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Natural Disaster Relief and Recovery Arrangements Determination 2017

terms and conditions

by the Hon Michael Keenan MP, Minister for Justice and Minister Assisting the Prime Minister for Counter-Terrorism

Preliminary

I, the Hon Michael Keenan MP, Minister for Justice and Minister Assisting the Prime Minister for Counter-Terrorism, determine the terms and conditions applicable to payments of financial assistance by the Commonwealth to any State, the Australian Capital Territory or the Northern Territory, for the purposes of natural disaster relief and recovery, to be the terms and conditions recorded in this document (2017 determination).

The 2017 determination applies from 1 July 2017, in respect of eligible disasters that occur on or after that date. It amends, by replacement, the Natural Disaster Relief and Recovery Arrangements Determination 2012: Version 2. The 2017 determination applies to all claims with effect from 1 July 2017.

The 2017 determination has effect in relation to:

a) national partnership payments made for the above purposes—as part of the Inter-Governmental Agreement on Federal Financial Relations, entered into between the Commonwealth, the States, the Australian Capital Territory and the Northern Territory (as amended), and

b) payments made out of the amount appropriated by the Appropriation Act (No. 2) 2016-2017 to the Commonwealth Attorney-General’s Department for the outcome, ‘A just and secure society through maintenance and improvement of Australia’s law and justice framework and its national security and emergency management system’.

Note: The 2017 determination has effect as part of the Inter-Governmental Agreement on Federal Financial Relations by virtue of clauses D42 and D43 of Schedule D to that agreement. The determination has effect under the Appropriation Act (No. 2) 2016-2017 by virtue of section 16 of that Act.

The 2017 determination is also intended to have effect in relation to any later Appropriation Act that appropriates an amount for the same outcome, or for a different outcome that includes the purposes of natural disaster relief and recovery, and authorises the terms and conditions applicable to payments to be determined.

This document incorporates a statement of the Natural Disaster Relief and Recovery Arrangements, and of the related administrative procedures and guidelines, which will operate from the date of signature, in respect of natural disasters or terrorist acts that occur on or after that date.

Michael Keenan
Minister for Justice and Minister Assisting the Prime Minister for Counter-Terrorism

/ / 8 /2017
1. DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

1.1.1 All definitions relevant to this *determination* are contained in the table below.

<table>
<thead>
<tr>
<th>TERM</th>
<th>DEFINITION</th>
</tr>
</thead>
</table>
| Allowable time limit          | For expenditure on restoration or replacement of an *essential public asset*:  
• the period of 24 months after the end of the *financial year* in which the *eligible disaster* occurred; or  
• if there are *special circumstances* presented by a *state* and accepted by the *department*—such longer period as the *department* specifies.  
For expenditure on any other *eligible measure*—the period of 24 months after the end of the *financial year* in which the *eligible disaster* occurred. |
<p>| Appropriate assessment methods| An assessment that would support a <em>small business’, primary producer’s</em> or a <em>non-profit organisation’s</em> claim for eligibility under this <em>determination</em> and support the <em>small business’, primary producer’s</em> or <em>non-profit organisation’s</em> ability to repay the loan. An assessment may include: site visits to establish the <em>small business’, primary producer’s</em> or <em>non-profit organisation’s</em> pre and post disaster context and situation, review of tax returns for the preceding <em>financial years</em>, comparison of budgeted net income to historical financial statements, confirmation of existing bank loans and facilities to identify possible peak debt issue(s) throughout the 12 month period prior to the <em>eligible disaster</em>, loan security, and proof of an insurance claim. |
| Bad Debts                     | Amount of loan which is unlikely to be paid and is treated as a loss.                                                                                                                                                                                                                                                                          |
| Betterment                   | The restoration or replacement of an <em>essential public asset</em> to a more disaster-resilient standard than its pre-disaster standard.                                                                                                                                                                                                        |
| Budget funded                | Those <em>state</em> entities which receive a funding allocation from the <em>state</em> (for which day labour and internal rate hire would be ineligible).                                                                                                                                                                                                  |
| Category A                   | See clause 5.2                                                                                                                                                                                                                                                                                                                                 |
| Category B                   | See clause 5.3                                                                                                                                                                                                                                                                                                                                 |
| Category C                   | See clause 5.4                                                                                                                                                                                                                                                                                                                                 |
| Category D                   | See clause 5.5                                                                                                                                                                                                                                                                                                                                 |
| Commonwealth concessional interest rate | 50 per cent of the ten-year Treasury bond rate averaged from 1 April to 30 June for the preceding <em>financial year</em>. The rate is based on data published by the Reserve Bank of Australia.                                                                                                                                         |
| Department                   | The Commonwealth department responsible for administering this <em>determination</em>. A reference to the department includes a reference to the Secretary and appropriate Senior Executive Service officials of the department.                                                                                                           |</p>
<table>
<thead>
<tr>
<th><strong>Direct result</strong></th>
<th>Affected by an <em>eligible disaster</em> and located within the affected geographical area that has been notified under the NDRRA notification form submitted by the state. Applicants outside the affected geographical area who do not operate in the affected geographical area are not eligible, including those with a supply chain relationship to the affected geographical area.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Determination</strong></td>
<td>This document.</td>
</tr>
</tbody>
</table>
| **Eligible disaster** | A natural disaster or terrorist act for which:  
  • a coordinated multi-agency response was required; and  
  • state expenditure exceeds the small disaster criterion. |
| **Eligible measure** | An act of relief or recovery described as a Category A, Category B, Category C or Category D measure. |
| **Eligible undertaking** | A body which:  
  • is one of the following:  
    o a department or other agency of a state government, or  
    o 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. |
<p>| <strong>Employee</strong> | A person, including family members, who the business directly engages, controls and pays a wage for labour. |
| <strong>Essential public asset</strong> | 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. |
| <strong>Farm enterprise</strong> | An activity listed in Division A of the Australian and New Zealand Industrial Classification published by the Australian Bureau of Statistics. |
| <strong>Financial Year</strong> | A period of 12 months commencing on 1 July. |
| <strong>Habitable</strong> | Refers to a residential property being fit for human habitation, possessing basic amenities in working order and not being in substantial disrepair. |
| <strong>Individual</strong> | A natural person. |
| <strong>Long-term viability</strong> | The ability of a small business’, primary producer’s or non-profit organisation’s operation to continue to operate and be able to meet its liabilities as they become due. Long-term would generally be considered a period greater than three years. |
| <strong>Loss of income</strong> | Net income which would have been earned if the small business, primary producer or non-profit organisation had not been interrupted by the eligible disaster based on past performance during similar periods. Net income takes into account the costs that would have been incurred to earn the income. Examples of what could result in a loss of income would be cancellation of bookings and where customers cannot physically reach the small business, primary producer or non-profit organisation due to damaged public infrastructure. |</p>
<table>
<thead>
<tr>
<th><strong>Minister</strong></th>
<th>The Commonwealth Minister responsible for this <em>determination.</em></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Must</strong></td>
<td>Indicates a mandatory requirement.</td>
</tr>
</tbody>
</table>
| **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, or  
  • 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 this *determination.* |
| **Natural disaster mitigation** | Measures taken in advance of, or after, a *natural disaster* aimed at decreasing or eliminating the impact of a *natural disaster* on society and the environment. |
| **Needy Individual** | An *individual* who is in urgent and genuine need of financial assistance. |
| **Non-budget funded** | Those *state* entities which do not receive a funding allocation from the *state* and operate independently through public and private tender processes in line with *state* competitive neutrality requirements. |
| **Non-Profit Organisation** | An incorporated charity or non-profit entity which is registered with the Australian Charities and Non-Profits Commission (ACNC) or an equivalent state regulatory body. This may include:  
- non-profit schools (i.e. those run by a church)  
- religious institutions  
- homeless hostels  
- aged *persons* homes  
- organisations relieving the special needs of people with disabilities  
- community child care centres  
- cultural societies  
- environmental protection societies  
- neighbourhood associations  
- public museums and libraries  
- scouts  
- sports clubs  
- surf lifesaving clubs, and  
- traditional service clubs. |
<p>| <strong>Participating authorised deposit taking institution</strong> | Corporations which are authorised under the <em>Banking Act 1959</em>. These include banks, building societies and credit unions. |
| <strong>Person</strong> | <em>An individual</em>, a body politic, or a body corporate. |</p>
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary producer</td>
<td>An individual, partnership, trust or company which:</td>
</tr>
<tr>
<td></td>
<td>• has a right or interest in a farm enterprise; and</td>
</tr>
<tr>
<td></td>
<td>• contributes a significant part of his, her or its labour and capital to the enterprise; and</td>
</tr>
<tr>
<td></td>
<td>• derives at least 50 per cent of his, her or its income from the enterprise.</td>
</tr>
<tr>
<td></td>
<td>Primary producers are defined as those that are listed under Australian New Zealand Standard Industrial Classification 2006 (ANZSIC)</td>
</tr>
<tr>
<td></td>
<td>1292.0 (Revision 2.0) Codes 01 (Agriculture), 02 (Aquaculture), 03 (Forestry and Logging), 04 (Fishing, Hunting and Trapping) and 05 (Agriculture, Forestry and Fishing Support Services). These are:</td>
</tr>
<tr>
<td></td>
<td>a) agriculture</td>
</tr>
<tr>
<td></td>
<td>i. nursery and floriculture production</td>
</tr>
<tr>
<td></td>
<td>ii. mushroom and vegetable growing</td>
</tr>
<tr>
<td></td>
<td>iii. fruit and tree nut growing</td>
</tr>
<tr>
<td></td>
<td>iv. sheep, beef cattle and grain farming</td>
</tr>
<tr>
<td></td>
<td>v. other crop growing</td>
</tr>
<tr>
<td></td>
<td>vi. dairy cattle farming</td>
</tr>
<tr>
<td></td>
<td>vii. poultry farming</td>
</tr>
<tr>
<td></td>
<td>viii. deer farming</td>
</tr>
<tr>
<td></td>
<td>ix. intensive horticulture</td>
</tr>
<tr>
<td></td>
<td>x. other livestock farming</td>
</tr>
<tr>
<td></td>
<td>xi. hydroponics, and</td>
</tr>
<tr>
<td></td>
<td>xii. beekeeping</td>
</tr>
<tr>
<td></td>
<td>b) aquaculture</td>
</tr>
<tr>
<td></td>
<td>c) forestry and logging</td>
</tr>
<tr>
<td></td>
<td>d) fishing, hunting and trapping, and</td>
</tr>
<tr>
<td></td>
<td>e) forestry, agriculture and fishing support services.</td>
</tr>
<tr>
<td>Public Infrastructure</td>
<td>An asset that is an integral part of a state’s infrastructure and is associated with health, education, justice or welfare.</td>
</tr>
<tr>
<td>Reinstatement</td>
<td>Activities undertaken by a recipient of a recovery grant to assist in the re-establishment of primary producers, small businesses or non-profit organisations to substantially the same position it was in prior to the eligible disaster, in order to aid the business to continue/resume normal trading/production as soon as possible.</td>
</tr>
<tr>
<td>Small business</td>
<td>A business, other than a farm enterprise, which employs fewer than 20 full-time equivalent staff. That is, the sum total of all standard hours worked by all employees (whether full-time or part-time) is less than the number of standard hours which would be worked by 20 full-time employees, as defined by the Australian Bureau of Statistics. A small business does not include a sole trader small business where 50 per cent or less of the sole trader’s income comes from that business.</td>
</tr>
<tr>
<td>Small disaster criterion</td>
<td>The amount published by the department from time to time for the purposes of this determination, being the amount of $240,000 as affected by movements in the Consumer Price Index.</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>All Australian <em>states</em>, including the Australian Capital Territory and the Northern Territory.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>
| **State expenditure** | The amount actually spent or the cost incurred by the *state*, its departments or other agencies, or the expenditure of a body established by or under *state* legislation for public purposes (for example, a local government), within the *allowable time limit*, on an *eligible measure* and with respect to an *eligible disaster*.

