

NDRRA – Day labour, plant and equipment

For events activated under the *Natural Disaster Relief and Recovery Arrangements (NDRRA) Determination 2017*.

The Queensland Reconstruction Authority (QRA) administers Queensland's delivery and acquittal programs for eligible events, up to and including **31 October 2018**, activated under the Australian Government's NDRRA Determination 2017.

Day labour

Under the Determination, day labour is seen as ordinary cost of salaries and wages of local government employees carrying out eligible works.

Ordinary costs are those a local government would have incurred whether the event had happened or not, and are considered ineligible.

Extraordinary costs associated with eligible NDRRA works are eligible under the Determination, e.g. overtime and allowances for local government employees or temporary contractor costs engaged in eligible works.

Plant and equipment

The Determination specifies that only extraordinary costs associated with a local government's use of its internal plant to undertake eligible NDRRA works are eligible for reimbursement.

Extraordinary costs include:

- ✓ operation and consumables (e.g. consumables such as fuel, oil, grease)
- ✓ vehicle, plant or equipment repairs (not covered by insurance)
- ✓ additional servicing required as a direct consequence of undertaking the eligible activity.

Temporary exemption

The Australian Government has approved a temporary exemption for Queensland for both day labour and plant and equipment, allowing the reimbursement of actual day labour and plant and equipment costs associated with eligible NDRRA Restoration of Essential Public Assets (REPA) and Emergent works.

This exemption allows local governments to be reimbursed for these costs for events from **1 July 2013 to 31 October 2018**, where value for money can be demonstrated for all levels of government.

Note: The temporary exemption applies to costs associated with council employees and plant engaged in eligible REPA works and REPA Emergent works, where value for money is demonstrated. The exemption does not apply to day labour and plant costs associated with delivery of Counter Disaster Operations.

Checklist: Seeking reimbursement for costs of day labour and plant

Councils seeking to be reimbursed for costs of day labour and plant are required to:

- complete a Day Labour, Plant and Equipment application form advising QRA which of its works will be delivered by council labour or internal plant
- demonstrate value for money when claiming reimbursement of the cost of day labour hours attributable to REPA or Emergent works
- make a day labour contribution to their total program, capped at 10 per cent of the council rate/utility base (Indigenous councils with no rate base will not be required to contribute).

Council day labour applications or claims will be assessed by the QRA in line with the Determination.

Extraordinary costs of overtime, allowances, temporary employment costs/consultants fees are eligible under the Determination and should be excluded from day labour claims and submitted as usual.

Temporary day labour exemption requirements

The Australian Government has applied the following criteria/conditions:

- ✓ the exemption is limited to costs of local government day labour, plant associated with undertaking REPA and REPA Emergent works on event damaged eligible essential public assets (excludes Counter Disaster Operations)
- ✓ the exemption applies to eligible NDRRA events occurring in 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 financial years only and 1 July 2018 – 31 October 2018
- ✓ Value for Money (VfM) outcomes for all levels of government from the use of day labour and plant, must be demonstrated by local governments claiming reimbursement under the exemption
- ✓ where a local government is unable to demonstrate value-for-money outcomes from the use of day labour and plant, the normal exclusion of day labour costs under the Determination will apply.

The Queensland Government:

- ✓ will permit an Australian Government-appointed independent assessor to:
 - assess the effectiveness of Queensland Government's Local Government Value for Money Pricing Model to ensure audit and assurance conditions governing day labour are appropriate and achieve VfM outcomes for all levels of government, and
 - audit and assure any state and local government claims for expenditure related to day labour.
- ✓ will permit Australian Government and/or the independent auditor to access all records and documents necessary for the performance of the above tasks
- ✓ will exercise its own powers to request records and documents from local governments at the request of Australian Government and/or the independent auditor
- ✓ will implement any recommendations made by Australian Government and/or independent auditor.
- ✓ will, in using day labour consider drawing on the pool of job seekers under the Australian Government's 'Remote Jobs and Communities Program' which is designed to support the provision of jobs, participation and community development services in remote regions across Australia.

If a local government is not able to demonstrate VfM outcomes for all levels of government from the use of day labour, the normal exclusion of day labour costs under the Australian Government Determination 2017 will apply.

If the Queensland Government fails to cooperate fully with these conditions, the Australian Government has the discretion to withhold day labour funding and/or terminate the exemption.

For more information

Please email progressreporting@qldra.org.au if you have any queries about claiming reimbursement of expenditure. If these timeframes are unable to be met, please discuss this with your Regional Liaison Officer (RLO).

Where there are (unintended) inconsistencies between these tip sheets, the Australia Government NDRRA Determination 2017 and the Queensland Disaster Relief and Recovery Guidelines, the Australia Government NDRRA Determination will prevail.