Natural Disaster Financial Assistance for local councils
Salaries and wages guidance

## Overview

Under Victoria’s Natural Disaster Financial Assistance (NDFA) scheme, financial support is provided to assist local councils with extraordinary costs associated with salaries and wages of permanent and/or temporary staff as well as other associated administrative costs incurred while undertaking eligible relief and recovery activities, following a natural disaster. Financial assistance is provided in accordance with the Commonwealth Natural Disaster Relief and Recovery Arrangements (NDRRA).

Costs associated with permanent employees or other ongoing administrative costs that would have been incurred in the ordinary course of business cannot be claimed under the NDRRA.

Costs associated with salaries and wages which may be claimed by local councils must:

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

## Conditions for employing additional temporary (fixed-term staff)

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

* councils are able to demonstrate that their own resources from within their organisation to assist with necessary relief and/or recovery activities have been exhausted, and that any costs associated with additional temporary (fixed-term) staff or contractors to be funded via NDFA/NDRRA reimbursement are in addition to the aggregate level of staffing within the Council that was in place prior to the natural disaster event.
* councils keep records to demonstrate that appropriate recruitment processes have been followed for audit purposes with respect to the temporary (fixed-term) natural disaster recovery roles, including clear position descriptions (PDs) and general ledger expenditure reports for each of the additional staff.
* councils are able to demonstrate that any employment on-costs that are to be claimed under the NDFA/NDRRA, such as payroll tax and workers’ compensation insurance premiums, are directly attributable to overtime, the employment of temporary (fixed-term) staff and contractors, and backfilling.

## Examples of eligible extraordinary activities associated salary and wages costs

Examples of **eligible** salary and wages costs include:

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| * Overtime for staff used to restore damaged essential public infrastructure, outside of normal working hours.
* Employment costs for temporary (fixed-term) staff or contractors.
* Costs of backfilling staff who have been seconded to assist with eligible disaster relief and recovery activities (i.e. higher duties of backfilling a person to undertake eligible activities, not the salary of the incumbent).
 | * Costs associated with travel expenses, allowances, training and accommodation for permanently employed staff diverted from their normal duties to perform eligible NDRRA activities. \*
* Costs associated with travel expenses, training, allowances, accommodation, and associated on-costs such as superannuation entitlements, workers compensation premiums, and payroll tax for contractors or staff employed on a temporary (fixed-term) basis to perform eligible NDRRA activities.
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\* Training costs are eligible where directly related to conducting NDRRA eligible activities such as NDRRA policies and procedures, and how to deliver NDRRA eligible activities.

## Examples of ineligible extraordinary activities associated salary and wages costs

Examples of **ineligible** salary and wages costs include:

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| * normal maintenance and administration costs including salaries or wages (day labour) and other ongoing administrative expenditure that would have been incurred should the event not have occurred.
* employment costs for temporary employees, agency staff, contractors and/or consultants when working under an existing contract that was in place prior to the disaster.
 | * generic indirect and overhead costs including internal administration costs to the applicant including finance, HR, back-office processing and administration including corporate recovery overheads (these costs would have been incurred had the disaster not occurred.
* Training not directly related to conducting NDRRA eligible activities for a particular disaster, or where a core competency is expected prior to being engaged to undertake the works, such as training for Occupational Health and Safety (including induction videos), White Card certification and manual driving competencies.
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## Position descriptions for temporary staffTemporary staff PDs are required to be sent to DTF and approved prior to the recruitment of the position.

All temporary staff PDs should include the following information:

* The eligible natural disaster event in which work will be undertaken for i.e. AGRN 728 September/October 2016 Floods and Storms
* The start date of the position
* The end date of the position (if the end date is to be revised, please forward a copy of the PD with the revised end date to DTF, as it needs to be clear how long expenditure to this PD will be incurred).
* Brief description of how the position/work being undertaken relates to the event (this information assists DTF as well as external auditors in confirming eligibility**).**

Please note that in addition to providing PDs, DTF may request councils to demonstrate that these positions are over and above the current structure. This could be done via a letter from an Executive Director within a council, confirming that current resources are fully utilised and not able to meet the demand expected to complete the restoration works.

## Seconding staff

If a council is considering seconding staff to or from another council and seeking reimbursement under the NDFA/NDRRA, they should first contact the NDFA Team on (03) 9651 2327 at the Department of Treasury and Finance (DTF) so that they can liaise with Emergency Management Australia to determine whether these costs are eligible.

## Eligibility period for salaries and wages costs

Reimbursement of eligible expenditure should be sought within the eligible claim lodgement timeframes (31 July) following the end of each financial year, per each specific natural disaster.

## Advice regarding eligibility

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