For the purposes of recording local government expenditure, a *state* incurs a liability at the time the local government undertakes an *eligible measure* and it is at that point that the liability must be recorded by the *state*.

Expenditure on *eligible measures* must be recorded against the year in which the expenditure is incurred by *state* agencies or relevant bodies, not the year in which the *state* expends cash, conducts an audit, submits an audited claim to the Commonwealth or reimburses its agencies or local governments. Refer to p. 32 for a practical example.

The amount includes:

- the cost to the *state of eligible measures* in the form of non-monetary assistance (for example, goods, waived revenue, free or subsidised services)
- the cost to the *state of eligible measures* in the form of concessional interest rate loans
- no more than two-thirds of the *betterment* of a local government owned asset, except where the asset is an asset of a remote Indigenous community or, if the *department* agrees, is an asset of a low financial capacity local government
- costs associated with the salaries and wages, and internal rate hire, of *non-budget funded state* entities or agencies undertaking *eligible measures* under this *determination*;
- certain other costs associated with salaries and wages, and internal rate hire, of *state budget funded* entities or agencies to undertake *eligible measures* under this *determination*, such as:
  - overtime for *state employees*, outside of normal working hours
  - employment costs for temporary (fixed-term) *employees* or contractors
  - costs of backfilling *state employees* who have been seconded to assist with *eligible disaster* relief and recovery activities
  - permanent *state employees* who have been diverted from their normal duties to perform *eligible measures* under this *determination*, including costs associated with travel expenses, allowances and accommodation
  - contractors or *state employees* on a temporary (fixed-term) basis, including costs associated with travel expenses, allowances, accommodation and associated on-costs such as superannuation entitlements, workers compensation
  - additional fuel and oil expenditure, and maintenance costs required as a direct consequence of using internal rate hire.
Note: If any part of *state expenditure* is in the form of concessional interest rate loans, a component of the Commonwealth assistance will also be in the form of a concessional interest rate loan to the *state*—see clause 6.3.

The amount does not include any of the following:

- 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*; or
- profit margins to an *eligible undertaking*.

<table>
<thead>
<tr>
<th>Special circumstances</th>
<th>Circumstances which are unforeseeable, unusual, unique or beyond the control of the <em>state</em>, despite addressing all potential risks through adequate project and risk management plans.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Terrorist act</strong></td>
<td>An action or a series of actions committed in Australia which the <em>Minister</em> has determined is a terrorist act for the purposes of an <em>eligible disaster</em> under this <em>determination</em>.</td>
</tr>
</tbody>
</table>

Without limiting the matters to which the *Minister* may have regard in determining whether the action or series of actions is a terrorist act, the *Minister* may have regard to:

1. the definition of a terrorist act under section 100.1 of the *Criminal Code Act 1995*, and
2. if available, the advice of other Commonwealth agencies.

In the event of one or more acts, the *Minister* may determine two or more related acts to be a single terrorist act.

| **Thresholds** | The first *threshold* is 0.225 per cent of the *state*’s total general government sector revenue and grants in the *financial year* two years prior to the relevant *financial year*; and the second *threshold* is 1.75 times the *state*’s first *threshold*. |
| **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. |
| **Working capital** | The amount required to continue the *small business’, primary producer’s or non-profit organisation’s* operations for the next 12 months or until the next major income is received, and may include:  
  a) salaries and wages;  
  b) paying creditors;  
  c) paying rent and rates;  
  d) procuring fodder or water for livestock or produce;  
  e) procuring alternative transport for livestock and produce; and  
  f) fuel and other supplies essential to the business or primary production operation. |
1.2 INTERPRETATION

1.2.1 In this determination:

a) The singular includes the plural and vice versa, and a gender includes other genders.

b) Clause and subclause headings are inserted for convenience only and have no effect in limiting or extending the language of the provisions of this determination.

c) Notes and examples to the terms and conditions of this determination form part of this determination but if there is any inconsistency between a term or condition of this determination and a note or guideline for example, the term or condition prevails.

d) Another grammatical form of a defined word or expression has a corresponding meaning.

1.2.2 The definitions and interpretation clauses also apply to any guideline or other instrument issued under this determination.

2. INTRODUCTION

2.1 AIM AND OVERVIEW OF THE NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS

2.1.1 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 state expenditure.

2.1.2 This determination is administered by the department.

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

2.1.4 This determination identifies the relief and recovery assistance to which the Commonwealth will financially contribute.

2.1.5 This determination should be read in conjunction with any relevant guidelines.
3. **BASIC PRINCIPLES FOR ASSISTANCE**

### 3.1 PRINCIPLES FOR ASSISTANCE TO STATES

3.1.1 *States* are best placed to identify the type and level of assistance to make available following *a natural disaster or a terrorist act*, in accordance with their responsibility for disaster and emergency management. *States* are not bound, or limited, by the assistance measures identified in, or funding available under this *determination*, and should make available whatever assistance they deem necessary regardless of whether it is eligible for reimbursement.

3.1.2 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.

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

- a) 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; and
- b) 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*;
- c) the assistance is designed to achieve an efficient allocation of resources; and
- d) those affected in the same way by the same *eligible disaster* should receive the same assistance, within the limitations of this *determination*.

3.1.4 The Commonwealth considers that *natural disaster mitigation*, in partnership with the *states*, is an important principle to be advanced under this *determination*. This principle is consistent with good accountability, and provides assurance to communities and the general public of the ongoing commitment of all Australian governments to “safeguard” the well-being of communities through providing effective levels of disaster prevention and protection.

3.1.5 *States* have a responsibility to put in place insurance arrangements which are cost effective for both the *state* and the Commonwealth.

3.1.6 The financial exposure borne to taxpayers, by all levels of government, under this *determination* should be minimised.
4. CONDITIONS FOR COMMONWEALTH ASSISTANCE

4.1 GENERAL REQUIREMENT

4.1.1 States must comply with the following conditions to be eligible for Commonwealth assistance. The outcomes of non-compliance with any condition are to be determined by the department and may include, but are not limited to:

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

NON-COMPLIANCE AND EXEMPTIONS TO CONDITIONS UNDER THIS DETERMINATION

4.1.2 If a state is or was unable to comply with any condition, or would like to seek an exemption, the state must write to the department requesting dispensation from that condition.

