

**SUBMISSIONS FOR STATE OF QUEENSLAND****04 APRIL 2011****Department of Community Safety  
(DCS)****A. The preparation and planning by federal, state and local governments; emergency services and the community for the 2010/2011 floods in Queensland**

Refer to DCS's first submission.

**C. All aspects of the response to the 2010/2011 flood events, particularly measures taken to inform the community and measures to protect life and private and public property (including immediate management, response and recovery; resourcing, overall coordination and deployment of personnel and equipment; adequacy of equipment and communications systems; and the adequacy of the community's response)****Options for passing warning information to the community**

The options for passing information to the community in response to the 2010/2011 floods were:

- Radio and television with or without use of the Standard Emergency Warning Signal (SEWS);
- The internet;
- Emergency Alert (EA);
- Social media; and
- Verbally alerting the community via door knocking.

A decision to use one or more of the options above depends on a range of factors including: the urgency of the message; the time available before the impact is expected; and the number of people to be targeted. Other than weather warnings for which the Bureau of Meteorology (BOM) has specific, Commonwealth-legislated responsibility (see below), the mode of message delivery is decided under the collaborative disaster management arrangements used in Queensland.

## **Radio and Television**

In accordance with the *Meteorology Act 1955*, the functions of the BOM include: the issue of warnings of gales, storms and other weather conditions likely to endanger life or property, including weather conditions likely to give rise to floods or bushfires.

The Director of BOM has such powers as are necessary to enable the Bureau to perform its functions and in particular may arrange means of communication for the transmission and reception of meteorological reports and information. BOM maintains its own agreements with television and radio stations to broadcast weather warnings.

Use of SEWS, a wailing sound preceding only the most significant television and radio warnings, is in accordance with a protocol agreed with DCS.

DCS also has its own Memoranda of Understanding (MOUs) with both the Australian Broadcasting Corporation (ABC) and Commercial Radio Australia (CRA) to broadcast warnings to the community. These messages are typically broadcast over local radio within minutes of the request being made to the broadcaster. The bulk of these messages are requested by the Local Disaster Management Group (LDMG), but some 5% originate from the State Disaster Management Group (SDMG), for example if there has been no time to consult the LDMG.

An example of an LDMG-originated message broadcast on local radio was:

**Flood advice from Central Highlands Regional Council issued at  
6.55pm on Thursday December 30, 2010**

The Nogoa River is expected to rise 20 centimetres in south and  
central Emerald.

The rise is expected to be 60 centimetres in the northern area.  
Peak heights are expected at the Vince Lester Bridge at midnight and the northern area at 6am.

Although BOM and DCS have their own arrangements, both organisations closely coordinate the advice they issue over all means of communication.

### **The Internet**

BOM issues weather warnings on its own website at <http://www.bom.gov.au/weather/>.

DCS also issues community advice and alerts at <http://www.disaster.qld.gov.au/>.

The DCS website replicates all radio, television and EA messages – both in text and voice. The latter is for the visually impaired, but also to facilitate use by a radio or television broadcaster, and by Smart Service Queensland for call centre purposes, where required. It typically takes no longer than 30 minutes for a message to appear on the DCS website after the decision has been made to put a message on the website.

### **Emergency Alert**

The DCS, through EMQ, operates in Queensland the national telephone-based warning system, EA. The system can deliver voice messages to landlines and text messages of up to 160 characters to mobile phones based upon the registered service address of the mobile phone. Queensland Operational Guidelines for EA are available online at <http://www.disaster.qld.gov.au/publications/>.

It is important to note that EA is not and was not designed to be the sole or pre-eminent means of alerting communities to a disaster event. This point was re-emphasised as recently as 11 February 2011 by the Ministerial Council for Police and Emergency Management (MCPPEM) where the Commonwealth and all States and Territories agreed that:

Noting the value of the telephone-based warning systems, Emergency Alert and State Alert<sup>1</sup>, and the work that is being undertaken on the location-based warning capability, the Emergency Management Council emphasised that these technologies can only supplement emergency warning and information that is delivered primarily through radio and television, and also through a number of other mechanisms.

The process of sending an EA message involves a number of stages:

1. Deciding whether it is appropriate to send an EA message;
2. Drafting the message to be sent;
3. Determining the geographical area to which to send the message;
4. In cases where the message request has come from an LDMG or DDMG, confirming the text and geographical area to be targeted; and
5. Authorisation by a senior operational commander.

Experience has shown that, in a flood scenario where the request for use of EA is received from a Local or District Disaster Management Group, it can take between 40 and 95 minutes to commence an EA “campaign”. The duration of the campaign will then depend on a number of factors including: the load on the telephone networks; the number of individual subscribers targeted; and whether the message is 1) voice of up to 35 seconds duration to landlines at up to 1000 per minute, or 2) text of up to 160 characters to mobiles at a rate of up to 30,000 per minute.

Over the period 26 December 2010 to 14 January 2011, Emergency Alert was used 39 times to deliver 37 separate warnings across a wide area from central to south east Queensland. All messages are detailed in DCS’s first submission.

Victoria, on behalf of the Commonwealth and other jurisdictions, is presently negotiating contracts with industry to implement an enhancement to EA known as Location Based Solution (LBS). LBS will allow text messages to be delivered to mobile phones based upon their physical location rather than the registered service

---

<sup>1</sup> State Alert is the system equivalent to Emergency Alert used in Western Australia.

address of the account. The introduction into service of LBS is subject to the outcome of negotiations with industry.

## **Social Media**

The Queensland Police Service (QPS) has the means of sending messages to the community via social media such as Facebook and Twitter. As discussed in its first submission, DCS intends introducing a social media messaging capability in time for the next wet season through its All Hazards Information Management Program.

## **Local Verbal Warnings**

A LDMG can decide to issue warnings directly to the community via door-knocking. Such warnings are typically delivered by QPS, QFRS and/or the SES.

## **Natural Disaster Relief and Recovery Arrangements (NDRRA)**

The Australian and State/Territory Governments provide funding through the NDRRA to provide a safety net for natural disaster relief and recovery costs.

As stated on the website of the Commonwealth Attorney-General<sup>2</sup>, NDRRA should not be seen as a disincentive to plan, mitigate or allocate resources for natural disasters nor should it discourage individuals or businesses taking out insurance to protect their assets.

The program is managed in Queensland by Emergency Management Queensland (EMQ) in the Department of Community Safety (DCS). The Commonwealth Attorney-General's Department administers NDRRA on behalf of the Australian Government.

NDRRA are based on the terms and conditions in Commonwealth subordinate legislation, the NDRRA Determination 2007 (the Determination), which is available online at:

---

<sup>2</sup>

[http://www.ag.gov.au/www/emaweb/emaweb.nsf/Page/EmergencyManagement\\_RecoveringfromEmergencies\\_NaturalDisasterReliefandRecoveryArrangements\\_AbouttheNDRRA](http://www.ag.gov.au/www/emaweb/emaweb.nsf/Page/EmergencyManagement_RecoveringfromEmergencies_NaturalDisasterReliefandRecoveryArrangements_AbouttheNDRRA)

[http://www.ag.gov.au/www/emaweb/rwpattach.nsf/VAP/\(084A3429FD57AC0744737F8EA134BACB\)~NDRRA+Determination+2007.pdf/\\$file/NDRRA+Determination+2007.pdf](http://www.ag.gov.au/www/emaweb/rwpattach.nsf/VAP/(084A3429FD57AC0744737F8EA134BACB)~NDRRA+Determination+2007.pdf/$file/NDRRA+Determination+2007.pdf).

Arrangements for the application of NDRRA in Queensland are set out in a Queensland Government Guideline available online at:  
<http://www.disaster.qld.gov.au/publications/pdf/QLD%20Disaster%20Relief%20Recovery%20Arrangements%20Guidelines%202009-2010.pdf>.

A State or Territory may claim NDRRA funding if: a natural disaster occurs; State or Territory relief and recovery expenditure for that event exceeds \$240,000; and the State or Territory notifies the Attorney-General's Department of the event.

NDRRA apply to the following natural disasters: bushfire; earthquake; flood; storm; cyclone; storm surge; landslide; tsunami; meteorite strike; and tornado. Terrorism is also included on an interim basis. NDRRA does not apply to: drought; frost; heatwave; epidemic; or disaster events resulting from: poor environmental planning, commercial development, and personal intervention (other than arson).

As detailed in the Determination, there are four categories of relief or recovery:

- Category A: emergency assistance given to individuals to alleviate their personal hardship or distress arising as a direct result of a natural disaster;
- Category B: restoration of certain essential public assets; loans, subsidies or grants to alleviate the burden of costs incurred in certain businesses, primary producers, non-profit bodies and individuals; and counter-disaster operations for protection of the general public;
- Category C: a community recovery package designed to support a holistic approach to the recovery of regions, communities or sectors severely affected by a natural disaster; and
- Category D: an act of relief or recovery carried out to alleviate distress or damage in circumstances that are exceptional.

The quantum of Commonwealth NDRRA reimbursement for natural disaster expenditure for each State and Territory is dependent on set thresholds based upon

State revenue. In 2010-2011, the thresholds for Queensland are: first threshold - \$83,268,000 and second threshold - \$145,719,000. Under the terms of the Determination, if Queensland's first threshold has not been exceeded, Commonwealth assistance during a financial year will be 50 per cent of Queensland expenditure on Category A and C measures for one or more eligible disasters. If Queensland's first threshold has been exceeded, Commonwealth assistance will be 50 per cent expenditure on Category A, B and C measures plus 75 per cent of all such expenditure in excess of Queensland's second threshold. In 2010-2011, Queensland's expenditure has triggered the second threshold.

In Queensland, the Minister for Police, Corrective Services and Emergency Services is responsible for activating and coordinating the delivery of NDRRA assistance measures. The responsibility of administering the above relief measures is shared between relevant Queensland Government agencies.

The main relief measures available under NDRRA in Queensland are:

- Restoration of Essential Public Assets - restoration to pre-disaster standard in accordance with current engineering standards/requirements and building codes/guidelines. Contribution of up to 25% is to be met by the asset owner. Local Governments must have eligible damage exceeding their respective trigger points to be able to claim. This is administered by EMQ (for State Government agencies) and the Department of Local Government and Planning (for local governments);
- Counter Disaster Operations - reimbursement of extraordinary disaster management costs, private debris clearing and consumables (e.g. tarpaulins, sandbags and ropes). Local Governments do not have a trigger point for this relief measure. This is administered by EMQ;
- Concessional Loans to Primary Producers - concessional loans (i.e. on terms more favourable than that available from commercial lenders – as determined by the administering authority) to primary producers who are unable to provide for their own recovery. Loan up to \$250,000 over 7 years. This is administered Queensland Rural Adjustment Authority (QRAA);

- Concessional Loans to Small Business - concessional loans (i.e. on terms more favourable than that available from commercial lenders – as determined by the administering authority) to small business operators who are unable to provide for their own recovery. Loan up to \$250,000 over 7 years. This is administered by QRAA;
- Freight Subsidies to Primary Producers - assistance up to \$5,000 for movement of stock, feed, machinery, fuel, water and building/fencing materials. This is administered by the Department of Employment, Economic Development and Innovation (DEEDI);
- Personal Hardship Assistance Scheme - to alleviate personal hardship and distress (emergent assistance, essential household contents grant and repairs to dwelling/structural assistance grant). Individual assistance up to \$10,500 and couples/families up to \$14,200. This is administered by the Department of Communities (DoC); and
- Associations Natural Disaster Relief Scheme - assist associations to re-establish facilities. Combination of loan and grant assistance up to the maximum amounts of \$100,000 loan and \$5,000 grant for any one applicant. This is administered by DoC.

The Determination also includes the concept of Essential Public Asset Betterment that means restoration or replacement of the asset to a more disaster-resilient standard than its pre-disaster standard. In the context of NDRRA, betterment has not yet been applied in Australia. Key tests include satisfying the Commonwealth over, first, the cost-effectiveness of the proposal and, second, that the increased disaster resilience of the asset will mitigate the impact of future natural disasters.

In Queensland, the State Disaster Relief Arrangements (SDRA) complement the NDRRA. The SDRA is a wholly State-funded, all hazards, personal hardship financial assistance package. As the SDRA do not rely on Commonwealth funding, the requirements of NDRRA do not apply. The SDRA is comprised of the Personal Hardship Assistance Scheme and Counter Disaster Operations relief measures. It does not include the broader range of relief measures available when NDRRA is activated. As with NDRRA, SDRA is activated by the Minister for Police, Corrective



Services and Emergency Services. It is activated when at least one case of personal hardship is identified by DoC directly arising from a disaster event.

The following documents relate to the NDRRA:

1. Commonwealth NDRRA Community Recovery Package Guidelines 2007 (a copy is attached and marked 'DCS-01');
2. Letter 30 June 2010 to the Director-General, Department of Community Safety, from Commonwealth Emergency Management Australia regarding the 2010-11 Natural Disaster Relief and Recovery Arrangements expenditure thresholds (a copy is attached and marked 'DCS-02');
3. The National Partnership Agreement for Natural Disaster Reconstruction and Recovery between the Commonwealth and the State (a copy is attached and marked 'DCS-03'); and
4. Letter March 2011 from the Commonwealth Attorney-General to the Minister for Police, Corrective Services and Emergency Services advising of the Commonwealth's amendments to the NDRRA (a copy is attached and marked 'DCS-04').

## **G. All aspects of land use planning through local and regional planning systems to minimise infrastructure and property impacts from floods**

### **Introduction**

The DCS advises the Department of Local Government and Planning (DLGP) on aspects of State Planning Policy (SPP) 1/03: Mitigating the Adverse Impacts of Flood, Bushfire and Landslide. One of a suite of SPPs that are statutory instruments under the framework provided by the *Sustainable Planning Act 2009* (SPA) and its precursor the *Integrated Planning Act 1997* (IPA), SPP 1/03 expresses the State's interest in minimising the adverse impacts of these three natural hazards on people, property, economic activity and the environment when making decisions about development.

SPP 1/03 is supported by a Guideline that is identified in the SPP as ‘extrinsic material’ under the *Statutory Instruments Act 1992*, thereby giving the SPP Guideline legal status in assisting in interpretation of the SPP. Both documents are available online at <http://www.emergency.qld.gov.au/publications/spp/>.

The SPP is to be appropriately reflected in planning schemes to ensure that the State’s interests in natural disaster mitigation are interpreted in the local context when planning for future development and making decisions on development applications (Guideline para 3.3).

### **Application of Flood Aspects of SPP 1/03 to Proposals for Residential Development**

The SPP requires the identification of natural hazard management areas (NHMA) within which minimising the risks to the community should be a key consideration in development assessment and the preparation of planning schemes. A NHMA (flood) is land inundated by a Defined Flood Event (DFE) and identified in a planning scheme (SPP paras 5.1 and A3.1)

The Queensland Government’s position is that, generally, the appropriate DFE is the 1% Annual Exceedance Probability (AEP) flood (SPP para A3.2). This is sometimes referred to as Q100 and is a probability-based level that has a 1 in 100 chance of being equaled or exceeded in any one year.

Local governments proposing to adopt a lower DFE than Q100 in their planning scheme to determine a NHMA (flood) for a particular locality will be expected to demonstrate that the proposed DFE is appropriate to the circumstances of the locality (SPP para A3.2).

NHMAs (flood) should be determined from a comprehensive floodplain management process that includes a flood study to define the nature and extent of the flood hazard across the floodplain by providing information on the extent, level and velocity of floodwaters and on the distribution of flood flows (Guideline para A2.17).

Flood studies typically have two components: a hydrologic study to derive rainfall and resultant stream flows for a range of AEPs (e.g. 1%, 0.5%, 0.2%); and a hydraulic analysis that estimates the flood flow behaviour (flow rates, velocities, depth and extent) from the 'stream flow' outputs of the hydrologic study.

A number of flood study alternatives are identified, including: assessment of historical flood data by a suitably qualified professional engineer where the historical data may include high water marks on buildings or interviews with long-term residents; use of older flood studies of limited scope; or dismissal of the need for a flood study as a result of topography or the lack of any flood history (Guideline para A2.23).

The State and Commonwealth have jointly provided two sources of funding for local government to conduct flood studies and map DFE levels into their planning schemes. The current program is the Natural Disaster Resilience Program (NDRP) which has been in place for two years and replaced the Natural Disaster Mitigation Program (NDMP).

### **Impact of SPP 1/03 and the State Interest**

The SPP came into force in September 2003. From that time assessment managers have regard to the SPP when assessing applications for assessable development requiring development approval under a planning scheme. In terms of flood, the full effect of SPP 1/03 is likely only to have been applied once a local government planning scheme was amended and passed a DLGP-led State Interest Check that assessed the planning scheme as appropriately reflecting the SPP.

Under IPA 1997, planning schemes had to be reviewed every 8 years. Under SPA 2009, the period is 10 years.

Under the Integrated Development Assessment System (IDAS), local governments administer and coordinate the assessment of individual development applications (DAs). The state interest is achieved through the SPP being appropriately reflected in

local government planning schemes, and local government Assessment Managers assessing individual DAs against those planning schemes.

