

# **Guideline 1: Claims and eligibility for essential public assets**

Victorian Disaster Recovery Funding Arrangements



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## Introduction

Victoria's Natural Disaster Financial Assistance (NDFA) scheme is available to local councils, Catchment Management Authorities (CMAs) and state agencies (Delivery Agencies), to relieve some of the financial burden that may be experienced following a natural disaster. The scheme mirrors the Australian Government's Disaster Recovery Funding Arrangements (DRFA). DRFA is a cost sharing arrangement with the states.

The Victorian Government provides reimbursements from the scheme as eligible claims are submitted. At the end of the financial year an acquittal is submitted to the Commonwealth Government seeking a cost sharing contribution reimbursement.

## Purpose

The purpose of these guidelines is to document the eligibility framework and claims process for impacted Delivery Agencies within Victoria, in seeking reimbursement associated with the reconstruction of essential public assets.

These guidelines are aligned to the DRFA guidelines issued by the Australian Government, and have been developed to enable the state agencies and the local councils to lodge valid claims.

## Scope

These guidelines apply to works undertaken on essential public assets following damage from natural disaster and terrorist events activated under Category B of the DRFA. These works include:

- emergency works for essential public assets;
- immediate reconstruction works for essential public assets; and
- essential public asset reconstruction works.

Funding of counter disaster operations for the protection of the general public is out of scope of these guidelines.

These guidelines are supported by the Victorian DRFA claims management process maps, attached to this document in Appendix B: Victorian DRFA claims management process maps. The process maps document the high-level process to be followed by the state departments and delivery agencies to deliver the works and reimburse the eligible costs under the arrangements.

The guidelines also reference tools, forms and templates to be used by the state departments and delivery agencies to ensure provision of appropriate information required by the state and Australian Government to assess the claims.

## Definition of essential public assets

An essential public asset must be a transport or public infrastructure asset of an eligible undertaking which, the State considers, and the Australian Government agrees, is a necessary part of a state's infrastructure and is integral to the normal functioning of a community.

An eligible undertaking (referred to as a 'Delivery Agency' in these guidelines) is either one of the following:

- A department or other agency of the State government
- A body established by or under State legislation for public purposes (for example, a local council or Catchment Management Authority (CMA)).

In operating the asset, the Delivery Agency provides services free of charge or at a rate that is 50 per cent or less of the cost to provide those services.

In Victoria, these transport assets are state and local roads and bridges and their associated components, which may include:

- road pavements and surfacings;
- culverts and drainage structures;
- bridges and floodways;
- embankments and batter protection;
- stormwater drains and culverts;
- roadside furniture, delineation and intelligent transport systems; or
- tunnels.

Public infrastructure assets in Victoria may include:

- levees;
- river safety monitoring equipment including tide gauges;
- engineered erosion control structures that directly protect an eligible public asset such as a road or bridge, including:
  - river and sea walls (including rock beaching and rip rap, groynes and engineered log jams)
  - pile fields (timber or sheet);
  - grade control structures (including chutes, trickle pipe units and drop structures);
- stormwater infrastructure;
- police, fire and emergency services' stations;
- prisons/correctional facilities;
- public hospitals;
- public housing;
- public schools;
- state or local council offices (including maternal health centres and early learning centres); or
- water tanks owned by an eligible undertaking which does not charge users for the water) if used to provide emergency services with the appropriate resource to conduct risk reduction burn-offs and to support firefighting operations in times of need. Delivery agencies are required to liaise with the Assessing Authority on a case by case basis.

Examples of assets that are not eligible are:

- privately owned, managed or maintained roads;
- environmental assets including natural vegetation, waterways, rivers, beaches, forests or undeveloped land;
- fencing, except where related to protection of an essential public asset;
- fire trails;
- engineered erosion control structures that only protect open space or private land; and
- those assets (or part of) damaged due to contributing factors such as poor design, poor construction, inadequate maintenance or pre-existing damage.

## Administering and Assessing Authorities

The Administering Authority for the DRFA in Victoria is the Department of Treasury and Finance (DTF). DTF serves as the single point of contact with the Australian Government and oversees the implementation of the DRFA across state agencies, local council and CMA.

The Assessing Authority assesses claims for the reconstruction of essential public assets on behalf of DTF. The Assessing Authority will be assigned by DTF based on the type of eligible asset damaged.

## Eligible measures activation

Under the DRFA, for eligible measures to be activated, the following conditions must be satisfied. Specifically, the event must:

- meet the definition of a natural disaster or terrorist event; and
- have impacted an eligible undertaking.

A natural disaster is one, or a combination of, the following rapid onset events:

- bushfire;
- earthquake;
- flood;
- storm;
- cyclone;
- storm surge;
- landslide;
- tsunami;
- meteorite strike; or
- tornado.

An eligible disaster is one for which:

- a coordinated multi-agency response was required; or
- State expenditure exceeds the small disaster criterion of \$240,000.

Five days after the Delivery Agency has been impacted by an eligible disaster event, the relevant Assessing Authority and Administering Authority needs to be advised that essential public assets have been damaged by the disaster.

The Administering Authority coordinates advice for each disaster event and provides this to Emergency Management Victoria (EMV), which submits this information as part of the notification process to the Australian Government. This process will identify which local council areas were impacted and the eligible measures to be activated.

Where the event is deemed eligible under the DRFA, details of the event and available relief and recovery measures will be listed on the DTF Natural Disaster Financial Assistance (NDFA) website:

<http://www.ndfa.dtf.vic.gov.au/dtf/ndfa/ndfa.nsf>.

Upon successful activation of the eligible measures in relation to essential public asset reconstruction, the Delivery Agency then enters information into the Administering Authority's database, which includes details by the event on the expenditure category and initial estimates by financial year. The current system being used is DTF's Automated Claims Management System (ACMS).

Further information regarding the NDFA can also be found at the website:

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

The Disaster Notification process described in the Victorian DRFA claims management process map presents the activities to be undertaken, and forms to be used by the different agencies to declare an event eligible under the DRFA.

## Insurance

Where a Delivery Agency has an existing insurance policy in place over an essential public asset or if there are works being undertaken on the essential public asset at the time of the disaster event, funding to repair damage resulting from an eligible disaster event must be claimed from these insurance policies.

The Victorian Managed Insurance Authority (VMIA) provides insurance cover for state-owned and controlled assets including road, rail and health infrastructure assets. Under the current arrangements, the relevant State agency will submit an insurance claim to VMIA each time its assets are damaged or destroyed by an insurable event, where the loss is likely to exceed its deductible.

For State agencies, where reimbursement for repairs to an asset or works are claimed under an insurance policy from VMIA or another insurer, and the damage was a result of an eligible disaster event, any excess payment or deductibles associated with the insurance policy must be reported to the Administering Authority. The insurance excess or shortfall may be captured by the State in its annual acquittal to the Commonwealth. However any funding shortfall is not able to be claimed from the scheme (by following these guidelines). In the event the agency requires financial support, it will need to seek financial assistance via the annual budget process.

## Types of essential public asset works

The DRFA has three sub-categories of disaster assistance under Category B for the reconstruction of essential public assets. These are:

- emergency works
- immediate reconstruction works
- essential public asset reconstruction works.

### Emergency works

Emergency works activities are urgent activities necessary to temporarily restore an essential public asset to enable it to operate or be operated at an acceptable level of service to support the immediate recovery of a community, and are completed before essential public asset reconstruction works take place.

Typical forms of emergency works are:

- Removal of debris, including silt and debris from the asset where failure to do so would create a health or safety hazard
- Any temporary repair works to the essential public asset that ensure it can be safely used until reconstruction works are able to be undertaken (for example, pothole repairs, initial grading, temporary gravel re-sheeting, constructing flood flow relief causeways across a road)
- Erection of warning signs or barriers to ensure the asset can be safely used for its intended purpose
- Placement of protective treatments (for example, rock) to ensure that no further damage is sustained until reconstruction works can be undertaken.

### Immediate reconstruction works

Immediate reconstruction works are immediate activities carried out to fully reconstruct an essential public asset, and occur following a decision by the State that no essential public asset reconstruction works are required.

Immediate reconstruction works must be completed within three months from the date of the eligible disaster event, or when the essential public asset becomes accessible to the Delivery Agency.

### Essential public asset reconstruction works

An essential public asset directly damaged by an eligible disaster event, or a re-damaged essential public asset, may be reconstructed to its pre-disaster function. The selected reconstruction treatment must be consistent with the DRFA Essential Public Asset Function Framework (DRFA clause 6.3).

Examples of eligible reconstruction works in line with this pre-disaster function framework are included in the 'Eligibility scenarios'.

# Allowable time limits

## Allowable time limits

### Emergency works

Emergency works activities occur following an eligible disaster event, and are to be carried out within three months from the date the asset becomes accessible to the Delivery Agency.

### Immediate reconstruction works

Immediate reconstruction works activities to occur following an eligible disaster event are also to be carried out within three months from the date the essential public asset becomes accessible to the Delivery Agency.

### Reconstruction of essential public assets

Cost estimates for reconstruction of essential public assets must be submitted to the Assessing Authority and Administering Authority concurrently within nine months after the end of the financial year in which the eligible disaster event occurred.

The State must approve and lodge to the Australian Government the estimated cost of reconstruction works within 12 months after the end of the financial year in which the eligible disaster event occurred.

Essential public asset reconstruction works are to be completed within two years after the end of the financial year in which the eligible disaster event occurred.

The administering authority website also details by event, timelines for each of the work category including when the expenditure is required to be incurred and lodgement dates. **Please refer to the DTF website (<https://www.dtf.vic.gov.au/events-post-1-november-2018/natural-disaster-events-and-allowable-time-limits>) for detailed and current information of claim lodgement dates by expenditure category and by event.**

**Where a claim or project is not lodged by the timeframes outlined above, these works will not be approved and cannot proceed under that eligible disaster event.**

Note that the Australian Government has established specific reporting requirements, whereby updated estimates and actuals of eligible costs must be submitted by each state for each eligible event on a quarterly basis, in addition to an annual acquittal report. To meet these reporting requirements, it is critical that each Delivery Agency provide updated estimates and actual expenditure data to the Administering Authority on a quarterly basis to be able to claim under the DRFA.

## Extensions of allowable time limits

The Administering Authority, following the Australian Government approval, may approve an Extension of Time (EOT) where the Delivery Agency has demonstrated that the delays are a result of exceptional circumstances that are either unforeseeable or beyond the control of the Delivery Agency.