4.1.3 States may write to the department at any time during the allowable time limit to request non-compliance or an exemption. The request must include the circumstances which give rise to the request.

4.1.4 States may also write to the department to appeal (under clause 9) any decision made under this determination.

4.2 NOTIFICATION

4.2.1 When a natural disaster occurs and the relevant state knows, or expects, the natural disaster to be an eligible disaster the state must notify the department of that fact within three (3) months.

4.2.2 States may also write to the Minister seeking advice on whether the Minister considers the event to be a terrorist act for the purposes of this determination.

4.2.3 When an act is determined by the Minister to be a terrorist act for the purposes of this determination, the Minister or department will write to the relevant state.

4.2.4 If the Minister determines the event to be a terrorist act for the purposes of an eligible disaster under this determination, this does not equate to any assumption with respect to the admissibility of evidence before a Court, or the guilt of persons accused of engaging in a terrorist act under the Criminal Code Act 1995.

4.2.5 When an act is determined to be a terrorist act, the relevant state must notify the department of that fact within three (3) months from the date of the Minister’s or the department’s letter. Refer to Guideline 5: Process for determining a terrorist act is an eligible disaster.

4.2.6 The notification must be in the form set out in Attachment A: Notification Form.
4.3 PUBLIC ACKNOWLEDGEMENT OF COMMONWEALTH ASSISTANCE

4.3.1 The announcement of an *eligible measure* or *eligible measures* under the *determination* must be through a joint media release, or other joint announcement, unless otherwise agreed by the Commonwealth.

4.3.2 The Commonwealth and the *state* must work together on the details of a joint media release or other joint announcement.

4.3.3 When referring to an *eligible measure* under this *determination*, it must be described as “jointly funded by the Commonwealth and ^insert name of state^ under the Natural Disaster Relief and Recovery Arrangements”.

4.3.4 The *state* must notify the Federal Member of the House of Representatives in writing where there is an intention to undertake an *essential public asset* restoration or replacement project in their electorate (including for *essential public assets* owned by local governments).

4.3.5 *States* must reach prior agreement with the Commonwealth on the nature and content of any subsequent events, announcements, promotional material or publicity relating to an *eligible measure* under this *determination*. This includes, but is not limited to:

   a) any *state* media releases regarding *eligible measures* under this *determination*;
   b) *essential public asset* ceremonies;
   c) media events which include reference to funding or *eligible measures* under this *determination*;
   d) plaques and signage at any *essential public asset* restoration or replacement project sites funded under this *determination*.

4.3.6 Evidence of compliance with subclauses under clause 4.3 must be provided to the *department* in reasonable time after compliance has been achieved. If evidence is not provided, the *department* may withhold or reduce the reimbursement amount payable on a *state* claim in respect of an *eligible measure* or an *eligible disaster*.

4.3.7 *States* may seek an exemption from clause 4.3 (under subclause 4.1.2–4.1.4) where it is clear that a *state* is not likely to reach its first *threshold* for a *financial year*, which would preclude a *state* from receiving partial reimbursement for *Category B* assistance measures. The request must be made in the form of Attachment A: Notification Form.

4.4 STATE IMPLEMENTATION OF NATURAL DISASTER MITIGATION STRATEGIES

4.4.1 Responsibility for determining an appropriate *natural disaster mitigation* strategy is a matter for *states*.

4.4.2 *States* must provide evidence of the implementation of appropriate *natural disaster mitigation* strategies at the time of submitting an audited claim (see clause 4.8. for further details). *States* are also obliged to provide evidence of the implementation of appropriate *natural disaster mitigation* strategies at any other time as the *department* requests.

4.4.3 If the *department* 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 department will raise the concerns with the state. The department may seek a commitment by the state to rectify any agreed inadequacies.

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

4.4.5 If a state wishes to appeal a decision made under subclause 4.4.4, the state may write to the Minister (under clause 9).

4.5 **STATE CAPITAL OR ACCESS TO CAPITAL**

4.5.1 A state must have reasonably adequate capital or access to capital to fund liabilities or infrastructure losses before being granted access to funds under this determination, including through, but not limited to, the following mechanisms:
   a) commercial insurance/reinsurance;
   b) any state-COAG reinsurance fund or pool; and
   c) state department premium contributions (i.e. internal state funds).

4.5.2 States must proactively explore a range of insurance options in the market place and assess available options on a cost-benefit basis.

4.5.3 The Commonwealth may undertake activities to assure itself that a state has made reasonable effort to meet this condition of assistance.

4.6 **ADVICE ON STATE ELIGIBLE MEASURES**

4.6.1 By 1 September each year states must provide the Commonwealth with details of all eligible measures which may be made available during that financial year in response to an eligible disaster.

4.6.2 All eligible measures must be categorised according to the relevant measures listed at subclauses 5.2, 5.3, 5.4 and 5.5.

4.7 **QUARTERLY STATE EXPENDITURE AND ESTIMATES REPORTS**

4.7.1 Each state must provide to the department, for budgetary purposes, reports of the state’s:
   a) state expenditure and estimated state expenditure in the current financial year to date; and
   b) latest estimates of state expenditure for the remainder of the current financial year and for the next three financial years.

4.7.2 The state expenditure and estimated state expenditure reports must be provided quarterly or, if the department requests, at any other time.

4.7.3 The state expenditure and estimated state expenditure reports must be certified by an officer at the level, and in the format, designated by the department.

4.7.4 The certification must be in the form of Attachment B: Estimates Pack.
4.7.5 The estimated state expenditure must be broken down as follows:
   a) Category A measures; and
   b) Category B measures (excluding concessional interest rate loan expenditure); and
   c) Concessional interest rate loan expenditure; and
   d) Category C measures; and
   e) Category D measures.

4.7.6 Any state expenditure arising from discretionary Commonwealth agreements (for example, betterment, Category C or Category D measures) must be itemised separately and be described in accordance with the description of each item as agreed by the Commonwealth.

4.7.7 The department may at any time ask the state to provide information, including access to project level information, that the department considers necessary to ensure that state expenditure and estimated state expenditure is in accordance with the principles, conditions, and eligibility rules of this determination and its guidelines.

4.8 STATE RECORD KEEPING AND EVIDENTIARY REQUIREMENTS

4.8.1 States must keep an accurate audit trail for seven (7) years from the end of each financial year in which expenditure is claimed by the state, or until such time as the claim is acquitted.

4.8.2 For assurance purposes the department may, at any time, request documentation from states to evidence the state’s compliance with any aspect of this determination.

4.8.3 Where documentation is requested, state’s must provide a complete audit trail comprising of physical and/or electronic records that correctly and accurately demonstrate a direct relationship between the activities for which state expenditure is claimed, and the eligible measure—for example:

   a) visual and geospatial data and information which may include (but is not limited to) satellite images, Google earth images, photographs, video footage
      
      i. this type of evidence can be used to support the pre-disaster standard of an essential public asset, the post-disaster damage caused as a direct result of the eligible disaster, including the betterment component where applicable, and the condition of the essential public asset once the restoration or replacement works have been completed
      
      ii. where an essential public asset 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 essential public asset has been enhanced (see Guideline 1 for further details), states must be able to demonstrate that the level of enhancement to the eligible essential public asset does not amount to restoring or replacing the essential public asset to a more disaster-resilient standard than its pre-disaster standard, i.e. betterment
   
   b) asset inspection and asset maintenance reports and assessments, including but not limited to, asset inspection report(s) 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), site inspections, design reports and damage assessments

c) administrative data and documentation including, but not limited to, contract/work orders, timesheets, news articles, e-mail correspondence, funding approval letters, minutes of meetings

d) 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

e) grant data and documentation, including but not limited to, grant applications and grant guidelines, and

f) mitigation strategies, including but not limited to, disaster resilience plans, including action plans, risk profiles and assessments, and flood mapping.

4.8.4 States must make available to the department, within an agreed timeframe, all documentation relevant to a request by the department.

4.8.5 States must certify, in Attachment B: Estimates Pack that this documentation will be made available at each estimates quarter and with each audited claim, if requested by the department. The certification must be in the form of Attachment B: Estimates Pack.

5. RELIEF AND RECOVERY ASSISTANCE MEASURES

5.1 GENERAL REQUIREMENT

5.1.1 For any of the below 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.

5.1.2 If states are unsure of the eligibility of a relief and recovery activity under this determination, states must write to the department in the form of Attachment H: Eligibility Enquiry Form.

5.2 CATEGORY A MEASURES

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

a) emergency food, clothing or temporary accommodation;

b) repair or replacement of essential items of furniture and personal effects;

c) essential repairs to housing, including temporary repairs and repairs necessary to restore housing to a habitable condition;

d) demolition or rebuilding to restore housing to a habitable condition;

e) removal of debris from residential properties to make them safe and habitable;

f) extraordinary counter disaster operations for the benefit of an affected individual; or

g) personal and financial counselling.
Further information regarding the types of costs which can be claimed under Category A is at Schedule 1.

