

Natural Disaster Relief and Recovery Arrangements

NDRRA Administrative Guidelines

The Natural Disaster Relief and Recovery Arrangements (NDRRA) Determination 2017 (2017 Determination) sets out the terms and conditions for the provision of financial assistance by the Commonwealth to state and Territory governments (States) for the purpose of natural disaster relief and recovery.

The 2017 Determination applies from 1 July 2017 and is applicable to all claims from this date. It replaces NDRRA Determination 2012 version 2, made by the Minister for Justice, the Hon Michael Keenan MP, on 29 October 2015.

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EXPIRATION

NDRRA Determination 2017 will be superseded by a revised determination on 1 November 2018. These guidelines do not apply to the NDRRA Determination 2018.

DISCLAIMER

Every effort has been made to ensure the information contained within these guidelines is accurate and where possible in relation to the content of material contained in this guide.

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Overview

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 the state's disaster related expenditure.

The Commonwealth NDRRA are a jointly funded initiative providing disaster relief and recovery payments and infrastructure restoration to help communities recover from the effects of natural disasters. Assistance is provided to alleviate the financial burden on states and territories following an eligible natural disaster.

The key mechanism for the Commonwealth to support the states and territories following a natural disaster is the NDRRA, the requirements of which are detailed in the 2017 Determination.

Under these arrangements, the Territory identifies local government areas (LGAs) affected by an eligible event and which eligible measures of assistance are available to disaster affected individuals, small businesses, primary producers and non-profit organisations, including Territory agencies (Agencies) and local councils and shires. Commonwealth assistance under the determination is not intended to fund every possible relief and recovery measure delivered by a state or Territory.

The Department of Territory Families is responsible for activating and coordinating financial relief and recovery measures for the Territory. DTF's Treasury Financial Services Unit provides support to agencies to facilitate claims for recovery payments under the NDRRA.

This document provides an overview of arrangements for the activation and delivery of NDRRA assistance within the Territory and forms a guide for agencies, local councils and shires, non-profit organisations, primary producers, small businesses and the general public on financial assistance that may be available in the event of an eligible disaster.

This document should be read in conjunction with the NDRRA 2017 Determination and Commonwealth guidelines, including relevant supporting information available on DTF's NDRRA website:

- The agencies Reference Sheet 2017-18
- Clarification on the Allowable Time Limit (ATL)
- The Monthly Reporting Template Guidelines
- Territory Emergency Plan
- The Emergency Management Act 2013.

Program intent

The intent of this program is to assist the relief and recovery of communities whose social, financial and economic well-being has been severely affected by an eligible disaster.

Commonwealth assistance under NDRRA is not intended to fund every possible relief and recovery assistance measure delivered by a state. 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.

NDRRA in the Northern Territory exists to provide financial support to Territory communities affected by eligible disasters. The arrangements are designed to provide a safety net to those in immediate need or those who are unable to support their own recovery following an eligible disaster.

While categories of assistance provide a measure of financial support, the primary responsibility for the safeguarding and restoration of private and public assets remain with the owner. The arrangements are not compensation based and not intended to replace or act as a disincentive for self-help, insurance or disaster mitigation strategies.

In carrying out or contributing to the cost of eligible measures, agencies must act consistently with the principles that:

- 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
- 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
- the assistance is designed to achieve an efficient allocation of resources
- those affected in the same way by the same eligible disaster should receive the same assistance, within the limitations of the Determinations.

Agencies are not bound or limited by the assistance measures, or the funding available under the NDRRA, where eligibility requirements can be met. Agencies should make available whatever assistance they deem necessary to assist in the community's relief and recovery. The eligibility for reimbursement under NDRRA should not be a consideration when determining whether action should be undertaken

Agencies are required to comply with the NT *Emergency Management Act 2013* and the Territory Emergency Plan.

1 Aim of the administrative guidelines

The NDRRA Administrative Guidelines outline the:

- Commonwealth NDRRA Determination 2017, a disaster cost-sharing arrangement between the states and territories
- Territory Government claimable expenses (eligible expenditure) and related eligible measures and administrative arrangements
- roles and responsibilities of agencies in the event of a natural disaster.

At the Commonwealth level, the program is administered by Emergency Management Australia (EMA) and in the Territory, the NDRRA framework is administered by DTF.

The NDRRA Determination 2017 forms the basis of the NDRRA and establishes:

- the nature of eligible Territory expenditure
- the processes for making a claim to the Commonwealth
- audit, acquittal and assurance requirements.

The Determination is available on the [Australian Government Disaster Assist website](#).

DTF is responsible for updating and maintaining the NT Administrative Guidelines.

2 Conditions for Commonwealth assistance

State and Territory governments have the primary responsibility of dealing with natural disasters. The Commonwealth does however, assist with disaster relief and rehabilitation through NDRRA where events and assets are eligible.

NDRRA is designed to help share the financial burden of disaster recovery between the states and territories and the Commonwealth. NDRRA provides a formula for sharing the costs of relief and recovery between the Territory and the Commonwealth following an eligible event.

Dependent on certain thresholds being exceeded, NDRRA provides partial reimbursement of all Territory agencies combined NDRRA eligible expenditure, on all eligible events for a financial year.

