



## TASMANIAN RELIEF AND RECOVERY ARRANGEMENTS: NATURAL DISASTER RELIEF TO LOCAL GOVERNMENT POLICY

# Guideline 2

### ESSENTIAL PUBLIC ASSET RECONSTRUCTION

#### An essential public asset

This guideline applies to the definition of an essential public asset outlined in Section 2.2 Essential Public Assets of the *Tasmanian Relief and Recovery Arrangements: Natural Disaster Relief to Local Government Policy* (the Policy).

The following list provides examples of assets considered essential public assets under the Policy:

- Roads;
- Road infrastructure (including footpaths, bike lanes and pedestrian bridges);
- Bridges;
- Tunnels;
- Culverts;
- Levees;
- Local government offices; and
- Stormwater infrastructure.

For assets not listed above, councils must write to the Department of Premier and Cabinet in the form of Schedule XXX Eligibility Enquiry Form seeking approval to treat the asset as an essential public asset under the Policy.

The following list provides examples of assets not considered essential public assets under the Policy:

- Sporting, recreational or community facilities (for example, playgrounds and associated facilities);
- Memorials; and
- Contents and furnishing not permanently attached to damaged buildings.

Councils can only claim eligible costs (outlined in Section 7 Eligible Expenditure of the Policy) to reconstruct essential public assets.

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## GUIDELINE 2: ESSENTIAL PUBLIC ASSET RESTORATION OR REPLACEMENT

### Damage assessment

In order to claim eligible costs for the reconstruction of essential public assets, councils must be able to demonstrate and provide supporting evidence that damage to the asset has been caused as a direct result of an eligible natural disaster (outlined in Section 2.1 Eligible Natural Disaster of the Policy).

Councils must be able to demonstrate and provide supporting evidence of the pre-disaster standard of essential public assets and the post-disaster standard of essential public assets, in accordance with the evidentiary requirements outlined in Section 5.2.3 of the Policy.

Where it is evident that essential public assets have been damaged as a direct result of an eligible natural disaster, costs for using investigative techniques (for example, geotechnical testing) used as part of the reconstruction project can be claimed as eligible costs under the Policy. For example, determining the extent of the damage to essential public assets and / or identifying appropriate reconstruction projects.

Councils cannot claim the costs of investigative techniques used to identify the existence of damage to essential public assets where damage is not evident. Likewise, councils cannot claim the costs of investigative techniques if it is not evident that an eligible natural disaster has caused the damage.

### Pre-disaster condition (including asset capacity, layout and materials)

In order to claim eligible costs for the reconstruction of essential public assets, councils must be able to demonstrate and provide supporting evidence of the 'pre-disaster condition' of the essential public asset damaged as a direct result of an eligible natural disaster.

The 'pre-disaster condition' of essential public assets is its level of functionality or utility or disaster resilience prior to the eligible natural disaster (that is, as established within four years prior to the eligible natural disaster). The pre-disaster condition includes the asset capacity, layout and materials.

#### Example: 'Pre-disaster Condition' – Road Asset

The 'pre-disaster condition' of a road asset includes factors such as traffic and vehicle capacity, classification and / or role of the road within the road network, signage, street parking, road width and number of carriageways.

Where the 'pre-disaster condition' of essential public assets would have exacerbated the extent of damage caused as a direct result of an eligible natural disaster, councils must provide appropriate funding when reconstructing the asset.

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**Example: Lack of, or insufficient, maintenance – Road Asset**

If an eligible natural disaster damages a road not maintained to an appropriate standard, councils must provide additional funding to ensure the reconstruction project restores the asset to an appropriate standard.

**Current engineering and building standards**

'Current engineering and building standards' mean that councils can exercise a modest level of flexibility to use contemporary construction methodologies and building materials – rather than obsolete or outdated construction methodologies and building materials – to reconstruct essential public assets.

