



Australian Government
Attorney-General's Department

NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS

Determination | 2017



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Natural Disaster Relief and Recovery Arrangements Determination 2017

terms and conditions

by the Hon Michael Keenan MP, Minister for Justice and Minister Assisting the Prime Minister for Counter-Terrorism

Preliminary

I, the Hon Michael Keenan MP, Minister for Justice and Minister Assisting the Prime Minister for Counter-Terrorism, determine the terms and conditions applicable to payments of financial assistance by the Commonwealth to any State, the Australian Capital Territory or the Northern Territory, for the purposes of natural disaster relief and recovery, to be the terms and conditions recorded in this document (2017 determination).

The 2017 determination applies from 1 July 2017, in respect of eligible disasters that occur on or after that date. It amends, by replacement, the *Natural Disaster Relief and Recovery Arrangements Determination 2012: Version 2*. The 2017 determination applies to all claims with effect from 1 July 2017.

The 2017 determination has effect in relation to:

- a) national partnership payments made for the above purposes—as part of the Inter-Governmental Agreement on Federal Financial Relations, entered into between the Commonwealth, the States, the Australian Capital Territory and the Northern Territory (as amended), and
- b) payments made out of the amount appropriated by the *Appropriation Act (No. 2) 2016-2017* to the Commonwealth Attorney-General's Department for the outcome, 'A just and secure society through maintenance and improvement of Australia's law and justice framework and its national security and emergency management system'.

Note: The 2017 determination has effect as part of the Inter-Governmental Agreement on Federal Financial Relations by virtue of clauses D42 and D43 of Schedule D to that agreement. The determination has effect under the *Appropriation Act (No. 2) 2016-2017* by virtue of section 16 of that Act.

The 2017 determination is also intended to have effect in relation to any later Appropriation Act that appropriates an amount for the same outcome, or for a different outcome that includes the purposes of natural disaster relief and recovery, and authorises the terms and conditions applicable to payments to be determined.

This document incorporates a statement of the Natural Disaster Relief and Recovery Arrangements, and of the related administrative procedures and guidelines, which will operate from the date of signature, in respect of natural disasters or terrorist acts that occur on or after that date.



Michael Keenan

Minister for Justice and Minister Assisting the Prime Minister for Counter-Terrorism

1 / 6 /2017

1. DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

1.1.1 All definitions relevant to this *determination* are contained in the table below.

TERM	DEFINITION
Allowable time limit	<p>For expenditure on restoration or replacement of an <i>essential public asset</i>:</p> <ul style="list-style-type: none">the period of 24 months after the end of the <i>financial year</i> in which the <i>eligible disaster</i> occurred; orif there are <i>special circumstances</i> presented by a <i>state</i> and accepted by the <i>department</i>—such longer period as the <i>department</i> specifies. <p>For expenditure on any other <i>eligible measure</i>—the period of 24 months after the end of the <i>financial year</i> in which the <i>eligible disaster</i> occurred.</p>
Appropriate assessment methods	<p>An assessment that would support a <i>small business</i>, <i>primary producer</i>'s or a <i>non-profit organisation</i>'s claim for eligibility under this <i>determination</i> and support the <i>small business</i>, <i>primary producer</i>'s or <i>non-profit organisation</i>'s ability to repay the loan. An assessment may include: site visits to establish the <i>small business</i>, <i>primary producer</i>'s or <i>non-profit organisation</i>'s pre and post disaster context and situation, review of tax returns for the preceding <i>financial years</i>, comparison of budgeted net income to historical financial statements, confirmation of existing bank loans and facilities to identify possible peak debt issue(s) throughout the 12 month period prior to the <i>eligible disaster</i>, loan security, and proof of an insurance claim.</p>
Bad Debts	<p>Amount of loan which is unlikely to be paid and is treated as a loss.</p>
Betterment	<p>The restoration or replacement of an <i>essential public asset</i> to a more disaster-resilient standard than its pre-disaster standard.</p>
Budget funded	<p>Those <i>state</i> entities which receive a funding allocation from the <i>state</i> (for which day labour and internal rate hire would be ineligible).</p>
Category A	<p>See clause 5.2</p>
Category B	<p>See clause 5.3</p>
Category C	<p>See clause 5.4</p>
Category D	<p>See clause 5.5</p>
Commonwealth concessional interest rate	<p>50 per cent of the ten-year Treasury bond rate averaged from 1 April to 30 June for the preceding <i>financial year</i>. The rate is based on data published by the Reserve Bank of Australia.</p>
Department	<p>The Commonwealth department responsible for administering this <i>determination</i>. A reference to the department includes a reference to the Secretary and appropriate Senior Executive Service officials of the department.</p>

Direct result	Affected by an <i>eligible disaster</i> and located within the affected geographical area that has been notified under the NDRRA notification form submitted by the <i>state</i> . Applicants outside the affected geographical area who do not operate in the affected geographical area are not eligible, including those with a supply chain relationship to the affected geographical area.
Determination	This document.
Eligible disaster	A <i>natural disaster</i> or <i>terrorist act</i> for which: <ul style="list-style-type: none"> • a coordinated multi-agency response was required; and • <i>state expenditure</i> exceeds the <i>small disaster criterion</i>.
Eligible measure	An act of relief or recovery described as a <i>Category A</i> , <i>Category B</i> , <i>Category C</i> or <i>Category D</i> measure.
Eligible undertaking	A body which: <ul style="list-style-type: none"> • is one of the following: <ul style="list-style-type: none"> ○ a department or other agency of a <i>state</i> government, or ○ established by or under <i>state</i> legislation for public purposes (for example, a local government), and • provides services free of charge or at a rate that is 50 per cent or less of the cost to provide those services.
Employee	A <i>person</i> , including family members, who the business directly engages, controls and pays a wage for labour.
Essential public asset	An asset which <i>must</i> be a <i>transport</i> or <i>public infrastructure</i> asset of an <i>eligible undertaking</i> which, the <i>state</i> considers and the <i>department</i> agrees, is a necessary part of a <i>state's</i> infrastructure and is integral to the normal functioning of a community.
Farm enterprise	An activity listed in Division A of the <i>Australian and New Zealand Industrial Classification</i> published by the Australian Bureau of Statistics.
Financial Year	A period of 12 months commencing on 1 July.
Habitable	Refers to a residential property being fit for human habitation, possessing basic amenities in working order and not being in substantial disrepair.
Individual	A natural <i>person</i> .
Long-term viability	The ability of a <i>small business's</i> , <i>primary producer's</i> or <i>non-profit organisation's</i> operation to continue to operate and be able to meet its liabilities as they become due. Long-term would generally be considered a period greater than three years.
Loss of income	Net income which would have been earned if the <i>small business</i> , <i>primary producer</i> or <i>non-profit organisation</i> had not been interrupted by the <i>eligible disaster</i> based on past performance during similar periods. Net income takes into account the costs that would have been incurred to earn the income. Examples of what could result in a loss of income would be cancellation of bookings and where customers cannot physically reach the <i>small business</i> , <i>primary producer</i> or <i>non-profit organisation</i> due to damaged public infrastructure.

Minister	The Commonwealth Minister responsible for this <i>determination</i> .
Must	Indicates a mandatory requirement.
Natural disaster	<p>A natural disaster is one, or a combination of the following rapid onset events:</p> <ul style="list-style-type: none"> • bushfire • earthquake • flood • storm • cyclone • storm surge • landslide • tsunami • meteorite strike, or • tornado. <p>Events where human activity is a significant contributing cause (for example, poor environmental planning, commercial development, personal intervention (other than arson), or accident) may not be natural disasters for the purposes of this <i>determination</i>.</p>
Natural disaster mitigation	Measures taken in advance of, or after, a <i>natural disaster</i> aimed at decreasing or eliminating the impact of a <i>natural disaster</i> on society and the environment.
Needy Individual	An <i>individual</i> who is in urgent and genuine need of financial assistance.
Non-budget funded	Those <i>state</i> entities which do not receive a funding allocation from the <i>state</i> and operate independently through public and private tender processes in line with <i>state</i> competitive neutrality requirements.

Non-Profit Organisation	<p>An incorporated charity or non-profit entity which is registered with the Australian Charities and Non-Profits Commission (ACNC) or an equivalent <i>state</i> regulatory body. This may include:</p> <ul style="list-style-type: none"> • non-profit schools (i.e. those run by a church) • religious institutions • homeless hostels • aged <i>persons</i> homes • organisations relieving the special needs of people with disabilities • community child care centres • cultural societies • environmental protection societies • neighbourhood associations • public museums and libraries • scouts • sports clubs • surf lifesaving clubs, and • traditional service clubs.
Participating authorised deposit taking institution	Corporations which are authorised under the <i>Banking Act 1959</i> . These include banks, building societies and credit unions.
Person	An <i>individual</i> , a body politic, or a body corporate.

Primary producer	<p>An <i>individual</i>, partnership, trust or company which:</p> <ul style="list-style-type: none"> • has a right or interest in a <i>farm enterprise</i>; and • contributes a significant part of his, her or its labour and capital to the enterprise; and • derives at least 50 per cent of his, her or its income from the enterprise. <p>Primary producers are defined as those that are listed under <i>Australian New Zealand Standard Industrial Classification 2006 (ANZSIC) 1292.0 (Revision 2.0) Codes 01 (Agriculture), 02 (Aquaculture), 03 (Forestry and Logging), 04 (Fishing, Hunting and Trapping) and 05 (Agriculture, Forestry and Fishing Support Services)</i>. These are:</p> <ul style="list-style-type: none"> a) agriculture <ul style="list-style-type: none"> i. nursery and floriculture production ii. mushroom and vegetable growing iii. fruit and tree nut growing iv. sheep, beef cattle and grain farming v. other crop growing vi. dairy cattle farming vii. poultry farming viii. deer farming ix. intensive horticulture x. other livestock farming xi. hydroponics, and xii. beekeeping b) aquaculture c) forestry and logging d) fishing, hunting and trapping, and e) forestry, agriculture and fishing support services.
Public Infrastructure	An asset that is an integral part of a <i>state's</i> infrastructure and is associated with health, education, justice or welfare.
Reinstatement	Activities undertaken by a recipient of a recovery grant to assist in the re-establishment of <i>primary producers, small businesses or non-profit organisations</i> to substantially the same position it was in prior to the <i>eligible disaster</i> , in order to aid the business to continue/resume normal trading/production as soon as possible.
Small business	<p>A business, other than a <i>farm enterprise</i>, which employs fewer than 20 full-time equivalent staff. That is, the sum total of all standard hours worked by all <i>employees</i> (whether full-time or part-time) is less than the number of standard hours which would be worked by 20 full-time <i>employees</i>, as defined by the Australian Bureau of Statistics.</p> <p>A small business does not include a sole trader small business where 50 per cent or less of the sole trader's income comes from that business.</p>
Small disaster criterion	The amount published by the <i>department</i> from time to time for the purposes of this <i>determination</i> , being the amount of \$240,000 as affected by movements in the Consumer Price Index.