## Index of documents attached to

### DCS

<b>Exhibit</b>	<b>Description</b>
<b>DCS-01</b>	Commonwealth NDRRA Community Recovery Package Guidelines 2007
<b>DCS-02</b>	Letter 30 June 2010 to the Director-General, Department of Community Safety, from Commonwealth Emergency Management Australia regarding the 2010-11 Natural Disaster Relief and Recovery Arrangements expenditure thresholds
<b>DCS-03</b>	The National Partnership Agreement for Natural Disaster Reconstruction and Recovery between the Commonwealth and the State
<b>DCS-04</b>	Letter March 2011 from the Commonwealth Attorney-General to the Minister for Police, Corrective Services and Emergency Services advising of the Commonwealth's amendments to the NDRRA

4 April 2011 Submissions

'DCS-01'



Australian Government  
Department of Transport  
and Regional Services

# Natural Disaster Relief and Recovery Arrangements

## COMMUNITY RECOVERY PACKAGE GUIDELINES

2007

## CONTENTS

INTRODUCTION.....	1
NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS.....	1
COMMUNITY RECOVERY PACKAGE.....	1
COMMUNITY RECOVERY FUND.....	3
RECOVERY GRANTS FOR CHARITIES AND NON-PROFIT ORGANISATIONS.....	5
GUIDELINES FOR ASSESSORS.....	5
INFORMATION FOR APPLICANTS.....	8
APPLICATION FORM.....	10
RECOVERY GRANTS FOR SMALL BUSINESSES.....	15
GUIDELINES FOR ASSESSORS.....	16
INFORMATION FOR APPLICANTS.....	22
ADDITIONAL INFORMATION FOR TIER TWO APPLICANTS.....	25
APPLICATION FORM (TIER ONE).....	27
APPLICATION FORM (TIER TWO).....	31
RECOVERY GRANTS FOR PRIMARY PRODUCERS.....	33
GUIDELINES FOR ASSESSORS.....	34
INFORMATION FOR APPLICANTS.....	39
ADDITIONAL INFORMATION FOR TIER TWO APPLICANTS.....	42
APPLICATION FORM (TIER ONE).....	44
APPLICATION FORM (TIER TWO).....	48
ATTACHMENT A – DETERMINING A BONA-FIDE BUSINESS/PRIMARY PRODUCER OPERATION.....	
ATTACHMENT B – PRIMARY SOURCE OF INCOME.....	
ATTACHMENT C – ASSESSING A BONA-FIDE PROPERTY RENTAL BUSINESS.....	
ATTACHMENT D – AUSTRALIAN BUSINESS NUMBERS.....	

## INTRODUCTION

### Natural Disaster Relief and Recovery Arrangements

The Natural Disaster Relief and Recovery Arrangements provide for the Australian Government to reimburse state and territory governments for a proportion of their expenditure on natural disaster relief and recovery. The Natural Disaster Relief and Recovery Arrangements are administered under a Determination made by the Australian Government Minister for Local Government, Territories and Roads.

The Natural Disaster Relief and Recovery Arrangements cover eligible natural disasters which may include any one, or a combination of the following: bushfire, earthquake, flood, storm, cyclone, storm surge, landslide, tsunami, meteorite strike or tornado.

See: [www.dotars.gov.au](http://www.dotars.gov.au) to download a copy of the Natural Disaster Relief and Recovery Arrangements Determination.

The Natural Disaster Relief and Recovery Arrangements Determination lists as general conditions for Australian Government assistance that, in adopting eligible measures, the state must observe the general intention that:

- (a) assistance is not to supplant, or operate as a disincentive for, self-help by way of either commercial insurance or appropriate strategies of disaster mitigation; and
- (b) so far as practicable, assistance is to be designed to achieve an efficient allocation of resources.

### Community recovery package

The Natural Disaster Relief and Recovery Arrangements Determination provides for shared funding of the community recovery package where a community is severely affected by a natural disaster event, and where there is joint Commonwealth and state/territory government agreement to trigger the package following consideration of the impact of the disaster.

Any modifications to the amounts or eligibility criteria as detailed in the community recovery package must be pre-agreed with the Department of Transport and Regional Services.

The Australian Government, through the Department of Transport and Regional Services, reserves the right to hold membership on any panel, committee or board that has delegation regarding the distribution of package funding.

Any one or a combination of three assistance measures available under the package can be implemented to address longer term holistic community recovery following a severe natural disaster event. Assistance offered under the package is additional to the standard suite of measures available under the Natural Disaster Relief and Recovery Arrangements.

Assistance measures available under the community recovery package include:

1. A community recovery fund to restore social networks, functioning and community facilities. Expenditure is aimed at community recovery, community development and community capacity building for the future;
2. Recovery grants for small businesses; and
3. Recovery grants for primary producers.

The documents that form part of this package have been prepared to provide state and territory governments with a set of measures "on the shelf" which can be quickly and seamlessly modified to the specific natural disaster event when the need arises. Some aspects



of the package are by necessity prescriptive, including upper payment limits and taxation treatment.

This document forms Guideline 4/2007 of the Natural Disaster Relief and Recovery Arrangements Determination.

## COMMUNITY RECOVERY FUND

The community recovery fund is funded under the Natural Disaster Relief and Recovery Arrangements when a community is severely affected by a natural disaster event and needs to restore social networks, functioning and community facilities. Expenditure is to be aimed at community recovery, community development and community capacity building for the future.

Each community is different, so each community will have needs that are specific in type and scale to itself, requiring a careful analysis of the affected community.

### Measures to be funded

Priority for action and funding are generally to be determined in accordance with the principles, concepts and considerations identified in the *Australian Emergency Manual - Recovery and community development in recovery from disaster; Community and personal support services; Psychological services in the disaster context; Economic and financial aspects of recovery; and Community development in the disaster recovery context*, published by Emergency Management Australia.

Possible measures may include, but are not limited to:

- employment of a community development worker/s;
- funding for a range of community activities;
- grants to community service organisations providing recovery services;
- assistance for restoration of facilities owned by non-profit organisations;
- community information initiatives;
- funding commemorative events and/or memorials;
- advocacy and monitoring services;
- tourism and small business initiatives;
- economic development initiatives; and
- heritage and cultural sites initiatives.

### Measures ineligible for funding under the Natural Disaster Relief and Recovery Arrangements

- Environmental restoration initiatives.

### Community recovery fund administration

A decision will need to be made as to which organisation will administer the fund e.g. a community recovery committee, state agency etc.

Note that the state/territory may auspice or deliver some of the measures directly, for example, employment of a consultant to run local business planning workshops.

### Eligibility criteria

Following the determination of broad measures to be funded, advice to applicants, application forms and guidelines for assessors will need to be developed. Guidelines for assessors, information for applicants and application forms for recovery grants to small businesses, primary producers and non-profit organisations and charities, are included in this document.

Where funding is to be made available to non-profit organisations or small businesses, eligibility criteria will need to be determined at the time of the event. In addition, consideration needs to be given to the application process and administration of the fund such

as assessment of applications (against eligibility criteria); provision for documentation of decisions (transparency); appeals procedure; and who administers. Wherever possible, funding would be via a simple application process, with the local reference group/recovery committee prioritising applications and assessing whether there is identified need, community support, inclusiveness, value for money etc.

Application forms can ask relatively simple questions such as:

- Outline the proposed purpose of funding community recovery activities.
- Please detail what property was destroyed or damaged. Indicate the extent of damage and provide quotes/invoices for repair/replacement.
- Are any of the losses covered by insurance? If yes, please list items insured and amount. Please provide details of your insurance company and policy number.

Applications may need to be open for up to six months, as it can take some time for local authorities and organisations to establish priorities, estimate costs and submit proposals.

### Principles

General principles to be used in the application of the community recovery fund include:

- use a community development approach;
- think long term recovery;
- keep track of emerging needs;
- aim to increase individual and community resilience;
- ensure quick response time/timely;
- ensure equity and fairness;
- keep it simple, minimal red tape while maintaining appropriate checks and balances;
- maintain transparency;
- aim for consistency – use clear definitions and eligibility criteria;
- incorporate flexibility and don't stifle innovation or creative solutions;
- balance flexibility with precedent setting;
- avoid duplication of other assistance programs;
- be wary of unintended consequences;
- maintain incentives for insurance and self help;
- set boundaries – financial, time, and exit strategies;
- pay due attention to sustainability; and
- incorporate review mechanisms and use knowledge to improve future recovery.

## RECOVERY GRANTS FOR CHARITIES AND NON-PROFIT ORGANISATIONS

### GUIDELINES FOR ASSESSORS

Payments for charities and non-profit organisations are provided on a shared cost basis under the Natural Disaster Relief and Recovery Arrangements.

Under the Natural Disaster Relief and Recovery Arrangements, Australian Government assistance is provided to states and territories for eligible measures including concessional loans to a charity/non-profit organisation for restoration and re-establishment costs. Short-term concessional loans may be made available in those cases where significant damage has occurred to buildings and other facilities. Assistance would not generally be available where adequate insurance could be effected at reasonable rates. To qualify for concessional loans, the charity/non-profit organisation must be unable to effect the necessary repairs or replacements from its own resources and have exhausted alternative sources of assistance. These loans are for the purpose of restoring infrastructure and do not address the loss of income/stock.

Grants for charities and non-profit organisations are intended to be in addition to the concessional loans, and may be used where funding is required quickly for immediate clean-up and restoration, or where the charity/non-profit organisation is not in a position to borrow funds.

The commercial arms of charities or non-profit organisations may also be eligible for assistance under the package. Commercial arms can apply for grants for small businesses. However charities and non-profit organisations are only permitted to apply for assistance under recovery grants for charities and non-profit organisations or recovery grants for small businesses, not both.

#### Purpose of this assistance

The recovery grant for charities and non-profit organisations is designed to cover the costs of clean-up and restoration for charities and non-profit organisations which have suffered direct damage as a result of a natural disaster.

Charities and non-profit organisations play an integral role in providing essential services and facilities to the community and assistance at this time will contribute towards minimising disruption and assist the community to recover.

#### Funding

Funding is made available on a 50:50 cost share basis by the Australian Government and the *[insert state/territory government]*.

#### Geographic locality

The exact locality for the assistance is determined at the time the assistance is announced. To be eligible, the charity/non-profit organisation must be located within the specified area. In this case, communities within *[insert geographic area]* affected by *[insert eligible disaster type e.g. storm, cyclone]* in/from *[insert month or date]* are eligible for assistance.

#### Grant details

An upfront lump sum payment of *[insert \$ figure e.g. \$10,000]* to all eligible charities/non-profit organisations located in the specified area. *[states/territories should consult the Australian Taxation Office concerning the application of GST to this grant]*.

### Quotes/estimates/receipts

Quotes/estimates/receipts may be required for the assessment of applications. One written quote/estimate will normally be considered adequate, however more than one quote may be requested by the assessment officer in cases where there are questions over the quotes/estimates. Quotes/receipts should state the organisation name, address and be itemised.

**Note:** Applicants are required to keep evidence of what the grant is spent on and should be made aware that they may be audited after the grant has been paid.

### Insurance

The grants are not intended to reduce incentives for charities/non-profit organisations to ensure that they have adequate suitable insurance coverage against damage from hazards and consequent disruptions to continuity.

Therefore, applicants are required to claim on insurance where available. Applicants must certify that they are ineligible or that insurance has been refused, or that their insurance will not cover all the costs. Applicants may lodge a grant application pending the outcomes of an insurance claim. In these cases it is the applicant's responsibility to advise *[insert name of the assessment agency]* of the outcome of the claim. Written evidence from the applicant's insurer of the outcome of the claim must be provided.

### Time period for lodgment of claims

Claims must be lodged within six months of the date of the event.

**Note:** assessors have discretion here in cases where insurance claims have been rejected after the lodgment date has passed and applicants have not lodged a grant application form.

### Eligibility criteria

To be eligible, an organisation must be an incorporated charity or non-profit organisation. The Australian Taxation Office definitions for charities and non-profit organisations will apply.

A charity is defined as a non-profit institution or fund established for a charitable purpose. This includes the relief of poverty or sickness or the needs of the aged; the advancement of education; the advancement of religion; the provision of child care services on a non-profit basis, and other purposes beneficial to the community.

A non-profit organisation is defined as an organisation that is not operating for the profit or gain (either direct or indirect) of its individual members. This applies both while the organisation is operating and when it winds up. Any profit made by the organisation goes back into the operation of the organisation to carry out its purposes and is not distributed to any of its members. To be considered non-profit an organisation must also have a constitution or governing documents that prohibit distribution of profits or gains to individual members and its actions are consistent with the prohibition.

Such charities/non-profit organisations may include:

- non-profit schools (i.e. those run by a church);
- religious institutions;
- homeless hostels;
- aged persons homes;
- organisations relieving the special needs of people with disabilities;

- community child care centres;
- cultural societies;
- environmental protection societies;
- neighbourhood associations;
- public museums and libraries;
- scouts;
- sports clubs;
- surf lifesaving clubs; and
- traditional service clubs.

The charity/non-profit organisation must have suffered significant loss or damage as a result of a natural disaster. The charity/non-profit organisation must be unable to effect the necessary repairs or replacements from their own resources and have exhausted alternative sources of assistance.

Only uninsured loss or damage qualifies for relief. Loss of revenue and replacement of stock is not eligible for relief.

#### Information for assessment, case-management and data collection purposes

At the time of the disaster, the assessment agency must ensure that all agencies likely to require information are listed on the application form confidentiality statement.

#### Payment process

Where possible, payment will be by direct credit into the bank account specified by the claimant.

#### Good and Services Taxation (GST) treatment

The grant has not been increased to allow for GST, and a tax invoice will not be sought *[or insert applicable wording if GST applies]*.

#### Reviews/appeals information

*[Add information on the mechanism for decisions on unusual cases i.e. those not covered by guidelines]*.

## RECOVERY GRANTS FOR CHARITIES AND NON-PROFIT ORGANISATIONS

### INFORMATION FOR APPLICANTS

#### Purpose of this assistance

To provide one-off grants to charities and non-profit organisations which have suffered direct damage as a result of *[insert name of event]* for clean-up, removal of debris and restoration or rebuilding of facilities.

This grant is not intended to replace the need for insurance, and is not intended to provide compensation for losses.

All claims for assistance will be assessed on a case by case basis.

#### Who is eligible for assistance?

Eligible charities/non-profit organisations which:

- have suffered direct and significant loss or damage, and
- are unable to effect the necessary repairs or replacements from their own resources, and
- have exhausted alternative sources of assistance.

#### How much will be paid?

A one-off lump sum payment of up to a maximum of *[insert \$ figure]*

#### Is there an assets test?

There is no assets test.

#### Is an organisation still eligible for assistance if they have insurance?

Insurance coverage may affect eligibility.

#### What can be claimed for on this form?

This grant has been provided for clean-up, removal of debris and restoration or rebuilding of facilities.

Applicants must lodge a claim form for each affected premise, if it has more than one location.

**Note:** Applicants may only apply for a recovery grant for charities and non-profit organisations or a recovery grant for small businesses, **not both**.

#### How will payments be made?

Payment will be made where possible via direct credit into the nominated bank account.

#### What documents must be provided?

Proof of identification *[list type]*.

**Note:** *[xxxx or Centrelink]* will verify with the appropriate government departments or other relevant authorities that the claimant meets the eligibility criteria.

#### Do I need to provide quotes/estimates/receipts?

You may need to provide quotes or receipts for this grant. We advise you to retain all quotes and receipts.

You are also required to keep evidence of what the grant is spent on and should also be aware that you may be audited after the grant has been paid.

#### How long is there to claim?

Claims must be lodged by [xxxx].

#### Filling in the claim form

If you cannot answer all the questions on the form, fill in as much as you can and contact [xxxx or your nearest Centrelink office] as soon as possible for further assistance.

#### How is the claim lodged?

- Post this form to:  
[xxxx], or
- Take it to [xxxx or Centrelink] or
- Phone [xxxx on xxxx or Centrelink on 13xxxx to make an appointment], or
- [Take it to your nearest Centrelink agent].

Make sure you keep a photocopy of all documents submitted.

#### For more information or claim forms

Phone [xxxx on xxxx or Centrelink on 13xxxx], or

Contact [xxxx online at xxxx or Centrelink online at [www.centrelink.gov.au](http://www.centrelink.gov.au)].

#### What if I disagree with a decision about my claim?

[Insert appeal mechanism details].

#### Will the information supplied be treated confidentially?

[this needs to be tailored for each event]

- Your personal information is protected by law.
- [xxxx or Centrelink] will collect and use the information you provide on this form to assess your entitlement to the recovery grant for charities and non-profit organisations, and where relevant, third parties' entitlements and services. Certain information may be used to detect or prevent fraud.
- [xxxx or Centrelink] may give your information to [specify relevant organizations] for the purpose of the administration of this programme.
- [xxxx or Centrelink] may give this information (including information that you have received assistance from [xxxx or Centrelink] to humanitarian, welfare and charitable organisations) for the purposes of providing assistance to persons affected by the [insert name of event].
- [You can get more information from the Centrelink fact sheet called Your Right to Privacy.]



## RECOVERY GRANTS FOR CHARITIES AND NON-PROFIT ORGANISATIONS

### APPLICATION FORM

#### Definition of Key Terms

A **charity** is defined as a non-profit institution or fund established for a charitable purpose. This includes the relief of poverty or sickness or the needs of the aged; the advancement of education; the advancement of religion; the provision of child care services, and other purposes beneficial to the community.

A **non-profit organisation** is defined as an organisation that is not operating for the profit or gain (either direct or indirect) of its individual members. This applies both while the organisation is operating and when it winds up. Any profit made by the organisation goes back into the operation of the organisation to carry out its purposes and is not distributed to any of its members.

