Victorian Disaster Recovery Funding Arrangements

Fact Sheet 1: Claims and eligibility for essential public assets (Category B)

# Introduction

Victoria's Natural Disaster Financial Assistance (NDFA) scheme is available to Delivery Agencies including local councils and Catchment Management Authorities (CMAs), to relieve some of the financial burden that may be experienced following a disaster in accordance with the Australian Government’s Disaster Recovery Funding Arrangements (DRFA). The DRFA is a cost sharing arrangement with states and territories. The DRFA does not cover all costs resulting from a disaster.

The Victorian Government provides reimbursements from the scheme as eligible claims are submitted. At the end of the financial year, an acquittal is submitted to the Commonwealth Government seeking a cost sharing contribution reimbursement.

*Guideline 1: Claims and eligibility for essential public assets (Category B)* provides detailed guidance and examples to assist Delivery Agencies with the preparation of claims associated with the repair and reconstruction of essential public assets. One page overview documents are also available on the Emergency Management Group website. **Delivery Agencies are required to read the relevant Victorian DRFA Guidelines to understand the requirements to lodge a fully compliant claim, devote appropriate resources to the claim preparation and to work with the assigned Assessor throughout the claims process. In addition to providing support throughout the claims journey process, the Assessing Authority, the Department of Transport and Planning, also delivers DRFA general awareness training courses throughout the year.**

Delivery Agencies should refer to Guideline 3 for advice on*Claims and eligibility relief and recovery activities (Category A) and counter disaster operations (CDO) – (Category A & B).*

## Claim types

The DRFA has the following sub-categories of disaster assistance for the repair and reconstruction of essential public assets:

* **Emergency works** – urgent activities necessary to restore an essential public asset temporarily, to enable it to operate at an acceptable level of efficiency to support the immediate recovery of a community.
* **Immediate reconstruction works** – immediate activities carried out to fully reconstruct an essential public asset and occur following a decision by the Assessing Authority that no essential public asset reconstruction works are required.
* **Essential public asset reconstruction works** – works to reconstruct an essential public asset damaged as a direct result of the occurrence of an eligible disaster event to its pre-disaster function.
* **Counter Disaster Operations (CDO) for the protection of the general public -** extraordinary CDO activities aimed at protecting the general public and ensuring public health and safety in public areas, i.e. the community as a whole will benefit from the activity being undertaken. CDO are undertaken immediately before, during and/or immediately and within three months, after an eligible disaster occurring. Refer to the Victorian DRFA Guideline 3 for more information on eligible CDO activities.

## Key time limits

The following table presents the time limits for works completion and claims lodgement for eligible works under the DRFA.

Table 1: Key time limits

|  |  |  |
| --- | --- | --- |
| Claim type | Works completed | Claims lodgement  |
| Emergency works | **Within 3 months** from the date the essential public asset becomes accessible to the Delivery Agency | Regular claims are to be made. All claims including supporting documentation are to be submitted as the expenditure is incurred throughout the financial year and no later than the 31 July (an allowance of one month after 30 June is available to submit final claims). |
| Immediate reconstruction works | **Within 3 months** from the date the essential public asset becomes accessible to the Delivery Agency | Regular claims are to be. All claims including supporting documentation are to be submitted as the expenditure is incurred throughout the financial year and no later than the 31 July (an allowance of one month after 30 June is available to submit final claims). |
| Essential public asset reconstruction works | **Within 2 years** following the end of the financial year in which the eligible disaster event occurred | *Certified cost estimate* – **within 9 months** following the end of the financial year in which the eligible disaster event occurred but prior to works commencing.*Claim* – Following approval of the certified cost estimate, regular claims are to be made. All claims including supporting documentation are to be submitted within the financial year in which the expenditure is incurred and no later than the 31 July (an allowance of one month after 30 June is available to submit final claims). |

**Please refer to the Administering Authority website (**<https://www.emv.vic.gov.au/natural-disaster-financial-assistance/events-post-1-november-2018/natural-disaster-events-and-allowable-time-limits>**) for detailed and current information of claim lodgement dates by expenditure category and by event.**

The Australian Government has established specific reporting requirements, whereby states must submit updated estimates for each eligible event on a quarterly basis. In order to meet these reporting requirements, it is critical that each Delivery Agency provide updated estimates to the Administering Authority on a quarterly basis.