State	All Australian <i>states</i> , including the Australian Capital Territory and the Northern Territory.
State expenditure	<p>The amount actually spent or the cost incurred by the <i>state</i>, its departments or other agencies, or the expenditure of a body established by or under <i>state</i> legislation for public purposes (for example, a local government), within the <i>allowable time limit</i>, on an <i>eligible measure</i> and with respect to an <i>eligible disaster</i>.</p> <p>For the purposes of recording local government expenditure, a <i>state</i> incurs a liability at the time the local government undertakes an <i>eligible measure</i> and it is at that point that the liability <i>must</i> be recorded by the <i>state</i>.</p> <p>Expenditure on <i>eligible measures must</i> be recorded against the year in which the expenditure is incurred by <i>state</i> agencies or relevant bodies, not the year in which the <i>state</i> expends cash, conducts an audit, submits an audited claim to the Commonwealth or reimburses its agencies or local governments. Refer to p. 32 for a practical example.</p> <p><u>The amount includes:</u></p> <ul style="list-style-type: none"> • the cost to the <i>state</i> of <i>eligible measures</i> in the form of non-monetary assistance (for example, goods, waived revenue, free or subsidised services) • the cost to the <i>state</i> of <i>eligible measures</i> in the form of concessional interest rate loans • no more than two-thirds of the <i>betterment</i> of a local government owned asset, except where the asset is an asset of a remote Indigenous community or, if the <i>department</i> agrees, is an asset of a low financial capacity local government • costs associated with the salaries and wages, and internal rate hire, of <i>non-budget funded state</i> entities or agencies undertaking <i>eligible measures</i> under this <i>determination</i>; • certain other costs associated with salaries and wages, and internal rate hire, of <i>state budget funded</i> entities or agencies to undertake <i>eligible measures</i> under this <i>determination</i>, such as: <ul style="list-style-type: none"> ○ overtime for <i>state employees</i>, outside of normal working hours ○ employment costs for temporary (fixed-term) <i>employees</i> or contractors ○ costs of backfilling <i>state employees</i> who have been seconded to assist with <i>eligible disaster</i> relief and recovery activities ○ permanent <i>state employees</i> who have been diverted from their normal duties to perform <i>eligible measures</i> under this <i>determination</i>, including costs associated with travel expenses, allowances and accommodation ○ contractors or <i>state employees</i> on a temporary (fixed-term) basis, including costs associated with travel expenses, allowances, accommodation and associated on-costs such as superannuation entitlements, workers compensation ○ additional fuel and oil expenditure, and maintenance costs required as a direct consequence of using internal rate hire.

	<p>Note: If any part of <i>state expenditure</i> is in the form of concessional interest rate loans, a component of the Commonwealth assistance will also be in the form of a concessional interest rate loan to the <i>state</i>—see clause 6.3.</p> <p><u>The amount does not include any of the following:</u></p> <ul style="list-style-type: none"> • amounts which the <i>state</i> has recovered or may recover from any source • amounts which a <i>person</i> is liable to reimburse to the <i>state</i> (including amounts attributable to GST) • amounts directly or indirectly receivable from the Commonwealth under a joint Commonwealth/<i>state</i> financial arrangement or some other form of specific purpose financial assistance to a <i>state</i> • amounts attributable to internal rate hire or salaries or wages for which the <i>state</i> would have been liable for had the <i>eligible disaster</i> not occurred • amounts attributable to other ongoing administrative expenditure for which the <i>state</i> would have been liable for had the <i>eligible disaster</i> not occurred, including the installation of workstations and furniture, software including IT systems, printing costs, business cards, rent, power and advertising fees • amounts which have been transferred from a <i>state</i> to a department or other agency of the <i>state</i> for possible expenditure on an <i>eligible measure</i>, but have not yet been spent by that department or agency • the local government’s contribution to <i>betterment</i>; or • profit margins to an <i>eligible undertaking</i>.
Special circumstances	Circumstances which are unforeseeable, unusual, unique or beyond the control of the <i>state</i> , despite addressing all potential risks through adequate project and risk management plans.
Terrorist act	<p>An action or a series of actions committed in Australia which the <i>Minister</i> has determined is a terrorist act for the purposes of an <i>eligible disaster</i> under this <i>determination</i>.</p> <p>Without limiting the matters to which the <i>Minister</i> may have regard in determining whether the action or series of actions is a terrorist act, the <i>Minister</i> may have regard to:</p> <ol style="list-style-type: none"> the definition of a terrorist act under section 100.1 of the <i>Criminal Code Act 1995</i>, and if available, the advice of other Commonwealth agencies. <p>In the event of one or more acts, the <i>Minister</i> may determine two or more related acts to be a single terrorist act.</p>
Thresholds	The first <i>threshold</i> is 0.225 per cent of the <i>state’s</i> total general government sector revenue and grants in the <i>financial year</i> two years prior to the relevant <i>financial year</i> ; and the second <i>threshold</i> is 1.75 times the <i>state’s</i> first <i>threshold</i> .

Transport	An asset that is an integral part of a <i>state's</i> infrastructure and is associated with roads, road infrastructure (including footpaths, bike lanes, pedestrian bridges), bridges, tunnels and culverts.
Working capital	<p>The amount required to continue the <i>small business's</i>, <i>primary producer's</i> or <i>non-profit organisation's</i> operations for the next 12 months or until the next major income is received, and may include:</p> <ul style="list-style-type: none"> a) salaries and wages; b) paying creditors; c) paying rent and rates; d) procuring fodder or water for livestock or produce; e) procuring alternative transport for livestock and produce; and f) fuel and other supplies essential to the business or primary production operation.

1.2 INTERPRETATION

1.2.1 In this *determination*:

- a) The singular includes the plural and vice versa, and a gender includes other genders.
- b) Clause and subclause headings are inserted for convenience only and have no effect in limiting or extending the language of the provisions of this *determination*.
- c) Notes and examples to the terms and conditions of this *determination* form part of this *determination* but if there is any inconsistency between a term or condition of this *determination* and a note or guideline for example, the term or condition prevails.
- d) Another grammatical form of a defined word or expression has a corresponding meaning.
- e) If a day on or by which an obligation *must* be performed, or an event *must* occur, is not a business day, the obligation *must* be performed or the event *must* occur on or by the next business day.

1.2.2 The definitions and interpretation clauses also apply to any guideline or other instrument issued under this *determination*.

2. INTRODUCTION

2.1 AIM AND OVERVIEW OF THE NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS

2.1.1 *Natural disasters or terrorist acts* may result in large-scale expenditure by *state* governments in the form of disaster relief and recovery payments and infrastructure restoration. To assist with this burden, the Commonwealth has made arrangements to provide financial assistance to the *states* in certain circumstances. Usually the assistance is in the form of partial reimbursement of *state expenditure*.

2.1.2 This *determination* is administered by the *department*.

2.1.3 Commonwealth assistance under this *determination* is not intended to fund every possible relief and recovery assistance measure delivered by a *state*.

2.1.4 This *determination* identifies the relief and recovery assistance to which the Commonwealth will financially contribute.

2.1.5 This *determination* should be read in conjunction with any relevant guidelines.

3. BASIC PRINCIPLES FOR ASSISTANCE

3.1 PRINCIPLES FOR ASSISTANCE TO STATES

- 3.1.1 *States* are best placed to identify the type and level of assistance to make available following a *natural disaster* or a *terrorist act*, in accordance with their responsibility for disaster and emergency management. *States* are not bound, or limited, by the assistance measures identified in, or funding available under this *determination*, and should make available whatever assistance they deem necessary regardless of whether it is eligible for reimbursement.
- 3.1.2 The Commonwealth's assistance is intended to support certain relief and recovery measures delivered by the *states* in relation to *eligible disasters* which complement other *state*-based strategies, such as insurance and *natural disaster mitigation* planning and implementation.
- 3.1.3 In carrying out, or contributing to the cost of, *eligible measures*, the *state must* act consistently with the principles that:
- a) recovery is a shared responsibility for *individuals*, households, businesses and communities, as well as for governments where access to capital or appropriate strategies of *natural disaster mitigation* are considered; and
 - b) its assistance is not to supplant, or operate as a disincentive for, self-help by way of either access to capital or appropriate strategies of *natural disaster mitigation*;
 - c) the assistance is designed to achieve an efficient allocation of resources; and
 - d) those affected in the same way by the same *eligible disaster* should receive the same assistance, within the limitations of this *determination*.
- 3.1.4 The Commonwealth considers that *natural disaster mitigation*, in partnership with the *states*, is an important principle to be advanced under this *determination*. This principle is consistent with good accountability, and provides assurance to communities and the general public of the ongoing commitment of all Australian governments to "safeguard" the well-being of communities through providing effective levels of disaster prevention and protection.
- 3.1.5 *States* have a responsibility to put in place insurance arrangements which are cost effective for both the *state* and the Commonwealth.
- 3.1.6 The financial exposure borne to taxpayers, by all levels of government, under this *determination* should be minimised.

4. CONDITIONS FOR COMMONWEALTH ASSISTANCE

4.1 GENERAL REQUIREMENT

4.1.1 *States must* comply with the following conditions to be eligible for Commonwealth assistance. The outcomes of non-compliance with any condition are to be determined by the *department* and may include, but are not limited to:

- all *state expenditure* in the relevant *financial year* being declared ineligible,
- the specific *state expenditure* in question being declared ineligible,
- a claim being withheld until the *state* has rectified the issue of non-compliance.

NON-COMPLIANCE AND EXEMPTIONS TO CONDITIONS UNDER THIS DETERMINATION

4.1.2 If a *state* is or was unable to comply with any condition, or would like to seek an exemption, the *state must* write to the *department* requesting dispensation from that condition.

4.1.3 *States* may write to the *department* at any time during the *allowable time limit* to request non-compliance or an exemption. The request *must* include the circumstances which give rise to the request.

4.1.4 *States* may also write to the *department* to appeal (under clause 9) any decision made under this *determination*.

4.2 NOTIFICATION

4.2.1 When a *natural disaster* occurs and the relevant *state* knows, or expects, the *natural disaster* to be an *eligible disaster* the *state must* notify the *department* of that fact within three (3) months.