5.3 CATEGORY B MEASURES

5.3.1 A Category B assistance measure is one of the following:

a) restoration or replacement of an essential public asset;

b) betterment of an essential public asset;

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;

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;

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;

f) interest rate subsidy to small businesses or primary producers whose assets have been significantly damaged as a direct result of an eligible disaster;

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;

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;

i) freight subsidy to primary producers whose assets have been significantly damaged;

j) grant to a needy individual or non-profit organisation whose assets have been significantly damaged as a direct result of an eligible disaster; or

k) counter disaster operations for the protection of the general public.

RESTORATION OR REPLACEMENT OF ESSENTIAL PUBLIC ASSETS

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

5.3.3 An essential public asset is considered to be redamaged if it is directly damaged by an eligible disaster and suffers further damage in the same location from a subsequent eligible disaster prior to the commencement or completion of eligible restoration or replacement activities in response to the first eligible disaster.

5.3.4 Where an essential public asset has been redamaged, the costs to restore or replace that essential public asset are to be apportioned based on the proportion of damage caused by the first eligible disaster and the proportion of damage caused by the subsequent eligible disaster.

5.3.5 The relevant allowable time limit would apply in relation to the claiming of eligible state expenditure which has been apportioned against the first eligible disaster and the subsequent eligible disaster. Refer to Guideline 1: Essential Public Asset Restoration or Replacement for further details.
5.3.6 States must request the department’s agreement that an asset is an essential public asset within a reasonable time of commencing any essential public asset restoration or replacement activity estimated to cost $1,000,000 or more using the form at Attachment C: Essential Public Assets Approval Form.

5.3.7 A condition of assistance for restoration or replacement of an essential public asset is:

a) the state has developed and implemented natural disaster mitigation strategies in respect of likely or recurring natural disasters, and has also encouraged local governments to develop and implement such strategies (these strategies may have been developed by Commonwealth, state or local government); and

b) if the state’s assistance is for the restoration or replacement of an essential public asset 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 state would otherwise have given to the local government is reduced by 10 per cent.

EXTENSIONS TO THE ALLOWABLE TIME LIMIT

5.3.8 States may submit a request to the department for an extension to the allowable time limit for the restoration or replacement of an essential public asset where there are special circumstances.

5.3.9 Requests received after the allowable time limit has expired will not be considered by the department.

5.3.10 The request must be in the form of Attachment D: Request for Extension to the Allowable Time Limit Form.

5.3.11 States may submit a request at any time but, the department will only consider the request after 30 June and 30 November each year, in line with the Federal Budget cycle.

5.3.12 All extensions to the allowable time limit which result in a change (positive or negative) in the Commonwealth’s financial liability must be approved by the Commonwealth.

5.3.13 The requesting state must not cease the restoration or replacement of the essential public asset pending the outcome of the Commonwealth’s consideration.

5.3.14 The department will notify the state in writing, within a reasonable timeframe, once the outcome of the request for an extension to the allowable time limit is known.

BETTERMENT

5.3.15 Betterment of an essential public asset may be funded under this determination if:

a) the state submits a betterment proposal to the department, in the form of Attachment E: Betterment Proposal; and

b) the department is satisfied with the cost effectiveness of the proposal; and

c) the department is satisfied that the increased disaster-resilience of the asset will mitigate the impact of likely or recurring natural disasters of the same type.
5.3.16 A betterment proposal which results in a change (positive or negative) in the Commonwealth’s financial liability must be approved by the Commonwealth.

5.3.17 A betterment project may be subject to an extension to the allowable time limit (see subclauses 5.3.8–5.3.14).

CONCESSIONAL INTEREST RATE LOANS

5.3.18 In response to an eligible disaster, eligible applicants must only receive a concessional interest rate loan or an interest rate subsidy. The state will assess the types of assistance to be provided to the eligible applicants. See sub-clauses 5.3.32–5.3.40 for interest rate subsidies.

5.3.19 A concessional interest rate loan must be made directly from the state to the eligible applicant.

Concessional interest rate loan to small businesses or primary producers whose assets have been significantly damaged as a direct result of an eligible disaster

5.3.20 For an applicant to be eligible, the state must be satisfied that:
   a) the applicant’s assets (including fodder) have been significantly damaged as a direct result of an eligible disaster; and
   b) the applicant’s small business or primary producer operation was viable prior to the eligible disaster and the assistance will ensure it continues to be viable. The state should implement appropriate assessment methods to establish past and future long-term viability; and
   c) the applicant is continuing or is to re-establish the small business or primary producer operation within the same location, or within the same local government area.

5.3.21 The principal loan amount is to be established by the state.

Concessional interest rate loan to needy individuals or non-profit organisations whose assets have been significantly damaged as a direct result of an eligible disaster

5.3.22 For an applicant to be eligible, the state must be satisfied that:
   a) the applicant’s assets have been significantly damaged as a direct result of an eligible disaster; and
   b) the applicant has no alternative funding source to rectify the damage and has used any available insurance prior to seeking assistance. This could be any available insurance or funding received from government disaster programs which are not linked to the eligible measures or a loan from a financial institution. The state should implement appropriate assessment methods to determine if the applicant has sought alternative funding.

5.3.23 The principal loan amount is up to $100 000 to any one eligible applicant.

5.3.24 In addition to the loan, an applicant can also receive a grant (see subclauses 5.3.42–5.3.43).
Concessional interest rate loans to a small business, primary producer or a non-profit organisation that has suffered a significant loss of income as a direct result of an eligible disaster

5.3.25 For an applicant to be eligible, the state must be satisfied that:

a) the applicant has suffered a significant loss of income as a direct result of an eligible disaster; and

b) the applicant’s small business, primary producer or non-profit organisation operation was viable prior to the eligible disaster and the assistance will ensure it continues to be viable. The state should implement appropriate assessment methods to establish past and future long-term viability; and

c) the applicant is continuing or is to re-establish the small business, primary producer or non-profit organisation operation within the same location, or within the same local government area.

5.3.26 The concessional interest rate loan for a significant loss of income may be used for essential working capital.

5.3.27 The principal loan amount is up to $100 000 to any one applicant.

5.3.28 The repayment term for the loan amount is up to ten (10) years with the ability to offer interest only for a period of up to two (2) years.

Calculation for the concessional interest rate

5.3.29 In setting the state’s interest rate on concessional interest rate loans in a financial year, the state must have regard to the following factors:

a) the Commonwealth concessional interest rate; and

b) the estimated amount required by the state to cover the costs of establishing and maintaining the loan arrangements, including undertaking recovery action and bad debts.

5.3.30 If the state charges a margin above the rate established in clause 5.3.29, the state must pay to the Commonwealth, on or before 15 June in each successive year until maturity of the loan, an amount equal to three quarters of the associated margin on the value of the concessional interest rate loan balance.

5.3.31 The state must review the interest rate charged to eligible applicants from time to time, making adjustments where appropriate to accommodate any improvement in the circumstances of the eligible applicant.

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For example, the interest rate charged by the states on concessional loans in 2014-15 is 1.25 per cent. This is based on:

- 50 per cent of the 10 year Treasury bond rate from 1 April to 30 June for the preceding financial year (Commonwealth concessional interest rate). In 2013-14 the average rate for the period was 2.0 per cent, resulting in a 1.0 per cent Commonwealth concessional interest rate; and

- the states determining that 0.25 per cent is an applicable rate to cover the cost of establishing and maintaining the loan arrangements, including recovery and bad debts.

However, if the state charges an additional rate above this, say 0.25 per cent, then the state must pay three-quarters of this margin or 0.19 per cent to the Commonwealth on or before 15 June in each successive year of the loan period or until the rate is returned to 1.25 per cent.

It is important that the states document how they determine the rate to cover the cost of establishing and maintaining the loan arrangements, including recovery and bad debts. The states should provide this to the Commonwealth when setting the concessional interest rate loans each financial year in line with clause 7.1.
INTEREST RATE SUBSIDIES

5.3.32 In response to an eligible disaster, eligible applicants can only receive a concessional interest rate loan or an interest rate subsidy. The state will assess the type of assistance to be provided. See sub-clause 5.3.18–5.3.28 for concessional interest rate loans.

5.3.33 Requirements for an interest rate subsidy scheme are:
   a) applicants must apply to the states who assess eligibility;
   b) the state will issue a letter to eligible applicants, which they provide to a participating authorised deposit taking institution (ADTI);
   c) the ADTI assesses the eligible applicant against lending guidelines developed by the state under this scheme;
   d) the subsidy is paid by the state to the ADTI; and
   e) the subsidy reimburses the ADTI for the interest rate it gives on the loan.

Interest rate subsidies to a small business or primary producer whose assets have been significantly damaged as a direct result of an eligible disaster

5.3.34 For an applicant to be eligible, the state must be satisfied that:
   a) the applicant’s assets (including fodder) have been significantly damaged as a direct result of an eligible disaster.
   b) the applicant’s small business or primary producer operation was viable prior to the eligible disaster and the assistance will ensure it continues to be viable. The state should implement appropriate assessment methods to establish past and future long-term viability; and
   c) the applicant is continuing or is to re-establish the small business or primary producer operation within the same location, or within the same local government area.

