

Disaster recovery funding arrangements: Guidelines for local government councils

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Acronyms	Full form
Department	Department of the Chief Minister and Cabinet
DIPL	Department of Infrastructure, Planning and Logistics
DRFA	Disaster Recovery Funding Arrangements
EMA	Emergency Management Australia
MOG	Machinery of Government
NDRRA	Natural Disaster Relief and Recovery Arrangements
NT	Northern Territory
NTG	Northern Territory Government

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1. Overview

- The Disaster Recovery Funding Arrangements (DRFA) is an Australian Government initiative that provides partial reimbursement for state and territory disaster-related expenditure incurred on eligible activities. The DRFA is available at www.disasterassist.gov.au
- The underlying principle of eligibility, as expressed in the DRFA, is that disaster recovery is a shared responsibility of all levels of government and federal assistance should not replace the core responsibility of the Northern Territory Government (NTG) and Northern Territory Local Government Councils (Councils) to safeguard their communities and infrastructure.
- When a natural disaster occurs, the NTG and Councils are required to undertake certain disaster recovery measures to protect the public, restore service delivery and repair essential public assets as soon as practical.
- Disaster preparedness, mitigation and efforts to safeguard assets (including obtaining insurance) is a responsibility of the NTG and Councils. However, the following disaster recovery activities may be eligible for funding under the DRFA:
 - the restoration of essential public assets to their pre-disaster function; and
 - immediate works for the protection of the public or individuals.

1.1. Disaster Recovery Funding Arrangements

- There are three separate funding arrangements that may be triggered as a result of an eligible event:
 - Funding from the Australian Government to the NTG under the DRFA
 - Funding to Councils from the Department of the Chief Minister and Cabinet (Department) under a grant funding agreement
 - Cost-sharing arrangements between the NTG and Councils

1.1.1. Funding from the Australian Government to the NTG under the DRFA

- The Department coordinates and submits NTG-wide expenditure claims for funding consideration to the Australian Government.
- The information submitted by the Department on behalf of the NTG includes eligible expenditure collected from Councils (this information is required from Councils regardless of funding arrangements).
- The NTG is not fully reimbursed by the Australian Government for expenditure claims as the amount of reimbursement is determined by thresholds outlined in the DRFA determination.

1.1.2. Funding to Councils from the Department under a grant agreement

- The Department may consider funding Councils for expenditure that meets the DRFA's eligibility criteria. This may either be in the form of an upfront payment based on cost estimates, or on a reimbursement basis. All payments are made under a grant funding agreement between the Department and Council.

- The Department’s capacity to fund Councils for disaster related events is subject to the NTG’s budget processes and constraints. Councils may therefore need to incur costs upfront without certainty of funding from the NTG.
- Whilst eligibility for funding is primarily determined by the terms of the DRFA, eligibility for Councils is also determined by any further requirements as specified in these Guidelines, in addition to the terms and conditions included in funding agreements.

1.1.3. Cost sharing arrangements between the NTG and Councils

- From 18 November 2020 cost sharing arrangements exist between the NTG and Councils for the costs associated with restoration of damaged essential public assets that are eligible under DRFA.
- The formal policy position for the provision of funding by the NTG to Councils for disaster related events is, Council first make a 25 per cent financial contribution of their eligible DRFA expenditure up to a capped cumulative value in any financial year of:
 - \$25 000 for shire councils;
 - \$100 000 for regional council; and
 - \$400 000 for municipal councils.

Council type	Eligible total costs claimed by council	Council Co-contribution	NTG grant funding
Municipal	\$500 000	@25% = \$125 000	\$375 000
	\$1 600 000	\$400 000 (maximum)	\$1 200 000
	\$1 700 000	\$400 000 (maximum)	\$1 300 000
Regional	\$300 000	@25% = \$75 000	\$225 000
	\$500 000	\$100 000 (maximum)	\$400 000
	\$1 600 000	\$100 000 (maximum)	\$1 500 000
Shire	\$50 000	@25% = \$12 500	\$37 500
	\$100 000	\$25 000 (maximum)	\$75 000
	\$500 000	\$25 000 (maximum)	\$475 000

2. Eligible activities for Councils in the NT

The table below outlines the eligible measures for Councils in the NT. Information on the eligibility of each measure is outlined in greater detail in these Guidelines.

