

NSW Reconstruction Authority

NSW Essential Public Assets Restoration Disaster Grant Program Guidelines

December 2025



Acknowledgement of Country

NSW Reconstruction Authority acknowledges the Traditional Custodians of the lands where we work and live. We celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW.

We pay our respects to Elders past, present and emerging and acknowledge the Aboriginal and Torres Strait Islander people that contributed to the development of this guideline.

We advise this resource may contain images, or names of deceased persons in photographs or historical content.

NSW Essential Public Assets Restoration Disaster Grant Program Guidelines

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More information

Information contained in these guidelines should be read with the applicable policy, fact sheets and guidance materials published by the NSW and Australian governments.

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Introduction

Grant program details

Applications under the NSW Essential Public Assets Restoration Natural Disaster Grant Program (program) are subject to an eligible disaster event activation under Disaster Recovery Funding Arrangements (DRFA) 2018 between the NSW and Australian Governments.

Eligible disasters, known as Natural Disaster Declarations (NDD), are listed on the NSW Government website at nsw.gov.au/emergency/recovery/natural-disaster-declarations.

The website also provides details on affected Local Government Areas (LGAs), available assistance and the corresponding Australian Government Reference Number (AGRN) for each disaster.

Grant Name	Essential Public Asset(s)
AGRN and event name	Eligibility and each round of funding is subject to the measure/s and LGAs (or part thereof) activated under the NDD
DRFA category of assistance	Category B (Cat B) Restoration of essential public assets <ul style="list-style-type: none"> • Emergency Works (EW) • Immediate Reconstruction Works (IRW) • Essential Public Asset Reconstruction (EPAR) works
Application dates	Applications will open following the making of a NDD. Closing dates will vary based on the DRFA Cat B sub-category of assistance as outlined in these guidelines
Application outcomes	The NSW Reconstruction Authority (RA) will inform applicants of the outcome of their application. Applicants may be required to submit both an initial and a detailed application, depending on the DRFA Cat B sub-category of assistance
Claims close (for successful applicants)	Claim dates will vary based on the DRFA Cat B sub-category of assistance as outlined in these guidelines
Decision maker	RA Chief Executive Officer (CEO) or their delegate, based on assessment and recommendation from a suitably qualified engineer or quantity surveyor with appropriate financial and program delegation
Funding source agency	Funding for the program is provided by the NSW Government and cost shared with the Australian Government under the DRFA
Type of grant opportunity	Closed, non-competitive
Total program funding	Demand driven
Grant amount	Varies based on the DRFA Cat B sub-category of assistance (see EW, IRW and Total Upper Grant Limits for EPAR works in these guidelines)
Enquiries and support	Reconstructioncoordination@reconstruction.nsw.gov.au

About the program

Program overview

Following the declaration of a disaster, funding assistance may be made available for local councils and NSW Government agencies to restore eligible essential public assets. Category B of the DRFA must be activated to enable restoration of essential public assets. This assistance is managed under the DRFA and should not replace reasonable levels of insurance being in place for essential public assets or appropriate strategies of disaster mitigation, asset maintenance and planning.

The DRFA sets out specific conditions to support recovery funding and programs nationally. These program guidelines describe the NSW Government's arrangements for the restoration of essential public assets that have been directly damaged by eligible disasters under Cat B of the DRFA.

RA is responsible for managing the administration of the DRFA for NSW and compliance with state policy and legislation, including the [*Grants Administration Guide 2024*](#).

These guidelines assume that local councils have opted in to the NSW Government's Day Labour Co-Funding Arrangements. Opt-in arrangements do not apply to NSW Government agencies. For councils that have not opted in to the Day Labour Co-Funding Arrangements, several exceptions to these guidelines will apply as outlined in Appendix A.

These guidelines give an overview of the program's administration and funding arrangements and should be read in conjunction with the related information outlined in Appendix B to understand all requirements and eligibility.

Purpose

Eligible disasters often result in large-scale expenditure required in the form of disaster relief, recovery payments and infrastructure restoration. Under the DRFA cost-sharing arrangement between the Australian and NSW Governments, financial assistance is usually in the form of partial reimbursement of actual or estimated expenditure for eligible activities.

When an eligible essential public asset is damaged, a cost-sharing arrangement between the eligible asset owner and RA for the restoration of the damaged asset may be established. RA will work with the asset owner to establish the Total Upper Grant Limit (TUGL) for each project based on the provision of evidence and compliant activities and works.

Under Cat B of the DRFA, there are three sub-categories of disaster assistance for restoration works of essential public assets. These are:

- Emergency Works (EW)
- Immediate Reconstruction Works (IRW)
- Essential Public Asset Reconstruction (EPAR) works.

The NDD specific to each disaster event will outline the disaster assistance measures available for Cate B restoration of essential public assets.

The cost-sharing arrangement between the Australian Government and NSW Government varies in each financial year and is dependent on total eligible NSW Government expenditure in that year.

Under these guidelines, councils must contribute to the total cost to restore damaged essential public assets for each eligible disaster. Further information about cost-sharing arrangements for councils can be found in Appendix A.

Objectives and outcomes

The objectives of the program are to ensure timely recovery for communities impacted by eligible natural disasters by:

- ensuring the restoration of damaged essential public assets that support the normal functioning of disaster impacted communities
- contributing to recovery costs for the restoration of eligible damaged essential public assets; and
- maximising opportunities and compliance under the DRFA.

Type of grant opportunity

This is a closed, non-competitive grant opportunity, as listed in the grant program details.

Delivery of the program

RA administers the program on behalf of the NSW Government and under the terms of the DRFA set by the Australian Government. The National Emergency Management Agency (NEMA) administers the DRFA cost sharing arrangement on behalf of the Australian Government. Eligible recipients under this program are required to meet the conditions set by the NSW and Australian Governments for the restoration of essential public assets.

These guidelines incorporate the relevant requirements of the Disaster Recovery Funding Arrangements 2018 prepared by the Australian Government and any relevant associated guidelines or other explanatory material (Australian Government Document).

If there is any inconsistency between a matter contained in this guideline and an Australian Government Document, the Australian Government Document prevails, unless otherwise advised by RA.

Value for money

A key principle of any grant program is to achieve value for money. This is to ensure that the benefits of the grants are maximised for the people of NSW. Ways in which applicants may contribute to delivering value for money include:

- considering the most efficient and innovative means of carrying out grant activities
- considering how government objectives and the applicant's identified needs can be mutually achieved
- adopting an effective approach to identifying and managing risks
- collaborating with officials in monitoring and evaluation processes.

The program is designed to deliver value for money by providing targeted assistance for the restoration of essential public assets impacted as a direct result of an eligible disaster.

Applicants should consider any self-funded betterment opportunities or alternate solutions that could aid with the reconstruction of resilient infrastructure.

Disaster event activation

Under the DRFA, an event must meet the criteria for an eligible disaster to be officially declared and given an AGRN. The NSW Government decides whether to make a NDD, based on funding availability and other criteria.

An eligible disaster is a disaster event or terrorist act for which:

- a coordinated multi-agency response was required, and

- state expenditure exceeds the small disaster criterion under the DRFA of \$240,000.

A natural disaster is one, or a combination of, the following rapid onset events:

- a. bushfire
- b. earthquake
- c. flood
- d. storm
- e. cyclone
- f. storm surge
- g. landslide
- h. tsunami
- i. meteorite strike
- j. tornado.

To seek a NDD, the impacted asset owner is required to contact RA by email at naturaldisasters@reconstruction.nsw.gov.au and complete the NSW Natural Disaster Damage Assessment form. RA can assist asset owners with this process if required. The DRFA requires that when a natural disaster occurs and the relevant state knows, or expects, the natural disaster to be an eligible disaster the state must notify the Australian Government of that fact within 3 months of the event.

Whilst RA can assist with this process, the decision of whether to declare a NDD is outside the scope of this program. The decision is made by the NSW Minister for Recovery based on the criteria set out in the DRFA in the case of a natural disaster, and by the Australian Government Minister in relation to a terrorist act.

All eligible disasters are listed on the NSW Government website nsw.gov.au/emergency/recovery/natural-disaster-declarations where information on the LGAs covered by each eligible disaster and the applicable relief measures are detailed, along with the corresponding AGRN number for each eligible disaster.

Eligibility criteria

Eligible applicants

Eligible asset owners are one of the following in NSW:

- a department or other agency of the NSW Government, or
- an entity or other body established by or under state legislation for public purposes, such as local councils established under the *Local Government Act 1993* (for example, a local government, in these guidelines referred to as a council); and
- in the operation of the asset, provides services free of charge or at a rate that is 50% or less of the cost to provide those services.

Eligible asset owners will be identified in the NDD specific to each eligible disaster, as defined by the LGA in which the assets are located.

