRN 482 – Qld - Nth Coast Storms and Flooding/East Coast Hybrid Low - 24 February to 7 March 2012

 AGRN 484 – Qld - Heavy Rainfall and Flooding - 15 March 2012

 AGRN 486 – Qld - East Coast Low - 22 March 2012

 AGRN 542 – Qld - Tropical Cyclone (Oswald) - 21-24 January 2013

* AGRN 554 – Qld – Queensland storms – Central and Southern Queensland Low – 25 February – 5 March 2013
* AGRN 568 – Qld – Queensland flooding – Longreach – 18 February 2013

**Queensland Reconstruction Authority**

B3. The Queensland Reconstruction Authority (QRA):

(a) leads and oversees Queensland’s flood and cyclone recovery operations;

(b) monitors and assesses the progress of the reconstruction program; (c) monitors and assesses the performance of the delivery of projects;

(d) reports to the QRA Board, the Australian Government Reconstruction Inspectorate and the Queensland Cabinet on the progress of recovery and reconstruction; and

(e) liaises with the State Disaster Recovery Coordinator and the Commonwealth National

Disaster Recovery Taskforce as needed to ensure good integration.

B4. To ensure good coordination across levels of government, two Commonwealth representatives will be appointed to the Board of the QRA. Both members will be nominated by the Commonwealth.

B5. Members of the QRA Board will have substantial experience in financial, contractual, engineering and/or large-scale infrastructure projects.

B6. All QRA Board members will be indemnified against any legal claims while exercising the

Board’s functions in good faith.

**Queensland Flood Recovery Cabinet Committee**

B7. The Commonwealth Minister responsible for Queensland Natural Disaster Reconstruction and Recovery will participate in the Queensland Disaster Recovery Cabinet Committee to facilitate good communication between the Queensland and Commonwealth Cabinet committees.

Schedule C

Variation to the   
National Partnership  
Agreement for Natural Disaster Reconstruction and Recovery

**Intergovernmental Agreement on Federal Financial Relations**

**Preliminaries**

A1. Schedule C (this Schedule) varies the National Partnership Agreement for Natural Disaster Reconstruction and Recovery (the Agreement). Variations are specified in this Schedule. In all other respects, the National Partnership Agreement remains unchanged.

**Description**

A2. This schedule:

