

CORP 1.

# Northern Midlands Council Account Management Report

## Income & Expenditure Summary for the Period Ended 30 September 2017 (25% of Year Completed)

Line Item Summary Totals	Operating Statement												% of Budget
	Governance		Corporate Services		Regulatory & Community Serv		Development Services		Works & Infrastructure Services		Total Operating Statement		
	2017/18 Budget	2017/18 Actual	2017/18 Budget	2017/18 Actual	2017/18 Budget	2017/18 Actual	2017/18 Budget	2017/18 Actual	2017/18 Budget	2017/18 Actual	2017/18 Budget	2017/18 Actual	
Wages	258,660	67,414	878,217	205,483	307,134	70,089	380,498	64,082	1,564,110	374,974	3,468,620.00	782,022.00	22.61%
Material & Services Expenditure	336,718	168,477	475,167	181,603	274,423	50,431	406,880	69,125	3,196,731	588,933	4,689,919.00	1,058,569.00	22.57%
Depreciation Expenditure	39,001	9,751	79,900	19,870	18,814	4,684	9,695	2,405	5,180,346	1,294,866	5,327,796.00	1,331,576.00	24.99%
Government Levies & Charges	6,710	0	617,892	12,843	1,720	0	0	0	61,190	94	687,512.00	12,937.00	1.88%
Councilors Expenditure	192,980	46,520	0	0	0	0	0	0	0	0	192,980.00	46,520.00	24.11%
Other Expenditure	481,310	84,532	445,919	448,034	145,890	60,547	6,620	2,174	1,129,960	16,135	1,192,699.00	611,422.00	51.28%
Oncost	116,397	29,110	260,520	57,902	123,491	26,209	162,224	24,244	630,578	148,692	1,293,210.00	286,157.00	22.13%
Internal Plant Hire/Rental	19,950	4,764	21,780	2,721	35,670	4,833	27,000	399	860,898	287,479	964,698.00	300,196.00	31.12%
Internal Rental/Rates	0	0	1,610	858	520	0	0	0	6,010	3,649	8,140.00	4,507.00	55.37%
Other Internal Transfers Expenditure	0	0	5,586,148	1,846,228	0	0	0	0	27,460	10,591	6,613,608.00	1,656,819.00	25.05%
Oncosts Paid - Payroll	58,554	6,327	174,579	36,410	69,050	0	76,642	8,578	331,398	49,376	710,223.00	115,063.00	16.20%
Oncost Paid - Non Payroll	84,173	17,522	249,900	60,688	14,000	20,806	102,528	20,206	479,438	118,100	999,343.00	237,302.00	23.75%
Plant Expenditure Paid	5,000	1,534	14,080	5,108	84,000	4,508	9,300	1,592	451,190	139,290	493,570.00	152,030.00	30.80%
	1,599,433	435,951	9,804,412	2,708,486	1,074,716	256,479	1,161,388	192,805	12,992,309	3,032,179	26,632,258	6,625,900	24.88%
Rate Revenue	0	0	(9,461,144)	(9,342,369)	(23,304)	(22,977)	0	0	(713,072)	(719,617)	(10,197,520.00)	(10,084,993.00)	98.90%
Recurrent Grant Revenue	(5,000)	0	(1,827,970)	(523,002)	0	0	0	0	(2,310,183)	(715,709)	(4,143,153.00)	(1,238,711.00)	29.97%
Fees and Charges Revenue	(200)	0	(556,786)	(137,134)	(137,978)	(115,629)	(306,522)	(86,656)	(428,944)	(147,454)	(1,630,430.00)	(465,872.00)	28.57%
Interest Revenue	(342,000)	17,708	(107,430)	(5,556)	0	0	0	0	0	0	(449,430.00)	12,152.00	-2.70%
Reimbursements Revenue	(2,000)	(4,089)	(26,152)	(1,455)	(7,000)	0	0	0	(48,682)	(3,417)	(81,834.00)	(8,971.00)	10.96%
Oncost Recoveries - Internal Trer	(116,397)	(27,635)	(257,735)	(63,991)	(122,771)	(26,033)	(162,225)	(19,335)	(778,089)	(182,799)	(1,435,217.00)	(319,793.00)	22.28%
Plant Hire Income - Internal Trer	(11,000)	(732)	(20,000)	(820)	(22,000)	(1,393)	(22,270)	0	(1,155,970)	(342,129)	(1,231,240.00)	(345,074.00)	28.03%
Other Internal Transfers Income	(21,028)	(4,828)	(633,448)	(89,949)	(755,717)	(189,617)	(479,866)	(127,181)	(5,253,549)	(1,309,624)	(7,143,808.00)	(1,632,228.00)	22.85%
Other Revenue	(709,000)	(46,849)	(14,437)	(41,849)	(2,132)	(1,348)	0	0	(51,740)	(19,036)	(770,309.00)	(109,082.00)	14.16%
	(1,199,625)	(66,435)	(12,905,102)	(10,117,184)	(1,070,902)	(356,997)	(1,170,883)	(212,171)	(19,736,229)	(3,439,785)	(27,082,741)	(14,192,572)	52.40%
Underlying (Surplus) / Deficit Before	399,808	369,516	(3,100,690)	(7,408,698)	3,814	(100,518)	(9,495)	(19,366)	2,256,080	(407,606)	(450,483)	(7,566,672)	
Gain on sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0	0	0	
Loss on Sale of Fixed Assets	0	0	0	0	0	0	0	0	300,000	0	300,000	0	
Net Loss On Disposal of Fixed Assets	0	0	0	0	0	0	0	0	300,000	0	300,000	0	
Underlying (Surplus) / Deficit	399,808	369,516	(3,100,690)	(7,408,698)	3,814	(100,518)	(9,495)	(19,366)	2,556,080	(407,606)	(150,483)	(7,566,672)	
Capital Grant Revenue	0	0	0	0	0	0	0	0	(2,740,765)	0	(2,740,765)	0	
Subdivider Contributions	0	0	0	0	0	0	0	0	(433,000)	0	(433,000)	0	
	0	0	0	0	0	0	0	0	(3,173,765)	0	(3,173,765)	0	
Operating (Surplus) / Deficit	399,808	369,516	(3,100,690)	(7,408,698)	3,814	(100,518)	(9,495)	(19,366)	(617,885)	(407,606)	(3,324,248)	(7,566,672)	

**Northern Midlands Council  
Account Management Report**

**2017/18 for year to 30 September 2017**

	Annual Budget	YTD Actual	Annual Budget Spent %	Scheduled and Actual Works by Month															
				B/t/w/d	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN			
<b>Capital Expenditure - Governance</b>																			
Land & Buildings																			
Lfd - CBD Strategy Parklets	100,000	2,835	3%																
Total Land & Buildings	100,000	2,835	3%																
<b>Capital Expenditure - Corporate Services</b>																			
Equipment & Buildings - Corporate Services																			
715300 Corp - Computer System Upgrade	156,540	5,469	3%																
Total Equipment & Buildings - Corporate Services	156,540	5,469	3%																
<b>Capital Expenditure - Regulatory and Community Services</b>																			
Fleet, Equipment & Buildings																			
700008.6 Fleet - F8 Care a Car	15,000	16,771	0%																
700027.1 Fleet - F27.1 Animal Lifer to fit Animal Control Ute F27	15,000	14,680	98%																
Total Fleet, Equipment & Buildings	15,000	31,451	210%																
Total Capital Expenditure - Regulatory and Community Services	15,000	31,451	210%																
<b>Capital Expenditure - Development Services</b>																			
Fleet, Plant & Equipment																			
700004 Fleet - F4 Health/Planning Inspector	18,000	-	0%																
Total Fleet, Plant & Equipment	18,000	-	0%																
Total Capital Expenditure - Development Services	18,000	-	0%																
<b>Fleet, Plant &amp; Depot</b>																			
700005 Fleet - F5 Works Supervisors Vehicle	20,000	-	0%																
700014 Fleet - F14 Building Services Light Truck	15,548	53,633	345%																
700018 Fleet - F18 Utility	33,000	302	1%																
700024 Fleet - F24 Light Truck Reserves	52,000	-	0%																
700031 Fleet - F31 Utility	20,000	-	0%																
700032 Fleet - F32 Truck	96,000	96,081	100%																
700040 Fleet - F40 Flocon	205,000	-	0%																
700050 Fleet - F50 Backhoe	120,000	155	0%																
700072 Fleet - F72 Multi Tyre Roller	50,000	21,650	43%																
700106 Plant - F106 High accuracy Survey GPS Unit	22,955	22,955	100%																
700109 Fleet - F109 Ride on Mower Reserves North	10,000	6,731	67%																
700181 Fleet - F181 After Hours Emergency Vehicle	22,000	-	0%																
700183 Fleet - F183 Sedan	20,000	-	0%																
700199 Fleet - F199 Cherry Picker	50,000	9,917	20%																