#### Part A – Organisation details

1. What is your organisation's full legal/incorporated name?.....  
.....
2. Under which Act are you incorporated?  

*[insert applicable Acts]*  
  
 Other.....
3. What is your incorporation number?.....
4. What is the street address of your organisation?.....  
.....
5. What is the postal address of your organisation?.....  
.....
6. Who is the nominated contact within your organisation?.....  
.....
7. Contact phone number.....
8. Contact fax number.....
9. Contact email address.....
10. Who is the accountable officer for your organisation? (e.g. Chairperson, CEO, Director).....  

Job title.....  
 Phone number.....  
 Fax number.....

Email address.....

11. Is the organisation or parts of the organisation covered by insurance?

Yes ☐ No ☐

If yes, please provide details of your insurance coverage below.

Name of your insurance company.....

Address of your insurance company.....

Type of insurance policy.....

Policy number.....

12. Has a claim for insurance as a result of *[insert name of event]* been made?

Yes ☐ No ☐

If yes, has a decision been made?..... If yes, what was the result of the claim?

.....  
 .....

If no, provide details why an insurance claim has not been lodged.....

.....  
 .....

---

**Part B - Reason for claiming**

13. Has this organisation suffered direct damage as a result of *[insert name of event]*?

Yes ☐ No ☐

If yes, briefly describe the damage.....

.....  
 .....  
 .....

14. What is your estimated value of the damage? \$.....

Please attach evidence of clean-up and repair costs (e.g. estimates, quotes, receipts, tax invoices).

Please indicate what is the main reason for claiming this grant?

<input type="checkbox"/>	Clean-up costs
<input type="checkbox"/>	Removal of debris
<input type="checkbox"/>	Restoration/rebuilding of facilities
<input type="checkbox"/>	Other, please specify:

**Part C - Payment account details** *[if EFT payment is possible]*

15. Where do you want your payment to be made?

Note: this must be an Australian account

Name of bank, building society or credit union.....

Type of account Savings ☐ Cheque ☐

Branch where your account is held.....

Branch number (BSB if known).....

Account number (this may not be your card number).....

Account held in the name(s) of.....

**Part D - Statement**

16. Your statement (by a member of the executive/management committee)

I declare that:

- the information provided in this form is correct;
- the charity/non-profit organisation being claimed for:
  - suffered direct damage as a result of the *[insert name of event]*
  - is an eligible charity/non-profit organisation.

I understand that:

- deliberately giving false or misleading information is a serious offence;
- *[xxxx or Centrelink]* can make relevant enquiries, including contacting your insurance company(s) to ensure I receive my correct entitlement;
- any overpayment will be recovered;
- personal information is protected and can be given to someone else where state/territory or Commonwealth legislation requires or where I give permission;
- statistics may be collected and analysed in such a way as to protect your anonymity.

Signed (member of executive/management committee).....

Name .....

Position.....

Date.....

Signed (witness).....

Name.....

Date.....

**Part E - Consent for release of information**

17. Consent for release of information (by a member of the executive/management committee)

I have lodged a claim with [xxxx or Centrelink] for a recovery grant for charities and non-profit organisations in relation to [insert name of event].

To allow this claim to be assessed, I authorise the release of information by relevant authorities, including Commonwealth, state/territory or local authorities to [xxxx or Centrelink] relating to damage to my organisation caused by [insert name of event] and being claimed for in this form.

Signed (member of executive/management committee).....

Name .....

Position.....

Date.....

Signed (witness).....

Name.....

Date.....



## RECOVERY GRANTS FOR SMALL BUSINESSES

Standard assistance under this package may include:

- One-off "smaller" grants up to \$10,000 to all eligible small businesses for clean-up and immediate restoration costs (see guidelines for assessors).
- One-off "larger" grants up to \$15,000 to eligible small businesses for clean-up and immediate restoration with an assessment of damage (see guidelines for assessors).

Additional business measures such as a grant component of the standard Natural Disaster Relief and Recovery Arrangements concessional loans or extension of grant to businesses irrespective of size can be designed at the time of the disaster, subject to joint agreement to funding.

Other recovery assistance for small businesses may be available under the community recovery fund, such as business planning and advice, tourism promotion etc.

As with other Natural Disaster Relief and Recovery Arrangements measures, the states and territories are responsible for the administration of the grants, however Centrelink could provide assessment and deliver these payments on behalf of the state/territory under a contract arrangement should this assist.

Under the Natural Disaster Relief and Recovery Arrangements, Australian Government assistance is provided to states and territories for eligible measures including concessional loans to small businesses for carry-on and re-establishment costs. To qualify for concessional loans, the business must be able to demonstrate that they are unable to obtain commercial finance and that their businesses are commercially viable. Recovery grants for small businesses are intended to be in addition to the concessional loans.

## RECOVERY GRANTS FOR SMALL BUSINESSES

### GUIDELINES FOR ASSESSORS

**Note:** these guidelines will need to be amended according to the exact nature of decisions each time the package is triggered *[delete once guidelines have been amended]*. The exact amount of the grant to be offered is to be decided between the state/territory government and the Australian Government.

#### Purpose of this assistance

The recovery grant for small businesses is designed to cover the cost of clean-up and restoration to assist small businesses which have suffered direct damage as a result of a natural disaster. The grant will assist businesses to continue or commence trading as soon as possible where the impact on the sector has been particularly severe. Grants may also be provided to assist with the costs of relocation to temporary premises in cases where immediate re-opening of damaged premises is not possible.

Small businesses play an integral part in local economies, and assistance at this time will contribute towards minimising disruption to small businesses in the affected area and assisting the community to recovery.

#### Funding

Funding is made available on a 50:50 basis by the Australian Government and the *[insert state/territory government]*.

#### Geographic locality

The exact locality for the assistance is determined at the time the assistance is announced. To be eligible, the small business must be located within the specified area. In this case, communities within *[insert geographic area]* affected by *[insert eligible disaster type eg storm, cyclone]* in/from *[insert month or date]* are eligible for assistance. If a business is located outside the specified area, but operates part-time or on some regular basis within the specified areas, and that business' plant and/or equipment were damaged, then that business may still be eligible for a recovery grant for small businesses.

#### Tiers of payment

Two tiers are available.

##### Tier one

A grant of up to *[insert \$ figure]* to all eligible small businesses. Applicants should be advised to keep all quotes, estimates or receipts in case they wish to make a further claim under tier two.

##### Tier two

A grant of up to *[insert \$ figure]* based on the provision of evidence of impact/cost *[carried out by xxxx]* and quotes or receipts/tax invoices for total funds claimed where costs are in excess of tier one payments. This payment may be upfront or a reimbursement of costs. Note that states/territories may choose to replace this form of assessment with site inspections. Payment for reimbursement on the production of invoices is not automatic if the costs claimed do not agree with the assessment of impact.

A business is able to lodge partial claims.

### Quotes/estimates/receipts

These may be required for tier one assistance and are required for tier two assistance. One written quote/estimate will normally be considered adequate, however more than one quote may be requested by the assessment officer in cases where there are questions over the quotes/estimates. Quotes/receipts should state the business name and address and be itemised.

**Note:** Where tier two grants are offered, applicants may apply for tier one and tier two payments either separately or together. The maximum combined total for tier one and tier two payments is *[insert \$ figure – will not be more than \$25,000]*.

Applicants are also required to keep evidence of what the grant is spent on and should be made aware that they may be audited after the grant has been paid.

### Insurance

The grants are not intended to reduce incentives for small businesses to ensure that they have adequate suitable insurance coverage against damage from hazards and consequent disruptions to business continuity.

Therefore, applicants are required to claim on insurance where available. Tier two applicants must certify that they are ineligible or that insurance has been refused, or that their insurance will not cover all the costs. Applicants may lodge a grant application pending the outcomes of an insurance claim. In these cases it is the applicant's responsibility to advise *[insert name of the assessment agency]* of the outcome of the claim. Written evidence from the applicant's insurer of the outcome of the claim must be provided.

### Time period for lodgment of claims

Claims must be lodged within six months of the date of the event.

**Note:** assessors have discretion here in cases where insurance claims have been rejected after the lodgment date has passed and applicants have not lodged a grant application form.

### Time period for assessment

All applicants should be told of the approximate expected date of payment when they lodge their claims. It should be stressed to applicants that this only applies if their claims are straightforward and if further information is not required.

### Definition of small business

The Australian Bureau of Statistics definition will apply. This specifies that a small business is one which has less than 20 full time (or equivalent) employees. Businesses with a range of employment arrangements such as part-time and casual workers should calculate the number of hours worked by other than full-time employees and divide that total by 35. For example three casual employees working 12 hours per week equals a total of 36 hours per week. This equates to one full-time employee.

An eligible small business may have no employees. However, where the applicant is the sole trader/employee, the business must represent the primary source of income (51 per cent) for the applicant.

An employee is defined as a person, including family members, who the business directly engages, controls and pays a wage for their labour.

To assist in identifying the legitimacy of a business, refer to Attachment A.



### **National chains**

Businesses that are part of national chains are not eligible. Franchises are eligible. Businesses must be locally registered or operated, however owners may reside outside the specified area.

### **Eligibility criteria**

To be eligible, businesses must have suffered direct damage as a result of the specified event. This may be damage to premises and/or tools of trade (equipment, plant) and the responsibility for the cost of repair or replacement must be incurred by the applicant.

The business must be intending to re-establish in the specified area.

Businesses must be registered businesses, partnerships or sole traders with an Australian Business Number (ABN). If the business has applied to the Australian Taxation Office, but not yet received the ABN, then they may be considered eligible.

Businesses not operating out of commercial premises which have suffered direct damage to plant and equipment may also be eligible.

In some cases the owner of the premises is not the owner of the business and both may wish to claim assistance. For example, the building owner may be responsible for the restoration of building and shop fittings while the business owner may be responsible for stock and equipment. In these cases a joint claim may be lodged.

The business must have been in existence in the specified area prior to and including the date of the event. 'In existence' includes in the development phase for example: premises were being prepared but trading had not yet commenced; or plants were being grown but were not yet ready for sale. Owners may reside out of the specified area. This does not exclude the business from eligibility because the objective of the grant is to help businesses to continue or commence trading as soon as possible to maintain employment within the community and sustain its economic viability.

Where an eligible business operates from one location, only one grant is payable. A separate grant may be payable for each location in cases where businesses conduct business in more than one location provided other eligibility criteria are met.

### **Sole Traders**

The proceeds of a business may not always be the primary source of income for an owner. However, where an affected business is not the primary source of income (51 per cent) an owner is not eligible to apply if they are the sole employee of the business (i.e. sole traders). This is intended to exclude a potentially large number of applications from home based "hobby businesses" where the provision of a grant will not impact on the community as a whole.

For further guidelines concerning the primary source of income rule (>51 per cent), refer to Attachment B.

**Intensive agriculture businesses**

Businesses conducting the following activities are regarded as primary producers and may be eligible to apply for recovery grants for primary producers (if triggered):

- livestock and crop raising
- flower growing
- wholesale nurseries
- intensive horticulture for example, tomatoes and herbs
- hydroponics
- aquaculture and mariculture, including trout farms, sea farms and oyster growing, and fishing.

Plant nurseries (or other primary producer activities) which have retail outlets may apply for assistance under the recovery grants for small businesses.

Businesses are only entitled to assistance under either the small businesses grants, or the primary producer grants, not both.

**Rental properties**

Property owners who have incurred loss or damage to an investment property which is leased or rented for housing /residential /commercial purposes are not eligible for assistance under recovery grants for small business. However, where rental properties are managed as a business, they may be eligible for assistance.

To assist in identifying the legitimacy of a property rental business, refer to Attachment C.

**Home based businesses**

Home based businesses are eligible, providing that the business represents the primary source of income (>51 per cent) for the applicant or the business has employees (i.e. is not a sole trader). Applicants are only permitted to claim the costs of clean-up and reinstatement for damage to premises and items that are directly attributable to the business, not other household damage.

**Charities and non-profit organisations**

The commercial enterprises of charities and non-profit organisations are eligible for assistance under recovery grants for small business. Commercial operations may include opportunity shop fronts, tuck-shops and canteens of social and sporting clubs. However charities and non-profit organisations are only permitted to apply for assistance under recovery grants for charities and non-profit organisations or recovery grants for small businesses, not both.

**Australian Business Number (ABN)**

The recovery grant for small business should only be made once for each business entity represented by an ABN. Assistance will only be available to an entity rather than the separate enterprises undertaken by an entity. However where separate business entities are registered under a single ABN, consideration may be given on an exceptions basis, to paying the grant for each business, depending on the circumstances of the particular case. A claimant in relation to more than one ABN may be the same person.

For further information concerning the treatment of ABNs, refer to Attachment D.

**Proof of identity and business registration**

In cases where business documents have been destroyed and business registration papers are unavailable, alternative sources such as state/territory government agencies may be asked to supply confirmation of business registration and location.

**Further impact assessment for some multiple claims**

In cases where individuals own more than one business or multiple businesses operate from one location, provided other eligibility criteria are met, a grant may be payable for each business. These claims will be subject to impact assessments.

**Information for assessment, case-management and data collection purposes**

At the time of the disaster, the assessment agency must ensure that all agencies likely to require information are listed on the application form confidentiality statement.

**Applicant's checklist**

Applicants should be encouraged to complete the applicant's checklist to ensure their application is complete before returning the application.

**Payment process**

Where possible, payment will be by direct credit into the business bank account specified by the claimant. In cases where tier one only is claimed, a one-off, lump sum will be made. For tier two claims several payments may be made if several applications are received, providing the total amount paid does not exceed *[insert \$ figure to a maximum of \$25,000]*.

**Eligible expenditure under tier two**

- Clean-up:
  - additional labour costs (above and beyond normal wage expenditure)
  - equipment and materials to undertake clean-up.
- Removal of debris:
  - carting away damaged goods and material
  - cost of disposal.
- Restoration:
  - payment for trades people to conduct safety inspections
  - essential repairs to internal fittings (e.g. floor covering, electrical rewiring, shelving)
  - purchase or hire/lease costs for equipment essential to the immediate resumption of businesses
  - leasing of temporary premises
  - replacement of stock which is essential to the immediate resumption of trading.

**Good and Services Taxation (GST) treatment**

The grant has not been increased to allow for GST, and a tax invoice will not be sought.

**Income Tax treatment**

Both tier one and tier two grants to businesses are assessable and need to be declared. The expenditure on items related to the business is likely to be deductible at the time it is incurred. The availability of such deductions effectively deals with tax on the grant by reducing income and thereby reducing or entirely eliminating tax due.

Note: the Australian Government may in certain circumstances pass legislative amendments to make these grants tax free for a specific natural disaster event.

**Partnership applicants**

Partnership applicants need to be advised that, where there are multiple business owners, assistance will be paid to the majority owner. Where there are equal partners (eg married couple) assistance will be paid to the partner/owner identified in the application.

**Authority to act on behalf of owner(s)**

The owner(s) of a business would normally sign the claim and be the contact person for the business; however a signed authority for another person to act as agent such as an accountant or family member can be provided.

**Reviews/appeals information**

*[Add information on the mechanism for decisions on unusual cases i.e. those not covered by guidelines].*

## RECOVERY GRANTS FOR SMALL BUSINESSES

### INFORMATION FOR APPLICANTS

#### Purpose of this assistance

To provide grants to small businesses which have suffered direct damage as a result of *[insert name of event]* for clean-up, removal of debris and restoration to assist business to continue or commence trading.

This grant is not intended to replace the need for insurance, and is not intended to provide compensation for losses.

All claims for assistance will be assessed on a case by case basis.

#### Who is eligible for assistance?

Eligible small businesses which have suffered direct damage and which:

- have less than 20 full time (or equivalent) employees, and
- are a registered business, partnership or sole trader, and
- have an Australian Business Number (ABN), and
- have suffered direct damage to their premises and/or tools of trade (e.g. equipment, plant) and the essential cost of repair or replacement are the applicant's responsibility, and
- are intending to re-establish in the specified area, and
- were conducting business in the specified area prior to and including the date of the event, or are business enterprises in the development phase (e.g. premises being prepared but trading had not yet commenced).

Eligible small businesses may include locally owned and operated franchises; businesses not operating from commercial premises but which experienced damage to primary equipment; home based enterprises (claiming only the costs directly attributable to the business).

Where multiple businesses are operated from one location, applications may be received from each of the businesses providing all other criteria are met. Where a business has multiple locations, applications may be received for each affected premise.

#### Who is NOT eligible?

- businesses that are part of a national chain or company
- public companies alone, or in association with other companies
- primary producers who are eligible for other forms of assistance
- businesses which have not incurred clean-up, removal of debris or restoration costs but have suffered a loss of income as a result of the event
- an affected business where that business is not the owner's primary source of income (more than 51 per cent) if the owner is the sole employee of the business
- home based "hobby" businesses (which produce less than 49 per cent of your income). If you work from home and think this may apply to your business you should discuss your case with *[xxxx or Centrelink]*.

Businesses are only entitled to assistance under either the small businesses grants, or the primary producer grants, not both. Similarly, charities and non-profit organisations are only entitled to assistance under either the small business grants or the charities and non-profit organisations grants, not both.

**How much can be paid?**

One-off lump sum payment of [xxxx]

*[Insert if tier two grants are being offered: If your business has suffered direct damage to its premises and/or tools of trade (equipment/plant) and the essential cost of repair or replacement are your responsibility, and you have sustained damage above \$xxxx- insert the amount of the tier one payment - you may be eligible for a tier two grant. See tier two – information for applicants. You will be required to complete an additional application form.]*

**Is there an income or assets test?**

There is no income or assets test.