Eligible essential public assets

In broad terms, ‘essential public assets’ are defined as assets which have the following characteristics:

- they are owned by local councils or organisations established by NSW legislation, and
- their loss or damage severely disrupts the normal functioning of the community, and they need to be restored or replaced as a matter of urgency, and
- they are provided to meet the community’s transport, health, education, justice or welfare needs; and
- they are provided to the community at no cost, or at a subsidised rate that is 50% or less of the actual cost of providing the asset.

The following list provides examples of transport or public infrastructure assets which both the Australian Government and NSW Government consider to be *essential public assets* under their respective disaster funding arrangements:

- roads
- road infrastructure including footpaths, bike lanes and pedestrian bridges
- bridges
- tunnels
- culverts
- public hospitals
- public schools
- public housing
- prisons/correctional facilities
- police, fire and emergency services’ stations
- flood levees including flood gates
- state or local government offices
- stormwater infrastructure.

Roads and road infrastructure include State, Regional, Local and Crown Roads and bridges and their associated components which may include:

- pavements and pavement seals
- formation
- culverts and drainage structures
- bridges, tunnels and floodways
- cut/fill embankments and batter protection
- barriers, signage, signalling, lighting, and noise attenuation.

Footpaths, bike lanes and pedestrian bridges are considered essential public assets when associated with road or road infrastructure or where they form an integral part of the transport network.

Ineligible public assets

Examples of assets that are not considered to be essential public assets are:

- private roads
- roads on Crown land that are not Crown Roads
- sporting, recreational or community facilities, such as playgrounds, ovals, showgrounds, skate parks, swimming pools and associated facilities
- beaches, coastal areas and riverbanks
- religious establishments, such as churches, temples and mosques
- cemeteries
- memorials
- pathways, bike paths, trails and tracks within reserves and other open spaces that do not form an integral part of the broader transport network.

For building assets, such as hospitals or schools, assistance does not extend to the costs of replacing the contents and furnishings not permanently attached to the building.

For those assets which are not listed above as being essential public assets, asset owners may seek approval from RA to treat the asset as an essential public asset for the purposes of disaster funding, if there is a strong case for doing so. RA may in turn seek approval from the Australian Government for assets to be recognised as essential public assets. Requests to treat an asset as an essential public asset for the purposes of disaster funding should be submitted in writing to Reconstructioncoordination@reconstruction.nsw.gov.au.

Ineligible restoration works

Works or damage which are ineligible for funding include the following:

- any restoration of essential public assets damaged by an event where no NDD is made, including where the essential public asset is in a Local Government Area not activated in a NDD
- works to restore an asset that does not meet the definition of an essential public asset
- damage to any non-DRFA related construction works in progress, or separable part, unless a Certificate of Practical Completion or Notification of Early Use was issued before the damage was sustained. These works are expected to be covered by works in progress insurance

- any construction or reconstruction works for which the project/contract insurance provisions are still in effect
- investigative techniques, such as destructive testing of a road, falling weight deflectometer, pavement roughness testing or road laser survey, used to prove the existence of damage or the cause of damage to an asset
- damage to structures caused by prolonged exposure to the weather and not as a direct result of an eligible disaster
- damage to public roads caused by prolonged wet weather and not associated with an eligible disaster
- the restoration or rehabilitation of natural ecosystems
- removal of debris from streams, beyond what directly impacts the essential public asset, such as a bridge or culvert structure. However, removal of damaged structural components of an essential public asset that have been washed downstream as a direct result of an eligible disaster is eligible
- clearing of debris from gross pollutant traps and stormwater detention/retention basins where the asset is not damaged
- grading or channelling of stream beds, unless necessary to ensure the structural adequacy of an essential public asset, such as a bridge or road formation
- where there is evidence that damage occurred wholly or partly as the result of an asset that has not been maintained in any active manner for a prolonged period or has effectively been abandoned
- where previous works were not completed to a satisfactory standard, that part of the damage considered to arise from the unsatisfactory work is not eligible for assistance
- saturation damage where:
 - water fills the table drain and is unable to drain away because of poor construction or a lack of proper maintenance, or
 - extensive ruts, cracks, potholes and heave were in evidence prior to the eligible disaster event, or
 - it is a result of the diversion of water from adjacent land or irrigation canals.
- any works conducted outside the Allowable Time Limit (ATL) specified for EW, IRW or EPAR establishment and the end of time completion that does not have formal approval from RA.

Eligible restoration expenditure

Expenditure related to restoration works must satisfy eligibility criteria for reimbursement under the DRFA and each of the sub-categories (EW, IRW and EPAR works). Examples of eligible expenditure may include:

- costs which are directly related to the restoration of the damaged asset to its pre-disaster function and condition
- protection of essential public assets to restore essential services and maintain public safety. This could include earthmoving works, rock placing, sandbagging, installation of tarpaulins, placement of warning signs and barriers, pothole patching, and removal of silt and debris
- post-disaster restoration works to a damaged asset to enable it to operate at a reasonable level of efficiency. This would include clean-up costs, removal of silt/debris and temporary repairs.

Direct costs are eligible for funding of restoration works undertaken on damaged assets provided they are in accordance with the scope of works approved by RA. Eligible direct costs include:

- direct project management costs including geotechnical investigation, survey, design, cost estimation and scoping, procurement, construction management systems, environmental assessments and approvals, construction supervision and quality assurance, project coordination, and cost monitoring controls
- an employee working in a council or state government agency who is involved in the design scope or project management of a reconstruction project only for the period they were engaged on those eligible activities (project design, project management, construction) including salary, wages and related eligible on-costs
- use of internal plant and equipment on an hourly unit rate provided by the asset owner and approved by the NSWRA and excluding any asset owner profit margins and ineligible cost components
- use of materials excluding any asset owner profit margins
- hire of additional plant and equipment, and operating consumables, such as fuels, oil and grease.

Further information on eligible costs can be found at Appendix A.

Ineligible restoration expenditure

Ineligible expenditure which is not reimbursable through these guidelines includes but is not limited to:

- any costs related to damage to essential public assets that is not demonstrated to be the direct result of an eligible disaster
- any costs related to scope of works that exceed restoring an essential public asset to its pre-disaster function and condition (betterment), unless required by legislation, WHS or current building and engineering standards, or forms part of an approved alternate solution
- costs incurred by asset owners to demonstrate the pre-disaster condition or pre-disaster function of the essential public asset or to demonstrate that the damage sustained by the asset was a direct result of an eligible disaster, including the cost of on-site inspections and administration costs associated with preparing claims
- any expenditure that has been incurred outside of the ATL and end of time to complete the works unless additional time has been formally approved by RA.

Use of contractors and other councils for restoration works

Asset owners can engage contractors and/or other local councils to undertake essential public asset restoration works. This may occur in circumstances where the asset owner has determined that:

- it has reasonably exhausted all its available resources to undertake the restoration works
- it does not have the capacity/capability to undertake the work itself using its own staff, internal plant, or equipment and/or
- it provides better value for money.

If an asset owner engages contractors and/or other local councils to undertake essential public asset restoration works, it must ensure all applicable procurement requirements are met. For local councils this will include the provisions of the *Local Government Act 1993*, the *Local Government (General) Regulation 2021*, the *Tendering Guidelines for NSW Local Government* and the individual council's policies and procedures. For state agencies, such as Transport for NSW, this will include the *NSW Government Procurement Policy Framework*, *Procurement Methods Guidelines* and agency specific procurement policies and procedures.

Asset owners must provide certification that all applicable procurement requirements have been met in the delivery of restoration works and must make procurement documentation available to RA when required for assurance or audit purposes.

Insurance

Asset owners must take out prudent and reasonable levels of insurance cover for their essential public assets including works in progress and they must claim on these insurance policies before seeking assistance under this program.

Assistance under these guidelines is not provided for:

- any excesses associated with a commercial insurance policy
- any reasonably avoidable funding shortfalls arising from asset owners not taking out adequate levels of insurance cover
- any future increases in insurance premiums.

Asset owners may be requested to provide details of their insurance arrangements to RA.

Exemptions may exist for state agencies covered by self-insurance arrangements, subject to DRFA eligibility. Details of any self-insurance arrangements for state agencies are to be included in an application for funding where an exemption is being sought.

Categories of Essential Public Asset Restoration works

The DRFA has three sub-categories of disaster assistance relating to the restoration of essential public assets. These are:

- Emergency Works (EW)
- Immediate Reconstruction Works (IRW)
- Essential Public Asset Reconstruction (EPAR) works.

Emergency Works

EW are urgent activities necessary to temporarily restore an essential public asset to enable it to operate at an acceptable level of efficiency to support the immediate recovery of a community, and takes place:

- prior to or at the same time as IRW and where no EPAR works are required, or
- prior to the asset owner commencing EPAR works.

