Natural Disaster Financial Assistance for local councils
Roles and responsibilities

## Overview

Victoria’s Natural Disaster Financial Assistance (NDFA), administered by the Department of Treasury and Finance (DTF), is available to local councils to relieve some of the financial burden that may be experienced following a natural disaster, in accordance with Commonwealth Natural Disaster Relief and Recovery Arrangements (NDRRA).

The NDRRA defines eligible natural disasters as one, or a combination of the following rapid onset events: bushfire; earthquake; flood; storm; cyclone; storm surge; landslide; tsunami; meteorite strike; or tornado. Since 2010, assistance is also provided for terrorist acts occurring within Victoria.

These arrangements do not apply to disasters where human activity is a significant contributing cause (e.g. poor environmental planning, commercial development, personal intervention (other than arson), or accident).

As part of the claims assessment process, local councils are required to lodge claims to the Department of Treasury and Finance (DTF) through the Automated Claims Management System (ACMS) for an initial assessment by DTF. The claim will then be provided to the following departments and/or agencies for assessment of actual expenditure associated with:

* **VicRoads –** counter disaster operations and the repair and restoration of essential public assets;
* **Department of Health and Human Services (DHHS) –** management and co-ordination of emergency relief including Municipal Emergency Coordination Centres (MECCs), relief and recovery centres, and personal and financial counselling (i.e. psychosocial support).

Please refer to the ‘*ACMS manual’* for information on submitting claims in the ACMS, available at the following link:

<https://www.dtf.vic.gov.au/funds-programs-and-policies/natural-disaster-financial-assistance>

The roles and responsibilities of local councils, DTF, VicRoads, and the Department of Health and Human Services are as follows:

## DTF

*During or in the early days/months following an eligible natural disaster, DTF will:*

* liaise with councils to determine whether damage has been sustained to essential public assets or whether local councils anticipate that costs will be incurred in undertaking a counter disaster activity.
* ensure that up to date information and support material is available on the NDFA website to support councils during and after an event.
* liaise with Emergency Management Victoria to organise a notification to be prepared for Emergency Management Australia (the Commonwealth) if it is determined that there is sufficient evidence for a natural disaster to be declared as eligible under the NDRRA. This notification is required to be submitted to the Commonwealth within three months of the event occurring.
* liaise with the Commonwealth and advise that the State has experienced an eligible natural disaster event under the NDRRA including measures required to be activated under the NDRRA, and whether the secondment of neighbouring council staff is eligible for reimbursement (i.e. position descriptions are required for medium to long-term resourcing).
* provide general advice regarding the eligibility of costs under the NDFA/NDRRA, if requested by a local council or VicRoads.

*Post-12 months following an eligible natural disaster, DTF will:*

* Advise the Commonwealth if further time is required by a local council to incur eligible relief and recovery expenditure (such as operating a recovery centre or providing personal and financial counselling) post 12 months following an event.

*When receiving a claim for reimbursement, DTF will:*

* perform an initial review of the claim on the ACMS to ensure all required information and supporting documentation has been provided, before requesting DHHS or VicRoads to undertake an assessment of the claim. DTF will contact the council where the claim lodged is incomplete or information is missing.
* conduct a final assessment determining the appropriate reimbursement amount, regardless of any indications VicRoads or other agencies may have given during the assessment process.
* approve an assessment amount **subject to all eligibility requirements** and notify the local council once the assessment has been completed.
* send a letter to local councils once a claim has been approved (or not approved), outlining the total amount of financial assistance that has been approved. Payment of the invoice will then be organised by DTF.

*When receiving a request for an advance payment from local councils, DTF will:*

* liaise with VicRoads to determine the scale of the impact to a local government area.
* ensure that the Council has developed an itemized estimate of the impacts, including a statement of the degree of confidence in the estimate.
* Request cash flow forecasting and information on existing and forecast cash investments held by the Council.
* advise the individual council if their request is successful and the amount of the advance that has been approved.
* assess subsequent claims from councils for actual expenditure, offset approved claim amounts against any advances previously paid to local councils and advise councils of the current balance of advance payments still available.
* advise local councils once any approved advances have been fully utilised.

