

Guideline for Reimbursing Agency Expenditures Related to Disaster Emergency and Recovery Operations

The Guideline outlined in this circular defines the emergency response and recovery expenditures that may be claimed from the Crown's Disaster Relief Account and sets out agencies' reporting obligations in relation to these expenditures. This Guideline covers NSW Government agencies involved in disaster emergency and recovery operations.

Summary:

Expenditures for emergency response and recovery operations are to be met in the first instance from the operating budget of responsible agencies. Certain expenditures however may be reimbursed from the Disaster Relief Account -- Crown's contingency appropriation managed by NSW Treasury.

This Guideline defines those expenditures as primarily relating to:

- the cost of assistance to affected individuals, communities, primary producers and small businesses as provided by the Government under the NSW Disaster Assistance Guidelines;
- costs incurred by volunteer response agencies, the State Emergency Service, Rural Fire Service and Disaster Welfare Services (Ministry for Police and Emergency Services), in excess of their disaster response services appropriation; and
- certain expenditures eligible under the Commonwealth's Natural Disaster Relief and Recovery Arrangements (NDRRA) when an event is declared by the NSW Treasurer as a natural disaster.

This Guideline requires that emergency response and recovery expenditures, including but not limited to those eligible under NDRRA, be reported to Treasury.

A forecast of these expenditures is also to be provided and updated regularly. Agencies are advised to consult with their Treasury Analysts or with the Justice, Police and Emergency Branch on the details of the reporting requirement as well as on expenses eligible under NDRRA.

Exceptional circumstances may arise where internally funded emergency expenditures significantly impair the agency's normal functions and no other funding source is available. The Guideline provides the process for seeking funding supplementation for consideration by the Treasurer and, as appropriate, the Cabinet or its relevant Committee to cover this situation, should it arise.

Philip Gaetjens
Secretary

Further Information:
NSW Treasury Internet :

Justice, Police & Emergency Branch, Telephone: 9228 5419
www.treasury.nsw.gov.au

Guideline for Reimbursing Agency Expenditures Related to Disaster Emergency and Recovery Operations

Scope and Objectives

This Guideline covers NSW Government agencies involved in disaster emergency and recovery operations. The objectives of the Guideline are to:

- define expenditures incurred by disaster response and recovery agencies that are to be funded from existing agency resources;
- define expenditures that can be reimbursed from the Disaster Relief Account (DRA), Crown's contingency fund managed by NSW Treasury to cover disaster expenditures; and
- reiterate agency reporting responsibilities for disaster emergency response and recovery expenditures.

Guideline

1. Consistent with the provisions of the State Disaster Plan, expenditure of funds by agencies or functional areas during emergency or recovery operations is to be met in the first instance from within their operating budgets.
2. Reimbursement from the DRA may be claimed for emergency or recovery expenditures relating to:
 - a. costs directly incurred as a result of providing assistance under the NSW Disaster Assistance Guidelines (NSWDAG) that are not covered by separate funding arrangements¹
 - b. expenses incurred by the volunteer-based agencies, State Emergency Service and Rural Fire Service, in excess of their disaster response services appropriation
 - c. NDRRA²-eligible expenditures associated with the appointment of Recovery Coordinators
 - d. NDRRA-eligible expenditures incurred by the Department of Finance and Services for Project Managers (skilled in engineering and contract management) to support the State Emergency Recovery Controller, the Deputy State Emergency Recovery Controller or the Recovery Coordinator.

¹ For instance, assistance provided by Roads and Maritime Services and loans administered by the Rural Assistance Authority are not reimbursable as both are covered by separate funding arrangements.

² Commonwealth's Natural Disaster Relief and Recovery Arrangements. Agencies are advised to consult with Treasury or with the NSWDAG Coordinating Agencies on expenses eligible under NDRRA.