5.3.35 The maximum principal loan amount which qualifies for an interest rate subsidy is to be established by the state.

Interest rate subsidies to a needy individual or a non-profit organisation whose assets have been significantly damaged as a direct result of an eligible disaster

5.3.36 For an applicant to be eligible, the state must be satisfied that:
   a) the applicant’s assets have been significantly damaged as a direct result of an eligible disaster; and
   b) the applicant has no alternative funding source to rectify the damage and has used any available insurance prior to seeking assistance. This could be any available insurance or funding received from government disaster programs which are not linked to the eligible measures or a loan from a financial institution. The state should implement appropriate assessment methods to determine if the applicant has sought alternative funding.

5.3.37 The maximum principal loan amount which qualifies for an interest rate subsidy is to be established by the state.
Interest rate subsidy to a small business, primary producer or a non-profit organisation that has suffered a significant loss of income as a direct result of an eligible disaster

5.3.38 For an applicant to be eligible, the state must be satisfied that:

a) the applicant has suffered a significant loss of income as a direct result of an eligible disaster; and

b) the applicant’s small business, primary producer or a non-profit organisation operation was viable prior to the eligible disaster and the assistance will ensure it continues to be viable. The state should implement appropriate assessment methods to establish past and future long-term viability; and

c) the applicant is continuing or is to re-establish the small business, primary producer or non-profit organisation operation within the same location, or within the same local government area.

5.3.39 The maximum principal loan amount from the ADTI which qualifies for an interest rate subsidy is $100 000.

5.3.40 The repayment term for the loan amount from the ADTI is up to ten (10) years with the ability to offer interest only for the first two (2) years.

FREIGHT SUBSIDY TO A PRIMARY PRODUCER

5.3.41 The requirements for a freight subsidy scheme to a primary producer are:

a) the grant is made by the state to a primary producer; and

b) the grant reimburses the primary producer a maximum of 50 per cent of the costs to the producer of transporting any of the following as a direct result of the eligible disaster:
   i. livestock;
   ii. fodder or water for livestock; or
   iii. building or fencing equipment or machinery.

GRANT TO A NEEDY INDIVIDUAL OR NON-PROFIT ORGANISATION

5.3.42 For an applicant to be eligible, the state must be satisfied that:

a) the applicant’s assets have been significantly damaged as a direct result of the eligible disaster; and

b) the applicant has no reasonable prospect of obtaining commercial finance.

5.3.43 A maximum grant of $10 000 for non-profit organisations and $5 000 for needy individuals (subject to means testing) is available to any one applicant.

COUNTER DISASTER OPERATIONS FOR THE PROTECTION OF THE GENERAL PUBLIC

5.3.44 The requirements for counter disaster operations referred to in subclause 5.3.1(k) are:
a) the costs are associated with counter disaster operations carried out to protect communities from the eligible disaster and ensure public health and safety in public areas; and

b) the costs exceed the costs which a state could reasonably have expected to incur for these purposes, in accordance with the definition of extraordinary costs as outlined in Guideline 2: Counter Disaster Operations; and

c) the operations carried out were intended to reduce the need for other forms of assistance under this determination (i.e. to reduce state expenditure on other eligible measures).

5.4 CATEGORY C MEASURES

5.4.1 A Category C measure is a community recovery package designed to support a holistic approach to the recovery of regions, communities or sectors severely affected by an eligible disaster.

5.4.2 The cost-sharing ratio between the Commonwealth and the state for each Category C measure of assistance is equal—50/50.

5.4.3 The package may comprise one or more of the following:

a) A community recovery fund in circumstances where a community is severely affected 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 the state in close collaboration with local government or other community bodies.

b) Recovery grants for small businesses and non-profit organisations where the business sector is severely affected and the community risks losing essential businesses. Grants are aimed at covering the cost of clean-up and reinstatement, but not at providing compensation for losses.

c) 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. Grants to primary producers are aimed at covering the cost of clean-up and reinstatement, but not at providing compensation for losses.

5.4.4 In order to receive a Category C measure in relation to an eligible disaster, the recovery assistance must meet the following conditions:

a) it either meets the intent of the community recovery package, or it contains only variations which have been approved by the Minister in writing; and

b) the use of that assistance has been approved by the Prime Minister in writing in relation to the eligible disaster; and

c) it meets any other terms and conditions imposed by the Commonwealth in writing.

5.4.5 A Category C request must be made in the form of Attachment F: Category C Request Form completed by the state and submitted with a covering letter to the Prime Minister for consideration.

5.4.6 The value of a community recovery fund under subclause 5.4.3(a) will be determined at the time of the assistance being approved by the Prime Minister.
5.4.7 Grants made under subclauses 5.4.3(b) and 5.4.3(c) must not exceed $10,000, unless exceptional circumstances are identified, in which case up to $25,000 may be granted.

5.4.8 Refer to Guideline 3: Category C Interim Assessment Framework for further details.

5.5 CATEGORY D MEASURE

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

5.5.2 In order to receive a Category D measure in relation to an eligible disaster, the assistance must:

a) be approved by the Prime Minister in writing in relation to the eligible disaster, and

b) meet any other terms and conditions imposed by the Commonwealth in writing.

5.5.3 A Category D request must be made in writing and submitted with a covering letter to the Prime Minister, and should include information in relation to the following:

a) the nature of the impact of the eligible disaster
   i. dates of the eligible disaster
   ii. natural disaster type and intensity, for example, a Category 5 Cyclone, or 1 in 100 year flood
   iii. affected locations, including communities/regions
   iv. frequency of natural disasters within the affected locations
   v. impacts in the social, built, economic and environmental domains. For example:
      1. Social – number of fatalities, disruption to essential utilities and services
      2. Built – number of houses damaged/destroyed, damage to transport networks
      3. Economic – small business closures, agricultural losses
      4. Environmental – pollution/contamination issues, impacts on native habitats

b) the communities that have been affected

c) the assistance already available to support affected communities and sectors
   i. type and level of assistance available under other eligible measures of this determination

d) the need for additional support to be provided
   i. advice regarding the specific recovery needs facing affected communities
   ii. evidence demonstrating the recovery needs are a direct result of the eligible disaster
   iii. details about the assistance measures being requested, including the intended recovery outcomes, the administering agencies and a detailed costings breakdown

e) the consultation process which has taken place
   i. advice about who the state has consulted with to identify the need for the Category D request.
5.5.4 The cost-sharing ratio between the Commonwealth and the state for each Category D measure of assistance is at the Commonwealth’s discretion, but may be guided by the state.

6. CLAIMING

6.1 TYPE AND TIMING OF PAYMENTS FROM THE COMMONWEALTH

6.1.1 Payments are generally made after the state has submitted an audited claim for financial assistance. However, the Commonwealth may provide advance payments if the Minister is satisfied that exceptional circumstances exist. The Commonwealth may also pre-pay a claim prior to audit (general claim) or pre-pay a state for a specific activity, for example, activities agreed under Category D of this determination.

6.2 DETERMINING THE AMOUNT OF COMMONWEALTH FINANCIAL ASSISTANCE

6.2.1 The amount of Commonwealth financial assistance to a state in relation to a financial year is worked out on the basis of:
   a) state expenditure in that year; and
   b) the extent to which the state expenditure has exceeded its first and second thresholds in that year; and
   c) the set rates and maximum values of assistance for all measures, as defined in this determination and/or as agreed by the Commonwealth.

6.2.2 The department must inform the states, in writing, of their respective thresholds as soon as possible following the release of the figures from the Australian Bureau of Statistics.

RATES OF ASSISTANCE BY CATEGORY OR MEASURE

6.2.3 The rate of Commonwealth assistance that may be payable in a financial year on Category A and Category B state expenditure (excluding betterment) is calculated as:
   a) if state expenditure does not exceed the state’s first threshold, then:
      i. Category A: 50 per cent; and
      ii. Category B: zero; or
   b) if state expenditure exceeds the state’s first threshold, then:
      i. Categories A and B: 50 per cent between a state’s first and second threshold; plus up to 75 per cent of state expenditure above the state’s second threshold; and
      ii. Category B betterment: 50 per cent (for which relevant state expenditure may be capped).

6.2.4 Commonwealth assistance with respect to Category B concessional interest rate loan measures is provided in the form of a concessional interest rate loan from the Commonwealth to the state. The rate of Commonwealth assistance is as defined at clause 6.2.3. The formula to determine separately the value of the Commonwealth’s loan is at subclauses 6.3.1 – 6.3.4.
6.2.5 The amount of Commonwealth assistance in relation to a financial year on Category C state expenditure is to be calculated at the rate of 50 per cent (for which state expenditure on Category C measures may be capped).

6.2.6 The amount of Commonwealth assistance during a financial year on Category D measures is to be calculated at the rate determined by the Commonwealth.

6.2.7 If the state’s first threshold has been exceeded but 50 percent of both Category A and Category C results in a higher reimbursement to the state, the state may choose to take the higher reimbursement.

6.3 FORMULA TO DETERMINE THE VALUE OF THE COMMONWEALTH LOAN TO A STATE

6.3.1 When the states provide concessional interest rate loans for Category B and Category D measures, a portion of Commonwealth financial assistance to the state will be provided as a loan. The Commonwealth loan is subject to the thresholds or the applicable cost sharing agreements.