NOTE: Although the DRFA may include other eligible measures, only those listed in this table are eligible activities for Councils.

Eligible Measure	DRFA Reference	Timeframe for Works to be Done	Summary	Basis of Claim
RESTORATION OF ESSENTIAL PUBLIC ASSETS				
Emergency works for essential public assets	4.3.2 (b) Category B	Within 3 months of gaining access to the asset.	Expenses incurred for eligible work to an essential public asset to make it safe or enable other essential activity relating to the wellbeing of the community (i.e. clearing roads to allow public access).	Actual expenses
Immediate reconstruction works for essential public assets	4.3.2 (c) Category B	Within 3 months of gaining access to the asset.	Eligible work to fully restore an essential public asset in the required timeframe.	Actual expenses
Essential public asset reconstruction costs	4.3.2 (d) Category B	Typically two years from payment of approved funding or as otherwise stated in funding agreement*	The estimated costs of reconstruction of damaged eligible essential public assets.	Cost estimates
IMMEDIATE WORKS FOR THE PROTECTION OF THE PUBLIC OR INDIVIDUALS				
Counter-disaster operations for the protection of the general public	4.3.2 (a) Category B	Within days of the event.	Expenses incurred to protect communities and ensure public health and the safety of the general public immediately before, during and after an eligible event.	Actual expenses
Removal of debris from residential properties to make them safe and habitable	4.2.2 (e) Category A	Within days of the event.	Debris removal required to make individual residential premises habitable and to prevent displacement of residents immediately after an eligible event.	Actual expenses

***NB:** Under the DRFA, the NTG must approve and lodge cost estimates with the Australian Government within 12 months of the end of the financial year in which the event occurred. Councils should see the claims submission timeframes for more details of when cost estimates need to be provided to the Department. Once eligibility is determined, and if a funding offer is made, the Department requires funding to be expended within two years of the date of payment.

3. What cannot be claimed?

Funding is **NOT** available for the restoration of any public asset that is reasonably capable of being insured to an appropriate value, or for any improvements to existing essential public assets (betterment). Councils may contact lg.grants@nt.gov.au for more information on funding programs for asset upgrades.

4. How funding availability is determined for Councils

- Disaster recovery funding is different from other local government grant programs because there is no set annual funding pool. Disasters are by their very nature unpredictable and financial assistance to Councils is always subject to the NTG's budget capacity and funding availability.
- Councils submit claims to the Department for eligible expenditure (including actual and/or estimated costs) based on the DRFA and these Guidelines.
- Once the Department has verified the eligibility of all expenses or cost estimates under a claim and determined if there are funds available, Councils are advised if all or part of their claim will receive financial assistance.
- The Department may impose funding terms and conditions in addition to the DRFA determination on any grant offered to Councils.
- Funding for Councils will not be considered unless all reported expenditure or cost estimates meet all the eligibility requirements of the DRFA and these Guidelines.

5. New requirements for Councils in DRFA determination

There are some key changes in the DRFA when compared with the previous NDRRA. For eligible events from 1 November 2018, Councils are responsible for providing:

- **a damage assessment**, conducted or verified by a 'suitably qualified professional', for every essential public asset that was directly damaged by the event.
Damage assessments will not be accepted unless all areas of damage to the asset are supported by evidence of the pre-disaster and post-disaster condition of the asset and evidence that the damage was directly caused by the event. Any evidence older than four years will not be accepted.
- **an outline of the pre-disaster function of every essential public asset within a claim**, according to the Essential Public Asset Function Framework described in the DRFA determination.
The framework requires a Council to determine both the primary asset pre-disaster function and the asset classification as a prerequisite to undertaking works. This also requires a Council to confirm that each asset within a claim is an essential public asset within the meaning of the DRFA determination.
- **cost estimates for all reconstruction work**, verified by an engineer or appropriately qualified quantity surveyor.

The verifying engineer or quantity surveyor is not necessarily responsible for preparing the cost estimates, but they must provide written assurance that the information provided in the cost estimates is accurate and meets all the requirements of the DRFA determination.

To capture these new funding requirements, Councils must submit their claims in the required Funding Application Templates as requested by the Department.