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| **Former clause** | | **Varied clause** |
| (a) | Cover page  This Agreement will contribute to the reconstruction and recovery of communities in Queensland affected by flooding and cyclones between November 2010 and January 2013. | Cover page – replace ‘January 2013’ with ‘June 2013’  This Agreement will contribute to the reconstruction and recovery of communities in Queensland affected by flooding and cyclones between November 2010 and June 2013. |
| (b) | Clause 2  Given the scale of the floods and cyclones between November 2010 and January 2013, and the significant costs as a result, the Commonwealth Government is providing support for reconstruction and recovery of the communities affected. In entering this Agreement, the Commonwealth and Queensland acknowledge that primary responsibility for the protection of life and property in response to a natural disaster lies with the States. Queensland also acknowledges the need to ensure that a strategic approach is taken to reconstruction and recovery efforts, incorporating the principles of local input, and leverage effort across all three tiers of government and the private and not-for-profit sectors. | Clause 2 – replace ‘January 2013’ with ‘June 2013’  Given the scale of the floods and cyclones between November 2010 and June 2013, and the significant costs as a result, the Commonwealth Government is providing support for reconstruction and recovery of the communities affected. In entering this Agreement, the Commonwealth and Queensland acknowledge that primary responsibility for the protection of life and property in response to a natural disaster lies with the States. Queensland also acknowledges the need to ensure that a strategic approach is taken to reconstruction and recovery efforts, incorporating the principles of local input, and leverage effort across all three tiers of government and the private and not-for-profit sectors. |
| (c) | Clause 12  The Agreement will contribute to the reconstruction on Queensland communities which were affected by the floods and cyclones between November 2010 and January 2013. | Clause 12 – replace ‘January 2013’ with ‘June 2013’  The Agreement will contribute to the reconstruction on Queensland communities which were affected by the floods and cyclones between November 2010 and June 2013. |
| (d) | Clause 29  The Commonwealth Minister Assisting on Queensland Floods Recovery will coordinate Commonwealth Ministerial involvement in Queensland flood and cyclone recovery efforts. This includes the Minister participating in the relevant Queensland Cabinet Committee to facilitate good communication between Queensland and Commonwealth Cabinet Committees. | Clause 29 – replace ‘Minister Assisting on Queensland Floods Recovery’ with ‘Minister responsible for Queensland Natural Disaster Reconstruction and Recovery’.  The Commonwealth Minister responsible for Queensland Natural Disaster Reconstruction and Recovery will coordinate Commonwealth Ministerial involvement in Queensland flood and cyclone recovery efforts. This includes the Minister participating in the relevant Queensland Cabinet Committee to facilitate good communication between Queensland and Commonwealth Cabinet Committees. |
| (e) | Clause 36  The Taskforce has as its sole focus the oversight and coordination of Commonwealth interests in relation to the recovery and reconstruction efforts regarding the flooding and cyclone events that took place in Queensland between November 2010 and January 2013 and the flooding events that took place in Victoria in early 2011. The Taskforce:   1. provides support, including Secretariat services, to the Inspectorate; 2. reports to the Minister Assisting on Queensland Floods Recovery; 3. provides the relevant Cabinet committee with regular progress reports on Queensland recovery and reconstruction, including updated estimates of the Commonwealth’s liability under the NDRRA; 4. assesses spending on recovery and reconstruction efforts arising from the flooding and cyclone events to ensure consistency with NDRRA, in conjunction with Emergency Management Australia; 5. assesses requests for Commonwealth funding assistance outside those automatically triggered by a declaration under the NDRRA (including all Category D requests) consistently with the Principles Related to Proposals for Additional Natural Disaster Assistance set out in a Schedule to this Agreement, and advises the Commonwealth Government on these requests; and 6. ensures that a strategic approach is taken to reconstruction and recovery efforts, incorporating the principles of local input, and leverages effort across all three tiers of government and the private and not-for-profit sectors. | Clause 36 – replace ‘January 2013’ with ‘June 2013’ and replace ‘Minister Assisting on Queensland Floods Recovery’ with ‘Minister responsible for Queensland Natural Disaster Reconstruction and Recovery’.  The Taskforce has as its sole focus the oversight and coordination of Commonwealth interests in relation to the recovery and reconstruction efforts regarding the flooding and cyclone events that took place in Queensland between November 2010 and June 2013 and the flooding events that took place in Victoria in early 2011. The Taskforce:   1. provides support, including Secretariat services, to the Inspectorate; 2. reports to the Minister responsible for Queensland Natural Disaster Reconstruction and Recovery; 3. provides the relevant Cabinet committee with regular progress reports on Queensland recovery and reconstruction, including updated estimates of the Commonwealth’s liability under the NDRRA; 4. assesses spending on recovery and reconstruction efforts arising from the flooding and cyclone events to ensure consistency with NDRRA, in conjunction with Emergency Management Australia; 5. assesses requests for Commonwealth funding assistance outside those automatically triggered by a declaration under the NDRRA (including all Category D requests) consistently with the Principles Related to Proposals for Additional Natural Disaster Assistance set out in a Schedule to this Agreement, and advises the Commonwealth Government on these requests; and 6. ensures that a strategic approach is taken to reconstruction and recovery efforts, incorporating the principles of local input, and leverages effort across all three tiers of government and the private and not-for-profit sectors. |
| (f) | Clause 46  As required under the NDRRA, all restoration or reconstruction of essential public assets must be undertaken in accordance with recognised current building and engineering standards, subject to cases where betterment projects are agreed in a Schedule to this Agreement. The appropriate standards to be applied to the restoration or replacement of assets damaged in the 2013 flooding, including transport infrastructure, will be agreed between the Parties with a framework developed within two weeks, until such agreement is reached the current arrangements will continue. | Clause 46 – withdrawn. |
| (g) | Clause 48  The Commonwealth agrees to provide an exemption to the State in relation to clause 4.3.2 of the NDRRA Determination 2012 relating to the events covered by this Agreement. Queensland shall instead notify the office of the Minister Assisting on Queensland Floods Recovery of approved submissions for the restoration or replacement of essential public assets. | Clause 48 – replace ‘Minister Assisting on Queensland Floods Recovery’ with ‘Minister responsible for Queensland Natural Disaster Reconstruction and Recovery’.  The Commonwealth agrees to provide an exemption to the State in relation to clause 4.3.2 of the NDRRA Determination 2012 relating to the events covered by this Agreement. Queensland shall instead notify the Minister responsible for Queensland Natural Disaster Reconstruction and Recovery of approved submissions for the restoration or replacement of essential public assets. |