**Am I still eligible for assistance if I have insurance?**

Yes. Insurance coverage does not affect eligibility for tier one assistance.

**Is this assistance taxable?**

Good and Services Taxation (GST) treatment

- The grant has not been increased to allow for GST, and a tax invoice will not be sought.

**Income Tax treatment**

*[It is recommended that you seek professional advice on your tax obligations. [These payments are assessable and must be declared.]*

*[Centrelink will issue all successful applicants with a summary statement at the end of the financial year].*

**How will payments be made?**

Payment will be made where possible via direct credit into the nominated business bank account.

**What documents must I provide?**

- Proof of identification *[list type]*, and
- Proof of business registration, and
- Proof of business location, and
- Your Australian Business Number (ABN).

**Note:** *[xxxx or Centrelink]* will verify with the appropriate government departments or other relevant authorities that the claimant meets the eligibility criteria.

**Do I need to provide quotes/estimates/receipts?**

You may need to provide quotes or receipts for this grant. We advise you to retain all quotes and receipts in case you make a further claim for assistance under tier two.

You are also required to keep evidence of what the grant is spent on and should also be aware that you may be audited after the grant has been paid.

**How long do I have to claim?**

Claims must be lodged by [xxxx].

**Can I get help with the claim form?**

If you cannot answer all the questions on the form, fill in as much as you can and contact [xxxx or your nearest Centrelink office] as soon as possible. We will help you fill in the form.

**How do I lodge my claim?**

- Post this form to:  
[xxxx], or
- Take it to [xxxx or Centrelink], or
- Phone [xxxx on xxxx or Centrelink on 13xxxx to make an appointment], or
- [Take it to your nearest Centrelink agent].

Make sure you keep a photocopy of all documents submitted.

**For more information or claim forms**

- Phone [xxxx on xxxx or Centrelink on 13xxxx], or
- Contact [xxxx online at xxxx or Centrelink online at [www.centrelink.gov.au](http://www.centrelink.gov.au)].

**What if I disagree with a decision about my claim?**

[Insert appeal mechanism details].

**Will the information supplied be treated confidentially?**

[this needs to be tailored for each event]

- Your personal information is protected by law.
- [xxxx or Centrelink] will collect and use the information you provide on this form to assess your entitlement to the recovery grant for small businesses, and where relevant, third parties' entitlements and services. Certain information may be used to detect or prevent fraud.
- [xxxx or Centrelink] may give your information to [specify relevant organizations] for the purpose of the administration of this programme.
- [xxxx or Centrelink] may give this information (including information that you have received assistance from [xxxx or Centrelink] to humanitarian, welfare and charitable organisations for the purposes of providing assistance to persons affected by the [insert name of event]).
- [You can get more information from the Centrelink fact sheet called Your Right to Privacy.]

## RECOVERY GRANTS FOR SMALL BUSINESSES

### ADDITIONAL INFORMATION FOR TIER TWO APPLICANTS

To be eligible for additional assistance you must have sustained damage above [\$/xxxx] (tier one payment) and be able to demonstrate that costs have been incurred. Additional grants are based on an assessment of impact and/or production of quotes or receipts/tax invoices up to a maximum combined total of [insert \$ figure].

To be considered as having suffered direct damage you must have incurred some or all of the following costs:

- clean-up costs
  - hire of equipment for cleaning
  - labour costs for clean-up (above and beyond normal wage expenditure)
  - cost of cleaning materials
- removal of debris
  - carting away damaged goods and materials
  - cost of disposal
- restoration
  - payment for tradespersons to conduct safety inspections
  - essential repairs to internal fittings e.g. floor coverings, electrical re-wiring
  - purchase or hire/lease costs for equipment essential to the immediate resumption of your business
  - leasing of temporary premises
  - replacement of stock which is essential to the immediate resumption of trading.

**How much can be paid under this additional grant?**

The maximum amount is [insert the difference between the tier one and tier two].

**Is there an assessment of the damage?**

Yes, for a tier two grant, you will be required to provide quotes/estimates and/or receipts [insert if applicable- and an on-site inspection will be carried out by xxxx].

**What documents do I need to provide?**

Applicants are required to provide a quote or written estimate or receipts for clean-up, debris removal and restoration/temporary relocation costs. This includes all costs covered by both tier one and tier two payments. You may also be required to provide additional information. Quotes/estimates/receipts should include the providers name, address, ABN and should be itemised.

You are required to keep evidence of what the grant is spent on and should also be aware that you may be audited after the grant has been paid.

**What if I have already spent the money and need reimbursement?**

If you are applying for reimbursement, you will need to provide the receipts/tax invoices [to xxxx or Centrelink]. Receipts should include the providers name address, ABN and should be itemised.

**Note:** only reasonable costs will be paid or reimbursed. [xxxx or Centrelink] has discretion to limit the amount paid if claims do not reflect current market prices.



**How many times can you be paid?**

You are only eligible to receive payments up to a maximum total of *[insert \$ figure]*. If you apply for and receive a grant, less than *[insert \$ figure]*, and then further damage becomes apparent, then an additional payment can be made, on application, to a maximum of *[insert \$ figure]*.

**Am I still eligible for assistance if I have insurance?**

If you have insurance in respect of your business it is essential for you to lodge a claim against your policy in respect of any loss or damage you have suffered. Any application for tier two recovery grants for small businesses will not be assessed until such time as you produce written evidence from your insurance company regarding the result of your claim. You are required to provide full insurance details, including policy numbers with this application.

You are also required to certify if your business is ineligible to claim insurance or that the insurance has been refused, or that the insurance will not cover all the costs.

Note: claims can be lodged pending the outcome of insurance claims. You must advise */xxxx or Centrelink/* as soon as the outcome of your insurance claim has been decided.

## RECOVERY GRANTS FOR SMALL BUSINESSES

### APPLICATION FORM (TIER ONE)

#### Definition of Key Terms

A **business** is defined as those commercial activities or enterprises undertaken by an entity that has an Australian Business Number (ABN). This may include the commercial activities of charities or non-profit organisations. A **small business** has less than 20 full time (or equivalent) employees.

An **employee** can be defined as a person you directly engage, control and pay a wage for their labour. If the person is contributing capital or other resources, has control over how the work is done, and is paid according to the results he/she achieves, then they are almost certainly not an employee and are likely to be an independent contractor.

**Full time work** is no less than 35 hours per week. Businesses with a range of employment arrangements such as casual and part time workers should add the number of hours worked by other than full time employees and divide that total by 35. For example three casual employees working 12 hours per week work a total of 36 hours per week. This equates to one full time employee.

#### Part A - About you

##### 1. Your personal details

Family name.....

Given name(s).....

Title (e.g. Mr, Mrs, Miss, Ms, Dr)..... Male ☐ Female ☐

Date of birth.....

Phone number work.....home.....

Centrelink Reference Number (if applicable).....

Email address.....

Principal home address.....

Address where you can be contacted.....

#### Part B - About your business

2. Business type e.g. retail bakery, travel agency.....

.....

.....

##### 3. Your business details

Legal/registered name of business.....

.....

Australian Business Number (ABN).....

Business trading name if different from the legal/registered business name.....

.....  
Business street address.....

.....  
Business postal address.....

.....  
Business phone number.....

.....  
Business fax number.....

.....  
Mobile phone number.....

.....  
Email address.....

.....  
Your role in the business e.g. director, partner, manager, administrator.....

.....  
4. What type of business are you claiming for?

<input type="checkbox"/>	Sole Trader
<input type="checkbox"/>	Partnership
<input type="checkbox"/>	Private company

5. Is this a home-based business? Yes ☐ No ☐

If yes, number of full time (or equivalent) employees.....

6. Is the income from this business your primary source of income (more than 51 per cent)?

Yes ☐ No ☐

If yes, what percentage.....

7. Has anyone else lodged a claim for the recovery grant at the same business address?

Yes ☐ No ☐

If yes, please provide details below.

Family name.....

Given name(s).....

Business name.....

Role in the business.....

8. Does the business intend to resume trading / development?

Yes ☐ No ☐

9. Will you apply for a recovery grant for this business for a separate business address?

Yes ☐ No ☐

If yes, please provide address.....

.....  
10. Have you made any other claims for recovery grants for small businesses?

Yes ☐ No ☐

If yes, please provide details.....  
 .....

---

**Part C - Reason for claiming**

11. Has this business suffered direct damage as a result of *[insert name of event]*?

Yes ☐ No ☐

If yes, briefly describe the damage to your business or tools of trade.....  
 .....  
 .....

What is your estimated value of the damage? \$.....

12. Please indicate what is the main reason for claiming this grant?

- |                          |                        |
|--------------------------|------------------------|
| <input type="checkbox"/> | Clean-up costs         |
| <input type="checkbox"/> | Removal of debris      |
| <input type="checkbox"/> | Repair/restoration     |
| <input type="checkbox"/> | Other, please specify: |

**Note:** you will need to keep evidence of what the grant is spent on.

---

**Part D - Payment Account details** *[if EFT payment is possible]*

13. Where do you want your payment to be made?

**Note:** this must be an Australian account

Name of bank, building society or credit union.....

Type of account Savings ☐ Cheque ☐

Branch where your account is held.....

Branch number (BSB if known).....

Account number (this may not be your card number).....

Account held in the name(s) of.....

---

**Part E - Statement**

14. Your statement

**I declare that:**

- the information provided in this form is correct
- the business being claimed for:
  - suffered direct damage as a result of the *[insert name of event]*
  - is an eligible small business
- it is intended that the business will be re-established within the affected area

- I am responsible for the cost of essential repair and/or replacement costs.

**I understand that:**

- deliberately giving false or misleading information is a serious offence
- [xxxx or Centrelink] can make relevant enquiries, including contacting your insurance company(s) to ensure I receive my correct entitlement
- any overpayment will be recovered
- personal information is protected and can be given to someone else where state/territory or Commonwealth legislation requires or where I give permission
- statistics may be collected and analysed in such a way as to protect your anonymity.

Signed.....

Name.....

Date.....

**Part F - Consent for release of information**

**15. Consent for release of information**

I have lodged a claim with [xxxx or Centrelink] for a recovery grant for small businesses in relation to [insert name of event].

To allow this claim to be assessed, I authorise the release of information by relevant authorities, including Commonwealth, state/territory or local authorities to [xxxx or Centrelink] relating to damage to my business caused by [insert name of event] and being claimed for in this form.

Signed.....

Name of claimant.....

Date.....

**Part G - Checklist**

This checklist will help ensure that you have all the required documents when you lodge your claim form.

Have you attached the required documents with this claim?

- |                          |                                |
|--------------------------|--------------------------------|
| <input type="checkbox"/> | Proof of identification        |
| <input type="checkbox"/> | Proof of business registration |
| <input type="checkbox"/> | Proof of business location     |

Did you answer all the questions and include the following information?

- |                          |                                      |
|--------------------------|--------------------------------------|
| <input type="checkbox"/> | Business ABN number                  |
| <input type="checkbox"/> | Bank account details                 |
| <input type="checkbox"/> | Did you sign and date the statement? |

## RECOVERY GRANTS FOR SMALL BUSINESSES

## APPLICATION FORM (TIER TWO)

Part A - Eligibility

1a. Have you already applied for a tier one grant?

Yes ☐ No ☐*If no, you must also complete a tier one small businesses recovery grant application.*

1b. Was your application successful?

Yes ☐ *If yes, go to Question 2a.*No ☐ *If no, you are NOT eligible to apply for a tier two grant.*Part B - Reason for claiming additional funding

2a. What type of grant are you applying for?

Up front payment ☐ *Go to Q3a*Reimbursement ☐ *Go to Q3b*

3a. What is the estimated cost of:

- clean-up \$.....
- removal of debris \$.....
- restoration. \$.....

*You will need to provide quotes or estimates.*

4a. What was the actual cost of:

- clean-up \$.....
- removal of debris \$.....
- restoration \$.....

*You will need to provide receipts or tax invoices*

5a. Is the business or parts of the business covered by insurance?

Yes ☐ No ☐*If yes, please provide details of your insurance coverage below.*

Name of your insurance company.....

Address of your insurance company.....

Type of insurance policy.....

Policy number.....

6a. Has a claim for insurance as a result of [insert name of event] been made?

Yes ☐ No ☐

If yes, has a decision been made?..... If yes, what was the result of the claim?.....

If no, provide details why an insurance claim has not been lodged.....

---

### **Part C - Statement**

7a. Your statement

I declare that:

- the information provided in this form is correct
- I have made a claim for insurance where eligible, or insurance has been refused or the payout does not cover all costs, and proof of this is attached, or will be provided.

I understand that:

- deliberately giving false or misleading information is a serious offence
- [xxxx or Centrelink] can make relevant enquiries, including contacting your insurance company(s) to ensure I receive my correct entitlement
- any overpayment will be recovered
- personal information is protected and can be given to someone else where state/territory or Commonwealth legislation requires or where I give permission
- statistics may be collected and analysed in such a way as to protect your anonymity.

Signed.....

Name.....

Date.....

### **Part D - Consent for release of information**

8a. Consent for release of information

I have lodged a claim with [xxxx or Centrelink] for a recovery grant for small businesses in relation to [insert name of event].

To allow this claim to be assessed, I authorise the release of information by relevant authorities, including Federal, state/territory or local authorities to [xxxx or Centrelink] relating to damage to my business caused by [insert name of event] and being claimed for in this form.

Signed.....

Name of claimant.....

Date.....

## RECOVERY GRANTS FOR PRIMARY PRODUCERS

Assistance under this package may include:

- One-off "smaller" grants up to \$10,000 to all eligible primary producers for clean-up and immediate restoration costs, without assessment of damage (see guidelines for assessors).
- One-off "larger" grants up to \$15,000 to eligible primary producers for clean-up and immediate restoration with an assessment of damage, and longer term viability (see guidelines for assessors).
- Additional measures such as wage subsidies and a grant component of the standard concessional loans can be designed at the time of the disaster, subject to joint agreement to funding.

Under the Natural Disaster Relief and Recovery Arrangements, Australian Government assistance is provided to states and territories for eligible measures including a **concessional-interest rate loan** by a state/territory to a primary producer, or small businesses, whose assets (including fodder) have been significantly damaged and who has no reasonable access to commercial finance but who has a reasonable prospect of long-term viability; or **provision of interest subsidies** by a state/territory on loans advanced by authorised deposit taking institutions to a primary producer or small businesses, whose assets have been significantly damaged.

Recovery grants are intended to be in addition to the concessional loans and interest subsidies and may be used where funding is required quickly for immediate clean-up and restoration, or where the primary producer is not in a position to borrow further, or where a loan is still required to cover loss of stock or income.

As with other Natural Disaster Relief and Recovery Arrangements measures, the states and territories are responsible for the administration of the grants however Centrelink could provide assessment and deliver these payments on behalf of the state/territory under a contract arrangement should this assist.



## RECOVERY GRANTS FOR PRIMARY PRODUCERS

### GUIDELINES FOR ASSESSORS

Note: these guidelines will need to be amended according to the exact nature of decisions each time the package(s) are triggered *[delete once guidelines have been amended]*. The exact amount of the grant to be offered is to be decided between the state/territory government and the Australian Government.

#### Purpose of this assistance

The recovery grant for primary producers is designed to provide short term targeted assistance for clean-up, removal of debris, disposal of dead livestock and further restoration following natural disaster events in cases where the impact on the farming sector has been particularly severe and this could result in production and viability being disrupted beyond the current season.

#### Funding

Funding is made available on a 50:50 basis by the Australian Government and the *[insert state/territory government]*.

#### Geographic locality

The exact locality for the assistance is determined at the time the assistance is announced. To be eligible, the primary producer must be located within the specified area. In this case, primary producers within *[insert geographic area]* affected by *[insert eligible disaster type eg storm, cyclone]* in/from *[insert month or date]* are eligible for assistance.

#### Tiers of payment

Two tiers of payment are available.

##### Tier one

A grant of up to *[insert \$ figure]* to all eligible primary producers. Applicants should be advised to keep all quotes, estimates or receipts in case they wish to make a further claim under tier two.

##### Tier two

A grant of up to *[insert \$ figure]*, based on an assessment of impact *[carried out by xxxx]* and quotes or receipts/tax invoices where costs are in excess of tier one payments. This payment may be upfront or a reimbursement of costs. Note that states/territories may choose to replace this form of assessment with site inspections. Payment for reimbursement on the production of invoices is not automatic if the costs claimed do not agree with the assessment of impact.

Partial claims can be lodged.

#### Quotes/estimates/receipts.

These are required for tier two payments. One written quote/estimate will normally be considered adequate, however more than one quote may be requested by the assessment officer in cases where there are questions over the quotes/estimates. Quotes/receipts should state the business name and address and be itemised.

Note: Applicants may apply for both tiers separately or together. The maximum combined total for tier one and tier two is *[insert \$ figure]*.

Applicants are also required to keep evidence of what the grant is spent on and should be made aware that they may be audited after the grant has been paid.

#### Insurance

The grants are not intended to reduce incentives for primary producers to ensure that they have adequate suitable insurance coverage against damage from hazards and consequent disruptions to business/farming continuity.

Therefore, applicants are required to claim on insurance where available. Tier two applicants must certify that they are ineligible or that insurance has been refused, or that their insurance will not cover all the costs. Applicants may lodge a grant application pending the outcomes of an insurance claim. In these cases it is the applicant's responsibility to advise *[insert name of the assessment agency]* of the outcome of the claim. Written evidence from the applicant's insurer of the outcome of the claim must be provided.