Examples of exceptional circumstances are:

- delays in impacted area returning to conditions considered safe to undertake works;

- discovery of a significant archaeological or environmental site that would require extensive and prolonged consultation and negotiations; and
- delays caused by investigations (for example, coroner's investigations).

Examples of factors not considered exceptional circumstances:

- agreement for an extension was not sought before the end of the allowable time limit;
- poor project and risk management methodology (poor planning and control); and
- delays in assessing eligibility of the asset.

EOT to the allowable time limits are to be lodged by the Delivery Agency to the Assessing Authority in accordance with the timeframes stipulated below:

**Table 1 Extension of time to allowable time limits – Timeframes**

Type of works	Allowable time limits	EOT required to be lodged
Emergency and immediate reconstruction works	3 Months from date of access by the Delivery Agency	2 weeks prior to end of allowance time limit
Essential public asset Reconstruction Works	24 months	3 months prior to end of allowable time limit

The Assessing Authority will consider the EOT requests, and provide recommendations to the Administering Authority.

The Commonwealth is currently working through the process for Emergency and Immediate reconstruction works EOT requests, however, has advised that the Administering Authority for the moment, can provide Delivery Agencies with approval to move into the Essential public asset reconstruction works phase using estimates based on actual expenditure for emergency and immediate works.

The Commonwealth considers EOT requests for essential public asset reconstruction works at specified intervals in the financial year (December and June). **In the event that an EOT is not approved by the Commonwealth, any expenditure incurred beyond the required date will be ineligible.**

**Requests for extension of time received by the Assessing Authority/Administering Authority after the allowable time limits have expired will not be considered. Expenditure incurred beyond the required date will be ineligible.**

## Pre-disaster asset function

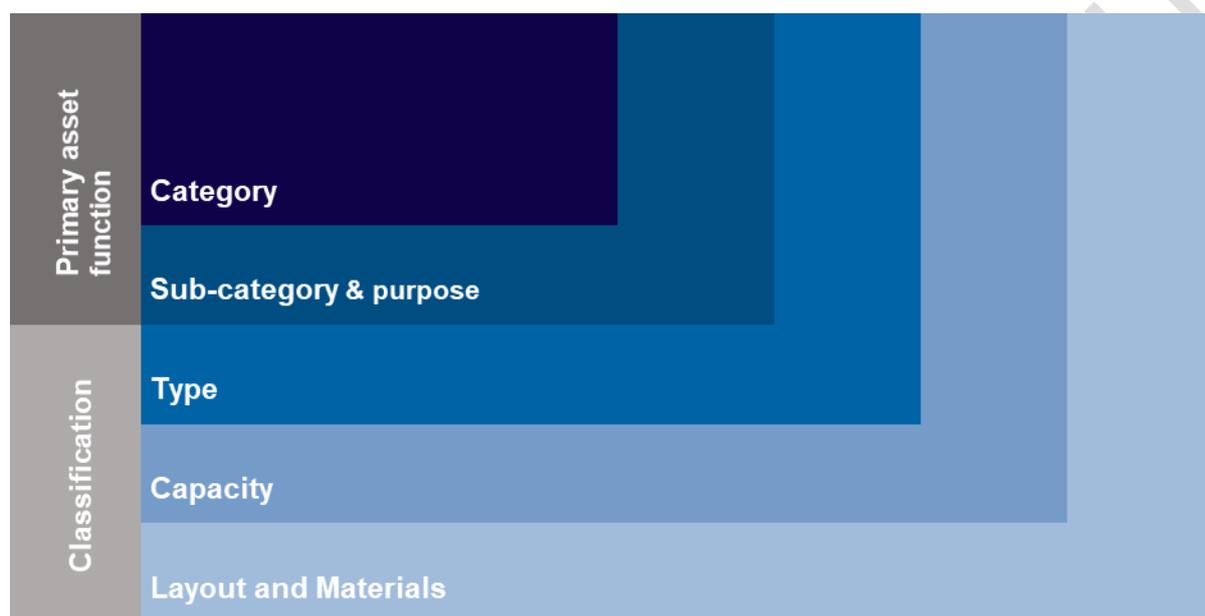
Under the DRFA, the Australian Government will contribute a portion of the funding required to reconstruct an essential public asset to its pre-disaster function. Therefore, the pre-disaster function must be established to determine the proposed treatment and subsequent estimated reconstruction cost.

To assist states in defining the pre-disaster function of assets, the Australian Government has developed the Essential Public Asset Function Framework, shown below.

The framework focuses on two key components:

- Primary asset function – purpose of the asset
- Classification – level of service the asset provides.

**Figure 1** Essential public asset function framework



## Primary asset function

All essential public assets fall into two separate categories:

- Transport
- Public infrastructure.

Examples of transport and public infrastructure assets in Victoria are included in the 'Eligible works for transport infrastructure' section of this document.

Each category can then be further split into sub-categories. For example, the transport assets would be sub-categorised into roads, bridges, culverts, etc.

## Classification

Essential public assets are classified by the level of service provided to the community by detailing the asset type, capacity, layout and materials.

The primary function of the asset is the key consideration when determining the classification of an essential public asset. For example, a road may be classified based on its primary function as an arterial road, a sub-arterial road or a local road. A road may also be classified based on the services being provided to the community before the disaster event, such as road for vehicular traffic, bicycles and pedestrians. A road may also be classified based on the geometry and

materials used for construction, such as a four-lane asphalt concrete highway or a two-lane sealed local road.

Defining the asset layout and materials is strongly linked with the capacity of the asset. The engineering specifications of the asset that need to be captured include:

- dimensions and layout;
- materials used; and
- functional criteria including information on any associated infrastructure e.g. barriers, signage, drainage, footpaths and bikeways.

## Information sources

The information required to determine the pre-disaster asset function may be available through the following sources held by the asset owner:

- asset registers;
- certification reports;
- inspection reports;
- maintenance reports;
- visual data – photos, videos; or
- geospatial data.

Refer to the Victorian DRFA Guideline 2: Damage assessment for essential public assets for the prescribed approach to determine the pre-disaster condition of the asset prior to the event. Note that evidence of damage is to be provided to the State no later than 12 months from the date of the eligible disaster.

## Eligibility assessments

The purpose of this section is to provide guidance to ensure that the treatment being proposed by the Delivery agency is eligible and complies with the DRFA's Essential Public Asset Function Framework.

## Technical standards

The relevant Victorian technical standards for construction, testing and material properties must be used when carrying out reconstruction works on all essential public assets in the state.

Assets are to be restored to the pre-disaster function and usage, adopting relevant technical standards.

Funding under the DRFA allows for restoration of the affected asset to its pre-disaster function. Assets should be designed and constructed in accordance with the current standards, but any works that are interpreted as enhancements over and above the assets pre-disaster function will not be eligible and will be rejected under the DRFA.

## Eligible works for transport infrastructure

### Road pavements and surfacing

Pavements must have sustained damage as a direct result of an eligible disaster event. This damage may have been sustained as a result of high velocity flows, subsurface movements, inundation, saturation of the road pavement or damage as a result of fallen debris and materials on the road pavement.

Pavements must only be returned to their pre-disaster function type – for example, formed, unsealed gravel, sealed gravel, asphalt, concrete. The width of the pavements must be returned to the width that existed pre-disaster – for example, 8 metres unsealed, or 6 metres sealed plus 2 metres unsealed shoulders.

Where a pavement design is considered necessary to sufficiently reconstruct the road pavement, this design can be based on the standard engineering practice for the design of road pavements (that is, current and future traffic loading).

Where gravel from pavements has been partially displaced (for example, 150mm thick pavement suffering 50mm of displaced gravel), the volume of material displaced should be replaced and blended into the remaining material to achieve an appropriate depth of pavement as per the pre-disaster condition.

The geometry and alignment of the road can only be altered from what existed pre-disaster where it can be demonstrated that there are no additional costs incurred or where improvements are funded by the asset owner.

### Culverts and drainage structures

Repair of damage to kerb and gutter, and longitudinal and cross drainage systems that are an integral part of the road formation and damaged as a direct result of an event are eligible for reconstruction. Culverts and drainage structures that are destroyed, displaced or damaged beyond economical repair are eligible for reconstruction. The existing, pre-disaster capacity of the culvert or drainage structure is only eligible for reconstruction – for example, a four-cell 1200mm pipe culvert with an effective area/capacity of 3m<sup>2</sup> can only be replaced by a culvert with the same 3m<sup>2</sup> capacity.

### Bridges

Where a bridge is required to be replaced as a result of damage sustained from an eligible disaster event, it must be reconstructed:

- to current engineering standards;
- maintain dimensions as per its pre-disaster condition;
- using design criteria that would enable the asset to be operated or used as per its pre-disaster function; and
- using appropriate, cost-efficient materials.

Where the bridge is proposed to be reconstructed to either an increased load capacity, improved flood immunity or increased width, the eligible value should be calculated on the basis in which these characteristics existed pre-disaster, adopting the current AUSTROADS standards.

Where a full reconstruction of a bridge structure is to be undertaken, the Assessing Authority will review the plans and specifications and estimate to confirm the eligibility, or part thereof, of the structure before the invitation for tender is issued.

Partial damage to bridge structures, such as scour to bridge abutments and piers, can be reconstructed to ensure that the structural integrity and the pre-disaster function of the structure are sustained.

Scour or damage to the natural watercourse/stream-bed that does not imminently impact on the structural integrity of the bridge structure is ineligible.

### **Causeways or floodways**

Any causeway or floodway that has sustained damage from an eligible disaster event must be returned to its same form and dimensions (for example, if it was a gravel causeway this form must be adopted for the reconstruction works).

Where gravel from a causeway has been partially displaced (for example, 150mm thick pavement suffering 50mm of displaced gravel), the volume of material displaced should be replaced and blended into the remaining material to achieve an appropriate depth of pavement as per the pre-disaster condition.

The only circumstance where the positioning of the causeway or floodway may be altered is when following the eligible disaster event, the watercourse has shifted or re-aligned. The causeway or floodway must be designed to suit this altered natural watercourse providing the same flood immunity that existed in the previous location.

### **Embankments and batters**

Road embankments and batter slopes are considered a part of the essential public asset of the road network. Following an eligible disaster event, common forms of damage include scours, cut failures (shallow or deep) and embankment failures (shallow or deep). Where damage is sustained to road embankments and batters, an assessment is to be undertaken in line with existing practises in place in Victoria. This process may involve categorising the risk, slope instability and prioritising the risk management of the slope.