3. The following expenditures are **not claimable** from the DRA:
- a. expenditures not meeting the eligibility criteria or expenditures listed as exclusions under the NSW DAG
 - b. cost of assistance provided under NSW DAG in the form of stamp duty relief or exemption from levy
 - c. expenditures incurred by State agencies for repair, replacement or restoration (including demolition and clean-up) of public assets the maintenance of which could be reasonably expected to be part of the agency's normal operating and capital budget
 - d. expenditures incurred by Public Trading Enterprises and State Owned Corporations
 - e. payments made from the Treasury Managed Fund
 - f. expenditures related to loans provided under agricultural natural disasters, and
 - g. expenditures related to services provided outside of New South Wales³.
4. Agencies with a disaster response services appropriation (e.g. State Emergency Service and Rural Fire Service) should fully expend this appropriation before reimbursement from the DRA will be considered. A Breakdown of Disaster Response Services Appropriation (Attachment A) report should be lodged with Treasury as soon as this appropriation is fully spent.
5. All requests for reimbursement from DRA should comply with the following:
- a. The expenditure should be incurred within the two-financial year period from the end of the financial year in which the event occurred. Any claim for expenditure incurred beyond this period will not be reimbursed unless an extension of time is granted by Treasury and all its conditions are met by the agency. A request for extension should be lodged with the Director, Justice, Police and Emergency Branch of Treasury at least two months before the end of the relevant financial year. The request for extension must be sufficiently justified. Potential justifications are provided in Attachment F.
 - b. Reimbursement for expenditures should be claimed not later than three months after the financial year in which they were incurred.
 - c. Each claim should be covered by a Crown Finance Entity Reimbursement of Expenditure Form (Attachment B) and a Natural Disaster Expenditure Reimbursement Claim Form (Attachment C).
 - d. Each claim should be signed by the agency officer authorised in accordance with Section 13 of the *Public Finance and Audit Act 1983* and Treasurer's Direction 230.03.
6. Reimbursement from DRA is subject to the approval of the Director, Crown Asset and Liability Management Branch or other officers designated under the Treasury Delegations Manual, upon recommendation of the Director, Justice, Police and Emergency Branch.
7. In exceptional circumstances when non-reimbursable expenditures have accumulated to the extent of putting at significant risk the continued conduct of the agency's normal activities and no other funding source is available, the Treasurer and, as appropriate, the Cabinet or its

³ The agency should seek reimbursement directly from the requesting party or through other cost recovery arrangements put in place.

relevant Committee may consider budget supplementation. Requests for budget supplementation should be submitted to the Treasury Analyst responsible for the agency.

8. All relevant agencies are required to lodge with Treasury a Quarterly Expenditure and Forecast Report (similar to Attachment D⁴) not later than two weeks after the end of the relevant quarter. This report is used to support State claims against the NDRRA and forecast the DRA.

To be prepared on an accrual basis, the report should include⁵:

- a. Expenditures claimed from the DRA
 - b. Other NDRRA-eligible costs of assistance provided by agencies including non-monetary assistance (goods, exemption from duty or levy, waived charges, free or subsidised service)
 - c. All other expenditures funded from the agency's operating budget that meet the criteria set in the NDRRA.
9. All agencies may be required to provide Treasury with a detailed transaction listing of expenditure for the year to date. This information will enable the Audit Office to conduct interim testing of the State's claims against the NDRRA.

To be prepared on an accrual basis, the information should include:

- a. Expenditures set out under paragraph 8 above
 - b. Expenditures claimable from the DRA.
10. All agencies are required to lodge with Treasury an annual expenditure report not later than one-month after the end of the financial year. An Annual Expenditure Breakdown Form (Attachment E) is provided for this purpose. This report is used to support State claims against the NDRRA.

The expenditure report should be prepared on an accrual basis and include:

- a. Expenditures set out under paragraph 8 above
 - b. Expenditures claimable from the DRA.
11. Where multiple agencies are involved in a particular claim, each agency is responsible for ensuring that there is no double-counting or reporting of costs claimed.
 12. A random audit of expenditures may be conducted by Treasury in addition to an external audit. All agencies are required to maintain appropriate supporting documentation to be kept for at least seven years after the end of the financial year in which the expenditures were incurred.

⁴ Relevant form to be provided by Treasury ahead of submission date.

⁵ To avoid double-counting at the state level, agencies should not include costs claimed from the Treasury Managed Fund (TMF).



Breakdown of Disaster Response Service Appropriation Form

Agency Contact Details form with fields for Agency, Contact, Phone, and Email.

This is a summary of all expenditure funded from the agency's Disaster Response Services appropriation.

Table with 3 columns: AGRN*, Cost Type, and Amount (\$). Includes a total row for Non-reimbursable NDRRA Eligible Expenditure.