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**2017/18 for year to 30 September 2017**

	Annual Budget	YTD Actual	Annual Budget	Spent %	Scheduled and Actual Works by Month														
					B/fwd	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN		
<b>Buildings</b>																			
715254 All Areas - Play Ground Equipment	50,000	-	-	0%															
715255 All Areas - Street Furniture	50,000	33,241	66%																
788609 NRM - Sheepwash Creek Capital Works	150,000	138,214	92%																
<b>Total Recreation</b>	<b>4,336,750</b>	<b>536,181</b>	<b>12%</b>																
<b>Ross - Public Toilet Replacement</b>																			
707934 Ross - Public Toilet Site Setup/ Demolition/ Fees	300,000	50,067	17%																
707934.1 Ross - Public Toilet Prepare/Pour Concrete inc Materials	-	16,066	0%																
707934.2 Ross - Public Toilet Plumbing Labour and Materials	-	16,510	0%																
707934.3 Ross - Public Toilet Electrical Labour and Materials	-	-	0%																
707934.4 Ross - Public Toilet Block Laying/ Blocks/ Labour/ Machine Hire	-	5,294	0%																
707934.5 Ross - Public Toilet Building Materials	-	21,887	0%																
707934.6 Ross - Public Toilet Building Labour/ Fleet	-	22,104	0%																
707934.7 Ross - Public Toilet Temporary Toilet Hire and Pumping	-	4,470	0%																
707934.8 Ross - Public Toilet Site Works/ Landscaping	-	30,347	0%																
<b>Total Ross - Public Toilet Replacement</b>	<b>300,000</b>	<b>166,745</b>	<b>56%</b>																
<b>Crown - War Memorial Oval Amenities Upgrade</b>																			
707805 Crown - War Memorial Oval Amenities Upgrade	1,770,000	79,486	4%																
707805.1 Crown - War Memorial Oval Amenities - Design & Supervision	-	101,916	0%																
707805.2 Crown - War Memorial Oval Amenities Upgrade - Site Works	250,000	35,075	14%																
707805.3 Crown - War Memorial Oval Amenities Upgrade - High St Access	200,000	-	0%																
<b>Total Crown - War Memorial Oval Amenities Upgrade</b>	<b>2,220,000</b>	<b>216,477</b>	<b>10%</b>																
<b>Shelters</b>																			
707877 All Areas - Bus Shelters	15,000	266	2%																
707877.1 Ross - Bus Shelter	-	573	0%																
707877.2 Perth - Bus Shelter	-	573	0%																
<b>Total Shelters</b>	<b>15,000</b>	<b>1,412</b>	<b>9%</b>																
<b>Other Buildings</b>																			
707868 Cry - Town Hall Improvements	-	205	0%																
707920 All Areas - Public Buildings Asbestos Removal	20,000	-	0%																
707925 Crown - Town Hall Improvements	50,000	285	1%																
707928 Evan - War Memorial Hall Painting and Roof Repairs	20,000	-	0%																
707952 Lfd - 15 Smith Street Redevelopment	-	7,595	0%																
707955 Evan - Community Centre Flag Pole Replacement	-	1,755	0%																
707959 Lfd - War Memorial Hall Floor Improve	50,000	3,029	6%																
707962 Lfd - Recreation Ground Grandstand Handrails & Gutter Replacement	20,000	-	0%																
707963 Lfd - Library Exterior Painting	20,000	-	0%																





