


# Tasmanian Relief and Recovery Arrangements

Natural Disaster Relief to Local  
Government Policy

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## GUIDELINES

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- 2 Essential Public Asset Reconstruction
- 3 Emergency Assistance
- 4 Eligible Expenditure

## SCHEDULES

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- 2 Eligibility Enquiry Form
- 3 Extension Request Form
- 4 Damage Assessment Form
- 5 Cost Estimation and Procurement Form
- 6 Financial Report
- 7 Claim Form

# I INTRODUCTION

## 1.1 Aim and Overview of the *Natural Disaster Relief to Local Government Policy*

Natural disasters may result in large-scale expenditure by councils, usually in the form of infrastructure reconstruction. The *Natural Disaster Relief to Local Government Policy* (the Policy) aims to:

- Financially support councils to deliver certain natural disaster relief and recovery activities which complement other strategies, such as insurance and natural disaster mitigation and planning; and
- Deliver financial assistance in a responsible, cost effective and timely manner.

Usually financial assistance is in the form of partial reimbursement of expenditure.

The Office of Security and Emergency Management in the Department of Premier and Cabinet (the Department) administers the Policy.

The Department may ask councils to provide information that it considers necessary to ensure councils are adhering to the requirements of the Policy and the Australian Government's *Disaster Recovery Funding Arrangements* (formerly known as the Natural Disaster Relief and Recovery Arrangements). Councils must provide information requested by the Department within 10 working days of the request.

The Policy should not limit the natural disaster relief and recovery activities delivered by councils. Councils should make available whatever assistance they deem necessary regardless of whether it is eligible for financial assistance under the Policy.

Financial assistance is subject to councils demonstrating that they have taken all reasonable steps to mitigate the potential impact of natural disasters in their municipal area. This may include, but is not limited to, councils:

- Having appropriate emergency management planning controls, including land use planning controls, in place to mitigate the potential impact of natural disasters;
- Taking out insurance for council assets when available; and
- Having Municipal Emergency Management Plans (as defined by section 34 of the *Emergency Management Act 2006*) in place to enable an effective response to natural disasters.

The Policy should be read in conjunction with the relevant schedules and guidelines.

## 1.2 Australian Government's *Disaster Recovery Funding Arrangements*

The Policy is based on the Australian Government's *Disaster Recovery Funding Arrangements* (DRFA). The DRFA is a program that provides financial assistance to states and territories for a range of assistance measures when a natural disaster severely affects a community.

Councils cannot apply for DRFA assistance directly from the Australian Government, but council costs can be included in the State's claim for financial assistance.

More information on the DRFA is at <https://www.disasterassist.gov.au/Pages/related-links/Natural-Disaster-Relief-and-Recovery-Arrangements.aspx>. Any DRFA related questions should be directed to the Department.

## 1.3 Public Announcements

The Australian and Tasmanian Governments must agree on the nature and content of any announcement, promotional material or publicity relating to jointly funded infrastructure reconstruction. Public announcements include:

- Initial announcement of council owned infrastructure restoration;
- Subsequent media releases; and
- Media events.

Councils should contact the Department before making any public announcements.

## 2 KEY TERMS

### 2.1 Eligible Natural Disaster

An eligible natural disaster is a naturally occurring rapid-onset event that requires a significant and coordinated multi-agency response.

Any one, or a combination, of the following natural hazards can be an eligible natural disaster:

- Bushfire;
- Earthquake;
- Flood;
- Storm;
- Cyclone;
- Storm surge;
- Landslide;
- Tsunami;
- Meteorite strike; or
- Tomado<sup>1</sup>.

Further information is at Guideline 1 – Eligible Natural Disaster.

### 2.2 Essential Public Assets

An essential public asset is an asset that councils and the Tasmanian Government agree is integral to the normal functioning of a community. Such assets may include:

- Roads;
- Road infrastructure (including footpaths, bike lanes and pedestrian bridges);
- Bridges;
- Tunnels;
- Culverts; and
- Any other asset associated with health, education, justice or welfare.<sup>2</sup>

Further information is at Guideline 2 – Essential Public Asset Reconstruction.