4.2.2 *States* may also write to the *Minister* seeking advice on whether the *Minister* considers the event to be a *terrorist act* for the purposes of this *determination*.

4.2.3 When an act is determined by the *Minister* to be a *terrorist act* for the purposes of this *determination*, the *Minister or department* will write to the relevant *state*.

4.2.4 If the *Minister* determines the event to be a *terrorist act* for the purposes of an *eligible disaster* under this *determination*, this does not equate to any assumption with respect to the admissibility of evidence before a Court, or the guilt of *persons* accused of engaging in a *terrorist act* under the *Criminal Code Act 1995*.

4.2.5 When an act is determined to be a *terrorist act*, the relevant *state must* notify the *department* of that fact within three (3) months from the date of the *Minister's* or the *department's* letter. Refer to Guideline 5: Process for determining a terrorist act is an eligible disaster.

4.2.6 The notification *must* be in the form set out in Attachment A: Notification Form.

4.3 PUBLIC ACKNOWLEDGEMENT OF COMMONWEALTH ASSISTANCE

- 4.3.1 The announcement of an *eligible measure* or *eligible measures* under the *determination* must be through a joint media release, or other joint announcement, unless otherwise agreed by the Commonwealth.
- 4.3.2 The Commonwealth and the *state* must work together on the details of a joint media release or other joint announcement.
- 4.3.3 When referring to an *eligible measure* under this *determination*, it must be described as “jointly funded by the Commonwealth and ^insert name of *state*^ under the Natural Disaster Relief and Recovery Arrangements”.
- 4.3.4 The *state* must notify the Federal Member of the House of Representatives in writing where there is an intention to undertake an *essential public asset* restoration or replacement project in their electorate (including for *essential public assets* owned by local governments).
- 4.3.5 *States* must reach prior agreement with the Commonwealth on the nature and content of any subsequent events, announcements, promotional material or publicity relating to an *eligible measure* under this *determination*. This includes, but is not limited to:
- a) any *state* media releases regarding *eligible measures* under this *determination*;
 - b) *essential public asset* ceremonies;
 - c) media events which include reference to funding or *eligible measures* under this *determination*;
 - d) plaques and signage at any *essential public asset* restoration or replacement project sites funded under this *determination*.
- 4.3.6 Evidence of compliance with subclauses under clause 4.3 must be provided to the *department* in reasonable time after compliance has been achieved. If evidence is not provided, the *department* may withhold or reduce the reimbursement amount payable on a *state* claim in respect of an *eligible measure* or an *eligible disaster*.
- 4.3.7 *States* may seek an exemption from clause 4.3 (under subclause 4.1.2–4.1.4) where it is clear that a *state* is not likely to reach its first *threshold* for a *financial year*, which would preclude a *state* from receiving partial reimbursement for *Category B* assistance measures. The request must be made in the form of Attachment A: Notification Form.

4.4 STATE IMPLEMENTATION OF NATURAL DISASTER MITIGATION STRATEGIES

- 4.4.1 Responsibility for determining an appropriate *natural disaster mitigation* strategy is a matter for *states*.
- 4.4.2 *States* must provide evidence of the implementation of appropriate *natural disaster mitigation* strategies at the time of submitting an audited claim (see clause 4.8. for further details). *States* are also obliged to provide evidence of the implementation of appropriate *natural disaster mitigation* strategies at any other time as the *department* requests.
- 4.4.3 If the *department* does not consider that reasonable progress has been made towards the development and implementation of *natural disaster mitigation* strategies in respect of

likely or recurring *natural disasters*, the *department* will raise the concerns with the *state*. The *department* may seek a commitment by the *state* to rectify any agreed inadequacies.

- 4.4.4 If the *state* refuses to rectify the inadequacies, the *department* may withhold or reduce the reimbursement amount payable on a *state* claim in respect of a future *natural disaster* of the same type that is an *eligible disaster*.
- 4.4.5 If a *state* wishes to appeal a decision made under subclause 4.4.4, the *state* may write to the *Minister* (under clause 9).

4.5 STATE CAPITAL OR ACCESS TO CAPITAL

- 4.5.1 A *state must* have reasonably adequate capital or access to capital to fund liabilities or infrastructure losses before being granted access to funds under this *determination*, including through, but not limited to, the following mechanisms:
- a) commercial insurance/reinsurance;
 - b) any *state*-COAG reinsurance fund or pool; and
 - c) *state* department premium contributions (i.e. internal *state* funds).
- 4.5.2 *States must* proactively explore a range of insurance options in the market place and assess available options on a cost-benefit basis.
- 4.5.3 The Commonwealth may undertake activities to assure itself that a *state* has made reasonable effort to meet this condition of assistance.

4.6 ADVICE ON STATE ELIGIBLE MEASURES

- 4.6.1 By 1 September each year *states must* provide the Commonwealth with details of all *eligible measures* which may be made available during that *financial year* in response to an *eligible disaster*.
- 4.6.2 All *eligible measures must* be categorised according to the relevant measures listed at subclauses 5.2, 5.3, 5.4 and 5.5.

4.7 QUARTERLY STATE EXPENDITURE AND ESTIMATES REPORTS

- 4.7.1 Each *state must* provide to the *department*, for budgetary purposes, reports of the *state's*:
- a) *state expenditure* and estimated *state expenditure* in the current *financial year* to date; and
 - b) latest estimates of *state expenditure* for the remainder of the current *financial year* and for the next three *financial years*.
- 4.7.2 The *state expenditure* and estimated *state expenditure* reports *must* be provided quarterly or, if the *department* requests, at any other time.
- 4.7.3 The *state expenditure* and estimated *state expenditure* reports *must* be certified by an officer at the level, and in the format, designated by the *department*.
- 4.7.4 The certification *must* be in the form of Attachment B: Estimates Pack.

- 4.7.5 The estimated *state expenditure* must be broken down as follows:
- a) *Category A* measures; and
 - b) *Category B* measures (excluding concessional interest rate loan expenditure); and
 - c) Concessional interest rate loan expenditure; and
 - d) *Category C* measures; and
 - e) *Category D* measures.
- 4.7.6 Any *state expenditure* arising from discretionary Commonwealth agreements (for example, *betterment*, *Category C* or *Category D* measures) must be itemised separately and be described in accordance with the description of each item as agreed by the Commonwealth.
- 4.7.7 The *department* may at any time ask the *state* to provide information, including access to project level information, that the *department* considers necessary to ensure that *state expenditure* and estimated *state expenditure* is in accordance with the principles, conditions, and eligibility rules of this *determination* and its guidelines.

4.8 STATE RECORD KEEPING AND EVIDENTIARY REQUIREMENTS

- 4.8.1 *States* must keep an accurate audit trail for seven (7) years from the end of each *financial year* in which expenditure is claimed by the *state*, or until such time as the claim is acquitted.
- 4.8.2 For assurance purposes the *department* may, at any time, request documentation from *states* to evidence the *state's* compliance with any aspect of this *determination*.
- 4.8.3 Where documentation is requested, *state's* must provide a complete audit trail comprising of physical and/or electronic records that correctly and accurately demonstrate a direct relationship between the activities for which *state expenditure* is claimed, and the *eligible measure*—for example:
- a) visual and geospatial data and information which may include (but is not limited to) satellite images, Google earth images, photographs, video footage
 - i. this type of evidence can be used to support the pre-disaster standard of an *essential public asset*, the post-disaster damage caused as a *direct result* of the *eligible disaster*, including the *betterment* component where applicable, and the condition of the *essential public asset* once the restoration or replacement works have been completed
 - ii. where an *essential public asset* is restored or replaced to its pre-disaster standard in accordance with current building and engineering standards, and through the use of contemporary methodologies and materials, the standard of the eligible *essential public asset* has been enhanced (see Guideline 1 for further details), *states* must be able to demonstrate that the level of enhancement to the eligible *essential public asset* does not amount to restoring or replacing the *essential public asset* to a more disaster-resilient standard than its pre-disaster standard, i.e. *betterment*
 - b) asset inspection and asset maintenance reports and assessments, including but not limited to, asset inspection report(s) conducted or verified by a suitably qualified

professional with the appropriate level of expertise and experience (from either the *state* or local government or a delegated third party), site inspections, design reports and damage assessments

- c) administrative data and documentation including, but not limited to, contract/work orders, timesheets, news articles, e-mail correspondence, funding approval letters, minutes of meetings
- d) financial data and documentation including, but not limited to, tax and/or financial statements, cost-benefit analysis, transaction listings used to reconcile invoices, annual reports, proposals and invoices
- e) grant data and documentation, including but not limited to, grant applications and grant guidelines, and
- f) mitigation strategies, including but not limited to, disaster resilience plans, including action plans, risk profiles and assessments, and flood mapping.

4.8.4 *States must* make available to the *department*, within an agreed timeframe, all documentation relevant to a request by the *department*.

4.8.5 *States must* certify, in Attachment B: Estimates Pack that this documentation will be made available at each estimates quarter and with each audited claim, if requested by the *department*. The certification *must* be in the form of Attachment B: Estimates Pack.

5. RELIEF AND RECOVERY ASSISTANCE MEASURES

5.1 GENERAL REQUIREMENT

5.1.1 For any of the below relief and recovery assistance measures to be an *eligible measure* they *must* be carried out to alleviate damage or distress arising as a *direct result* of an *eligible disaster*.

5.1.2 If *states* are unsure of the eligibility of a relief and recovery activity under this *determination*, *states must* write to the *department* in the form of Attachment H: Eligibility Enquiry Form.

5.2 CATEGORY A MEASURES

5.2.1 A *Category A* measure is one of the following forms of emergency assistance to *individuals*:

- a) emergency food, clothing or temporary accommodation;
- b) repair or replacement of essential items of furniture and personal effects;
- c) essential repairs to housing, including temporary repairs and repairs necessary to restore housing to a *habitable* condition;
- d) demolition or rebuilding to restore housing to a *habitable* condition;
- e) removal of debris from residential properties to make them safe and *habitable*;
- f) extraordinary counter disaster operations for the benefit of an affected *individual*; or
- g) personal and financial counselling.

Further information regarding the types of costs which can be claimed under *Category A* is at Schedule 1.