Northern Midlands Council  
Account Management Report

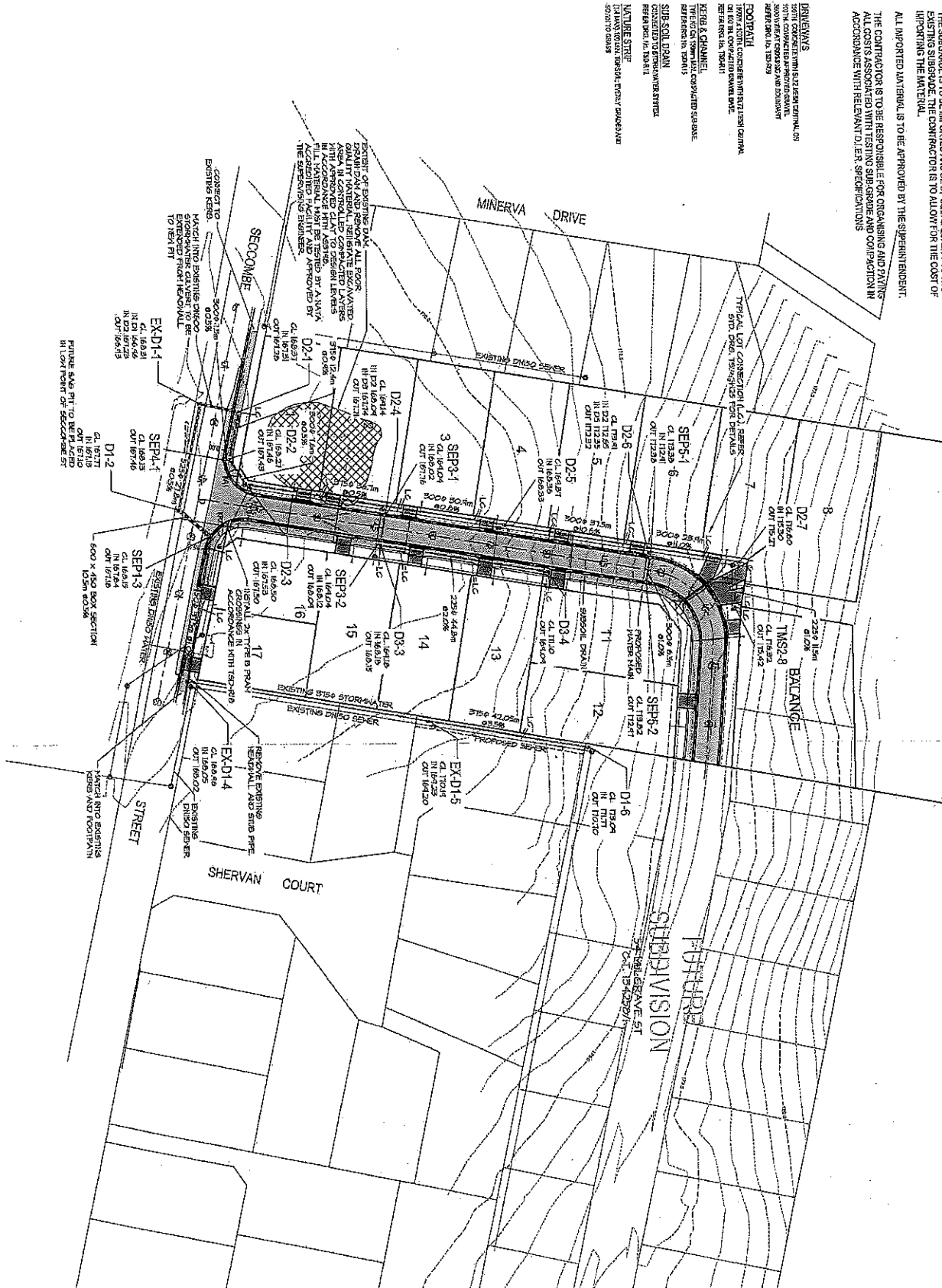
2017/18 for year to 30 September 2017

	Annual Budget	YTD Actual	Annual Budget	Spent %	Scheduled and Actual Works by Month											
					B/Fwd	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
<b>Other Road Projects</b>																
750099	245,000	-	-	0%												
750100	275,000	-	-	0%												
750105	610,000	-	-	0%												
750396	-	1,585	-	0%												
750544	800,000	13,741	-	2%												
750559	95,000	-	-	0%												
750561	60,000	19,549	-	33%												
750853	70,000	-	-	0%												
751308	80,000	30,149	-	38%												
751308.8	-	166	-	0%												
752000	700,000	-	-	0%												
759352	130,000	1,859	-	1%												
<b>Total Other Road Projects</b>																
	3,065,000	67,049	-	2%												
<b>Total Roads</b>																
	4,519,360	220,028	-	5%												
<b>Bridges</b>																
741130	2,830,000	131,898	-	5%												
741300	205,000	117,734	-	57%												
743725	230,000	219,142	-	95%												
<b>Total Bridges</b>																
	3,265,000	468,774	-	14%												
<b>Urban Stormwater Drainage</b>																
788575	145,000	-	-	0%												
788576	-	84,003	-	0%												
788601	650,000	111,945	-	17%												
788611	-	-	-	0%												
<b>Total Urban Stormwater Drainage</b>																
	795,000	195,948	-	25%												
<b>Total Capital - Works Department</b>																
	16,754,103	2,049,532	-	12%												
<b>Total Capital Works All Departments</b>																
	17,043,643	2,089,287	-	12%												

**PREPARATION FOR ROADWAY**  
 STRIP OFF TOPSOIL AND VEGETATION. PROOF ROLL SUBGRADE. EXCESS MATERIAL IS TO BE REMOVED FROM SITE BY THE CONTRACTOR UNLESS INSTRUCTED OTHERWISE BY THE SUPERINTENDENT.  
 BACKFILL TO THE UNDERSIDE OF SUBBASE MATERIAL WITH APPROVED SUBGRADE MATERIAL FROM SITE.  
 WHERE REQUIRED, A 150mm MINIMUM DEPTH OF MATERIAL FOR THE FORMATION OF THE SUBGRADE IS TO BE PROVIDED AND BE OF EQUAL QUALITY TO THE EXISTING SUBGRADE. THE CONTRACTOR IS TO ALLOW FOR THE COST OF IMPORTING THE MATERIAL.  
 ALL IMPORTED MATERIAL IS TO BE APPROVED BY THE SUPERINTENDENT.  
 THE CONTRACTOR IS TO BE RESPONSIBLE FOR OBTAINING AND PAYING ALL COSTS ASSOCIATED WITH TESTING, SAMPLES AND COMPLETION IN ACCORDANCE WITH HELMINTH DILETS SPECIFICATIONS.

This document forms part of  
 Planning Permit P16-055  
 Issued on 31-Aug-2016  
 Amended 31-Mar-2017  
 (P1, P1(a), D1)

EXISTING DWELLING IS TO BE DEMOLISHED TO NEW STRENGTH WITH IN-PLACE FOUNDATION



17 LOT SUBDIVISION  
 ROAD & STORMWATER  
 P16-055  
 C01  
 A



17 LOT SUBDIVISION  
 ROAD & STORMWATER  
 P16-055  
 C01  
 A



# Natural Disaster Relief to Local Government Policy

DISCUSSION PAPER



## EXECUTIVE SUMMARY

The *Natural Disaster Relief to Local Government Policy* (the Policy) outlines the financial assistance that the Tasmanian Government may make available to local government following a natural disaster. The Policy is being reviewed to ensure consistency and compliance with the Australian Government's *Natural Disaster Relief and Recovery Arrangements* (NDRRA) and to address issues identified following disaster events in Tasmania in 2016.

Scientific research indicates that there will be more severe bushfires, storms and floods in the future. Providing relief and recovery measures to communities impacted by these natural disasters is a responsibility of all levels of government. It is important that the Tasmanian Government delivers natural disaster assistance to councils in a responsible, cost effective and timely manner while maximising assistance received from the Australian Government under the NDRRA.

Section 2 to 5 of this Discussion Paper presents issues identified following the 2016 disaster events and seeks local government feedback on the:

- Notification process;
- Claims process;
- Costs eligible for reimbursement under the Policy; and
- Calculation of assistance.

The Australian Government is proposing to reform how it provides financial assistance for the repair and restoration of essential public assets damaged by natural disasters. Section 6 of this Discussion Paper seeks local government feedback on its capacity to comply with the changes to identify what level of Tasmanian Government support is required.

Any changes to the Policy required after the review will likely be introduced in early 2018. To meet this timeframe, responses to the issues raised in this Discussion Paper are required by 23 October 2017. Guidance material and information sessions will be provided to councils before the finalisation and implementation of any changes.

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## I INTRODUCTION

The *Natural Disaster Relief to Local Government Policy* (the Policy) outlines the financial assistance the Tasmanian Government may make available to local government after a natural disaster. The Policy is based on the Australian Government's *Natural Disaster Relief and Recovery Arrangements* (NDRRA).

The objectives of the Policy are to:

- Assist with the financial burden imposed upon local government as a result of extraordinary expenses incurred during and following natural disasters; and
- Deliver financial assistance in a responsible, cost-effective and timely manner.

The Tasmanian Government is reviewing the Policy to ensure consistency and compliance with proposed NDRRA reforms. The review will address issues identified with the Policy following disaster events in Tasmania during 2016. It will also provide a more streamlined process with additional Tasmanian Government support to meet the objectives of the Policy.

Sections 2 to 5 present issues identified following the 2016 disaster events including:

- Notification process;
- Claims process;
- Costs eligible for reimbursement under the Policy; and
- Calculation of assistance.

Section 6 of this paper seeks to identify issues that the proposed NDRRA reforms may raise for local government.

A summary of discussion points raised in this paper is at Appendix I. Written responses to the discussion points are important as they will be used to progress necessary reforms and inform recommendations about improvements to the Policy. Written responses should be provided to the Local Government Association of Tasmania, who will collate and pass feedback onto the Department of Premier and Cabinet (DPAC).

If you have any queries regarding the Discussion Paper, please contact Chris Noye, NDRRA Coordinator on 03 6232 7326 or [chris.noye@dpac.tas.gov.au](mailto:chris.noye@dpac.tas.gov.au).

## 1.1 2016 Disaster Events

In 2016, the Tasmanian Government activated the Policy for the following disaster events:

- January Bushfires;
- February Flooding;
- June Flooding; and
- Huon River July Flooding.

## 1.2 NDRRA Reforms

The Australian Government is proposing to reform the NDRRA so that financial assistance given to jurisdictions for the reconstruction of essential public assets is based on estimated cost, rather than reimbursing actual costs. Jurisdictions will also be able to use any savings on disaster mitigation measures.

The reforms seek to deliver improved recovery outcomes, including mitigation measures, within a fiscally responsible framework. Under the proposal, jurisdictions will calculate a contingency allowance based on risks associated with reconstruction projects. Practically, the contingency allowance is where any savings will be realised.

The model would apply when there is significant damage to infrastructure by a catastrophic natural disaster. In Tasmania, this will likely apply for events of a similar scale to the 2013 bushfires and June 2016 floods.

The proposed model is being trialled for disaster events between 1 October 2016 and 31 March 2018. At this stage, Tasmania has had no catastrophic disaster events in the trial period.

## 2 NOTIFICATION PROCESS

This section seeks local government feedback on proposed improvements to the notification process required under the Policy.

The Policy requires a local council to notify the Office of Security and Emergency Management in the Department of Premier and Cabinet (DPAC) within seven days of an 'eligible' natural disaster affecting its community.

The Policy defines an 'eligible' natural disaster as:



*"A serious disruption to a community caused by the impact of a naturally occurring rapid-onset event that threatens or causes death, injury or damage to property or the environment and which requires significant and coordinated multi-agency and community response."*

Under the current Policy, the notification should include:

- A list of damaged assets that separately identifies 'essential public assets' from other community assets. Section 5.2 lists local government assets which meet the definition of 'essential public assets';
- Estimated repair / replacement cost information for each asset; and
- Information regarding other measures the council has or may undertake, such as providing personal hardship and distress assistance.