## Extension to the Allowable Time Limit Requests

The Assessing Authority will consider an Extension to the Allowable Time Limit (EOT) request and provide a recommendation to the Administering Authority for a determination.

**Requests for extension of time received** by the Assessing Authority **after the timeframes** stipulated in *Guideline 1:* *Tables 5, 8 and 11 Extension of time to the allowable time limits –Timeframes*, **will not be considered** and any expenditure incurred beyond the required completion date will be ineligible for reimbursement to the Delivery Agency.

**Expenditure incurred beyond** the required completion date for **emergency and immediate works** that are **not approved by the Assessing Authority/Administering Authority** will be required to be lodged as part of a Reconstruction Works Estimate, as per the advice in the Extension of allowable time limits sections in Guideline 1.

## Eligibility

Under the DRFA, the State and the Australian Government will provide funds to reconstruct an essential public asset to its pre-disaster function. The Asset pre-disaster function is established using the *Essential Public Asset Function Framework,* in which the primary asset function (purpose) and classification (level of service the asset provides) is considered. Evidence of the asset’s pre-disaster condition is also required be provided to demonstrate that the asset has been properly maintained.

## Insurance

Where a Delivery Agency has an existing insurance policy in place over an essential public asset or if there are works being undertaken on the essential public asset at the time of the disaster event, funding to repair damage resulting from an eligible disaster event must be claimed from these insurance policies.

For State agencies, where reimbursement for repairs to an asset or works are claimed under an insurance policy from the Victorian Managed Insurance Authority, and the damage was a result of an eligible disaster event, any excess payment or deductibles associated with the insurance policy must be reported to the Administering Authority.

## Claims requirements

**The Delivery Agency is to lodge its claim in the Administering Authority’s Claims Management System (CMS) as the expenditure is incurred throughout the relevant financial year.** Table 2 outlines the supporting documentation required per claim type. **All supporting documents submitted are to be structured and cross referenced to allow third party verification.** This will facilitate the timely processing of claims and the State and Commonwealth audit review process.

The final signed cost estimate for essential public asset reconstruction works is to be attached as supporting documentation in the Estimates module of the CMS when the estimate and cashflow is updated. Delivery Agencies should ensure that they have engaged with the Assessing Authority throughout the development of the certified estimate and also once a final signed cost estimate for essential public asset reconstruction works is ready for final assessment

Table 2: Supporting documentation per claim type to be uploaded into the CMS

| Item | Emergency works | Immediate reconstruction works | Essential public asset reconstruction works – estimate | Essential public asset reconstruction works – claim |
| --- | --- | --- | --- | --- |
| Claim Lodgement Declaration Form (V FORM-D-DEC) and Relevant Claim form  | (V Form-B-EW) | (V Form-C-IW)  | (V Form-C-RW)  | (V Form-C2-CW) |
| Evidence of impact of disaster in local government area (i.e. Bureau of Meteorology data, local media articles) | Checkmark with solid fill | Checkmark with solid fill | Checkmark with solid fill |  |
| Date of Access to the Asset (presented at an asset type level) | Checkmark with solid fill | Checkmark with solid fill |  |  |
| Detailed general ledger/transaction report displaying all expenditure being claimed within a specific financial year. Must reconcile to the claim unless a reconciliation statement is provided (if the evidence of expenditure differs from the amount claimed). **The claim is to be GST exclusive** | Checkmark with solid fill | Checkmark with solid fill |  | Checkmark with solid fill |
| Invoices with appropriate descriptions of works including when they were undertaken. Source documents (e.g. contracts) supporting the invoice to be available for sampling upon request. | Checkmark with solid fill | Checkmark with solid fill |  | Checkmark with solid fill |
| Payroll reports for extraordinary payroll costs (overtime) and evidence of the additional resources required. Timesheets to be available for sampling upon request | Checkmark with solid fill | Checkmark with solid fill |  | Checkmark with solid fill |
| Position descriptions for role/s created for eligible activities (approved by the Assessing Authority in consultation with the Administering Authority) supported by payroll reports | Checkmark with solid fill | Checkmark with solid fill |  | Checkmark with solid fill |
| Day Labour (refer to Guideline 1 on the required evidence) | Checkmark with solid fill | Checkmark with solid fill | Checkmark with solid fill | Checkmark with solid fill |
| Delivery Agency Internal Audit certification that appropriate procurement practices were followed. This cost is not reimbursed. |  |  |  | Upon written request from Administering Authority |
| Pre-condition assessment report |  | Checkmark with solid fill | Checkmark with solid fill | Checkmark with solid fill |
| Photo report – pre-disaster condition |  | Checkmark with solid fill | Checkmark with solid fill |  |
| Photo report – post disaster damage | Checkmark with solid fill | Checkmark with solid fill | Checkmark with solid fill |  |
| Photo report – completed works | Checkmark with solid fill | Checkmark with solid fill |  | Checkmark with solid fill |
| Photo files | Checkmark with solid fill | Checkmark with solid fill | Checkmark with solid fill | Checkmark with solid fill |
| Quarterly Progress reports |  |  |  | Checkmark with solid fill |