Funding for EW is limited to works undertaken during the ATL period of up to 3 months from the date that the essential public asset becomes accessible to the asset owner. This is irrespective of the date on which the eligible disaster is declared. The ATL for EW may only be extended with NEMA approval.

EW should be regarded as works which the asset owner would carry out as a matter of urgency, even if disaster funding was not made available, and they should not be delayed until a natural disaster is declared as an eligible disaster.

Typical forms of EW are:

- removal and disposal of debris, including silt, green litter, black litter and loose gravel from the essential public asset where failure to do so would create a health or safety hazard
- any temporary repair works to the essential public asset that ensure it can be safely used until reconstruction works are able to be undertaken

- works to make the road trafficable for adjoining landholders
- placement and removal of warning signs and barriers to protect the public and ensure the essential public asset can be safely used for its intended purpose.

Further detailed information is outlined in the application process section in these guidelines.

Immediate Reconstruction Works

IRW are immediate reconstruction activities following an eligible disaster carried out to fully reconstruct a damaged essential public asset, and where no EPAR works are required.

IRW must be completed within the ATL of 3 months from the date that the damaged essential public asset becomes accessible to the asset owner. This is irrespective of the date on which the eligible disaster is declared. The ATL for IRW may only be extended with NEMA approval.

The type of reconstruction works that should be undertaken under the IRW sub-category are works that are urgent, essential and limited in nature. They would be reconstruction works which the asset owner would carry out, even if NSW Government disaster funding was not made available.

IRW should not be delayed until an eligible disaster is declared or until funding approval or assurance is given. Any reconstruction works that asset owners cannot complete within the 3 month time limit or without assurance of funding should be managed under the EPAR works category.

Prior to commencing IRW, asset owners are required to advise RA of the scope of works and obtain their agreement for the scope of works. This may be done in stages as the need for IRW is progressively identified, following the impact of the eligible disaster.

IRW are not to result in any departure from the pre-disaster function of the asset, as determined through the Essential Public Asset Function Framework (for example a change to the capacity or layout of the asset or in the materials used for reconstruction).

Further detailed information is outlined in the application process in these guidelines.

Essential Public Asset Reconstruction works

EPAR works are reconstruction works on an essential public asset damaged as the direct result of an eligible disaster, that do not meet the intent and timeframes of IRW, and for which an Estimated Reconstruction Cost (ERC) has been developed.

The development of an ERC is required in the following circumstances:

- when the restoration or replacement of the damaged essential public asset cannot be completed within 3 months of the asset becoming accessible to the asset owner, or
- when, irrespective of the timeframe, the damaged essential public asset will be reconstructed with some variation to its pre-disaster function, as determined through the DRFA Essential Public Asset Function Framework (for example there will be a change to the capacity or layout of the asset or in the materials used for reconstruction). This requirement applies in all circumstances where there is a departure from the pre-disaster function of the asset, including the following situations:
 - there has been a change to the building or engineering standards for the asset, which will change the capacity, layout or materials used for reconstruction, or
 - it is not possible to restore the asset to its pre-disaster capacity, layout or materials (for example a major landslip makes it no longer feasible to restore a road along its original path; pre-disaster materials are no longer available at reasonable cost), or
 - the asset owner wishes to combine its own additional resources with the funding given under these guidelines to enhance the capacity, layout or materials used for the asset (complementary works), or

- the asset owner wishes to use alternative methods, layouts or materials for the reconstruction of the essential public asset, while delivering the same or better capacity and level of service to the community at no additional cost, or at less cost.

The asset owner must secure funding approval from RA prior to commencing EPAR works. The process of securing this approval includes the establishment of the ERC. Temporary make-safe works and pre-construction activities required to investigate, design and scope the reconstruction works to allow the establishment of the ERCs, can commence prior to approval and are eligible costs once the EPAR works approval is issued. Asset owners are encouraged to work with RA to develop strategic estimates for EPAR works as early as possible post event to assist with budget forecasting and development of formal EPAR submissions.

The process established under these guidelines and the DRFA allows for complementary works and use of alternate methods or solutions in the reconstruction of essential public assets to only be considered once an ERC based on the reconstruction of the asset to its pre-disaster function has been established. For all EPAR works where complementary works or use of alternate solutions are proposed, the asset owner must first secure funding for the EPAR works based on the scope required to only repair damage directly caused by the eligible disaster and restore the asset to its pre-disaster function.

Funding applications for EPAR works, including the ERC, must be submitted by the asset owner to RA as soon as possible and generally no later than 6 months after the end of the financial year in which the eligible disaster occurred, to allow time for RA to assess the submission and for RA to include the ERC in its reporting to the Australian Government.

In exceptional circumstances, where the size and scale of the restoration works is extensive, the timeframe for the funding application may be extended by RA. However, the latest date that RA must establish the ERC is 12 months after the end of the financial year in which the eligible disaster occurred. Beyond this timeframe, Australian Government approval is required to determine DRFA eligibility, and there is no guarantee that applications received after this period will be accepted or approved by RA.

Once funding has been approved for EPAR works, the works themselves must be completed within 2 years after the end of the financial year in which the ERC is established. In exceptional circumstances, this timeframe may be extended with the approval of RA to 2 years and 9 months. If EPAR works cannot be completed within this extended timeframe, Australian Government approval is required to determine DRFA eligibility, and the asset owner may not be funded for works beyond the approved completion date. The state may not be eligible to receive related funding under the efficiencies framework provided under the DRFA where this occurs.

Further detailed information is outlined in the application process in these guidelines.

Application process

How to apply

Before applying you should:

- Verify that an invitation to apply has been made available through the SmartyGrants system
- check your eligibility – read these guidelines, the relevant NDD and reference documents
- prepare your submission(s) and supporting information
- ensure you can submit your application by the specified timeframe for EW/IRW/EPAR. Successful submissions will be issued with a SmartyGrants system generated acknowledgement email containing a PDF copy of the application which will confirm the time the application was submitted.

Applicants must not provide false or misleading information in their application. If an application contains such information, RA may take appropriate action, which could include deeming the application ineligible.

Assessment, approval and claim payments

Application, assessment, project delivery and payment timelines may differ based on the DRFA category of the works (EW/IRW/EPAR). You should familiarise yourself with these different timeframes to ensure your application is eligible and any approved works can meet these conditions.

Emergency Works key dates

Notification: Applicants must notify RA via email within 24 to 72 hours of undertaking EW with details of the impacted asset, proposed scope of works and estimated costs. This may be done in several stages as the need for EW is progressively identified, following the impact of the eligible disaster. Asset owners must collect damage evidence for the proposed EW locations before commencement of works.

Completing works: EW must be completed within 3 months after the eligible disaster, or from when the asset becomes accessible, noting that suitable evidence of the date the asset became accessible is required for any works outside the 3-month period (this timeline may vary depending on asset owner's opt-in arrangement). Completion evidence must be collected as works are completed or as soon as possible after completion.

Funding submission: Submissions are to be lodged with supporting evidence as soon as possible after the completion of works. RA will assess applications in the order in which they are lodged. Incomplete applications will not enter the assessment queue until all required information is provided.

Audit and acquittal: all EW acquittal reports, and evidence must be lodged to RA as soon as possible after the works are completed, but no later than 3 months from the end of financial year in which the EW were completed. If the works and expenditure occur across multiple financial years, individual claims must be submitted for each financial year within the above timeframe. Where the volume of EW undertaken is extensive, claims may be progressively lodged in batches with corresponding evidence requirements. Asset owners must comply with the *State Records Act 1998* (NSW) and retain all documentation associated with the works and participate in any assurance or audit activities.

Payments: RA will make reimbursement payments for works assessed as eligible when supported with appropriate evidence requirements. Payment amounts will be based on the actuals, less asset owner's co-contribution where applicable, and exclude GST. In rare and exceptional circumstances, RA may provide advance funding for EW and in these cases if any funding is not expended or deemed ineligible, the asset owner will be liable to repay RA any excess or ineligible advanced funding.

Immediate Reconstruction Works key dates

Notification: Applicants must submit an IRW scope request submission as soon as possible including details of the impacted asset eligibility and category, location, pre-disaster function and condition, evidence of damage, proposed scope of works, and estimated costs. RA will notify applicants of IRW scope of works approval as soon as possible. Approvals may occur in stages as the need for IRW is progressively identified following the impact of the eligible disaster. Asset owners are responsible for collecting the required evidence for all proposed IRW locations.

