States may need to do an Independent Technical Review to provide the Commonwealth with increased oversight and assurance for claims made under these arrangements for reconstructing essential public assets.

Before submitting estimated reconstruction costs for a project to the Commonwealth, the state must assess whether an Independent Technical Review is needed, under applications 1, 2 and 3 below.

An Independent Technical Review must be done:

1. if the estimated reconstruction cost for the project is $25 million or more
2. when there is a variance in estimated costs between the original reconstruction project and a preferred alternative reconstruction project solution that is:
   • more than 50 per cent lower than the estimated reconstruction cost of the original project, and
   • valued between $5 million and $25 million.
3. where 'special circumstances' (see below) arise and result in an estimated reconstruction cost for the project that is:
   • greater than 15 per cent of the estimated reconstruction cost of the original project, and
   • greater than $1 million.
4. if the Commonwealth, on receiving the estimated reconstruction cost for a project from the state within its financial year claim, elects to have the project reviewed.

The costs of procuring an independent technical review under applications 1, 2 and 3 must be covered by the state, though costs can be claimed as an eligible measure under these arrangements.
What are ‘special circumstances’?

- Geotechnical conditions that could not reasonably have been foreseen or investigated in the design period
- Previously unidentified indigenous and cultural heritage discoveries
- Previously unidentified heritage discoveries
- Delays caused by subsequent eligible disasters
- Environmental conditions that could not have reasonably been foreseen (for example, threatened species discovery)
- Safety threats that could not reasonably have been foreseen (for example, asbestos discovery), or
- Critical reduction in water availability that could not reasonably have been foreseen or investigated in the design period.

What do we need to do to achieve an Independent Technical Review?

Please seek the advice of the Department of Treasury and Finance and see Schedule B of the Disaster Recovery Funding Arrangements.

For more information

www.disasterassist.gov.au

Local Government Disaster Recovery Assistance Guidelines