

Buyback schemes

Insights from
Queensland about the
Resilient Homes Fund and
legal issues faced by clients.

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Resilient Homes Fund

- ▶ Queensland and the Australian Governments initiated the \$741 million Resilient Homes Fund to aid residents in 39 local government areas affected by the 2021-2022 floods.
- ▶ Program Goals:
 - ▶ Enhancing home resilience to reduce recovery effort, cost and time.
 - ▶ Minimising physical, financial, social and emotional impacts of disasters.



Funded Programs under the Resilient Homes Fund

Established under the *Rural and Regional Adjustment Regulations Schedule 44*:

Resilient Retrofit Program

Incorporates flood-resilient materials and design in liveable rooms or areas.
Raising or relocation of electrical works to ensure the continued habitability of the home.

Home Raising Program

Raising homes to mitigate the impact of future flood events.
Ensures habitable floors meet or exceed assessed flood levels specified by the local council.

Demolish and Rebuild or Relocate (Later Addition)

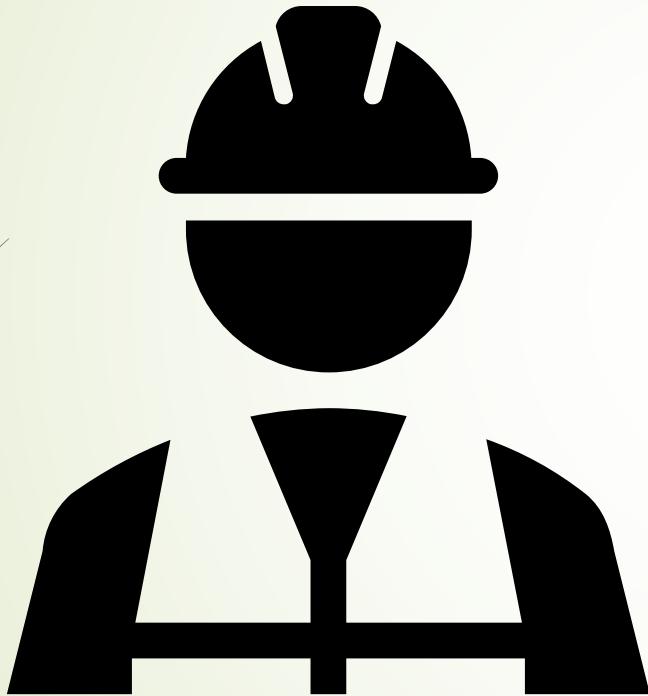
Available for homes that cannot practically be raised, such as those built on concrete slabs.
May involve demolishing part of the home or relocating it above the assessed flood levels.

Established as a discretionary scheme

Voluntary Home Buy-Back Program

Considered for homes most severely impacted and at the highest risk of future flooding.

Lessons learnt: Resilience work



- Complex process
- Insurance implications
- The program grew over time, so not all information was upfront
- Trade shortage
- Public education and funding for preparedness work
- Responsive to feedback



Voluntary Home Buy-Back Scheme

- ▶ Jointly funded (50:50) by the Queensland and Australian Governments under Category D of the Disaster Recovery Funding Arrangements (DRFA).
- ▶ Administered by the Queensland Reconstruction Authority (QRA).
- ▶ Aims to assist homes at high risk of future flooding.
- ▶ Property Selection Criteria:
 - ▶ Extent of Damage:
 - ▶ how heavily the property was impacted during the recent flood event(s).
 - ▶ Flood Risk Assessment:
 - ▶ Evaluating the impacts of flooding on life, safety, and property, considering their likely frequency.
 - ▶ Socio-Economic Factors
 - ▶ Focusing on more vulnerable community areas (not individuals).

