# Clarification on NDRRA Allowable Time Limits

Clarification from Emergency Management Australia (EMA) on the timeline of expenditure to be eligible for partial reimbursement under the Natural Disaster Relief and Recovery Arrangements (NDRRA) has been provided.

For expenditure relating to a declared natural disaster to be eligible under the NDRRA, any expenses must be incurred as a liability within the Allowable Time Limit (ATL). The ATL is 24 months after the end of the financial year in which the relevant disaster event occurred.

Under NDRRA, requests to extend the ATL beyond the 30 June in the year where the ATL expires for an approved event, is only available for repairs or restoration to essential public assets (EPA).

The Northern Territory is required to provide details of the exceptional circumstances which have caused the delays in repairing or restoring the EPA. In order to apply for an extension to the ATL, works must have started and expenses incurred on the EPA project within the ATL.

For example, the Top End Monsoonal Trough in January and February 2014, which occurred in the 2013/14 financial year, the ATL for all projects expenditure related to these events ends on 30 June 2016, which is the 24 months following the 2013/14 financial year in which the event occurred. Expenditure incurred after the 30 June 2016 would therefore be ineligible for reimbursement under NDRRA guidelines, unless there are exceptional circumstances in relation to the restoration or replacement of an EPA.

These exceptional circumstances would need to be outlined in ‘Attachment D: Request for Extension to the Allowable Time Limit Form’*,* including any appropriate supporting documentation which would be submitted to the Department of Treasury and Finance to assess the application, who would then seek approval from EMA.

On the question of whether the act of paying the councils from the Department of Housing and Community Development (DHCD) is viewed by EMA as being the date that expenses are incurred, and so is therefore the start date of the repairs to the EPA, this is **not** the case.

Eligible expenditure is only considered to be incurred as a liability at the time the local government authority undertakes the project, not at the point DHCD makes the payment to the local council, shire or contractor.

To be considered as eligible expenditure, works must have commenced within the ATL. Eligible expenditure would be considered as physical repairs or construction works commencing as part of any contractual agreement for the restoration of an EPA within the ATL.

Merely undertaking initial estimates and scoping of projects to commence works is not eligible expenditure within the ATL under the NDRRA eligibility criteria.

Depending on any contractual obligations that are in place, the local council may complete project works outside of the ATL, if prior agreement has been made with EMA. If an extension to the ATL has been lodged and not yet granted within the ATL, the projects works are to continue. However, the associated expenditure beyond the ATL would not be considered eligible for partial reimbursement under the NDRRA, unless an extension to the ATL has been granted.

Therefore if the repairs to an EPA is at risk of not being completed within the ATL, a local council or government agency must firstly contact the DHCD Office for assistance in completing the required extension forms before being submitted to the Department of Treasury and Finance once delays beyond the ATL have first been identified, and before 31 December of the final year of the ATL, in order to receive a decision on the extension request before the ATL expires.

This must be accompanied by a completed ‘Attachment D: Request for Extension to the Allowable Time Limit Form*’,* including any appropriate supporting documentation.

Additionally, if the ATL for an event is 30 June 2017 but the deadline for consideration is not till 31 July 2017, the request must be submitted before 30 June 2017. The extension request would then be assessed after 31 July 2017 and take approximately three months to process.

Under EMA guidelines,in line with the Federal budget cycle, requests for extensions to the ATL are assessed by EMA on two deadlines, 31 July and 31 December 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.

Consideration to extend the ATL will only be given where exceptional circumstances exist, for example; factors that may have been unforeseeable, unusual, unique or beyond the control of the state or the local government, despite addressing all potential risks through adequate project and risk management plans.

Factors that are not considered to be exceptional circumstances are those that are within the control of the state or local government, such as ongoing discussions regarding internal funding arrangements, which have resulted in delays to complete the project within the ATL.

Further examples of what constitutes exceptional circumstances and what does not constitute exceptional circumstances are outlined in the attached document, ‘Attachment D: Request for Extension to the Allowable Time Limit Form*’,* which contains further information on the timelines throughout the ATL process.