5.3 CATEGORY B MEASURES

5.3.1 A *Category B* assistance measure is one of the following:

- a) restoration or replacement of an *essential public asset*;
- b) *betterment* of an *essential public asset*;
- c) concessional interest rate loan to *small businesses* or *primary producers* whose assets have been significantly damaged as a *direct result* of an *eligible disaster*;
- d) concessional interest rate loan to a *needy individual* or *non-profit organisation* whose assets have been significantly damaged as a *direct result* of an *eligible disaster*;
- e) concessional interest rate loan to a *small business*, *primary producer* or a *non-profit organisation* which has suffered a significant *loss of income* as a *direct result* of an *eligible disaster*;
- f) interest rate subsidy to *small businesses* or *primary producers* whose assets have been significantly damaged as a *direct result* of an *eligible disaster*;
- g) interest rate subsidy to a *needy individual* or *non-profit organisation* whose assets have been significantly damaged as a *direct result* of an *eligible disaster*;
- h) interest rate subsidy to a *small business*, *primary producer* or a *non-profit organisation* which has suffered a significant *loss of income* as a *direct result* of an *eligible disaster*;
- i) freight subsidy to *primary producers* whose assets have been significantly damaged;
- j) grant to a *needy individual* or *non-profit organisation* whose assets have been significantly damaged as a *direct result* of an *eligible disaster*; or
- k) counter disaster operations for the protection of the general public.

RESTORATION OR REPLACEMENT OF ESSENTIAL PUBLIC ASSETS

5.3.2 An *essential public asset* of an *eligible undertaking* which has been directly damaged or redamaged by an *eligible disaster* can be restored or replaced to its pre-disaster standard, in accordance with current building and engineering standards.

5.3.3 An *essential public asset* is considered to be redamaged if it is directly damaged by an *eligible disaster* and suffers further damage in the same location from a subsequent *eligible disaster* prior to the commencement or completion of eligible restoration or replacement activities in response to the first *eligible disaster*.

5.3.4 Where an *essential public asset* has been redamaged, the costs to restore or replace that *essential public asset* are to be apportioned based on the proportion of damage caused by the first *eligible disaster* and the proportion of damage caused by the subsequent *eligible disaster*.

5.3.5 The relevant *allowable time limit* would apply in relation to the claiming of eligible *state expenditure* which has been apportioned against the first *eligible disaster* and the subsequent *eligible disaster*. Refer to Guideline 1: Essential Public Asset Restoration or Replacement for further details.

- 5.3.6 *States must request the department's agreement that an asset is an essential public asset within a reasonable time of commencing any essential public asset restoration or replacement activity estimated to cost \$1 000 000 or more using the form at Attachment C: Essential Public Assets Approval Form.*
- 5.3.7 A condition of assistance for restoration or replacement of an *essential public asset* is:
- a) the *state* has developed and implemented *natural disaster mitigation* strategies in respect of likely or recurring *natural disasters*, and has also encouraged local governments to develop and implement such strategies (these strategies may have been developed by Commonwealth, *state* or local government); and
 - b) if the *state's* assistance is for the restoration or replacement of an *essential public asset* of a local government, and the local government has not developed and implemented appropriate *natural disaster mitigation* strategies in respect of likely or recurring *natural disasters*—the assistance the *state* would otherwise have given to the local government is reduced by 10 per cent.

EXTENSIONS TO THE ALLOWABLE TIME LIMIT

- 5.3.8 *States may submit a request to the department for an extension to the allowable time limit for the restoration or replacement of an essential public asset where there are special circumstances.*
- 5.3.9 Requests received after the *allowable time limit* has expired will not be considered by the *department*.
- 5.3.10 The request *must* be in the form of Attachment D: Request for Extension to the Allowable Time Limit Form.
- 5.3.11 *States* may submit a request at any time but, the *department* will only consider the request after 30 June and 30 November each year, in line with the Federal Budget cycle.
- 5.3.12 All extensions to the *allowable time limit* which result in a change (positive or negative) in the Commonwealth's financial liability *must* be approved by the Commonwealth.
- 5.3.13 The requesting *state must* not cease the restoration or replacement of the *essential public asset* pending the outcome of the Commonwealth's consideration.
- 5.3.14 The *department* will notify the *state* in writing, within a reasonable timeframe, once the outcome of the request for an extension to the *allowable time limit* is known.

BETTERMENT

- 5.3.15 *Betterment* of an *essential public asset* may be funded under this *determination* if:
- a) the *state* submits a *betterment* proposal to the *department*, in the form of Attachment E: Betterment Proposal; and
 - b) the *department* is satisfied with the cost effectiveness of the proposal; and
 - c) the *department* is satisfied that the increased disaster-resilience of the asset will mitigate the impact of likely or recurring *natural disasters* of the same type.

- 5.3.16 A *betterment* proposal which results in a change (positive or negative) in the Commonwealth's financial liability *must* be approved by the Commonwealth.
- 5.3.17 A *betterment* project may be subject to an extension to the *allowable time limit* (see subclauses 5.3.8–5.3.14).

CONCESSIONAL INTEREST RATE LOANS

- 5.3.18 In response to an *eligible disaster*, eligible applicants *must* only receive a concessional interest rate loan or an interest rate subsidy. The *state* will assess the types of assistance to be provided to the eligible applicants. See sub-clauses 5.3.32–5.3.40 for interest rate subsidies.
- 5.3.19 A concessional interest rate loan *must* be made directly from the *state* to the eligible applicant.

Concessional interest rate loan to small businesses or primary producers whose assets have been significantly damaged as a direct result of an eligible disaster

- 5.3.20 For an applicant to be eligible, the *state must* be satisfied that:
- a) the applicant's assets (including fodder) have been significantly damaged as a *direct result* of an *eligible disaster*; and
 - b) the applicant's *small business or primary producer* operation was viable prior to the *eligible disaster* and the assistance will ensure it continues to be viable. The *state* should implement *appropriate assessment methods* to establish past and future *long-term viability*; and
 - c) the applicant is continuing or is to re-establish the *small business or primary producer* operation within the same location, or within the same local government area.
- 5.3.21 The principal loan amount is to be established by the *state*.

Concessional interest rate loan to needy individuals or non-profit organisations whose assets have been significantly damaged as a direct result of an eligible disaster

- 5.3.22 For an applicant to be eligible, the *state must* be satisfied that:
- a) the applicant's assets have been significantly damaged as a *direct result* of an *eligible disaster*; and
 - b) the applicant has no alternative funding source to rectify the damage and has used any available insurance prior to seeking assistance. This could be any available insurance or funding received from government disaster programs which are not linked to the *eligible measures* or a loan from a financial institution. The *state* should implement *appropriate assessment methods* to determine if the applicant has sought alternative funding.
- 5.3.23 The principal loan amount is up to \$100 000 to any one eligible applicant.
- 5.3.24 In addition to the loan, an applicant can also receive a grant (see subclauses 5.3.42–5.3.43).

Concessional interest rate loans to a small business, primary producer or a non-profit organisation that has suffered a significant loss of income as a direct result of an eligible disaster

5.3.25 For an applicant to be eligible, the *state must* be satisfied that:

- a) the applicant has suffered a significant *loss of income* as a *direct result* of an *eligible disaster*; and
- b) the applicant's *small business, primary producer or non-profit organisation* operation was viable prior to the *eligible disaster* and the assistance will ensure it continues to be viable. The *state* should implement *appropriate assessment methods* to establish past and future *long-term viability*; and
- c) the applicant is continuing or is to re-establish the *small business, primary producer or non-profit organisation* operation within the same location, or within the same local government area.

5.3.26 The concessional interest rate loan for a significant *loss of income* may be used for essential *working capital*.

5.3.27 The principal loan amount is up to \$100 000 to any one applicant.

5.3.28 The repayment term for the loan amount is up to ten (10) years with the ability to offer interest only for a period of up to two (2) years.

Calculation for the concessional interest rate

5.3.29 In setting the *state's* interest rate on concessional interest rate loans in a *financial year*, the *state must* have regard to the following factors:

- a) the *Commonwealth concessional interest rate*; and
- b) the estimated amount required by the *state* to cover the costs of establishing and maintaining the loan arrangements, including undertaking recovery action and *bad debts*.

5.3.30 If the *state* charges a margin above the rate established in clause 5.3.29, the *state must* pay to the Commonwealth, on or before 15 June in each successive year until maturity of the loan, an amount equal to three quarters of the associated margin on the value of the concessional interest rate loan balance.

5.3.31 The *state must* review the interest rate charged to eligible applicants from time to time, making adjustments where appropriate to accommodate any improvement in the circumstances of the eligible applicant.

For example, the interest rate charged by the *states* on concessional loans in 2014-15 is 1.25 per cent. This is based on:

- 50 per cent of the 10 year Treasury bond rate from 1 April to 30 June for the preceding *financial year* (*Commonwealth concessional interest rate*). In 2013-14 the average rate for the period was 2.0 per cent, resulting in a 1.0 per cent *Commonwealth concessional interest rate*; and
- the states determining that 0.25 per cent is an applicable rate to cover the cost of establishing and maintaining the loan arrangements, including recovery and *bad debts*.

However, if the *state* charges an additional rate above this, say 0.25 per cent, then the *state must* pay three-quarters of this margin or 0.19 per cent to the Commonwealth on or before 15 June in each successive year of the loan period or until the rate is returned to 1.25 per cent.

It is important that the *states* document how they determine the rate to cover the cost of establishing and maintaining the loan arrangements, including recovery and *bad debts*. The *states* should provide this to the Commonwealth when setting the concessional interest rate loans each *financial year* in line with clause 7.1.

INTEREST RATE SUBSIDIES

5.3.32 In response to an *eligible disaster*, eligible applicants can only receive a concessional interest rate loan or an interest rate subsidy. The *state* will assess the type of assistance to be provided. See sub-clause 5.3.18–5.3.28 for concessional interest rate loans.

5.3.33 Requirements for an interest rate subsidy scheme are:

- a) applicants *must* apply to the *states* who assess eligibility;
- b) the *state* will issue a letter to eligible applicants, which they provide to a *participating authorised deposit taking institution* (ADTI);
- c) the ADTI assesses the eligible applicant against lending guidelines developed by the *state* under this scheme;
- d) the subsidy is paid by the *state* to the ADTI; and
- e) the subsidy reimburses the ADTI for the interest rate it gives on the loan.

Interest rate subsidies to a small business or primary producer whose assets have been significantly damaged as a direct result of an eligible disaster

5.3.34 For an applicant to be eligible, the *state must* be satisfied that:

- a) the applicant's assets (including fodder) have been significantly damaged as a *direct result* of an *eligible disaster*.
- b) the applicant's *small business or primary producer* operation was viable prior to the *eligible disaster* and the assistance will ensure it continues to be viable. The *state* should implement *appropriate assessment methods* to establish past and future *long-term viability*; and
- c) the applicant is continuing or is to re-establish the *small business or primary producer* operation within the same location, or within the same local government area.