During the 2016 events, the notification process did not operate as effectively as hoped. This was likely because:

- Knowledge / awareness of the Policy within local government, supported by the Tasmanian Government was limited; and
- Delays accessing damaged infrastructure for inspection.

The notification issue did not affect activation of the Policy. However, it has caused issues with the Tasmanian Government complying with its NDRRA reporting obligations. For example, the Tasmanian Government uses council information to request additional funding from the Australian Government, with significant variances requiring provision of detailed additional information.

The Tasmanian Government can extend the time to submit more detailed information if it will result in more accurate data collection and reporting.

1. Are there any barriers to councils identifying assets damaged and estimated repair / replacement costs?
2. What is a reasonable timeframe for councils to collect and report detailed notification information?

### 3 CLAIMS PROCESS

This section seeks local government feedback on proposed improvements to the claims process required under the Policy.

The Policy requires a council to submit an audited claim within nine months from the date of the disaster.

After the 2016 events, due largely to the nature and extent of the floods, asset repair and restoration continued well past nine months after the disaster event.

The Tasmanian Government would like to apply claim timeframes and thresholds by financial year, rather than by event.

This will make it consistent with NDRRA, where claims and thresholds apply to the financial year when expenditure is incurred. This will also remove the requirement to request an extension when reconstruction activity extends for longer than nine months after a disaster. However, a council may need to make more than one claim for a disaster event if expenditure exceeds thresholds in two separate financial years. Councils will still be able to submit part claims.

**3. What impact (if any) will changing claim timeframes and thresholds to financial years have on local government?**

Jurisdictions are required to submit audited claims to NDRRA within nine months after the end of the financial year when expenditure was incurred. To do this, the Tasmanian Audit Office (TAO) must have first completed audits of all local government claims.

Due to the amount of detail required in a claim and the anticipated high number of local government claims, the maximum amount of time should be provided to the TAO to audit local government claims.

The Tasmanian Government can potentially assist by making the claims process more efficient, noting that the TAO requires a significant level of detail to finalise its audit of local government claims.

4. How soon after the end of the financial year, can councils submit claims for reimbursement?
5. How can the Tasmanian Government make the claims process more efficient?

4 ELIGIBLE EXPENSES

This section seeks to clarify the activities and associated costs that are eligible for reimbursement under the Policy.



The Tasmanian Government only reimburses 'additional' costs incurred by councils as a direct result of an 'eligible' natural disaster. Additional costs are those incurred only because of the eligible natural disaster event.

Examples include:

- Overtime and allowances for council employees undertaking relief / recovery activities;
- Engaging additional temporary personnel (e.g. short term contractors);
- Unbudgeted fuel and oil expenditure, and maintenance costs required as a direct consequence of an eligible natural disaster; and
- Hiring additional plant and equipment (including transport and operation / running costs).

Normal maintenance and administration costs that a council would have incurred regardless of the natural disaster occurring are not claimable. Examples include:

- Normal time salary costs for council employees; and
- Amounts attributable to internal rate hire that councils would have been liable for had the disaster not occurred.

Feedback from the TAO after the June 2016 floods indicates that the definition of an 'additional' cost is unclear to councils. This delayed the audit process and reimbursement of costs for some councils.

#### **6. How can the Tasmanian Government provide improved guidance on what constitutes an additional cost?**

The Policy defines two categories of eligible expenses. Category A expenses include personal hardship and distress assistance to individuals. Category B expenses include restoration of 'essential public assets'.

##### **4.1 Personal Hardship and Distress Assistance**

Category A expenditure may include:

- Emergency food, clothing and / or temporary accommodation (e.g. establishing and operating evacuation and recovery centres);
- Repair or replacement of essential household items;

- Emergency repairs to housing;
- Demolition and rebuilding;
- Removal of debris from houses (e.g. waived / forgone revenue if councils allow households to dispose of disaster related debris free of cost);
- Extraordinary cost of counter disaster operations (e.g. sandbagging and / or the construction of portable temporary levees / flood barriers to prevent inundation of residential properties);
- Other waived fees and charges on a cost recovery basis only (e.g. planning permits); and
- Personal and financial counselling (e.g. outreach services).

Many councils did not claim Category A expenditure following the 2016 disaster events.

7. **What assistance measures has local government provided to reduce personal hardship and distress that a person may be experiencing as a direct result of a natural disaster?**

#### 4.2 Restoration of Assets

Category B 'essential public assets' may include:

- Roads;
- Road infrastructure (including footpaths, bike lanes and pedestrian bridges);
- Bridges;
- Culverts;
- Levees;
- Local government offices; and
- Stormwater infrastructure.

Under the Policy, repair and restoration of assets that do not meet the criteria of 'essential public assets' need to be identified by councils when submitting notification information. There were issues with this process after the 2016 disaster events that has resulted in some councils claiming reimbursement for non-essential public assets without prior approval by the Tasmanian Government.

The Tasmanian Government can apply to the Australian Government for a contribution to a Community Recovery Fund (CRF) to assist with the restoration and repair of community



facilities not considered 'essential public assets'. It is important that councils separately identify damage to assets that do not meet the criteria of 'essential public assets' so that the Tasmanian Government can determine if a CRF is required.

The Australian Government has provided a CRF Request Form template (Appendix 2). To complete the form the Tasmanian Government will require detailed information from local government.

#### 8. What information can local government provide to assist completion of the CRF Request Form (Appendix 2)?

Under the NDRRA, councils are currently unable to claim the cost of using internal workforces to repair or restore essential public assets damaged in a natural disaster (day-labour costs). This can be an issue if council resources are the most cost-effective option for repairing or replacing an essential public asset.

Some jurisdictions have received day-labour exemptions from the Australian Government for local government employees. This means that costs of local government employees undertaking disaster reconstruction works on damaged essential public assets is eligible for reimbursement when evidence is provided that the use of council labour represents better value than engaging external contractors.

#### 9. What evidence can local government provide to show that using day-labour is the most cost-effective option?

### 5 CALCULATION OF ASSISTANCE

Under the Policy, the Tasmanian Government provides financial assistance when extraordinary expenditure exceeds the following two thresholds:

1. 0.225 per cent of a council's total general rates revenue and general purpose grants receipts two financial years prior to the event; and
2. 1.75 times threshold one.

The Tasmanian Government reimburses councils 50 per cent of extraordinary costs between thresholds one and two, and 75 per cent of extraordinary costs above threshold two. The Australian Government reimburses states using the same ratio under the NDRRA.

This section seeks local government feedback on changing the revenue base for calculating thresholds.

NDRRA thresholds do not use specific revenue items like those detailed in the Policy. They are set using 'Revenue from Transactions' disclosed in the Treasurer's Annual Report. The most similar line item in local government annual reports is 'Total Recurrent Revenue'.

Appendix 3 compares local government thresholds based on 'Total Recurrent Revenue' to thresholds that applied under the current Policy for the 2015-16 financial year. Data used to calculate thresholds under the current Policy could be challenging to source, so the Tasmanian Government will adopt publically available 'Total Recurrent Revenue' amounts to establish thresholds.

Figure 1 shows that, under this approach, the Tasmanian Government's contribution to local government for the June 2016 floods would have decreased by \$306,000. However, the impact on individual councils would not be so significant to be inconsistent with the aim of the Policy: to assist with the financial burden imposed upon local government by natural disasters.

Figure 1: June 2016 Floods Local Government Reimbursement – Threshold Comparison

<i>Local Government</i>	<i>Estimated Reimbursement – Current Policy Thresholds \$'000</i>	<i>Estimated Reimbursement – Total Recurrent Revenue Thresholds \$'000</i>	<i>Difference \$'000</i>
<i>Break O'Day</i>	1,305	1,298	7
<i>Burnie</i>	734	697	37
<i>Central Coast</i>	4,497	4,480	17
<i>Central Highlands</i>	14	10	4
<i>Circular Head</i>	122	113	9
<i>Devonport</i>	314	284	30
<i>George Town</i>	169	164	5
<i>Kentish</i>	6,122	6,115	7
<i>Kingborough</i>	58	33	25
<i>Latrobe</i>	697	687	10
<i>Launceston</i>	1,630	1,524	106
<i>Meander Valley</i>	3,719	3,696	23
<i>Northern Midlands</i>	458	448	10
<i>Waratah-Wynyard</i>	2,628	2,612	16
<b>TOTAL</b>	<b>22,467</b>	<b>22,161</b>	<b>306</b>



## NOTES TO FIGURE 1:

- Launceston and Meander Valley Total Recurrent Revenue thresholds use the 2016-17 financial year thresholds. The 2013-14 annual reports for these councils were not available online.
- This analysis illustrates the potential impact on local government after a significant disaster event. Any change to the calculation of thresholds will only apply prospectively.