6.3.2 The value of the Commonwealth loan to a state is calculated using the following formula:

\[ CL = (CA - (50\% \times SEAC)) \times (SLB / (SE - SEAC)) \]

where:
- \( CL \) = the value of the Commonwealth loan to that state in respect of that financial year
- \( CA \) = total Commonwealth assistance to the state, as calculated under clause 6.2
- \( SEAC \) = state expenditure on Category A and Category C measures
- \( SLB \) = total Category B loans made by the state during that financial year under subclauses 5.3.18—5.3.40
- \( SE \) = total state expenditure during that financial year on all measures

To demonstrate how the formula at 6.3.2 works, the following example is provided. The assumptions used are for illustrative purposes only:

- Total state expenditure is $21 million, made up of $15 million on Category A and Category C measures and $6 million of Category B measures, including $0.1 million in Category B loans.
- The first threshold is $7.5 million and the second threshold is $13.13 million (or 1.75 times the first threshold).
- Commonwealth financial assistance (CA) would be $8.7 million based on clause 6.2:
  - $2.8 million (50 per cent of state expenditure in excess of first threshold); and
  - $5.9 million (75 per cent of state expenditure in excess of the second threshold).
- \( 50\% \times SEAC \) = $7.5 million where total state expenditure in Category A and Category C is equal to $15 million.

The value of the Commonwealth loan would be:

\[
\begin{align*}
\text{Commonwealth Loan } CL &= (CA - (50\% \times SEAC)) \times (SLB / (SE - SEAC)) \\
CL &= ($8.7 million - ($0.1 million / $21 million - $15 million)) \\
&= ($8.7 million - $7.5 million) \times ($0.1 million / $6 million) \\
CL &= $1.2 million \times 0.016666666 \\
CL &= $0.2 million
\end{align*}
\]

6.3.3 Where Commonwealth loans are provided under Category D (clause 5.5), they are subject to either fixed cost share agreements or thresholds. In the instance of cost share agreements, the applicable cost share agreement will be applied to the total state expenditure in respect of Category D loans. Where Category D loans are subject to the thresholds, the value of the Commonwealth loan to a state is calculated using the following formula:
CL = \((CA - (50\% \times SEAC)) \times (SLD / (SE - SEAC))\) where:

- CL = the value of the Commonwealth loan to that state in respect of that financial year
- CA = total Commonwealth assistance to the state, as calculated under clause 6.2
- SEAC = state expenditure on Category A and Category C measures
- SLD = total Category D loans made by the state during that financial year under clause 5.5
- SE = total state expenditure during that financial year on all measures

6.3.4 The calculation for the Commonwealth loan amount for Category D loans made by the states is in addition to the application of the formula outlined in subclause 6.3.2.

6.4 CONCESSIONAL INTEREST RATE CHARGED BY THE COMMONWEALTH

6.4.1 A loan to a state is subject to the Commonwealth concessional interest rate determined by the department at the beginning of each financial year. The department will inform the states of the interest rate in a reasonable timeframe following the release of the data by the Reserve Bank of Australia.

6.4.2 The applicable Commonwealth concessional interest rate applies to all outstanding Commonwealth loans to a state issued under this determination.

6.4.3 A state’s repayment term for the concessional loan is up to ten (10) years with the first two (2) years being interest only.

6.4.4 The principal of a loan to a state is repayable to the department in eight (8) equal annual instalments. Principal repayments must be paid to the department on or before 15 June in each financial year commencing in the financial year after the interest only period.

6.4.5 Interest on a loan to a state begins to accrue following the end of the financial year in which the department made the loan. The annual interest payable is calculated on the balance of outstanding loans at the beginning of each financial year. Interest must be paid to the Commonwealth on or before 15 June in each year the interest is due.

CALCULATION FOR THE INTEREST RATE SUBSIDY CLAIMABLE FROM THE COMMONWEALTH

6.4.6 The interest rate subsidy which states claim from the Commonwealth must be the lesser of:

a) the Commonwealth concessional interest rate; or

b) 50 per cent of the actual (commercial) interest amount charged by the ADTI.

6.5 AUDITED CLAIMS

6.5.1 If a state has notified the department of the occurrence of an eligible disaster under subclause 4.2, the state may submit a claim to the department for financial assistance in respect of state expenditure for that eligible disaster.

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

6.5.3 On request from the _department_, the _state_ appointed-auditor _must_ be available to the _department_ or its auditor for consultation on the audited claim.

6.5.4 The audit and audited claim documentation _must_ take account of any advance payments, general claim payments or pre-payments already paid by the _department_ to the _state_, as well as any conditions associated with those payments.

6.5.5 The audited claim _must_ be in the form of Attachment G: Claim Pack and _must_ be certified by the Auditor-General of that _state_ (or his or her delegate).

6.5.6 The audited claim _must_ be submitted to the _department_ within nine (9) months after the end of the _financial year_ in which the expenditure to which it relates took place.

6.5.7 If the _state_ is unable to comply with the submission date as specified in subclause 6.5.6 with respect to all or part of the _state expenditure_ in the _financial year_ due to be claimed from the Commonwealth, it _must_ write to the _department_ requesting an extension of time as specified in subclauses 4.1.2–4.1.4. The _department_ may apply terms and conditions on the _state_ with respect to any agreement.

6.5.8 If the _state_ submits a claim later than the nine (9) months specified in subclause 6.5.6 for which it did not request an extension of time from the _department_, the _department_ may refuse the claim.
6.6 GENERAL CLAIMS

6.6.1 In some circumstances, the department may permit a state to submit a general claim for payment prior to the state submitting the audited claim.

6.6.2 Each general claim must be supported by a statement certified by the head of either the state Treasury or the state agency which has primary financial responsibility for administering this determination.

6.6.3 The statement must be in the form set out in Attachment G: Claim Pack.

6.6.4 The state must submit an audited claim in support of the general claim in accordance with clause 6.5.

7. CLAIM ACQUITTAL AND PAYMENT

7.1 SUPPORTING INFORMATION

7.1.1 The department may at any time ask the state to provide information, including access to project level information, which the department considers necessary to ensure that acquittal of a claim is in accordance with the principles, conditions, and eligibility rules of this determination and its guidelines.

7.1.2 A state must provide the information requested by the department within one (1) month of the request.

7.1.3 If a state elects not to provide all or part of the information requested, the department may:
   a) withhold acquittal or payment of all or part of the claim;
   b) refuse to acquit or pay the whole claim; or
   c) remove the expenditure in question from the claim and reimburse the state based on the residual state expenditure.
7.2 **INELEGIBLE OR UNSUBSTANTIATED EXPENDITURE**

7.2.1 If any information provided by a *state*, including by a *state*-appointed auditor, or identified by the *department* indicates that any part of the *state expenditure* claimed is inconsistent with this *determination* or any other relevant Commonwealth decision, the expenditure in question will be removed from the claim.

7.2.2 If the eligibility of any *state expenditure*, in the opinion of the *department*, is not adequately substantiated by the *state*, the expenditure in question will be removed from the claim.

7.2.3 The *department* may appoint an independent expert to advise on the matter in question.

7.2.4 The *department* will notify the *state* within a reasonable timeframe, where expenditure has been removed from a claim.

7.3 **DIFFERENCE BETWEEN ADVANCE PAYMENT, PRE-PAYMENT OR GENERAL CLAIM AND AMOUNT DUE TO BE ACQUITTED OR PAID**

7.3.1 If:

a) the *department* has refused to acquit all or part of a *state’s* claim that is subject to an advance payment, general claim payment or pre-payment (for example, in the case of *Category D* measures), the difference between the amount paid and the amount acquitted may be recovered from the *state*; or

b) an audited financial statement provided by a *state*, with respect to an advance payment, general claim payment or pre-payment, reveals a difference between the amount of assistance provided and the amount of assistance calculated under this *determination*, the amount is due and payable (by the *state*, or by the Commonwealth, as the case requires) within two (2) months after the *department* notifies the *state* of the difference.

7.3.2 The *department* may choose to offset any amount to be recovered from the *state* against any known liability due to be paid to the *state* over the forward Federal budget estimates. *State* estimates must reflect any reduction made in the relevant year.

8. **COMMONWEALTH MAY UNDERTAKE ASSURANCE ACTIVITIES**

8.1.1 The *department* may undertake assurance activities, to reconcile audited claims made under this *determination*, at any time, if a *state* has notified the *department* of an *eligible disaster*.

8.1.2 These assurance activities may include, but are not limited to:

- audit;
- site inspections;
- obtaining relevant documentary evidence to support assurance activities; or
- verification reviews on measures or projects.

8.1.3 *States* may be required to provide documentation (see subclause 4.8 for further details) to support any assurance activities.
8.1.4  The department may appoint an independent expert to conduct these activities.

9.  APPEALING A DECISION

9.1  APPEAL TO THE DEPARTMENT OR MINISTER

9.1.1  Where the department has made a decision under this determination which the state does not agree with, a state may appeal to the department regarding this decision.