Completing works: Works must be completed within 3 months after the event, or from the date the asset becomes accessible. If works occur outside the 3 month period, evidence of the date the asset become accessible must be provided (this timeline may vary depending on asset owner's opt-in arrangement). Completion evidence must be collected as works are completed, or as soon as possible after completion. If an asset owner begins restoration under IRW but later determines they cannot meet the completion timeframe, they must notify RA immediately and transition to managing the restoration as EPAR works, which includes developing an ERC.

Funding submission: Submissions must be lodged with supporting evidence as soon as possible after the completion of works. RA will assess applications in the order in which they are lodged. Incomplete applications will not enter the assessment queue until all required information is provided.

Audit and acquittal: All IRW acquittal reports and supporting evidence must be submitted to RA as soon as possible after works are completed, and no later than 3 months after the end of the financial year in which the IRW were completed. If works and expenditure span multiple financial years, separate claims must be lodged for each financial year within the above timeframe. Where a large volume of IRW is undertaken, claims may be progressively submitted in batches with all required evidence included. Asset owners must comply with the *State Records Act 1998* (NSW), retain all documentation related to the works and participate in any assurance or audit activities.

Payments: RA will make payments in arrears for works assessed as eligible when supported by the required evidence. Payment amounts will be based on the actual costs, less asset owner co-contribution (where applicable), and will exclude GST. In rare and exceptional circumstances, RA may provide advance funding for IRW. If any advance funding is not expended or is deemed ineligible, the asset owner will be required to repay RA any excess or ineligible amount.

Essential Public Assets Reconstruction works key dates

Notification: Asset owners are to advise RA as soon as practical of the damage items that are intended to be submitted as EPAR applications, along with a strategic estimate of costs. Asset owners must seek approval from RA before EPAR works commence, however pre-construction activities required to scope and estimate the reconstruction costs can commence prior to approval. If unsure of eligibility or pre-construction activities, contact RA for more information.

Funding submission: Submissions are to be lodged as soon as possible and generally no later than six months after the end of the financial year in which the eligible disaster event occurred, unless otherwise agreed with RA. Funding submissions must be accompanied by all required evidence and information for asset eligibility and category, location, pre-disaster function and condition, damage and costs. Incomplete applications will not enter the assessment queue until all required information is provided.

Asset owner submissions must establish the ERC for EPAR works through preparation by a suitably qualified professional using cost estimation or market response such as, an open tender process, using RA Treatment Guide and Cost Estimation tool or relevant local government estimation and/or procurement processes that would normally apply for the asset and supported by appropriate evidence.

When developing the ERC, asset owners must produce the most accurate estimate possible, in the timeframe available. The estimate must be based on the most economically efficient approach to reconstructing the asset to its pre-disaster function and condition, and it must incorporate the most value-for-money supply rates that the asset owner is likely to secure for labour, materials, plant and equipment hire and other cost elements.

The ERC is to be calculated in accordance with the DRFA and should include the following:

- construction direct costs
- design and project management costs
- contingency allowance
- cost escalation allowance.

The DRFA requires an Independent Technical Review under Application One to be undertaken where an ERC value is \$25 million or greater.

Submission Assessment: All applications will be assessed by RA using a suitably qualified professional engineer or quantity surveyor, or professional with suitable alternate tertiary qualifications as specified in the DRFA. Complete applications will generally be assessed within a 3 month timeframe, except where an Independent Technical Review is required where an additional 3 months is to be allowed. Applicants will receive notification of the outcome of the assessment process, allowing applications to progress to awarding funding.

Awarding funding: If funding approval is given for EPAR works, RA will offer the asset owner a TULG amount (excluding GST) based on the ERC less any co-funding amount and any ineligible costs. The asset owner will be required to formally accept the TULG funding offer and the terms and conditions that apply before a formal Funding Deed is finalised.

Completing works: Once a Funding Deed is in place for EPAR works, the works themselves must be completed within 2 years after the end of the financial year in which the ERC is established. In exceptional circumstances, this timeframe may be extended with the approval of RA to 2 years and 9 months. If EPAR works cannot be completed within this extended timeframe, the asset owner may not be funded for works beyond the approved completion date. Completion evidence must be collected as works are completed, or as soon as possible after completion. All evidence must meet the DRFA and RA reporting requirements.

Reporting: Successful asset owner applicants will be required to formally report to RA quarterly in the specified format in the SmartyGrants system for each EPAR works Funding Deed. Reporting requirements include the projects financial actual and forecast and delivery status with supporting documentation. Compliance with these reporting requirements is a condition of funding and a pre-requisite for payments.

Audit and acquittal: All EPAR works project completion and acquittal reports and evidence must be lodged to RA within 3 months from the end of the financial year in which the works were completed. Asset owners must comply with the *State Records Act 1998* (NSW) and retain all documentation associated with the project's administration, works and participate in any assurance or audit activities.

Payments: Funding will be paid to asset owners in quarterly instalments over the agreed project timeframe (generally 24 months unless otherwise approved by RA), subject to compliance with reporting and evidence requirements. Payment amounts will exclude asset owners' co-contribution and GST as follows. In rare and exceptional circumstances, RA may provide advance funding for

EPAR and in these cases if any funding is not expended or deemed ineligible, the asset owner will be liable to repay RA any excess advanced funding.

Table 1: EPAR works payment structure

Funding Deed Execution	Quarterly Progress Reporting	Project acquittal
20% TULG payment on contract execution	Payment based on completion of quarterly reporting requirements of up to 70% of the TULG and limited to 90% of the forecast cost of completion, unless otherwise agreed with RA. Payment amounts will be based on project actuals and forecast expenditure to support cash flow requirements and timely project delivery	Final milestone payment in arrears (10%), remaining actual expenditure up to the value of the TULG on successful acquittal of eligible expenditure

Variations

Extension of claims submission timeframe

Where the size and scale of the restoration works is extensive, the timeframe for the funding claim application may be extended by RA. Applicants must submit a formal notification request to RA in writing to Reconstructioncoordination@reconstruction.nsw.gov.au for any extensions to these timeframes. In some cases, Australian Government approval may be required to determine DRFA eligibility, and there is no guarantee that applications received that would compromise the state's ability to comply with the ATL under the DRFA will be considered by RA.

Extensions of time for delivery of Essential Public Asset Restoration works

An extension should only be sought where the asset owner can demonstrate delays are a result of exceptional circumstances that are either unforeseeable or beyond the control of the asset owner. Asset owners should also be able to demonstrate they have taken appropriate steps to try and minimise or mitigate any additional time to prepare submissions or complete the works.

Examples of exceptional circumstances are:

- delays in impacted area returning to conditions considered safe to undertake works
- discovery of a significant archaeological or environmental site that would require extensive and prolonged consultation and negotiations
- delays caused by investigations for example, coroner's investigations
- the eligible disaster being of exceptional size and scale
- the damage to the essential public asset being of exceptional magnitude or complexity.

Applications should specify the need and type of extension within the notification periods specified in these guidelines or supporting documents and formally submit the application for variation of the specific EPAR works approval through the SmartyGrants portal.

Re-damaged essential public assets

Where an essential public asset has been damaged as a direct result of an eligible disaster (Eligible Disaster 1), that essential public asset is a re-damaged essential public asset if it suffers damage in the same location by a subsequent eligible disaster (Eligible Disaster 2).

If re-damage occurs to an essential public asset where a funding deed is in place for EPAR works, asset owners must notify RA as soon as possible and acquit any expenditure that has been incurred from Eligible Disaster 1.

In these circumstances, the component of the EPAR works approved for Eligible Disaster 1 will be closed out by RA and the TULG reduced to reflect the amount of actual expenditure for that component, or nil where no expenditure has been incurred.

The asset owner must establish a new ERC under Eligible Disaster 2 for all works to reconstruct the essential public asset and submit a new funding application through the Smarty Grants portal following the process outlined in these guidelines for EPAR works.

Special circumstances

Where the TULG issued based on the ERC for EPAR works is lower than the actual cost of a reconstruction project because of special circumstances, the asset owner may be entitled to an adjustment of the TULG to reflect the variance in the ERC.

Eligible special circumstances as defined by the DRFA are:

- geotechnical conditions that could not reasonably have been foreseen or investigated in the design period
- previously unidentified Indigenous and cultural heritage discoveries
- previously unidentified heritage discoveries
- delays caused by subsequent eligible disasters
- environmental conditions that could not have reasonably been foreseen for example, threatened species discovery
- safety threats that could not reasonably have been foreseen for example, asbestos discovery, or
- critical reduction in water availability that could not reasonably have been foreseen or investigated in the design period.

The asset owner must provide evidence to demonstrate the special circumstances encountered, including why the special circumstances could not reasonably have been foreseen, and submit this evidence as a variation request to RA through the SmartyGrants portal. RA will consult the asset owner on any proposals to vary or change the scope of works due to special circumstances. RA will liaise with the Australian Government regarding any special circumstances variations and undertake appropriate reporting.