If these thresholds are exceeded, DTF submits the Territory's claim to EMA for partial reimbursement of eligible expenditure on activated eligible measures within approved LGAs following officially recognised eligible events.

The Territory must comply with the conditions of the Determination and the relevant guidelines, including providing supporting evidence, to be eligible for Commonwealth assistance.

3 Consequences of non-compliance

The outcomes of non-compliance with any condition are to be determined by the Commonwealth and may include, but are not limited to;

- all expenditure in the relevant financial year being declared ineligible
- the specific expenditure in question being declared ineligible
- a claim being withheld until rectifying the issue of non-compliance.

4 Definition of natural disasters and eligible events

4.1 Definition of a natural disaster

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

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

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 the Determination.

4.2 Definition of an eligible disaster

An eligible disaster is defined as a natural disaster or terrorist act for which:

- a coordinated multi-agency response was required
- state expenditure exceeds the small disaster criterion.

To be defined as an eligible natural disaster, Territory expenditure must exceed the small disaster criterion of \$240 000.

5 Eligible categories of assistance measures

For any of the following 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 Category A Measures

Category A measures are provided to alleviate personal hardship and distress which is a direct result of an eligible disaster and are intended to help address the immediate emergency needs of disaster affected individuals.

Category A measures are intended to be provide immediate emergency assistance to targeted to individuals who have a genuine need. As such, agencies are required to establish an appropriate eligibility criteria, including means and/or asset testing, to certain Category A measures.

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.

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

- 5.2.1 a) emergency food, clothing or temporary accommodation
- 5.2.1 b) repair or replacement of essential items of furniture and personal effects
- 5.2.1 c) essential repairs to housing, including temporary repairs and repairs necessary to restore housing to a habitable condition
- 5.2.1 d) demolition or rebuilding to restore housing to a habitable condition
- 5.2.1 e) removal of debris from residential properties to make them safe and habitable
- 5.2.1 f) extraordinary counter disaster operations
- 5.2.1 g) personal and financial counselling
- 5.2.1 h) extraordinary costs associated with the delivery of any of the above forms of assistance.

5.1.1 Examples of eligible extraordinary counter disaster operations activities

Counter disaster operations (CDO) assistance under NDRRA is intended to fund only a limited number or type of activities which are intended to reduce the provision of Category A and Category B assistance. Subject to the extraordinary nature of the event or events being demonstrated, certain activities may be considered eligible CDOs.

Examples of such extraordinary CDO activities include, but are not limited to:

- 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.

Further information regarding CDOs is provided in the Commonwealth Guideline 2: Counter Disaster Operations of the Determination.

5.1.2 Examples of eligible extraordinary counter disaster operations costs

Agencies can claim costs which are directly associated with delivering the above assistance, which include, but are not limited to:

- 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
- cleaning up debris which resulted from an eligible CDO activity.

Further information regarding the types of costs which can be claimed under Category A is listed within schedule 1 of the Determination.

5.2 Category B Measures

A Category B assistance measure is one of the following:

- 5.3.1 a) restoration or replacement of an essential public asset
- 5.3.1 b) betterment of an essential public asset
- 5.3.1 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
- 5.3.1 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
- 5.3.1 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
- 5.3.1 f) interest rate subsidy to small businesses or primary producers, whose assets have been significantly damaged as a direct result of an eligible disaster
- 5.3.1 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
- 5.3.1 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
- 5.3.1 i) freight subsidy to primary producers whose assets have been significantly damaged

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- 5.3.1 j) grant to a needy individual or non-profit organisation, whose assets have been significantly damaged as a direct result of an eligible disaster
- 5.3.1 k) counter disaster operations for the protection of the general public.

5.2.1 Examples of eligible category B activities by agency

The following is a list of eligible measures claimed for Category B measures of assistance and agencies that have responsibility for those activities.

ELIGIBLE ACTIVITIES	INDICATIVE LIST OF AGENCIES
Aerial firefighting including spotting and aerial command operations to protect life and property.	Northern Territory Police, Fire and Emergency Services (NTPFES) Bushfires NT
Aerial surveys of disaster area (rapid damage assessment).	NTPFES Department of Infrastructure, Planning and Logistics (DIPL)
Disposal site for demolition waste.	DIPL
Felling of damaged trees on Crown lands for public safety.	DIPL
Fire breaks and sand bagging to protect the community at large.	NTPFES
Plant hire (vehicles, plant and equipment) to support Category B activities.	NTPFES DIPL Councils/shires
Relocation of public stores, plant and equipment to a place of safety.	Applicable Territory agencies
Removal and disposal of dead animals (domestic or wildlife).	Parks and Wildlife Commission of the Northern Territory DIPL Councils and Shires
Restoration or replacement of public buildings or other Government assets.	DIPL Department of Housing and Community Development (DHCD) Councils and Shires
Temporary traffic management required for public safety.	DIPL

5.3 Category C Measures

A Category C measure is provided as a community recovery package designed to support a holistic approach to the recovery of regions, communities or sectors severely affected by an eligible disaster. In order to receive a Category C measure in relation to a disaster, the recovery assistance must be sought by the Territory and approved by the Prime Minister in writing. The community recovery package may comprise of one or more of the following measures.