5.3.35 The maximum principal loan amount which qualifies for an interest rate subsidy is to be established by the *state*.

Interest rate subsidies to a needy individual or a non-profit organisation whose assets have been significantly damaged as a direct result of an eligible disaster

5.3.36 For an applicant to be eligible, the *state must* be satisfied that:

- a) the applicant's assets have been significantly damaged as a *direct result* of an *eligible disaster*; and
- b) the applicant has no alternative funding source to rectify the damage and has used any available insurance prior to seeking assistance. This could be any available insurance or funding received from government disaster programs which are not linked to the *eligible measures* or a loan from a financial institution. The *state* should implement *appropriate assessment methods* to determine if the applicant has sought alternative funding.

5.3.37 The maximum principal loan amount which qualifies for an interest rate subsidy is to be established by the *state*.

Interest rate subsidy to a small business, primary producer or a non-profit organisation that has suffered a significant loss of income as a direct result of an eligible disaster

5.3.38 For an applicant to be eligible, the *state must* be satisfied that:

- a) the applicant has suffered a significant loss of income as a *direct result* of an *eligible disaster*; and
- b) the applicant's *small business, primary producer* or a *non-profit organisation* operation was viable prior to the *eligible disaster* and the assistance will ensure it continues to be viable. The *state* should implement *appropriate assessment methods* to establish past and future *long-term viability*; and
- c) the applicant is continuing or is to re-establish the *small business, primary producer* or *non-profit organisation* operation within the same location, or within the same local government area.

5.3.39 The maximum principal loan amount from the ADTI which qualifies for an interest rate subsidy is \$100 000.

5.3.40 The repayment term for the loan amount from the ADTI is up to ten (10) years with the ability to offer interest only for the first two (2) years.

FREIGHT SUBSIDY TO A PRIMARY PRODUCER

5.3.41 The requirements for a freight subsidy scheme to a *primary producer* are:

- a) the grant is made by the *state* to a *primary producer*; and
- b) the grant reimburses the *primary producer* a maximum of 50 per cent of the costs to the producer of transporting any of the following as a *direct result* of the *eligible disaster*:
 - i. livestock;
 - ii. fodder or water for livestock; or
 - iii. building or fencing equipment or machinery.

GRANT TO A NEEDY INDIVIDUAL OR NON-PROFIT ORGANISATION

5.3.42 For an applicant to be eligible, the *state must* be satisfied that:

- a) the applicant's assets have been significantly damaged as a *direct result* of the *eligible disaster*; and
- b) the applicant has no reasonable prospect of obtaining commercial finance.

5.3.43 A maximum grant of \$10 000 for *non-profit organisations* and \$5 000 for *needy individuals* (subject to means testing) is available to any one applicant.

COUNTER DISASTER OPERATIONS FOR THE PROTECTION OF THE GENERAL PUBLIC

5.3.44 The requirements for counter disaster operations referred to in subclause 5.3.1(k) are:

- a) the costs are associated with counter disaster operations carried out to protect communities from the *eligible disaster* and ensure public health and safety in public areas; and
- b) the costs exceed the costs which a *state* could reasonably have expected to incur for these purposes, in accordance with the definition of extraordinary costs as outlined in Guideline 2: Counter Disaster Operations; and
- c) the operations carried out were intended to reduce the need for other forms of assistance under this *determination* (i.e. to reduce *state expenditure* on other *eligible measures*).

5.4 CATEGORY C MEASURES

- 5.4.1 A *Category C* measure is a community recovery package designed to support a holistic approach to the recovery of regions, communities or sectors severely affected by an *eligible disaster*.
- 5.4.2 The cost-sharing ratio between the Commonwealth and the *state* for each *Category C* measure of assistance is equal—50/50.
- 5.4.3 The package may comprise one or more of the following:
 - a) **A community recovery fund** in circumstances where a community is severely affected and needs to restore social networks, community functioning and community facilities. Expenditure from the fund is aimed at community recovery, community development and community capacity building, and is administered by the *state* in close collaboration with local government or other community bodies.
 - b) **Recovery grants for small businesses and non-profit organisations** where the business sector is severely affected and the community risks losing essential businesses. Grants are aimed at covering the cost of clean-up and *reinstatement*, but not at providing compensation for losses.
 - c) **Recovery grants for primary producers** where the farming sector is severely affected, with threats to viability and disruption of production likely to extend beyond the current season. Grants to *primary producers* are aimed at covering the cost of clean-up and *reinstatement*, but not at providing compensation for losses.
- 5.4.4 In order to receive a *Category C* measure in relation to an *eligible disaster*, the recovery assistance *must* meet the following conditions:
 - a) it either meets the intent of the community recovery package, or it contains only variations which have been approved by the *Minister* in writing; and
 - b) the use of that assistance has been approved by the Prime Minister in writing in relation to the *eligible disaster*; and
 - c) it meets any other terms and conditions imposed by the Commonwealth in writing.
- 5.4.5 A *Category C* request *must* be made in the form of Attachment F: Category C Request Form completed by the *state* and submitted with a covering letter to the Prime Minister for consideration.
- 5.4.6 The value of a community recovery fund under subclause 5.4.3(a) will be determined at the time of the assistance being approved by the Prime Minister.

- 5.4.7 Grants made under subclauses 5.4.3(b) and 5.4.3(c) *must* not exceed \$10 000, unless exceptional circumstances are identified, in which case up to \$25 000 may be granted.
- 5.4.8 Refer to Guideline 3: Category C Interim Assessment Framework for further details.

5.5 CATEGORY D MEASURE

- 5.5.1 A *Category D* measure is an act of relief or recovery carried out to alleviate distress or damage in circumstances which are, in the opinion of the *Minister*, exceptional.
- 5.5.2 In order to receive a *Category D* measure in relation to an *eligible disaster*, the assistance *must*:
- a) be approved by the Prime Minister in writing in relation to the *eligible disaster*, and
 - b) meet any other terms and conditions imposed by the Commonwealth in writing.
- 5.5.3 A *Category D* request *must* be made in writing and submitted with a covering letter to the Prime Minister, and should include information in relation to the following:
- a) the nature of the impact of the *eligible disaster*
 - i. dates of the *eligible disaster*
 - ii. *natural disaster* type and intensity, for example, a Category 5 Cyclone, or 1 in 100 year flood
 - iii. affected locations, including communities/regions
 - iv. frequency of *natural disasters* within the affected locations
 - v. impacts in the social, built, economic and environmental domains. For example:
 - 1. Social – number of fatalities, disruption to essential utilities and services
 - 2. Built – number of houses damaged/destroyed, damage to transport networks
 - 3. Economic – *small business* closures, agricultural losses
 - 4. Environmental – pollution/contamination issues, impacts on native habitats
 - b) the communities that have been affected
 - c) the assistance already available to support affected communities and sectors
 - i. type and level of assistance available under other *eligible measures* of this *determination*
 - d) the need for additional support to be provided
 - i. advice regarding the specific recovery needs facing affected communities
 - ii. evidence demonstrating the recovery needs are a *direct result* of the *eligible disaster*
 - iii. details about the assistance measures being requested, including the intended recovery outcomes, the administering agencies and a detailed costings breakdown
 - e) the consultation process which has taken place
 - i. advice about who the *state* has consulted with to identify the need for the *Category D* request.

- 5.5.4 The cost-sharing ratio between the Commonwealth and the *state* for each *Category D* measure of assistance is at the Commonwealth's discretion, but may be guided by the *state*.

6. CLAIMING

6.1 TYPE AND TIMING OF PAYMENTS FROM THE COMMONWEALTH

- 6.1.1 Payments are generally made after the *state* has submitted an audited claim for financial assistance. However, the Commonwealth may provide advance payments if the *Minister* is satisfied that exceptional circumstances exist. The Commonwealth may also pre-pay a claim prior to audit (general claim) or pre-pay a *state* for a specific activity, for example, activities agreed under *Category D* of this *determination*.

6.2 DETERMINING THE AMOUNT OF COMMONWEALTH FINANCIAL ASSISTANCE

- 6.2.1 The amount of Commonwealth financial assistance to a *state* in relation to a *financial year* is worked out on the basis of:
- a) *state expenditure* in that year; and
 - b) the extent to which the *state expenditure* has exceeded its first and second *thresholds* in that year; and
 - c) the set rates and maximum values of assistance for all measures, as defined in this *determination* and/or as agreed by the Commonwealth.
- 6.2.2 The *department* must inform the *states*, in writing, of their respective *thresholds* as soon as possible following the release of the figures from the Australian Bureau of Statistics.

RATES OF ASSISTANCE BY CATEGORY OR MEASURE

- 6.2.3 The rate of Commonwealth assistance that may be payable in a *financial year* on *Category A* and *Category B* *state expenditure* (excluding *betterment*) is calculated as:
- a) if *state expenditure* does not exceed the *state's* first *threshold*, then:
 - i. *Category A*: 50 per cent; and
 - ii. *Category B*: zero; or
 - b) if *state expenditure* exceeds the *state's* first *threshold*, then:
 - i. *Categories A* and *B*: 50 per cent between a *state's* first and second *threshold*; plus up to 75 per cent of *state expenditure* above the *state's* second *threshold*; and
 - ii. *Category B* *betterment*: 50 per cent (for which relevant *state expenditure* may be capped).
- 6.2.4 Commonwealth assistance with respect to *Category B* concessional interest rate loan measures is provided in the form of a concessional interest rate loan from the Commonwealth to the *state*. The rate of Commonwealth assistance is as defined at clause 6.2.3. The formula to determine separately the value of the Commonwealth's loan is at subclauses 6.3.1 – 6.3.4.

- 6.2.5 The amount of Commonwealth assistance in relation to a *financial year* on *Category C* state expenditure is to be calculated at the rate of 50 per cent (for which *state expenditure* on *Category C* measures may be capped).
- 6.2.6 The amount of Commonwealth assistance during a *financial year* on *Category D* measures is to be calculated at the rate determined by the Commonwealth.
- 6.2.7 If the *state's* first *threshold* has been exceeded but 50 percent of both *Category A* and *Category C* results in a higher reimbursement to the *state*, the *state* may choose to take the higher reimbursement.