The DRFA requires an Independent Technical Review under Application Three to be undertaken for a special circumstances variation where the variance is greater than 15% of the ERC of the original project and greater than \$1 million.

Where an Independent Technical Review is required for a special circumstances variation, the variation and revised ERC must be submitted within 18 months from the end of the financial year in which the disaster occurred to allow for assessment by RA and conducting of the Independent Technical Review to ensure the DRFA time limit for establishing the ERC of 24 months from the end of the financial year in which the disaster occurred can be met.

Complementary funding by asset owners

Funding will not be provided under these guidelines for improvements to essential public assets, such as widening of the road (formation or seal), increased level of service, for example additional lanes, increased flood immunity, for example additional culverts or increased diameter of undamaged culverts, realignment of roads, provision of additional signage as part of the establishment of the ERC for EPAR works.

However, asset owners may combine their own funds or resources to the TULG funding provided under these guidelines to increase the capacity of an essential public asset, amend the layout, or use enhanced materials to reconstruct the asset. These changes will require prior approval from RA, and they may only proceed if the asset is proposed to be reconstructed to provide a level of service to the community that is equal to, or better than the pre-disaster level of service. The additional

funding or resources provided by asset owners to enhance the essential public asset is known as complementary funding and the additional works that occur through this funding is known as complementary works.

The process established under the DRFA allows for complementary works in the reconstruction of essential public assets to be considered, once states have established an ERC based on the reconstruction of the asset to its pre-disaster function.

Applications for complementary works are to be submitted to RA through the SmartyGrants portal for assessment and determination prior to any complementary works commencing.

Use of alternative solutions

The process established under the DRFA allows for alternate approaches to the reconstruction of essential public assets to be considered, once the RA has established an ERC based on the reconstruction of the asset to its pre-disaster function. Alternate approaches can include improvements to disaster resilience by considering current construction and building methodologies, available materials and design standards, while still meeting the pre-disaster function of the damaged essential public asset.

Once the ERC is established and the asset owner is issued with a TULG for EPAR works in line with the DRFA requirements, including pre-disaster function, this provides the asset owner with a budget for the restoration works. Asset owners, in consultation with RA, are then able to determine the most appropriate restoration approach within the established budget, such as an alternative solution, which may include adopting an alternative value-for-money solution that factors in resilience improvements.

Asset owners may seek approval from RA to reconstruct essential public assets with alternative solutions that may vary the pre-disaster asset layout or materials, if they can demonstrate that the same capacity (or better) and the same level of service to the community (or better) will be provided. Any intention to reconstruct an essential public asset with alternative layouts or materials should be discussed with RA prior to the variation application being submitted.

The use of an alternate solution provides for an opportunity to build back better. An alternate solution is required to be delivered at or below the TULG value established and is subject to a variation approval from RA. Any additional costs for the alternate solution above the TULG value must be covered by the asset owner using complementary funding.

Where an alternate solution is proposed that is more than 50% lower than the established ERC and between \$5 million and \$25 million, an Independent Technical Review under Application Two of the DRFA is required.

Where an alternate solution is approved, this is to be recorded by RA and reflected in the quarterly reporting to the Australian Government.

Applications for alternate solutions are to be submitted to RA through the SmartyGrants portal for assessment and determination prior to any works associated with the alternate solution commencing.

Under and overspends

Where the special circumstances requirements identified in the DRFA for a variation are unable to be met, there is provision for the state to manage under and over-spends with respect to the established TULG values within each financial year's expenditure. To be able to use this provision, the reporting of actual expenditure must be recorded upon completion of individual EPAR works projects within the Program of Works (PoW) year and included in reporting to the Australian Government as part of the efficiencies framework.

For any additional funding to be considered for an individual approved EPAR works (overspends), the asset owner will be required to make a formal variation application to RA based on the final project costs and prior to project acquittal. RA will assess the final project costs as submitted and confirm

the total value of the eligible works in the asset owners claim. RA will determine if any approval of additional payments for eligible costs above the EPAR works TULG are to be approved.

Final approval for any payments over and above the TULG is at the sole discretion of RA and is subject to funding being available from under expenditure in other projects across the PoW year in which the EPAR works ERC were established (underspends). This process is separate to the provisions in the DRFA for considering variations due to special circumstances and funding for these variations is not guaranteed to be available to asset owners.

Applications for additional TULG funding are to be submitted to RA through the SmartyGrants portal for assessment and determination.

Independent Technical Review

An Independent Technical Review is required in certain circumstances to provide increased oversight and assurance in respect of EPAR works claims made under these guidelines.

An Independent Technical Review must be conducted in the following four circumstances:

- Application One: the ERC for the project is \$25 million or more.
- Application Two: where an alternative reconstruction project solution is preferred and there is a variance between the ERC for the original project and the preferred reconstruction project solution that is:
 - more than 50% lower than the ERC of the original project, and between \$5 million and \$25 million in value.
- Application Three: where special circumstances are encountered which give rise to a variance in the ERC for the project that is:
 - greater than 15% of the ERC of the original project, and more than \$1 million.
- Application Four: The Australian Government requests a review upon receiving the ERC for a project from RA within its financial year claim.

RA must firstly assess the EPAR works claim and establish the ERC. Asset owners must notify RA as soon as they become aware that an Independent Technical Review may be required.

RA will engage the Independent Technical Reviewer in consultation with the asset owner. RA must report this engagement to the Australian Government within five business days (DRFA Schedule B clause 7.1).

Any costs incurred by RA in procuring the Independent Technical Review are eligible to be claimed as part of the ERC for the eligible EPAR works.

Getting support

If you have any questions regarding your eligibility or need assistance submitting your application, please contact the NSW Reconstruction Authority.

Email: Reconstructioncoordination@reconstruction.nsw.gov.au

Website: <https://www.nsw.gov.au/departments-and-agencies/nsw-reconstruction-authority/disaster-recovery-funding-arrangements>

If you need assistance with interpreting or translating, please contact Multicultural NSW on 1300 651 500 or email languageservices@multicultural.nsw.gov.au.

Definitions

Term	Definition
Access date	The date an essential public asset, damaged by an eligible disaster, is accessible to the asset owner.
AGRN	Australian Government Reference Number. The individual eligible disaster's unique identification number used by agencies in all matters relating to relief and recovery measures.
Asset owner	See DRFA definition of eligible undertaking and eligibility section in these guidelines.
Allowable Time Limit (ATL)	The specific time limit under the DRFA for the establishment of estimates and the period expenditure can be incurred specific to the DRFA measure. For EPAR works, the ERC must be established within twelve months after the end of the financial year following the disaster.
Cost estimation	The process of developing the ERC for EPAR works by building up the component elements including: <ul style="list-style-type: none"> • scoping and defining the works required for reconstruction of the damaged essential public asset • applying relevant assumptions and exclusions, and • using available historical data of actual costs (that is, benchmark pricing) and/or supplier quotes to estimate the cost of reconstruction works.
Crown Road	A public road that is declared to be a Crown Road under the <i>Roads Act 1993</i> . All Crown Roads are vested in fee simple in the Crown as Crown land. The Minister for Lands and Forestry is the roads authority for all Crown Roads.
Damaged essential public asset (also referred as damaged asset)	An essential public asset that has been damaged as a direct result of an eligible disaster, and where the damage is demonstrated by the asset owner in the form of pre-disaster condition evidence as part of the essential public asset's damage assessment.
Direct result	Affected by an eligible disaster and located within the affected geographical area that has been notified by NSW to the Australian Government. Applicants outside the affected geographical area who do not operate in the affected geographical area are not eligible, including those with a supply chain relationship to the affected geographical area.
Disaster Recovery Funding Arrangements (DRFA)	The Australian Government (the Commonwealth) has made arrangements to provide financial assistance to the states, for disasters, in certain circumstances. These arrangements are called the Disaster Recovery Funding Arrangements (DRFA).