- **Community recovery fund**

In circumstances where a community is severely affected by a disaster event 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 DTF in close collaboration with agencies, local governments or other community bodies.

- **Recovery grants for small businesses and non-profit organisations**

Where the business sector is severely affected and the community risks losing essential businesses, recovery grants are aimed at covering the cost of clean-up and reinstatement, but not at providing compensation for losses.

- **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, recovery grants to primary producers are aimed at covering the cost of clean-up and reinstatement, but not at providing compensation for losses.

Further information on measures claimable under Category C are outlined in the Commonwealth Guideline 3: Category C Interim Assessment Framework of the Determination.

5.4 Category D Measures

A Category D measure is an act of relief or recovery carried out to alleviate distress or damage in circumstances that are, in the opinion of the Commonwealth Minister, exceptional.

In order to receive a Category D measure in relation to a disaster, the recovery assistance must be sought by the Territory and approved by the Prime Minister in writing.

6 Restoration or replacement of essential public assets

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

Commonwealth financial assistance in relation to the restoration or replacement of an EPA of an eligible public undertaking is available for two years, following the end of the financial year in which the disaster occurred. In exceptional circumstances, expenditure beyond the two year period may be approved by the Commonwealth as eligible for assistance, if a request for an extension to the allowable time limit (ATL) has been successful. Further information on requests to extend the ATL is provided in sections 5.3.8 to 5.3.14 of the Determination.

For building assets, this does not extend to the costs of restoring or replacing the contents and furnishings not permanently attached to the building. Further detailed information is provided in Commonwealth Guideline 1: Essential Public Asset Restoration or Replacement of the Determination.

6.1 Essential public assets key definitions

6.1.1 Definition of essential public assets

An asset, which must be a transport or public infrastructure asset of an eligible undertaking which the state considers and the department agrees, is a necessary part of a state's infrastructure and is integral to the normal functioning of a community.

6.1.2 Definition of public infrastructure

An asset that is an integral part of a state's infrastructure and is associated with health, education, justice or welfare.

6.1.3 Definition of transport

An asset that is an integral part of a state's infrastructure and is associated with roads, road infrastructure (including footpaths, bike lanes, pedestrian bridges), bridges, tunnels and culverts.

6.1.4 Definition of an eligible undertaking

An eligible undertaking is a body that is one of the following:

- a department or other agency of a state government, or
- established by or under state 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.

Local government owned water and sewerage facilities that are non-commercial may be eligible. The Commonwealth Minister may consider other bodies as eligible undertakings upon written request.

6.1.5 Current building and engineering standards

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

The repair or replacement of the EPA to a condition above its pre-disaster standard must be done with the prior agreement of the Commonwealth.

For example a timber bridge damaged by an eligible disaster, is repaired or replaced according to current engineering standards using concrete or steel, instead of repairing it with timber.

6.1.6 Examples of assets not considered essential public assets

The following list provides examples of assets which the Commonwealth would not consider to be an EPA for the purposes of restoration or replacement works:

- sporting, recreational or community facilities (for example, playgrounds and associated facilities)
- religious establishments (for example, churches, temples and mosques)
- memorials.

6.2 Essential public assets approval form

Agencies must seek the Commonwealth's agreement that an asset is an EPA if the estimated project cost is \$1 million or more prior to work commencing. The estimate provided to the Commonwealth should be based on informed and experienced damage assessments. The project may be for a single asset, or for a group of linked assets under the same project for the same event.

For example, if an intersection is damaged during a disaster event, all road assets for the intersection could be listed as part of a single project and approval sought for recognition of the intersection as an EPA, rather than individual roads.

The request for recognition as an EPA must be lodged prior to commencing the EPA restoration or replacement activity. Agreement is sought from the Commonwealth using Attachment C: Essential Public Assets Approval Form of the Determination (provided on request from DTF). This form is submitted to DTF for assessment before lodgement with EMA for approval.

Where projects are under \$1 million but recognition of the EPA is uncertain, agencies are recommended to seek the Commonwealth's agreement on the eligibility of the assets. If prior approval is not sought, the Commonwealth may refuse reimbursement if it does not meet the requirements of the determination.

6.3 Conditions for Commonwealth assistance

6.3.1 Mitigation strategies

Conditions of assistance for restoration or replacement of an EPA

- Agencies must have natural disaster mitigation strategies in respect of likely or recurring natural disasters. Agencies must also encourage local governments to develop and implement such natural disaster mitigation strategies.
- If assistance is for the restoration or replacement of an EPA 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 Territory would otherwise have given to the local government is reduced by 10 per cent.

Further information on mitigation strategies is outlined in section 15.

6.3.2 Pre-disaster standard

In order to claim eligible costs for the restoration or replacement of an EPA, agencies must be able to demonstrate and provide supporting evidence of the pre-disaster standard of the EPA damaged as a direct result of an eligible disaster.

The pre-disaster standard of an EPA is considered to be the condition of the asset and its level of functionality or utility or disaster resilience prior to the eligible disaster, as established within the 12 months prior to the eligible disaster.

In the case of an EPA which is a road, the pre-disaster standard includes factors such as traffic and vehicle capacity, classification and/or role of the road within the road network, signage, street parking, road width and number of carriageways.