9.1.2  If no agreement can be reached between officials of the state and the department, the matter may then be referred for resolution by the state to the Minister.

10.  MISCELLANEOUS

10.1  GUIDELINES

10.1.1  The department may issue guidelines from time to time to:

   a)  provide clarification of the interpretation and administration of this determination; and

   b)  provide assistance and guidance on the forms and procedures to be adopted by the states for obtaining payments under this determination.
11. SCHEDULES

SCHEDULE 1

CATEGORY A – EMERGENCY ASSISTANCE TO INDIVIDUALS

This schedule outlines the principles of Category A assistance, the types of activities which can be undertaken as part of an eligible measure, as well as the delivery methods which may be used to provide assistance and includes the eligible costs associated with the delivery of Category A measures.

Disasters can cause significant personal hardship and distress for those affected, including through dislocation, loss of personal belongings and damage to homes. While individuals are responsible for their own safety and making decisions about appropriate natural disaster mitigation strategies (such as insurance), government assistance may be required to support the immediate emergency needs of affected individuals. Such assistance, aimed at alleviating personal hardship and distress, may be provided in the form of a Category A measure under this determination.

11.1 CATEGORY A PRINCIPLES

- Category A measures are intended to alleviate personal hardship and distress which is a direct result of an eligible disaster.

- Category A measures are intended to help address the immediate emergency needs of disaster affected individuals.

- Category A measures are intended to be in the nature of an emergency helping hand—assistance should be targeted to individuals who have a genuine need, rather than those who can support/fund their own relief and recovery. As such, states may wish to apply appropriate eligibility criteria (including means and/or asset testing) to certain Category A measures.

- Category A measures can be automatically made available by the state, without requiring prior approval from the Commonwealth.

- States determine which Category A measures to make available following an eligible disaster.

- States determine the amount/level of Category A assistance which should be provided.

- States are encouraged to provide the same type and level of assistance to individuals who are affected by the same or similar eligible disasters.

- States are responsible for administering Category A measures, including setting the applicable claiming periods, assessing applications and providing assistance to eligible individuals.

- Funding for Category A is available in relation to the assistance measures (and associated costs) specified in this schedule. Noting that this schedule is not exhaustive.

- 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.
• If a state wants to claim emergency assistance to individuals under Category A, it must be jointly announced as outlined under clause 4.3, unless otherwise agreed by the Commonwealth.

11.2 SUBCLAUSE 5.2.1 A) EMERGENCY FOOD, CLOTHING OR TEMPORARY ACCOMMODATION

11.2.1 Intent of the measure: This measure is intended to help individuals who have been directly affected by an eligible disaster and are unable to meet their immediate emergency needs.

11.2.2 Types of eligible assistance: Under this measure, the state can claim costs associated with providing the following basic emergency assistance:

- water—for example, providing bottled water and beverages at an evacuation centre
- food—for example, food drops to isolated individuals and food provided at an evacuation centre
- clothing—for example, providing basic emergency clothing
- emergency accommodation/shelter—for example, providing short-term accommodation at an evacuation centre or through a service provider, such as a hotel
- transportation for individuals who need to travel to emergency accommodation—for example, providing travel vouchers or arranging in-kind transportation for individuals
- personal items—for example, providing basic medical supplies and medication

11.2.3 Delivery methods: The above assistance measures may be provided through the following delivery methods:

- cash payments—for example, payments provided by the state directly to an individual, either in the form of cash or as a direct deposit into a bank account
- vouchers—for example, vouchers for food, accommodation and travel, or
- in-kind—for example, providing water, food and blankets to displaced individuals at an evacuation centre or to isolated individuals via food drops.

11.2.4 Associated costs: The state can claim costs that are directly associated with delivering the above assistance measures, including:

- engaging additional temporary personnel—for example, short-term contractors to assist with providing cash payments (grants) or communications and engagement activities
- engaging service providers—for example, a private accommodation provider (such as a hotel) to provide emergency accommodation
- transportation costs—for example, bus hire and fuel costs associated with transporting displaced individuals to temporary accommodation or charter flight costs to supply emergency food to isolated communities
- operational costs—for example, establishing and operating evacuation and recovery centres, including rental charges and power costs for the period a building is operating as an evacuation centre. This also includes establishing facilities for companion animals. It could also include establishing a temporary ‘tent city’ to accommodate displaced individuals and certain staffing costs.

NOTE: See definition of state expenditure for further information in regard to eligible staffing costs.
11.3 SUBCLAUSE 5.2.1 B) REPAIR OR REPLACEMENT OF ESSENTIAL ITEMS OF FURNITURE AND PERSONAL EFFECTS

11.3.1 Intent of the measure: This measure is intended to help individuals, whose homes have been directly affected by an eligible disaster, to maintain a basic standard of living by assisting with the replacement of essential household items.

This measure is only intended for individuals who have no means of funding the replacement of basic essential household items themselves. As such, states may wish to apply appropriate eligibility criteria (including means and/or asset testing) to determine whether this assistance should be provided.

In order to claim reimbursement of the costs associated with this measure, the state must be able to demonstrate the following:

- the applicant’s home has been affected by the eligible disaster (i.e. the applicant’s principal place of residence is located within the disaster affected area)
- costs relate to the repair or replacement of eligible essential household items (i.e. that the household items being claimed were damaged by the eligible disaster), and
- the applicant has utilised any available insurance arrangements prior to seeking assistance.

Refer to clause 4.8 for further information in relation to minimum evidentiary requirements.

11.3.2 Types of eligible assistance: Under this measure, the state can claim the costs associated with repairing or replacing the following basic household items:

- cooking utensils—for example, cutlery, pots, pans and microwave oven
- bedding—for example, mattresses, sheets, blankets and pillows
- furniture—for example, beds, chairs and tables
- whitegoods—for example, kettle, refrigerator, freezer, washing machine, stove and vacuum cleaner

11.3.3 Delivery methods: The assistance available under this measure may be provided through the following delivery methods:

- cash payments—for example, payments provided by the state directly to an individual, either in the form of cash or as a direct deposit into a bank account
- vouchers—for example, vouchers for repairs or the replacement of the above household items, or
- in-kind—for example, by providing the above household items directly to eligible applicants.

11.3.4 Associated costs: The state can claim costs which are directly associated with delivering the above assistance, including:

- engaging additional temporary personnel—for example, short-term contractors to assist with assessing applicants and providing payments (grants) or vouchers
- transportation costs—for example, delivery van hire and fuel costs associated with transporting essential household items to eligible applicants
- operational costs—for example, shopfront hire and power costs for the period which in-kind essential household items are being made available to affected individuals.
NOTE: See definition of state expenditure for further information in regard to eligible staffing costs.

11.4 CLAUSE 5.2.1 C) ESSENTIAL REPAIRS TO HOUSING, INCLUDING TEMPORARY REPAIRS AND REPAIRS NECESSARY TO RESTORE HOUSING TO A HABITABLE CONDITION

11.4.1 Intent of the measure: This measure is intended to help individuals, whose homes have been directly damaged by an eligible disaster, to undertake essential repairs to their homes to make them safe, habitable and secure.

This measure is only intended for individuals who have no means of funding essential housing repairs themselves. As such, states may wish to apply appropriate eligibility criteria (including means and/or asset testing) to determine whether this assistance should be provided.

In order to claim reimbursement of the costs associated with this measure, the state must be able to demonstrate the following:

- the damage to the applicant’s home was as a direct result of the eligible disaster
- costs relate to eligible repairs (i.e. that the repairs are associated with direct damage from the eligible disaster and are necessary to make the home safe, habitable and secure), and
- the applicant has utilised any available insurance arrangements prior to seeking assistance.

Refer to clause 4.8 for further information in relation to minimum evidentiary requirements.

11.4.2 Types of eligible assistance: Under this measure, the state can claim the costs associated with the following essential repairs to make housing safe, habitable and secure:

- safety inspections—for example, structural integrity and essential services safety checks
- temporary repairs—for example, tarping damaged roofs and covering broken windows
- permanent structural repairs—for example, roof repairs, repairing structural supports and replacing broken windows
- reconnecting essential household services—for example, repairs to water, gas, electricity and sewerage connections.

11.4.3 Delivery methods: The above assistance measures may be provided through the following delivery methods:

- cash payments—for example, payments provided by the state directly to an individual, either in the form of cash or as a direct deposit into a bank account
- vouchers—for example, vouchers provided by the state directly to an individual for essential repairs to housing, or
- in-kind—for example, temporary repairs undertaken by the state or by a private contractor engaged by the state.

11.4.4 Associated costs: The state can claim costs which are directly associated with delivering the above assistance, including:

- engaging additional temporary personnel—for example, short-term contractors to assist with assessing applicants and providing payments (grants)
• engaging service providers—for example, a private company to undertake safety checks and repair works
• operational costs—for example, consumable costs (such as tarps, ropes, chains and fuel), transportation costs, vehicle and equipment repairs and servicing and certain staffing costs.

NOTE: See definition of state expenditure for further information in regard to eligible staffing costs.