**10. Are there any alternatives to the calculation of reimbursement thresholds?**

**Alternatives must be consistent with the principle: assistance provided by the Tasmanian Government is a financial safety net that exists to assist local government with the extraordinary costs of an eligible natural disaster.**

The Tasmanian Government may be able to provide other, non-financial support to local government if threshold calculations are changed. Examples of additional support might include:

- Assisting local government with the additional requirements of the NDRRA reforms (see section 6 below);
- Providing more regular information on eligible costs, and personal hardship and distress assistance measures; and / or
- Other support requested by local government.

**11. What additional Tasmanian Government support would be beneficial if current thresholds are changed?****6 NDRRA REFORMS**

The Australian Government is proposing that jurisdictions receive funding to repair / replace essential public assets significantly damaged by catastrophic natural disasters based on estimated costs. This will only apply where there has been total asset failure. The current reimbursement model, based on actual cost, will continue to apply to:

- Emergency works (e.g. initial grading, pothole repairs, temporary gravel re-sheeting, replacement of rock, and traffic management);
- Reconstruction works carried out within at least three months from the time the essential public asset becomes accessible; and
- All other assistance provided under the NDRRA.

Appendix 4 provides an example of how the Australian Government will provide natural disaster financial assistance to jurisdictions under the proposed reforms. It shows that unless a reconstruction project extends over many years, State and Territory Governments will continue to receive Australian Government assistance after costs are incurred.

As such, there is no proposal to change how the Tasmanian Government provides financial assistance to councils following natural disasters. However, there may be an impact on the reporting requirements of councils following a catastrophic natural disaster that causes significant damage to local government infrastructure.

This section seeks local government feedback on the potential issues that may arise from the proposed reforms in five main subject areas. These are:

- Damage assessment;
- Estimated reconstruction cost;
- Contingency allowance;
- Cost escalation allowance; and
- Variance between estimated and actual expenditure.

## 6.1 Damage Assessment

The NDRRA reforms propose that a qualified engineer or quantity surveyor must conduct a damage assessment of each essential public asset significantly damaged in a catastrophic natural disaster. The damage assessment will provide evidence of the condition of the asset and to prove the damage is directly attributable to the disaster event.

Jurisdictions must provide evidence of the exact location, nature and extent of damage within 12 months of the disaster event through one or more of the following means:

1. Geospatial data, including satellite images;
2. Visual data, including photographs or video footage; or
3. Asset inspection reports conducted or verified by a suitably qualified professional.

This will only apply where there has been total asset failure.

- 12. What capacity exists in local government to comply with the proposed damage assessment requirements? Please provide information on the damage assessment process currently used by local government.**



In order to determine the damage caused by the disaster event, jurisdictions must be able to demonstrate the pre-disaster condition of the asset through one or more of the following:

1. Geospatial data, including satellite images;
2. Visual data, including photographs or video footage;
3. Maintenance records;
4. Asset registers; and / or
5. An inspection report or certification by a suitably qualified engineer or quantity surveyor undertaken at the time of the damage assessment.

For points 1-4 above, the data must not be older than two years before the eligible disaster.

**13. What capacity exists in local government to comply with the proposed pre-disaster condition requirements?**

6.2 Estimated Reconstruction Cost

Under the proposed reforms, jurisdictions must establish the estimated reconstruction cost for each essential public asset through:

1. Market response – estimate reconstruction cost by tender or competitive bidding; or
2. Cost estimation – estimate reconstruction cost using an internal or independent engineer or quantity surveyor with the appropriate level of expertise and experience.

Experience suggests that most councils use market based responses to estimate repair / replacement costs. Some councils may also have a schedule of rates that provides a level of certainty in relation to the cost of materials.

**14. What is the preferred method(s) for local government to estimate reconstruction costs of essential public assets damaged by natural disasters?**

6.3 Contingency Allowance

When the estimated cost model applies, jurisdictions will be required to account for residual risks through the inclusion of a contingency allowance. The contingency allowance should reflect the project risk, complexity, investment lifecycle, benchmarks and past performance for similar projects.

In preparing the contingency allowance, the Australian Government expects jurisdictions to follow the Cost Estimation Guidance Notes published by the Department of Infrastructure and Regional Development

(<http://investment.infrastructure.gov.au/whatis/costestimation/index.aspx>).

The Australian Government has provided an example of a contingency allowance calculation template (Appendix 5).

**15. What methods (if any) do local government use to calculate contingency allowances for infrastructure projects?**

There is a proposal to calculate the contingency allowance by asset type and region instead of by individual project. Under this approach, jurisdictions, with the assistance of local government, will annually assess the contingency allowances for a region as opposed to a project-by-project basis following a natural disaster.

**16. What is the preferred method for calculating contingency allowances?**

**6.4 Cost Escalation Allowance**

When the estimated cost model applies, cost escalation allowances will apply to compensate for the expected increases due to price fluctuations in labour, plant and material, and global and local market pressures.

In preparing the cost escalation allowance, the Australian Government expects jurisdictions to use the escalation rates and escalation calculation methodology included in the Road Construction Cost Escalation Forecasts. The Department of Infrastructure and Regional Development prepare unique forecasts for each jurisdiction annually.

**17. What methods (if any) does local government use to calculate cost escalation allowances?**

**6.5 Variance between Estimated and Actual Reconstruction Cost**

When the estimated cost model applies, and the actual cost incurred is lower than the original estimate for a project, jurisdictions can spend savings on mitigation activities or return them to the Australian Government. Mitigation activities could include:

*Planning and regulations*



- Assessing, documenting and communicating community risks;
- Limiting or prohibiting development in high-risk areas; and
- Integrating hazard mitigation into local government planning.

*Public infrastructure projects*

- Protection of existing structures;
- Post-disaster mitigation activities; and
- Establishing a fund for local mitigation activities.

*Education and awareness*

- Increased Hazard and Risk education awareness.

**18. What capacity exists in local government to undertake mitigation activities?**

**19. Please provide information on mitigation activities currently undertaken by local government.**

When the estimated cost model applies, and the actual cost of a project is higher than the original estimate, jurisdictions will not be entitled to submit an application for further funding, unless the variation is because of special circumstances.

Special circumstances could include:

- Geotechnical conditions that could not reasonably be foreseen or investigated in the design period;
- Previously unidentified cultural heritage discoveries;
- Delays caused by subsequent natural disasters;
- Environmental conditions that could not reasonably be foreseen (e.g. threatened species discovery); and / or
- Safety threats that could not reasonably be foreseen, (e.g. asbestos discovery)

The Australian Government will not consider further funding for the following reasons:

- Poor / inadequate planning or project management;
- Poor / inadequate resourcing and materials;
- Land access or property acquisition delays;
- Consultation delays – (e.g. with the community or a specialist advisor);

- Complexity in design / construction;
- Changes in building standards, codes or specifications;
- Industrial conditions / actions;
- Seasonal changes / inclement weather;
- Council or other local government / jurisdiction decisions or delays;
- Heritage listings; and / or
- Changes to the cost of materials.

## 7 CONSULTATION PERIOD

The Tasmanian Government proposes to introduce any changes to the Policy in early 2018. To meet this timeframe, written feedback on the issues raised in this Discussion Paper are required by 23 October 2017.

After the consultation period, there will be ongoing liaison with the Local Government Association of Tasmania and briefings to councils as required.

Guidance material and information sessions will be provided to councils before the finalisation and implementation of any changes.