Term	Definition
Eligible disaster	<p>A natural disaster or terrorist act for which a coordinated multi-agency response was required and eligible state expenditure under the DRFA exceeds the small disaster criterion of \$240,000 or other amount as published by the National Emergency Management Agency and for which a notification has been made to the Australian Government by the NSW Government, in accordance with the DRFA.</p> <p>To be an eligible disaster, an NDD must be made by the NSW Minister for Recovery.</p> <p>Visit the Natural Disaster Declarations (NDDs) website to see all declared eligible disasters in NSW at https://www.nsw.gov.au/emergency/recovery/natural-disaster-declarations</p>
Eligible undertaking	<p>A body that is one of the following:</p> <ul style="list-style-type: none"> • a department or other agency of a state government, or • an entity or other body established by or under state legislation for public purposes (such as a local council established under the <i>Local Government Act 1993</i>); and • in the operation of the asset, provides services free of charge, or at a rate that is 50% or less of the cost to provide those services.
Emergency Works (EW)	<p>Urgent activities necessary following an eligible disaster to temporarily restore an essential public asset to enable it to operate/be operated at an acceptable level of efficiency to support the immediate recovery of a community, and take place:</p> <ul style="list-style-type: none"> • prior to or at the same time as IRW and where no EPAR works are required, or • prior to the asset owner commencing EPAR works.
Essential public asset	<p>An asset that meets the definition of an essential public asset under the DRFA. The DRFA defines an essential public asset as:</p> <p>An asset which must be a transport or public infrastructure asset of an eligible undertaking which, the state considers, and the department agrees, is an integral part of a state's infrastructure and normal functioning of a community.</p>
Essential Public Asset Function Framework	<p>The Essential Public Asset Function Framework as defined by the DRFA (refer to clause 6.3) and outlined in these guidelines and associated fact sheets.</p>
Essential Public Asset Reconstruction (EPAR) works	<p>Reconstruction works on an essential public asset directly damaged by an eligible disaster for which an ERC has been developed.</p>

Term	Definition
Estimated Reconstruction Cost (ERC)	<p>The estimated cost of EPAR works, calculated in accordance with the DRFA. Asset owners must establish the estimated reconstruction cost for the EPAR works through:</p> <ul style="list-style-type: none"> • market response, or • cost estimation. <p>The estimated reconstruction cost is to be calculated in accordance with the DRFA and should include the following:</p> <ul style="list-style-type: none"> • construction direct costs • design and project management costs • contingency allowance • cost escalation allowance
End of Time (EoT) extension	<p>An extension of time to complete the project works beyond 2 years, or 2 years and 9 months from the end of the financial year in which the ERC is established. This is not the same as an ATL under the DRFA which requires approval from the Australian Government for any extension.</p>
Guidelines	<p>This document, the NSW Essential Public Assets Restoration Disaster Grant Program Guidelines.</p>
Immediate Reconstruction Works (IRW)	<p>Immediate reconstruction activities following an eligible disaster to fully reconstruct a damaged essential public asset, and where no EPAR works are required.</p>
Independent Technical Review	<p>A review of ERCs in accordance with the requirements of the DRFA.</p>
Market response	<p>The process of developing ERC for reconstruction of damaged essential public assets by tender or competitive bidding.</p>
Natural disaster	<p>A natural disaster is one, or a combination of the following rapid onset events:</p> <ul style="list-style-type: none"> • bushfire • earthquake • flood • storm • cyclone • storm surge • landslide • tsunami • meteorite strike, or • tornado.
Natural Disaster Declaration	<p>An eligible disaster event activation under Disaster Recovery Funding Arrangements (DRFA). The NSW Government issues Natural Disaster Declarations for some severe events such bushfires, storms and flooding. Each declaration incorporates an Australian Government reference number (AGRN).</p>

Term	Definition
NSW Reconstruction Authority (RA)	<p>The NSW Government agency that administers and assesses claims for restoration of essential public assets and serves as the single point of contact with the Australian Government in relation to disaster funding and oversees the implementation of eligible disaster assistance across NSW Government agencies and local councils.</p> <p>The RA is a statutory corporation and a NSW Government agency established under the <i>NSW Reconstruction Authority Act 2022</i>.</p>
Pre-disaster function	<p>The pre-disaster function of an essential public asset as determined using the Essential Public Asset Function Framework.</p> <p>The process for defining pre-disaster function of an essential public asset is:</p> <p>Step 1: define primary asset function by establishing</p> <ul style="list-style-type: none"> • category • subcategory and purpose. <p>Step 2: define asset classification by establishing</p> <ul style="list-style-type: none"> • type • capacity • layout and materials. <p>The pre-disaster function of an essential public asset forms the basis for the eligible reconstruction costs under the DRFA (clauses 6.1.1, 6.3.1, 6.4.4).</p>
Program	The NSW Essential Public Assets Restoration Natural Disaster Grant Program.
Program of Works	Comprises all Essential Public Asset Reconstruction works established for all eligible disasters in a single financial year.
Program of Works year	The financial year in which the essential public asset Estimated Reconstruction Cost is established.
Project	<p>Restoration or reconstruction works to be undertaken following an eligible disaster on:</p> <ul style="list-style-type: none"> • a single essential public asset, or • a group of related essential public assets which could be contracted jointly within local government areas notified for the relevant eligible measure.
Reconstruction	The restoration or replacement of a damaged essential public asset, also referred to as restoration works or EPAR works.
Re-damaged essential public asset	An essential public asset is considered re-damaged if it has been directly damaged by an eligible disaster and suffers additional damage in the same location from a subsequent eligible disaster.
Restoration works	The reinstatement of essential public assets, either by EW, IRW, or EPAR works.

Term	Definition
Special circumstances	<p>Means the following (as per definition contained in the DRFA):</p> <ul style="list-style-type: none"> • geotechnical conditions that could not reasonably have been foreseen or investigated in the design period • previously unidentified Indigenous and cultural heritage discoveries • previously unidentified heritage discoveries • delays caused by subsequent eligible disasters • environmental conditions that could not have reasonably been foreseen (for example, threatened species discovery) • safety threats that could not reasonably have been foreseen (for example, asbestos discovery), or • critical reduction in water availability that could not reasonably have been foreseen or investigated in the design period.
Suitably qualified professional	<p>An engineer or quantity surveyor, or professional with suitable alternate tertiary qualifications, with appropriate level of expertise and experience in assessing pre-disaster condition, assessing damage and estimating reconstruction costs for damaged essential public assets.</p>
Technical Reviewer	<p>The Technical Reviewer is a professional meeting the criteria to conduct an Independent Technical Review in accordance with the DRFA.</p> <p>The Technical Reviewer must:</p> <ul style="list-style-type: none"> • be a suitably qualified professional with the appropriate level of expertise and experience • demonstrate ability to resource the required services so as not to delay the submission of ERC • be able to provide independent, without conflict, advice to both the state and Australian Government • be independent of the delivery agent, and • have the report verified and signed by an engineer or quantity surveyor with the appropriate level of expertise and experience.
Terrorist act	<p>An action or series of actions committed which the Australian Government has determined is a terrorist act for the purposes of an eligible disaster under the DRFA.</p>
Total Upper Limit Grant (TULG)	<p>The maximum grant amount (excluding GST) that RA has agreed to reimburse the asset owner for the restoration of damaged essential public assets following an eligible disaster, calculated based on actual eligible costs for EW and IRW, and based on the ERCs for EPAR works.</p> <p>Upon completion of works, or in progressive stages as agreed with RA, the asset owner may claim reimbursement of the actual cost of eligible works completed, up to the TULG amount.</p>

Funding Approval and Administration

Notification

All applicants will be notified in writing of the outcome of their application.

Funding Deed

Successful applicants must enter into a funding deed with RA on behalf of the NSW Government. The deed must be signed by authorised officers from both RA and the asset owner's organisation. It is considered executed once both parties have signed and received a copy for their records.

Asset owners are required to comply with all terms of the Funding Deed, including acknowledgement NSW and Australian Government funding.

Publication of grants information

Under the NSW Grants Administration Guide (the Guide), certain information about awarded grants must be published within 45 calendar days of the Funding Deed taking effect (see section 6.5 of the Guide and Appendix A of the Guide).

This information is also classified as open access information under the *Government Information (Public Access) Act 2009* and must be made publicly available unless there is overriding public interest against disclosure.

In line with these requirements, details of awarded grants will be published on the NSW Government Grants and Funding Finder as soon as possible after approval.

All records relating to this decision will be managed in accordance with the *State Records Act 1998* and, where applicable, the *Privacy and Personal Information Act 1998*.

Audit and Appeals

Audit and Assurance Activities

All programs funded under a cost-share arrangement with the Australian Government through the DRFA are subject to the compliance activities outlined in Table 2.

Table 2: Audit and Assurance Activities

Activity	Details	Date of activity
RA Assurance Activities	Assurance of expenditure claim submission eligibility and evidence requirements.	On submission of expenditure claim
NSW State Audit	Independent audit of disaster recovery expenditure claims submitted to RA to include DRFA compliance controls. Conducted by an independent auditor.	Annually – approximately October to December
Australian Government Assurance	Independent assurance over the disaster recovery expenditure claims submitted by NSW to the Australian Government for reimbursement, including controls implemented for the development of ERCs.	Annually – approximately April to June

Asset owners must comply with the *State Records Act 1998* and retain all documentation related to project administration and works and participate in any assurance or audit activities as a condition of funding.