#### Time period for lodgment of claims

Claims must be lodged within six months of the date of the event.

Note: assessors have discretion here in cases where insurance claims have been rejected after the lodgment date has passed and applicants have not lodged a grant application form.

#### Time period for assessment

All applicants should be told of the approximate expected date of payment when they lodge their claims. It should be stressed to applicants that this only applies if their claims are straightforward and if further information is not required.

#### Definition of primary producers

Primary producers can be individuals, partnerships, trusts or companies, operating commercially. Primary producers are defined as those that are listed under Australian New Zealand Standard Industrial Classification 2006 (ANZSIC) 1292.0 Codes 01 (Agriculture) 02 (Aquaculture), 03 (Forestry and Logging), 04 (Fishing, Hunting and Trapping) and 05 (Agriculture, Forestry and Fishing Support Services). These are:

- agriculture
  - nursery and floriculture production
  - mushroom and vegetable growing
  - fruit and tree nut growing
  - sheep, beef cattle and grain farming
  - other crop growing
  - dairy cattle farming
  - poultry farming
  - deer farming
  - other livestock farming
- aquaculture
- forestry and logging
- fishing, hunting and trapping
  - fishing
  - hunting and trapping
- agriculture, forestry and fishing support services
  - forestry support
  - agriculture and fishing support services.

Included under these categories are flower growing, intensive horticulture for example, tomatoes and herbs, hydroponics and beekeeping.

Plant nurseries (or other primary producer activities) which have retail outlets may apply for assistance under the recovery grants for small businesses

Businesses are only entitled to assistance under either the small businesses grants, or the primary producer grants, **not both**.

To assist in identifying the legitimacy of a primary production business, please refer to the guidelines in Attachment A.

#### Eligibility criteria

This assistance is available to primary producers who:

- have a right or interest in the land used for the purposes of a primary production enterprise, and
- contribute a significant part of his or her labour and capital to the primary production enterprise, and
- derive more than 51 per cent of their individual income from the primary production enterprise\*.

Therefore, "hobby farmers" are not eligible for assistance.

Note: For primary producers in sectors with long lead times to production, the 51 per cent primary income rule may be waived. These sectors include [add any applicable sectors at time of disaster in consultation with Department of Agriculture, Fisheries and Forestry].

To be eligible, primary producers must have suffered direct damage as a result of the specified event. This may be damage to farm buildings, crops, pasture, stock, fencing and/or tools of trade (equipment, plant) and the essential cost of repair or replacement must be the applicant's responsibility.

The primary producer must be intending to re-establish the primary production enterprise.

The applicant must be registered with the Australian Taxation Office as a primary producer, and must have an Australian Business Number (ABN). If the business has applied to the Australian Taxation Office, but not yet received the ABN, then they may be considered eligible.

In some cases the owner of the "farm" is not the "owner" of the farming enterprise and both may wish to claim assistance. For example, the land owner may be responsible for the restoration of buildings while the farm operator (lessee/share farmer) may be responsible for stock and crops. In these cases a joint claim may be lodged.

The primary producer must have been in existence in the specified area prior to and including the date of the event. 'In existence' includes in the development phase.

\*For further guidelines concerning the primary source of income rule (>51 per cent), refer to Attachment B.

### **Australian Business Number (ABN)**

The recovery grant for primary producers should only be made once for each business entity represented by an ABN. Assistance will only be available to an entity rather than the separate enterprises undertaken by an entity. However where separate business entities are registered under a single ABN, consideration may be given on an exceptions basis, to paying the grant for each business, depending on the circumstances of the particular case. A claimant in relation to more than one ABN may be the same person.

**For further guidelines concerning the treatment of ABNs, refer to Attachment D.**

### **Proof of identity and business registration**

In cases where business documents have been destroyed and business registration papers are unavailable, alternative sources such as state/territory government agencies may be asked to supply confirmation of existence as a primary producer.

### **Information for assessment, case-management and data collection purposes**

At the time of the disaster, the assessment agency must ensure that all agencies likely to require information are listed on the application form confidentiality statement.

### **Applicant's checklist**

Applicants should be encouraged to complete the applicant's checklist to ensure their application is complete before returning the application.

### **Payment process**

Where possible, payment will be by direct credit into the business bank account nominated by the claimant. In cases where only a tier one payment is claimed a one-off, lump sum will be made. For tier two claims several payments may be made if several applications are received, providing the total amount paid does not exceed *[insert \$ figure]*.

### **Eligible expenditure under tier two**

- Clean-up:
  - additional labour costs (above and beyond normal wage expenditure)
  - equipment and materials to undertake clean-up.
- Removal of debris:
  - disposing of damaged goods and injured or dead stock
  - cost of disposal.
- Restoration:
  - repairs to buildings (other than housing)
  - fencing not covered by any other assistance
  - salvaging crops grain and feeds
  - health maintenance for livestock and poultry
  - purchase of fodder (not covered by other assistance)
  - reconditioning/repairing essential plant and equipment
  - purchase or hire/lease costs for equipment essential to the immediate resumption of farming
  - replacement of essential water used by fire fighting
  - water cartage.

**What is not covered?**

Damage to dwellings. Owners may be able to claim other assistance for this (e.g personal hardship and distress payments under the Natural Disaster Relief and Recovery Arrangements).

**Good and Services Taxation treatment**

The grant has not been increased to allow for GST, and a tax invoice will not be sought.

**Income Tax treatment**

Tier one and tier two grants are assessable and must be declared. Note that expenditure on items related to the business is likely to be deductible at the time it is incurred. The availability of such deductions effectively deals with tax on the grant by reducing income and thereby reducing or entirely eliminating tax due.

**Note:** the Australian Government may in certain circumstances pass legislative amendments to make these grants tax free for a specific natural disaster event.

**Partnership applicants**

Partnership applicants need to be advised that, where there are multiple business owners, assistance will be paid to the majority owner. Where there are equal partners (e.g. a married couple) assistance will be paid to the partner/owner identified in the application.

**Authority to act on behalf of owner(s)/manager**

The owner(s)/manager of the farming enterprise would normally sign the claim and be the contact person for the business, however a signed authority for another person to act as agent such as an accountant or family member can be provided.

**Reviews appeals information**

*[Add information on the mechanism for decisions on unusual cases i.e. those not covered by guidelines].*

## RECOVERY GRANTS FOR PRIMARY PRODUCERS

### INFORMATION FOR APPLICANTS

#### Purpose of this assistance

To provide grants to primary producers who have suffered direct damage as a result of *[insert name of event]* for clean-up, removal of debris, disposal of dead livestock and further restoration.

This grant is not intended to replace the need for insurance, and is not intended to provide compensation for losses.

All claims for assistance will be assessed on a case by case basis.

#### Who is eligible for assistance?

You are eligible if you:

- have a right or interest in the land used for the purposes of a farm enterprise, and
- contribute a significant part of your labour and capital to the farm enterprise, and
- derive more than 51 per cent of your individual income from the farm enterprise, and
- are registered with the Australian Taxation Office as a primary producer, and have an ABN, and
- have suffered direct damage as a result of *[insert name of event]*. This may be damage to farm buildings, crops, pasture, stock, fencing and/or tools of trade (equipment, plant) and the essential cost of repair or replacement must be the applicant's responsibility, and
- were conducting business in the specified area prior to and including the date of the event, and
- are intending to re-establish the primary production enterprise.

Eligible primary producers can be individuals, partnerships, trusts or companies, operating commercially. Primary producers are defined as those that are listed under Australian New Zealand Standard Industrial Classification 2006 (ANZSIC) 1292.0 Codes 01 (Agriculture)02 (Aquaculture), 03 (Forestry and Logging), 04 (Fishing, Hunting and Trapping) and 05 (Agriculture, Forestry and Fishing Support Services). These are:

- agriculture
  - nursery and floriculture production
  - mushroom and vegetable growing
  - fruit and tree nut growing
  - sheep, beef cattle and grain farming
  - other crop growing
  - dairy cattle farming
  - poultry farming
  - deer farming
  - other livestock farming
- aquaculture
- forestry and logging
- fishing, hunting and trapping
  - fishing
  - hunting and trapping
- agriculture, forestry and fishing support services
  - forestry support
  - agriculture and fishing support services

**Note:** included under these categories are flower growing; intensive horticulture for example, tomatoes and herbs; hydroponics and beekeeping. Plant nurseries are also included, however a plant nursery with a retail outlet is only permitted to apply for assistance under recovery grants for primary producers or recovery grants for small businesses, **not both**.

#### **Who is not eligible?**

Farm enterprises which have not incurred clean-up, removal of debris or restoration costs but have suffered a loss of income as a result of the event.

#### **How much can be paid?**

One-off lump sum payment of *[\$xxxx]*

*[Insert if tier two grants are being offered: If your primary production enterprise has suffered direct damage to its premises and/or tools of trade (equipment/plant) and the essential cost of repair or replacement are your responsibility, and you have sustained damage above \$xxxx- insert the amount of the tier one payment - you may be eligible for tier two grants. See tier two - information for applicants. You will be required to complete an additional application form].*

#### **Is there an income or assets test?**

There is no income or assets test.

#### **Am I still eligible for assistance if I have insurance?**

Yes. Insurance coverage does not affect eligibility for tier one assistance.

#### **Is this assistance taxable?**

Good and Services Taxation (GST) treatment

- The grant has not been increased to allow for GST, and a tax invoice will not be sought.

#### **Income Tax treatment**

- The grant is assessable income and must be declared.

*[Centrelink will issue all successful applicants with a summary statement at the end of the financial year.]*

#### **How will payments be made?**

Payment will be made where possible via direct credit into the nominated bank account.

#### **What documents must I provide?**

- Proof of identification *[list type]*, and
- Proof of business registration, and
- Proof of business location, and
- Your ABN.

**Note:** *[xxxx or Centrelink]* will verify with the appropriate state/territory government or other relevant authorities that the claimant meets the eligibility criteria.

#### **Do I need quotes or receipts?**

You may need to provide quotes or receipts for this grant. We advise you to retain all quotes and receipts in case you make a further claim for assistance under tier two.

You are required to keep evidence of what the grant is spent on and should also be aware that you may be audited after the grant has been paid.

**How long do I have to claim?**

Claims must be lodged by [xxxx].

**Can I get help with the claim form?**

If you cannot answer all the questions on the form, fill in as much as you can and contact [xxxx or your nearest Centrelink office] as soon as possible. We will help you fill in the form.

**How do I lodge my claim?**

- Post this form to:  
[xxxx], or
- Take it to [xxxx or Centrelink], or
- Phone [xxxx on xxxx or Centrelink on 13xxxx to make an appointment], or
- [Take it to your nearest Centrelink agent].

Make sure you keep a photocopy of all documents submitted.

**For more information or claim forms**

- Phone [xxxx on xxxx or Centrelink on 13xxxx], or
- Contact [xxxx online at xxxx or Centrelink online at [www.centrelink.gov.au](http://www.centrelink.gov.au)].

**What if I disagree with a decision about my claim?**

[Insert appeal mechanism details].

**Will the information supplied be treated confidentially?**

[this needs to be tailored for each event]

- Your personal information is protected by law.
- [xxxx or Centrelink] will collect and use the information you provide on this form to assess your entitlement to the recovery grant for primary producers, and where relevant, third parties' entitlements and services. Certain information may be used to detect or prevent fraud.
- [xxxx or Centrelink] may give your information to [specify relevant organizations] for the purpose of the joint administration of this programme.
- [xxxx or Centrelink] may give this information (including information that you have received assistance from [xxxx or Centrelink] to humanitarian, welfare and charitable organisations for the purposes of providing assistance to persons affected by the [insert name of event]).
- [You can get more information from the Centrelink fact sheet called *Your Right to Privacy*.



## RECOVERY GRANTS FOR PRIMARY PRODUCERS

### ADDITIONAL INFORMATION FOR TIER TWO APPLICANTS

To be eligible for additional assistance you must have sustained damage above [Sxxxx] (tier one payment) and be able to demonstrate that costs have been incurred. Additional grants are based on an assessment of impact and/or production of quotes or receipts/tax invoices up to a maximum combined total of [insert \$ figure].

To be considered as having suffered direct damage you must have incurred some or all of the following costs:

- clean-up
  - additional labour costs (above and beyond normal wage expenditure)
  - equipment and materials to undertake clean-up
- removal of debris
  - disposing of damaged goods and injured or dead stock
  - cost of disposal
- restoration
  - repairs to buildings (other than housing)
  - fencing not covered by any other assistance
  - salvaging crops grain and feeds
  - health maintenance for livestock and poultry
  - purchase of fodder (not covered by other assistance)
  - reconditioning/repairing essential plant and equipment
  - purchase or hire/lease costs for equipment essential to the immediate resumption of farming
  - replacement of essential water used by fire fighting
  - water cartage.

What is not covered by primary producers clean-up and assistance grants?

Damage to dwellings.

How much can be paid under this additional grant

The maximum amount is [insert the difference between the tier one and tier two grants].

Is there an assessment of the damage?

Yes, for the additional grant, you will be required to provide quotes/estimates and/or receipts [insert if applicable- and an on-site inspection will be carried out by xxxx].

Do I need to provide quotes/estimates/receipts?

Applicants are required to provide a quote or written estimate or receipts for clean-up, debris removal and restoration/relocation costs. This includes all costs covered by both tier one and tier two payments. You may also be required to provide additional information.

Quotes/estimates/receipts should include the providers name, address, ABN and should be itemised.

You are required to keep evidence of what the grant is spent on and should also be aware that you may be audited after the grant has been paid.

**What if I have already spent the money and need reimbursement?**

If you are applying for reimbursement, you will need to provide the receipts/tax invoices [to xxxx or Centrelink]. Receipts should include the providers name address, ABN and should be itemised.

**Note:** only reasonable costs will be paid or reimbursed. [xxxx or Centrelink] has discretion to limit the amount paid if claims do not reflect current market prices.

**How many times can you be paid?**

You are only eligible to receive payments up to a maximum total of [insert \$ figure]. If you apply for and receive a grant, less than [insert \$ figure], and then further damage becomes apparent, then an additional payment can be made, on application, to a maximum of [insert \$ figure].

**Am I still eligible for assistance if I have insurance?**

If you have insurance in respect of your business it is essential for you to lodge a claim against your policy in respect of any loss or damage you have suffered. Any application for tier two recovery grants for primary producers will not be assessed until such time as you produce written evidence from you insurance company regarding the result of your claim. You are required to provide full insurance details, including policy numbers with this application.

You are also required to certify if your business is ineligible to claim insurance or that the insurance has been refused, or that the insurance will not cover all the costs.

**Note:** claims can be lodged pending the outcome of insurance claims. You must advise [xxxx or Centrelink] as soon as the outcome of your insurance claim has been decided.

## RECOVERY GRANTS FOR PRIMARY PRODUCERS

### APPLICATION FORM (TIER ONE)

#### Part A - About you

##### 1. Your personal details

Family name.....

Given name(s).....

Title (e.g. Mr, Mrs, Miss, Ms, Dr)..... Male ☐ Female ☐

Date of birth.....

Phone number work.....home.....

Centrelink Reference Number (if applicable).....

Email address.....

Principal home address.....

Address where you can be contacted.....

#### Part B - About your primary production enterprise

2. Type of farming enterprise e.g. poultry farming, apiary.....

.....

.....

##### 3. Details of your primary production enterprise

Legal/registered name of enterprise.....

.....

Australian Business Number (ABN).....

ATO Primary Producer Number.....

Trading name if different from the legal/registered name.....

.....

Business street address.....

.....

Business postal address.....

.....

Business phone number.....

Business fax number.....

Mobile phone number.....

Email address.....

Your role in the business e.g. director, partner, manager, administrator.....

.....

4. Is the income from this enterprise your primary source of income (>51 per cent)?

Yes ☐ No ☐

If yes, what percentage.....

5. Has anyone else lodged a claim for the recovery grant for the same enterprise?

Yes ☐ No ☐

If yes, please provide details below.

Family name.....

Given name(s).....

Business name.....

Role in the business.....

6. Do you intend to resume the primary production enterprise?

Yes ☐ No ☐

---

**Part C - Reason for claiming**

7. Has this business suffered direct damage as a result of *[insert name of event]*?

Yes ☐ No ☐

If yes, briefly describe the damage .....

.....

.....

What is your estimated value of the damage? \$.....

8. Please indicate what is the main reason for claiming this grant?

- |                          |                              |
|--------------------------|------------------------------|
| <input type="checkbox"/> | Clean-up costs               |
| <input type="checkbox"/> | Removal of debris/dead stock |
| <input type="checkbox"/> | Repair/restoration           |
| <input type="checkbox"/> | Other, please specify:       |

Note: You will need to keep evidence of what the grant is spent on.

---

**Part D - Payment Account details** *[if EFT payment is possible]*

9. Where do you want your payment to be made?

Note: this must be an Australian account

Name of bank, building society or credit union.....

Type of account Savings ☐ Cheque ☐

Branch where your account is held.....

Branch number (BSB if known).....

Account number (this may not be your card number).....

Account held in the name(s) of.....

### Part E - Statement

#### 10. Your statement

##### I declare that:

- the information provided in this form is correct
- the primary production enterprise listed above:
  - suffered direct damage as a result of the *[insert name of event]*, and
  - is an eligible primary production enterprise.
- it is intended that primary production will be re-established
- I am responsible for the cost of essential repair and/or replacement costs.