6. Department responsibilities

The Department, as the agency responsible for managing local government funding claims, has additional responsibilities under the DRFA determination, as it must comply with an internal assurance framework that ensures that claims from Councils only include eligible expenditure. Part of this assurance is ensuring that Council's claims meet all the requirements of these Guidelines.

The Australian Government has set 14 'control objectives' that the Department has to provide assurance for. This means the Department must have and must follow detailed procedures for reviewing all claims to verify that all damage assessments and cost estimates prepared by Councils meet the 14 control objectives.

For damage assessments, the Department must have clear procedures showing how it verifies:

- the exact location of every essential public asset that is recorded in a claim (D1);
- all assets meet the DRFA definition of an 'essential public asset' (D2);
- for every essential public asset included in a claim, the presence and quality of the supporting evidence clearly shows:
 - pre-disaster condition (D4);
 - post-disaster condition (D5);
 - the connection between the damage and the event has been assessed and recorded (D3); and
 - that all damage assessments are conducted or verified by a 'suitably qualified professional' (D6).

For cost estimates, the Department must have procedures showing how it verifies that:

- every essential public asset included in a claim has details on its:
 - function, which requires information confirming the category (transport or other public infrastructure) and sub-category (i.e. road, bridge, causeway, etc.) (C1); and
 - classification (for example, being specific if a road is an arterial, sealed or formed road; its capacity; layout and materials) (C2).
- a qualified engineer or quantity surveyor has verified that all the cost estimates are developed in accordance with the DRFA determination (C3);
- all procurement under a claim follows the *Local Government Act 2008* and Regulations (C4);
- actual costs are recorded against every project under a claim (see Item 9.4 below) (C5);
- Councils are aware that any cost overruns and efficiencies greater than 15 percent are notified to the Department because this may require the engagement of an Independent Technical Review; (C6);

- Councils are aware of the Department policy that no variations will be tolerated except in exceptional circumstances (i.e. re-damage by a subsequent eligible event) (C7); and
- total estimated costs claimed reconcile with the totals claimed for each project (C8).

The Department must ensure that the guidelines for Councils, application templates and internal processing procedures and checklists adequately assure that all these control objectives are monitored for every Council claim. Councils will also need to have their own internal systems set up to meet these requirements. The Department relies on its internal systems and processes, as well as those within the Councils submitting the claims, to provide the necessary assurance to the Australian Government. If it cannot give this assurance, no claims can be accepted.

7. Who is involved in disaster recovery funding?

The Department manages all local government grants for disaster-related claims. The process for assessing disaster recovery funding assistance includes the Department:

- receiving and processing funding requests from Councils;
- reviewing Council claims for completeness and eligibility;
- determining the availability of funding; and
- advising Councils whether their funding requests will be supported in whole or in part.

The **Department** is responsible for the overall administration of the DRFA on behalf of the Northern Territory. If a disaster occurs and it appears to be an 'eligible event', the Department is responsible for seeking approval from the Australian Government to declare the event as eligible.

Emergency Management Australia (EMA) is the agency responsible for administering DRFA on behalf of the Australian Government.

The **Department of Infrastructure, Planning and Logistics (DIPL)** is responsible for the Northern Territory Government's roads network. Their suitably qualified technical expertise is engaged by the Department to review all asset reconstruction claims from Councils to confirm:

- the strength of the evidence basis of the damage;
- whether the proposed reconstruction approach is appropriate for restoring an asset to its pre-disaster function;
- that any cost estimates are appropriate to the works proposed; and
- that the proposed repairs are only what is required to reinstate the asset to its previous function.

8. What are eligible events?

There is no requirement for a State of Emergency or Disaster to be declared. However, eligible events must be approved by the EMA, which then issues each event with an Australian Government Reference Number (AGRN).

A natural disaster event is considered to be a serious disruption to a community or region caused by the impact of a naturally occurring event that threatens or causes death, injury or damage to property or the environment.

Eligible expenditure by the Northern Territory (territory and local governments together) must:

- exceed the small disaster criterion of \$240 000; and
- require a multi-agency response.

When an eligible event is declared, specific DRFA assistance measures are activated within affected Council areas, based on advice collected by the Department regarding areas that have incurred damage.