Documentation retention and production

Asset owners must:

- keep copies of all invoices, receipts, timesheets, rosters and financial ledger transcripts related to eligible expenses and any further documents in relation to the program
- maintain an accurate audit trail for at least 7 years from the end of the financial year in which the expenditure was claimed
- provide evidence that the costs associated with the program can be separated from their other expenditure. For example, via internal order numbers or work-based structures
- provide itemised transaction listings to support reimbursement claims. All claims must exclude GST. The asset owner should claim GST costs through the Australian Tax Office
- provide additional evidence if requested by RA for payment claims or for audit and assurance.

Documentation evidence requirements

Evidence may be required to demonstrate the following DRFA requirements:

- the expenditure meets the definition of state expenditure under the DRFA, and is claimed in the correct year
- the expenditure relates to the disaster event claimed
- the expenditure relates to the DRFA measure claimed
- the expenditure meets the relevant eligibility requirements of the measure claimed.

Contextual evidence may include, but is not limited to:

- geographical evidence linking expenditure to disaster-affected locations
- contracts/agreements: contracts specifying services or supplies provided directly in response to the disaster
- invoices and receipts: itemised bills showing purchases for materials, equipment, or services needed that explicitly describe the disaster-related purpose of goods or services
- purchase orders issued specifically for disaster-related activities
- work orders: instructions or tasks assigned for disaster recovery
- timesheets/payroll records: documentation showing staff time explicitly allocated to disaster response or recovery tasks and their related cost.

Timing and urgency may include:

- date of expenditure: proof that the expenditure occurred within the Allowable Time Limits
- emergency procurement justifications: records showing expedited procurement processes due to disaster-related urgency.

Allowable Time Limit (ATL)

NSW Government must incur expenditure within a specific timeframe set by the ATL from the Australian Government under the DRFA.

Asset owners are responsible for working with RA to identify any risks to project completion within the ATL and, where necessary, request an extension. This includes monitoring programs and projects that may not meet the required timeframe.

RA is responsible for submitting ATL extensions applications to the Australian Government on behalf of asset owners.

Appeals

Asset owners may request a review of a funding claim decisions by submitting a written appeal to RA clearly outlining the specific issues being contested and why the asset owner believes the assessment is incorrect, with reference to these guidelines and the DRFA:

Before lodging an appealing, asset owners must ensure they understand the assessment outcome and the reasons for any rejected item/s.

Appeals must be submitted within the ATL set by the DRFA. If the appeal cannot be resolved within the ATL, RA may, at its discretion, either reject the appeal or seek an exemption to the ATL from the Australian Government.

Where an external third party is engaged to review the appeal, asset owner's may be required to contribute to associated costs. RA will provide details of the appeal process and required steps.

Additional Information

Government Information (Public Access) Act 2009

Applicants should be aware that information submitted in applications – including all correspondence, attachments and supporting documents – may be made publicly available under the *Government Information (Public Access) Act 2009* (GIPA Act). Information deemed commercially sensitive will be withheld.

The GIPA Act makes promotes transparency by:

- requiring government agencies to make certain sorts of information freely available
- encouraging government agencies to release as much other information as possible
- giving the public an enforceable right to make access applications for government information
- restricting access to information only when there is an overriding public interest against disclosure.

Funding for Disaster Mitigation Activities and Projects

In some financial years, funding may be available under the DRFA for local councils and NSW Government agencies to deliver disaster mitigation activities and projects.

The amount of funding will depend on the difference between the ERC and the actual costs incurred by asset owners and state agencies in delivering EPAR Works in previous years (efficiencies realised), and the level of Australian Government assistance provided to the NSW Government.

Under the DRFA efficiencies can only be realised across a PoW for 36 months from the end of the financial year applicable to that PoW year. A PoW year is defined as the financial year in which the essential public asset ERC is established.

Under these guidelines, NSW has set a maximum project completion timeframe of 2 years and 9 months from the end of the financial year the essential public asset ERC is established. This allows time to consider extension requests that may affect community recovery or increase in project costs, and seek formal approval from the Australian Government to recognise any efficiencies beyond the 36 month limit.

Complaints

Any concerns about the program or individual applications should be submitted in writing to Reconstructioncoordination@reconstruction.nsw.gov.au. RA is committed to responding to external complaints fairly, efficiently and effectively. Concerns and complaints procedures for the program follow the processes set out in the [External Complaints Handling Policy](#). This policy sets out the steps for managing an external complaint received by RA.

If you are a person with a disability or experience difficulties in providing your complaint in writing, you can make a verbal complaint by contacting (02) 9212 9200. RA may require a verbal complaint be made in writing in circumstances where the matter is complex or contentious.

If you do not agree with the way RA handled the issue, you may wish to contact the NSW Ombudsman via ombo.nsw.gov.au.

Ethical conduct

It is a condition of the program application process that no gifts, benefits, or hospitality are to be made to any NSW Government employee at any time. Any inducement in contravention of this condition may result in an applicant's proposal not being considered.

All RA personnel involved in the receipt, assessment and management of applications are bound by RA's Code of Conduct and the NSW Public Sector's Ethical Framework. This requires that personnel:

- assess all applicants equally, without prejudice or favour
- act with honesty, consistency and impartiality
- disclose and manage any actual or perceived conflicts of interest
- observe confidentiality and privacy requirements.

Conflicts of interest

There is a requirement for conflicts of interest to be declared when applying under this program.

There may be a conflict of interest, or perceived conflict of interest, if staff, any member of a committee or advisor and/or personnel involved in the preparation of the application has a professional, commercial or personal relationship with a party who may be the recipient of grant funds. For example, a nominated contractor or a supplier of goods or services intended to be procured under the grant.

Applicants will be asked to declare as part of the application, any perceived or existing conflicts of interests or that, to the best of their knowledge, there is no conflict of interest.

If an applicant later identifies an actual, apparent or perceived conflict of interest, they are required to inform RA immediately.

NSW Government staff involved in the eligibility and assessment process are also required to declare any conflicts of interest and are managed as per RA Code of Ethics and Conduct.

Confidentiality

All applications will be managed and assessed on a confidential basis. When required to report on the performance of the program, public facing information will de-identify all applicants.

Funding decisions and assessment outcomes must be kept confidential until a funding deed is entered into.

Upon entering a funding deed, details about the funding deed may be made publicly available, subject to information which RA deems to be commercial in confidence.

The applicant must not disclose any confidential information pertaining to the grant program application or funding deed without prior written consent of RA.

Intellectual property

All intellectual property rights in these guidelines remain the property of RA. Applicants may use these guidelines only for the purpose of preparing an application and must not use them or any information contained within for any other purpose.

Applications submitted in response to these guidelines remain the property of the applicant unless otherwise agreed between the applicant and RA. By submitting an application, the applicant agrees that RA may make copies and reproduce the application for any purpose related to the grant opportunity and retain copies of all applications for its records.

No offer

These guidelines are not an offer, recommendation or invitation by RA in respect of any contract or commitment and, subject to a funding deed being fully executed by the parties to it, nothing in these guidelines will form the basis of any contract or commitment.

Privacy

RA is regulated by the *Privacy and Personal Information Protection Act 1998*. When you apply or make an enquiry about this program, RA collects information as part of the process. This may include personal and organisational details, such as, your name, job title, business name, phone number and email address.

RA will use your personal information primarily to providing information about the program and process your application. RA may also use this information for directly related purposes or where RA authorised or required by law, including program evaluation.

RA may disclose your personal information to other government agencies, staff administering the program and external stakeholders (including independent and accredited assessors). This disclosure may assist with application assessment or provide information about other available assistance.

Addenda

These guidelines are subject to change at any time at the sole discretion of RA. RA may, in its absolute discretion, publish an addendum to these guidelines, fact sheets, or guides on RA website. In each case, the additional published material becomes part of these guidelines.

Disclaimer

RA does not guarantee or warrant and accepts no legal liability for the accuracy, reliability, currency, or completeness of any material contained in this publication. Information is provided as general information only and should not be considered a substitute for advice from a qualified professional.

Users are encouraged to exercise care, apply their own judgment and independently verify and evaluate the accuracy, currency, completeness, and relevance of such information before relying on it and, where appropriate, seek professional advice.

RA reserves the right in our absolute discretion to vary any of the terms contained in this document; accept or reject late applications; vary the dates for key stages; freely discuss aspects of an applicant's assessment directly with them; or discontinue this funding round. Lodgement of an application will be taken as consent for the information to be shared with other NSW Government agencies.

Any information submitted by an applicant may be used for promotional material prepared by the NSW Government and/or Australian Government. These guidelines are subject to change at any time at the sole discretion of the NSW Reconstruction Authority. Any changes will be published on the [NSW Government Grants Finder website](#).