6.3 FORMULA TO DETERMINE THE VALUE OF THE COMMONWEALTH LOAN TO A STATE

- 6.3.1 When the *states* provide concessional interest rate loans for *Category B* and *Category D* measures, a portion of Commonwealth financial assistance to the *state* will be provided as a loan. The Commonwealth loan is subject to the *thresholds* or the applicable cost sharing agreements.
- 6.3.2 The value of the Commonwealth loan to a *state* is calculated using the following formula:

CL = (CA – (50% X SEAC)) X (SLB / (SE – SEAC)) where:

- CL = the value of the Commonwealth loan to that *state* in respect of that *financial year*
- CA = total Commonwealth assistance to the *state*, as calculated under clause 6.2
- SEAC = *state expenditure* on *Category A* and *Category C* measures
- SLB = total *Category B* loans made by the *state* during that *financial year* under subclauses 5.3.18—5.3.40
- SE = total *state expenditure* during that *financial year* on all measures

To demonstrate how the formula at 6.3.2 works, the following example is provided. The assumptions used are for illustrative purposes only:

- Total *state expenditure* is \$21 million, made up of \$15 million on *Category A* and *Category C* measures and \$6 million of *Category B* measures, including \$0.1 million in *Category B* loans.
- The first *threshold* is \$7.5 million and the second *threshold* is \$13.13 million (or 1.75 times the first *threshold*).
- Commonwealth financial assistance (CA) would be \$8.7 million based on clause 6.2:
 - \$2.8 million (50 per cent) of *state expenditure* in-excess of first *threshold*; and
 - \$5.9 million (75 per cent) of *state expenditure* in excess of the second *threshold*.
- (50% x SEAC) - \$7.5 million where total *state expenditure* in *Category A* and *Category C* is equal to \$15 million

The value of the Commonwealth loan would be:

Commonwealth Loan CL = (CA – (50% x SEAC)) x (SLB / (SE - SEAC))
 CL = (\$8.7 million – (50% x \$15 million)) x (\$0.1 million / (\$21 million - \$15 million))
 CL = (\$8.7 million - \$7.5 million) x (\$0.1 million / \$6 million)
 CL = \$1.2 million x 0.01666666
 CL = \$0.02 million

- 6.3.3 Where Commonwealth loans are provided under *Category D* (clause 5.5), they are subject to either fixed cost share agreements or *thresholds*. In the instance of cost share agreements, the applicable cost share agreement will be applied to the total *state expenditure* in respect of *Category D* loans. Where *Category D* loans are subject to the *thresholds*, the value of the Commonwealth loan to a *state* is calculated using the following formula:

CL = (CA - (50% X SEAC)) x (SLD / (SE - SEAC)) where:

- CL = the value of the Commonwealth loan to that *state* in respect of that *financial year*
- CA = total Commonwealth assistance to the *state*, as calculated under clause 6.2
- SEAC = *state expenditure* on *Category A* and *Category C* measures
- SLD = total *Category D* loans made by the *state* during that *financial year* under clause 5.5
- SE = total *state expenditure* during that *financial year* on all measures

6.3.4 The calculation for the Commonwealth loan amount for *Category D* loans made by the *states* is in addition to the application of the formula outlined in subclause 6.3.2.

6.4 CONCESSIONAL INTEREST RATE CHARGED BY THE COMMONWEALTH

- 6.4.1 A loan to a *state* is subject to the *Commonwealth concessional interest rate* determined by the *department* at the beginning of each *financial year*. The *department* will inform the *states* of the interest rate in a reasonable timeframe following the release of the data by the Reserve Bank of Australia.
- 6.4.2 The applicable *Commonwealth concessional interest rate* applies to all outstanding Commonwealth loans to a *state* issued under this *determination*.
- 6.4.3 A *state's* repayment term for the concessional loan is up to ten (10) years with the first two (2) years being interest only.
- 6.4.4 The principal of a loan to a *state* is repayable to the *department* in eight (8) equal annual instalments. Principal repayments *must* be paid to the *department* on or before 15 June in each *financial year* commencing in the *financial year* after the interest only period.
- 6.4.5 Interest on a loan to a *state* begins to accrue following the end of the *financial year* in which the *department* made the loan. The annual interest payable is calculated on the balance of outstanding loans at the beginning of each *financial year*. Interest *must* be paid to the Commonwealth on or before 15 June in each year the interest is due.

CALCULATION FOR THE INTEREST RATE SUBSIDY CLAIMABLE FROM THE COMMONWEALTH

- 6.4.6 The interest rate subsidy which *states* claim from the Commonwealth *must* be the lesser of:
- a) the *Commonwealth concessional interest rate*; or
 - b) 50 per cent of the actual (commercial) interest amount charged by the ADTI.

6.5 AUDITED CLAIMS

- 6.5.1 If a *state* has notified the *department* of the occurrence of an *eligible disaster* under subclause 4.2, the *state* may submit a claim to the *department* for financial assistance in respect of *state expenditure* for that *eligible disaster*.
- 6.5.2 *State expenditure* in each *financial year* *must* be audited. The *state*-appointed auditor is required to attest that the *state's* claim is in accordance with the principles, conditions, and

eligibility rules of this *determination* and its guidelines, and any applicable *state* and Commonwealth agreements made in relation to this *determination*.

- 6.5.3 On request from the *department*, the *state* appointed-auditor *must* be available to the *department* or its auditor for consultation on the audited claim.
- 6.5.4 The audit and audited claim documentation *must* take account of any advance payments, general claim payments or pre-payments already paid by the *department* to the *state*, as well as any conditions associated with those payments.
- 6.5.5 The audited claim *must* be in the form of Attachment G: Claim Pack and *must* be certified by the Auditor-General of that *state* (or his or her delegate).
- 6.5.6 The audited claim *must* be submitted to the *department* within nine (9) months after the end of the *financial year* in which the expenditure to which it relates took place.
- 6.5.7 If the *state* is unable to comply with the submission date as specified in subclause 6.5.6 with respect to all or part of the *state expenditure* in the *financial year* due to be claimed from the Commonwealth, it *must* write to the *department* requesting an extension of time as specified in subclauses 4.1.2–4.1.4. The *department* may apply terms and conditions on the *state* with respect to any agreement.
- 6.5.8 If the *state* submits a claim later than the nine (9) months specified in subclause 6.5.6 for which it did not request an extension of time from the *department*, the *department* may refuse the claim.

6.6 GENERAL CLAIMS

- 6.6.1 In some circumstances, the *department* may permit a *state* to submit a general claim for payment prior to the *state* submitting the audited claim.
- 6.6.2 Each general claim *must* be supported by a statement certified by the head of either the *state* Treasury or the *state* agency which has primary financial responsibility for administering this *determination*.
- 6.6.3 The statement *must* be in the form set out in Attachment G: Claim Pack.
- 6.6.4 The *state must* submit an audited claim in support of the general claim in accordance with clause 6.5.

To demonstrate how the amount actually spent or costs incurred work, in the context of *state expenditure*, and for the purposes of audited claims (clause 6.5) and general claims (clause 6.6), the following examples are provided. The assumptions used are for illustrative purposes only:

The *determination* establishes the amount, type, and timing of financial assistance the Commonwealth will provide to the *states*. The Commonwealth reimburses the *state* for the expenditure the *state* (and its agencies) incurs as a *direct result* of an *eligible disaster* and has established *thresholds* that dictate the amount of assistance provided. *States* are required to submit an audited claim to support the amount of Commonwealth assistance sought under the *determination*.

States can incur expenditure associated with an *eligible disaster* up to 24 months after the end of the *financial year* in which the *eligible disaster* occurred (*allowable time limit*). *States* are required under this *determination* to submit a claim within nine (9) months after the end of each *financial year* in which the *state* (and its agencies) expend against *eligible measures* across the *allowable time limit*.

For example:

- An *eligible disaster* occurs in January 2015 (2014–15 *financial year*) and the relevant local government carries out eligible restoration works during the period from March to June 2015 (2014–15 *financial year*).
- However, the local government does not invoice the *state* government for the costs of the reconstruction works until July 2015 (2015–16 *financial year*) and payment by the *state* is not made until August 2015 (2015–16 *financial year*).

In this example, the amount paid by the *state must* be included in the 2014–15 NDRRA claim for that *state* (to be submitted by March 2016 – 9 months after the end of each *financial year* in which the *state* (and its agencies) expend against *eligible measures* across the *allowable time limit*), as this was the *financial year* in which the eligible restoration works were undertaken. In other words, regardless of when the *state* makes the payment, the costs *must* be claimed against the *financial year* in which the eligible restoration works were undertaken.

7. CLAIM ACQUITTAL AND PAYMENT

7.1 SUPPORTING INFORMATION

- 7.1.1 The *department* may at any time ask the *state* to provide information, including access to project level information, which the *department* considers necessary to ensure that acquittal of a claim is in accordance with the principles, conditions, and eligibility rules of this *determination* and its guidelines.
- 7.1.2 A *state must* provide the information requested by the *department* within one (1) month of the request.
- 7.1.3 If a *state* elects not to provide all or part of the information requested, the *department* may:
- a) withhold acquittal or payment of all or part of the claim;
 - b) refuse to acquit or pay the whole claim; or
 - c) remove the expenditure in question from the claim and reimburse the *state* based on the residual *state expenditure*.

7.2 INELIGIBLE OR UNSUBSTANTIATED EXPENDITURE

- 7.2.1 If any information provided by a *state*, including by a *state*-appointed auditor, or identified by the *department* indicates that any part of the *state expenditure* claimed is inconsistent with this *determination* or any other relevant Commonwealth decision, the expenditure in question will be removed from the claim.
- 7.2.2 If the eligibility of any *state expenditure*, in the opinion of the *department*, is not adequately substantiated by the *state*, the expenditure in question will be removed from the claim.
- 7.2.3 The *department* may appoint an independent expert to advise on the matter in question.
- 7.2.4 The *department* will notify the *state* within a reasonable timeframe, where expenditure has been removed from a claim.

7.3 DIFFERENCE BETWEEN ADVANCE PAYMENT, PRE-PAYMENT OR GENERAL CLAIM AND AMOUNT DUE TO BE ACQUITTED OR PAID

- 7.3.1 If:
- a) the *department* has refused to acquit all or part of a *state's* claim that is subject to an advance payment, general claim payment or pre-payment (for example, in the case of *Category D* measures), the difference between the amount paid and the amount acquitted may be recovered from the *state*; or
 - b) an audited financial statement provided by a *state*, with respect to an advance payment, general claim payment or pre-payment, reveals a difference between the amount of assistance provided and the amount of assistance calculated under this *determination*, the amount is due and payable (by the *state*, or by the Commonwealth, as the case requires) within two (2) months after the *department* notifies the *state* of the difference.
- 7.3.2 The *department* may choose to offset any amount to be recovered from the *state* against any known liability due to be paid to the *state* over the forward Federal budget estimates. *State* estimates *must* reflect any reduction made in the relevant year.

