



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

# Guideline 4

### ELIGIBLE EXPENDITURE

This guideline applies to the definition of eligible expenditure outlined in Section 7 Eligible Expenditure of the *Tasmanian Relief and Recovery Arrangements: Natural Disaster Relief to Local Government Policy* (the Policy).

Councils can only claim eligible expenditure associated with eligible activities (outlined in Section 5 'Eligible Activities for Reimbursement' of the Policy).

### Examples of Eligible Expenditure

Section 7 'Eligible Expenditure' of the Policy lists examples of eligible and ineligible expenditure. The following costs, where directly associated with eligible activities, are also eligible:

- Engaging service providers – for example, private companies undertaking essential public asset reconstruction;
- Consumable costs – for example tarpaulins, ropes and chainsaw chains used to ensure public health and safety in public areas;
- Transportation of labour, equipment and materials to undertake essential public asset reconstruction;
- Vehicle or equipment repairs and additional servicing required as a direct consequence of undertaking eligible activities; and
- Design, procurement and project management costs.

### Pre-disaster Costs

Eligible activities are undertaken immediately prior to, during or after an eligible disaster. Costs incurred preparing for disasters that are yet to occur are not eligible for financial assistance under the Policy.

This should not limit activities delivered by councils. Financial assistance is subject to councils demonstrating that they have taken all reasonable steps to mitigate the potential impact of natural disasters. Councils should undertake whatever pre-disaster activities they deem necessary regardless of whether it is eligible for financial assistance under the Policy.

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**Example: Pre-disaster costs**

During an extreme fire danger-rating day, council strategically positions plant and equipment to help protect communities if a bushfire begins in the area.

Even though the activity is to protect communities, an eligible natural disaster has not occurred and therefore the cost of putting plant and equipment on standby is not eligible expenditure.

If a bushfire begins and threatens properties in the area, the cost of operating plant and equipment to help protect communities is eligible if the Tasmanian Government activates the Policy.

The council must be able to demonstrate and provide supporting evidence that the eligible costs being claimed under the Policy are those that directly relate to protecting communities from the eligible natural disaster.

Further, the council must be able to provide supporting evidence of the ineligible standby costs that relate to the period before the bushfire started to threaten properties.

### Casual Employee Costs

In order to claim financial assistance for casual employees providing emergency assistance to individuals and counter-disaster operations, councils must be able to demonstrate that casual employees have worked longer hours due to an eligible natural disaster. For example, casual employee hours were significantly higher than historical averages.

Salaries and wages of casual employees undertaking essential public asset reconstruction is eligible expenditure.

**Example: Casual employee costs – Eligible**

Prior to an eligible natural disaster, casual Employee A worked an average of 30 hours per week. In the week following an eligible natural disaster, Employee A worked 40 hours, including at least 10 hours assisting operations at an evacuation centre.

The council can claim the costs that relate to the additional 10 hours worked by Employee A.

The council must be able to demonstrate and provide supporting evidence of the average hours worked by Employee A prior to the eligible natural disaster. Likewise, the council must be able to demonstrate that the additional hours worked related to eligible activities. Evidence may include timesheets / payslips of Employee A.

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**Example: Casual employee costs – Not Eligible**

Prior to an eligible natural disaster, casual Employee B worked an average of 20 hours per week. In the week following an eligible natural disaster, Employee B assisted operations at an evacuation centre but still only worked 20 hours in that week.

Even though Employee B was undertaking eligible activities, there is no additional cost to the council and therefore the cost of Employee A is not eligible expenditure.

**Time-in-lieu**

Time-in-lieu costs are not eligible for financial assistance under the Policy.

However, the cost of backfilling or engaging short-term contractors due to permanent employees taking time-in-lieu is eligible for financial assistance. The time-in-lieu must relate to overtime worked on eligible activities in relation to an eligible natural disaster.

**Example: Time-in-lieu costs**

Employee C is employed full time working 37 hours per week. In the week following an eligible natural disaster, Employee C worked 47 hours, including at least 10 hours assisting operations of an evacuation centre. Instead of claiming 10 hours of overtime, employee C decided to take 10 hours in time-in-lieu.

Even though Employee C was undertaking eligible activities, there is no additional financial cost to the council and therefore the cost of Employee C taking time-in-lieu is not eligible expenditure.

If the council backfills the employee for the time spent assisting operations of an evacuation centre with an external resource, the cost of backfilling is eligible.

The council must be able to demonstrate and provide supporting evidence that the backfilling costs being claimed is an additional cost to the council due to the operation of the evacuation centre.

**Removal of debris**

Council costs to remove debris from public areas is eligible for financial assistance under the policy if it relates to a damaged essential public assets. Removal of debris from public recreational areas (e.g. parks, playgrounds, beaches and walking tracks) is not eligible unless it occurs immediately after a declared disaster and is necessary to protect the community from the impact of that disaster.



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Councils can claim the additional costs associated with removing debris from residential properties as a Category A measure. This includes additional kerbside waste collection services and forgone revenue from allowing households to dispose of disaster related debris free of cost at council owned dumpsites.

**Timing of expenditure**

Councils must record eligible expenditure against the financial year in which the expenditure is actually spent or incurred as a liability. It is not necessarily the year that the council expends cash or submits an audited claim to the Tasmanian Government.