## Appendix I – Summary of Discussion Points

Discussion Point	Local Government Response
<b>Notification Process</b>	
1. Are there any barriers to councils identifying assets damaged and estimated repair / replacement costs?	
2. What is a reasonable timeframe for councils to collect and report detailed notification information?	
<b>Claims Process</b>	
3. What impact (if any) will changing claim timeframes and thresholds to financial years have on local government?	
4. How soon after the end of the financial year, can Councils submit claims for reimbursement?	
5. How can the Tasmanian Government make the claims process more efficient?	
<b>Eligible Expenses</b>	
6. How can the Tasmanian Government provide improved guidance on what constitutes an additional cost?	
7. What assistance measures has local government provided to reduce personal hardship and distress that a person may be experiencing as a direct result of a natural disaster?	
8. What information can local government provide to assist completion of the CRF Request Form (Appendix 2)?	
9. What evidence can local government provide to show that using day-labour is the most cost-effective option?	

<b>Calculation of Assistance</b>	
10. Are there any alternatives to the calculation of reimbursement thresholds? Alternatives must be consistent with the principle: assistance provided by the Tasmanian Government is a financial safety net that exists to assist local government with the extraordinary costs of an eligible natural disaster.	
11. What additional Tasmanian Government support would be beneficial if current thresholds are changed?	
<b>NDRRRA Reforms</b>	
12. What capacity exists in local government to comply with the proposed damage assessment requirements? Please provide information on the damage assessment process currently used by local government.	
13. What capacity exists in local government to comply with the proposed pre-disaster condition requirements?	
14. What is the preferred method(s) for local government to estimate reconstruction costs of essential public assets damaged by natural disasters?	
15. What methods (if any) do local government use to calculate contingency allowances for infrastructure projects?	
16. What is the preferred method for calculating contingency allowances?	
17. What methods (if any) does local government use to calculate cost escalation allowances?	
18. What capacity exists in local government to undertake mitigation activities?	
19. Please provide information on mitigation activities currently undertaken by local government.	



# APPENDIX 2 – Australian Government Community Recovery Fund Request Form

## Community Recovery Fund Form

<ul style="list-style-type: none"> <li>CATEGORY C COMMUNITY RECOVERY FUND FORM</li> </ul>	
DISASTER IMPACT	<ul style="list-style-type: none"> <li>^Advice regarding the nature of the impact from the <i>eligible disaster</i> on the community, region or sector^</li> </ul>
DATA ON THE COMMUNITY, REGION OR SECTOR WHERE THE COMMUNITY RECOVERY FUND IS PROPOSED	^e.g. data about the affected community, region or sector, including demographic and vulnerability profiles and the number of times the community, region or sector has been affected by eligible disasters^
THE VALUE OF THE FUND REQUESTED, INCLUDING REQUESTED ACTIVITIES/PROJECTS	<p>A community recovery fund of \$^insert number as X.X^ million is proposed for cost sharing.</p> <p>The following activities/projects are proposed for funding under the fund:</p> <ol style="list-style-type: none"> <li>1. ^Detailed description of the activities/projects, including information about the fund objectives, including any specific outcomes the fund aims to achieve and a breakdown of the costings^</li> </ol>
RISK OF LOSING ESSENTIAL BUSINESSES IN THE COMMUNITY, REGION OR SECTOR	<p>Likely <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Assessment/reason(s): ^Please provide information supporting the risk level^</p>
LOSS OR REDUCTION TO ESSENTIAL SERVICES IN THE COMMUNITY, REGION OR SECTOR	<p>The following essential services were destroyed or damaged:</p> <ol style="list-style-type: none"> <li>1. ^e.g. water, electricity, gas; sewerage etc. and duration^</li> <li>2. ^insert further details as required^</li> </ol>
LOSS OR DAMAGED TO ESSENTIAL PUBLIC ASSETS IN THE COMMUNITY, REGION OR SECTOR	<p>The following essential public assets were destroyed or damaged:</p> <ol style="list-style-type: none"> <li>1. ^e.g. the Thora Bridge was damaged and will be unavailable for traffic for at least 3 weeks etc.^</li> <li>2. ^insert further details as required^</li> </ol>
NUMBER OF COMMUNITY FACILITIES DESTROYED AND/OR DAMAGED IN THE COMMUNITY, REGION OR SECTOR	<p>The following essential public assets were destroyed or damaged:</p> <ul style="list-style-type: none"> <li>• ^e.g. the CWA Hall was inundated and has sustained sewage contamination. It is expected to remain unusable for at least another month^</li> <li>• ^insert further details as required^</li> <li>•</li> </ul>



<ul style="list-style-type: none"> <li>CATEGORY C COMMUNITY RECOVERY FUND FORM</li> </ul>	
NUMBER OF COMMUNITY ACTIVITIES AND INTERACTIONS (A) CEASED (B) DISRUPTED (C) RELOCATED OUT OF THE COMMUNITY, REGION OR SECTOR	Ceased: <ol style="list-style-type: none"> <li>^e.g. community events; Rotary club meetings; parent groups; etc^</li> <li>^insert further details as required^</li> </ol> Disrupted: <ol style="list-style-type: none"> <li>^e.g. community events; Rotary club meetings; parent groups; etc^</li> <li>^insert further details as required^</li> </ol> Relocated out of the community, region or sector: <ol style="list-style-type: none"> <li>^e.g. community events; Rotary club meetings; parent groups; etc^</li> <li>^insert further details as required^</li> </ol>
NEED IN THE COMMUNITY, REGION OR SECTOR	<ul style="list-style-type: none"> <li>^Advice regarding the recovery needs facing the affected community, region or sector, including why they cannot be addressed through other existing programs or state/local government resources^</li> </ul>
RECOVERY PROGRESS MADE IN THE COMMUNITY, REGION OR SECTOR	<ul style="list-style-type: none"> <li>^Advice regarding the restoration progress that has been made^</li> </ul>
GOVERNANCE AND REPORTING ARRANGEMENTS	<ul style="list-style-type: none"> <li>^Advice regarding the proposed governance and reporting arrangements^</li> </ul>
AVAILABLE ASSISTANCE	<ul style="list-style-type: none"> <li>^Advice regarding the types of assistance that have already been made available to support the affected area, including measures that have been provided under existing state and local government programs^</li> </ul>
OTHER RELEVANT INFORMATION OR COMMENTS	<ul style="list-style-type: none"> <li>^Please provide any additional comments or information about the</li> </ul>

