

DEPARTMENT OF  
HOUSING AND COMMUNITY DEVELOPMENT

# NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS (NDRRA) DHCD Perspective

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# Natural Disaster Relief and Recovery Arrangements (NDRRA)

- NDRRA provides a formula for sharing the costs of relief and recovery between the Northern Territory Government and the Commonwealth following an eligible event.
- NDRRA provides partial reimbursement to the NTG of all agencies combined NDRRA eligible expenditure, on all eligible events throughout a financial year, dependant on certain thresholds being exceeded.
- Agencies and councils perform emergency response and recovery functions in accordance with the Emergency Management Act 2013 and the Territory Emergency Management Plan.

# Natural Disaster Relief and Recovery Arrangements (NDRRA)

- The Territory is never fully reimbursed – annual reimbursement thresholds are based on a percentage of the Territory’s total general government sector revenue including grants.
- Historically over the last 10 years the average return to the NT is 40% of its disaster related expenditure.
- For 2017/18 the thresholds are;
  - Zero expenditure is reimbursed for the first \$13.997m
  - 50% is reimbursed between \$13.998m and \$24.495m
  - 75% of expenditure above \$24.496m is reimbursed

# Natural Disaster Relief and Recovery Arrangements (NDRRA)

- There is no requirement for a State of Emergency or Disaster to be declared, however eligible NDRRA events can only be approved through Emergency Management Australia,(EMA), who issue each event with an Australian Government Reference Number, (AGRN).
- NTG expenditure must exceed the small disaster criterion of \$240,000, to be recognised as an eligible NDRRA event.
- Financial assistance is made in accordance with the NDRRA Determination and Guidelines.
- Local government councils can seek partial reimbursement for both response and recovery actions during and after eligible events.
- DHCD facilitates the release of funds as required.

# CHANGES TO NDRRA AUDIT AND ASSESSMENT REQUIREMENTS

- Supporting evidence on claims was always a requirement under the Determinations but never strictly enforced by the Commonwealth
- NDRRA Reforms - changes from 01 July 2018 include:
  - The Commonwealth will pre-pay the NTG instead of a reimbursement basis.
  - Based on upfront damage assessment and associated cost estimates (assessed by suitably qualified persons)
  - The onus is on the Territory to obtain assurance over the Design, Implementation and Effectiveness of asset related processes and controls

# Supporting evidence

- Ensure the asset meets the definition of an essential public asset
- Provide evidence of asset which includes:-
  - **pre-disaster condition evidence i.e. periodic maintenance reports** for local government essential public assets no older than four (4) years before the eligible disaster
  - **geospatial photos that are date stamped prior to damage** for local government essential public assets no older than four (4) years before the eligible disaster
  - **post disaster evidence geospatial photos after damage and after repair**
  - **the asset is classified in an asset register with reference to asset type e.g. road hierarchy, asset capacity, asset layout and materials** for local government essential public assets no older than four (4) years before the eligible disaster

# Supporting evidence – cont.

- Engage suitably qualified professional with the appropriate level of expertise and experience to complete damage assessments.
- Establish the connection between the damage to the asset and an eligible disaster and ensure it is assessed and recorded in a timely manner



# Eligible Financial Assistance

Eligible financial assistance is for the restoration or replacement of essential public assets to their pre-disaster standard:

- Clean up and removal of debris
- Local road repairs
- Commonwealth assistance under NDRRA is not intended to fund every possible relief and recovery assistance measure delivered by councils.

# Non-eligible Items

Only uninsured loss or damage qualifies for relief. NDRRA assistance is not intended to replace the need for insurance and is not intended to provide compensation for losses.

- Where **insurance** is or should have been in place
- GST
- Activities that would be part of '**normal**' business and budgeted for (e.g. normal staff wages, rec leave loading, super payments)
- Internal cross hire charges in relation to plant and equipment
- Where damage is primarily the result of poor planning or lack of mitigation measures
- Infrastructure upgrades (e.g. mitigation measures)

# When an event occurs - Steps Involved

- Treasury will contact DHCD for informed and educated estimates of damage
- DHCD will contact regional offices and councils in the effected area to obtain the estimates
- If the small disaster criterion (\$240k) is exceeded Treasury will formally apply to EMA to have the event officially recognised as an eligible event .
- Once official recognition has been received from EMA, Treasury will inform DHCD
- DHCD will advise councils to prepare and submit their applications

# The Claims Process

- There are currently 3 ways a council can claim NDRRA:
  1. A council can expend its own funds and seek reimbursement at a later date.
  2. A council can submit an application to DHCD and if successful receive funds in advance of work being done; and
  3. A hybrid mix.
- Claims should be submitted ASAP to ensure eligible works are completed within the EMA imposed “allowable time limit” requirements.