Identification

- Expression of Interest from homeowners
- 12% of 6500 registered homes post 2021-22 floods identified for buyback

Valuation

- Valuation of pre-flood and current market values
- 99% of identified homes assessed

Offer

- Offers based on higher valuations made to homeowners
- 86% of assessed homes received buyback offers

Pre-acceptance Preparation

- Mortgage consultation for homes with loans
- Financial advisory recommended
- Insurance claims to be finalised

Signing contract

- Real estate fees covered by the program
- Title transferred to the local council
- 74% of offers accepted

Settlement

- Out of over 800 homes identified for the buyback, 300 have been settled, equating to approximately 38% of homeowners relocating within 18 months post-disaster
- Land re-designated for non-residential use, 100 homes have been demolished or removed



Appeals

Resilience work

- Program open to feedback and suggestions
- Appeals mechanism set out in *Rural & Regional Adjustment Act*
- Not reviewable at QCAT
- Judicial review

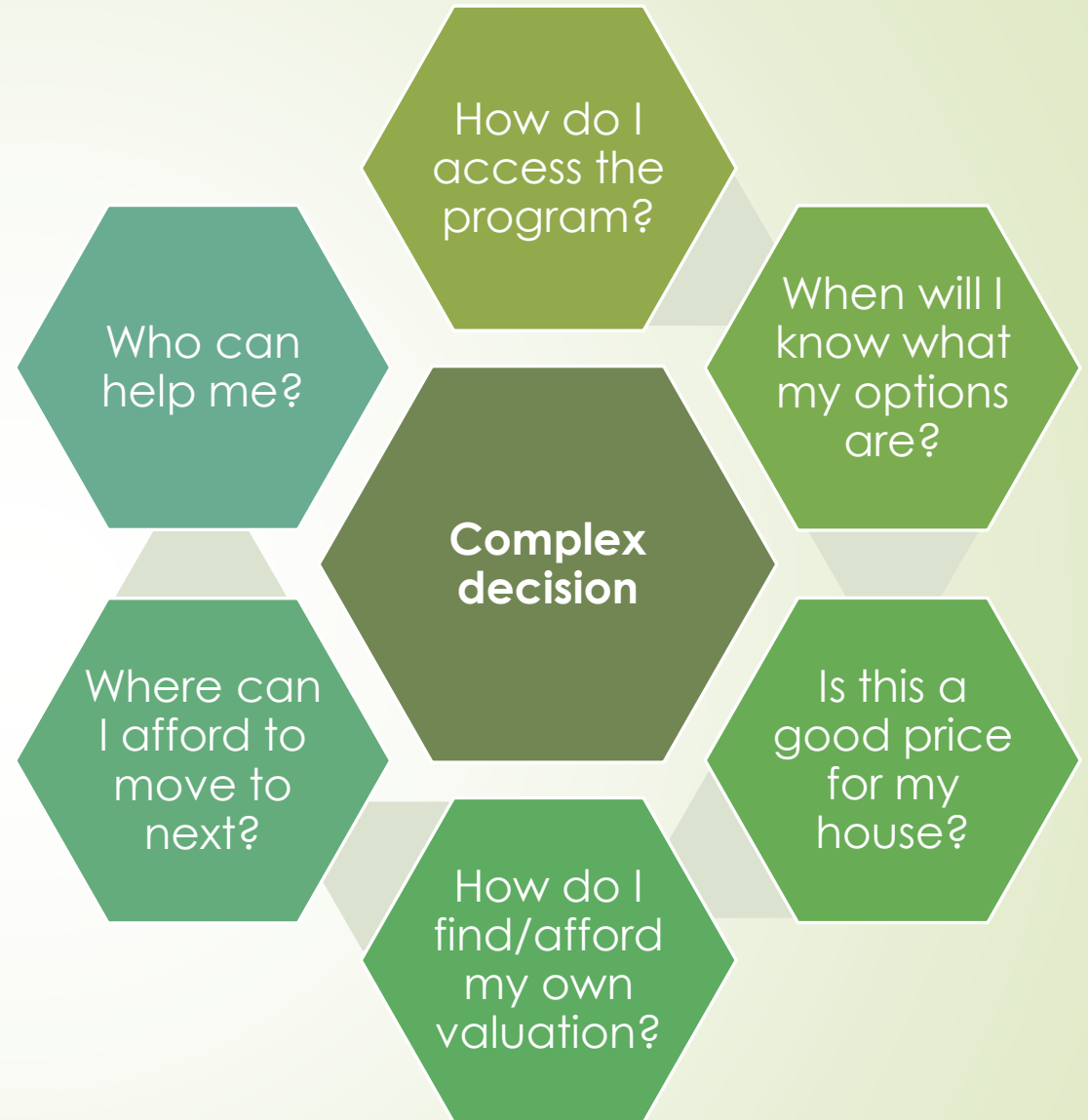
Buy-back

- Program open to feedback and suggestions
- Multiple layers of internal review mechanisms
- Not reviewable at QCAT
- Judicial review