Essential public assets do not include community facilities. Further information on restoring community facilities is at Section 6 of the Policy.

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<sup>1</sup> Taken from Disaster Recovery Funding Arrangements 2018 (Version 4 – March 2018)

<sup>2</sup> Examples taken from Disaster Recovery Funding Arrangements 2018 (Version 4 – March 2018)

## 3 NOTIFICATION

When a natural disaster occurs and councils know, or expect, the natural disaster to be an eligible natural disaster, councils must notify the Department within 21 days.

The notification must be in the form set out in Schedule 1 Notification Form.

## 4 ACTIVATION

The Premier will activate the Policy when the impact of an eligible natural disaster is a serious disruption to a community. This will involve a consideration of the capacity of councils to fund the response to, and recovery from, the natural disaster and an assessment of the impact on a community. The Premier can activate the Policy on a statewide, regional or municipal basis.

The Department, in consultation with the Department of Police, Fire and Emergency Management and other relevant agencies, will provide advice to the Premier on the activation of the Policy.

## 5 ELIGIBLE ACTIVITIES

This section provides an overview of the type of activities that could be eligible for financial assistance. For any of the below activities to be eligible, they must be carried out to alleviate damage or distress arising as a direct result of an eligible natural disaster.

Councils must write to the Department in the form of Schedule 2 Eligibility Enquiry Form if they are unsure of the eligibility of an activity.

Councils have 24 months from the end of the financial year in which the relevant eligible natural disaster occurred to incur eligible expenditure. A council that requires an extension to the allowable time limit for incurring eligible expenditure must request an extension before the end of the allowable time limit, and provide such evidence supporting the request as may be required by the Department.

An extension request must be in the form of Schedule 3 Extension Request Form.

Eligible activities fall into two categories: Category A and Category B.

### 5.1 Category A Activities

Category A activities include the following forms of emergency assistance for individuals:

- Emergency food, clothing and accommodation;
- Repair or replacement of essential household items of furniture and personal effects;
- Emergency repairs to housing;
- Demolition to prepare a residential block for rebuilding;
- Removal of debris from residential properties to make them safe and habitable;
- Extraordinary counter-disaster operations for the benefit of an affected individual; and / or
- Personal and financial counselling.

Further information is at Guideline 3 – Emergency Assistance.

## 5.2 Category B Activities

Category B activities include:

- Counter-disaster operations for the protection of the public;
- Emergency works and immediate reconstruction of essential public assets; and
- Essential public asset reconstruction.

### 5.2.1 Counter Disaster Operations for the Protection of the Public

Counter-disaster operations costs are eligible for financial assistance if:

- The costs are associated with counter-disaster operations to protect communities from the eligible natural disaster and ensure public health and safety in public areas;
- The costs exceed the amount that councils could reasonably have expected to incur for counter disaster activities (i.e. counter-disaster operation costs are significantly higher than historical averages); and
- The operations were intended to reduce the need for other forms of assistance under the Policy (i.e. to reduce expenditure on other activities such as essential public asset reconstruction).<sup>3</sup>

Examples of counter disaster operations for the protection of the public include, but are not limited to:

- Sandbagging and / or constructing portable temporary levees / flood barriers to prevent damage to communities (e.g. to protect residential areas and / or business areas);
- Constructing fire breaks and other fire containment activities to protect the general public;
- Tree bracing to ensure public safety;
- Establishing temporary access routes to allow access to affected areas, including emergency temporary bridging works; and
- Establishing and operating temporary locally positioned operational base camps, local incident management teams and local incident control centers used by 'front line' emergency services personnel.