Investigative techniques (for example, geotechnical testing) are considered eligible for funding, where it is evident that an asset has been directly damaged by an eligible disaster, and the investigative techniques are used as part of the reconstruction works (for example, to determine the extent of that damage and/or identify the reconstruction option).

### **Roadside furniture, delineation and Intelligent Transport Systems (ITS)**

Any road furniture, traffic signalling, delineation and line marking or ITS that are damaged as a direct result of an eligible disaster event must only be reconstructed to the same quantity, form and type unless the current relevant design standard stipulates differently.

### **Other**

Only fencing that is considered 'controlled access' or 'perimeter' fencing to restrict access to an essential public asset and is damaged as a direct result of the eligible disaster event is eligible.

Where an asset may have aspects that are owned by more than one agency (for example, railway level crossing) an assessment is required to determine which components may be considered an essential public asset.

An access track or path (in isolation) would not be generally considered an essential public asset. However, where this this access track or path is integral access to an essential public asset (i.e. school, hospital) the damage to this access track or path would be considered eligible.

## Ineligible works

Works or damage which are ineligible for funding under emergency works, immediate reconstruction works or reconstruction of essential public assets, include the following:

- damage to any project in progress, or separable part, unless a Certificate of Practical Completion was issued before the damage was sustained;
- any projects for which the project or contract insurance provisions are still in effect;
- investigative techniques (such as destructive testing of a road, falling weight deflectometer, pavement roughness testing or road laser survey) used to prove the existence of damage or the cause of damage to an asset;
- damage to pavements and subgrades that is caused by prolonged wet weather. This type of deterioration is considered to be a normal maintenance liability;
- the restoration or rehabilitation of natural ecosystems;
- the restoration of fire trails, recreational paths, access tracks through natural reserves;
- removal of debris from streams, beyond that directly impacting on the essential public asset (for example, bridge or culvert structure);
- grading or channelling of stream beds, unless necessary to ensure the structural adequacy of the essential public asset (for example, bridge, road formation);
- pedestrian facilities other than pedestrian grade separation structures, and facilities that are shared cycleways and within the road corridor;
- where there is evidence that damage occurred wholly or partly as the result of the lack of proper maintenance, or where previous works were not completed satisfactorily, that part of the damage considered to arise from the lack of maintenance or unsatisfactory work is not eligible for assistance;
- saturation damage where:
  - water fills the table drain and is unable to drain away because of poor construction or a lack of proper maintenance
  - extensive ruts, cracks, pot holes and heave were in evidence prior to the natural disaster;
- development of environmental water management plans;
- farm design services;
- mitigation works associated with preventing damage;
- 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
  - council-owned vehicles
  - 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 DRFA 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; or
- weed control.

## Betterment

'Betterment' is the restoration or replacement of an essential public asset to a more disaster-resilient standard than its pre-disaster standard. 'Betterment' works are not funded under the Category B – Restoration of Essential Public Assets under the DRFA. The DRFA does however provide provision to fund and carry out betterment type works through Category D Measures (upon application) and the DRFA Efficiencies Framework requirements (Refer to Section 7 of the DRFA). The Efficiencies Framework is to define how any efficiencies (savings) realised are prioritised and expended in accordance with the High Level Disaster Mitigation Principles as defined in the DRFA.

An example of 'betterment' is where an asset is restored to a higher standard than that which is required to restore it to its pre-disaster function. Where a higher standard is required, this may be undertaken however the cost to repair to pre-disaster function and relevant technical standard must be basis of claim under the DRFA.

## Eligibility scenarios

This section outlines some potential scenarios to assist Delivery Agents and the Assessing Authorities with application of the eligibility guidelines. These scenarios are categorised as per the standard treatment listing (refer to cost estimation guidelines) as follows:

- sealed road;
- clearing and earthworks;
- road furniture and delineation;
- concrete;
- drainage/culvert; and
- other.

**Table 2: Eligibility scenarios against asset type**

Asset Type	Category	Damage	Eligibility assessment and justification of works
1 Unsealed road	Unsealed road with 8m formation width	A section of 1200m has been damaged by an eligible disaster event. There is no gravel on the road.	Formation grading and gravel re-sheeting is proposed on the existing 8m unsealed road. There is evidence demonstrating re-sheeting of the road within five years before the event.  As the existing width is being maintained, all works are eligible for funding if it can be demonstrated that an appropriate thickness of gravel was maintained before the eligible disaster event.  If no records of history of gravel works exist, these works are ineligible and only the formation grading is eligible for funding.
2 Unsealed road	Gravel loss of unsealed road	Multiple locations have suffered gravel loss during an eligible disaster event. The gravel loss is confined to sections where the pavement was completely inundated by fast-flowing waters.	Locations where photographs support complete inundation during the event and provide evidence of gravel loss are eligible.
3 Unsealed road	Rutting of unsealed road	Rutting and scouring on the shoulder, and wheel tracks in the wheel path on an unsealed road have resulted from an eligible disaster event.	Where the damage can be repaired with a maintenance grade, this is eligible under immediate reconstruction works and no further reconstruction works are required.
4 Sealed road	Two-lane sealed road	The 'inner' and 'outer' wheel paths in both traffic lanes of a section of the road have been damaged by an eligible disaster event.	The reconstruction of the full pre-event (existing) road width (i.e. using full-width pavement rehabilitation) for that section is eligible for funding.
5 Sealed road	Two-lane sealed road	There are isolated patches/areas of a road that have been damaged by a recent flood event.	The reconstruction of the part-width and the required seal (initial primer seal and follow-up overlapping seal) for those areas that have been damaged are eligible for funding.  Where a higher order treatment is proposed (e.g. half or full-width reconstruction) it must be demonstrated that this higher order treatment is more economical than the part-width pavement rehabilitation solution.

**Table 2: Eligibility scenarios against asset type**

6	Sealed road	Single-lane sealed road with formation width of 8m and seal width of 4m	The road is damaged to full formation width by a recent flood event.	The reconstruction of the full 8m formation is eligible for funding. The reconstruction of the 4m seal width is also eligible.
7	Sealed road	Two-lane sealed road	Sections of pavement on a sealed road have been inundated with water, with rutting <80mm visible three months after the eligible disaster event.	As it would be difficult to ascertain if the rutting was directly caused by the eligible disaster event, the repair of the rutting is ineligible.
8	Sealed road	Two-lane sealed road	Sections of pavement on a sealed road have been inundated with water, and the seal has broken away from the pavement and/or wheel rutting is >80mm.	The area of reconstruction is limited to the direct area, with one or both of these conditions eligible, with minimum construction widths of plant to apply.
9	Clearing and earthworks	Table drain adjacent to a road	A section of the V-drain has been scoured as a result of a flood event and is contributing to the saturation and damage of the adjacent pavement.	The cost of constructing the trapezoidal drain in this location is equivalent to the cost of repairing the V-drain. The current engineering standard requires a trapezoidal drain be provided in this instance. The cost of constructing the trapezoidal drain is eligible for funding. A cost breakdown of each reconstruction option (trapezoidal drain vs V-drain) must be submitted to demonstrate that the trapezoidal drain is the same cost as repairing the V-drain. If the cost of constructing the trapezoidal drain is more than repairing the V-drain, the additional cost is ineligible for funding. The eligible funding would be limited to the cost of restoring the V-drain.
10	Clearing and earthworks	Road embankment	A 20m length of the batter slumps, washing away part of the higher roadway.	The Delivery Agency proposes constructing a retaining wall for the full 50m length as it all has potential to fail in the future Only the treatment of the damaged section (20m) is eligible.

**Table 2: Eligibility scenarios against asset type**

11	Clearing and earthworks	Trees within road reserve	A tree which was damaged by eligible disaster event which involved a bushfire, now possesses a significant risk to fall onto the road pavement. Some small branches have already done so.	As the essential public asset is considered the area within the road reserve (between the property boundaries) the removal of this tree that has been damaged by the disaster event (bushfire) would be considered eligible.
12	Road furniture and delineation	Linemarking	A section of sealed road was destroyed by an activated event and the full pavement width for 1km. Prior to the disaster only a centreline existed.	The current linemarking standard for this road type and width is for a centreline and edge lines. As the edge lines did not exist prior to the event this works is ineligible. The centreline works are eligible.
13	Road furniture and delineation	Regulatory signs	A 2km section of road was damaged by an eligible disaster event, which required the whole section to be reconstructed, including replacing signage.	Prior to the event there were only three regulatory signs along the 2km section. Following the completion of the reconstruction works, a road safety audit identified the requirement for five regulatory signs.  As the eligible reconstruction works for the road should not have included any change to dimensions or geometry of the road, the requirement for the two additional regulatory signs was not caused by the eligible disaster event and is therefore ineligible.
14	Road furniture and delineation	Guardrail	The 20m guardrail approach to a bridge, was destroyed following high-velocity flows from an eligible disaster event.	The current design standard for the guardrail dictates that the guardrail approach needs to be 30m.  As the existing guardrail approach was sub-standard prior to the event, the cost to install the additional 10m of guardrail is ineligible.