(See the explanation for the event declaration and claim process in Item 14 below.) If an eligible event has been declared, and a Council located outside the affected area believes it has incurred damage from the same event, it should advise the Department immediately.

9. What essential public asset restoration works are eligible?

9.1. What are emergency works?

Emergency works are urgent activities following an eligible disaster, to temporarily restore an **essential public asset**, in order for it to be acceptably used to support the immediate recovery of the community.

9.1.1. Timeframes

These works must be completed within three months of when the asset becomes accessible. For example, if a road asset is damaged in a weather event in February, but only becomes accessible at the end of the wet season in April, then a Council has three months from April to undertake emergency works.

The date of accessibility of every eligible asset **MUST** be appropriately documented and evidenced.

9.1.2. Examples of emergency works

For all roads, this would involve the clearing of flood or cyclone debris.

On sealed roads, this might involve:

- urgent pot-hole repair (where this is required to open a road to traffic);
- identifying, marking and signposting hazards such as shoulder scours;
- installation of any temporary road safety signage or flood markers; and
- installation of temporary traffic management.

On unsealed roads, this might involve any immediate works to enable a road to be opened with traffic restrictions, including:

- scour or drainage repairs;
- road sheeting/grading; and
- replacement of rock at floodways.

The costs for emergency works are claimed on an actual expenditure basis. Councils incur these costs because they are required for restoring service delivery. Councils will then submit a claim to the Department and, subject to budget capacity, Councils may be fully, partially or not reimbursed.

No actual costs for works undertaken after the expiry of the three-month timeframe are claimable under this category. The Department would only consider applying for an exemption on a Council's behalf for emergency works outside this timeframe in exceptional circumstances.

9.2. What are immediate reconstruction works?

If an essential public asset can be **fully** restored within the three months after it becomes accessible, after an eligible event, and **no further reconstruction is required**, the expenditure is eligible to be claimed under immediate reconstruction works.

These works can be undertaken at the same time as or after emergency works, but must be completed within the three-month timeframe. As with emergency costs, these costs are claimed on an actual expenditure basis.

9.2.1. Examples of immediate reconstruction

In relation to Council roads, immediate reconstruction might involve:

- patching, grading, drainage and pot-hole repair where it fully restores a road; and
- permanent replacement of guideposts, floodway markers, and advisory signage.

Any road furniture damaged as a direct result of an eligible disaster event can only be reconstructed to the same quantity, form and type as prior to the event, unless any current and relevant design standard stipulates differently.

9.3. Significance of the three-month time limit

The three-month time limit is intended to guide Councils on how they determine their scope of works for restoration activities.

If the damage to a road is extensive, it may not be possible or appropriate to fully restore the asset within three months. In this case, the works should be classified as 'essential public asset reconstruction', which has a longer timeframe to complete. This is a different category because it must be claimed on a cost estimation and not an actual expenditure basis.

Councils must be aware of the different categories of claim and make decisions about which works will fall under each category. If a Council commences works that are intended to fully restore an asset in the three-month timeframe but, at a later point, determine that these works will not be completed in that timeframe, they should contact the Department for advice.

9.4. Definition of a project in emergency and immediate works

For all works to essential public assets claimed, a damage assessment must be prepared per asset. However, it is often the case that a Council will engage a contractor to do work on a group of related assets at the same time. For example, a number of roads in a particular Council area could require tree removal for public safety or the immediate filling of potholes.

Where it is not practical to obtain a cost breakdown for each of the assets involved, the assets can be grouped together as a project. However, all evidence associated with expenses (invoices, work orders, etc.) must still clearly identify the group of assets to which they relate.

For example, an invoice must clearly state “tree removal from W, X, Y and Z Roads in Alawa to allow for restoration of local traffic” or “pothole repair on Flinders, Leichhardt and Thorne Streets in Jabiru”.

Particular care should be taken to distinguish where an activity by a contractor includes both eligible and ineligible expenditure. For example, where trees are removed from roads and verges, these costs may be eligible for inclusion in a claim. However, if the contractor is also removing green waste from an adjacent park, these costs are not eligible and should be differentiated on the invoice.