### 5.2.2 Emergency Works and Immediate Reconstruction of Essential Public Assets

Emergency works are urgent activities to temporarily restore essential public assets to enable the assets to operate at an acceptable level to support the immediate recovery of a community. Councils must carry out emergency work activities within three months from the time the essential public asset becomes accessible following an eligible natural disaster.

Examples of emergency work activities include, but are not limited to:

- Initial grading;
- Pothole repairs;

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<sup>3</sup> Requirements taken from Disaster Recovery Funding Arrangements 2018 (Version 4 – March 2018)



- Temporary gravel re-sheeting;
- Temporary bridging works;
- Replacement of rock; and
- Traffic management.<sup>4</sup>

Immediate reconstruction works are activities to fully restore essential public assets within three months from the time the essential public asset becomes accessible following eligible natural disasters.

The reporting requirements of essential public asset reconstruction (listed in Section 5.2.3 below) do not apply to emergency works and immediate reconstruction works.

### 5.2.3 Essential Public Asset Reconstruction

The Tasmanian Government will financially assist councils to reconstruct essential public assets damaged by eligible natural disasters to the assets' pre-disaster conditions using current engineering and building standards.

Councils can upgrade essential public assets damaged in eligible natural disasters. However, the additional cost of upgrading assets beyond current engineering and building standards must be borne by councils.

Further information regarding financial assistance for essential public asset reconstruction is at Guideline 1 – Essential Public Asset Reconstruction.

Councils must comply with the following reporting requirements in order to seek Tasmanian Government financial contributions for essential public asset reconstruction that will not be finalised within three months from the time the asset becomes accessible following eligible natural disasters.

To comply with the DRFA, the Department may, at any time, request documentation from councils to evidence compliance with this section of the Policy. Councils must provide information requested by the Department within 10 working days of the request.

The Department may request information to evidence compliance with this section of the Policy. For example:

- Visual and geospatial data and information which may include (but is not limited to) satellite images, Google Earth images, photographs and video footage;
- Asset damage and inspection reports;
- Engineering details, maintenance records and asset registers;
- Financial and non-financial data and documentation to support estimated and actual reconstruction costs which may include (but is not limited to) tender documentation, minutes of meetings, contracts / work orders, timesheets, transaction listings and invoices.

Councils may use Schedule 4 Damage Assessment Form and Schedule 5 Cost Estimation and Procurement Form to report the required information. Alternatively, councils can use Tasmania's Common Operating Platform (the COP) to report information. Councils should notify the Department if reporting information through the COP.

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<sup>4</sup> Examples taken from Disaster Recovery Funding Arrangements 2018 (Version 4 – March 2018)

Councils must report the information as soon as possible and no later than six months from the date of the disaster (with the exception of actual reconstruction cost and variance). Councils should update and revise the information as necessary.

The Department may seek, at any time, access to updated information.

## **Damage Assessment**

Councils must provide a list of damaged assets, including location and asset type using Schedule 4 Damage Assessment Form or the COP.

Councils must use a suitably qualified professional to conduct a damage assessment. The suitably qualified professional can be:

- A Tasmanian Government employee;
- A council employee; or
- A third party.

Councils must be able to provide evidence of the condition of essential public assets following eligible natural disasters through one or more of the following most appropriate means:

- Geospatial data, including satellite images;
- Visual data, including photographs and / or video footage;
- Asset inspection report(s) conducted or verified by a suitably qualified professional, with the appropriate level of expertise and experience.<sup>5</sup>

Councils must report the type(s) of evidence available to show the nature and extent of damage using Schedule 4 Damage Assessment Form or upload evidence directly to the COP.

## **Pre-Disaster Condition**

Councils must be able to provide evidence of the location, nature and pre-disaster condition of essential public assets through one or more of the following most appropriate means:

- Geospatial data, including satellite images no older than four years before the eligible natural disaster;
- Visual data, including photos and videos no older than four years before the eligible natural disaster;
- Maintenance records no older than four years before the eligible natural disaster;
- Asset registers no older than four years before the eligible natural disaster;
- Asset inspection report(s) undertaken at the time of the damage assessment conducted by a suitably qualified professional.<sup>6</sup>

Councils must report the type(s) of evidence available to show the pre-disaster condition of an essential public asset using Schedule 4 Damage Assessment Form or upload evidence directly to the COP.