##### I understand that:

- deliberately giving false or misleading information is a serious offence
- *[xxxx or Centrelink]* can make relevant enquiries to ensure I receive my correct entitlement
- any overpayment will be recovered
- personal information is protected and can be given to someone else where state/territory or Commonwealth legislation requires or where I give permission
- statistics may be collected and analysed in such a way as to protect my anonymity.

Signed.....

Name.....

Date.....

### Part F - Consent for release of information

#### 11. Consent for release of information

I have lodged a claim with *[xxxx or Centrelink]* for a recovery grant for primary producers in relation to *[insert name of event]*.

To allow this claim to be assessed, I authorise the release of information by relevant authorities, including Commonwealth, state/territory or local authorities to *[xxxx or Centrelink]* relating to damage to my business caused by *[insert name of event]* and being claimed for in this form.

Signed.....

Name.....

Date.....

---

**Part G - Checklist**

12. This checklist will ensure that you have all the required documents for lodgment.

Have you attached the required documents with this claim?

<input type="checkbox"/>
<input type="checkbox"/>

Proof of identification

Proof of primary producer registration

Did you answer all the questions and include the following information?

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Business ABN number

Bank account details

Did you sign and date the statement?

## RECOVERY GRANTS FOR PRIMARY PRODUCERS

## APPLICATION FORM (TIER TWO)

Part A - Eligibility

1a. Have you already applied for a tier one grant?

Yes ☐ No ☐*If no, you must also complete a tier one primary producer recovery grant application.*

1b. Was your application successful?

Yes ☐ *If yes, go to Question 2a.*No ☐ *If no, you are NOT eligible to apply for a tier two grant.*Part B - Reason for claiming additional funding

2a. What type of grant are you applying for?

Up front payment ☐ *Go to Q3a*Reimbursement ☐ *Go to Q3b*

3a. What is the estimated cost of:

- clean-up..\$.....
- removal of debris/dead livestock..\$.....
- restoration..\$.....

*You will need to provide quotes or estimates.*

4a. What was the actual cost of:

- clean-up..\$.....
- removal of debris/dead livestock..\$.....
- restoration..\$.....

*You will need to provide receipts or tax invoices*

5a. Is the business or parts of the business covered by insurance?

Yes ☐ No ☐*If yes, please provide details of your insurance coverage below.*

Name of your insurance company.....

Address of your insurance company.....

Type of insurance policy.....

Policy number.....

6a. Has a claim for insurance as a result of [insert name of event] been made?

Yes ☐ No ☐

If yes, has a decision been made?..... If yes, what was the result of the claim?.....

If no, provide details why an insurance claim has not been lodged.....

---

### **Part C - Statement**

#### **7a. Your statement**

**I declare that:**

- the information provided in this form is correct
- I have made a claim for insurance where eligible, or insurance has been refused or the payout does not cover all costs, and proof of this is attached, or will be provided.

**I understand that:**

- deliberately giving false or misleading information is a serious offence
- [xxxx or Centrelink] can make relevant enquiries, including contacting your insurance company(s) to ensure I receive my correct entitlement
- any overpayment will be recovered
- personal information is protected and can be given to someone else where state/territory or Commonwealth legislation requires or where I give permission
- statistics may be collected and analysed in such a way as to protect your anonymity.

Signed.....

Name.....

Date.....

---

### **Part D - Consent for release of information**

#### **8a. Consent for release of information**

I have lodged a claim with [xxxx or Centrelink] for a recovery grant for primary producers in relation to [insert name of event].

To allow this claim to be assessed, I authorise the release of information by relevant authorities, including Commonwealth, state/territory or local authorities to [xxxx or Centrelink] relating to damage to my business caused by [insert name of event] and being claimed for in this form.

Signed.....

Name of claimant.....

Date.....





## ATTACHMENT A

**DETERMINING A *BONA-FIDE* BUSINESS/PRIMARY PRODUCTION OPERATION**

The following is a listing of some key indicators for guidance in determining the legitimacy of a business/primary production operation (business). These indicators are derived from Australian Taxation Office Taxation Ruling *Income Tax: Am I carrying on a business of primary production?* (TR 97/11).

It is the intention that no one indicator listed below is decisive and that indicators are considered collectively. Whether an activity is characterised as a business depends on the 'large or general impression gained' from looking at all of the indicators, and whether these factors provide the operations with a 'commercial flavour'. The weighting to be given to each indicator may vary from case to case.

**Note:** For examples concerning the application of these indicators please refer to the ATO Taxation Ruling 97/11.

**Does the activity have a significant commercial purpose or character?**

This indicator is a generalisation drawn from the interaction of other indicators listed below. A way of establishing that there is a significant commercial purpose or character is to compare the activities with those of an operation which is carrying on a similar activity that is considered a *bona-fide* business. Any knowledge, previous experience or skill of an individual in the activity, and any advice taken by them in the conduct of the business should also be considered but are not necessarily determinative.

Evidence suggesting significant commercial purpose may include:

- a business plan
- conducted research into the activity. Where an individual is not an expert, they have sought expert advice from the relevant authorities and obtained technical literature concerning the activity. This research should also confirm what profits can be expected based on the market prospects, the expected level of production and the running costs of the business
- considered whether there is a market for their product and looked into potential markets for the product (the individual is more likely to be regarded as carrying on a business if they sell in a commercial market instead of casual sales to relatives, friends or the public);
- investigated properly the capital requirement of the venture and has a plan that shows how that capital will be obtained and used
- ensured that the size and scale of the activity is sufficient for a commercial enterprise;
- complied with any legal requirements (i.e. the individual has obtained any necessary licences, permits and registrations required to operate on a commercial level or can show that these requirements can and will be complied with at the appropriate time, e.g. at the time that produce becomes available for sale)
- an intention to make a profit. This could be shown by a business plan. Further, the individual should have a reasonable belief that the activity is likely to generate a profit.

**Does the taxpayer have more than a mere intention to engage in business?**

For this indicator, a mere intention to carry on a business is not enough. This intention must also be coupled with activity. For example, steps have been taken to commence/undertake business such as registering the business or the ordering of goods. This could include the preparatory or preliminary activities which are the precursors of a *bona-fide* business.

**Is there an intention to make a profit or a genuine belief that a profit will be made? Will the activity be profitable?**

It is important that the individual is able to show that the activity can make a profit and is not inherently unprofitable or for the purposes of cost recovery.

Evidence in support of such intention may include:

- prior research into the activity
- consultation with experts or have received advice on the running of the activity and the profitability of it before setting up the business
- a credible business plan that projects future revenue/profits based on commercial realities.

For primary producers in particular, it is not necessary for the primary production activities to make a profit in every year of income in order to classify the activities as a business. An individual may be carrying on a business of primary production even though they are making a small profit or a loss in any given year of income.

Where an individual is carrying on a business and intends to make a profit but the objective evidence is that a profit is unlikely either in the short term or ever, this fact in itself does not necessarily mean that a business is not being carried on. Individuals need to show that the other indicators of a *bona-fide* business are present in sufficient strength to outweigh any objective view that the activity may be inherently unprofitable.

**Is there repetition and regularity in the activity?**

It is often a feature of a business that similar sorts of activities are repeated on a regular basis. The repetition of activities by the same person over a period of time on a regular basis helps to determine whether there is the 'carrying on' of a business.

The taxpayer should undertake at least the minimum activities necessary to maintain commercial function and presence within a market. It may be that there are no minimum levels for this activity. Where there are minimum levels necessary for this activity which the individual fails to maintain, it may be that for a period they have ceased to carry on a business.

**Is the activity of the same kind and carried on in a similar way to that of the ordinary trade?**

An activity is more likely to be a business when it is carried on in a manner similar to that in which other participants in the same industry carry on their activities. In considering this indicator the following factors might be compared with the characteristics of others engaged in the same type of business:

- the volume of sales. If there is a small number of sales it is less likely that a business is being carried on. The volume of sales should be capable of producing a profit at some time. However, allowance is made for droughts, fires and other uncontrollable events which may effect the volume of sales. It is also accepted that in the early stages of an activity, sales may be low
- the types of customers the individual sells their products/services to, wholesalers, retailers, the public at large, or friends or relatives, and the manner in which this marketing takes place
- the sort of expenses incurred by the individual
- the amount invested in capital items
- previous experience of the individual. An individual who does not have any knowledge or experience may be expected to have sought advice from experts. However, it is recognised

that an individual may be a pioneer in the industry. The individual may have conducted research into the activity, decided that the traditional approach is wrong. They may be trying to conduct the activity with a view to profit in a new but businesslike way

- the activity should also be compared with that of a keen amateur. The sales of a keen amateur may only be a way of obtaining 'new' funds to continue with the personal interest. A keen amateur may have no knowledge or experience of the activity that they intends to enter into; does not seek advice or conduct research; starts the activity; may have difficulty in proving that they are carrying on a business. This will be especially so when the above points add to a general impression that there is no profit motive behind the activity and that there is very little likelihood that the activity will ever be profitable.

#### **Is the activity organised in a businesslike manner?**

A business is characteristically carried on in a systematic and organised manner rather than on an *ad hoc* basis. An activity should generally conform with ordinary commercial principles to amount to the carrying on of a business. The weight that is attached to this indicator will depend on the details of each case. An individual may still carry on a business despite having poor organisational skills.

#### **What is the size or scale of the activity?**

A business should be of a sufficient scale of operation to ensure permanency in a market and a viable bottom line. The larger the scale of the activity the more likely it will be that the individual is carrying on a business. However, this is not always the case. The scale of the activities may be small but still result in more produce than is required for an individual's own domestic needs. Where this is so, and there is also an intent to profit from the activities and a reasonable expectation of doing so, a business may be carried on despite the scale. The smaller the scale of the activity the more important the other indicators become when deciding whether an individual is carrying on a business.

#### **Is the activity better described as a hobby, a form of recreation or sporting activity?**

Often it will be the case that there is a hobby when:

- it is evident that the individual does not intend to make a profit from the activity
- losses are incurred because the activity is motivated by personal pleasure and not to make a profit and there is no plan in place to show how a profit can be made
- the transaction is isolated and there is no repetition or regularity of sales
- any activity is not carried on in the same manner as a normal, ordinary business activity
- there is no system to allow a profit to be produced in the conduct of the activity
- the activity is carried on a small scale
- there is an intention by the individual to carry on a hobby, a recreation or a sport rather than a business
- any produce is sold to friends and relatives and not to the public at large.

Indicators suggesting a <i>bona-fide</i> business/primary production operation	Indicators suggesting a business/primary production operation is NOT being carried on
A significant commercial activity (i.e. activity carried on for commercial reasons in a commercially viable manner)	Not a significant commercial activity
Have a commercial purpose and intention in engaging in the activity (i.e. steps have been taken to commence the establishment process)	No purpose or intention to carry on a business activity
Intention to make a profit from the activity (i.e. expectation of an ongoing financial return based on commercially realistic grounds articulated in business plan)	No intention to make a commercial profit from the activity (i.e. experimental or pilot activities)
Activity has or will have good prospects for profitability (i.e. business plan that projects future revenue/profits based on commercial realities)	Activity neither has nor will have good prospects (i.e. an inherently unprofitable activity, purely cost recovery exercises etc)
Repetition and regularity of activity (i.e. regular income generating activity)	Little or no repetition and regularity of activity (i.e. no regular income generating activity)
Activity carried on in a manner similar to the ordinary trade relating to that activity (i.e. typical of activities 'in the trade')	Activity carried on in an <i>ad hoc</i> manner
Activity organised and carried on in a businesslike manner (i.e. adoption of business principles including systematic record keeping)	Disorganised activity not carried on in normal manner for ordinary business (i.e. records not kept or inadequate)
Sufficient size and scale of activity (i.e. of sufficiently large size and scale to be or be capable of becoming commercially self sustaining, usually based on analysis of financial structure of business, but sometimes size of holding may be indicative that business is of a commercial scale e.g. a banana plantation of 1 hectare or more)	Small size and scale (i.e. of insufficient size and scale to be capable of becoming commercially self sustaining e.g. size and scale only sufficient to meet personal needs of business owner)
Not a hobby, lifestyle, or pursuit of recreational or sporting activity	Limited to hobby, lifestyle, or pursuit of recreational or sporting activity
Existence of a business plan	No business plan
Commercial sales of products	None or limited sales of products (to family or friends)
Possession of business skills and knowledge	Lack of business skills or knowledge

## ATTACHMENT B

## PRIMARY SOURCE OF INCOME

The proceeds of a business may not always be the primary source of income for an owner. However, where an affected business is not the primary source of income (51 per cent) an owner is not eligible to apply if they are the sole **employee of the business** (i.e. sole trader) or a **primary producer**. This is to ensure that assistance is only provided to *bona-fide* commercial operations, in effect excluding a potentially large number of applications from home based 'hobby businesses'.

However there are exceptions where the primary income rule may be waived:

- Primary producers in sectors with long lead times to production.
- Businesses in start-up mode with the intention of being the applicant's primary source of income (>51 per cent) in a relatively short period of time, immediately prior to a natural disaster.
- Businesses that had been an applicant's primary source of income and would have become so again in a relatively short period of time had a natural disaster not occurred.
- Where an applicant makes substantial capital investment (e.g. salary/wages from employment or monies from elsewhere) into building up a business such that it was close to becoming a viable commercial operation immediately prior to a natural disaster event.
- Where a sole trader is operating more than two separate and distinct businesses (e.g. three businesses each providing 33 per cent of sole trader's income).

Each claim should be assessed on a case by case basis.

## ATTACHMENT C

ASSESSING A *BONA-FIDE* PROPERTY RENTAL BUSINESS

When an individual owns rental properties we need to take into consideration the type of property, that is commercial versus residential, look at the structure, scale and mode of operation and then decide if it is comparable to a *bona-fide* business.

Individuals usually buy an investment property for one of two reasons:

- To have an investment which can be paid off through rental and tax allowable deductions, including negative gearing, or to have the property because it is hoped it will provide a significant capital appreciation over the longer term. This type of property purchase is to either provide a tax effective investment, capital investment or to provide a supplementary income. For the purpose of the community recovery package this type of property ownership is regarded as an investment and does not fit within the eligibility criteria for assistance.
- To engage in a commercial business operation to provide a substantial income and which may or may not provide an effective tax deduction. The main reason for this type of property purchase is to provide an income for the owner. The purchase may provide the opportunity for development and an increase in income over time. The income may be to supplement other income or may provide or be intended to provide the customer's sole or primary source of income.

Eligibility for assistance in each case will need to be assessed based on its particular circumstances.

**Examples:**

A customer owns a few houses which he rents out on a permanent basis, with the tenants paying rent directly into his account, and he also organises any maintenance himself. Any work the customer does in relation to the properties would not be regarded as undertaking a commercially viable residential property renting business. Such a customer would normally be regarded as having an investment generating an income stream, and be ineligible for a recovery grant for small business.

A customer owns a large block of flats and has a manager who maintains the occupancy, organises maintenance etc and the business provides the customer with a substantial income. This customer would normally be regarded as having a *bona-fide* residential property renting business and therefore may be eligible for a recovery grant for small business, providing other eligibility requirements are met, such as the business providing the primary source of income.

A customer owns a small commercial property and rents it out to a commercial business, (e.g. a restaurant) the customer collects the rent and organises maintenance. This would be seen as investment only and the customer would be ineligible for a recovery grant for small business. Alternatively, if the customer owned a number of commercial properties and has a full time manager to handle them, or undertakes the management himself taking up to what would normally be equivalent to a full time weekly workload of approximately 35 hours, this would generally be seen as strong evidence the applicant is running a commercial property renting business and would be eligible for a recovery grant for small business, provided other eligibility requirements were met such as the business providing the primary source of income.

Characteristics of a <i>bona-fide</i> property rental business	Characteristics of investment properties
Generally involves regular "hands-on" management activity with the associated costs for maintenance/improvement (more labour intensive than with property investments)	Generally does not involve regular "hands-on" management activity apart from maintenance (compared with hotels/motels which involve significant active management)
Generates regular and substantial income for the owner (may or may not be the primary source of income)	Generally is not an individual's primary source of income, nor likely to become so
Are of a sufficiently large scale that they are commercially self-sustaining or can become so.	Property generates an investment income stream (i.e. supplementary income only)



## ATTACHMENT D

## AUSTRALIAN BUSINESS NUMBERS

Under recovery grants, the general rule is one grant per ABN, with the aim of limiting each grant to a distinct business. However there are exceptions to ensure all *bona-fide* businesses significantly adversely affected received their full entitlement of assistance. A common exception is where there are multiple claims for assistance under a single ABN. To be eligible for assistance, claimants must be able to show:

- that each business claimed for under a single ABN is a *bona-fide* commercially viable business that has sufficient autonomy so that in the event other businesses operating under the same ABN cease to operate, it can continue to operate unencumbered
- where businesses under a single ABN are involved in upstream/downstream operations (i.e. cattle breeding/cattle grazing/cattle slaughtering and butchery operations), each can function as a separate commercial operation as distinct from a number of branches of a single operation.

Some indicative evidence that may support claims for distinct businesses under a single ABN include:

- separate staff
- separate equipment and stock
- separate profit and loss statements
- separate insurance
- separate trading names.