For example, a gravel road is replaced using gravel and not bitumen and a two lane road is replaced with a two lane road and not a three lane road, also known as 'like for like basis'.

Where an EPA 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 EPA has been enhanced (see Commonwealth Guideline 1: Essential public asset restoration or replacement of the Determination for further details), agencies must be able to

demonstrate that the level of enhancement to the eligible EPA does not amount to restoring or replacing the EPA to a more disaster resilient standard than its pre-disaster standard, also known as betterment, see section 7.4 of the 2017 Determination.

6.3.2.1 Restoration or replacement which is not to pre-disaster standard

Where an EPA is not able to be restored or replaced back to its pre-disaster standard, for example, due to site constraints, agencies must seek the agreement of the Commonwealth through DTF to carry out a reasonable alternative restoration or replacement solution.

In circumstances where agencies decide to rebuild an EPA to a standard which is not in accordance with the Determination, restoring the asset to a condition either different to or above the pre-disaster standard, they are able to do so if they follow the principles outlined under Section 6.4 of the Guidelines and Section 5.3.15 of the Determination for betterment of an EPA.

Where this occurs, the agencies must be able to demonstrate and provide supporting evidence of the scope of works and the value of those works to restore or replace the EPA to the same condition it was in pre-disaster. This includes the scope of works and value of those works which are the exclusive responsibility of agencies to rebuild the EPA to a standard that is not in accordance with the Determination.

6.3.3 Post disaster damage

In addition to demonstrating the pre-disaster standard of an EPA, agencies must provide post disaster supporting evidence that the EPA was damaged due to an eligible disaster and has been restored to the condition prior to the event. The minimum evidentiary requirements are outlined in clause 4.8 of the 2017 Determination.

Where pre-disaster supporting evidence indicates the EPA was not maintained and in a sub-standard condition prior to the event, disaster repairs cannot be utilised to return the asset to a standard condition as this is considered betterment. Agencies must utilise their own budget to restore the standard condition of the EPA or acknowledge the asset is beyond economical repair and consider other options such as asset replacement.

6.3.4 Completed restoration or replacement works

Agencies must be able to demonstrate and provide supporting evidence that the eligible costs being claimed under the Determination are those which relate directly to restoring or replacing the EPA to the same standard it was in pre-disaster, for example a two lane gravel road has been replaced by a two lane gravel road.

Further information which outlines the agencies record keeping and evidentiary requirements is stated in section 11.

6.4 Betterment

6.4.1 Definition of betterment

The restoration or replacement of an EPA to a more disaster-resilient standard than its pre-disaster standard.

6.4.2 Interpretations of betterment

It is recognised that the restoration or replacement of an EPA following an eligible disaster provides an opportunity for agencies or local governments to provide complementary funding towards restoring or rebuilding that asset to a condition beyond its pre-disaster functionality or utility. For example, improving or enhancing the size, capacity, strength and/or resilience of the asset. Therefore, where a constructed EPA is damaged as the result of an eligible disaster, betterment as a long term mitigation strategy should be a considered option.

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Territory expenditure related to the eligible measure of the repair or restoration works, which is the proportion of costs that would have been incurred to restore or replace the EPA to its pre-disaster functionality or utility, may be eligible for reimbursement within a standard claim. Commonwealth reimbursement of eligible expenditure applies to the restoration or replacement of constructed EPAs to the equivalent of their pre-disaster standard and condition.

Costs associated with the complementary works or activities to improve or enhance the pre-disaster functionality or utility of the EPA are the responsibility of the Territory, unless a betterment application has been approved by the Commonwealth.

Examples of improvements or enhancements that are not eligible under the Determination without prior agreement from the Commonwealth include:

- replacing undamaged guardrails with new standard guardrails
- new traffic calming devices
- widening the carriageway of a narrow single lane road
- adding kerbing, including storm water drainage where none existed previously.

6.4.3 Betterment application process

Betterment of an EPA may be funded under the Determination if all of the following are met:

- a) the Territory submits a betterment proposal to the Commonwealth in the form of Attachment E: Betterment Proposal of the Determination (forms provided by DTF on request)
- b) the Commonwealth is satisfied with the cost effectiveness of the proposal
- c) the Commonwealth is satisfied that the increased disaster-resilience of the asset will mitigate the impact of likely or recurring natural disasters of the same type.

A betterment proposal that impacts in a change in the Commonwealth's financial liability must be approved by the Commonwealth. A betterment project may also be subject to an extension to the ATL, see subclauses 5.3.8 to 5.3.14 of the 2017 Determination.

Agencies are to notify DTF immediately of any betterment of an EPA that is the subject of an NDRRA claim.

7 Notification process

When a natural disaster occurs and the Territory knows, or expects, the disaster to be an eligible disaster, the Territory must notify the Commonwealth of that fact within three months of the event. The notification includes the basis for regarding the disaster as eligible for assistance under NDRRA and is to include as far as practicable, a preliminary indication of the extent and nature of the damage and the amount and probable timing of Territory expenditure on eligible measures. The notification must be in the form set out in the Commonwealth Attachment A: NDRRA Notification Form of the Determination.

Steps for notification and registration of a disaster event with the Commonwealth

- Agencies are notified of the possible event based on weather warnings received from the Bureau of Meteorology (BOM). DTF emails agencies regarding potential and probable NDRRA event warnings.
- After the event, DTF will request agencies to provide educated estimates of damage directly caused by the event, including notifying DTF which LGAs have been affected.