**Table 2: Eligibility scenarios against asset type**

15	Concrete	Reinforced concrete floodway	The concrete floodway remains structurally sound after a recent flood event, but the embankments at the approaches have been severely scoured and washed out, resulting in a large gap between the floodway and the eroded embankment/road.	<p>An assessment finds the floodway could be extended by 10m to cross the gap left by the erosion.</p> <p>The cost of repairs to the damaged floodway is eligible for funding. Generally, an engineering report will be required to be submitted outlining the recommendations for reconstruction of the floodway.</p> <p>If a new floodway is proposed by the engineer, the cost to reconstruct the floodway to the same level of service is eligible for funding.</p> <p>As the flood event changed the surrounding environment by eroding the embankments and widening the water course, reinstatement of the embankment is not a suitable reconstruction option. The only option is to extend the floodway to suit the new environment. Therefore, the additional length of the floodway is eligible for funding.</p>
16	Drainage structure	Three cell 600mm diameter culvert	The entire length of the culvert has been damaged as a result of flood waters.	<p>The culvert was designed to Q20 flood immunity. The current engineering standard for this location stipulates that Q50 flood immunity should be provided. This flood immunity increase results in an additional cell (i.e. four cells in total) to comply with the current engineering standards.</p> <p>The replacement of the three cells of the 600mm diameter culvert is eligible for funding. As the additional culvert cell (i.e. fourth cell) provides increased capacity, it is ineligible for funding.</p>

**Table 2: Eligibility scenarios against asset type**

17	Drainage structure	Two cell 900mm diameter culvert with 200mm cover	As a result of the high velocity flows pipes were separated and fractured and a number displaced downstream.	The current standard for the replacement of this culvert includes 350mm cover. As the deficient cover that existed prior to the event, this component of the reconstruction works is considered ineligible. The cost of the supply, placement and compaction of the additional 150mm cover would need to be funded by the Delivery Agency. The remainder of the replacement of the culvert is eligible.
18	Drainage Structure	Stormwater	A stormwater pipe, collecting water from the road, travels under private property and outlets in a local creek.  During an eligible disaster event, the creek floods, and the headwall and last pipe length are washed away.	As the pipe collects water only from the essential public asset (the road), the work is eligible.
19	Drainage structure	Single cell 600mm pipe with no end structures	The end section/cell of the culvert was displaced.	The current standard for this type of pipe is for either a cast-in-situ or precast headwall. The reconstruction of the end/cell of the culvert is eligible. As the principle of the DRFA is to repair the asset from the event, the inclusion of the headwalls would need to be funded by the Delivery Agency.
20	Other	Fencing	The property fencing was destroyed by a bushfire that was declared an eligible disaster event.	As the type of fence is not considered a 'controlled access' to the road asset, the replacement of this fencing would be ineligible.
21	Other	Guardrail	A creek runs roughly parallel to a local road. During an eligible disaster event, a creek running roughly parallel to a local road scours the road embankment out, narrowing the road.	The Delivery Agency wants to reinstate the road to its previous width, but also wants to install a guardrail because the current standards would require it. The reconstruction of the road would be eligible, however installation of the guard fence to meet the current standards would not be eligible.

**Table 2: Eligibility scenarios against asset type**

22	Other	Road embankment	A section of 'cut' batter with natural vegetation has slipped/ eroded as a result of a flood event.	<p>Geotechnical investigations were undertaken, and the engineering report recommended soil nailing and a shotcrete protection to the batter.</p> <p>The cost of reinstating the slope is eligible for funding. The engineering report should investigate a range of treatment options and recommend a solution that is effective and provides value for money.</p>
23	Other	'Cut' batter	A mountain side washes out, depositing large amounts of debris and large rocks onto the road and beyond.	<p>A geotechnical assessment recommends the removal of loose rocks from the exposed face, placement of geotextile matting on the face and the installation of a rock catch fence to prevent future rock slides ending on the roadway.</p> <p>Removal of debris, loose rocks and placement of matting and rock catch fence is eligible for funding.</p>
24	Other	Bridge abutment protection	A recent flood event caused serious erosion around the abutments and pier footings of a bridge. The remainder of the bridge is structurally sound.	An engineering investigation and report determined that the required treatment to maintain the structural integrity of the bridge involved further piling to reinforce the footings and rock protection works. The engineering report determined that the piling and the rock protection works were the most cost-effective solution, the cost to perform this work is eligible for funding.

**Table 2: Eligibility scenarios against asset type**

Other	Bridge	The one lane 40m long, 5m high timber bridge has been made structurally unsound by the recent flood event and needs to be replaced.	Under the DRFA replacement, timber bridges with concrete is allowed due to the shortage of appropriate structural timber materials and the cheaper whole-of-life cost of concrete bridges. Replacing a timber bridge with concrete or steel is eligible under the DRFA. The application of current engineering and building standards for the purposes of the DRFA allows flexibility to employ contemporary construction methods and materials.  The cost of the replacement concrete bridge providing the same level of service – 40m long and 5m high. (i.e. same height, width and length) is eligible for funding.

WORKING DOCUMENT

# Eligible expenditure

## Direct costs

Direct costs (commonly referred to as construction costs) associated with the reconstruction of an essential public asset are eligible, where they are undertaken by a construction contractor who is not associated with the Delivery Agency that owns the essential public asset.

### Day labour – SUBJECT TO UPDATE

At the time of publication, an official day labour policy has not been adopted by the State of Victoria. **Until a policy decision is made, day labour is ineligible expenditure.** Further updates will be provided.

### Material costs

Any materials that are supplied by an external contractor and relate specifically to an eligible treatment and scope is considered eligible. Materials that are supplied by a Delivery Agency and incorporated as part of the essential public asset are to be established as follows:

- The establishment or disestablishment of borrow pits are only considered eligible where the material sourced from the pit is used exclusively for the reconstruction of essential public assets.
- Only materials included in the works are eligible. Any excess materials, even though they may be stored on site, are ineligible.
- Where materials (e.g. gravel) are produced by the Delivery Agency, the cost of the production of the materials is eligible, excluding any profit that may be charged when these materials are provided to third parties.

### Waste management

Costs that arise from the removal, transport, processing and disposal of waste material and other debris that is impeding the normal function of an essential public asset, and which has been deposited or generated as the direct result of the eligible disaster is considered eligible, exclusive of any profit margins paid to council or any other eligible undertaking. Eligible costs may also include tipping fees, waste processing and disposal costs. If these works are undertaken by a Delivery Agency's own labour and plant, the provisions as outlined in the 'Day labour' section shall apply.

## Indirect costs

### Offsite overhead costs

Offsite overhead costs (that is, Delivery Agency costs) that may be required to support the projects associated with essential public asset reconstruction are only eligible for:

- additional temporary employees engaged;
- overtime costs of standard employees; and
- backfilling of employees.

Delivery agencies must be able to demonstrate that any employment on-costs that are to be claimed, such as superannuation, payroll tax and workers' compensation insurance premiums, are directly attributable to the employment of temporary fixed-term staff and contractors, overtime and backfilling.

Only the additional costs, such as higher duties of backfilling a person undertaking eligible activities, are eligible, and this is dependent on type of arrangement, not the salary of the incumbent.

### **Additional temporary employees**

Additional temporary employees may be permitted where Delivery Agencies are able to demonstrate that resources from within their organisation have been exhausted, and any costs associated with additional temporary fixed-term employees or contractors to be claimed are in addition to the aggregate level of staffing prior to the eligible disaster event.

For reconstruction works, position descriptions (PDs) for additional temporary employees must be approved by the Administering Authority prior to the role commencing. PDs must include the eligible disaster event for which work will be undertaken, the start and end dates of the position, and a brief description of how the position or work being undertaken relates to the event. To demonstrate the positions are over and above the current structure, the Administering Authority may request a letter from an executive in the Delivery Agency confirming that current resources are fully utilised and not able to meet the demand expected to complete the reconstruction works.

For audit purposes, Delivery Agencies must keep records to demonstrate that appropriate recruitment processes have been followed for temporary fixed-term natural disaster recovery roles, including clear position descriptions and general ledger expenditure reports for each of the additional employees.

### **Secondments**

Delivery Agencies considering seconding staff to or from another Delivery Agency and seeking reimbursement under the DRFA should seek pre-authorisation from the administering authority to ensure eligibility of these costs.

### **Consultant and contractor fees**

Consultants and contractors that have been engaged specifically for activities associated with the reconstruction of essential public assets are eligible. These activities may include:

- investigations;
- design;
- procurement;
- contract administration;
- communication and stakeholder management;
- environmental management; and
- project and program management.

For larger scale natural disaster events it is expected that additional resources would be required to assist in the damage assessment, claim preparation and project management of the reconstruction works. It is recommended that local consulting organisations are approached prior to natural disaster events to gain an understanding of capability and expertise to assist with this work. The engagement of local consulting organisations ensure that any accommodation and travel costs can be minimised, while also engaging personnel that have local knowledge.

Furthermore, where possible, panel arrangements are encouraged to be established to assist in the damage assessment, claim preparation and project management of reconstruction works. Panel arrangements ensure that suitable organisations and resources are identified, rates for services are established, and a prompt process for engagement is established when natural disaster events occur.

### **Travel costs**

Travel costs, allowances and accommodation for Delivery Agency employees, consultants and contractors that are directly related to the reconstruction of essential public assets under the DRFA are eligible. These costs are considered indirect costs.

### **Training**

Costs associated with training are eligible where it is directly related to conducting DRFA-eligible activities, such as DRFA policies and procedures and how to deliver DRFA-eligible works. These costs are considered indirect costs.

### **Asset restoration office**

When claiming for establishment of a temporary asset restoration office to coordinate the restoration of significant number of essential public assets, the Delivery Agency 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 DRFA;
- where is no available accommodation within existing resources;
- that the costs being claimed accurately represent the level/proportion of DRFA eligible works being undertaken from the additional office space; and
- the costs are incurred within the allowable time period.

To meet the requirements, a letter from the Chief Executive Officer of the Delivery Agency 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 Delivery Agency undertook to accommodate their project management and engineering staff within the existing accommodation and the need for additional accommodation.

Delivery Agencies interested in establishing a temporary asset restoration office are requested to contact the Administrating Authority prior to the establishment.

## Ineligible expenditure

Expenditure that is considered ineligible under the DRFA includes the following:

- costs the Delivery Agency could reasonably be expected to incur responding to the eligible disaster event (Delivery agencies are expected to have a reasonable level of human, capital and financial resources to be able to undertake disaster response activities);
- costs that would have been incurred should the eligible disaster event not have occurred, such as maintenance, costs associated with permanent employees or other ongoing administrative costs;
- the costs of delay (prolongation costs) to direct control construction or contract works;
- employment costs for temporary employees, agency staff, contractors and/or consultants when working under an existing contract that was in place prior to the eligible disaster event;
- generic indirect and overhead costs including internal administration costs to the Delivery Agency such as finance, HR, back-office processing and administration including corporate recovery overheads;
- training not directly related to DRFA-eligible activities for a particular disaster event, or where core competency is expected prior to being engaged to undertake the works, such as training for workplace health and safety (including induction videos), general construction induction (white card) certification and manual driving competencies;
- where internal plant is approved for day labour, the following plant-related costs are still considered ineligible:
  - fixed depreciation
  - opportunity cost
  - operational risk allowance
  - registration
  - garaging
  - insurance
  - administration overhead (normal);
- costs that are reimbursable under other external funding sources, including existing insurance policies in place;
- consequential losses subsequent to the actual eligible disaster event (for example, business interruptions, loss of income, damage not directly caused by the event, additional damage after the event);
- costs associated with the preparation of DRFA claims, reporting and acquittal;
- costs associated with assessing an asset by the Delivery Agency when no damage has been identified;
- replacement of the contents of an essential public asset, such as furnishings in buildings; and
- capital purchases for computers, phones and software.