Appendices

Appendix A

Day Labour Co-Funding Arrangements

Since 1 November 2018, local councils that opt-in to new co-funding arrangements may claim funding for the following additional items:

- The use of normal-hours staff (day labour) for EW, IRW and EPAR works.
- The use of council's own plant and equipment for EW, IRW and EPAR works.
- An extended period for EW on essential public assets, including clean-up, for up to 3 months from the time that the asset becomes accessible.

Co-funding arrangements – opt-in to new arrangements

Local councils may claim these additional funding items if they opt-in to the following eligible disaster co-funding arrangements:

- Each financial year, a threshold for activating essential public asset funding will be calculated for every local council. This threshold will be the lesser of 0.75% of the council's total rate revenue in the financial year 2 years prior or \$1 million (excluding GST).
- For a council to receive funding for EW, IRW and EPAR works arising from an eligible disaster, the total estimated cost of these works must exceed the council's threshold.
- Council must contribute funding or resources to a level that is equivalent to their threshold or 25% of the cost of these works, whichever is lower.
- A council's contribution for EW, IRW and EPAR works arising from all declared eligible disasters in a financial year will be capped at 2% of their total rate revenue in the financial year 2 years prior to the financial year in which the eligible disasters occurred.

A council's total rate revenue comprises the total of all rate revenue from all 4 categories of rateable land, namely residential, farmland, business and mining.

Information about the total rate revenue of individual local councils is available from the Office of Local Government website at: <https://www.yourcouncil.nsw.gov.au/>

Co-funding arrangements – stay with previous arrangements

If a local council does not opt-in to these co-funding arrangements:

- The council will not be given funding for the use of normal hours staff (day labour) for any natural disaster essential public asset restoration works; and
- The council will not be given funding for the use of its own plant and equipment for any natural disaster essential public asset restoration works; and
- The council will be expected to reasonably exhaust their own plant, equipment and day labour before claiming assistance for the additional resources needed for any natural disaster essential public asset restoration works, such as, overtime, temporary staff, external plant and equipment hire; and
- The council will not be able to claim for the cost of EW incurred more than 21 days after the essential public asset becomes accessible; and
- The pre-DRFA co-funding arrangements will apply where:
 - RA will fund 100% of eligible EW costs (limited to 21 days, and excluding 'day labour' and council's own plant and equipment, as above); and

- For IRW and EPAR works on local roads and road infrastructure, councils will be required to contribute 25% of the assessed cost up to \$116,000 (\$29,000 maximum) for each eligible disaster, capped at \$58,000 per financial year; and
- For IRW and EPAR works on other essential public assets, councils will be required to contribute 25% of the assessed cost up to \$116,000 (\$29,000 maximum) for each eligible disaster, capped at \$68,000 per financial year, and minus any contributions made for works on local roads and road infrastructure.

Application of the co-funding arrangements

The co-funding arrangements will be applied by RA when establishing the TULG in response to funding applications. The amount of the council's co-funding contribution will be deducted from the overall grant amount that is offered to the council, to establish the TULG amount.

Estimated reconstruction costs (ERC), day labour, internal plant & equipment hire

For EPAR works, councils must establish the ERC for the works.

The council must establish the ERC for EPAR works through cost estimation or market response, for example, an open tender process, using the relevant local government estimation and/or procurement processes that would normally apply for the asset.

When developing an ERC, councils must produce the most accurate estimate possible, in the timeframe available. The estimate must be based on the most economically efficient approach to reconstructing the asset, and it must incorporate the most value-for-money supply rates that the council is likely to secure for labour, materials, plant and equipment hire and other cost elements.

If councils have opted-in to the new co-funding arrangements and are eligible to claim day labour and the use of their own plant and equipment, they should incorporate the use of these resources into the ERCs, where these resources are available and represent the most value-for-money option.

If councils have not opted-in to the new co-funding arrangements and are not eligible to claim day labour and the use of their own plant and equipment, they must still incorporate the use of these resources into the ERC, based on the principle that councils must reasonably exhaust their own resources before claiming assistance for any additional resources needed for eligible disaster reconstruction works. Although these internal plant and equipment hire and day labour costs are to be incorporated into the ERC in these circumstances, councils will not be able to claim for these costs. Instead, council's expenditure on these items will be regarded as a further contribution to the EPAR works, alongside the \$29,000 maximum amount for each eligible disaster, which councils are also required to contribute.

Eligible employee, project management, equipment & other costs

For councils that have opted in to the co-funding arrangements:

Councils that have opted in to the co-funding arrangements may claim employee, project management, equipment and other costs as outlined in the Fact Sheet *NSW Disaster Recovery Funding Arrangements: employee, project management, equipment and other costs*.

For councils that have not opted in to the co-funding arrangements:

Councils that have not opted-in to the co-funding arrangements may not claim any costs (including on-costs) for normal-hours salary and wages staff (day labour), internal plant and internal equipment that is used for the restoration of essential public assets.

Councils that have not opted-in to the co-funding arrangements may claim the following additional costs, if these costs are incurred directly as the result of engaging overtime, casual, or temporary staff for the restoration of essential public assets, and these costs would not have been incurred if

the eligible disaster did not occur, and the overtime, casual, temporary or backfill staff were not engaged:

- overtime, casual or temporary salaries or wages
- additional superannuation costs
- additional sick and holiday pay
- additional workers compensation insurance costs
- additional work health and safety costs
- additional vehicle and office expenses
- additional insurance costs
- additional housing costs (if applicable)
- additional protective clothing.

Councils that have not opted-in to the co-funding arrangements may claim the cost of backfilling normal-hours staff who are re-assigned on a temporary or casual basis to work on the restoration of essential public assets. These costs may only be claimed if:

- the cost of the normal-hours staff (working in a temporary or casual capacity) are not also claimed. That is, either the cost of the backfill staff may be claimed, or the cost of normal-hours staff working in a temporary or casual capacity may be claimed, but not both, and
- the temporary or casual reassignment and backfilling of normal-hours council staff represents the most economically efficient approach to engaging staff for the essential public asset restoration works.

Deadline for opt-in to the co-funding arrangements

The Day Labour Co-Funding Arrangements commenced 1 November 2018.

Local councils should have advised the former Office of Emergency Management of their position regarding the Day Labour Co-Funding Arrangements no later than 31 January 2019.

Only councils that have opted in to the Day Labour Co-Funding Arrangements prior to an eligible disaster can claim for day labour, internal plant and equipment hire and EW up to the 3-month time limit.

If a council wishes to opt-in, they can do so by advising RA in writing with authority from the council's General Manager to Reconstructioncoordination@reconstruction.nsw.gov.au.

If a council has not advised RA of their position and an eligible disaster impacts their local government area, the council will be regarded as having opted out of the new Day Labour Co-Funding Arrangements, for that specific eligible disaster. Once a council has opted in, they will remain as an opt-in council.

Appendix B

Supporting Information

RA will publish fact sheets and guides to assist with understanding the requirements of the DRFA and these guidelines. The material will be published on RA website at

<https://www.nsw.gov.au/departments-and-agencies/nsw-reconstruction-authority/disaster-recovery-funding-arrangements>

At the time of publication, the following additional fact sheets have been prepared and published:

- NSW Disaster Recovery Funding Arrangements: employee, project management, equipment and other costs
- NSW Disaster Recovery Funding Arrangements Employee on-costs for Opt-In Arrangements
- Essential Public Assets – Claims and acquittals
- Essential Public Assets – Sub-categories for DRFA Category B restoration works
- Essential Public Assets – Establishing estimated reconstruction costs
- Essential Public Assets – Variations, appeals and Independent Technical Review
- Essential Public Assets – Defining function, standards for works, and alternate solutions
- Essential Public Assets – Eligibility Examples
- Essential Public Assets – Evidence Requirements
- Essential Public Assets re-damaged by a subsequent event
- Allowable Time Limit Under the Disaster Recovery Funding Arrangements 2018
- Allowable Time Limits – DRFA Category B restoration of essential public assets
- Audit Process and the Disaster Recovery Funding Arrangements

At the time of publication, the following guides have been published:

- NSW Reconstruction Authority Treatment Guide 2025-26
- NSW Reconstruction Authority Cost Estimating Tool 2025-26

At the time of publication, the following supporting materials are available:

- NSW Natural Disaster Damage Assessment form

Other external supporting information:

- Australian Government National Emergency Management Agency Disaster Recovery Funding Arrangements, Guidelines and National Advisory notes: <https://www.nema.gov.au/our-work/disaster-recovery/disaster-recovery-funding-arrangements>
- Cost estimation guidance published by the Australian Government Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts: <https://investment.infrastructure.gov.au/resources-funding-recipients/cost-estimation-guidance>
- Transport for NSW Guide for Natural Disaster Slope Damage Restoration Requirements September 2023 <https://transport.nsw.gov.au/Slope-Damage-Restoration-Requirements>

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