Where eligible and ineligible costs cannot be differentiated on invoices, the Department may consider accepting invoices where there is a robust methodology for distinguishing the eligible portion. For example, large volumes of green waste from a number of sources may be chipped and stored at the same depot. If, in this example, the Council had a robust methodology for calculating the costs associated with green waste removed under an eligible measure, a claim for costs would be considered on the strength of the supporting evidence.

9.5. What is essential public asset reconstruction?

If an **essential public asset** has been damaged by an eligible event and it has not been restored by ‘immediate reconstruction works’ (see Item 9.2 above), it is claimable as essential public asset reconstruction. This category of claim relates to larger essential public asset restoration activities.

These costs are claimed on a cost estimation basis and relate to the costs to restore an asset to its **pre-disaster function**.

The information below covers the major DRFA rules that relate to essential public asset reconstruction claims.

9.5.1. What is an essential public asset?

Essential public assets are those which the NTG considers and the Australian Government agrees are ‘**an integral part of a state’s infrastructure and normal functioning of the community**’.

They include **transport infrastructure**: roads and road infrastructure (paths, bike lanes, and pedestrian bridges), bridges, tunnels, and culverts.

They also include **public infrastructure** such as hospitals, community health centres, schools, prisons, levees, Council offices, storm water infrastructure (noting that any public assets that should, reasonably, be insured by a Council are not claimable).

The following are examples of items that are **NOT** considered essential public assets:

- sporting, recreational or community facilities (for example playgrounds, ovals, showgrounds, skate parks, swimming pools and associated facilities);
- religious establishments (for example churches, temples and mosques); and
- memorials.

9.5.2. Remote roads

The NTG does not automatically consider all Council roads reported in the Northern Territory Grants Commission roads return as essential public assets.

An essential public asset must be listed on the asset register of the Council and have the function of connecting members of the community with services.

Very remote roads or flat bladed tracks may not be eligible and will require consideration of:

- whether the function of the road is to connect residents with services; and
- the proposed reconstruction approach. This is because most proposed reconstruction works to flat bladed tracks are likely to constitute betterment.

If a Council is not clear on whether a damaged remote road asset is an essential public asset, they should contact the Department as soon as possible after the disaster event. This may necessitate a formal 'eligibility enquiry' to the EMA.

For more information, see the Disaster Recovery Funding Arrangements 2018 Guideline 1 – Essential Public Assets [at https://www.disasterassist.gov.au/Documents/Natural-Disaster-Relief-and-Recovery-Arrangements/drfa-2018-guideline-1-an-essential-public-asset.pdf](https://www.disasterassist.gov.au/Documents/Natural-Disaster-Relief-and-Recovery-Arrangements/drfa-2018-guideline-1-an-essential-public-asset.pdf)

9.6. What is required in a damage assessment?

A damage assessment must be completed for every essential public asset included in a Council's claim. The purpose of a damage assessment is to prove that the asset was damaged by the eligible event. A damage assessment **MUST** be completed or verified by a **suitably qualified professional with the appropriate level of expertise**.

9.6.1. What does 'suitably qualified' mean?

Suitably qualified is not defined in the DRFA. The Department deems 'suitably qualified' Council employees to include civil works, asset and infrastructure managers with a combination of:

- appropriate qualifications (for example: Degree in Engineering (all types), Diploma in Engineering, Engineering Surveying or Drafting, Certificate in Engineering and Certificate in Materials Engineering); and
- significant experience in road construction or road maintenance.

Where a manager has no formal qualifications but possesses more than fifteen years' experience in road construction or road maintenance, this would be deemed appropriate.

The Damage Assessment Template requires the person completing the damage assessment to outline their qualifications and expertise. This person does not necessarily need to be an employee of the Council.

9.6.2. What evidence of damage is required?

Sufficient evidence is required to **prove** that an essential public asset was directly damaged by the eligible event. The evidence must demonstrate the following:

- location;
- pre-disaster condition;
- nature of the damage or post-disaster condition; and
- that it was the disaster/event that caused the damage.

The evidence can be from one or more of the following:

- geospatial data including satellite images;
- visual data including photos and video;
- maintenance records;
- asset registers; and
- inspection reports or certifications undertaken at the time of the damage assessment (as soon as practicable after the event), by a suitably qualified person, that confirms the damage was caused by the event.

The evidence of pre-disaster condition must be no more than four years old.