The purchase of a new asset, used for the reconstruction of an essential public asset, that has a life that extends beyond the life of the event is generally ineligible (excluding purchase of low-cost items up to \$100). However, where equipment is unable to be hired and must be purchased to meet

operational requirements or it is less expensive to purchase, the following cost recovery options may be eligible:

- equivalent hire cost;
- purchase price less value at the end of the operational use;
- depreciated amount calculated over the life of the asset; or
- lifespan of asset as per the ATO apportionment for life of works.

## Claims process

For essential public asset reconstruction works under the DRFA, Delivery Agencies in Victoria will be reimbursed by the State through the administering authority. This section outlines the process and requirements for making claims for reconstruction of essential public assets works.

## Funding contributions

Assistance will be provided to the extent outlined below for reconstruction of essential public assets damaged as a direct result of an eligible disaster event.

**Table 3: Funding contributions for reconstruction of essential public assets**

Assistance type	State Government agencies and statutory bodies (with no insurance arrangements in place)	Local councils (with no insurance arrangements in place)
Emergency works	100% of approved works	100% of approved works  For these amounts to apply the total state expenditure for the eligible event must be more than \$240,000.
Immediate reconstruction works	100% of approved works	75% of approved reconstruction costs between \$10,000 and \$110,000 for each Delivery Agency  100% of the proportion of approved reconstruction costs greater than \$110,000 for each Delivery Agency  For these amounts to apply the total state expenditure for the eligible event must be more than \$240,000.
Reconstruction of essential public assets	Actual expenditure capped up to the approved certified estimate.	75% of approved reconstruction costs between \$10,000 and \$110,000 for each Delivery Agency  100% of the proportion of approved reconstruction costs greater than \$110,000 capped up to the approved certified estimate  For these amounts to apply the total state expenditure for the eligible event must be more than \$240,000.

## Emergency works claims

Emergency works claims are based on actual eligible expenditure incurred. No approval is required for the Delivery Agency to undertake emergency works following a disaster event, but the Assessing Authority and Administering Authority should be informed regarding the intent to undertake such works.

All emergency works claims are to be validated by the Assessing Authority and lodged with the Administering Authority, no later than eight weeks following the end of the emergency works period. It is recommended that emergency works claims are lodged on a regular basis. **Eligible expenditure incurred during the financial year is required to be lodged by the 31 July of each year (within one month from the end of the financial year).**

For emergency works claims, the following documentation is to be provided. Refer DRFA Fact Sheet 1 – Claims and Eligibility as to where the documentation is to be uploaded (ACMS / Sharefile).

**Table 4: Emergency works claims – Required mandatory supporting documents**

Required Item	Details	Format
Claim Lodgement Declaration Form (Form ID VF-D-DEC)	Includes: <ul style="list-style-type: none"> <li>Delivery Agency's internal reference number for the claim</li> <li>associated activated event</li> <li>type of claim – emergency works claim</li> <li>summary details of the claim (that is, assets and value)</li> <li>applicant contact officer name</li> <li>declaration and signature from the responsible Delivery Agency official</li> </ul>	Signed PDF
Completed emergency works claim form (Form ID VF-A-EW)	Each line on the Form ID VF-A-EW is to represent an asset (for example, road link) on which emergency works were undertaken	Excel and signed PDF
Detailed General ledger/ transaction listing	Must correlate to expenditure in the Form ID VF-A-EW. A reconciliation statement is to be provided (if the evidence of expenditure differs from the amount claimed). Transaction listing must include a minimum of date, invoice number, supplier and description of works undertaken.	Excel
Invoices	The Assessing Authority will verify invoices against the works undertaken. Source documents (e.g. contracts) supporting the invoice to be available for sampling upon request.  All invoices should correlate to an appropriate line item in the general ledger or transaction listing and have appropriate description of works undertaken.	PDF
Payroll reports	Reports for extraordinary payroll costs (overtime) & evidence of the additional resources required. Timesheets to be available for sampling upon request.  Position descriptions for role/s created for eligible activities (approved by the Assessing Authority in consultation with the Administering Authority)	PDF

Required Item	Details	Format
Internal Audit Report	Upon receiving a written request from the Administering Authority (sample based), the Delivery Agency is required to engage their internal audit function to provide an opinion on whether appropriate procurement practices have been applied. Full copy of Internal Audit report to be provided. This cost is not reimbursed.	PDF
Photo report	<p>Representative, printable report showing damaged locations (latitude and longitude), date taken, presented in a logical sequence for each asset and showing asset names and asset reference number, where available.</p> <p>Must include representative evidence of each of the key emergency treatments undertaken on an asset, such as temporary pavement repairs, clearing of silt and debris, and repairing scours.</p> <p>The number of photos must be commensurate with the level of damage.</p> <p>Photos must be taken at the earliest opportunity after the damage is sustained and before the emergency works are undertaken.</p>	PDF
Photo files	<p>All photo files with metadata intact capturing location (longitude and latitude) and time taken.</p> <p>Photo files should be presented in subfolders and grouped by asset (for example, road link).</p>	JPEG, TIFF, PNG, GIF, RAW

## Immediate reconstruction works claims

Immediate reconstruction works claims are based on actual eligible expenditure incurred. No approval is required for the Delivery Agency to undertake immediate reconstruction works following a disaster event, but the Assessing Authority should be consulted prior to undertaking reconstruction to ensure alignment and eligibility of the works. In addition, the Administering Authority should be informed regarding the intent to undertake such works.

All immediate reconstruction works claims are to be validated by the Assessing Authority and lodged with the Administering Authority. **Eligible expenditure incurred during the financial year is required to be lodged by the 31 July of each year (within one month from the end of the financial year).**

For immediate reconstruction works claims, the following documentation is to be provided. Refer DRFA Fact Sheet 1 – Claims and Eligibility as to where the documentation is to be uploaded (ACMS / Sharefile).

**Table 5: Immediate reconstruction works claims – Required supporting documents**

Required item	Details	Format
Claim Lodgement Declaration Form (Form ID VF-D-DEC)	<p>Includes:</p> <ul style="list-style-type: none"> <li>Delivery Agency's internal reference number for the claim</li> <li>associated activated event</li> <li>type of claim – immediate reconstruction works claim</li> <li>summary details of the claim (that is, assets and value)</li> <li>applicant contact officer name</li> <li>declaration and signature from the responsible officer from the Delivery Agency</li> </ul>	Signed PDF

Required item	Details	Format
Completed reconstruction works claim template (Form ID VF-B-RW)	Each line on the claim form is to represent the different treatments undertaken	Excel and signed PDF
Detailed General ledger/ transaction listing	<p>Must correlate to expenditure in the reconstruction works claim form (Form ID VF-B-RW). A reconciliation statement is to be provided (if the evidence of expenditure differs from the amount claimed).</p> <p>Transaction listing must include a minimum of date, invoice number, supplier and description of works undertaken</p>	Excel
Invoices	<p>The Assessing Authority will verify invoices against the works undertaken. Source documents (e.g. contracts) supporting the invoice to be available for sampling upon request.</p> <p>All invoices should correlate to an appropriate line item in the general ledger or transaction listing and have appropriate description of works undertaken.</p>	PDF
Payroll reports	<p>Reports for extraordinary payroll costs (overtime) &amp; evidence of the additional resources required. Timesheets to be available for sampling upon request.</p> <p>Position descriptions for role/s created for eligible activities (approved by the Assessing Authority in consultation with the Administering Authority)</p>	PDF
Internal Audit Report	Upon receiving a written request from the Administering Authority (sample based), the Delivery Agency is required to engage their internal audit function to provide an opinion on whether appropriate procurement practices have been applied. Full copy of Internal Audit report to be provided. This cost is not reimbursed.	PDF
Pre-condition assessment report	<p>The information required to determine the pre-disaster asset function may be available through the following sources held by the asset owner:</p> <ul style="list-style-type: none"> <li>• asset registers;</li> <li>• certification reports;</li> <li>• inspection reports;</li> <li>• maintenance reports;</li> <li>• visual data – photos, videos; or</li> <li>• geospatial data</li> </ul>	PDF
Photo report – post disaster damage	<p>Printable report showing each damaged location (presented in a logical sequence for each asset and showing road name and references).</p> <p>For damage that is continuous in nature, the frequency of photos must be able to depict the damage is continuous and not intermittent.</p>	PDF
Photo report – completed works	Representative, printable report showing each location at which immediate reconstruction works were completed (presented in a logical sequence for each asset and showing asset name and number references, where available).	PDF
Photo files	<p>All photo files with metadata intact capturing location (longitude and latitude) and date taken.</p> <p>Photo files should be presented in subfolders and grouped by asset (for example, road link).</p>	JPEG, TIFF, PNG, GIF, RAW

## Essential public asset reconstruction works claims

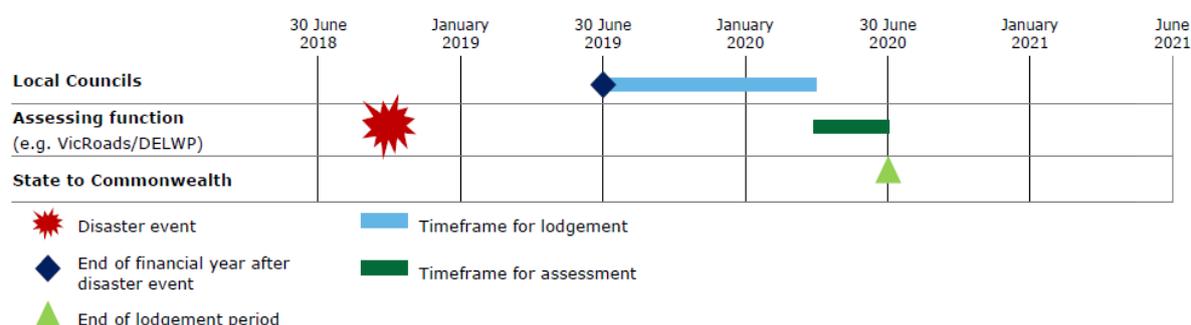
Before essential public asset reconstruction works are to commence, approval must be sought from the Assessing Authority and the Administering Authority.