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<sup>5</sup> Evidence requirements taken from Disaster Recovery Funding Arrangements 2018 (Version 4 – March 2018)

<sup>6</sup> Evidence requirements taken from Disaster Recovery Funding Arrangements 2018 (Version 4 – March 2018)

## **Asset Capacity, Layout and Materials**

Councils must provide details of the pre-disaster capacity of an essential public asset to perform its primary function and other services it may have been providing to the community. For example, the capacity of a road to perform its primary function(s) might be:

- Two lanes of local traffic in each direction; or
- One lane in each direction, a pedestrian walkway on one side of the road and a breakdown lane on both sides of the road; or
- A two-lane highway.

Councils must provide the pre-disaster engineering details, including general dimensions and features, of essential public assets damaged in eligible natural disasters. Consideration should be given to:

- Dimensions and layout;
- Materials used; and
- Associated infrastructure, including safety features, signage, signaling, lighting, noise attenuation, drainage and associated footpaths or bikeways.

For example, the engineering details of a road might be:

- Width of lanes, shoulders and pedestrian walkways;
- Depth of the pavement;
- Associated infrastructure - line markings, safety barriers, lighting or traffic signals;
- Materials used to construct the road – gravel, granular with seal, concrete or asphalt; and
- Surrounding infrastructure – power and telecommunication lines, intersections and private accesses.

Councils must report the asset capacity, layout and materials using Schedule 5 Cost Estimation and Procurement Form or upload information directly to the COP.

## **Estimated Reconstruction Cost**

Councils must use one of the following methods to establish the estimated reconstruction cost of essential public assets damaged in eligible natural disasters:

- Market response; or
- Cost estimation.

The market response method uses council procurement processes to establish the estimated cost of restoring an essential public asset to its pre-disaster condition.

The cost estimation method uses an internal or independent engineer or quantity surveyor with the appropriate level of expertise and experience to establish the estimated cost of restoring an essential public asset to its pre-disaster condition.

Estimated reconstruction costs should include the cost of construction, design, procurement and project management.

Estimated reconstruction costs may include 'contingency allowances' to account for unknown risks in reconstruction projects. Councils must report 'contingency allowances' separately.

Councils must report estimated reconstruction costs, contingency allowances and the method used to establish the estimated reconstruction cost using Schedule 5 Cost Estimation and Procurement Form or upload information directly to the COP.

In exceptional circumstances, the Department may procure an Independent Technical Review to verify the estimated reconstruction cost. The Independent Technical Review will:

- Review and evaluate the accuracy of the estimated reconstruction cost to restore an essential public asset to its pre-disaster condition and capacity;
- Identify if pre-disaster condition and capacity is either cost-prohibitive or impractical;
- Review and evaluate any alternative solutions for reconstruction; and / or
- Review and evaluate any amendments to estimated reconstruction cost and the circumstances leading to the amendment.

The Tasmanian Government is responsible for the cost of an Independent Technical Review.

### **Actual Reconstruction Cost and Variances**

Councils must report actual reconstruction costs of essential public assets damaged in eligible natural disasters when the reconstruction project is complete.

