Natural disaster financial assistance for local councils

# Eligibility of Salaries and Wages

## Underlying Eligibility Principles

Assistance is provided for extraordinary costs incurred by Councils or Catchment Management Authorities (CMAs) for normal employees or other ongoing administrative costs that would not otherwise have been incurred by Councils or Catchment Management Authorities (CMAs).

Those costs associated with normal employees or other ongoing administrative costs that would have been incurred in the ordinary course of business cannot be claimed under the Natural Disaster Relief and Recovery Arrangements (NDRRA). This is an agreed position between the Victorian and Commonwealth governments and is consistent with the terms and conditions of the Commonwealth-State NDRRA and Natural Disaster Financial Assistance (NDFA) arrangements.

## Eligibility Pre-requisites

Some components of costs for salaries and wages may be claimed by Councils and CMAs under the NDRRA where the costs:

* relate to an eligible event; and
* are incurred while undertaking an eligible disaster relief and/or recovery activity (for example, counter disaster operations or restoration of essential public assets); and
* are extraordinary (i.e. are costs beyond those routinely budgeted for).

## Examples of extraordinary costs for which Councils and CMAs may seek reimbursement

Examples of eligible extraordinary costs include:

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| * Overtime for staff used to restore damaged essential public infrastructure, outside of normal working hours * Employment costs for temporary (fixed-term) staff * Employment of contractors * Costs of backfilling staff that have been seconded to assist with eligible disaster relief and recovery activities | * Costs associated with travel expenses, allowances and accommodation for permanently employed staff diverted from their normal duties to perform eligible NDRRA activities * Costs associated with travel expenses, allowances, accommodation, and associated on-costs such as superannuation entitlements, workers compensation premiums and payroll tax for contractors or staff employed on a temporary (fixed-term) basis |

Councils and CMAs are permitted to employ additional temporary (fixed-term) staff for disaster recovery works under the following conditions:

* That Councils and CMAs firstly assess whether there are any existing spare resources that could be effectively utilised or reallocated from elsewhere within their organisation to assist with the necessary relief and/or recovery activities.
* That Councils and CMAs are able to demonstrate that their own resources have been exhausted and that any additional temporary (fixed-term) staff or contractors to be funded via NDRRA reimbursement are in addition to the aggregate level of staffing within the organisation that was in place prior to the flood events.
* That Councils or CMAs keep records to demonstrate that appropriate recruitment processes have been followed for audit purposes with respect to the temporary (fixed-term) flood recovery roles including clear position descriptions and general ledger expenditure reports for each of the additional staff. Position descriptions are required to be sent to DTF and approved prior to the recruitment of the position.
* That Councils or CMAs are able to demonstrate that any employment on-costs that are to be claimed under the NDRRA, such as payroll tax and workers’ compensation insurance premiums, are directly attributable to overtime, the employment of temporary (fixed-term) staff and contractors and backfilling.

## Seconding Council and CMA staff

If a Council or CMA is considering seconding staff to or from another Council or CMA and seeking reimbursement under the NDRRA they should first contact either the NDFA Team on (03 9651 2327) at the Department of Treasury and Finance (DTF) so that they can liaise with Emergency Management Australia to ensure that those associated costs can be deemed as eligible.

## Eligibility Period

The standard eligibility period applies for eligible expenditure to be claimed by Councils and CMAs under the NDRRA, being two financial years from the end of the financial year in which the disaster occurred.

## Advice regarding eligibility

For any queries relating to the eligibility of salaries and wages, please contact NDFA Team on (03) 9651 2327 or email ndfa@dtf.vic.gov.au.