## Local councils

*During or in the early days/months following an eligible natural disaster, local councils should:*

* first contact their insurance provider to discuss whether assets are covered under their insurance arrangements prior to seeking assistance from DTF under the NDFA/NDRRA.
* contact the NDFA Team on (03) 9651 2327 to advise whether:
	+ damage has been sustained to essential public assets, or
	+ Whether they have established a relief centre or Municipal Emergency Coordination Centre or anticipate that they will be incurring costs to undertake counter disaster operations i.e. closing and opening roads.
* undertake counter disaster operations and emergency protection works within the first 24/48 hours and up to two weeks after an event, to ensure essential public assets are protected and to restore essential public services within the affected region. Affected councils should seek approval from DTF if further time is required.
* notify and engage VicRoads’ regional representatives at the time of the natural disaster as this involvement will assist in substantiating claims and in understanding eligibility of activities for which costs may be claimable under the NDFA.
* input the estimated cost into the ACMS as soon as practically possible following a natural disaster. Additional information regarding these estimates or progress reporting may also be requested by DTF.
* contact the NDFA Team on (03) 9651 2327 or via email on ndfa@dtf.vic.gov.au:
	+ to seek general advice on whether a damaged asset is essential and therefore eligible under the NDRRA (noting that all claims must ultimately be assessed for eligibility by VicRoads); and/or
	+ if they are considering seconding staff from other councils so that DTF can liaise with the Commonwealth to assess whether the secondment costs will be eligible (i.e. position descriptions are required for medium to long-term resourcing). Please refer to the document named “[Salaries and Wages](%28proposed%29%20Salaries%20and%20wages%20guidance%20for%20local%20councils%20%28previously%20D14%20278170%29.DOCX) guidance”.
* set up suitable project management arrangements, so that the scale and scope of required recovery works are well documented and regularly updated, as better information becomes available.

*When planning to restore essential public assets, local councils should:*

* familiarise themselves with the current NDFA process including eligibility guidance material (including staffing costs and overtime) on the NDFA website at the following link:

<https://www.dtf.vic.gov.au/natural-disaster-financial-assistance/eligible-natural-disaster-expenditure>

* provide VicRoads and DTF evidence that demonstrates the condition of all assets prior to the disaster occurring, the damage to these assets, and the post-restoration condition of the assets. Local councils should refer to the document named “[Supporting documentation required with claims](%28proposed%29%20Supporting%20~%20with%20NDFA%20claims%20%28local%20councils%29%20%28D17%20158210%282%29.DOCX)” for advice on evidence is required to be provided as part of a claim.
* advise DTF and VicRoads if an asset (or component) is re-damaged following a further natural disaster event to seek a determination of whether a revised allowable time is applicable.
* undertake repairs to damaged essential public assets within a period less than two years after the end of the financial year in which the natural disaster occurred. Councils should note that any claims for financial assistance must cover only expenditure incurred within this time frame.
* **incur costs up front** then seek reimbursement from DTF on a regular basis (e.g. monthly, quarterly or on completion of certain stages of work) **based on actual expenditure – not estimates**.
* advise the NDFA Team if further time is required to incur eligible relief and recovery expenditure (such as operating a recovery centre or providing personal and financial counselling) post 12 months following an event, so that DTF can advise the Commonwealth.
* advise DTF as soon as practically possible if they are unable to repair damaged essential public assets by the end of the allowable time period, noting that further time is granted only under exceptional circumstances by the Commonwealth in accordance with the NDRRA. Failure to prioritise works or to engage appropriately with DTF and VicRoads is not considered to be an exceptional circumstance.