8. COMMONWEALTH MAY UNDERTAKE ASSURANCE ACTIVITIES

- 8.1.1 The *department* may undertake assurance activities, to reconcile audited claims made under this *determination*, at any time, if a *state* has notified the *department* of an *eligible disaster*.
- 8.1.2 These assurance activities may include, but are not limited to:
- audit;
 - site inspections;
 - obtaining relevant documentary evidence to support assurance activities; or
 - verification reviews on measures or projects.
- 8.1.3 *States* may be required to provide documentation (see subclause 4.8 for further details) to support any assurance activities.

8.1.4 The *department* may appoint an independent expert to conduct these activities.

9. APPEALING A DECISION

9.1 APPEAL TO THE DEPARTMENT OR MINISTER

9.1.1 Where the *department* has made a decision under this *determination* which the *state* does not agree with, a *state* may appeal to the *department* regarding this decision.

9.1.2 If no agreement can be reached between officials of the *state* and the *department*, the matter may then be referred for resolution by the *state* to the *Minister*.

10. MISCELLANEOUS

10.1 GUIDELINES

10.1.1 The *department* may issue guidelines from time to time to:

- a) provide clarification of the interpretation and administration of this *determination*; and
- b) provide assistance and guidance on the forms and procedures to be adopted by the *states* for obtaining payments under this *determination*.

11. SCHEDULES

SCHEDULE 1

CATEGORY A – EMERGENCY ASSISTANCE TO INDIVIDUALS

This schedule outlines the principles of *Category A* assistance, the types of activities which can be undertaken as part of an *eligible measure*, as well as the delivery methods which may be used to provide assistance and includes the eligible costs associated with the delivery of *Category A* measures.

Disasters can cause significant personal hardship and distress for those affected, including through dislocation, loss of personal belongings and damage to homes. While *individuals* are responsible for their own safety and making decisions about appropriate *natural disaster mitigation* strategies (such as insurance), government assistance may be required to support the immediate emergency needs of affected *individuals*. Such assistance, aimed at alleviating personal hardship and distress, may be provided in the form of a *Category A* measure under this *determination*.

11.1 CATEGORY A PRINCIPLES

- *Category A* measures are intended to alleviate personal hardship and distress which is a *direct result* of an *eligible disaster*.
- *Category A* measures are intended to help address the immediate emergency needs of disaster affected *individuals*.
- *Category A* measures are intended to be in the nature of an emergency helping hand—assistance should be targeted to *individuals* who have a genuine need, rather than those who can support/fund their own relief and recovery. As such, *states* may wish to apply appropriate eligibility criteria (including means and/or asset testing) to certain *Category A* measures.
- *Category A* measures can be automatically made available by the *state*, without requiring prior approval from the Commonwealth.
- *States* determine which *Category A* measures to make available following an *eligible disaster*.
- *States* determine the amount/level of *Category A* assistance which should be provided.
- *States* are encouraged to provide the same type and level of assistance to *individuals* who are affected by the same or similar *eligible disasters*.
- *States* are responsible for administering *Category A* measures, including setting the applicable claiming periods, assessing applications and providing assistance to eligible *individuals*.
- Funding for *Category A* is available in relation to the assistance measures (and associated costs) specified in this schedule. Noting that this schedule is not exhaustive.
- *Category A* measures are generally only available for 12 months following an *eligible disaster*. However, they may be available for a longer period depending on the nature and severity of the *eligible disaster*.

- If a *state* wants to claim emergency assistance to *individuals* under *Category A*, it *must* be jointly announced as outlined under clause 4.3, unless otherwise agreed by the Commonwealth.

11.2 SUBCLAUSE 5.2.1 A) EMERGENCY FOOD, CLOTHING OR TEMPORARY ACCOMMODATION

11.2.1 Intent of the measure: This measure is intended to help *individuals* who have been directly affected by an *eligible disaster* and are unable to meet their immediate emergency needs.

11.2.2 Types of eligible assistance: Under this measure, the *state* can claim costs associated with providing the following basic emergency assistance:

- water—for example, providing bottled water and beverages at an evacuation centre
- food—for example, food drops to isolated *individuals* and food provided at an evacuation centre
- clothing—for example, providing basic emergency clothing
- emergency accommodation/shelter—for example, providing short-term accommodation at an evacuation centre or through a service provider, such as a hotel
- transportation for *individuals* who need to travel to emergency accommodation—for example, providing travel vouchers or arranging in-kind transportation for *individuals*
- personal items—for example, providing basic medical supplies and medication

11.2.3 Delivery methods: The above assistance measures may be provided through the following delivery methods:

- cash payments—for example, payments provided by the *state* directly to an *individual*, either in the form of cash or as a direct deposit into a bank account
- vouchers—for example, vouchers for food, accommodation and travel, or
- in-kind—for example, providing water, food and blankets to displaced *individuals* at an evacuation centre or to isolated *individuals* via food drops.

11.2.4 Associated costs: The *state* can claim costs that are directly associated with delivering the above assistance measures, including:

- engaging additional temporary personnel—for example, short-term contractors to assist with providing cash payments (grants) or communications and engagement activities
- engaging service providers—for example, a private accommodation provider (such as a hotel) to provide emergency accommodation
- transportation costs—for example, bus hire and fuel costs associated with transporting displaced *individuals* to temporary accommodation or charter flight costs to supply emergency food to isolated communities
- operational costs—for example, establishing and operating evacuation and recovery centres, including rental charges and power costs for the period a building is operating as an evacuation centre. This also includes establishing facilities for companion animals. It could also include establishing a temporary ‘tent city’ to accommodate displaced *individuals* and certain staffing costs.

NOTE: See definition of *state expenditure* for further information in regard to eligible staffing costs.

11.3 SUBCLAUSE 5.2.1 B) REPAIR OR REPLACEMENT OF ESSENTIAL ITEMS OF FURNITURE AND PERSONAL EFFECTS

11.3.1 Intent of the measure: This measure is intended to help *individuals*, whose homes have been directly affected by an *eligible disaster*, to maintain a basic standard of living by assisting with the replacement of essential household items.

This measure is only intended for *individuals* who have no means of funding the replacement of basic essential household items themselves. As such, *states* may wish to apply appropriate eligibility criteria (including means and/or asset testing) to determine whether this assistance should be provided.

In order to claim reimbursement of the costs associated with this measure, the *state* *must* be able to demonstrate the following:

- the applicant's home has been affected by the *eligible disaster* (i.e. the applicant's principal place of residence is located within the disaster affected area)
- costs relate to the repair or replacement of eligible essential household items (i.e. that the household items being claimed were damaged by the *eligible disaster*), and
- the applicant has utilised any available insurance arrangements prior to seeking assistance.

Refer to clause 4.8 for further information in relation to minimum evidentiary requirements.

11.3.2 Types of eligible assistance: Under this measure, the *state* can claim the costs associated with repairing or replacing the following basic household items:

- cooking utensils—for example, cutlery, pots, pans and microwave oven
- bedding—for example, mattresses, sheets, blankets and pillows
- furniture—for example, beds, chairs and tables
- whitegoods—for example, kettle, refrigerator, freezer, washing machine, stove and vacuum cleaner

11.3.3 Delivery methods: The assistance available under this measure may be provided through the following delivery methods:

- cash payments—for example, payments provided by the *state* directly to an *individual*, either in the form of cash or as a direct deposit into a bank account
- vouchers—for example, vouchers for repairs or the replacement of the above household items, or
- in-kind—for example, by providing the above household items directly to eligible applicants.

11.3.4 Associated costs: The *state* can claim costs which are directly associated with delivering the above assistance, including:

- engaging additional temporary personnel—for example, short-term contractors to assist with assessing applicants and providing payments (grants) or vouchers
- transportation costs—for example, delivery van hire and fuel costs associated with transporting essential household items to eligible applicants
- operational costs—for example, shopfront hire and power costs for the period which in-kind essential household items are being made available to affected *individuals*.

NOTE: See definition of *state expenditure* for further information in regard to eligible staffing costs.

11.4 CLAUSE 5.2.1 C) ESSENTIAL REPAIRS TO HOUSING, INCLUDING TEMPORARY REPAIRS AND REPAIRS NECESSARY TO RESTORE HOUSING TO A HABITABLE CONDITION

11.4.1 Intent of the measure: This measure is intended to help *individuals*, whose homes have been directly damaged by an *eligible disaster*, to undertake essential repairs to their homes to make them safe, *habitable* and secure.

This measure is only intended for *individuals* who have no means of funding essential housing repairs themselves. As such, *states* may wish to apply appropriate eligibility criteria (including means and/or asset testing) to determine whether this assistance should be provided.

In order to claim reimbursement of the costs associated with this measure, the *state* *must* be able to demonstrate the following:

- the damage to the applicant's home was as a *direct result* of the *eligible disaster*
- costs relate to eligible repairs (i.e. that the repairs are associated with direct damage from the *eligible disaster* and are necessary to make the home safe, *habitable* and secure), and
- the applicant has utilised any available insurance arrangements prior to seeking assistance.

Refer to clause 4.8 for further information in relation to minimum evidentiary requirements.

11.4.2 Types of eligible assistance: Under this measure, the *state* can claim the costs associated with the following essential repairs to make housing safe, *habitable* and secure:

- safety inspections—for example, structural integrity and essential services safety checks
- temporary repairs—for example, tarping damaged roofs and covering broken windows
- permanent structural repairs—for example, roof repairs, repairing structural supports and replacing broken windows
- reconnecting essential household services—for example, repairs to water, gas, electricity and sewerage connections.

11.4.3 Delivery methods: The above assistance measures may be provided through the following delivery methods:

- cash payments—for example, payments provided by the *state* directly to an *individual*, either in the form of cash or as a direct deposit into a bank account
- vouchers—for example, vouchers provided by the *state* directly to an *individual* for essential repairs to housing, or
- in-kind—for example, temporary repairs undertaken by the *state* or by a private contractor engaged by the *state*.

11.4.4 Associated costs: The *state* can claim costs which are directly associated with delivering the above assistance, including:

- engaging additional temporary personnel—for example, short-term contractors to assist with assessing applicants and providing payments (grants)

- engaging service providers—for example, a private company to undertake safety checks and repair works
- operational costs—for example, consumable costs (such as tarps, ropes, chains and fuel), transportation costs, vehicle and equipment repairs and servicing and certain staffing costs.