As part of the essential public asset reconstruction works claim, the Delivery Agency must demonstrate that the reconstructed essential public asset will perform the same function as prior to the eligible disaster event.

While delivery agencies in Victoria will be paid on actual costs at final acquittal, essential public asset reconstruction works claims to the Australian Government are based on an estimated reconstruction cost, which can be derived from either a cost estimate (see Cost estimation guidelines) or market response (referred to as an 'open tender' in these guidelines). For essential public asset reconstruction works, states must lodge estimated reconstruction costs with the Australian Government within 12 months from the end of the financial year in which the eligible disaster event occurred.

To support this process, Delivery Agencies are required to lodge either a cost estimate or open tender price for each essential public asset reconstruction works project by nine months from the end of the financial year in which the eligible disaster event occurred.

**Figure 2 Cost estimation timeline**



Where a cost estimate is to be the basis of the value of the proposed essential public asset reconstruction works, it is recommended that the full claim is lodged a minimum of two months prior to the proposed works commencement date.

Where market response is to be the basis of the value of the proposed reconstruction works, the market response (and any other additional estimated costs) is to be lodged a minimum of two months prior to commencement of the scheduled works.

Please refer to the DTF website (<https://www.dtf.vic.gov.au/events-post-1-november-2018/natural-disaster-events-and-allowable-time-limits>) for detailed and current information of all claim lodgement dates by expenditure category and by event.

All reconstruction works claims are to be validated by the Assessing Authority and lodged with the Administering Authority. It is recommended that essential public asset reconstruction works claims are lodged on a regular basis. All claims are required to be lodged in the financial year that the expenditure is incurred.

For essential public asset reconstruction works claims, the following documentation is to be provided. Refer DRFA Fact Sheet 1 – Claims and Eligibility as to where the documentation is to be uploaded (ACMS / Sharefile).

**Table 6: EPA reconstruction works claims – Required supporting documents**

Required item	Details	Format
Claim Lodgement Declaration Form (Form ID VF-D-DEC)	Includes: <ul style="list-style-type: none"> <li>• Delivery Agency's internal reference number for the claim</li> <li>• associated activated event</li> <li>• type of claim – essential public asset reconstruction works claim</li> <li>• summary details of the claim (that is, assets and value)</li> <li>• applicant contact officer name</li> <li>• cost estimate approval reference</li> <li>• declaration and signature from the responsible Delivery Agency official</li> </ul>	Signed PDF
Completed essential public asset reconstruction works claim template (Form ID VF-B-RW)	Each line on the form is to represent the different treatments undertaken	Excel and signed PDF
Cost estimate	Estimated cost of the proposed reconstruction works, presented for each treatment for claimed asset	Excel
Detailed General ledger/ transaction listing	Must correlate to expenditure in Form ID VF-B-RW. A reconciliation statement is to be provided (if the evidence of expenditure differs from the amount claimed). Transaction listing must include a minimum of date, invoice number, supplier and description of works undertaken.	Excel
Invoices	Assessors will verify invoices against the works undertaken. Source documents (e.g. contracts) supporting the invoice to be available for sampling upon request. All invoices should correlate to an appropriate line item in the general ledger or transaction listing and have appropriate description of works undertaken.	PDF
Payroll Reports	Reports for extraordinary payroll costs (overtime) & evidence of the additional resources required. Timesheets to be available for sampling upon request. Position descriptions for role/s created for eligible activities (approved by the Assessing Authority in consultation with the Administering Authority)	PDF
Internal Audit Report (if requested)	Upon receiving a written request from the Administering Authority (sample based), the Delivery Agency is required to engage their internal audit function to provide an opinion on whether appropriate procurement practices have been applied. Full copy of Internal Audit report to be provided. This cost is not reimbursed.	PDF
Pre-condition assessment report	The information required to determine the pre-disaster asset function may be available through the following sources held by the asset owner: <ul style="list-style-type: none"> <li>• asset registers;</li> <li>• certification reports;</li> <li>• inspection reports;</li> <li>• maintenance reports;</li> <li>• visual data – photos, videos; or</li> <li>• geospatial data</li> </ul>	PDF

Required item	Details	Format
Photo report – post disaster damage	Representative, printable report showing each damaged location (presented in a logical sequence for each asset and showing asset name and number references, where available).  For damage that is continuous in nature, the frequency of photos must be able to depict the damage is continuous and not intermittent.	PDF
Photo files	All photo files with metadata intact capturing location (longitude and latitude) and time taken.  Photo files should be presented in subfolders and grouped by asset (for example, road link).	JPEG, TIFF, PNG, GIF, RAW

## Independent technical review

An Independent Technical Review (ITR) of the reconstruction works must be conducted in the following circumstances, prior to finalisation of the claim for reconstruction works. This applies to the reconstruction of essential public assets only.

**Table 7: Independent technical review application**

Application	Details
<b>Application one</b>	The estimated reconstruction cost for the project is \$25 million or more.
<b>Application two</b>	Where an alternative reconstruction project solution is preferred and there is a variance between the estimated reconstruction cost for the original project and the preferred reconstruction project solution, that is: <ul style="list-style-type: none"> <li>more than 50 per cent lower than the estimated reconstruction cost of the original project; and</li> <li>to a value of between \$5 million and \$25 million.</li> </ul>
<b>Application three</b>	Where special circumstances are encountered that give rise to a variance in the estimated reconstruction cost for the project that is: <ul style="list-style-type: none"> <li>more than 50 per cent lower than the estimated reconstruction cost of the original project; and</li> <li>to a value of between \$5 million and \$25 million.</li> </ul>

The Delivery Agency shall be responsible for identifying the need for and procuring an ITR, but the Assessing Authority or Administering Authority may also requisition an ITR if any of the above conditions are met.

The State is currently designing its independent technical review function.

## Special circumstances – Changes to approved claim estimate

Where the estimated reconstruction cost is lower than the actual cost of a project as a result of special circumstances, and the variance does not meet the criteria for an ITR, Delivery agencies can adjust the estimated reconstruction cost to reflect the variance. The Delivery Agency must provide evidence to the Assessing Authority to demonstrate the special circumstances encountered, including why the special circumstances could not reasonably have been foreseen.

Special circumstances may include the following:

- geotechnical conditions that could not reasonably have been foreseen or investigated in the design period;
- previously unidentified indigenous and cultural heritage discoveries;
- previously unidentified heritage discoveries;
- delays caused by subsequent eligible disasters;
- environmental conditions that could not reasonably have been foreseen (for example, asbestos discovery); and
- critical reduction in water availability that could not reasonably have been foreseen or investigated in the design period.

## Reimbursement and payment process

**Full reimbursement for emergency and immediate reconstruction works, based on actual costs, can be made following lodgement and approval of the emergency and immediate reconstruction claim(s) by the Assessing and Administering authority.**

Once the certified estimate is approved by Administering Authority for essential public asset reconstruction works, the estimate will need to be updated in the ACMS module and aligned to the approved certified estimate. **Essential public asset reconstruction work claims will be paid on an actual expenditure basis capped up to the certified amount. Eligible expenditure incurred during the financial year is required to be lodged by the 31 July of each year (within one month from the end of the financial year).**

Upon receiving approval of the Administering Authority, works are able to commence and claims are encouraged to be submitted on a regular basis. It is recommended that claims not exceed \$500 000 to facilitate timely claims processing. Where a claim has all the supporting documentation (as outlined in Table 6) and is complete, structured and cross-referenced, the assessor will seek to review and recommend the claim for approval within a 4-week period. Following the assessor endorsement, the claim will be sought to be processed for payment within a 2-week period. These timelines will however be longer if the required claim templates/documentation has not been submitted, incomplete or difficult to follow.

Claims will be processed for payment up to the approved certified estimate. Where claims exceed the approved certified estimate and is the result of a 'special circumstance' as defined under DRFA, an updated re-certified approved estimate may be able to be resubmitted (subject to meeting the special circumstance condition and an independent review recommendation).

Where a cost overrun above the approved certified estimate does not meet the 'special circumstance' as defined under DRFA, a 'limited' contingency may be available funded from the DRFA Efficiencies Framework (resulting from realised savings from DRFA funded projects across the State). It is 'limited' to such time that the likely outcome of the expenditure across all the DRFA State program of works is known. As such, no guarantee is provided as to Administering Authority funding cost overruns that does not meet the DRFA 'special circumstance' criteria.

## Advance payments

Taking into account of the Payment process policy and timelines for reimbursement, advances are supported for claimants that demonstrate a financial need and under exceptional circumstances.

The required information to be submitted for an advance request to be considered is a forecast cashflow statement, month-by-month for the projected period of the works. The forecast cashflow will need to capture all cash inflows and outflows from BAU activities overlaid by the projected essential public asset reconstructions works profile (outflows and reimbursement inflows based on the payment period times frames outlined in the Payment Pross section). This is then compared the councils/CMA's cash and cash equivalents balances (including term deposits) at the end of each month. Any shortfall, taking into account minimum monthly cash reserves required by councils/CMA's, is the basis of an advance request. Advances are paid in the month that financial support is required.

Any cash and cash equivalents (including term deposits) captured in the councils/CMA's most recent completed Balance Sheet that are sought to be excluded from the cashflow forecast is required to be explained. Excluding a term deposit on the basis that the scheduled maturity date is outside the period that the cash is required is not a valid reason. Minimum monthly cash reserves or restricted investments need to be supported by appropriate analysis.

The required information to be submitted for an advance request includes a projected cashflow attached to the latest councils/CMA's Balance Sheet/Statement of Cashflow for the proceeding full month based on actuals. The forecast cashflow is required to be signed by the councils/CMA's Chief Financial Officer certifying the cashflow forecast as complete and accurate and detailing underlying key assumptions of the forecast and any exclusions.

## Progress reporting

Throughout delivery of essential public asset reconstruction works projects, Delivery Agencies are required to update the Assessing Authority on progress of works for each asset, monthly.

The monthly reports are to be prepared on a quarterly basis using Form ID VF-C-MR to record the following:

- actual expenditure incurred;
- estimated costs to complete;
- percentage of work physically completed;
- current project start and finish dates;
- any variances in scope, cost or time; and
- claims for progress and final payment.

When a Delivery Agency intends to claim expenditure as part of a progress report, a general ledger transaction history (or similar financial document produced from the Delivery Agency's financial system) is to be provided to demonstrate actual expenditure incurred, in addition to payroll reports for extraordinary payroll costs.