# Evidentiary requirements for essential public asset claims

Components of the evidence requirements for each category of disaster assistance are summarised below.

## Emergency works

* No pre-disaster photo comparison is required.
* It is necessary to provide representative post-disaster damage photos with metadata intact detailing latitude, longitude and date taken.
* Post-disaster photos to be representative of damage to each asset and of a quantity to be appropriate to the area of damage sustained and the value of works undertaken.

## Essential public assets reconstruction works and immediate reconstruction works

* Pre-disaster photo comparisons are mandatory (where available) to confirm damage is a direct result of an eligible event.
* Only pre-disaster photo comparisons that show a ‘step change’ in the condition of the asset from the pre-disaster condition to post-disaster condition should be included.
* All pre-disaster and post-disaster photographs must have metadata intact detailing latitude, longitude and date taken.

## Reconstruction works closeout

* All photos presented in the Immediate Reconstruction Claim or Essential Public Asset Restoration Works Claim should have corresponding post-completion photos.
* Post-completion photos should be captured at a scale and orientation that reflects their corresponding post-disaster photo to enable a visual comparison between post-disaster damage and works completion.
* All post-completion photographs must have metadata intact detailing latitude, longitude and date taken.

## Post-disaster damage

Post-disaster damage must be supported by photographic evidence, including details of latitude, longitude and date taken. It is recommended that this evidence is collected up to six months after, but no later than twelve (12) months following the eligible disaster.

**When taking post-disaster photos, it is important to consider:**

* Photos should be clear, in colour and must contain geospatial metadata of longitude, latitude and date taken.
* Close-up photos are encouraged. Close-up photos can be used to demonstrate the disaster damaged components to support the proposed treatment(s).
* The photos should identify the full extent of the damage.
* Take photos of the damage at each asset location and is a representation of the event damage sustained. The photos need to show consistent damage and variances in the degree of damage. Please discuss the representative approach to be undertaken with the Assessing Authority.

**What to avoid:**

* Photos that do not contain geospatial metadata of longitude, latitude and date taken as it is then difficult to ascertain the exact location of the damage (where possible).
* Photos taken from inside the car through the windscreen.
* Any objects that obscure the view of the damage (e.g. structures, vehicles, people).
* Photos with glare or dark shadows on the ground. These can obscure the view of the damage.

Photographic supporting documentation is required to support a Delivery Agency’s DRFA claim and show the extent of the damage to an eligible asset. Ideally a photo or video will include geospatial metadata of longitude, latitude and the date taken, as this is considered the strongest form of evidence to demonstrate post-disaster damage.

If the geospatial metadata cannot be embedded in the photo, the Delivery Agency is to raise this concern with their Assessor from the Department of Transport and Planning, who can verify the location of the damaged asset during a site visit. Photos will still be required with the location identified. The Department of Transport and Planning Assessor will verify this location during the claim assessment and recommendation.

## Pre-disaster condition

Pre-disaster condition must be supported by either:

* Photographic evidence including details of latitude, longitude and date taken. It is recommended that the latest available data be adopted, preferably data that is not older than two years before the eligible disaster. Photographic evidence of up to four years for local councils and two years for state agencies including CMAs, prior to the event, may be accepted provided the required information is shown.
* Photographic evidence from databases such as Google Maps or Nearmap may also be used provided the required information1 is shown.
* Pre-Disaster Asset Condition Assessment Report – conducted or verified by a suitably qualified professional with the appropriate level of expertise and experience, which confirms that the damage is a result of the eligible disaster.