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This is essential for DTF to determine if the costs of repairs for a disaster event across all Territory agencies would exceed the small disaster criterion threshold of \$240 000.

- Based on agencies responses, the notification process would commence to have the event recognised and eligible measures of assistance activated by EMA.
- Once official recognition of the event has been received by EMA, DTF will inform agencies of the Australian Government Reference Number (AGRN) issued for the event. All eligible expenditure is to be recorded against this AGRN, including the eligible measures of assistance which have been activated for certain LGAs.
- Agencies must record eligible expenditure for each measure of assistance separately in the reporting template provided by DTF. Monthly Reporting Template Guidelines are provided by DTF to assist agencies in completing the reporting template. These documents provide assistance to agencies on how eligible expenditure should be recorded under each of the activated measures, including incorporating the supporting evidence required for the audit and acquittal process.

7.1 Public acknowledgement of Commonwealth assistance

When referring to a measure under the Determination, it must be described as:

'jointly funded by the Commonwealth and Northern Territory Government under the Natural Disaster Relief and Recovery Arrangements'.

The announcement of any eligible measures available must be through a joint media release, or other joint announcement, unless otherwise agreed by the Commonwealth. The Commonwealth and the Territory must work together on the details of a joint media release or other joint announcement. The Commonwealth must approve any content of subsequent events, announcements, promotional material or publicity relating to any assistance measure under the determination. This includes, but is not limited to:

- any media releases regarding assistance measures under the determination
- EPA ceremonies
- media events that include reference to funding or measures under the determination
- plaques and signage at any asset restoration or replacement project sites.

8 Flowchart of Agency Responsibilities

A severe weather event, which could become an eligible NDRRA event, occurs.



Agencies are required to reply to DTF's potential and probable NDRRA event warnings and provide informed and educated estimates of damage directly caused by the event, including informing DTF which LGAs have been affected by the event.



Once agencies are informed of the official recognition of the event and the Australian Government Reference Number (AGRN), all expenditure is to be recorded against this AGRN, noting the ATL for all eligible expenditure associated with the event.



Agencies must record eligible expenditure for each measure of assistance separately in the monthly reporting template, using the information in the documents provided to agencies, which inform agencies on how eligible expenditure should be recorded under the activated measures of assistance.



Agencies receive the monthly reporting template on the 6th of each month, which is due back to DTF on the 11th. Agencies are required to report year to date actual expenditure and estimated expenditure for the remainder of the current financial year, and up to the next two financial years in which the disaster occurred.



Agencies are required to provide detailed explanations of variances which are plus or minus 10 per cent or plus or minus \$1 million variance from their previous quarterly return for each event.



Supporting documentation must be available to substantiate all eligible expenditure, especially for transactions over \$10 000 and for any restoration works to essential public assets.



Agencies must include acknowledgement of the Commonwealth Government's contribution to disaster recovery under the NDRRA in all disaster-related correspondence, including letters offering assistance, websites or media releases, first seeking approval through DTF.



Agencies are required to assist the NT Auditor-General's Office and EMA's appointed auditors by providing the requested supporting information in the required format by the specified date.

9 Flowchart of Treasury Responsibilities

Based on weather warnings received from the BOM, DTF emails agencies regarding potential and probable NDRRA event warnings. Estimates of damage directly caused by the event, including information on which LGAs have been affected, are to be provided after the event. Estimates should be made by suitably qualified professionals with the appropriate level of expertise and experience.



DTF reviews responses and advice from affected agencies and collects supporting information to determine if the costs of repairs in relation to a disaster event, across all Territory agencies, are estimated to exceed the \$240 000 small disaster criterion threshold.



DTF commences the official notification process with EMA to have the event recognised as an eligible NDRRA event. DTF notifies EMA of the eligible measures of assistance which are required to be activated in the affected LGAs.



DTF informs agencies and updates DTF's NDRRA current events website with the AGRN issued for the event, which expenditure is to be recorded against, including the eligible measures of assistance which have been activated and communicates the ATL for expenditure.



DTF liaises with agencies to prepare Essential Public Assets Approval Forms, Eligibility Enquiry Forms and Media Releases, prior to seeking approval from EMA.



DTF sends the monthly reporting template to agencies on the 6th on each month and once returns are received on the 11th, DTF collates actual and estimates expenditure and analyses the supporting information for transactions over \$10 000.



DTF reports all actual and estimated eligible expenditure to EMA on a quarterly basis. This includes expenditure which is estimated to be incurred by the remainder of the current financial year, and for the next two financial years on eligible events where the ATL is still available.



DTF coordinates the audit process with the NT Auditor-General and submits a verified claim to EMA within nine months of the end of the financial year.



DTF liaises with the Commonwealth appointed auditors and Territory agencies to provide the required supporting information from the audit sample in the required format, ahead of final discussions with EMA on the amount of reimbursement.