* If not applicable, pls write "Non-declared" in lieu of Australian Government Reference Number. For declared event but AGRN has not been advised, pls indicate "TBA - [description]"

Signature of Authorising Officer

Date

PLEASE fill out the electronic form, then scan and email a signed form to: natural_disasters@treasury.nsw.gov.au



Crown Finance Entity Reimbursement of Expenditure Form

Please fill out the electronic form, then scan and email a signed form to:
natural_disasters@treasury.nsw.gov.au

Agency Details	
Agency:	Contact:
Office No.:	Phone:
Agency Voucher No.: _____ of (date) _____	Email:
Remittance advice required?	

Payment Details	
Reimbursement to (entity):	
Operating account: _____ (BSB) _____ (Account)	
Bank (name and location):	

CFE Payments Account	Crown Account No.	Amount (\$)
Other Disasters - Non Natural	48049	
Natural Disaster Relief - Flood / Storm	48050	
Natural Disaster Relief - Capital Grants	48052	
Natural Disaster Relief - Bushfire	48053	
Total		-

Signature of Authorising Officer in accordance with Section 13
Public Finance and Audit Act and Treasurer's Direction 230.03

Date

Treasury Internal Use:

Justice, Police and Emergency Branch	Crown Asset and Liability Management Branch
_____ Checked by _____ Date _____	_____ Checked by _____ Date _____
_____ Director _____ Date _____	_____ Authorising Officer _____ Date _____
<i>Reimbursements are consistent with the disaster relief and recovery guidelines.</i>	



Natural Disaster Expenditure Reimbursement Claim Form

Please use a separate claim form for each natural disaster event.

Natural Disaster Details	Agency Details
Australian Government Reference Number (AGRN)*:	Agency:
Type:	Contact:
Date:	Phone:
Local Government Areas affected:	Email:

* Non-declared event - N/A, Declared but AGRN has not been advised - TBA

Expenditure Category	Amount (\$)
Personal Hardship and Distress (PHD)	
PHD Sub-Total:	-
Counter Disaster Operations (CDO)	
CDO Sub-Total:	-
TOTAL:	-

NB. The total must reconcile to the amount being reimbursed. If the request for reimbursement is for more than one declared event, the total of all sheets completed must reconcile to the reimbursement amount.

Signature of Authorising Officer

Date

Please fill out the electronic form, then scan and email a signed form to: natural_disasters@treasury.nsw.gov.au

Agency Name - Expenditure and Forecast Report

2010-11 EVENTS	Event							Event						
	Name:							Name:						
	AGRN*:							AGRN:						
	Total damage estimate	2010-11 actual expenditure	2011-12 actual expenditure	2011-12 expenditure estimate	2012-13 expenditure estimate	2013-14 expenditure estimate (only where extension granted)	2014-15 expenditure estimate (only where extension granted)	Total damage estimate	2010-11 actual expenditure	2011-12 actual expenditure	2011-12 expenditure estimate	2012-13 expenditure estimate	2013-14 expenditure estimate (only where extension granted)	2014-15 expenditure estimate (only where extension granted)
Category A														
3.2.2 a) emergency food, clothing or temporary accommodation														
3.2.2 b) repair or replacement of essential items and personal effects														
3.2.2 c) essential repairs to housing														
3.2.2 d) demolition or rebuilding to restore housing														
3.2.2 e) removal of debris from residential properties														
3.2.2 f) counter disaster operations assistance to individuals														
3.2.2 g) personal and financial counselling														
3.2.2 h) extraordinary costs of delivering Category A assistance														
Sub-total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Category B														
3.3.1 a) restoration or replacement of an essential public asset														
3.3.1 c) counter disaster operations assistance to the general public														
3.3.2 a) loans to small businesses and primary producers														
3.3.2 b) loans to needy individuals or voluntary non-profit bodies														
3.3.2 c) freight subsidy to primary producers														
3.3.2 d) interest rate subsidy to small businesses or primary producers														
3.3.2 e) grants to needy individuals or voluntary non-profit bodies														
Sub-total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Category B														
Betterment														
Sub-total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Category C														
3.4.1 a) community recovery fund														
3.4.1 b) recovery grants for small businesses														
3.4.1 c) recovery grants for primary producers														
Recovery grants for not-for-profit organisations														
Sub-total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Category D														
3.5) exceptional circumstances eligible measures														
Sub-total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2010-11 EVENTS TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* If not applicable, pls indicate "Non-declared" in lieu of AGRN#