## File and folder naming conventions

It is proposed that for all claim types, the damage evidence should be filed in a similar manner to assist in the assessment process and subsequent audits.

All photo files are to be assigned a unique photo ID that corresponds with the reference to the photo within the relevant claim form.

All photo files submitted with metadata intact, presented in subfolders and grouped by asset (for example, road ID, structure ID or bridge ID).

Please refer to Guideline 1 for additional information and examples of forms required to submit a fully compliant claim.

## Funding contributions

Funding assistance provided to Delivery Agencies for the reconstruction of essential public assets damaged as a direct result of an eligible disaster event are outlined in the table below.

**Table 3: Funding contributions**

|  |  |  |
| --- | --- | --- |
| Assistance type | State Government agencies and statutory bodies (with no insurance arrangements in place) | Local councils (with no insurance arrangements in place) |
| Emergency works  | 100% of approved works  | 100% of eligible works, for these amounts to apply the total state expenditure for the eligible event must be more than $240,000 and be notified to the Commonwealth under the DRFAWhere the event has not been notified to the Commonwealth, Delivery Agencies are required to incur the first $100,000 in eligible expenditure prior to receiving assistance under the NDFA |
| Immediate reconstruction works | 100% of approved works | 75% of eligible reconstruction costs between $10,000 and $110,000 (up to $35,000 per disaster) for each Delivery Agency100% of the proportion of approved reconstruction costs greater than $110,000 for each Delivery AgencyFor these amounts to apply the total state expenditure for the eligible event must be more than $240,000 and be notified to the Commonwealth under the DRFAWhere the event has not been notified to the Commonwealth, Delivery Agencies are required to incur the first $100,000 in eligible expenditure prior to receiving assistance under the NDFA |
| Reconstruction of essential public assets | Actual eligible expenditure capped up to the approved certified estimate. | 75% of approved reconstruction costs between $10,000 and $110,000 (up to $35,000 per disaster) for each Delivery Agency100% of the proportion of approved reconstruction costs greater than $110,000 capped up to the approved certified estimateFor these amounts to apply the total state expenditure for the eligible event must be more than $240,000 and be notified to the Commonwealth under the DRFAWhere the event has not been notified to the Commonwealth, Delivery Agencies are required to incur the first $100,000 in eligible expenditure prior to receiving assistance under the NDFA |

## Assessor validation process and audit process

The Assessor will review certified cost estimates for essential public asset reconstruction works and all claims submitted for reimbursement. The review steps undertaken by the assessor are detailed in the Assessing Authority validation process consistent with the Victorian Assurance Framework. The Assessor will then make a recommendation to the Administering Authority. To ensure claims are processed in a timely manner, the correct forms/templates are to be used, supported by the required documentation which is structured and cross referenced.

The Administering Authority and State and Commonwealth appointed auditors will also undertake sample testing of claims. The State and Commonwealth audit process may take 12-24 months after the relevant financial year that the expenditure has been incurred.

## Reimbursement and payment process

**Full reimbursement** for **eligible** **emergency and immediate reconstruction works**, based on actual costs, can be made following lodgement and approval of the emergency and immediate reconstruction claim(s) by the Assessing and Administrating Authority. Claims are required to be lodged throughout the relevant financial year that expenditure is incurred for e**ligible emergency and immediate reconstruction expenditure and no later than the 31 July** (within one month from the end of the financial year in which the expenditure is incurred).

Once the certified estimate is approved by Administering Authority for essential public asset reconstruction works, the estimate will need to be updated in the CMS module and aligned to the approved certified estimate. Upon receiving approval from the Administering Authority, works are able to commence. **Essential public asset reconstruction work claims will be paid on an actual expenditure basis capped up to the approved certified amount.** **Eligible essential public asset reconstruction expenditure incurred during the financial year is required to be lodged throughout the relevant financial year that the expenditure is incurred and no later than the 31 July (within one month from the end of the financial year in which the expenditure is incurred).**

Where a claim has all the supporting documentation (as outlined in Table 2) and is complete, structured and cross referenced, the Assessor will seek to review and recommend the claim for approval within a 4-week period. These timelines will however be longer if the required claim templates/documentation has not been submitted, incomplete or is difficult to follow. Timelines are also influenced by the scale and number of events that take place. Following the assessor endorsement, the claim will be sought to be processed for payment within a 2-week period.

