What is an eligible natural disaster?

A natural disaster is one, or a combination of, the following rapid onset events:

- bushfire
- storm surge
- earthquake
- landslide
- flood
- cyclone
- storm
- tsunami
- meteorite strike
- tornado

As a general rule, if the event is considered to be eligible for Commonwealth Disaster Recovery Funding Arrangements (DRFA) then it will be an eligible event under the LGDRA.

Key criteria for eligibility under the DRFA are that the event will require a multi-agency response and is likely to incur eligible expenditure greater than $240,000.

Who determines natural disaster eligibility?

The Department of Treasury and Finance will determine the eligibility of an event for state support, based on preliminary damage assessments undertaken by both local and state government agencies.

Who should local government organisations contact when they have been affected by a natural disaster?

Initially, local government organisations should notify the Director, State Recovery Office of damage caused by a natural disaster. This notification should include sufficient...
information to provide an early indication of the extent of damage and the likely recovery measures required.

**What type of recovery measures are eligible for state support?**

State support is provided for counter disaster activities, repairs to essential public assets and for community recovery activities.

**What type of assets are eligible for state support?**

Assets that are essential for providing health, education, justice welfare, and transport services are generally eligible for assistance. Where it is cost effective to do so, councils are expected to maintain insurance for essential public assets.

Eligible assets that are not readily insurable are primarily related to transport infrastructure, such as roads, and associated assets, such as drainage systems, signage, and pedestrian and bike lanes.

Examples of ineligible assets may include:

- sporting and community facilities, religious establishments and memorials, piers and wave energy dissipation structures (breakwaters and sea walls)
- environmental assets, such as river banks, coastal dune systems (even if they are close to eligible assets), some fire tracks and walking trails.

However, if any damaged public asset is essential to transport or the community, check its eligibility with the Department of Treasury and Finance or the State Recovery Office.

**What evidence do we submit for our initial estimate?**

The initial estimate (Form one) is used to determine the scope of the damage and provide an opportunity to determine the eligibility of recovery measures. The initial estimate needs to record the asset name, location, description and details of damage.

Take photos of the damage to support the assessment, before emergency and immediate repairs start.

It is important to be able to demonstrate the pre-disaster condition of the asset to prove that the event caused the damage being claimed. This can be done by keeping
maintenance/asset registers and/or by providing previous photographic records (Google Maps can often help with this).

A suitably qualified professional needs to estimate the cost of clean-up and repair, including an allowance for industry accepted escalation and contingency. It is important to collect evidence that supports the damage assessment as soon as possible following an event.

For counter disaster operations, details of the costs, location, activity and purpose of the expenditure needs to be provided (e.g. material and labour associated with protecting residences in suburb X from rising floodwater by raising the height of a river levee).

Costs for community development projects should not be included at this stage, as this activity will need to be coordinated through the State Recovery Office.

**What costs can we include in the claim?**

Eligible costs are extraordinary costs incurred to provide eligible recovery measures.

These can include contractor costs (including externally provided project management services), external equipment hire charges, employee travel allowances and overtime, operating and additional maintenance costs for council-owned equipment, and backfilling employees undertaking eligible measures.

Costs not included are those that a council would have incurred in the absence of an eligible event. These include normal salaries and wages (unless specifically approved by the Minister), overhead charges, internal equipment hire rates, equipment purchases, costs that are reimbursable from other external funding sources and consequential losses subsequent to the actual event (fees and charges etc).

**Under what circumstances can we get additional support?**

Additional support can be provided to support improvements to an asset's resilience (known as betterment,) provided it is cost beneficial to do so. This will only be considered if the asset has a history of damage from past events.

The Minister can also approve additional support for eligible measures if the council can demonstrate that it does not have the financial capacity to meet its share of the costs.
Is there a time limit for lodging our claim?

The claim (Form 2) must be lodged within 12 months following the end of the financial year of the eligible event. Requests for time extensions need to be made well in advance and include justification for the cause of the delay, e.g. unable to access the site for an extended period. All reconstruction works must be completed within the allowable time period (two years from the end of the financial year in which the natural disaster occurred), unless a time extension has been approved by the Minister.

Can we submit more than one claim for a natural disaster event?

Yes, councils can submit more than one claim for an event within the allowable time limit. If the subsequent claim is to update the costs of projects included in an earlier claim, you need to provide sufficient justification, e.g. the preferred tenderer did not proceed, or unforeseeable obstacles were encountered in the repair.

What information should we provide with a claim for payment?

Sufficient information should be provided to link the payment to the proposed works identified in the approved claim (Form 2). This includes purchase orders, invoices (clearly detailing the works undertaken), ledger details timesheets etc.

Should the claim include GST?

The subsidy is not considered to be a supply for GST purposes and should be GST exclusive.

For more information

www.disasterassist.gov.au

Local Government Disaster Recovery Assistance Guidelines