Note that the Australian Government has established specific reporting requirements, whereby updated estimates and actuals of eligible costs must be submitted by each state for each eligible event on a quarterly basis. To meet these reporting requirements, it is critical that each Delivery Agency provide updated cashflow estimates by financial years (up to the certified estimate) to the DTF on a quarterly basis.

## Claim acquittal and completion requirements

The final claim for essential public asset reconstruction works is to be lodged to the Assessing Authority no later than three months following completion of the works. All claims are required to be lodged in the financial year that the expenditure is incurred.

The Assessing Authority will consult with the Delivery Agency to ensure all available information has been appropriately considered as part of the final claim.

Once a final claim has been assessed by the Assessing Authority and approved by the administering authority a notification to the Delivery Agency will be issued. Final payment will be issued, subject to the payments already received to date by the Delivery Agency for that claim.

All acquitted claims may be subject to further review by the State and Commonwealth appointed auditors.

For the final claim, the following components are to be provided, unless they were provided in previous claims submitted. **All supporting documents submitted are to be structured and cross referenced to allow third party verification. This will facilitate the timely processing of claims and the State and Commonwealth audit review process.**

Refer DRFA Fact Sheet 1 – Claims and Eligibility as to where the documentation is to be uploaded (ACMS / Sharefile).

**Table 8: EPA reconstruction works final claims - Required supporting documents**

Required item	Details	Format
Claims lodgement declaration form (Form ID VF-D-DEC)	Includes: <ul style="list-style-type: none"> <li>Delivery Agency's internal reference number for the claim</li> <li>associated activated event</li> <li>type of claim – EPA reconstruction works claim</li> <li>summary details of the claim (that is, assets and value)</li> <li>applicant contact officer name</li> <li>declaration and signature from the responsible Delivery Agency official</li> </ul>	Signed PDF
Completed EPA reconstruction works claim template (Form ID VF-B-RW, B2-CW)	Each line on the Form ID VF-B2-CW to represent the different treatments completed, confirming the lengths, widths and depths completed	Excel and signed PDF
Final claim value	Presented at an asset type level – for example, Road A	Excel
General ledger or transaction listing	Must correlate to expenditure in the Form ID VF-B2-CW). A reconciliation statement is to be provided (if the evidence of expenditure differs from the amount claimed). Transaction listing must include a minimum of date, invoice number, supplier and description of works undertaken	Excel
Invoices	Assessors will verify invoices against the works undertaken. Source documents (e.g. contracts) supporting the invoice to be available for sampling upon request. All invoices should correlate to an appropriate line item in the general ledger or transaction listing and have appropriate description of works undertaken.	PDF

Required item	Details	Format
Payroll reports	<p>Reports for extraordinary payroll costs (overtime) &amp; evidence of the additional resources required. Timesheets to be available for sampling upon request.</p> <p>Position descriptions for role/s created for eligible activities (approved by the Assessing Authority in consultation with the Administering Authority)</p>	PDF
Internal Audit Report (if requested)	Upon receiving a written request from the Administering Authority (sample based), the Delivery Agency is required to engage their internal audit function to provide an opinion on whether appropriate procurement practices have been applied. Full copy of Internal Audit report to be provided. This cost is not reimbursed.	PDF
Photo report – completed works	Representative, printable report showing each location at which essential public asset reconstruction works were completed (presented in a logical sequence for each asset and showing asset references, where available)	PDF
Photo files	<p>All photo files with metadata intact capturing location (longitude and latitude) and time taken</p> <p>Photo files should be presented in subfolders and grouped by asset (for example, road link)</p>	JPEG, TIFF, PNG, GIF, RAW
Report (Form ID VF-C-MR)	<p>Provided on a quarterly basis to DTF throughout the lifespan of the project</p> <p>Must correspond to the details in the claim form (Form ID VF-A-EW)</p>	PDF

## Document retention

The Delivery Agency must keep an accurate audit trail for seven years from the end of each financial year in which expenditure is claimed or until such time as the claims are subject to audit by the State and Commonwealth appointed auditors. This must include written records that correctly record and explain the Delivery Agency's expenditure claimed for all eligible measures.

The Delivery Agency must make available within two weeks all relevant documentation requested by the Assessing Authority or administering authority.

- administrative data and documentation that may include (but is not limited to) contract or work orders, timesheets, news articles, email correspondence, funding approval letters, minutes of meetings;
- financial data and documentation that may include (but is not limited to) tax and/or financial statements, cost-benefit analyses, transaction listings used to reconcile invoices, annual reports, proposals and invoices; and
- grant data and documentation that may include (but is not limited to) grant applications and grant guidelines.

## Efficiencies framework

A framework is to be developed to manage the allocation of efficiencies (savings) realised when the overall actual costs of reconstruction projects for a program are less than the estimated reconstruction costs.

Any savings realised under this framework are to be redirected towards natural disaster mitigation activities and projects, in accordance with the High-Level Disaster Mitigation Principles in the DRFA. Mitigation is the action taken to reduce or eliminate future risk from natural hazards.

The administering authority can retain savings realised across a program of works for a period of 36 months from the end of the financial year that is applicable to that program of works.

Within the 36-month period, the administering authority must allocate and spend the savings realised for the program of works towards:

- Essential public asset reconstruction projects where the actual cost is more than the estimated reconstruction cost.
- Natural disaster mitigation fund in accordance with the High-Level Disaster Mitigation Principles.

Savings realised for the program of works do not have to be spent at the location where they were realised. The administering authority is responsible for determining the allocation of savings realised. The first priority of any savings realised is to potentially fund essential public asset reconstruction projects where the actual cost is more than the estimated reconstruction cost.

States must report to the Australian Government on how the state has allocated and spent the savings for each program of works at the same time as submitting its audited claim for financial assistance.

Note that the efficiencies are calculated by the Australian Government only upon completion of all the eligible works for a particular activated event under the DRFA. This may be up to 36 months after a disaster event.

## Cost management

To ensure the state seeks to accurately determine the amount of efficiencies that may be available from a program it is important that effective financial management processes are established to manage and record costs incurred resulting from eligible reconstruction works.

It is expected that the Work Breakdown Structure (WBS) for emergency and reconstruction works will differ due to the level of expenditure and duration of works. The term WBS is referred to when describing the way to group or categorise actual costs that are captured in a financial management system.

### Emergency works

For emergency works it is expected that a number of assets may be able to be grouped to form the WBS, in which the actual costs are captured. It is required that this grouping of assets is presented in a single claim to the Assessing Authority. While assets may be grouped together within the WBS of the financial management system it is important to ensure that if required, the following level of detail is able to be recovered (i.e. through invoices, delivery dockets, timesheets) if requested:

- Date: To ensure emergency works are claimed and undertaken within the eligibility period
- Resource description: The level of detail should be sufficient to establish the items used for the emergency works
- Unit of measure: It is important to ensure the metric adopted for the quantity is known (i.e. Hours, days, m<sup>3</sup>, tonnes, lump sum)
- Quantity: Based on the unit of measure to identify the quantity of resource that was utilised

- Unit rate: This should be determined for each resource. It is also important to ensure that rates charged for labour and plant are in accordance with any applicable day labour provisions
- Total cost: Calculated by multiplying the quantity by the unit rate.

For emergency works where there is a large concentration of works, resulting in a high cost (in excess of \$200 000) it is recommended that the WBS for the financial management system is structured to enable these costs to be segregated. This type of works may include (temporary re-establishment of a bridge, removal of large volume of material following a batter slip).

If there is any uncertainty regarding the establishment of an appropriate WBS for the emergency works, it is recommended that the Delivery Agency contacts the Administering Authority prior to the establishment of the WBS.

### **Immediate reconstruction and essential public asset reconstruction works**

A project within the DRFA is specified as:

- Reconstruction works to be undertaken following an eligible disaster on:
  - (a) a single essential public asset, or
  - (b) a group of related essential public assets which could be contracted jointly within local council areas notified for the relevant eligible measure.

To ensure compliance with these requirements each claim lodged for reconstruction works shall be made for a single asset as a minimum. This claim (single asset) also meets the definition of a project within the DRFA. It is therefore required that a separate WBS be created for each of the reconstruction projects.

Where there are different types of works made within a claim (i.e. general road repairs, bridge replacement) and these works are likely to be undertaken by different parties or contractors, then it is required that the claims or project for the work type components of the assets are separated in the WBS.

Within a project WBS it is highly recommended that sub-WBS are also created to capture direct and indirect costs separately. This cost segregation within the projects assists with providing historic indirect cost data for completed projects.

Where a Delivery Agency wishes to group assets to form a claim and subsequent project this shall only be done after consulting with the Administering Authority

## **Further information**

For further information, refer to the Victorian DRFA Claims and eligibility documentation as listed in Appendix A: Claims and eligibility standard forms and templates.

# Document information

## Document details

Criteria	Details
TRIM ID:	
Document title:	Victorian DRFA Guideline 1: Claims and eligibility for essential public assets
Document owner:	Department of Treasury and Finance

## Version control

Version	Date	Description	Author
V1.0	12 12 18	Issued for IDC review	
V2.0	24 10 18	Final issue for approval	
V2.1	26.10.18	Minor updates to final issue	
V2.2	30.10.18	Amendment to day labour references. working document.	
V2.3	5.11.18	Amendment to day labour references.	
V2.4	07.01.19	Updates to glossary	
V2.5	28.05.19	Minor updates to Immediate and Emergency Works (Page 5) and Extensions of allowable time limits (Page 7)	
V2.6	07.06.19	Update to Table 3,5,7 to capture payroll reports	
V2.7	1.07.19	Inclusion of payment and advance policy for essential public asset reconstruction works. Misc minor edits throughout the document	
V2.8	31.07.17	Reference to Fact Sheet 1 for guidance on where the required documentation is to be uploaded (ACMS / Sharefile). Update of eligible Essential Public Assets to include water tanks (Page 2) on a case by case basis. Update the insurance section to clarify arrangements for entities with insurance (Page 4). Update to Tables 4,5,6 and 8 regarding approval process of position description roles.	