11.5 CLAUSE 5.2.1 D) DEMOLITION OR REBUILDING TO RESTORE HOUSING TO A HABITABLE CONDITION

11.5.1 Intent of the measure: This measure is intended to help individuals, whose homes have been destroyed or significantly damaged by an eligible disaster, with demolition and rebuilding activities so that they can restore their homes to a safe, habitable and secure condition.

This measure is only intended for individuals who have no means of funding the demolition and rebuilding activities themselves. As such, states may wish to apply appropriate eligibility criteria (including means and/or asset testing) to determine whether this assistance should be provided.

In order to claim reimbursement of the costs associated with this measure, the state must be able to demonstrate the following:

• the applicant is the owner of the home and it is their principal place of residence
• the damage to the applicant’s home was directly from the impacts of the eligible disaster
• the applicant is intending to rebuild their home in the same location
• costs relate to eligible demolition or rebuilding activities (i.e. that the demolition or rebuilding activities are associated with damage from the eligible disaster and are necessary to restore housing to a safe, habitable and secure condition), and
• the applicant has utilised any available insurance arrangements prior to seeking assistance.

Please refer to clause 4.8 for further information in relation to minimum evidentiary requirements.

11.5.2 Types of eligible assistance: Under this measure, the state can claim the costs associated with undertaking the following activities:

• demolition of the residential property
• removal of disaster damaged related building materials and debris
• preparing the residential block for the purpose of rebuilding
• rebuilding of the residential home, that is beyond repair and has been demolished, to a condition equivalent to the pre-disaster standard of the damaged home (i.e. to the same size and utility).

11.5.3 Delivery methods: The above assistance measures may be provided through the following delivery methods:

• cash payments—for example, payments provided by the state directly to an individual, either in the form of cash or as a direct deposit into a bank account,
• vouchers—for example, vouchers provided by the state or a local government to households so that households can undertake demolition (where they are beyond repair) and rebuilding (where damage is not beyond repair) activities, or
• in-kind—for example, if the state engages a private contractor to undertake demolition or rebuilding activities.

11.5.4 **Associated costs:** The state can claim costs which are directly associated with delivering the above assistance, including:

• engaging additional temporary personnel—for example, short-term contractors to assist with assessing applicants and providing payments (grants)
• engaging service providers—for example, a private company to undertake demolition and rebuilding activities
• demolition or rebuilding related debris removal costs—for example:
  – transportation and disposal costs
  – operations to remove hazardous waste (such as asbestos)
  – establishment of temporary dump sites to accommodate debris removal from homes (including establishment, operation and decommissioning costs).

**NOTE:** See definition of state expenditure for further information in regard to eligible staffing costs.

11.6 **CLAUSE 5.2.1 E) REMOVAL OF DEBRIS FROM RESIDENTIAL PROPERTIES TO MAKE THEM SAFE AND HABITABLE**

11.6.1 **Intent of the measure:** This measure is intended to help individuals with the removal of disaster related debris from their home to make it safe and habitable, and therefore preventing displacement. This measure is not intended to cover non-essential debris removal activities occurring beyond the immediate vicinity of a residential property (i.e. the residential block).

11.6.2 **Types of eligible assistance:** Under this measure, the state can claim the costs associated with the following debris removal activities from residential properties:

• clean-up activities inside and immediately outside a home
• removal of fallen trees and green waste
• removal of flood related debris (such as mud, damaged furniture and whitegoods)
• removal of trees which have become dangerous as a direct result of the eligible disaster
• removal and disposal of spoiled perishable food
• removal of hazardous material (such as asbestos) which has been exposed as a direct result of the eligible disaster.
  [If, as a direct result of the eligible disaster, hazardous material that is located immediately beyond the residential block is causing potential health and safety risks for the resident(s) it is also eligible to be removed]
• removal of disaster damaged related building material debris (such as tiles, bricks and broken glass)
• removal of septic waste
• clearing blocked drains, guttering and downpipes.

11.6.3 **Delivery methods:** The assistance available under this measure may be provided through the following delivery methods:
• cash payments—for example, payments provided by the state directly to an individual, either in the form of cash or as a direct deposit into a bank account
• vouchers—for example, vouchers provided by the state or a local government to households so that households can dispose of disaster related debris at a dumpsite, or
• in-kind—for example, debris removal activities being undertaken by a local government or by a private contractor engaged by the state.

11.6.4 Associated costs: The state can claim costs which are directly associated with delivering the above assistance, including:

• engaging service providers—for example, a private company to undertake debris removal activities
• debris removal costs—for example:
  − transportation and disposal costs
  − operations to remove hazardous waste (such as asbestos)
  − establishment of temporary dump sites to accommodate debris removal from the home (including establishment, operation and decommissioning costs)
• hiring additional specialised cleaning machinery (including hire, transport and operation/running costs)—for example, pressure hoses
• replacement of consumable items—for example, chainsaw chains and fuel
• certain staffing costs—for example, overtime and allowances waived (foregone) revenue—for example, if a local council allows households to dispose of disaster related debris free of cost as a council owned dumpsite.

NOTE: See definition of state expenditure for further information in regard to eligible staffing costs.

11.7 CLAUSE 5.2.1 F) EXTRAORDINARY COUNTER DISASTER OPERATIONS FOR THE BENEFIT OF AN AFFECTED INDIVIDUAL

11.7.1 Intent of the measure: This measure is intended to provide assistance to individuals who are under threat from, or who have been directly affected by, an eligible disaster.

In order to claim reimbursement of the costs associated with this measure, the state must be able to demonstrate that the costs are ‘extraordinary’ in accordance with the following advice:

‘Extraordinary’ CDO costs

The method in which a state determines normal funding allocations for counter disaster operations (CDO) activities is a matter for the state. However, to claim costs associated with Category A CDO, a state must be able to demonstrate that the costs:

a. exceed the costs which a state could reasonably have expected to incur for these purposes (for example, ‘extraordinary’ CDO costs may be demonstrated by a state disaster response agency seeking supplementary funding, over and above normal funding allocations, through state budget processes or if a local government is required to engage additional personnel to undertake eligible CDO activities), and
b. relate to eligible CDO activities.

11.7.2 Types of eligible assistance: Under this measure, the state can claim the extraordinary costs associated with the following CDO assistance directly to an individual:
• 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.

11.7.3 Delivery methods: The assistance available under this measure may be provided through the following delivery methods:
• cash payments—for example, payments provided by the state directly to an individual, either in the form of cash or as a direct deposit into a bank account
• vouchers—for example, vouchers provided by the state or a local government to individuals so that they can have their water tested, or
• in-kind—for example, CDO activities being undertaken by a state agency, a local government or a private contractor engaged by the state.

11.7.4 Associated costs: The state can claim costs which are directly associated with delivering the above assistance, including:
• 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, and
• cleaning up debris which resulted from an eligible CDO activity.

NOTE: See definition of state expenditure for further information in regard to eligible staffing costs. Further information regarding CDO assistance is at Guideline 2: Counter Disaster Operations.

11.8 CLAUSE 5.2.1 G) PERSONAL AND FINANCIAL COUNSELLING

11.8.1 Intent of measure: This measure is intended to help individuals who are suffering personal hardship and distress as a direct result of an eligible disaster by providing them with personal and financial counselling in the immediate aftermath of the eligible disaster.
11.8.2 **Types of eligible assistance:** Under this measure, the *state* can claim the costs associated with the following activities:

- assessing the financial, personal, emotional and psychological needs of disaster affected *individuals* and families
- offering specialised *individual* or group counselling services to those suffering the effects of the *eligible disaster*
- providing information about the range of assistance measures available to disaster affected *individuals* and liaising with disaster assistance delivery agencies
- undertaking outreach strategies to provide *eligible measures* in remote and regional disaster affected communities
- assisting with disaster related claims to insurance companies
- providing referrals to specialist financial, legal and psychological services regarding disaster and non-disaster related matters.

**NOTE:** Personal and financial counselling assistance *must* have a direct disaster recovery focus to be considered eligible under this *determination*.

11.8.3 **Delivery methods:** The above assistance measures may be provided through the following delivery methods:

- cash payments—for example, payments provided by the *state* directly to an *individual*, either in the form of cash or as a direct deposit into a bank account
- vouchers—for example, vouchers to attend counselling services, or
- in-kind—for example, counselling services provided by the *state* agency (such as through the *state* department of human services or an equivalent agency) or by a private service provider engaged by the *state*.

11.8.4 **Associated eligible costs:** The *state* can claim costs which are directly associated with delivering the above assistance, including:

- engaging additional temporary personnel—for example:
  - short-term contractors to assist with assessing applicants and providing payments (grants) or vouchers
  - contract counsellors to provide counselling to affected *individuals*
- engaging service providers—for example, a specialist counselling organisation
- transportation costs—for example, car hire, fuel and accommodation for counsellors undertaking outreach
- publication/printing costs associated with providing disaster specific counselling information to affected *individuals*
- certain staffing costs—for example, overtime and allowances for *state* employed counsellors.

**NOTE:** See definition of *state expenditure* for further information in regard to eligible staffing costs. Further information regarding CDO assistance is at Guideline 2: Counter disaster operations.