**Example:**

This scenario is particularly common in the primary production sector. Often farm business operations are arranged under a single ABN such that several members of an extended family operate separate properties. Often this involves sharing of staff, resources and rotation of crops between properties. This arrangement is classed as a single business made up of a number of integrated parts, rather than separate businesses each entitled to a recovery grant. In such cases, the particular arrangement of a business under a single ABN (most likely to reduce running and administrative costs) has the unanticipated consequence of limiting the assistance claimable

'DCS-01'



Australian Government  
Department of Transport  
and Regional Services

# Natural Disaster Relief and Recovery Arrangements

## COMMUNITY RECOVERY PACKAGE GUIDELINES

2007

## CONTENTS

INTRODUCTION.....	1
NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS.....	1
COMMUNITY RECOVERY PACKAGE.....	1
COMMUNITY RECOVERY FUND.....	3
RECOVERY GRANTS FOR CHARITIES AND NON-PROFIT ORGANISATIONS.....	5
GUIDELINES FOR ASSESSORS.....	5
INFORMATION FOR APPLICANTS.....	8
APPLICATION FORM.....	10
RECOVERY GRANTS FOR SMALL BUSINESSES.....	15
GUIDELINES FOR ASSESSORS.....	16
INFORMATION FOR APPLICANTS.....	22
ADDITIONAL INFORMATION FOR TIER TWO APPLICANTS.....	25
APPLICATION FORM (TIER ONE).....	27
APPLICATION FORM (TIER TWO).....	31
RECOVERY GRANTS FOR PRIMARY PRODUCERS.....	33
GUIDELINES FOR ASSESSORS.....	34
INFORMATION FOR APPLICANTS.....	39
ADDITIONAL INFORMATION FOR TIER TWO APPLICANTS.....	42
APPLICATION FORM (TIER ONE).....	44
APPLICATION FORM (TIER TWO).....	48
ATTACHMENT A – DETERMINING A BONA-FIDE BUSINESS/PRIMARY PRODUCER OPERATION.....	
ATTACHMENT B – PRIMARY SOURCE OF INCOME.....	
ATTACHMENT C – ASSESSING A BONA-FIDE PROPERTY RENTAL BUSINESS.....	
ATTACHMENT D – AUSTRALIAN BUSINESS NUMBERS.....	

## INTRODUCTION

### Natural Disaster Relief and Recovery Arrangements

The Natural Disaster Relief and Recovery Arrangements provide for the Australian Government to reimburse state and territory governments for a proportion of their expenditure on natural disaster relief and recovery. The Natural Disaster Relief and Recovery Arrangements are administered under a Determination made by the Australian Government Minister for Local Government, Territories and Roads.

The Natural Disaster Relief and Recovery Arrangements cover eligible natural disasters which may include any one, or a combination of the following: bushfire, earthquake, flood, storm, cyclone, storm surge, landslide, tsunami, meteorite strike or tornado.

See: [www.dotars.gov.au](http://www.dotars.gov.au) to download a copy of the Natural Disaster Relief and Recovery Arrangements Determination.

The Natural Disaster Relief and Recovery Arrangements Determination lists as general conditions for Australian Government assistance that, in adopting eligible measures, the state must observe the general intention that:

- (a) assistance is not to supplant, or operate as a disincentive for, self-help by way of either commercial insurance or appropriate strategies of disaster mitigation; and
- (b) so far as practicable, assistance is to be designed to achieve an efficient allocation of resources.

### Community recovery package

The Natural Disaster Relief and Recovery Arrangements Determination provides for shared funding of the community recovery package where a community is severely affected by a natural disaster event, and where there is joint Commonwealth and state/territory government agreement to trigger the package following consideration of the impact of the disaster.

Any modifications to the amounts or eligibility criteria as detailed in the community recovery package must be pre-agreed with the Department of Transport and Regional Services.

The Australian Government, through the Department of Transport and Regional Services, reserves the right to hold membership on any panel, committee or board that has delegation regarding the distribution of package funding.

Any one or a combination of three assistance measures available under the package can be implemented to address longer term holistic community recovery following a severe natural disaster event. Assistance offered under the package is additional to the standard suite of measures available under the Natural Disaster Relief and Recovery Arrangements.

Assistance measures available under the community recovery package include:

1. A community recovery fund to restore social networks, functioning and community facilities. Expenditure is aimed at community recovery, community development and community capacity building for the future;
2. Recovery grants for small businesses; and
3. Recovery grants for primary producers.

The documents that form part of this package have been prepared to provide state and territory governments with a set of measures "on the shelf" which can be quickly and seamlessly modified to the specific natural disaster event when the need arises. Some aspects

of the package are by necessity prescriptive, including upper payment limits and taxation treatment.

This document forms Guideline 4/2007 of the Natural Disaster Relief and Recovery Arrangements Determination.

'DCS-02'



Australian Government  
 Attorney-General's Department  
 Emergency Management Australia

08/14633

30 June 2010

Mr Jim McGowan  
 Director-General  
 Department of Community Safety  
 GPO Box 1425  
 BRISBANE QLD 4001

Attention: Michael Shapland

Dear Mr McGowan

**2010-11 Natural Disaster Relief and Recovery Arrangements expenditure thresholds**

I am writing to advise Queensland's expenditure thresholds and the small disaster criterion to apply under the Natural Disaster Relief and Recovery Arrangements (NDRRA) in 2010-11.

Thresholds

Under the NDRRA Determination 2007, state and territory thresholds are calculated annually as a percentage of total general government sector revenue in the financial year two years prior to the current financial year.

According to the Australian Bureau of Statistics, Queensland's total general government sector revenue in 2008-09 was \$37.008 billion. In accordance with the formula specified in the NDRRA Determination, Queensland's thresholds for 2010-11 are as follows:

1<sup>st</sup> Threshold (0.225 % of state revenue) — \$83,268,000

2<sup>nd</sup> Threshold (1.75 x 1<sup>st</sup> Threshold) — \$145,719,000

Small disaster criterion

The small disaster criterion will remain at \$240,000, per event, for 2010-11.

If you have any queries, please contact Michael Merriman on

Yours sincerely

Kevin Rheese  
 Director, Relief and Recovery  
 Emergency Management Australia

'DCS-03'

# NATIONAL PARTNERSHIP AGREEMENT FOR NATURAL DISASTER RECONSTRUCTION AND RECOVERY



An agreement between

- the Commonwealth of Australia and
- the States and Territories, being:
  - ◆ The State of Queensland

This Agreement will contribute to the reconstruction and recovery of communities affected by the 2010-11 floods and Tropical Cyclone Yasi.

# National Partnership Agreement for Natural Disaster Reconstruction and Recovery

INTERGOVERNMENTAL AGREEMENT  
ON FEDERAL FINANCIAL RELATIONS

## PRELIMINARIES

1. This National Partnership Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements.
2. Given the scale of the 2010-11 floods and Tropical Cyclone Yasi (Cyclone Yasi), and the significant costs as a result, the Commonwealth Government is providing support for reconstruction and recovery of the communities affected. This includes providing a \$2 billion advance payment to the Queensland Government under the Natural Disaster Relief and Recovery Arrangements (NDRRA), to be paid in the 2010-11 financial year against the Commonwealth's obligations under the NDRRA.
3. In entering this Agreement, the Commonwealth and the relevant States acknowledge that primary responsibility for the protection of life and property in response to a natural disaster lies with the States. The States also acknowledge the need to ensure that a strategic approach is taken to reconstruction and recovery efforts, incorporating the principles of local input, and leverage effort across all three tiers of government and the private and not-for-profit sectors.
4. The key mechanism for the Commonwealth to support the States following a natural disaster is the NDRRA. This Agreement is intended to further strengthen and complement the governance and accountability provisions of the NDRRA by setting out:
  - (a) the objectives and outcomes sought through reconstruction and recovery efforts;
  - (b) the governance arrangement for the Commonwealth and the States to work together in the reconstruction and recovery effort;
  - (c) the roles and responsibilities of the Parties, including the Australian Government Reconstruction Inspectorate, which is responsible for the oversight of the reconstruction and recovery effort; and
  - (d) the arrangements for both reporting on, and the auditing of the expenditure devoted to, the reconstruction and recovery effort.
5. This Agreement will be implemented consistently with the objectives and outcomes of all National Agreements and National Partnerships agreed by the Parties. In particular, the Parties are committed to addressing the issue of social inclusion, including responding to Indigenous disadvantage (for example, the reform commitments provided in the National Indigenous Reform Agreement) and those commitments are embodied in the objectives and outcomes of



this Agreement. This Agreement will also be implemented consistently with the National Strategy for Disaster Resilience agreed by the Parties.

## PART 1 – FORMALITIES

### Parties to this Agreement

6. This Agreement is between the Commonwealth of Australia (the Commonwealth) and Queensland, and any other State or Territory that becomes a party to the Agreement.

### Term of the Agreement

7. This Agreement will commence as soon as the Commonwealth and one other Party signs the Agreement and will expire on 30 June 2014, or on completion of the projects outlined in the Schedules, including acceptance of final performance reporting and processing of final payments against project milestones. The Agreement may be terminated earlier or extended as agreed in writing by the Parties.

### Enforceability of the Agreement

8. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

### Delegations

9. Commonwealth Ministers with portfolio responsibility for reconstruction and recovery, or their delegates, are authorised to agree Schedules, including Implementation Plans, to this Agreement. The Ministers or their delegates are also authorised to agree any amendments to Schedules on behalf of the Commonwealth.
10. Respective State Ministers with portfolio responsibility for reconstruction and recovery, or their delegates, are authorised to agree Schedules, including Implementation Plans, to this Agreement. The respective Ministers or their delegates are also authorised to agree any amendments to Schedules on behalf of their State.

### Interpretation

11. For the purposes of this Agreement, the definitions of terms such as "floods" and "flood-affected communities", as they apply to each State, are set out in the Schedules to this Agreement.
12. For the purposes of this Agreement:
  - (a) "natural disaster recovery work plan" means the collection of projects developed by the States, and agreed with the Commonwealth, for reconstruction and/or recovery following the 2010-11 floods and Cyclone Yasi. The natural disaster recovery work plan for each State will be attached in a Schedule to this Agreement.

## PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS

### Objectives

13. This Agreement will contribute to the reconstruction of communities which were affected by the 2010-11 floods and Cyclone Yasi.

### Outcomes

14. This Agreement will contribute to the following specific outcomes in flood or cyclone affected communities:
  - (a) repair of damage to essential public assets as a result of the floods or Cyclone Yasi;
  - (b) replacement or restoration of essential public assets;
  - (c) support for the recovery of communities and local economies severely affected by the floods or Cyclone Yasi; and
  - (d) assisting communities to be more resilient for future disasters, in keeping with the objectives of the NDRRA and the National Strategy for Disaster Resilience.

### Outputs

15. Each State that is party to this Agreement agrees to prepare a Natural Disaster Recovery Work Plan which will identify a set of specific projects to assist with reconstruction and/or recovery in their State. These projects will target the following priority areas:
  - (a) reconstruction: supporting communities to rebuild essential public assets;
  - (b) people and communities: assistance and services to support individuals and communities to manage their own recovery; and
  - (c) the economy: recovery packages to support business and employment in flood and cyclone affected areas.
16. The Natural Disaster Recovery Work Plans should build on the planning work undertaken by Regional Development Australia (RDA) committees and local governments to ensure a strategic approach to reconstruction and recovery efforts, incorporating the principles of local input and leverage across all three tiers of government as well as the private and not-for-profit sectors.
17. The Natural Disaster Recovery Work Plans should be developed consistently with the Principles Related to Proposals for Additional Natural Disaster Assistance, set out in a Schedule to this Agreement.
18. The Natural Disaster Recovery Work Plans will be agreed between the States and the Commonwealth and attached to this Agreement as Schedules. States will be responsible for monitoring and reporting on progress against their Work Plans. The Commonwealth and a State may agree to amend a Work Plan to reflect changed circumstances as necessary.

## PART 3 — ROLES AND RESPONSIBILITIES OF EACH PARTY

19. To realise the objectives and commitments in this Agreement, the Commonwealth and each State has specific roles and responsibilities, as outlined in the Schedules to this Agreement. In general terms, the role of the Commonwealth and the States are outlined below.

### Role of the Commonwealth

20. The Commonwealth agrees to be accountable for the following roles and responsibilities:
- (a) providing a financial contribution in respect of its obligations under the NDRRA to the States to support the implementation of this Agreement;
  - (b) developing the Schedules to this Agreement in consultation with the States;
  - (c) auditing the performance of bodies directly involved in the expenditure of NDRRA funding for flood or cyclone reconstruction and recovery activities; and
  - (d) monitoring and assessing performance in the delivery of activities under this Agreement to ensure that outputs are delivered and outcomes are achieved within the agreed timeframe.

### Role of the States

21. The States agree to be accountable for the following roles and responsibilities:
- (a) developing the Schedules to this Agreement in consultation with the Commonwealth;
  - (b) providing relevant information and documentation to the Commonwealth necessary to track the use of NDRRA funding from its source to the point of final expenditure and/or final recipient;
  - (c) delivering on outcomes and outputs assigned to the States for implementation; and
  - (d) monitoring and assessing performance in the delivery of activities under this Agreement.

### Shared roles and responsibilities

22. The Commonwealth and the States share the following roles and responsibilities:
- (a) participating in consultations as appropriate regarding the implementation of this Agreement;
  - (b) negotiating new or revised Schedules, including Implementation Plans, to this Agreement; and
  - (c) conducting evaluations and reviews of services and outputs delivered under this Agreement.

23. The Parties will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under an Implementation Plan, and that the roles of both Parties will be acknowledged and recognised appropriately.

#### PART 4 – PERFORMANCE MONITORING AND REPORTING

24. The NDRRA is the primary mechanism for the Commonwealth to provide funding to the States for flood and cyclone reconstruction and recovery efforts. Under the NDRRA, States and Territories are required to provide independently-audited financial statements to support any claim under the NDRRA, including the requirement to substantiate spending against any advance payments. These statements are to be audited by the Auditor-General of that State, consistent with NDRRA guidelines.
25. Under this Agreement the parties agree to meet the key performance reporting requirements and project milestones for the projects specified in the Schedules to this Agreement. The States agree to report monthly to the Commonwealth through the Commonwealth Minister nominated as responsible for oversight of flood and cyclone reconstruction and recovery. Reports will cover:
- (a) progress against Natural Disaster Recovery Work Plans and in meeting project milestones and outcomes as specified in the Schedules;
  - (b) progress with expenditure under the NDRRA, including advice on the level of expenditure in key areas of the reconstruction effort;
  - (c) revisions to estimates of costs; and
  - (d) progress against the strategic plans of each affected community, including the extent to which milestones are being achieved and what additional funding is being leveraged.
26. Given the large quantum of Commonwealth funding involved in the floods and cyclone reconstruction and recovery effort, the public is likely to expect an even higher standard of transparency and assurance that funds are being used appropriately.
27. The parties recognise that each jurisdiction's Auditors-General have the responsibility for auditing all public sector entities, including departments, statutory bodies and local governments within that jurisdiction. The Commonwealth Auditor-General will explore with the relevant Auditor-General in each State an agreed audit plan that would provide the capacity for Commonwealth funding under the National Partnership Agreement and the NDRRA to be audited from its source to the point of final expenditure and/or final recipient through a complementary approach to performance audits. The audit plan will determine the scope, timing and frequency of any audits relating to Commonwealth expenditure.
28. The parties also agree that the State Auditor-General will provide the audit findings, and the basis for those findings, to the Commonwealth Auditor-General for audits conducted in line with the agreed audit plan.

## PART 5 – FINANCIAL ARRANGEMENTS

29. The Commonwealth will provide financial assistance to the States for flood and cyclone recovery and reconstruction activities as provided for under the provisions of the NDRRA. This includes an advance payment of \$2 billion to be paid to Queensland in the 2010-11 financial year under the Commonwealth's obligations under the NDRRA.
30. Any new proposals for assistance (for example, falling under Category D of the NDRRA, or non-NDRRA items) will need to be proposed to the Prime Minister, accompanied with business cases demonstrating value-for-money. Proposals should be consistent with the Principles Related to Proposals for Additional Natural Disaster Assistance, set out in a Schedule to this Agreement. The Commonwealth will consider any such proposals through normal Cabinet processes.

## PART 6 – GOVERNANCE ARRANGEMENTS

### Ministerial oversight

31. The governance arrangements in this Agreement aim to:
  - (a) ensure that the Commonwealth and States collaborate effectively in the reconstruction and recovery process;
  - (b) establish clear roles and responsibilities for the Commonwealth and States in the reconstruction and recovery process; and
  - (c) identify clear lines of reporting and transparent accountability for outcomes.
32. At both the Commonwealth and State Government levels, Cabinet committees will oversee the recovery effort and report directly to the Prime Minister and State Premiers respectively.
  - (a) The Commonwealth National Disaster Recovery Cabinet Sub-Committee will report on progress to the Prime Minister.
  - (b) State Cabinet Committees will report on progress to Premiers.
33. The Commonwealth Minister for Regional Australia, Regional Development and Local Government, as Deputy Chair of the National Disaster Recovery Cabinet Sub-Committee, will continue to be responsible for coordination of Commonwealth Ministerial involvement in flood and cyclone recovery and reconstruction efforts in affected States other than Queensland.
34. With respect to Queensland, the Commonwealth Minister Assisting the Attorney-General on the Queensland Floods Recovery will coordinate Commonwealth Ministerial involvement in Queensland flood and cyclone recovery efforts. This includes the Minister participating in the Queensland Flood Recovery Cabinet Committee to facilitate good communication between Queensland and Commonwealth Cabinet Committees.