10 Responsible Agencies for relief measures

- The Minister for NTPFES, the Treasurer and CEO Territory Families are responsible for approving the use of emergency relief measures.
- Territory Families administers assistance to individuals for the relief of personal hardship and distress payments and replacement of essential household items.
- The Department of Trade, Business and Innovation administers concessional interest loans to small businesses, non-profit organisations and primary producers.
- DHCD administers grants to local government bodies and other organisations that carry out local government-type functions, for the restoration and replacement of EPAs.
- DIPL assists in the restoration and replacement of EPAs.

10.1 NDRRA activation information

Responsible Minister: Minister for NTPFES

Administering Agency: DTF

Activation Process: DTF is responsible for notifying eligible disasters under the jointly funded NDRRA.

Assistance measures are activated on an individual basis in response to identified needs in affected LGAs (i.e. rather than as a suite or package of assistance measures).

Relevant websites: securent.nt.gov.au;

<http://www.treasury.nt.gov.au/NaturalDisasterReliefandRecoveryArrangements/Pages/default.aspx>

11 Agencies Responsibilities

11.1 Record keeping and evidentiary requirements

Agencies must keep an accurate audit trail of NDRRA eligible expenditure until such time as the claim is acquitted. For audit and assurance purposes, the Commonwealth or its appointed auditor may request documentation from agencies to evidence compliance with the determination, including its guidelines and any applicable state and Commonwealth agreements made in relation to this determination.

Where documentation is requested, agencies must provide a complete audit trail comprising of physical and/or electronic records that correctly and accurately demonstrate a nexus between the activities for which expenditure is claimed, and the eligible measure, for example:

- visual and geospatial data and information which may include, but is not limited to, satellite images, Google earth images, photographs, video footage
- asset inspection and asset maintenance reports and assessments, including but not limited to, asset inspection reports 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), including site inspections, design reports and damage assessments
- administrative data and documentation including, but not limited to, contract/work orders, timesheets, news articles, e-mail correspondence, funding approval letters, minutes of meetings

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- 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
- grant data and documentation, including but not limited to, grant applications and grant guidelines
- mitigation strategies, including but not limited to, disaster resilience plans, including action plans, risk profiles and assessments, and flood mapping.

11.2 Monthly reporting requirements

The monthly reporting template is sent to agencies on the 6th of the month and due back to DTF on the 11th. Agencies are required to record:

- year to date NDRRA actual expenditure
- estimated expenditure for the remainder of the current financial year
- estimated expenditure for the next two financial years from which the disaster occurred.

Further instructions are outlined in the Monthly Reporting Template Guidelines provided to agencies every month in the reporting template.

All transactions must identify the name of the event, the eligible measure of assistance which has been activated for that event, the type of eligible assistance, the standard classification description sub class and the amount, including which reporting period the expenditure has been reported in.

Transactional data provided may include, but is not limited to; Government Accounting System and BOXI transaction listings, reports, estimates, purchase orders, invoices and progress certificates.

Agencies must ensure adequate supporting documentation is available to substantiate all eligible expenditure being claimed. Additionally, agencies are required to provide invoices for any items over \$10 000 along with any supporting documentation in their monthly returns to DTF.

Further details are outlined in record keeping and evidentiary requirements section 11.1.

11.3 Quarterly Commonwealth requirements of estimated expenditure

Agencies actual and estimated expenditure is submitted to the Commonwealth quarterly, in line with the Commonwealth budget cycle and the Final Budget Outcome end of financial year statements. This includes:

- actual expenditure for the current year to the end of the reporting quarter
- the latest estimates of forecast expenditure for the remainder of the current financial year and for the next two financial years on eligible events, where the ATL is still available.

During and following the activation of an eligible event, agencies are to advise DTF of estimates and timing of expenditure on an eligible disaster as soon as practicable after a disaster has occurred, or when otherwise requested to do so.

Estimates must be 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), and supported by, but not limited to; site inspections, design reports and damage assessments.

Agencies are required to provide detailed explanations of variances which are plus or minus 10 per cent, or, plus or minus \$1 million variance from their previous quarterly returns for each event.

11.4 Certifier of estimated expenditure

Jurisdictions are required to certify the eligibility, accuracy and completeness of the estimates data. This certification is required to be made by an appropriate senior member who is responsible for NDRRA estimated expenditure, which holds a position equivalent to an Australian Public Service Senior Executive Service Band 2 officer, and is, or is responsible for overseeing the role of, the Chief Finance Officer.

12 Audit and acquittal process

12.1 Increased focus on the audit and acquittal of claims

Due to the significantly increased focus on all jurisdictions NDRRA claims to the Commonwealth, agencies are required to report eligible expenditure in the monthly reporting format, endorsed by EMA, in order to ensure compliance with the Determination and enable the maximum potential reimbursement to the Territory.

12.2 Annual audit process

Territory expenditure in each financial year must be audited. The state-appointed auditor is required to attest that the Territory's NDRRA claim is in accordance with the principles, conditions, and eligibility rules of the current determination and its guidelines, and any applicable state and Commonwealth agreements made in relation to this determination.

Agencies are required to demonstrate is the nexus of the expenditure being claimed and the eligible measure of assistance which the transaction is being claimed in relation to that event.

12.2.1 NT Auditor-General audit process

The Territory's NDRRA claim must be certified by the NT Auditor-General (NTAG) (or his or her delegate). This process usually commences after three months following the end of the financial year. The audited claim must be submitted to the Commonwealth within nine months after the end of the financial year in which the expenditure to which it relates took place.