NOTE: See definition of *state expenditure* for further information in regard to eligible staffing costs.

11.5 CLAUSE 5.2.1 D) DEMOLITION OR REBUILDING TO RESTORE HOUSING TO A HABITABLE CONDITION

11.5.1 Intent of the measure: This measure is intended to help *individuals*, whose homes have been destroyed or significantly damaged by an *eligible disaster*, with demolition and rebuilding activities so that they can restore their homes to a safe, *habitable* and secure condition.

This measure is only intended for *individuals* who have no means of funding the demolition and rebuilding activities themselves. As such, *states* may wish to apply appropriate eligibility criteria (including means and/or asset testing) to determine whether this assistance should be provided.

In order to claim reimbursement of the costs associated with this measure, the *state* *must* be able to demonstrate the following:

- the applicant is the owner of the home and it is their principal place of residence
- the damage to the applicant's home was directly from the impacts of the *eligible disaster*
- the applicant is intending to rebuild their home in the same location
- costs relate to eligible demolition or rebuilding activities (i.e. that the demolition or rebuilding activities are associated with damage from the *eligible disaster* and are necessary to restore housing to a safe, *habitable* and secure condition), and
- the applicant has utilised any available insurance arrangements prior to seeking assistance.

Please refer to clause 4.8 for further information in relation to minimum evidentiary requirements.

11.5.2 Types of eligible assistance: Under this measure, the *state* can claim the costs associated with undertaking the following activities:

- demolition of the residential property
- removal of disaster damaged related building materials and debris
- preparing the residential block for the purpose of rebuilding
- rebuilding of the residential home, that is beyond repair and has been demolished, to a condition equivalent to the pre-disaster standard of the damaged home (i.e. to the same size and utility).

11.5.3 Delivery methods: The above assistance measures may be provided through the following delivery methods:

- cash payments—for example, payments provided by the *state* directly to an *individual*, either in the form of cash or as a direct deposit into a bank account,

- vouchers—for example, vouchers provided by the *state* or a local government to households so that households can undertake demolition (where they are beyond repair) and rebuilding (where damage is not beyond repair) activities, or
- in-kind—for example, if the *state* engages a private contractor to undertake demolition or rebuilding activities.

11.5.4 Associated costs: The *state* can claim costs which are directly associated with delivering the above assistance, including:

- engaging additional temporary personnel—for example, short-term contractors to assist with assessing applicants and providing payments (grants)
- engaging service providers—for example, a private company to undertake demolition and rebuilding activities
- demolition or rebuilding related debris removal costs—for example:
 - transportation and disposal costs
 - operations to remove hazardous waste (such as asbestos)
 - establishment of temporary dump sites to accommodate debris removal from homes (including establishment, operation and decommissioning costs).

NOTE: See definition of *state expenditure* for further information in regard to eligible staffing costs.

11.6 CLAUSE 5.2.1 E) REMOVAL OF DEBRIS FROM RESIDENTIAL PROPERTIES TO MAKE THEM SAFE AND HABITABLE

11.6.1 Intent of the measure: This measure is intended to help *individuals* with the removal of disaster related debris from their home to make it safe and *habitable*, and therefore preventing displacement. This measure is not intended to cover non-essential debris removal activities occurring beyond the immediate vicinity of a residential property (i.e. the residential block).

11.6.2 Types of eligible assistance: Under this measure, the *state* can claim the costs associated with the following debris removal activities from residential properties:

- clean-up activities inside and immediately outside a home
- removal of fallen trees and green waste
- removal of flood related debris (such as mud, damaged furniture and whitegoods)
- removal of trees which have become dangerous as a *direct result* of the *eligible disaster*
- removal and disposal of spoiled perishable food
- removal of hazardous material (such as asbestos) which has been exposed as a *direct result* of the *eligible disaster*.
[If, as a *direct result* of the *eligible disaster*, hazardous material that is located immediately beyond the residential block is causing potential health and safety risks for the resident(s) it is also eligible to be removed]
- removal of disaster damaged related building material debris (such as tiles, bricks and broken glass)
- removal of septic waste
- clearing blocked drains, guttering and downpipes.

11.6.3 Delivery methods: The assistance available under this measure may be provided through the following delivery methods:

- cash payments—for example, payments provided by the *state* directly to an *individual*, either in the form of cash or as a direct deposit into a bank account
- vouchers—for example, vouchers provided by the *state* or a local government to households so that households can dispose of disaster related debris at a dumpsite, or
- in-kind—for example, debris removal activities being undertaken by a local government or by a private contractor engaged by the *state*.

11.6.4 Associated costs: The *state* can claim costs which are directly associated with delivering the above assistance, including:

- engaging service providers—for example, a private company to undertake debris removal activities
- debris removal costs—for example:
 - transportation and disposal costs
 - operations to remove hazardous waste (such as asbestos)
 - establishment of temporary dump sites to accommodate debris removal from the home (including establishment, operation and decommissioning costs)
- hiring additional specialised cleaning machinery (including hire, transport and operation/running costs)—for example, pressure hoses
- replacement of consumable items—for example, chainsaw chains and fuel
- certain staffing costs—for example, overtime and allowances waived (foregone) revenue—for example, if a local council allows households to dispose of disaster related debris free of cost as a council owned dumpsite.

NOTE: See definition of *state expenditure* for further information in regard to eligible staffing costs.

11.7 CLAUSE 5.2.1 F) EXTRAORDINARY COUNTER DISASTER OPERATIONS FOR THE BENEFIT OF AN AFFECTED INDIVIDUAL

11.7.1 Intent of the measure: This measure is intended to provide assistance to *individuals* who are under threat from, or who have been directly affected by, an *eligible disaster*.

In order to claim reimbursement of the costs associated with this measure, the *state must* be able to demonstrate that the costs are ‘extraordinary’ in accordance with the following advice:

‘Extraordinary’ CDO costs

The method in which a *state* determines normal funding allocations for counter disaster operations (CDO) activities is a matter for the *state*. However, to claim costs associated with *Category A* CDO, a *state must* be able to demonstrate that the costs:

- exceed the costs which a *state* could reasonably have expected to incur for these purposes (for example, ‘extraordinary’ CDO costs may be demonstrated by a *state* disaster response agency seeking supplementary funding, over and above normal funding allocations, through *state* budget processes or if a local government is required to engage additional personnel to undertake eligible CDO activities), and
- relate to eligible CDO activities.

11.7.2 Types of eligible assistance: Under this measure, the *state* can claim the extraordinary costs associated with the following CDO assistance directly to an *individual*:

- search and rescue operations
- evacuation of threatened/affected people (including companion animals)
- sandbagging and/or the construction of portable temporary levees/flood barriers to prevent inundation of residential properties
- bushfire response activities to directly assist an *individual*
- tree bracing to protect damage to residential properties
- rapid damage assessments on residential properties
- residential water safety testing
- cleaning and refilling residential potable water systems
- cleaning and refilling residential septic tanks to make them operational
- establishment of temporary access routes to allow *individuals* to return home
- establishment of temporary access routes required to undertake the above activities.

11.7.3 Delivery methods: The assistance available under this measure may be provided through the following delivery methods:

- cash payments—for example, payments provided by the *state* directly to an *individual*, either in the form of cash or as a direct deposit into a bank account
- vouchers—for example, vouchers provided by the *state* or a local government to *individuals* so that they can have their water tested, or
- in-kind—for example, CDO activities being undertaken by a *state* agency, a local government or a private contractor engaged by the *state*.

11.7.4 Associated costs: The *state* can claim costs which are directly associated with delivering the above assistance, including:

- engaging service providers—for example, a private company to undertake tree bracing activities
- non-capital expenses incurred while undertaking eligible CDO activities including tarpaulins, ropes, chainsaw chains, fuel and fire retardant
- transportation of labour, equipment and materials to perform eligible CDO activities
- hire of additional plant and equipment, other than aerial firefighting aircraft
- vehicle or equipment repairs and additional servicing required as a direct consequence of an eligible CDO activity
- staffing costs, including for volunteers and interstate personnel
- restoring assets directly damaged during eligible CDO activities—for example, repairing fencing that was damaged when establishing bushfire containment lines
- resupply of water on residential properties that have been used for eligible firefighting activities, and
- cleaning up debris which resulted from an eligible CDO activity.

NOTE: See definition of *state expenditure* for further information in regard to eligible staffing costs. Further information regarding CDO assistance is at Guideline 2: Counter Disaster Operations.

11.8 CLAUSE 5.2.1 G) PERSONAL AND FINANCIAL COUNSELLING

11.8.1 Intent of measure: This measure is intended to help *individuals* who are suffering personal hardship and distress as a *direct result* of an *eligible disaster* by providing them with personal and financial counselling in the immediate aftermath of the *eligible disaster*.

11.8.2 Types of eligible assistance: Under this measure, the *state* can claim the costs associated with the following activities:

- assessing the financial, personal, emotional and psychological needs of disaster affected *individuals* and families
- offering specialised *individual* or group counselling services to those suffering the effects of the *eligible disaster*
- providing information about the range of assistance measures available to disaster affected *individuals* and liaising with disaster assistance delivery agencies
- undertaking outreach strategies to provide *eligible measures* in remote and regional disaster affected communities
- assisting with disaster related claims to insurance companies
- providing referrals to specialist financial, legal and psychological services regarding disaster and non-disaster related matters.

NOTE: Personal and financial counselling assistance *must* have a direct disaster recovery focus to be considered eligible under this *determination*.

11.8.3 Delivery methods: The above assistance measures may be provided through the following delivery methods:

- cash payments—for example, payments provided by the *state* directly to an *individual*, either in the form of cash or as a direct deposit into a bank account
- vouchers—for example, vouchers to attend counselling services, or
- in-kind—for example, counselling services provided by the *state* agency (such as through the *state* department of human services or an equivalent agency) or by a private service provider engaged by the *state*.

11.8.4 Associated eligible costs: The *state* can claim costs which are directly associated with delivering the above assistance, including:

- engaging additional temporary personnel—for example:
 - short-term contractors to assist with assessing applicants and providing payments (grants) or vouchers
 - contract counsellors to provide counselling to affected *individuals*
- engaging service providers—for example, a specialist counselling organisation
- transportation costs—for example, car hire, fuel and accommodation for counsellors undertaking outreach
- publication/printing costs associated with providing disaster specific counselling information to affected *individuals*
- certain staffing costs—for example, overtime and allowances for *state* employed counsellors.

NOTE: See definition of *state expenditure* for further information in regard to eligible staffing costs. Further information regarding CDO assistance is at Guideline 2: Counter disaster operations.