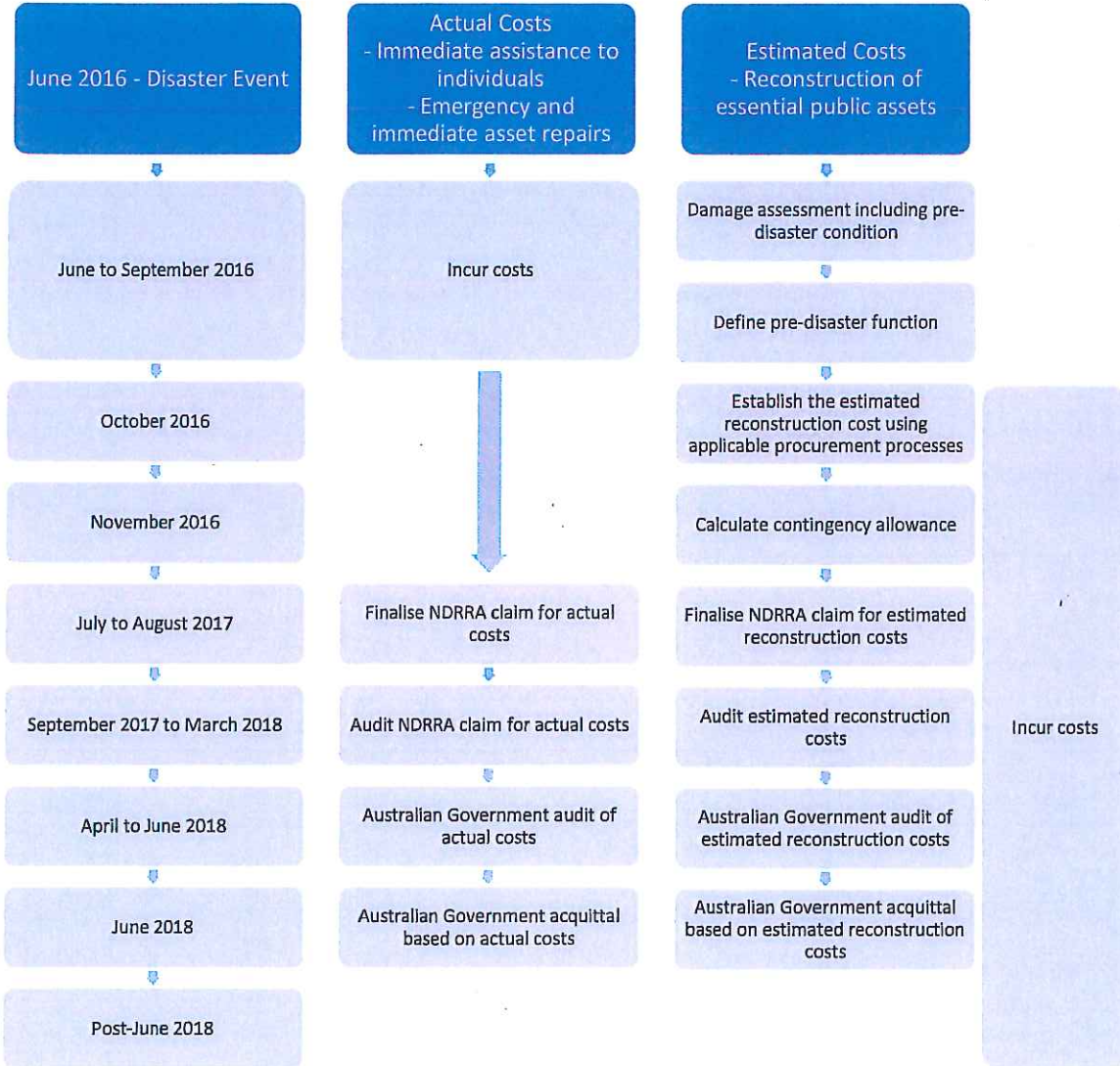


# APPENDIX 3 – Local Government

## Thresholds 2015-16 comparison

Local Government	Current Policy Thresholds			Total Revenue Thresholds		
	Total – General Rates and General Grant Revenue	First Threshold	Second Threshold	Total Recurrent Revenue	First Threshold	Second Threshold
Break O'Day	\$7,490,707	\$16,854	\$29,495	\$10,849,358	\$24,411	\$42,719
Brighton	\$6,588,109	\$14,823	\$25,941	\$11,780,184	\$26,505	\$46,384
Burnie	\$15,965,000	\$35,921	\$62,862	\$33,698,000	\$75,821	\$132,686
Central Coast	\$13,384,031	\$30,114	\$52,700	\$21,541,178	\$48,468	\$84,818
Central Highlands	\$3,505,434	\$7,887	\$13,803	\$5,262,629	\$11,841	\$20,722
Circular Head	\$7,464,025	\$16,794	\$29,390	\$11,740,791	\$26,417	\$46,229
Clarence	\$36,790,530	\$82,779	\$144,863	\$58,136,000	\$130,806	\$228,911
Derwent Valley	\$5,917,049	\$13,313	\$23,298	\$10,687,000	\$24,046	\$42,080
Devonport	\$21,510,703	\$48,399	\$84,698	\$35,796,000	\$80,541	\$140,947
Dorset	\$6,670,000	\$15,008	\$26,263	2013-14 Annual Report not available		
Flinders	\$1,817,055	\$4,088	\$7,155	\$3,464,948	\$7,796	\$13,643
George Town	\$6,881,561	\$15,484	\$27,096	\$9,066,370	\$20,399	\$35,699
Glamorgan Spring Bay	\$5,462,000	\$12,290	\$21,507	\$10,791,000	\$24,280	\$42,490
Glenorchy	\$26,791,998	\$60,282	\$105,493	\$51,117,000	\$115,013	\$201,273
Hobart	\$56,471,183	\$127,060	\$222,355	\$113,767,000	\$255,976	\$447,958
Huon Valley	\$10,150,875	\$22,839	\$39,969	\$17,006,000	\$38,264	\$66,961
Kentish	\$5,242,677	\$11,796	\$20,643	\$8,383,000	\$18,862	\$33,008
King Island	\$2,333,490	\$5,250	\$9,188	\$5,341,580	\$12,019	\$21,032
Kingborough	\$20,914,611	\$47,058	\$82,351	\$32,943,000	\$74,122	\$129,713
Latrobe	\$5,890,801	\$13,254	\$23,195	\$10,944,240	\$24,625	\$43,093
Launceston	\$49,292,266	\$110,908	\$194,088	2013-14 Annual Report not available		
Meander Valley	\$10,122,109	\$22,775	\$39,856	2013-14 Annual Report not available		
Northern Midlands	\$9,596,615	\$21,592	\$37,787	\$14,083,063	\$31,687	\$55,452
Sorell	\$9,651,176	\$21,715	\$38,002	\$15,981,000	\$35,957	\$62,925
Southern Midlands	\$5,172,628	\$11,638	\$20,367	\$8,462,000	\$19,040	\$33,319
Tasman	\$3,741,000	\$8,417	\$14,730	\$5,923,000	\$13,327	\$23,322
Waratah-Wynyard	\$8,489,991	\$19,102	\$33,429	\$16,023,046	\$36,052	\$63,091
West Coast	\$5,564,676	\$12,521	\$21,911	\$10,501,563	\$23,629	\$41,350
West Tamar	\$13,090,333	\$29,453	\$51,543	\$20,778,769	\$46,752	\$81,816

# APPENDIX 4 – Proposed NDRRA Process





# APPENDIX 5 - Contingency Allowance Calculation Template

THE FOLLOWING CONTINGENCY GUIDANCE IS TO BE USED DURING TESTING AND WILL BE REMOVED FOLLOWING RELEASE OF COMMONWEALTH INFRASTRUCTURE GUIDANCE MATERIAL.

## Contingency calculation matrix

Project Location:						
Project Description:						
	A	B	C	D	E	F

For an estimate with 90% confidence level of not being exceeded on a road project

Factors influencing the estimated reconstruction cost	Available information on which the estimated reconstruction cost is based	Confidence and reliability level			Adopted contingency allowance
		Highly confident and reliable	Reasonably confident and reliable	Not confident and not reliable	
Project scope	A set of well-defined project objectives and related performance criteria. A design report with underlying assumptions and exclusions noted. A set of concept drawings covering all of the physical scope and staging.	6%	7%	9%	
Risk identification	Identified significant risks including political, community, technical and financial. A detailed risk analysis. A project delivery method.	6%	7%	9%	
Constructability	A constructability, staging, construction access review. A construction timetable (with appropriate start up and handover periods).	3%	4%	5%	
Key dates	A set of key dates to enable estimated reconstruction costs to be assessed. Timing of the reconstruction phase (for inflation assessment).	1%	2%	3%	
Site specific information	Sufficient and documented investigation for concept design including geo-technical, heritage, environmental, technical and hydraulic. Enabling works and possession access (identified and allowed in estimate).	5%	6%	9%	
Project interfaces	External interfaces (identified and defined in terms of scope, access and risk)	3%	4%	5%	

Project assessment (extended or short site)

Total contingency allowance to be adopted for *estimated reconstruction cost* with a 90% confidence level of not being exceeded: 0%

For an estimate with 50% confidence level of not being exceeded on a project	
Total contingency percentage to be adopted for <i>estimated reconstruction cost</i> with a 50 per cent confidence level of not being exceeded: (assessed to be 40 per cent of the contingency percentage for a 90 per cent confidence level of not being exceeded)	0%

Information for users of this table:

1. This table enables a factor based "Deterministic" approach to the estimation of contingency (as a % of base estimate)
2. Six factors which influence preparation, completeness and accuracy of the estimate are listed in Column A
3. Available information relating to each of these factors, which would affect the estimate, is listed in Column B
4. Based on the available information (or lack of it) an overall "confidence and reliability level" can be identified for each factor (Columns, C, D and E)
5. Complete the cells with GREY shading in Row 1 the "project location" and in Row 2 the "project description"
6. Complete the cells with GREY shading in Column F, "adopted contingency", selecting one of the three percentage choices from columns C, D and E
7. The percentage selection should be based on an assessment of the confidence and reliability of the information about each factor

NOTE: PERCENTAGES LISTED ARE EXAMPLES ONLY. AGENCIES SHOULD VALIDATE THIS BASED ON HISTORICAL PERFORMANCE.