**Lessons
Learnt:**

**Challenges
of the
Buyback
Program**



Body Corporate Schemes Challenges

Unit complex governance by Body Corporate

- QRA's and council's willingness to buy back the complex was complicated by the lack of unanimous agreement between unit owners.
- Laws required unanimous owner agreement for voluntary buyback or a scheme termination via Supreme Court.

Resident Advocacy:

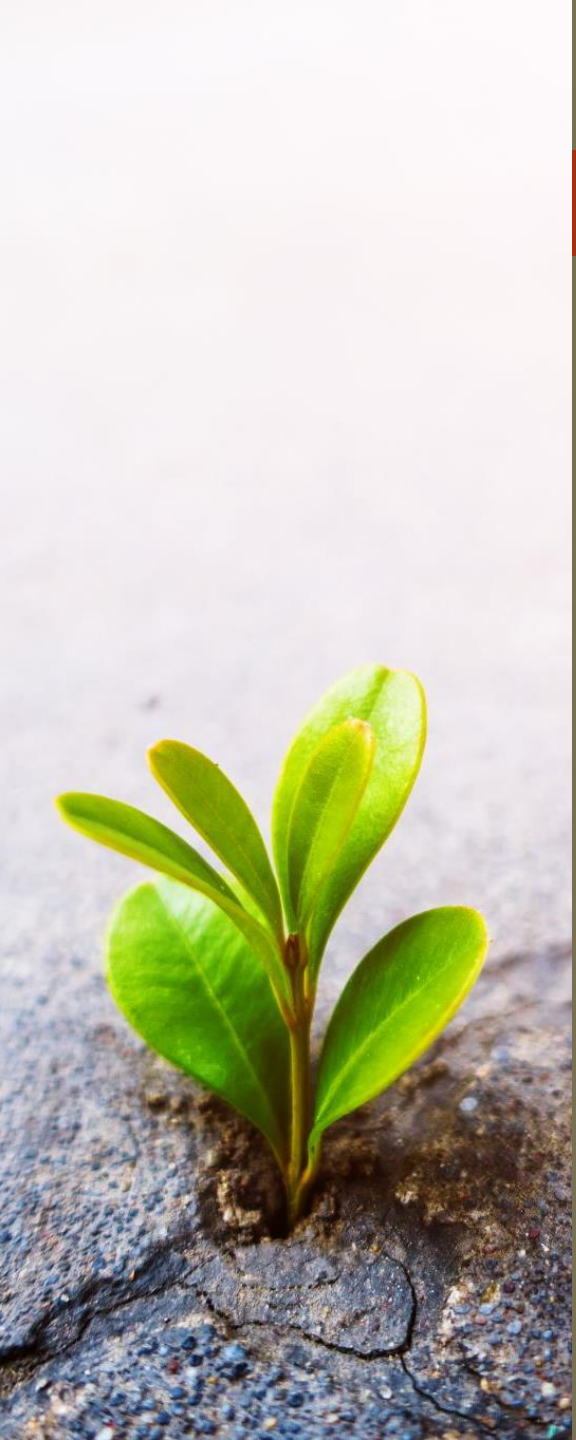
- Intense lobbying efforts from residents led the council to consider compulsory acquisition as an option beyond the voluntary buyback
- Council proposed property acquisition through compulsory measures to supplement the voluntary buyback program

Scheme Flexibility:

- Program adapted to legal constraints, demonstrating necessary flexibility for successful acquisition.

Source: - [Lifeline offered to Queensland flood victims unable to access flood buyback scheme due to body corporate rules - ABC News](#)





How do we prepare?

Buy-back wish list:

- ▶ Working with council to identify at high risk homes
- ▶ Funding and training wrap around supports
- ▶ Advocating for responsible land-use
- ▶ Consider proactive programs – resilience work at any stage of the disaster cycle