# Local Government Expenditure

- For the purposes of recording local government expenditure, the Territory incurs a liability at the time the local government undertakes an eligible measure and it is at that point that the liability must be recorded by the relevant Territory Agency.
- Expenditure on eligible measures must be recorded against the year in which the expenditure is incurred by Territory Agencies or relevant bodies, not the year in which the state expends cash, conducts an audit, submits an audited claim to the Commonwealth or reimburses its agencies or local governments.

# The application – what is required

- Council to engage suitably qualified professional with the appropriate level of expertise and experience to complete NDRRA damage assessments. (NO BETTERMENT)
  - the assessment report should include road names that match the road names on the NT Grants Commission roads data base
  - road importance and hierarchy
  - photos of all damaged sections
- Council to compile the following documents.
  - previous maintenance records/ asset inspection reports of the damage roads before the event
  - pre disaster photos of the damaged roads
  - Essential public asset forms to be completed as necessary
  - a proposed cash flow and time frame to complete works
  - NDRRA Application form

# The application form



## Application - Natural Disaster Relief and Recovery Arrangements (NDRRA)

NAME OF ORGANISATION:.....

CONTACT PERSON:.....

PROPOSED VALUE OF GRANT: \$.....

OR

TOTAL EXPENDITURE FOR REIMBURSEMENT: \$.....

ELIGIBLE DISASTER/EVENT NAME: .....AGRN.....

DETAILS OF REQUEST FOR NDRRA ASSISTANCE: (Provide details and supporting documents - please tick the appropriate box and attach as separate papers)

- Pre Disaster Evidence;
- Road reports;
- Assessment reports
- Essential Public Asset Approval Forms;
- Eligibility Enquiry Forms;
- Tax invoices;
- Tender documents;
- Before and after photos with geocoding details;
- Contract labour documents;
- Overtime Documents; and
- Quotations and costings for planned repair work.

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**Slide 15**

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Should a line be added for a detailed breakdown of expenditure and description of works on invoices

Niall Stone, 12/10/2017



# Then What

- The application form, pre disaster condition evidence, EPA forms and the damaged assessment report etc. to be provide to DHCD.
- DHCD will provide EPA forms to Treasury for on forwarding to EMA
- All the other information will be provided to a suitably qualified panel for assessment.
- Once approved DHCD to formally advise council of the amount approved along with an offer and acceptance.
- Once the signed acceptance is received payment or progress payments will be paid.

# Record keeping required by councils for acquittal purposes

- Set up a separate ledger account for each event
- Tenders, quotes, purchase orders etc. annotated with the disaster name, and detailing works done to which roads
- Tax invoices annotated with the disaster name, and detailing works done to which roads
- Before and after photos with GPS coordinates where possible any other proof of expenditure broken down by over-time, contract labour documentation, materials, accommodation etc
- Completion of the summary spreadsheet for acquittal purposes.
- Timing of acquittal - immediately after expenditure has occurred  
e.g. Progress payments require acquittal before release of any further payments

# Council's Spreadsheet

Council Name																			
AGRN-XXX Name of event and date																			
Road Name	Is this an Essential Public Asset?	Pre-Disaster Standard Supporting Evidence provided or attached File Name and Specific Page Numbers	Post-Disaster Damage Supporting Evidence provided or attached File Name and Specific Page Numbers	Was an Essential Public Asset Approval or Enquiry Form Approved by EMA?	Details of Repair Works	NDRRA \$	Contractor	Awarded Date	Invoice No (attached)	Invoice Date	Value Excel GST	Type of Eligible Assistance	Associated Cost Standard Classification Sub Class	Reporting Period Ending	Is this Transaction Part of a Larger/ Progress Payment?	Additional supporting evidences are attached (i.e. tender/cost breakdown for large payment)	Completed Works Supporting Evidence is attached File Name and Specific Page Numbers	Visual and Geospatial Data is attached	Other
Information provided on																			
ABC Access Road	Yes	Photos, Asset inspection & periodic maintenance reports	Photos, Asset inspection reports, assessment report	Yes	Ch. 0.000- 5.800 reinstate damaged table drains, offset drains and drain blocks Ch. 5.800-9.150 reconstruct formation and gravel resheet Ch. 8.600- 8.800 reconstruct gravel floodway Ch. 5.800-9.150 reconstruct table drains, offset drains, drain blocks and levee banks Ch. 8.800-9.200 reconstruct off-road catch drain and levee bank system.	\$ 1,200,000.0	ABC Earthmoving	30/03/2016	INVD43	29/08/2017	\$ 1,000,000.00	Repairs and Maintenance	R & M Management Expenses	31/07/2017	Yes	Tender-Scope of works, Cash flow	Photos	Photographs	
							XYZ Delivery	3/04/2017	INVD47	6/06/2017	\$ 150,000.00	Freight	Interstate Freight	31/07/2017	Yes	Tender-Scope of works, Cash flow	Photos	Satellite Images	
							PDZ Consulting	15/02/2017	INVD07	12/06/2017	\$ 50,000.00	Assessors/ Surveillance Expenses	Assessors/ Surveillance Expenses	31/07/2017	NO	Tender-Scope of works	Photos		
											\$ 1,200,000.00								
XYZ Cemetery Access	Yes	Photos, Asset inspection & periodic maintenance reports	Photos, Asset inspection reports, assessment report	Yes	Ch. 0.000-0.800 reconstruct formation, drainage and gravel sheet	\$ 750,000.0	XYZ Industrial	30/03/2016	INVD43	29/08/2017	\$ 720,000.00	Repairs and Maintenance	R & M Management Expenses	30/06/2018	Yes	Tender-Scope of works, Cash flow	Photos	Google Earth Images	
							MNO Transport	3/04/2017	INVD47	6/06/2017	\$ 15,000.00	Freight	Intra Territory Freight	30/06/2018	Yes	Tender-Scope of works Cash flow	Photos	Satellite Images	
							ABC Authority	15/02/2017	INVD07	12/06/2017	\$ 15,000.00	Assessors/ Surveillance Expenses	Assessors/ Surveillance Expenses	30/06/2018	No	Tender-Scope of works Cash flow	Photos		
											\$ 750,000.00								