## NATURAL DISASTER RELIEF TO LOCAL GOVERNMENT POLICY REVIEW

### Discussion Points

1. *Are there any barriers to councils identifying assets damaged and estimated repair / replacement costs?*

There are some accessibility issues across the municipal area, with a vast network of roads and bridges/culverts etc. Some areas are often not inspected until an amount of emergency road repairs have already been undertaken.

Priority initially is to make areas safe and provide some form of access when possible. Extra or expert resources may be required to inspect and assess impacted assets such as large bridges when water has subsided and access to the asset is safe. Less critical but still essential assets such as amenities in a popular recreation area are sometimes inspected a short time after higher priority bridges, roads etc are inspected and repaired.

2. *What is a reasonable timeframe for councils to collect and report detailed notification information?*

In the past it has been difficult to adhere to the audited claim timeframe of nine months. Changing claims and thresholds to the financial year basis when expenditure is incurred is not fully understood, however if there was a way of dealing with this it would be beneficial to match income and expenditure in the same financial period.

The 2016 floods proved that there was an initial period of emergency assessment and repairs for a period of some 4 weeks, then a further assessment and review stage where more accurate assessment of affected assets and quotes could be determined of a further 4 weeks, followed by a major scoping and tender stage for major works for a further 4 weeks. Completion of works can take some 12 months depending on contractor availability etc as major events happen across council borders and we are all bidding for contractors at the same time.

For example, in the June 2016 flood event there was expenditure in the 2015/16 financial period and in the 2016/17 financial period and Council's should not be disadvantaged by crossing the two periods.

3. *What impact (if any) will changing claim timeframes and thresholds to financial years have on local government?*

As above this would need to be on the basis that a project can span two financial years without threshold disadvantages. Council can submit part claims now and presume also under a financial year arrangement.

4. *How soon after the end of the financial year, can Councils submit claims for reimbursement?*

For 45 days after the end of the financial year staff are focused on Financial Statements, Rating, and KPI returns, therefore due to resourcing issues it would be reasonable to make claims on a quarterly basis say by end of September, December, March, and June.

Suitability of this would vary based on resources of the Council and the size and detail of the claims, also the availability of the Tas Audit Office.

5. *How can the Tasmanian Government make the claims process more efficient?*

A website where all forms, guidelines, and lodgement is processed with the procedure easy to follow. The ability to flag milestones for Tasmanian Audit Office to know when a claim is available for audit would also be advantageous. It could flag expected approval times so that Council's had a more informed cash flow process as well.

6. *How can the Tasmanian Government provide improved guidance on what constitutes an additional cost?*

There is not always a straight forward answer to what is acceptable expenditure or not. For example, is work to restore the amenities at the Longford Mill Dam Reserve or the Launceston Gorge Reserve an 'essential' public asset? If answers to such questions given to one council could be viewed by other councils we could be more informed and confident of claiming the correct additional expenses on a consistent basis. There is some incentive to



employ contractors to undertake the additional emergency repair work due to third party costs being claimable.

7. *What assistance measures has local government provided to reduce personal hardship and distress that a person may be experiencing as a direct result of a natural disaster?*

Northern Midlands sought approval in the June 2016 floods for non-essential public assets and needed to separately identify the costs for damage to assets that did not meet the criteria of 'essential' public assets. These assets included damage to river reserves and associated reserve infrastructure.

8. *What information can local government provide to assist completion of the CRF Request Form (Appendix 2)?*

It is suggested that at times of a major event that councils are informed in summary form of the 'do's and do nots' including the CRF forms as staff forget and change, policies and procedures are being constantly updated, and information is being sought from several avenues.

9. *What evidence can local government provide to show that using day-labour is the most cost-effective option?*

Council maintains its day labour force because it is most often a more cost effective means to deliver works.

There are situations where using day labour is preferred because contractors are not aware of the local knowledge and need much more supervision and management at a time that management is stretched with other emergency issues.

Contractors are sought after at a time of emergency and may charge elevated rates.

10. *Are there any alternatives to the calculation of reimbursement thresholds? Alternatives must be consistent with the principle: assistance provided by the Tasmanian Government is a financial safety net that exists to assist local government with the extraordinary costs of an eligible natural disaster.*

Government funding is an insurance that exists to assist local government with the extraordinary costs of a natural disaster. The current or proposed threshold calculation appears to be reasonable for local government.

11. *What additional Tasmanian Government support would be beneficial if current thresholds are changed?*

No further suggestions other than an update for staff (training or documented summary) soon after a major event on processes, and to become familiar with relevant DPAC staff contacts if assistance is required.

12. *What capacity exists in local government to comply with the proposed damage assessment requirements? Please provide information on the damage assessment process currently used by local government.*

Current arrangements are relatively simple and list the date, location, work required, estimated cost and a responsible person from within Council.

Photographic evidence of the damage is taken and used to report to Council.

Council holds asset register details, maintenance records, and inspection records.

Report by a suitable qualified engineer would need to be engaged from a third party for larger assets such as bridge failures.

13. *What capacity exists in local government to comply with the proposed pre-disaster condition requirements?*

Major asset classes including bridges and buildings will have asset register details/valuations and some photographic evidence.

However, road damage may be much more difficult to provide except for the last independent physical condition inspection (which may be up to 5 years old), some photographic evidence via google could also assist.

Consultants may be required for inspection reports or certification by a suitably qualified engineer or quantity surveyor at the time of damage as council may not have capacity or the



resources available at the time of an emergency to undertake such detailed assessments, as their time would be stretched on shorter term issues.

14. *What is the preferred method(s) for local government to estimate reconstruction costs of essential public assets damaged by natural disasters?*

The market may be inflated at the time of an emergency due to the competition on supply and demand timeframes and quoting may have shorter delivery timeframes built into the price of the project. However, depending on the scale of the emergency it may take a considerable amount of time before the council can scope and prepare documentation for the projects for quoting/tendering. On the other hand, when replacement of an asset is needed immediately detailed documentation may not be able to be developed and there may be significant works decided upon as the project progresses.

15. *What methods (if any) do local government use to calculate contingency allowances for infrastructure projects?*

Generally, a 10% contingency on a fully documented asset construction project would exist in northern Tasmania. However, early on in undocumented emergency projects contingencies may need to be very fluid up to 50-100% due to the unknown until the project progresses. As the project scoping evolves contingencies can be narrowed considerably. Importantly councils engage trusted experience contractors where they have already built good working relationships with known contractor rates.

16. *What is the preferred method for calculating contingency allowances?*

Limited resources at the time of emergencies are available to improve the accuracy of most estimates. Often for smaller projects there is limited ability, benefit or desirability to improve accuracy prior to undertaking the works with proven, trusted contractors. Alternatively, documentation can be quickly drawn up for a public design and construct tender process. Conservative estimates may be made if payments are based on estimates rather than actual works undertaken.

17. *What methods (if any) does local government use to calculate cost escalation allowances?*

Cost escalation allowance or project variations are most likely when there are unknowns when commencing a project. Sometimes these unknowns cannot be calculated until part way through a project and need to remain a variation item rather than a project allowance.

18. *What capacity exists in local government to undertake mitigation activities?*

Funding mitigation activities is the most beneficial expenditure local government can provide but it needs government assistance and encouragement in some cases. Often the timeframes to deliver these projects take too long and whilst the expenditure seems excessive at the time of mitigation it is so beneficial at the time of emergency. For example, Longford experience in June 2016 the largest flood since 1969 and the levees around the town costing some \$5.5m allowed council staff to simply watch it flow past the town, instead of the major evacuation process documented in the Council Clerk's flood report in 1969, an evacuation/cleanup process which would have cost 10's of millions of dollars in 2016.

19. *Please provide information on mitigation activities currently undertaken by local government.*

Town Flood Levee maintenance, upgrading bridges, and road culverts. Continuous silt, debris and vegetation removal at critical locations. Concreting road shoulders to minimise uplift and loss of seals when subject to overtopping water.

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