Natural Disaster Financial Assistance for local councils  
Reinstatement of essential public assets

## Overview

Under Victoria’s Natural Disaster Financial Assistance (NDFA) scheme, financial support is provided to assist local councils with costs associated with the reinstatement of essential public assets damaged as a **direct** result of an eligible natural disaster.

Financial assistance is provided in accordance with the Commonwealth Natural Disaster Relief and Recovery Arrangements (NDRRA).

Local councils are required to provide supporting documentation demonstrating the nexus between the disaster and the expenditure incurred for reinstating damaged assets with all claims in the Automated Claims Management System (ACMS).

Amounts claimed should be net of any insurance recoverable. Local councils are encouraged to contact their insurance provider as soon as possible after an event to determine what is covered under insurance.

Details of supporting documentation required to be provided is available in the document [“*Supporting documentation required with NDFA claims (local councils)”*]((proposed)%20Supporting%20~%20with%20NDFA%20claims%20(local%20councils)%20(D17%20158210(2).DOCX)available on the NDFA website:

https://www.dtf.vic.gov.au/funds-programs-and-policies/natural-disaster-financial-assistance

## Reinstatement of essential public assets

For natural disaster events occurring post 1 July 2017, an essential public asset is defined in the *NDRRA Determination 2017,* as ‘a transport or public infrastructure asset which is owned and maintained, or operated and maintained, by an eligible undertaking (such as a local council).’

The restoration of essential public assets can be undertaken through the following two avenues:

* **Emergency protection works –** involving the immediate/temporary reinstatement of eligible essential public assets to enable them to operate at a reasonable level of efficiency. Emergency protection works should occur within the first 24/48 hours and up to two weeks after an event. Local councils should advise the NDFA Team and VicRoads, where there is a need to undertake this type of emergency protection works after this length of time; and/or
* **Permanent restoration –** undertaken in accordance with current engineering and design standards and completed within the allowable time period for the disaster in which the asset was damaged.

## Assets generally considered eligible

Examples of council and/or state assets generally considered to be eligible under the NDRRA include:

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| Transport | Public infrastructure |
| * Bridges * Culverts * Roads * Road infrastructure (including footpaths, bike lanes and pedestrian bridges) * Road furniture including signage, traffic signals, lighting, noise barriers and safety barriers * Rock gabions * Tunnels | * Levees * Police, fire and emergency services’ stations \* * Prisons/correctional facilities \* * Public hospitals \* * Public housing \* * Public schools \* * River safety monitoring equipment including gauges * Retaining walls including those located on riverbanks or sea walls which directly protect an eligible public asset such as a road * State/territory or local government offices (including maternal health centres and early learning centres \* * Stormwater infrastructure |

\* denotes that the costs associated with restoring or replacing the contents and furnishings not permanently attached to the building is ineligible for reimbursement.

For assets not listed above, DTF is required to write to the Commonwealth to request a determination on eligibility of that asset.

Where a facility has been damaged while undertaking eligible counter disaster operations activities, and where an asset has been damaged when used as an evacuation point, repair costs are eligible as a counter disaster operations activity. Refer to the [*Counter disaster operations guidance for local councils*]((proposed)%20Counter%20Disaster%20~%20for%20local%20councils%20(previously%20D14%20278165).DOCX)available at the following website:

<https://www.dtf.vic.gov.au/natural-disaster-financial-assistance/eligible-natural-disaster-expenditure>

## Assets generally considered ineligible

Examples of assets generally considered to be ineligible by the Commonwealth include:

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| * Sporting, recreational or community facilities (for example, playgrounds and associated facilities, fencing, walking trails, wave energy dissipation structures and piers). | * Assets (or part of an asset) damaged due to contributing factors such as poor design, poor construction, inadequate maintenance or pre-existing damage. |
| * Environmental assets such as natural vegetation (such as natural banks, waterways, rivers, beaches, forests, or undeveloped land) except where they relate to the immediate protection or structural integrity of an eligible public asset (i.e. road, culvert or bridge). | * Religious establishments (for example, churches, temples and mosques). |
| * Fire Trails. * Memorials. * Roadside area structures. | * Restoring or replacement of the contents and furnishings of an asset not permanently attached to the building. * Restoration of community assets not damaged while being used as a relief or recovery centre or MECC. * Retaining walls including those located on riverbanks or sea walls which only protect open space or private land rather than an essential public asset such as a road or local council building. |