The NTAG's appointed auditor requires each agencies final return for the financial year to be provided. The auditor will then choose a test sample. Supporting documentation for the test sample is required for the auditor to perform checks which ensure the test sample transactions are eligible, clearly annotated and clearly approved and paid.

Once the audited claim is certified by the NTAG, DTF lodges the whole of the Territory NDRRA claim for the financial year with EMA. The audited claim must be submitted with the Commonwealth within nine months from the end of the financial year in which the expenditure took place.

12.2.2 Commonwealth appointed auditor process

The Commonwealth's independent auditor is responsible for auditing NDRRA claims for each financial year.

The Commonwealth appointed auditor analyses agencies claims of eligible expenditure based on a pre-determined methodology. A more detailed level of supporting information may be required by the Commonwealth auditors to ensure compliance with subclause 4.8 of the determination, state record keeping and evidentiary requirements, as outlined in section 11.1.

Following the conclusion of this audit, the Commonwealth appointed auditor reports the findings to EMA. The final audit findings highlight which expenditure from the audit sample, in the opinion of the Commonwealth auditor are eligible, ineligible or unsubstantiated with insufficient supporting evidence.

12.2.3 Final decisions on the amount of Commonwealth reimbursement

EMA provides the Commonwealth audit findings to the Territory for review of matters in dispute regarding the validity of expenditure. These matters are finalised before EMA recommends the amount of expenditure that is to be reimbursed to the Territory by the Commonwealth.

13 Ineligible or unsubstantiated expenditure

It is the responsibility of agencies to clearly differentiate eligible costs from ineligible costs under the determination.

The Commonwealth may appoint an independent expert to advise on the matter in question. Where eligibility of any expenditure is not adequately substantiated by agencies, the expenditure in question will be removed from the claim.

If any information provided by agencies, which is identified by an appointed auditor, or by the Commonwealth, which indicates that any part of the Territory's expenditure claimed is inconsistent with the determination or any other relevant Commonwealth decision, the expenditure in question will be removed from the claim.

If there are repeated issues by agencies which demonstrate non-compliance with the guidelines, the Commonwealth has the power to declare all expenditure in the relevant financial year as ineligible. The consequences of non-compliance with the Determination are outlined in section 3.

It is therefore imperative that all agencies claims for NDRRA expenditure are evidenced with the supporting information as outlined in the Monthly Reporting Template and the Monthly Reporting Template Guidelines.

14 Expenditure exclusions

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

Territory expenditure does not include costs the agency would normally incur such as substantive salary costs and other fixed operating costs which includes, but is not limited to:

- amounts which the state has recovered or may recover from any source
- amounts which a person is liable to reimburse to the state (including amounts attributable to GST)
- amounts directly or indirectly receivable from the Commonwealth under a joint Commonwealth/state financial arrangement or some other form of specific purpose financial assistance to a state
- amounts attributable to internal rate hire or salaries or wages for which the state would have been liable for had the eligible disaster not occurred
- amounts attributable to other ongoing administrative expenditure for which the state would have been liable for had the eligible disaster 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 state to a department or other agency of the state for possible expenditure on an eligible measure, but have not yet been spent by that department or agency
- the local government's contribution to betterment
- profit margins to an eligible undertaking.

14.1 GST treatment

Agency expenditure claimed under NDRRA should be exclusive of GST costs. Refer to GST legislation *A New Tax System (Goods and Services Tax) Act 1999* (Division 40) for exception under specific types of activities that may include GST, such as 'residential premises for rent'.

14.2 Grants to local governments, councils and shires

Grants to local government councils provided by agencies, incur a liability at the time the local government authority undertakes an eligible measure. Only the amount of actual expenditure from the grant is eligible to be claimed by the agency.

Expenditure on eligible measures must be recorded against the year in which the eligible expenditure is incurred, not the year in which agencies or local governments are provided with a grant or reimbursed.

15 Mitigation Strategies

Responsibility for determining an appropriate natural disaster mitigation strategy is a matter for agencies, local councils and shires. In accordance with the Determination, a prerequisite for the provision of assistance, other than for personal hardship and distress, is:

- that natural disaster mitigation strategies are in place in respect of likely or recurring disasters
- or that a commitment is made to develop and implement mitigation strategies within a reasonable timeframe.

Disaster mitigation includes any measure (prevention or preparedness) taken in advance of a hazardous event, aimed at reducing or eliminating the disaster risk or reducing the severity of its impact on communities and the environment and may include participation in a recognised Commonwealth mitigation program.

Agencies must provide evidence of the implementation of appropriate natural disaster mitigation strategies at the time of submitting an audited claim (see clause 4.8. of the 2017 Determination for further details). Agencies are also obliged to provide evidence of the implementation of appropriate natural disaster mitigation strategies at any time the Commonwealth requests.

If the Commonwealth 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 Commonwealth will raise the concerns with the Territory. The Commonwealth may seek a commitment by the Territory to rectify any agreed inadequacies.

If the Territory refuses to rectify the inadequacies, the Commonwealth may withhold or reduce the reimbursement amount payable on the Territory's claim in respect of a future natural disaster of the same type that is an eligible disaster.