The actual reconstruction cost may be more or less than the estimated reconstruction cost. When the actual cost is lower than the estimated cost, councils are only entitled to financial assistance equal to the actual cost incurred restoring essential public assets to the pre-disaster condition. When actual cost is higher than the estimated cost, councils must provide an explanation for the increase. For example, the following circumstances may lead to increased cost:

- Geotechnical conditions that could not reasonably have been foreseen or investigated in the design period;
- Previously unidentified indigenous and / or cultural heritage discoveries;
- Previously unidentified heritage discoveries;
- Delays caused by subsequent eligible natural disasters;
- Environmental conditions that could not have reasonably been foreseen (for example, threatened species discovery);
- Safety threats that could not have reasonably been foreseen (for example, asbestos discovery);
- Critical reduction in water availability that could not have reasonably been foreseen or investigated in the design period;
- Poor / inadequate planning or project management;
- Poor / inadequate resourcing and materials;
- Land access or property acquisition delays;
- Consultation delays (for example, community consultation or specialist advisor);
- Complexity in design / construction;
- Changes in building standards, codes or specifications;

- Industrial conditions / actions;
- Seasonal changes / inclement weather;
- Heritage listings; or
- Changes to the cost of materials.<sup>7</sup>

Councils must maintain evidence to demonstrate the circumstances leading to the increased cost.

Councils must report the actual reconstruction cost and variance explanations using Schedule 5 Cost Estimation and Procurement Form or upload information directly to the COP.

## 6 COMMUNITY RECOVERY FUNDS

The Tasmanian Government provides financial assistance for the restoration of community facilities through Community Recovery Funds under the *Tasmanian Relief and Recovery Arrangements: Community Recovery Policy*. Community Recovery Funds aim to help community recovery, community development and community capacity building following eligible natural disasters.

The Department will consult with councils to determine if a Community Recovery Fund is required after eligible natural disasters. To assist this determination, councils can use Schedule 4 Damage Assessment Form or the COP to report damage to community facilities. Evidence of the post and pre-disaster condition is not required for community facilities (unless specifically required under the Community Recovery Fund governance and reporting arrangements).

## 7 ELIGIBLE EXPENDITURE

Eligible expenditure is expenditure on an eligible activity undertaken in response to an eligible natural disaster. Councils must record eligible expenditure against the financial year in which expenditure is actually spent or incurred as a liability.

Eligible expenditure can include:

- Non-monetary relief and recovery assistance (for example, goods provided at evacuation centres, waived revenue and free or subsidised services);
- Overtime and allowances for council employees, outside normal working hours;
- Waste disposal charges;
- Employment costs for temporary (fixed-term) employees or contractors including on-costs such as travel, allowances, accommodation, superannuation and workers compensation;
- Costs of backfilling council employees who have been transferred to assist with eligible activities for reimbursement;
- Salaries and wages of council employees undertaking emergency works and immediate reconstruction of essential public assets and essential public asset reconstruction;

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<sup>7</sup> Examples taken from Schedule B: Disaster Recovery Funding Arrangements 2018 (Version 4 – March 2018)

- Amounts attributable to internal rate hire used for emergency works and immediate reconstruction of essential public assets and essential public asset reconstruction;
- Unbudgeted fuel and oil expenditure and maintenance costs; and
- Hiring additional plant and equipment (including transport and operation / running costs).

Eligible expenditure does not include:

- Salaries and wages of council employees undertaking Category A activities and counter disaster operations for the protection of the public;
- Amounts attributable to administrative expenditure for which the council would have been liable had the eligible natural disaster not occurred (for example, installation of workstations and furniture, software including IT systems, printing costs, business cards, rent, power and advertising fees); and
- Amounts which councils will or may recover from any source (for example, insurance recoveries, expenditure funded by other Tasmanian or Australian Government initiatives).

Further information is at Guideline 4 – Eligible Expenditure.

## 8 FINANCIAL REPORTS

Councils must provide financial reports for each eligible disaster quarterly or, if the Department requests, at any other time. The financial report must list eligible expenditure for all eligible activities, including:

- Total eligible expenditure in previous financial years;
- Total eligible expenditure in the current financial year;
- Latest eligible expenditure estimates for the remainder of the current financial year; and
- Latest eligible expenditure estimates for future financial years.

Financial reports must be provided using Schedule 6 – Financial Report. Financial reports do not need to be audited.