## Costs generally considered eligible

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| * Basic catering where it relates to the provision of a meeting on eligible restoration activities. * Clearing of blocked bridges, culverts, drains and pipes. * Clearing roads of debris (including green waste and damaged trees). * Road sweeping. * Where it is evident that an asset has been directly damaged by an eligible natural disaster, costs associated with investigative techniques (i.e. geotechnical/hydrological testing or cultural due diligence work) used to prove the extent of damage and/or identify an appropriate restoration option at a specific site. \*\* * Extraordinary project management and engineering costs to undertake eligible restoration works including recruitment costs. See Salaries and Wages guideline for further information. * Establishing and operating a temporary Asset Restoration Office to coordinate essential asset restoration works including:   + Leasing of a building;   + Hire of office furniture and equipment;   + Relocation;   + Running costs such as water and council rates, utilities (i.e. electricity), internet, cleaning, security, insurance, and other costs associated with toilet paper and dish liquid provisions.   Ineligible costs include basic tea and coffee provisions and catering in running the office.  See further advice on page 6-7 regarding requirements.   * Materials used while completing restoration works such as rock, gravel and sand. | * Hire of plant and equipment (including vehicles) required to be used while undertaking eligible restoration works. Restoration of roads where a retaining structure such as an integral safety guardrail or a spoon drain is required to preserve the operation and integrity (i.e. structural component) of the road, following damage sustained during a natural disaster. Note that the retaining wall and guardrail works are required to be the most appropriate engineering solution to return the road to its pre-disaster level of functionality. * Restoration of roads where a roadside batter and/or open drain are considered components of the road, following damage sustained during a natural disaster. Note that the proposed works are required to be the most appropriate engineering solution to return the road to its pre-disaster level of functionality. * Riverbank stabilisation where a creek bank is near a road, bridge or culvert and is assessed as an integral component of these structures. * Running costs associated with the operation of council owned plant and equipment while undertaking eligible restoration works such as fuel and oils. * Temporary fencing required to be installed while undertaking restoration of an essential public asset. * Training where directly related to conducting NDRRA eligible activities such as NDRRA policies and procedures, and how to deliver NDRRA eligible activities. * Repairs and additional servicing of vehicles and equipment required while undertaking essential public asset restoration. |

Examples of costs generally considered eligible by the Commonwealth include:

\* Relevant costs associated with the establishment and operation of Flood Recovery Offices to coordinate/project manage asset restoration works is considered eligible under the NDRRA. Expenditure for a Flood Recovery Office is recorded on the ACMS under *Asset Restoration* under the *Expenditure Type* tab. Councils should fill in the ACMS comments field that the expenditure is for the Flood Recovery Office when submitting estimates or an actual claim.

\*\* Costs associated with identifying how the NDRRA asset is to be restored or replaced under the determination would be considered eligible. The costs associated with investigating the cultural heritage of an essential public asset are only eligible if the state can demonstrate that the investigative techniques used form a part of the restoration project of an essential public asset which has been damaged as a direct result of an eligible disaster. Costs cannot be associated with preparation of works associated with future disasters.

## Costs generally considered ineligible

Examples of costs generally considered to be ineligible by the Commonwealth include:

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| * Compassionate leave. * Costs recovered through other external funding sources including insurance. * Costs associated with investigative techniques used to prove the existence of damage or the cause of damage to an asset, where it is clear that damage was not caused as a direct result of the natural disaster (i.e. normal wear and tear). * Costs associated with the preparation of claims or reporting under the NDRRA. * Costs associated with betterment or enhancement of a road i.e. widening. * Consequential losses subsequent to the actual event (i.e. business interruptions, loss of revenue or income, damage not caused directly by the event). * Advertising where not associated with an eligible NDRRA activity i.e. community events. * Any costs that would have been incurred should the event not have occurred, such as corporate recovery overheads, maintenance and normal day labour costs including internal hire rates. Councils may be required to work with VicRoads regarding a strategy to proportion general wear and tear from damage arising from a natural disaster. * Capital purchases for computers, phones and software. * Development of environmental water management plans. | * Farm design services. * Mitigation works associated with preventing damage arising from future events. * Off stream watering sites and/or stock watering systems (allowing stock an alternative to drinking from the creek). * Restoration of damage located in Caravan Parks. * Restoration of Council-owned vehicles. * Restoration of garden beds, shrubs, trees and grasslands near riverbanks. * Delivery of revegetation plans. * Riverbank stabilisation or restoration where creek bank is not near a bridge or road and therefore, is not an integral component of these essential public assets. * Staff counselling. * Training where not directly related to conducting NDRRA eligible activities for a particular disaster, or where a core competency is expected prior to being engaged to undertake the works, such as training for Occupational Health and Safety (including induction videos), White Card certification and manual driving competencies. * Watering of plants. * Weed control. |
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## Reinstatement of an asset where the total cost is estimated to be in excess of $1 million

Before commencing a reinstatement or restoration project where the total cost of the project is estimated to be in excess of $1 million, local councils must seek agreement by DTF and the Commonwealth that the essential public asset being restored or replaced meets the Commonwealth Government’s definition.

Local Councils are required to contact the NDFA Team as soon as practicable on (03) 9651 2327 or email [ndfa @dtf.vic.gov.au](mailto:donna.kennedy@dtf.vic.gov.au). Councils may then be requested by DTF to fill in the *Eligibility Approval Form* available at the following website:

<https://www.dtf.vic.gov.au/natural-disaster-financial-assistance/eligible-natural-disaster-expenditure>

## Allowable time period for completion of the reinstatement of essential public assets

Under the NDFA/NDRRA, local councils have 24 months from the end of the financial year in which a disaster occurs to incur expenditure on the restoration or replacement of a damaged essential public asset. Claims then need to be submitted in the ACMS by 31 July following the deadline for incurring expenditure. Reimbursement will only be provided for those works deemed eligible, and where expenditure is incurred within the allowable time period.