A combination of different types of evidence may be required for each damage assessment, depending on the asset and the circumstances. For Councils, this evidence cannot be older than four years.

9.7. What is pre-disaster function?

Eligible expenditure is only what is required to restore an asset to its pre-disaster function. The framework below is required to be completed to show the pre-disaster function of an essential public asset being claimed.

Category	<i>Transport or other public infrastructure</i>
Sub-category	For example: road, bridge, drain, public school, etc.
Type	For example, if the asset is a road, the type of road could be: <ul style="list-style-type: none"> • arterial/major • sub-arterial • sealed local road • unsealed road linking remote communities to service centres • outstation road
Capacity	For example, “one lane in each direction”; or “two lanes of traffic in each direction with pedestrian traffic along pathway”.
Layout and Materials	This should include: <ul style="list-style-type: none"> • dimensions, layout and materials used (for example: gravel, granular with seal, concrete, asphalt, etc.); • the presence of any other infrastructure (for example: barriers, signage, lighting, paths, etc.); and • the presence of road markings.

A Pre-disaster Function Template is required to be filled out for every essential public asset claimed.

Asset surfaces, road widths (surface and shoulder) and associated road furniture can only be reconstructed to their pre-disaster capacity, layout and materials, as evidenced in the Pre-disaster Function Template. For example, where gravel from pavements has been displaced, only sufficient material, when combined with the remaining material, can be used to achieve the appropriate pre-disaster depth.

If different engineering standards are applicable to the reconstruction design approach than were applicable to the pre-disaster design approach, then the approach required by those standards may be appropriate. Councils should consult with the Department if they believe a different design approach is required by relevant standards.

9.8. Establishing and verifying cost estimates

Estimated reconstruction costs are required in order to identify the total project cost to reconstruct an asset to pre-disaster function.

Cost estimates can either be determined by:

- requesting pricing from the market ('market response') – following all relevant procurement processes under the *Local Government Act 2008*, Regulations, and any relevant Guidelines and Ministerial Directions; or
- using either an internal engineer or quantity surveyor, or engaging an external engineer or quantity surveyor 'with the appropriate level of expertise and experience' to prepare cost estimates ('cost estimation').

9.8.1. What should cost estimates include?

Councils should ensure cost estimates cover total direct costs including:

- design;
- construction;
- project management; and
- contingency and cost escalation – The Department will accept a contingency/cost escalation provision of up to five percent of total project costs.

9.8.2. Use of in-house day labour

See 'claiming wages for Council employees' on Item 13.3 below.

9.8.3. What overheads can be included?

When applying the cost estimation approach, only legislatively required employee on-costs can be included in the cost estimate. They are:

- base wage or salary;
- allowances;
- superannuation;
- overtime;
- shift loading; and
- workers compensation. - Any indirect costs, which could be defined as 'administrative expenditure', are specifically excluded. This includes finance management and office or human resources costs.

10. Immediate works for the protection of the public/individuals

10.1. Counter disaster operations for the protection of the public

Counter disaster operations are urgently required works aimed at protecting the general public and ensuring public safety and public health. These works must occur **immediately prior to, during and/or immediately after** an eligible event.

Eligible expenditure on counter disaster operations must be for **extraordinary costs**. The eligibility of the expenditure should not be a consideration when a Council determines whether to incur these costs, because of the urgency and the immediacy of the works.

These costs are claimed on an actual expenditure basis. Councils incur these costs because they are immediately required to protect the public. Councils will then submit a claim to Department, which will be considered for reimbursement.

10.1.1. What are extraordinary costs?

Costs that can be claimed under this category are only those costs incurred that are **over and above** the costs that a Council would 'reasonably have been expected to incur' for counter disaster operations. Therefore, extraordinary costs are those where a Council is required to engage additional personnel or to undertake additional activities.

Extraordinary costs may include expenses for activities such as search and rescue, accommodating volunteers (but not including any food or drink costs), and contractor expenses for eligible activities.

10.1.2. What are eligible activities?

The eligibility of counter disaster operations are typically dependent on the circumstances. They might include sand bagging to protect a central business district, bracing trees where necessary for public safety, firebreaks and any immediate debris removal activities where they are urgent and necessary to protect public health and public safety.