16 Glossary of NDRRA Definitions

For a list of relevant definitions related to NDRRA, refer to the Determination – Section 1.1 located at:

<https://www.disasterassist.gov.au/Documents/Natural-Disaster-Relief-and-Recovery-Arrangements/NDRRA-determination-2017.PDF>

APPENDIX A – NDRRA assistance measures in the Northern Territory

A1 Assistance for individuals

Refer: <https://securent.nt.gov.au/recover-from-an-emergency/getting-help/financial-help-for-residents>

A1.1 Personal Hardship and Distress (PHD) payments

Immediate hardship grants to assist with the basic needs of those affected which may include food, transport, medical supplies and clothing, including the set up and management of a temporary evacuation centre for disaster displaced people. This assistance is generally provided in the first few weeks after the disaster. Immediate assistance is not subject to means testing. Payments are up to \$1 252 for a household, up to \$498 for an adult (over 18) and up to \$252 for a child, to aid families and individuals recover from the disaster.

Relevant Determination clause:

5.2.1 A – Emergency Food, Clothing or Temporary Accommodation

State administering agency: Territory Families

Enquiry contact: (08) 8999 2908

A1.2 Temporary accommodation grants

Temporary accommodation grants are a one-off capped payment per person or family and are not available while an emergency or evacuation centre is operational or where alternative accommodation options are available. This assistance is means tested, and is assessed on a case-by-case basis.

Relevant Determination clause:

5.2.1 A – Emergency Food, Clothing or Temporary Accommodation

State administering agency: Territory Families

Enquiry contact: (08) 8999 2908

A1.3 Essential household grants

Essential household contents grants assist individuals or families with the costs of replacing or repairing essential household items that have been lost, damaged or destroyed in the disaster. Essential household items may include food, cooking utensils, bedding and linen, furniture, clothing, floor coverings and essential electrical items (e.g. fridge, stove). Repairs or assistance towards replacement may also be provided. Grants are up to \$7 201 and subject to means testing.

Relevant Determination clause:

5.2.1 B – Repair or Replacement of Essential Items of Furniture and Personal Effects

State administering agency: Territory Families

Enquiry contact: (08) 8999 2908

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Essential household repairs grants contribute to the cost incurred by eligible individuals or families of repairing uninsured, owner occupied private residences, including caravans, to a safe and habitable condition. Grants are up to \$13 764 per household and subject to means testing.

Relevant Determination clause:

5.2.1 C Essential Repairs to Housing, (including temporary repairs and repairs necessary to restore housing to a habitable condition)

State administering agency: Territory Families

Enquiry contact: (08) 8999 2908

A2 Assistance for small businesses, primary producers and not for profit organisations

Loans of up to \$100 000 at a fixed concessional interest rate may be available to small businesses, primary producers and non-profit organisations, subject to certain eligibility criteria, that have been directly impacted by a disaster. These loans may be used to meet carry-on requirements or to repair or replace damaged property not covered by insurance.

Relevant Determination clause:

5.3.1 C Concessional Interest Rate Loan to Small Businesses and Primary Producers (whose assets have been significantly damaged as a direct result of an eligible disaster)

5.3.1 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)

State administering agency: Department of Trade, Business and Innovation

Enquiry contact: 1800 193 111

A3 Assistance for state agencies and local councils

A3.1 Counter disaster operations

This assistance helps agencies and councils with the costs associated with delivering exceptional relief and recovery measures within impacted communities, which go beyond the capacity of the state or local government. This may include activities such as;

- to render damaged properties or threatened houses safe and habitable
- sandbagging and the construction of temporary levees to prevent inundation of residential properties.

Relevant Determination clause:

5.2.1 F Extraordinary Counter Disaster Operations for the Benefit of an Affected Individual

5.3.1 K Counter Disaster Operations for the Protection of the General Public

State administering agency: Department of Housing and Community Development

Enquiry contact: (08) 8999 8811

A3.2 Restoration of essential public assets

This measure provides financial assistance to help with the costs of restoring or replacing eligible EPAs damaged as a direct result of a disaster, to their pre-disaster standard. This assistance also covers emergent works, such as removing debris and temporary repairs, which are undertaken immediately after a disaster to enable an eligible asset to be operational.

Relevant Determination clause:

5.3.1 A Restoration or Replacement of an Essential Public Asset

State administering agency: Department of Infrastructure, Planning and Logistics

- Enquiry contact: (08) 8924 7405

A3.3 Other eligible measures of assistance

The Territory may also claim costs associated with certain other disaster assistance measures undertaken by agencies and councils, including the establishment and operation of evacuation and recovery centres, removal of debris from residential properties and the demolition and rebuilding of disaster damaged houses. This includes Category C community recovery packages, designed to support a holistic approach to the recovery of regions, communities or sectors, severely affected by an eligible disaster.

Relevant Determination clause:

5.2.1 D Demolition or Rebuilding to Restore Housing to a Habitable Condition

5.2.1 E Removal of Debris from Residential Properties to make them Safe and Habitable

5.2.1 G Personal and Financial Counselling

5.3.1 B Betterment of an Essential Public Asset

5.4.3 A Community Recovery Fund

State administering agency: Department of Treasury and Finance

Enquiry contact: (08) 8999 5059