Relevant claim forms are to be used as detailed in Table 2.

Claims will be processed for payment up to the approved certified estimate. Where claims exceed the approved certified estimate and is the result of a ‘*special circumstance*’ as defined under DRFA, an updated re-certified approved estimate may be able to be resubmitted (subject to meeting the special circumstance condition and an independent review recommendation). Refer to the Special Circumstances section in Guideline 1 for further detail.

## Claims and eligibility standard forms and templates

Table 4: Standard forms

|  |  |  |
| --- | --- | --- |
| Item | Description | Form/Doc ID |
| 1 | Victorian DRFA Guideline 1 - Claims and eligibility for essential public assets  | GL-1  |
| 2 | Victorian DRFA Fact Sheet 1 - Claims and eligibility for essential public assets  | FS-1  |
| 3 | Victorian DRFA Claim form B - Emergency works | V FORM-B-EW |
| 4 | Victorian DRFA Claim form C - Reconstruction works  | V FORM-C-RW |
| 5 | Victorian DRFA Claim form C2 – Progress/Completed essential public asset reconstruction works  | V FORM-C2-CW |
| 6 | Victorian DRFA Claim form D - Reporting template | V FORM-D-QTR |
| 7 | Victorian DRFA Claim form D - Claim lodgement declaration  | V FORM-D-DEC |
| 8 | Victorian DRFA Claims management process maps  | PM-1  |

##  Further information

For further detailed information, refer to the *Victorian DRFA Guideline 1: Claims and eligibility for essential public assets (Category B).*

## Document details

|  |  |
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| Criteria | Details |
| TRIM ID: |  |
| Document title: | Fact Sheet 1: Claims and eligibility for essential public assets  |
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## Version control

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| --- | --- | --- | --- |
| Version | Date | Description | Author |
| V1.0 | 12 10 18 | Issued for IDC review |  |
| V2.0 | 24 10 18  | Final issue for approval  |  |
| V2.1 | 26.10.18 | Minor updates to final issue  |  |
| V2.2 | 30.10.18 | Working document |  |
| V2.3 V2.4 | 07.01.1918.04.19 | Minor updates to working document Edits to Tables  |  |
| V2.5 | 28.05.19 | Required documentation in the ACMS, update on Table 2 and minor updates in Table 1 |  |
| V2.6 | 06.06.19 | Update Table 1 and Table 2 with additional commentary. Inclusion of a section on the assessor validation process |  |
| V2.7 | 1.07.19 | Inclusion of payment and advance policy for essential public asset reconstruction works. Update Table 2 |  |
| V2.8 | 31.07.19 | Colour coding of Table 2 information requirements to be uploaded and inclusion of reference to SharefileInclusion of a section on insurance (page 3) |  |
| V2.9 | 31.10.19 | Minor updates to working document including Introduction, Extension of Time, Insurance and Funding ContributionReplacing reference to DTF with Administering AuthorityClarification of relevant claim forms to be used or supporting documentation to be provided in Table 2Update of the website links from DTF to EMV |  |
| V3.0 | 20.07.20 | Inclusion of requirement for Delivery Agencies to ensure they have engaged with the Assessing Authority as soon as practically possible once a final signed cost estimate for essential public reconstruction works is ready for assessmentInclusion of evidence of impact in local government area |  |
| V4.0 | 19.04.21 | Update of information to align with Guideline 1 update |  |
| V5.0 | 14.05.21 | Inclusion of requirement of photo reports for completed emergency works. |  |
| V6.0 | 18.10.21 | Merge of Factsheet 1 and 2 into new single document to support combination of Guideline 1 and 2 |  |
| V7.0 | 19.03.22 | Update to clarify where certified estimate for reconstruction works needs to be uploadedMinor editorial updates |  |
| V8.0 | 30.08.22 | Minor edits. Reference changes from EMV to EM Group and Regional Roads Victoria to the Department of Transport and Planning |  |
| V9.0 | 10.07.23 | Updated to reflect new Claims Management System. |  |
| V10 | 25.10.23 | Updated to reflect inclusion of REPA under day labour.  |  |
| V11 | 20.12.2023 | Update to reflect change of Administering Authority from Emergency Management Group to Emergency Recovery Victoria |  |