

Fact Sheet

Essential Public Assets re-damaged by a subsequent event

December 2025

This fact sheet is for local councils and NSW state agency asset owners. It explains the process for Essential Public Asset Reconstruction (EPAR) works when an asset is re-damaged at the same location by an eligible event

Key definitions

- Asset owner refers to Disaster Recovery Funding Arrangements (DRFA) 2018 definition of eligible undertaking
- DRFA refers to the Disaster Recovery Funding Arrangements 2018
- Essential public asset refers to eligible transport or public infrastructure asset owned and maintained, or operated and maintained, by an eligible undertaking under DRFA
- Estimated Reconstruction Cost (ERC) refers to approved reconstruction cost for an eligible project when the DRFA C3 control is approved by a suitably qualified professional

What is a re-damaged asset?

Under DRFA, an essential public asset is considered re-damaged when it suffers damage in the same location from a subsequent eligible disaster. In this case, the process outlined in this fact sheet applies (DRFA clauses 7.1.15 – 7.1.19).

Steps for asset owners

If re-damage occurs, asset owners must notify the NSW Reconstruction Authority (RA) as soon as possible.

RA may assess on a case-by-case basis if the cost of re-damaged site works is reasonable and can be covered under contingency in the original Total Upper Limit Grant (TULG) established under Eligible Disaster 1.

In line with the DRFA definition of state expenditure, State and Local Government EPAR ERCs established in accordance with the DRFA, must be recorded against the financial year in which the ERCs have been established.

Four main scenarios for re-damaged assets

Scenario 1: No Estimated Reconstruction Cost (ERC) established under Eligible Disaster 1 (ED1) before re-damage by Eligible Disaster 2 (ED2)

- The asset owner cannot claim any costs under ED1

- No further action is required for ED1
- The asset owner must create a new project under ED2 and establish an ERC for the works to be undertaken as a result of ED2
- The state is only permitted to claim the ERC for ED2 (DRFA Clause 7.1.17).

Scenario 2: ERC was established for ED1, but no expenditure was incurred before ED2.

- The asset owner must notify RA that no expenditure was incurred
- The EPAR project under ED1 must be closed, and RA will reduce the TULG to zero. No claim can be made under ED1.
- RA will update the project information and report it as completed with a revised zero value TULG
- The asset owner must create a new project application under ED2 and establish an ERC for the works required as a result of ED2.
- The state is only permitted to claim the ERC for ED2 in accordance with DRFA Clause 7.1.17.

Scenario 3: ERC established under ED1, and works commenced before ED2

Where expenditure has been incurred for reconstruction works on an essential public asset directly damaged by ED1 and the same essential public asset is re-damaged by ED2, the asset owner must close off the initial project and establish the actual value of the expenditure incurred under ED1 (Clause 7.1.16 under DRFA).

*(Refer Scenario 4 where one EPAR project includes multiple sites).

- The asset owner must collect and reconcile all expenditure incurred up to the date of ED2 and enter it into their accounting system
- All acquittals and relevant information must be submitted to RA, including the finalised actual expenditure
- RA will close the EPAR project under ED1 and reduce the TULG to the actual expenditure incurred before ED2
- RA will update and report the completed project with the actual cost incurred
- The asset owners must create a new project application under ED2 and establish an ERC for the works required as a result of ED2.
- The ERC for the new project must be established within the Allowable Time Limit of 12 months from the end of the financial year in which ED2 occurred.
- The asset owner must maintain evidence showing the difference in expenditure caused by the re-damage for RA submission to the Commonwealth if required (DRFA Clause 7.1.19).

Scenario 4: Multiple sites under one EPAR project following ED1, only some sites re-damaged by ED2

For sites that are re-damaged, the process outlined for Scenario 3 applies. Sites that are not re-damaged should remain under the ERC for ED1.

- If no costs were incurred for the re-damaged sites, the ERC for ED1 will be revised down to remove those sites and associated costs. This will result in a revised ERC for ED1 that includes only the sites and costs where re-damage did not occur.
- If costs were incurred for the re-damaged sites, the ERC for ED1 will be revised down to reflect the actual costs incurred for those sites. A new ERC for ED2 will then be developed to cover the remaining works for the re-damaged sites. This will result in a revised ERC for ED1 that includes unaffected sites and actual costs incurred for re-damaged sites, and a new ERC for ED2 that includes the remaining costs to fully reconstruct the re-damaged sites.