# Record keeping required by DHCD

- DHCD reports actual and estimated expenditure to Treasury on a **MONTHLY** basis, in line with Commonwealth reporting requirements
- Your acquittal spreadsheet is used to complete the Treasury Spreadsheet
- Your supporting documents all go to Treasury for the Commonwealth to audit.
- Audits commence in August each year so it is imperative that acquittal documentation for year ended are received in time.

# Allowable Time Limit (ATL)

- Expenditure relating to a declared event to be eligible must be incurred within the ATL
- The ATL is 24 months after the end of the financial year in which the relevant event occurred (e.g. Event occurred in February 2016 => ALT would expire 30/06/2018)
- Eligible expenditure is when the physical repair work has commenced within the ATL, designs and tendering processes are not considered as the commencement of works under ATL guidelines.
- If councils cannot complete the works by the ATL, a request for extension to the ATL can be made to EMA for essential public assets only.
- A requests for extensions to the ATL are assessed by EMA on two deadlines, 30 June and 30 November each year, and generally take three months to process. These deadlines are non-negotiable. Extension requests received after the ATL has expired will not be considered under any circumstances.
- Advance funding may have to be repaid if works are not completed within the “allowable time limit” and an extension has not been obtained

# Coordination of NDRRA

- The Department of Housing & Community Development (Local Government Division) will coordinate all claims to the Department of Treasury and Finance on behalf of councils
- It is the responsibility of councils to work with the Department's respective local government regional offices to submit claims to the Head Office (Darwin)
- It is the responsibility of councils to maintain appropriate records and other necessary documentation

## Audit Process - currently

- The Territory Government's NDRRA claim is submitted by Treasury to the Commonwealth, through EMA
- The Commonwealth may engage an external auditor to review and sample the Territory Government's total NDRRA claim and the supporting evidence, before approving any reimbursement to the Territory
- Ineligible expenditure or insufficient evidence of expenditure will be removed from the claim by the Commonwealth appointed auditors

## Audit Process – future

- The Territory Government's NDRRA claim is submitted by Treasury to the Commonwealth, through EMA
- The Commonwealth may engage an external auditor to review and sample the Territory Government's total NDRRA claim and the supporting evidence, before approving any reimbursement to the Territory
- ❖ Should audit reveal an ineligible claim the NT will have to repay advance NDRRA funds back to the Commonwealth
- ❖ Councils may have to repay the NTG - this would be assessed on a case by case basis



# Changes to NDRRA Determination and Assessment Requirements

- The Australian Government are continuing to reform the NDRRA.
- The Australian Government anticipate the new Arrangements will be implemented by 1 July 2018
- The Australian Government is still in negotiations with State and Territory governments
- DHCD will continue to engage with local councils regarding the reforms and implications for the Councils

## For more information contact:

Your DHCD regional office;

or

Donna Hadfield (Head Office)

Ph: 8999 88200

Omor Robin (Head Office)

Ph: 8999 898576

Email: [lg.grants@nt.gov.au](mailto:lg.grants@nt.gov.au)

or

<https://dhcd.nt.gov.au/our-services/local-government-funding/natural-disaster-relief-and-recovery>