The allowable time period deadlines for all natural disaster events that have been notified to the Commonwealth under the NDRRA can be found at the following website:

<http://www.dtf.vic.gov.au/Victorias-Economy/Natural-disaster-financial-assistance/Allowable-time-period>

## Repeated damage to essential public assets

Where an essential public asset is damaged by subsequent disasters, the following principles are to be applied to determine the allowable time limit for the restoration of an asset under the NDFA/NDRRA:

* *Re-damaged assets where works have not yet commenced* – if works have not yet commenced to restore the asset damaged by the first event when the re-damage occurs, all eligible costs to restore the asset to its pre-disaster standard is to be claimed against the subsequent event.
* *Re-damaged assets where works have commenced* – if works have commenced to restore the asset damaged by the first event when the re-damage occurs, the costs to restore the asset back to the pre-disaster standard is to be claimed across the two events as follows:
  + *First event –* the eligible costs of approved works carried out by the local council up to the date of impact of the subsequent event should be claimed against the first event and associated allowable time limit;
  + *Subsequent eligible event -* the eligible costs of works carried out by the local council after the date of impact by the subsequent event is to be claimed under the subsequent event and associated allowable time limit.
* In the situation where the repairs/restoration treatment fail, all restoration works to remedy this failure need to be undertaken by the end of the allowable time period.
* Local councils must advise DTF and their local VicRoads officer if an essential public asset has been re-damaged as soon as possible following a natural disaster.

## Establishment and operation of a separate temporary Asset Restoration Office

When establishing a temporary Asset Restoration Office to coordinate the restoration of significant number of essential public assets, a local council is required to demonstrate the following as part of their claims:

* That costs being claimed would not have been incurred if the disaster did not happen i.e. the Asset Restoration Office is being established as a direct result of significant damage to assets following an eligible disaster under the NDRRA.
* There is no available accommodation within existing resources.
* That the costs being claimed accurately represent the level/proportion of NDRRA eligible works being undertaken from the additional office space;
* That the costs being claimed relate to eligible components as indicated on page 4 of this document.
* The costs are incurred within the allowable time period.

In order to meet the requirements under the first three dot points, a letter from the Chief Executive Officer of the local council is required to be submitted to DTF as part of the first claim following the establishment of the Asset Restoration Office. This letter needs to clearly articulate the processes that the local council undertook to accommodate their Project Management and Engineering staff within the existing Council accommodation and the need for additional accommodation.

As part of their assessment of this expenditure, VicRoads will be required to verify the need for a temporary office as per the above three dot points, as part of a site inspection. VicRoads will also be required to verify the eligibility of costs as per page 4 of this document as well as the date the expenditure has been incurred.

Local councils interested in establishing a temporary Asset Restoration Office are requested to contact DTF prior to the establishment.

## Supporting documentation required to be provided as part of a claim

In accordance with the NDRRA, local councils must now provide the following when submitting a claim for reimbursement:

* Evidence on the *pre-condition*, *damage* and *post-restoration* of an essential public asset
* Visual and geospatial data such as satellite images, google earth images, photographs or video footage (as long as the pre-condition of the damaged asset is clear to the assessor);
* Asset inspection and asset maintenance reports and assessments, including but not limited to, asset inspection report(s) conducted or verified by a suitably qualified professional, site inspections, design reports and damage assessments;
* Administrative data and documentation including, but not limited to, news articles on the damage sustained and the Bureau of Meteorology data;
* Financial data and documentation including, but not limited to, a transaction listing which reconciles to the amount submitted as part of a claim in the ACMS (and which reconciles to invoices and the Council general ledger), timesheets, invoices and contract/work/orders, funding approval letters and where applicable, any cost-benefit analysis which may have been prepared;
* Evidence demonstrating that any upgrade to essential public assets which are restored are undertaken in accordance with current engineering and design standards or amounts contributed by the Council.

## Acknowledgement of Commonwealth Assistance

Under the NDRRA, it is a requirement for the State to jointly announce assistance.

Where a local council wishes to issue a media release, hold media events or develop signage and plaques regarding the restoration of particular essential assets, they should contact the NDFA Team as soon as practicably possible to discuss Commonwealth requirements.

## Advice regarding eligibility

Where a local council wishes to seek a determination on whether a particular activity or a damaged asset is eligible for assistance, or anticipates that reinstatement or restoration of a damaged asset may potentially cost in excess of $1 million, the Council should contact the NDFA Team as soon as practicable on (03) 9651 2327 or email [ndfa @dtf.vic.gov.au](mailto:donna.kennedy@dtf.vic.gov.au).

Councils may then be requested by DTF to fill in the *Eligibility Approval Form* available at the following website:

<https://www.dtf.vic.gov.au/natural-disaster-financial-assistance/eligible-natural-disaster-expenditure>

Councils should also contact the NDFA Team as soon as they can where they have concerns over meeting the allowable time limit for restoring damaged essential public assets.