## 9 CLAIMING

### 9.1 Audit of Eligible Expenditure

If the Premier has activated the Policy for a municipal area in relation to an eligible natural disaster, the relevant council may submit a claim to the Tasmanian Audit Office for financial assistance in respect of eligible expenditure for that eligible natural disaster. Schedule 7 – Claim Form must be used to submit a claim to the Tasmanian Audit Office.

Eligible expenditure must be audited by financial year, though multiple claims can be submitted for each financial year. The cost of audits under the Policy is payable by councils.

Councils must submit final financial year claims to the Tasmanian Audit Office no later than five months after the end of the financial year to which the claim relates. If a council is unable to comply with this timeframe, it must write to the Department seeking an extension of time. The Department may apply terms and conditions on the council in respect to any extension of time. If a council submits a claim after

this timeframe, and has not requested an extension of time, the Tasmanian Government may refuse the claim.

On completion of the audit, the Tasmanian Audit Office is required to issue an audit report stating that the claim is compliant with the Policy and the DRFA.

## 9.2 Supporting Information

For audit and assurance purposes, the Tasmanian Audit Office may, at any time, request documentation from councils to evidence compliance with any aspect of the Policy. Councils must provide information requested by the Tasmanian Audit Office within 10 working days of the request.

The Tasmanian Audit Office may request financial and non-financial information to evidence compliance with the Policy. For example:

- Visual and geospatial data and information which may include (but is not limited to) satellite images, Google Earth images, photographs and video footage supporting essential public asset reconstruction to pre-disaster condition;
- Asset damage and inspection reports supporting emergency works and immediate reconstruction of essential public assets;
- Administrative data and documentation which may include (but is not limited to) contract / work orders, timesheets, news articles, email correspondence and minutes of meetings; and
- Financial data and documentation which may include (but is not limited to) transaction listings and invoices.

## 9.3 Ineligible or Unsubstantiated Expenditure

Councils and the Tasmanian Audit Office may seek advice from the Department on the eligibility of any expenditure included in the claim.

The Tasmanian Audit Office will remove any expenditure inconsistent with the Policy from the audited claim. Likewise, the Tasmanian Audit Office will remove expenditure if a council cannot substantiate that the expenditure is compliant with the Policy.

## 9.4 Timing of Financial Assistance

Financial assistance is generally paid after a council has submitted its audited claim for financial assistance to the Department. However, the Tasmanian Government may provide advance payments in exceptional circumstances. The audited claim must take account of any advance payments.

## 9.5 Determining the Amount of Financial Assistance

The amount of financial assistance to a council is based on the extent to which council audited expenditure exceeds the first and second thresholds for an eligible natural disaster.

The first threshold is 0.225 per cent of a council's total recurrent revenue as disclosed in its audited Annual Report two years prior to the financial year in which the eligible natural disaster occurred. The second threshold is 1.75 times a council's first threshold.

The Department must inform councils in writing of their respective thresholds as soon as possible following activation of the Policy for an eligible natural disaster.

The rate of assistance that is payable for an eligible natural disaster is 50 per cent of eligible expenditure between a council's first and second threshold for an eligible natural disaster and 75 per cent of eligible expenditure above a council's second threshold.

Alternatively, a council may submit a claim for reimbursement of 75 per cent of all eligible expenditure incurred delivering Category A activities requested by a Regional or State Emergency Management Controller during a regional response to an eligible event. A council submitting such a claim must provide written evidence of the request and cannot submit a claim for financial assistance in respect of any other expenditure for the relevant eligible event.





Tasmanian  
Government

Department of Premier and Cabinet

Level 1, 47 Liverpool Street  
HOBART TAS 7000

Phone: 03 6232 7979

Email: [sem@dpac.tas.gov.au](mailto:sem@dpac.tas.gov.au)

Visit: [www.dpac.tas.gov.au](http://www.dpac.tas.gov.au)