Councils should be aware that:

- removal of debris such as trees from essential public assets such as roads should generally be claimed under '**emergency works**' (see Item 9.1 above) and not under counter disaster operations, except for costs associated with urgent and immediate works to provide, for example, an access route for emergency services immediately after a disaster.
- removal of tree debris from public spaces is only claimable under this category where there is a clear, serious and direct threat to public safety, necessitating an urgent and immediate response. Removal of debris from public spaces is not, as a general rule, eligible under this category.

These works must be completed within days of the event. The Department may consider an exception to this timing requirement in exceptional circumstances.

For more information on eligible counter disaster operations: see the Disaster Recovery Funding Arrangements 2018 Guideline 2 - Counter disaster operations, at

<https://www.disasterassist.gov.au/Documents/Natural-Disaster-Relief-and-Recovery-Arrangements/drfa-2018-guideline-2-counter-disaster-operations.pdf>

10.2. Eligible activities for the benefit of individuals

These are activities that directly benefit particular individuals, as opposed to the public as a whole. Again, eligible expenditure must be for **extraordinary, urgent and immediate** costs (see Item 10.1.1. above).

The Department will accept eligible expenditure for the removal of debris from the immediate vicinity of residential properties, if the following requirements are met:

- disaster-related debris must be an immediate threat to the safety of an individual or the habitability of a specific residence, or a threat to the safety of the general public. This measure allows a Council to claim the costs associated with the removal of that debris, if it is required to make a residential premises habitable and to prevent the displacement of residents;
- there must be a clearly evidenced threat to that particular resident's health and safety. For example, that particular resident's circumstances must make it urgent to complete works for the protection of their health and safety; and
- the activity must occur in the immediate aftermath of a disaster. If a Council believes an activity is eligible under this measure, but that activity does not occur within days of an eligible event, they must contact the Department to discuss eligibility.

The eligibility of this expenditure should never be a consideration when a Council determines whether or not to incur these costs, because of the urgency of the works.

11. Costs of temporary waste disposal facilities

The costs associated with operating a temporary waste facility that is established for the disposal of debris collected under any eligible activity, are deemed appropriate under these Guidelines.

However, if this facility receives other debris collected from activities that are not eligible, there needs to be a methodology developed by the Council, apportioning the costs which are eligible. If the ineligible proportion cannot be quantified, the total costs of the facility cannot be claimed.

12. Costs of emergency operation centres

The cost of emergency operation centres are claimable where a Council can demonstrate that the particular operational function of the centre was directly associated with the delivery of eligible activities, and that all wage costs are additional or extraordinary costs. If the centre also undertakes activities that are ineligible under these Guidelines, this proportion should be quantified.

Financial assistance for this measure is not intended to supplant a Council's own responsibilities and self-help measures. Therefore, Councils need to identify elements of the financial burden of the emergency operation centre that they will bear internally.

13. What else do Councils need to know?

13.1. Will variances be tolerated?

No variances are tolerated on claims approved by the Department, except under exceptional circumstances. Exceptional circumstances are largely confined to assets that are re-damaged by a subsequent eligible event.

If an asset has not been fully restored before being impacted by a subsequent eligible event, then the work records and costs incurred must be closed off for the first event. They cannot be used in any calculation of efficiencies. Estimated reconstruction costs will then need to be established following the second event.

Councils should notify the Department immediately if an asset has been re-damaged prior to its full reconstruction.

13.2. Notification to the Department of underspends and cost overruns

The NTG is required to report regularly to the Australian Government on updated estimates and actuals of eligible works. To meet these reporting requirements, once reconstruction of essential public asset funding is approved, it is critical that Councils provide updated estimates and actual expenditure data to the Department as requested.

Once a project is underway, if an approved project for an essential public asset is greater than \$1 million, then cost overruns or underspends greater than 15 percent must be notified to the Department as soon as possible. The Department will then DIPL and may require an Independent Technical Review in order to provide increased oversight and assurance over a Council's claim.

The reporting requirements will be outlined as a condition of any grant funding agreement.

13.3. Claiming wages for Council employees

Although the DRFA has removed the restrictions that existed under the former NDRRA on the use of Council's own employees for eligible activities, the Department will only consider funding employee costs in certain circumstances, to ensure core local government service delivery in remote areas is maintained.

