

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2015 - 2016

Department/Agency: Treasury

Question: SBT 73-81

Topic: North Queensland Insurance

Reference: written - 30 October 2015

Senator: McLucas, Jan

Question:

"I refer to 2014-15 Budget Paper No. 2 (p212) which states ""The Government will provide up to \$12.5 million over three years from 2014-15 to the Queensland Government to provide grants to bodies corporate to undertake engineering assessments of strata-title properties in North Queensland.""

SBT 73 - What is the status of the \$12.5m allocated to this measure?

SBT 74 - How much of the allocated \$12.5m has been spent to date?

SBT 75 - Has the allocation for this measure for the 2014-15 period been redirected?

SBT 76 - Where is the full \$12.5m expected to be spent?

SBT 77 - Is this measure still for a three year period as stated in the budget paper, despite its scheduled start date being the 2014-15 period?

SBT 78 - How will the delay in the start of the program impact this measure?

SBT 79 - Bearing in mind this measure was announced in May 2014, and that the Queensland State Election was nine months ago, why are negotiations between the Commonwealth and Queensland Government taking so long?

SBT 80 - Which Queensland State Government department are you working with to deliver this program?

SBT 81 - Did the Northern Australia Insurance Taskforce make any comments or recommendations about the engineering assessments measure in its interim report? If so, what was the nature of it?"

Answer:

SBT 73: The Commonwealth Government has been involved in discussions with the Queensland Government to develop an agreement to implement this measure.

SBT 74: To date, there has been no expenditure from the \$12.5 million of allocated funding.

SBT 75: The 2014-15 budget measure allocated \$3.1 million of funding in 2014-15, \$6.3 million of funding in 2015-16, and \$3.1 million of funding in 2016-17. The \$3.1 million allocated in 2014-15 has been moved to 2016-17.

SBT 76: The use of the \$12.5 million will be the subject of the final agreement between the Commonwealth Government and the Queensland Government.

SBT 77 - 78: The programme is due to conclude at the end of the 2016-17 period.

SBT 79: The delay has been due to the need for detailed consideration on the specifics of implementing the programme.

SBT 80: The Commonwealth Treasury has been engaging with the Queensland Department of Housing and Public Works to deliver this program.

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SBT 81: The Northern Australia Insurance Premiums Taskforce interim report made the following statement about the measure in its interim report (page 43):

“In the 2014 15 Budget, the Government committed \$12.5 million in funding to establish a Strata Title Inspection Scheme. The Scheme will provide grants to body corporate managers for building assessments in northern Queensland. The assessments will provide better information to insurers which will enable them to set premiums that more accurately reflect individual property risks. This Scheme is to be administered by the Queensland Government. Body corporate managers will be able to use the assessment in obtaining insurance quotes from a range of providers.”