Additional circumstances

If an ERC was established and an Independent Technical Review (ITR) was completed under ED1 and works commenced before ED2, follow the steps in Scenario 3 and then apply for one of the following:

- If a new Total Upper Limit Grant is established and the amount is greater than \$25 million, a new ITR must take place.
- If a new TULG is established and the amount is less \$25 million, an ITR is not required, and works can proceed within the new TULG.

If an ERC was established under ED1 for less than \$25 million and works commenced before ED2, follow Scenario 3 steps and note that if the new TULG is greater than \$25 million, a new ITR must take place.

Emergency Works

If Emergency Works (EW) are required after ED2 to restore public access or make the damaged site safe, these works should be claimed under ED2 as EW, not as part of the new EPAR project.

Insurance

Any insurance payments must be deducted from all EPAR claims. The DRFA is intended to support certain relief and recovery measures delivered by NSW in relation to eligible disasters which complement other state-based strategies, such as insurance and natural disaster mitigation planning and implementation.

Same asset, different location

If a subsequent eligible disaster damages a different part of the same asset that was not included in the Estimated Reconstruction Costs (ERC), this is treated as a new project. The new damaged section must be set up as a new Essential Public Asset Reconstruction (EPAR) project in the appropriate Program of Works year that applies to the disaster event.

In this situation, the normal time limit for establishing an ERC applies, and the ERC for the new damage is treated as completely separate from the original ERC.

For example, if one section of a road is damaged by flooding in May 2023, the state has until 30 June 2024 to establish an ERC for that section. If a different section of the same road is damaged by flooding in August 2025, the state has until 30 June 2027 to establish an ERC for the new section.

Disaster evidence to support a re-damaged asset

Under the DRFA Clause 6.2, asset owners must provide evidence that shows the exact location, nature and extent of damage to an essential public asset.

When a site is damaged again in the same location, the following evidence is required to support the re-damage and the Estimated Reconstruction Cost for the Essential Public Asset Reconstruction (EPAR) project:

- Asset pre-disaster condition evidence

The asset must be restored to the condition it was in before any eligible disaster damage occurred. Evidence should show the condition of the asset before ED1. For state-owned assets, this evidence must be within 2 years prior before ED1. For council-owned assets, it must be from within 4 years before ED1.

- Asset re-damage evidence

Evidence must confirm the impact of ED2 and show that the asset was damaged again in the same location as the damage from ED1.

- Works completion evidence

Evidence must show the works completed and actual costs incurred for EPAR projects closed under ED1 (if applicable), as well as evidence of works completion for reconstruction following ED2.

Administrative process

If the state has submitted its audited claim to the Commonwealth for the Program of Works year in which the ERC was established for ED1, the state must report any expenditure adjustments to the National Emergency Management Agency (NEMA) when RA submits quarterly budget reports under clause 5.4 of the DRFA and in the next audited claim (Clause 7.1.18).

RA must remove all re-damaged sites and associated costs (including escalation and contingency) from the original ERC. This means revising the ERC for ED1 so it only includes sites not re-damaged and actual costs incurred for the sites that were re-damaged.

If the ERC for ED1 has not yet been claimed, RA will revise the ERC in the Restoration of Essential Public Assets report and include a comment explaining the adjustment. The revised ERC will then be reflected in the relevant claim.

If the claim for ED1 has already been paid, RA must inform NEMA of the change as a prior year adjustment so the Commonwealth can recover funds that are no longer eligible.

RA will claim the new ERC for ED2 as part of the normal claim process.

Additional information

- NSW Reconstruction Authority Administration of Essential Public Assets Restoration website <https://www.nsw.gov.au/departments-and-agencies/nsw-reconstruction-authority/disaster-recovery-funding-arrangements>
- [NSW Essential Public Assets Restoration Disaster Grant Program Guidelines \(2025\)](#)
- The Australian Government's Disaster Assist website; Disaster Recovery Funding Arrangements (2018) disasterassist.gov.au/disaster-arrangements/disaster-recovery-funding-arrangements