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| (h) | Clause 49  In relation to Guideline 6 of the NDRRA Determination 2012, the Parties agree that, sporting, recreational or community facilities (such as playgrounds and associated facilities) and memorials that:   1. were damaged in the 2013 event covered by this Agreement, and 2. that had been damaged in a previous event covered by this Agreement, and 3. that had been previously approved for reconstruction under the NDRRA,   will be considered eligible essential public assets for replacement or restoration funding under the NDRRA Determination 2012. The Parties note that similar assets, or assets assessed by the Queensland Reconstruction Authority as essential public assets, damaged only in the 2013 events covered by this Agreement will be considered eligible for restoration or replacement funding under the NDRRA. | Clause 49 – replace ‘event’ with ‘events’  In relation to Guideline 6 of the NDRRA Determination 2012, the Parties agree that, sporting, recreational or community facilities (such as playgrounds and associated facilities) and memorials that:   1. were damaged in the 2013 events  covered by this Agreement, and 2. that had been damaged in a previous event covered by this Agreement, and 3. that had been previously approved for reconstruction under the NDRRA,   will be considered eligible essential public assets for replacement or restoration funding under the NDRRA Determination 2012. The Parties note that similar assets, or assets assessed by the Queensland Reconstruction Authority as essential public assets, damaged only in the 2013 events covered by this Agreement will be considered eligible for restoration or replacement funding under the NDRRA. |
| (i) | Clause 51  The Parties will agree a framework for proposals for changes to betterment arrangements in relation to the January 2013 events within two weeks of execution of this Agreement. A Schedule to the Agreement will detail the scope, criteria and other elements for the operation of any such agreed framework. | Clause 51 – remove ‘January’  The Parties will agree a framework for proposals for changes to betterment arrangements in relation to the 2013 events within two weeks of execution of this Agreement. A Schedule to the Agreement will detail the scope, criteria and other elements for the operation of any such agreed framework. |
| (j) | Clause 52  The Parties will agree the applicability to the January 2013 events, of an extension of the current trial, to reimburse expenditure on local government internal labour as Category D proposals under the NDRRA, or by agreement between the Parties. | Clause 52 – remove ‘January’  The Parties will agree the applicability to the 2013 events, of an extension of the current trial, to reimburse expenditure on local government internal labour as Category D proposals under the NDRRA, or by agreement between the Parties. |
| (k) | Schedule B, clause B2 (a), (b), (c)  (a) “floods” means floods that were declared disasters for which NDRRA assistance was activated from November 2010 to January 2013;  (b) “cyclones” means cyclones that were declared disasters for which NDRRA assistance was activated from November 2010 to January 2013, particularly Tropical Cyclones Yasi and Oswald;  (c) “disaster-affected communities” means communities directly affected by the floods and cyclones between November 2010 and January 2013 in Queensland as per the NDRRA activations; and | Schedule B, clause B2 (a), (b), (c) – replace ‘January 2013’ with ‘June 2013’   1. “floods” means floods that were declared disasters for which NDRRA assistance was activated from November 2010 to June 2013; 2. “cyclones” means cyclones that were declared disasters for which NDRRA assistance was activated from November 2010 to June 2013, particularly Tropical Cyclones Yasi and Oswald; 3. “disaster-affected communities” means communities directly affected by the floods and cyclones between November 2010 and June 2013 in Queensland as per the NDRRA activations; and |
| (l) | Schedule B, clause B2 (d) | Schedule B, clause B2 (d) – insert ‘AGRN 554 – Qld – Queensland storms – Central and Southern Queensland Low – 25 February – 5 March 2013’ and ’AGRN 568 – Qld – Queensland flooding – Longreach – 18 February 2013’ |
| (m) | Schedule B, clause B7  The Commonwealth Minister Assisting on Queensland Floods Recovery will participate in the Queensland Disaster Recovery Cabinet Committee to facilitate good communication between the Queensland and Commonwealth Cabinet committees. | Schedule B, clause B7 – replace ‘Minister Assisting on Queensland Floods Recovery’ with ‘Minister responsible for Queensland Natural Disaster Reconstruction and Recovery ’.  The Commonwealth Minister responsible for Queensland Natural Disaster Reconstruction and Recovery will participate in the Queensland Disaster Recovery Cabinet Committee to facilitate good communication between the Queensland and Commonwealth Cabinet committees. |
| (n) | Schedule E | Schedule E – withdrawn. |
| (o) | Schedule F  The following methodology for evaluating proposals for assistance under the Fund seeks to provide cost effective means of improving community resilience with respect to reduced future expenditure on asset restoration, reduced incidents, injuries and fatalities during and after a natural disaster, and improved asset utility during and after a natural disaster. | Schedule F, clause F11 – insert ‘It is in the interest of all levels of government, the community and business, to limit disruption to asset users’.  The following methodology for evaluating proposals for assistance under the Fund seeks to provide cost effective means of improving community resilience with respect to reduced future expenditure on asset restoration, reduced incidents, injuries and fatalities during and after a natural disaster, and improved asset utility during and after a natural disaster. It is in the interest of all levels of government, the community and business, to limit disruption to asset users. |

Queensland Betterment Framework

National Partnership Agreement for natural disaster reconstruction and recovery

# INtroduction

* 1. The Natural Disaster Relief and Recovery Arrangements (NDRRA) assist state and territory governments with the additional financial burden as the result of a natural disaster. The NDRRA Determination 2012 (Determination) sets out the parameters required to access this assistance. In broad terms, the Determination allows the restoration or replacement of an essential public asset to its pre‐disaster standard. The Determination also allows the restoration or replacement of the asset to a more disaster resilient standard than its pre‐disaster standard; this is referred to as betterment1.
  2. Betterment is intended to limit the cost of rebuilding repeatedly damaged infrastructure by allowing essential public assets to be rebuilt to a more resilient standard where it is cost‐effective to do so.