*When making a claim for reimbursement, local councils should:*

* lodge a claim from a user nominated by the Council’s Chief Executive Officer through the ACMS, ensuring that:
	+ their estimate of costs associated with the disaster event, is up-to-date based on the latest information;
	+ they have provided evidence that the council has exhausted normal funding allocations when lodging a claim. For example, that they have contributed normal day labour resources in the early aftermath following an event.
	+ they have provided evidence of impact to their local government area from various sources including local media articles, State Emergency Services and Bureau of Meteorology reports, regardless of whether an event has been formally notified to the Commonwealth as an eligible natural disaster under the NDRRA;
	+ claims are lodged on a regular basis (i.e. monthly or quarterly). Upon receipt of a formal request from DTF, VicRoads will carry out an assessment of counter disaster operations undertaken and any damage to essential public assets;
	+ separate claims are provided for each natural disaster event; and
	+ they only include expenditure incurred within the allowable time period – expenditure should also be based on actual costs rather than as estimates.
* invoice DTF for the approved amount **once a claim has been approved** **and DTF has advised the invoice amount**. The invoice for financial assistance should be exclusive of GST.
* apply to the Victorian Grants Commission for the reimbursement of the council contribution for each eligible natural disaster event.
* lodge all claims for the reimbursement of:
	+ expenditure for all eligible relief activities completed up to 30 June (i.e. relief and recovery centres, removal of debris on residential property) in the ACMS by 31 July for assessment by the relevant assessing authority.
	+ the restoration of essential public assets completed up to 30 June (until the end of the allowable time period), in the ACMS by 31 July for assessment by the relevant assessing authority. The allowable time period is two years following the end of the financial year in which the disaster occurs. Expenditure included in each claim must relate to only one financial year.

Any relief or recovery costs incurred after these deadlines will be deemed ineligible for reimbursement.

* Provide on a timely basis any additional information required to support the State’s year end acquittal to the Commonwealth. The acquittal is subject to an independent audit process.

*When experiencing financial hardship following a natural disaster:*

* **in exceptional circumstances**, payments may be provided in advance to assist councils experiencing financial hardship in commencing or progressing NDFA/NDRRA recovery works.

## VicRoads

After a natural disaster, VicRoads:

* will liaise with local councils and DTF on request to discuss eligibility of activities including inspection of damaged assets.
* will utilise each council’s initial itemised estimate of the impacts as a way of assessing the scale and severity of an eligible event. This will help inform the level of involvement required throughout the recovery process, to aid in the completion of the assessment of claims when needed.
* will verify whether estimated costs submitted in the ACMS related to the restoration of essential public assets are fairly accurate.
* upon receipt of a local council’s ACMS claim, will undertake an assessment of actual expenditure provided in a claim including any damage to local essential public assets, giving consideration to the following:
	+ initial damage to roads, bridges and other physical assets;
	+ current standards and eligibility criteria;
	+ local media, State Emergency Service and Bureau of Meteorology reports;
	+ evidence of the work undertaken which includes photographs of before and after the event or, where deemed necessary, may also include site visits to inspect completed works;
	+ evidence of the project management approach that was in place, to manage and monitor the physical and financial progress of recovery;
	whether the damaged asset is owned by the local council and the level of maintenance that was being provided to the asset prior to the event;
	whether expenditure has been incurred within the allowable time period; and
	whether any expenditure is associated with betterment, mitigation or enhancement.
* provide recommendations to DTF regarding local council claims for reimbursement.
* advise DTF and local councils of any ineligible amounts deducted and the reason for the deduction.

## DHHS

After a natural disaster, DHHS will:

* liaise with local councils on request to discuss eligibility of relief and recovery activities (such as the coordination of a relief or recovery centre or Municipal Emergency Coordination Centre (MECC)).
* upon receipt of a local council’s ACMS claim, undertake a formal assessment of the expenditure, giving consideration to the following:
	+ current eligibility;
	+ local media, State Emergency Service and Bureau of Meteorology reports;
	+ evidence of activities undertaken; and
	+ whether expenditure has been incurred within the allowable time period.
* provide recommendations to DTF regarding local council claims for reimbursement.
* advise DTF and local councils of any ineligible amounts deducted and the reason for the deduction.

**Note:**

* the determination of whether activities are eligible under the NDFA/NDRRA is initially undertaken by VicRoads, in conjunction with DTF and EMA, noting that the NDFA essentially mirrors the NDRRA.
* the ACMS provides a single entry point for the submission of estimates, claims and advance payment requests from local councils. To arrange access to the system, please contact NDFA Team on (03) 9651 2327 or email ndfa@dtf.vic.gov.au.