Agency Name - Annual Expenditure Breakdown Report 20xx-xx

Eligible Disasters	[Name]	[Name]	[Name]	[Name]	[Name]	[Name]	[Name]	[Name]	[Name]	Total Eligible Expenditure
	(Disaster type)	(Disaster type)	(Disaster type)	(Disaster type)	(Disaster type)	(Disaster type)	(Disaster type)	(Disaster type)	(Disaster type)	
	[Date]	[Date]	[Date]	[Date]	[Date]	[Date]	[Date]	[Date]		
	AGRN #	AGRN #	AGRN #	AGRN #	AGRN #	AGRN #	AGRN #	AGRN #		
Actual to 30/06/20xx	Actual to 30/06/20xx	Actual to 30/06/20xx	Actual to 30/06/20xx	Actual to 30/06/20xx	Actual to 30/06/20xx	Actual to 30/06/20xx	Actual to 30/06/20xx	Actual to 30/06/20xx	Actual to 30/06/20xx	
Eligible Measures	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CATEGORY A										
3.2.2 a) emergency food, clothing or temporary accommodation										..
3.2.2 b) repair or replacement of essential items and personal effects										..
3.2.2 c) essential repairs to housing										..
3.2.2 d) demolition or rebuilding to restore housing										..
3.2.2 e) removal of debris from residential properties										..
3.2.2 f) counter disaster operations assistance to individuals										..
3.2.2 g) personal and financial counselling										..
3.2.2 h) extraordinary costs of delivering Category A assistance										..
CATEGORY B										
3.3.1 a) restoration or replacement of an essential public asset										..
3.3.1 c) counter disaster operations assistance to the general public										..
3.3.2 a) loans to small businesses and primary producers										..
3.3.2 b) loans to needy individuals or voluntary non-profit bodies										..
3.3.2 c) freight subsidy to primary producers										..
3.3.2 d) interest rate subsidy to small businesses or primary producers										..
3.3.2 e) grants to needy individuals or voluntary non-profit bodies										..
CATEGORY B: Betterment										
CATEGORY C										
3.4.1 a) community recovery fund										..
3.4.1 b) recovery grants for small businesses										..
3.4.1 c) recovery grants for primary producers										..
CATEGORY D										
3.5) exceptional circumstances eligible measures										..
Other, please specify										..
TOTAL

Signature of Authorising Officer

Date

NB. Amounts should reflect total expenditure by agency as at 30 June of the financial year. Grants to needy individuals are not available in NSW. If not applicable, pls write "Non-declared" in lieu of AGRN#.

Examples of Evidence Required to Support Request for Extension

1. Complexity of work
 - Details/extent of work required preferably broken down into sub-works
 - Diagrams of work plan
 - Pictures of work site evidencing complex conditions and situations
 - Gantt chart and project timelines showing expected vs actual milestones
 - Past experience in doing similar projects
 - Nature/number of options considered in coming up with final work plan
 - Assessing and deciding if a restoration or betterment project should be pursued
 - Diversity and availability of experts and workmen needed to do the job
 - Diversity and availability of required equipment
 - Funding constraints
2. Complexity of pre-work investigation
 - Diversity and availability of experts needed to do the investigation
 - Nature and number of reports required to be generated
 - Expected vs actual investigation timeframe
3. Legal and regulatory clearances required
 - Required clearances
 - Issues needed to be resolved to obtain clearance
 - Necessary documents to prepare to obtain clearances
 - Expected vs actual timeframe to complete documents
4. Public consultation
 - Complexity of issues presented for consultation
 - Diversity of public opinion
 - Legal and regulatory considerations
 - Inability to arrive at consensus within expected time
5. Tender process
 - Failure of tender process
 - Work required to remedy failure of process
 - Expected vs actual tender process duration
6. Remedial works (ie works required that have not been anticipated during planning)
 - Why this was not taken into account during planning
 - Necessity of remedial work as part of the work plan
 - Extent of additional work required
 - Expected vs actual duration of remedial work
7. Intervening events
 - Detail of intervening event (eg another natural disaster)
 - Why work need to stop/deferred for the intervening event
 - Expected vs actual effect of work stoppage