### Australian Government Reconstruction Inspectorate

35. The Commonwealth will establish an Australian Government Reconstruction Inspectorate (the Inspectorate) to oversee the reconstruction activity to provide assurance that value for money is being achieved in the expenditure of both Commonwealth and State funds during the recovery phase. The Inspectorate will:

- (a) report to the Prime Minister;
  - (b) work closely with the established processes within state agencies and provide an additional level of check and balance for the expenditure of funds; and
  - (c) not replicate the function or responsibilities of decision-making or statutory bodies such as the Queensland Reconstruction Authority or the Commonwealth or State Ombudsmen or Auditors General.
36. The Inspectorate will perform its functions by:
- (a) working collaboratively with any reconstruction agency on the development of contractual frameworks, tendering processes and project management systems used;
  - (b) where necessary, undertaking scrutiny of requests for reimbursement by local government for projects completed for the purposes of reconstruction;
  - (c) undertaking scrutiny of contracts and benchmark prices, to ensure value for money;
  - (d) undertaking scrutiny prior to execution for complex or high value contracts;
  - (e) monitoring achievement against agreed milestones; and
  - (f) responding and investigating complaints or issues raised by the public.
37. Membership of the Inspectorate would be matter for the Commonwealth to determine, but would include:
- (a) a Chair with extensive experience of public sector management and decision-making;
  - (b) a senior audit partner from a major accounting firm;
  - (c) independent member(s) with private sector expertise and relevant experience; and
  - (d) the Secretary of the Australian Government Department of Finance and Deregulation (DoFD).
38. The Commonwealth will support the provision of expert advice to the Inspectorate, for example in the fields of quantity surveying, construction management and contract law, as necessary through its National Disaster Recovery Taskforce.
39. The Commonwealth will develop operating protocols for the Inspectorate, setting out how the Inspectorate will interact with other Commonwealth and State bodies involved in reconstruction activity, as soon as is practicable after the Inspectorate's establishment. The Commonwealth will consult the States when developing the operating protocols.

### **Commonwealth National Disaster Recovery Taskforce**

40. A Commonwealth National Disaster Recovery Taskforce ('the Taskforce') will be established and located in the Department of Regional Australia, Regional Development and Local Government (DRARDLG). Its work will be guided by a steering committee chaired by the Secretary of the DRARDLG, and include the Secretaries of the Attorney-General's Department, Department of Infrastructure and Transport, DoFD, the Treasury and the Associate Secretary, Domestic Policy, Department of the Prime Minister and Cabinet.

41. The Taskforce will have as its sole focus the oversight and coordination of Commonwealth interests in relation to the recovery and reconstruction efforts regarding the flooding events that took place in late 2010 and early 2011 and Cyclone Yasi. The Taskforce will:
- (a) provide support, including Secretariat services, to the Inspectorate;
  - (b) report to the Minister Assisting the Attorney-General for Queensland Flood Recovery and the Deputy Chair of the Australian National Disaster Recovery Cabinet Sub-Committee;
  - (c) provide the Australian National Disaster Recovery Cabinet Sub-Committee with monthly progress reports on State plans for recovery, including updated estimates of the Commonwealth's liability under the NDRRA;
  - (d) provide the secretariat function for the Business Leaders Taskforce;
  - (e) assess spending on recovery and reconstruction efforts arising from the flooding and cyclone events to ensure consistency with NDRRA;
  - (f) assess requests for Commonwealth funding assistance outside those automatically triggered by a declaration under the NDRRA (including all Category D requests) consistently with the Principles Related to Proposals for Additional Natural Disaster Assistance set out in a Schedule to this Agreement, and advise the Commonwealth Government on these requests; and
  - (g) ensure that a strategic approach is taken to reconstruction and recovery efforts, incorporating the principles of local input, and leverage effort across all three tiers of government and the private and not-for-profit sectors.

### State-specific governance arrangements

42. In addition to the general governance and accountability arrangements set out in this Agreement, State-specific arrangements will be established. Each of these State-specific governance arrangements will be included in the relevant Schedules to this Agreement.

### Dispute resolution

43. Any Party may give notice to other Parties of a dispute under this Agreement.
44. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
45. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.
46. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to the Prime Minister and relevant Premiers.

### Review of the Agreement

47. The Agreement will be reviewed within 12 months of signing, or earlier as agreed by the Prime Minister and the Premier of any Party, and annually thereafter with regard to progress made by the Parties in respect of achieving the agreed outcomes.

### Variation of the Agreement

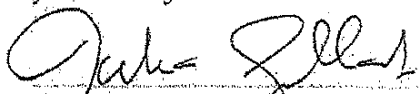
48. The Agreement may be amended at any time by agreement in writing by all the Parties.

49. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.



The Parties have confirmed their commitment to this agreement as follows:

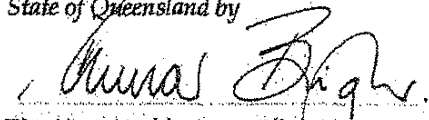
Signed for and on behalf of the Commonwealth  
of Australia by



The Honourable Julia Gillard MP  
Prime Minister of the Commonwealth of Australia

17 February 2011

Signed for and on behalf of the  
State of Queensland by



The Honourable Anna Bligh MP  
Premier of the State of Queensland

24 February 2011

## Schedule A

# PRINCIPLES RELATED TO PROPOSALS FOR ADDITIONAL NATURAL DISASTER ASSISTANCE

(BEYOND EXISTING PROVISIONS OF CATEGORIES A, B AND C OF THE NATURAL DISASTER RELIEF AND RECOVERY ARRANGEMENTS)

## A Framework for the Development and Consideration of Proposals

A1 The following principles are to guide the development and consideration of proposals:

- (a) Ensure that each level of government contributes appropriately to the funding needs, recognising that for large disaster events, the standard NDRRA provisions already provide that the Commonwealth funds the majority of State and local government costs for repairing/replacing eligible assets. Accordingly, a strong case showing the benefit to the Commonwealth and the States should be made, noting that contributions from States and local governments provide good incentives for high priority projects to be identified and, if approved, also provides incentives to obtain value for money in the management of the projects.
- (b) A higher level of government should not provide assistance until the lower level(s) of government have also done so, and their ability to provide further assistance has reached its limits.
- (c) Ensure that the structure of proposals and their funding arrangements do not undermine or distort the obligations on parties for security, business continuity or insurance—accordingly, proposals should not have the effect of providing a disincentive for individuals, businesses and governments to act prudently and responsibly in future.
- (d) Each proposal should demonstrate why it should be regarded as a relative priority for funding — proposals need to show why they are critical to recovery and are unable to be funded in an alternative and more cost-effective or equitable way. In particular, the case should explain why the proposal has not been, or could not be, considered for funding under the standard infrastructure programs of the Commonwealth and State/local governments.

## Information Needed to Support Proposals Which Meet the Above Principles

A2 Taking these principles into account, proposals which are developed should address the following issues where possible:

- (a) Why does the Commonwealth government need to intervene in the way proposed?
  - i. What is the rationale for the proposal — issues to be addressed would include the scope for State and/or local government funding?

(b) What are the options and their pros and cons?

- i. Are they supported by a cost-benefit analysis (or at least a cost-effectiveness analysis)?
- ii. What evidence can be presented that the proposal will be cost-effective, and represents value for money?
- iii. Are they supported by commitments to mitigate future claims of the same kind, for example a commitment for specific improvements in land use policies, zoning rules, etc?
- iv. Has the proposal been, or could it be, considered for funding under another program? If so, why was it not funded or not considered for funding under another program?

(c) What is the fiscal impact of the options?

- i. What is the cost — details of the costing assumptions and the basis for the costing calculations should be provided.

(d) Implementation arrangements

- i. Issues to be addressed may include governance, management of risks and mechanisms to provide assurance on obtaining value for money.

## Schedule B

# Queensland-Specific Governance Arrangements for Reconstruction and Recovery

- B1. This Schedule provides for a number of governance arrangements specific to Queensland in addition to the general governance and accountability arrangements set out in the National Partnership Agreement for Natural Disaster Reconstruction and Recovery (the Agreement).
- B2. For the purposes of this Schedule:
- (a) "Floods" means floods that were declared disasters for which NDRRA assistance was activated from November 2010 to early 2011, which the Bureau of Meteorology's Special Climate Statement 24 has linked with six major rain events that occurred between 28 November 2010 and 15 January 2011; and
  - (b) "flood-affected communities" means communities directly affected by the 2010-11 floods in Queensland as per the NDRRA activations.

## Queensland Reconstruction Authority

- B3. The Queensland Reconstruction Authority (QRA) will:
- (a) lead and oversee Queensland's flood and cyclone recovery operations;
  - (b) develop and implement Queensland's Natural Disaster Recovery Work Plan, identifying specific projects, which will be attached as a Schedule to the Agreement;
  - (c) monitor and assess the performance of the delivery of projects under the Agreement;
  - (d) report to the QRA Board, the Central Agency Steering Committee, the Australian Government Reconstruction Inspectorate and the Queensland Cabinet on the delivery of outcomes as set out in the Work Plan;
  - (e) liaise with the State Disaster Recovery Coordinator and the Commonwealth National Disaster Recovery Taskforce as needed to ensure good integration; and
  - (f) report on performance against the projects set out in Queensland's Natural Disaster Recovery Work Plan.
- B4. To ensure good coordination across levels of government, two Commonwealth representatives will be appointed to the Board of the QRA. One of these will be the Secretary of the Department of Regional Australia, Regional Development and Local Government (DRARDLG). The other member will be nominated by the Commonwealth and will have extensive experience working with States and Territories in large scale implementation projects.

- B5. Members of the QRA will have substantial experience in financial, contractual, engineering and/or large-scale infrastructure projects.
- B6. All board members sitting on the QRA will be indemnified against any legal claims while exercising the Board's functions in good faith.

#### Central Agency Steering Committee

- B7. A Joint Central Agency Steering Committee will be established to ensure the effective collaboration between Commonwealth and State central agencies involved in the reconstruction and recovery effort.
  - (a) This Committee will be chaired by the Director-General of the Queensland Department of Premier and Cabinet.
  - (b) The Commonwealth representative on the Committee will be the Secretary of the Department of the Prime Minister and Cabinet.

#### Queensland Flood Recovery Cabinet Committee

- B8. The Commonwealth Minister Assisting the Attorney-General on the Queensland Floods Recovery will participate in the Queensland Flood Recovery Cabinet Committee to facilitate good communication between the Queensland and Commonwealth Cabinet committees.

'DCS-04'

03/03 2011 18:13 FAX 0262734102

002/006



ATTORNEY-GENERAL  
THE HON ROBERT McCLELLAND MP

The Hon Neil Roberts MP  
Minister for Police, Corrective Services and Emergency Services  
Level 24, State Law Building  
50 Ann Street  
BRISBANE QLD 4000

Dear Minister

I am writing to advise you of the details of the Prime Minister's announcement today regarding amendments to the Natural Disaster Relief and Recovery Arrangements (NDRRA). These amendments will require State and Territory Governments wishing to be covered by the NDRRA to have independent assessments of their insurance arrangements with these assessments reviewed by the Commonwealth Department of Finance and Deregulation.

As you are aware, the NDRRA has provided a comprehensive national framework for disaster relief and recovery financial assistance for over 30 years. A key purpose of the NDRRA is to alleviate the significant financial burden placed on States and Territories by disaster events and to facilitate the early provision of emergency assistance to disaster affected communities. The NDRRA is also underpinned by the principles of accountability, self-help and disaster mitigation.

The Commonwealth remains committed to providing financial assistance to States and Territories to ensure disaster affected communities receive the support and assistance they require under the NDRRA. However, the Commonwealth considers the State and Territory Governments also have a responsibility to explore all reasonable options for minimising the assistance required under the NDRRA. More specifically, the NDRRA Determination 2007 sets out 'general principles' to be observed by States and Territories in regard to the NDRRA including the general policy under paragraph 4.1 that

- a State's assistance is not to supplant, or operate as a disincentive for, self-help by way of either insurance or appropriate strategies of disaster mitigation; and
- as far as practicable, a State's assistance is to be designed to achieve an efficient allocation of resources.

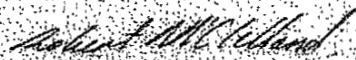
To clarify how States will comply with these general principles I have developed a Guideline requiring States and Territories to have reasonably adequate capital or access to capital to fund liabilities or infrastructure losses before being granted access to funds under the NDRRA. The Guideline also covers the mechanisms through which the adequacy of these arrangements will be assessed.

Pursuant to paragraph 9.1(a) of the NDRRA Determination 2007, I have asked the Secretary of my Department to formally issue the guidelines, a draft copy of which is attached.

03/03 2011 18:13 FAX 0262734102

003/006

I look forward to continuing to work closely with you to build resilience in our communities  
and mitigate the impact and cost of future disasters.  
Yours sincerely



Attorney General

03/03/2011 18:13 FAX 0262734102

004/008

### NDRRA Guideline

1. The Australian Government provides funding through the Natural Disaster Relief and Recovery Arrangements (NDRRA) to States and Territories (States) to help pay for natural disaster relief and recovery costs.
  2. A fundamental principle of the current arrangements is that they should not be seen as a disincentive to plan, mitigate or allocate resources for natural disasters nor discourage governments, individuals or businesses taking out insurance to protect their assets.
  3. The Australian Government (Commonwealth) will amend the NDRRA Determination to ensure that the arrangements complement the National Strategy for Disaster Resilience, and other strategies in relation to natural disasters, such as insurance and disaster mitigation planning and implementation.
  4. States wishing to be covered by the NDRRA would be required to have independent assessments of their insurance arrangements undertaken by an independent and appropriate specialist (such as the State Auditor-General), to publish the outcome of such assessments, taking into consideration the need to protect any commercial in confidence material, and provide such assessments to the Commonwealth. The first independent assessment must be completed by 30 September 2011. Each State would be required to be assessed both (i) at intervals no greater than three years apart; and (ii) following any significant change in the State's insurance arrangements (including any reduction in the policy limit purchased), or a major insurable disaster occurring in the State. The Government will amend the NDRRA Determination to include such a requirement.
  5. States must have reasonably adequate capital (as measured in relation to the benchmarks established under clause 6) or access to capital to fund liabilities or infrastructure losses before being granted access to funds under this Determination, including through, but not limited to, the following mechanisms:
    - a. Commercial insurance/reinsurance;
    - b. Any State-COAG reinsurance fund or pool; and
    - c. State department premium contributions (internal State funds).
  6. The Commonwealth Attorney-General will request the Department of Finance and Deregulation (DoFD), utilising such external or actuarial expertise required in order to ensure a full and rigorous assessment, to review the independent assessments submitted by the States, to:
    - a. Establish benchmarks for the appropriateness of each States' insurance arrangements;
    - b. assess the appropriateness of States' insurance arrangements, including the adequacy of States' responses to recommendations made under paragraph 9; and
    - c. make recommendations as to differential thresholds or differential rates of assistance that should apply under the Determination depending on the appropriateness of individual State's insurance arrangements.
- Any review will involve consultation with relevant States.



03/03 2011 18:14 FAX 0262734102

005/006

7. Each review will be guided by the following principles:

- a. States have a responsibility to put in place insurance arrangements which are cost effective for both the State and the Commonwealth;
- b. The financial exposure borne by taxpayers (at both levels of Government) under the NDRRA Determination should be minimised;
- c. The onus is on States to explore a range of insurance options in the market place and assess available options on a cost-benefit basis.

8. Each review will include examination of matters such as the following:

- a. the nature of any insurance/reinsurance sought and offered;
- b. the amounts of any premiums and excesses;
- c. the events and extent of assets covered;
- d. the amount covered per event;
- e. maximum possible loss;
- f. reinstatement terms;
- g. claims experience; and
- h. any related matters.

9. The outcome of DoFD's report of each review will be published within 90 days of receipt of any State's assessment (taking into consideration the need to protect any commercial-in-confidence material). The Commonwealth Attorney-General will consider the full report provided by DoFD, and may make recommendations to the States in light of the report. Any recommendation made by DoFD about (i) the appropriateness of a particular State's insurance arrangements or (ii) differential thresholds or differential rates of assistance that should apply, will be passed on to the relevant State. If the Commonwealth Attorney-General does not accept any of the recommendations in the report, the Attorney-General will table a statement in the Parliament explaining the grounds for rejecting the recommendation.

10. Each State will be responsible for responding appropriately to any recommendations made by the Commonwealth Attorney-General and taking any appropriate remedial action within a reasonable period specified by the Attorney-General, which is not longer than 6 months.

11. The Commonwealth Attorney-General may request additional information from States as needed, including at the request of DoFD. Such information may include, but is not limited to, details of insurance proposals or offers that have been made by the private sector.

12. In the event that the Commonwealth Attorney-General recommends changes to a State's insurance arrangement, and the State has failed to take appropriate action within a reasonable time in response to that report, then the amount that States would be reimbursed under the NDRRA will be reduced in accordance with the above principles. The Commonwealth Attorney-General will advise the State in writing of his/her final decision (including any decision not to reduce the rate of assistance provided), which will be published within 14 days.

03/03 2011 18:14 FAX 0262734102

005/006

13. The NDRRA Determination will be amended to incorporate any decision by the Attorney-General to reduce the level of the Commonwealth contribution to a State, to reflect shortcomings identified in any review.

14. Amendments to the NDRRA Determination will not apply retrospectively or to past insurable incidents.

15. The Commonwealth Government will ask the Commonwealth Auditor-General to periodically conduct audits, at intervals of no greater than 3 years, that assess the adequacy of the Australian Government's responsibilities under the NDRRA, including determining whether the process is appropriately transparent, with a best practice approach to determining when material is commercial-in-confidence.