# What is Betterment?

* 1. Betterment costs are the difference between the cost of restoring or replacing an essential public asset to its pre‐disaster standard, and the cost of restoring or replacing the asset to a more disaster‐resilient standard.
  2. For example: if restoring an asset to its pre‐disaster standard will cost $5 million and restoring the asset to a more disaster‐resilient standard will cost $7 million, the betterment component would be $2 million.
  3. The National Partnership Agreement for Natural Disaster Reconstruction and Recovery (NPA) between the Commonwealth and State of Queensland established a method under which betterment can be fast tracked, where local government authorities (LGAs) can apply for betterment from the Queensland Betterment Fund.

# Queensland Betterment Fund

* 1. The Commonwealth and Queensland governments have created the Queensland Betterment Fund (the Fund) to provide a streamlined process for LGAs to pursue betterment projects relating to the 2013 events (and any other agreed eligible events).
  2. The Fund will be managed by the Queensland Reconstruction Authority (the Authority), rather than through the standard betterment process which requires both Commonwealth and State government approval for all projects in advance. The Commonwealth and Queensland governments have contributed $40 million each to the Fund.
  3. The Fund will be used by LGAs for projects where the total contribution from the Commonwealth and State does not exceed $2 million (i.e. Commonwealth contribution of up to $1 million and State contribution of up to $1 million).
  4. While the Authority will manage the Fund and will not need Commonwealth approval before proceeding with projects, these projects will be subject to State approval process including endorsement by the Minister for Local Government, Community Recovery and Resilience and governance arrangements outlined in the NPA. Accordingly, approved projects under the Fund are able to be selected for review by the Australian Government Reconstruction Inspectorate.
  5. Projects will be selected by the Authority through a merits based process. LGAs are encouraged to contribute to the betterment cost. This contribution will be taken into account as part of the assessment.

# Application and Assessment

* 1. The following methodology for evaluating proposals for assistance under the Fund seeks to provide cost effective means of improving community resilience with respect to reduced future expenditure on asset restoration, reduced incidents, injuries and fatalities during and after a natural disaster, and improved asset utility during and after a natural disaster. It is in the interest of all levels of government, the community and business, to limit disruption to asset users.
  2. The methodology will provide a process to guide the preparation of business cases for betterment proposals. Assessments will involve a review of the merits of the project, which will be supported by quantitative and qualitative information on the costs and impacts of the project. The framework for the assessment is outlined below:

## Project Information

* 1. Betterment proposals should provide a general description of the asset, its functional role, the disaster event which caused the damage, the impact to the asset and the historical record of impact from prior events.

## Eligibility Criteria

* 1. Betterment proposals should demonstrate that the asset is eligible under the Determination as an essential public asset, is a local government owned asset damaged by an eligible event, and describe the relevant treatment and cost.

## Betterment Proposal

* 1. Betterment proposals should detail the engineering solution and outline the effectiveness of the betterment proposal to mitigate the impact of future natural disasters. Alternative betterment proposals may also be included for assessment.

## Proposed Cost of Betterment

* 1. Betterment proposals should provide a cost estimate of the betterment solution that allows an assessment of value for money and demonstrates reduced cost of possible future asset restoration and improved asset utility and safety for users during and after future natural disaster events.

## Stakeholder Commitments

* 1. The proposal should also outline Federal, State or local government commitments to the project including funding agreements.
  2. The submission process is aligned to the current process outlined in the Queensland Reconstruction Authority submission guide, the process is divided into four phases:

Phase 1: Prepare submission

Phase 2: Detailed planning

Phase 3: Undertake project – monitor and report on project milestones; submit progress claims

Phase 4: Project acquittal – finalise claim

# Notification on Approval

* 1. In line with paragraph 48 of the NPA, the approval of a betterment submission would be notified to the Commonwealth Minister Assisting on Queensland Floods Recovery.

# Variation of Framework

* 1. A variation to this framework can be agreed at any time in writing between the Commonwealth Minister Assisting on Queensland Floods Recovery and the Queensland Minister for Local Government, Community Recovery and Resilience or their delegates.