Under the DRFA council employee expenses can only be claimed on eligible activity under the **emergency works** and **immediate reconstruction works for essential public assets** measures.

Where a Council proposes to use their own employees for eligible activities, Councils should be aware of the following requirements:

- only the costs of additional temporary employees engaged specifically for the purposes of undertaking eligible activities are eligible for consideration for reimbursement;
- for existing Council employees who are diverted to eligible activities, only the employees' overtime costs and/or the wage costs of backfilling that employee are eligible for consideration for reimbursement under these arrangements so that ordinary service delivery is maintained;
- if employee costs are already funded under any other NTG or Australian Government funding arrangements (for example: NT Operational Subsidy, Indigenous Jobs Development Funding or FAA General Purpose Funding), any funded portion of employee costs are not eligible for consideration for reimbursement under these Guidelines.

Contact the Department if you have any queries about this aspect of your claim.

13.4. Public acknowledgement of assistance

All public acknowledgement of funding assistance in relation to any works funded under these Guidelines must be developed with the prior agreement of the Northern Territory and Australian Governments. All measures must be described as 'jointly funded by the Australian Government and the Northern Territory Government under the Disaster Recovery Funding Arrangements'.

Councils must contact the Department about the nature and content of any events, media releases, announcements, promotional material, signage and/or publicity in relation to works funded under these Guidelines.

14. Claims submission and assessment process for Councils

14.1. Stage 1: Prior to the declaration of an event

- i. After a potentially eligible disaster event has occurred, the Department will contact potentially affected Councils for early feedback on damage to determine if potentially eligible damage to essential public assets has occurred within the Northern Territory with likely costs of greater than \$240 000.
- ii. The Department will then use this information (and information from other NTG agencies) to determine if an event should be declared eligible, and the areas over which the event should be declared. This early information gathering should not be taken to imply availability of funding.
- iii. The EMA is required to approve any declaration and will issue each declared event with an Australian Government Reference Number.

14.2. Stage 2: Declaration of an eligible event and preparation of claims

- i. Once an event is declared eligible, all potentially affected Councils will be advised by the Department that they may submit claims for eligible expenditure relating to that event.
- ii. Claims must be completed using the following templates:
 - Damage Assessment Form
 - Essential Public Asset Pre-disaster Function Framework Form
 - Restoration of Essential Public Assets (REPA) – Detailed Damage Assessment and Cost Estimate Form
 - Emergency and Immediate Works Form
 - Counter Disaster Operations Form
- iii. Claims should be submitted within **three months** of the eligible event for Counter Disaster Operations, Emergency and Immediate works.
- iv. Claims for the restoration of essential public assets must be provided to the Department within **ten months** from the End of the Financial Year (EoFY) of the event.
- v. Councils must contact the Department if they cannot meet these timeframes.

14.3. Stage 3: Assessment of claims

- i. Once a claim is received, the Department will complete an initial formality check to ensure all the required templates are completed and signed, and all required evidence has been provided.
- ii. The Department will refer all asset reconstruction claims to DIPL where suitably qualified technical expertise will review:
 - the strength of the evidence based of the damage;
 - whether the proposed reconstruction approach is appropriate for restoring an asset to its pre-disaster function;
 - that any cost estimates are appropriate to the works proposed; and
 - that the proposed repairs are only what is required to reinstate the asset to its previous function.
- iii. The Department will review all other eligible components of a Council's claim according to its internal Control Objectives Assurance Procedures, to confirm the eligibility of a Council's claim has met the Australian Government's control objectives (see Item 6 above).
- iv. The Department will determine the capacity to fund all or part of a Council's claim, subject to it meeting eligibility requirements.

14.4. Stage 4: Advice on successful claims and acquittal requirements

- i. The assessment process should take six weeks from receipt of the application; however, this may depend on the extent or complexity of the claim.
- ii. Funding advice will be provided in writing from the Department and will outline the outcome of the claim and the co-contribution amount Council is to provide and the quantum of funds to be granted.
- iii. Letters of offer will include an outline of the Department's acceptance and acquittal requirements. Once a signed acceptance form is received from the Council, payment will be made.
- iv. The Department will liaise with Councils to ensure all reports and any other information is provided as required. Councils must provide all information as requested in the required template and within the required timeframe.