**Example: 'Current engineering and building standards – Bridge Asset**

If a two-lane timber bridge is damaged in an eligible natural disaster and the extent of damage means the council is required to demolish and replace the bridge, the council can utilise contemporary methodologies and building materials to replace the two-lane timber bridge with a two-lane concrete or steel bridge.

The council can claim those eligible costs that directly relate to the demolition of the two-lane timber bridge and its replacement with a two-lane concrete or steel bridge.

The council must be able to demonstrate and provide supporting evidence of the decision made by the council to demolish and replace (rather than repair) the two-lane timber bridge with a two-lane concrete or steel bridge. This should include justification of the decision. Likewise, the council must be able to demonstrate and provide supporting evidence of the eligible costs claimed under the Policy.

**Not to 'pre-disaster condition'**

If council wants to upgrade an essential public asset damaged in an eligible natural disaster, the terms and conditions of the Policy do not prevent the council from doing so.

However, councils can only claim the eligible costs that directly relate to reconstructing the essential public asset to its 'pre-disaster condition'.

When this occurs, councils must be able to demonstrate and provide supporting evidence of the scope and value of works to reconstruct the asset back to the same 'pre-disaster condition'. Councils must also demonstrate and provide supporting evidence of the scope and value of those works that are the exclusive responsibility of the council (that is, the works to rebuild the asset to a better standard).

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### Example: Upgrade – Road Asset

If an eligible natural disaster damages a two-lane gravel road, but the council wants to rebuild to a three-lane bitumen road, the terms and conditions of the Policy do not prevent the council from doing this. However, the council can only claim the costs that directly relate to reconstructing the road back to its ‘pre-disaster condition’ (i.e. a two-lane gravel road). The additional costs to rebuild to a three-lane bitumen road are not eligible under the Policy and are the exclusive responsibility of the council.

The council must be able to demonstrate and provide supporting evidence that the eligible costs being claimed under the Policy are those which directly relate to reconstructing the road back to its ‘pre-disaster condition’ (i.e. a two-lane gravel road).

Further, the council must be able to provide supporting evidence of the ineligible costs that relate to the scope of works and the value of those works to upgrade the two-lane gravel road to a three-lane bitumen road.

When councils cannot reconstruct essential public assets to the ‘pre-disaster condition’ (for example, due to site constraints), councils must seek agreement from the Department of Premier and Cabinet to carry out a reasonable alternative reconstruction solution.

### Re-damaged essential public assets

Essential public assets are re-damaged if they suffer damage in the same location by a subsequent eligible natural disaster prior to the commencement or completion of reconstruction works in response to a preceding eligible natural disaster.

When subsequent eligible natural disasters re-damage essential public assets, the ‘pre-disaster condition’ will be based on the condition before the first eligible natural disaster.

After the Premier activates the Policy for subsequent eligible natural disasters, councils must estimate reconstruction costs against the subsequent eligible natural disaster.

Councils must claim any costs incurred prior to the activation of subsequent eligible natural disasters against the preceding natural disaster. Councils must claim costs incurred after activation of subsequent eligible natural disasters against the subsequent eligible natural disaster.

### Audit and acquittal requirements

Consistent with the evidentiary requirements outlined in Section 9.2 Supporting Information of the Policy, councils must be able to demonstrate and provide supporting evidence that eligible costs are those directly related to reconstructing essential public assets back to the ‘pre-disaster condition’.

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Where applicable, it is the exclusive responsibility of councils to demonstrate and provide supporting evidence of ineligible reconstruction costs, including costs that councils have contributed towards reconstruction projects.

When councils are uncertain of the eligibility or ineligibility of an asset, or component of an essential public asset reconstruction project, councils must seek advice from the Department of Premier and Cabinet before commencing reconstruction works in accordance with the Policy. This must be in the form of Schedule XXX Eligibility Enquiry Form.

Providing approval to the overall scope of essential public asset reconstruction projects does not preclude the identification of ineligible costs at any stage of the project that councils cannot claim under the Policy.