## Reference material

Attached references	TRIM ID/location
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Bibliography	Author	TRIM ID/location
Disaster Recovery Funding Arrangements 2018	The Australian Government	



## Acronyms

Acronyms	Description
ACMS	Automated Claims Management System
CMA	Catchment Management Authority
DELWP	Department of Environment, Land, Water and Planning
DJR	Department of Justice and Regulation
DRFA	Disaster Recovery Funding Arrangements
DTF	Department of Treasury and Finance
EMV	Emergency Management Victoria
EPA	Essential Public Asset
ITR	Independent Technical Review
LGA	Local Government Authority
NDRRA	Natural Disaster Relief Recovery Arrangements
OH&S	Occupational Health and Safety
RCBC	Reinforced Concrete Box Culvert
RCCEF	Road Construction Cost Escalation Forecasts
REPA	Reconstruction of Essential Public Assets
VAGO	Victorian Auditor-General's Office
VMIA	Victorian Managed Insurance Authority
WBS	Work Breakdown Structure

## Glossary of Terms

Terms	Description
Administering Authority	The Administering Authority for the DRFA in Victoria is the Department of Treasury and Finance (DTF). DTF serves as the single point of contact with the Australian Government and oversees the implementation of the DRFA across state agencies and local council.
Allowable time limits	Prescribed timeframes under the DRFA including, but not limited to, the following activities: <ul style="list-style-type: none"><li>• Notification of the Australian Government of a disaster event</li><li>• Completion of emergency works and non-REPA reconstruction works</li><li>• Provision of evidence of damage to the State for an eligible disaster event</li><li>• Approval of cost estimates related to a disaster event</li><li>• Period to incur REPA expenses</li></ul>
ASAE3150	ASAE3150 Assurance Engagements on Controls, issued by the Auditing and Assurance Standards Board
ASA 800	Auditing Standard ASA 800 Special Considerations-Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks, issued by the Auditing and Assurance Standards Board.

Terms	Description
Assessing Authority	The Assessing Authority assesses claims for the reconstruction of essential public assets on behalf of DTF. The Assessing Authority will depend on the Delivery Agency that has undertaken the works.
Borrow pit	A borrow pit is an area where material (usually soil, gravel or sand) has been excavated for use at another location
Claim pack	The financial reporting pack provided by the Australian Government to the State each year.
Contingency	The allowance reflecting the reconstruction project risk profile, complexity, investment lifecycle, benchmarks and past performance for similar projects.
Control agency	The agency who is responsible to undertaking the control activity to mitigate the risk to ensure that the control objective(s) can be met.
Control objectives	The control objectives established within these arrangements, as required under ASAE3150
Cost estimation	The process of developing the estimated reconstruction cost for the reconstruction of essential public assets by building up the component elements including: <ul style="list-style-type: none"> <li>scoping and defining the works required for reconstruction of the essential public asset;</li> <li>applying relevant assumptions and exclusions, and</li> <li>using available historical data of actual costs (that is, benchmark pricing) and/or supplier quotes to estimate the cost of reconstruction works.</li> </ul>
Counter disaster operations	Activities undertaken by the state in response to the occurrence of a disaster event to protect a community from the impacts of the disaster event
Day Labour	The use of a Delivery Agency's own plant, equipment or resources to reconstruct an asset. The key components of day labour are plant, labour and materials.
Disaster event activation	Under the DRFA, for an event to be activated, the following conditions must be satisfied: <ul style="list-style-type: none"> <li>Meets the definition of a natural disaster or terrorist event and eligible disaster; and</li> <li>Has impacted an eligible undertaking.</li> </ul>
Disaster Recovery Funding Arrangements Management System	The processes and controls implemented by <i>state agency</i> and third party organisations (where applicable) in relation to an <i>estimated reconstruction cost</i> , as defined by these <i>arrangements</i> .
Delivery Agency	A State or Local Government agency responsible for delivering emergency or reconstruction works to restore an asset post-disaster.
Direct costs	Costs directly associated with the reconstruction of an eligible essential public asset, commonly referred to as construction costs.
Eligible disaster	A natural disaster or terrorist act for which: <ul style="list-style-type: none"> <li>a coordinated multi-agency response was required, and</li> <li>state expenditure exceeds the small disaster criterion.</li> </ul>
Eligible measure	A relief or recovery assistance measure specified in these arrangements, or a cost to the state under clause 8.1 of these arrangements.

Terms	Description
Eligible undertaking	A body that: <ul style="list-style-type: none"> <li>is one of the following: <ul style="list-style-type: none"> <li>a department or other agency of a <i>state</i> government, or</li> <li>established by or under <i>state</i> legislation for public purposes (for example, a local council), and</li> </ul> </li> <li>in the operation of the asset provides services free of charge or at a rate that is 50 per cent or less of the cost to provide those services.</li> </ul>
Emergency works	Urgent activities necessary following an eligible disaster to temporarily restore an essential public asset to enable it to operate/be operated at an acceptable level of efficiency to support the immediate recovery of a community, and take place: <ul style="list-style-type: none"> <li>prior to the state commencing essential public asset reconstruction works in accordance with these arrangements, or</li> <li>prior to or at the same time as immediate reconstruction works and where no essential public asset reconstruction works are required.</li> </ul>
Escalation	The allowance for expected changes in capital costs throughout the project lifecycle.
Essential public asset	A transport or public infrastructure asset of an eligible undertaking which, the state considers, and the Australian Government agrees, is a necessary part of a state's infrastructure and is integral to the normal functioning of a community.
Essential public asset function framework	The Essential Public Asset Function Framework as defined by these arrangements (refer to clause 6.3).
Essential public asset reconstruction works	Reconstruction works on an essential public asset directly damaged by an eligible disaster for which an estimated reconstruction cost has been developed.
Estimated reconstruction costs	The estimated cost of reconstruction of an essential public asset damaged by an eligible disaster and calculated in accordance with these arrangements.
Extensions to allowable time limits	Extensions to prescribed timeframes under special/ extenuating circumstances to maintain eligibility of a claim under the DRFA
First principles estimation	The process of assigning plant, labour and material rates to a given work activity or standard treatment.
Immediate reconstruction works	Immediate reconstruction activities following an eligible disaster to fully reconstruct an essential public asset, and where no essential public asset reconstruction works are required.
Ineligible works	Works that are not eligible for claiming under the DRFA arrangements
Indirect costs	Costs indirectly related to the reconstruction of an eligible essential public asset, including overheads, project management, procurement and engineering assessment costs.
Independent Technical Review	A review of estimated reconstruction costs in accordance with the DRFA
Market response	The process of developing estimated reconstruction cost for reconstruction of essential public assets by tender or competitive bidding.
Monitoring agency	The agency who is responsible for monitoring that the control activity has been undertaken to successfully meet the control objective(s).
Natural disasters	According to the DRFA, a natural disaster is one, or a combination of the following rapid onset events: Bushfire, earthquake, flood, storm, cyclone, storm surge, landslide, tsunami, meteorite strike or tornado.
Pre-disaster condition	Condition of an eligible asset prior to the occurrence of the disaster event
Post-disaster condition	Condition of an eligible asset in the aftermath of a disaster event occurring

Terms	Description
Pre-disaster asset function	Under the DRFA, the Australian Government will provide funding equivalent to reconstruct an essential public asset to its pre-disaster function. Therefore, the pre-disaster function must be determined to establish the proposed treatment and subsequent estimated reconstruction cost. It is important to note that pre-disaster condition of the asset is still an important factor, and evidence of the assets condition prior to the disaster event is required as part of the funding claims process.
Project	For the purpose of defining a project, a project shall be considered one of the following: <ul style="list-style-type: none"> <li>• a single asset</li> <li>• up to 10 individual assets with estimated costs of ≤\$50,000 each (totalling no more than \$500,000).</li> </ul>
Public infrastructure	An asset that is an integral part of a state's infrastructure and is associated with health, education, justice or welfare.
Reconstruction	The restoration or replacement of an essential public asset.
Re-damaged essential public asset	An essential public asset is re-damaged if it suffers additional damage from a subsequent eligible disaster which occurs after the development of an estimated reconstruction cost for the preceding eligible disaster.
Reasonable assurance engagement	An assurance engagement in which the assurance practitioner reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis for the assurance practitioner's conclusion. The assurance practitioner's conclusion is expressed in a form that conveys the assurance practitioner's opinion on the outcome of the measurement or evaluation of the underlying subject matter against criteria
Responsible agency	The agency who is responsible for undertaking the activity as prescribed under the DRFA.
Small disaster criterion	For the purposes of these arrangements, the amount of \$240 000 or an amount as published by the department.
Special Circumstances	Where the estimated reconstruction cost is lower than the actual cost of a project as a result of special circumstances, and the variance does not meet the criteria for an Independent Technical Review, delivery agencies can adjust the estimated reconstruction cost to reflect the variance. The Delivery Agency must provide evidence to the Assessing Authority to demonstrate the special circumstances encountered, including why the special circumstances could not reasonably have been foreseen.
Standard treatment(s)	Common or typical reconstruction/ repair procedures undertaken in response to damage sustained from natural disasters
The System (Disaster Recovery Funding Arrangements Management System)	The processes and controls implemented by a <i>state agency</i> and third party organisations (i.e. delivery agencies where applicable) in relation to an estimated reconstruction cost, as defined by the DRFA.

Terms	Description
Terrorist act	<p>An action or a series of actions committed in Australia which the Minister has determined is a terrorist act for the purposes of an eligible disaster under these arrangements.</p> <p>Without limiting the matters to which the Minister may have regard in determining whether the action or series of actions is a terrorist act, the Minister may have regard to:</p> <ul style="list-style-type: none"> <li>the definition of a terrorist act under section 100.1 of the Criminal Code Act 1995, and</li> <li>if available, the advice of other Commonwealth agencies.</li> </ul> <p>In the event of one or more acts, the Minister may determine two or more related acts to be a single terrorist act.</p>

WORKING DOCUMENT

## Appendix A: Claims and eligibility standard forms and templates

Item	Description	Form/ Doc ID
1	Victorian DRFA Guideline 1 - Claims and eligibility for essential public assets	GL-1
2	Victorian DRFA Fact Sheet 1 - Claims and eligibility for essential public assets	FS-1
3	Victorian DRFA Claim Form A - Emergency works	VF-A-EW
4	Victorian DRFA Claim Form B - Reconstruction works	VF-B-RW
5	Victorian DRFA Claim Form B2 - Completed works	VF-B2-CW
6	Victorian DRFA Claim Form C - Reporting template	VF-C-MR
7	Victorian DRFA Claim Form D - Claim lodgement declaration	VF-D-DEC
8	Victorian DRFA Claims management process maps	PM-1

## Appendix B: Victorian DRFA claims management process maps

WORKING DOCUMENT



