

# NATIONAL PARTNERSHIP AGREEMENT FOR NATURAL DISASTER RECONSTRUCTION AND RECOVERY

Council of  
Australian  
Governments

An agreement between

- the **Commonwealth of Australia** and
- the **State of Queensland**.

This Agreement will contribute to the reconstruction and recovery of communities in Queensland affected by flooding and cyclones between November 2010 and January 2013. It supersedes the National Partnership Agreement for Natural Disaster Reconstruction and Recovery negotiated by the Parties in February 2011.

# National Partnership Agreement for Natural Disaster Reconstruction and Recovery

## INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

### PRELIMINARIES

1. This National Partnership Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements.
2. Given the scale of the floods and cyclones between November 2010 and January 2013, and the significant costs as a result, the Commonwealth Government is providing support for reconstruction and recovery of the communities affected. In entering this Agreement, the Commonwealth and Queensland acknowledge that primary responsibility for the protection of life and property in response to a natural disaster lies with the States. Queensland also acknowledges the need to ensure that a strategic approach is taken to reconstruction and recovery efforts, incorporating the principles of local input, and leverage effort across all three tiers of government and the private and not-for-profit sectors.
3. The key mechanism for the Commonwealth to support the States following a natural disaster is the NDRRA. This Agreement is intended to further strengthen and complement the governance and accountability provisions of the NDRRA by setting out:
  - (a) the objectives and outcomes sought through reconstruction and recovery efforts;
  - (b) the governance arrangement for the Commonwealth and the States to work together in the reconstruction and recovery effort;
  - (c) the roles and responsibilities of the Parties, including the Australian Government Reconstruction Inspectorate, which is responsible for the oversight of the reconstruction and recovery effort; and
  - (d) the arrangements for both reporting on, and the auditing of the expenditure devoted to, the reconstruction and recovery effort.
4. This Agreement will be implemented consistently with the objectives and outcomes of all National Agreements and National Partnerships agreed by the Parties. In particular, the Parties are committed to addressing the issue of social inclusion, including responding to Indigenous disadvantage (for example, the reform commitments provided in the National Indigenous Reform Agreement) and those commitments are embodied in the objectives and outcomes of this Agreement. This Agreement will also be implemented consistently with the National Strategy for Disaster Resilience agreed by the Parties.

## **PART 1 – FORMALITIES**

### **Parties to this Agreement**

5. This Agreement is between the Commonwealth of Australia (the Commonwealth) and Queensland.

### **Term of the Agreement**

6. This Agreement will commence as soon as the Commonwealth and Queensland sign the Agreement and will expire on 30 June 2015, or on completion of the projects relating to the disaster events outlined in this Agreement, including acceptance of final performance reporting and processing of final payments against project milestones. The Agreement may be terminated earlier or extended as agreed in writing by the Parties.
7. This Agreement supersedes the National Partnership Agreement for Natural Disaster Reconstruction and Recovery signed by the Parties in February 2011.

### **Enforceability of the Agreement**

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

### **Delegations**

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

### **Interpretation**

11. For the purposes of this Agreement, the definitions of terms such as "floods", "cyclones" and "disaster-affected communities", as they apply to Queensland, are set out in the Schedules to this Agreement.

## **PART 2 – OBJECTIVES, OUTCOMES AND OUTPUTS**

### **Objectives**

12. This Agreement will contribute to the reconstruction of Queensland communities which were affected by the floods and cyclones between November 2010 and January 2013.

### **Outcomes**

13. This Agreement will contribute to the following specific outcomes in flood or cyclone affected communities:
  - (a) repair of damage to essential public assets as a result of the floods or cyclones outlined in this Agreement;

- (b) replacement or restoration of essential public assets;
- (c) support for the recovery of communities and local economies severely affected by the floods or cyclones outlined in this Agreement; and
- (d) assisting communities to be more resilient for future disasters, in keeping with the objectives of the NDRRA and the National Strategy for Disaster Resilience.

## **Outputs**

- 14. Queensland agrees to provide the Commonwealth on a monthly basis with a Reconstruction and Governance Report based on the January 2013 format, that provides information on the progress of recovery and reconstruction relating only to the events under this Agreement. Material changes to the format will be agreed between the Parties.
- 15. The Australian Government Reconstruction Inspectorate will report to the Prime Minister on the progress of reconstruction and on its assessment of value for money across the Queensland reconstruction program on a six-monthly basis or as required by the Prime Minister.

## **PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY**

- 16. To realise the objectives and commitments in this Agreement, the Commonwealth and Queensland have specific roles and responsibilities, as outlined in the Schedules to this Agreement. In general terms, the role of the Commonwealth and the States are outlined below.

### **Role of the Commonwealth**

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

### **Role of Queensland**

- 18. Queensland agrees to be accountable for the following roles and responsibilities:
  - (a) providing relevant information and documentation to the Commonwealth necessary to track the use of NDRRA funding from its source to the point of final expenditure and/or final recipient;
  - (b) delivering on outcomes and outputs assigned to Queensland for implementation;
  - (c) monitoring and assessing performance in the delivery of activities under this Agreement, and reporting on this to the Commonwealth consistent with current practice, with any changes to be agreed between the Parties; and

- (d) providing assurance on the eligibility of local government and state government-owned assets for which NDRRA funding is claimed, consistent with current practice.

## **Shared roles and responsibilities**

- 19. The Commonwealth and Queensland share the following roles and responsibilities:
  - (a) developing the Schedules to this Agreement;
  - (b) participating in consultations as appropriate regarding the implementation of this Agreement;
  - (c) continuing to provide, in line with current practice, assurance around value for money across the Queensland reconstruction program for local government and state government owned assets; and
  - (d) conducting evaluations and reviews of services and outputs delivered under this Agreement.
- 20. The Parties will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to the replacement or restoration of essential public assets, and that the roles of both Parties will be acknowledged and recognised appropriately.

## **PART 4 – PERFORMANCE MONITORING AND REPORTING**

- 21. The NDRRA are the primary mechanism for the Commonwealth to provide funding to the States for flood and cyclone reconstruction and recovery efforts. Under the NDRRA, States and Territories are required to provide independently-audited financial statements to support any claim under the NDRRA, including the requirement to substantiate spending against any advance payments. These statements are to be audited by the Auditor-General of that State, consistent with NDRRA guidelines.
- 22. Under this Agreement, the Parties agree to meet the key performance reporting requirements and project milestones for the reconstruction projects. Queensland agrees to report to the Commonwealth on:
  - (a) recovery and reconstruction progress, including the extent to which milestones are being achieved and what additional funding is being leveraged, on a monthly basis, or as otherwise agreed between the Parties. The report will be based on the format of the January 2013 Reconstruction and Governance Report, and provide information on the progress of recovery and reconstruction relating to only the events under this Agreement. Material changes to the format will be agreed by the Parties.
  - (b) progress with expenditure under the NDRRA, including advice on the level of expenditure in key areas of the reconstruction effort;
  - (c) revisions to estimates of costs, as detailed in the NDRRA; and
  - (d) actual costs for reconstruction projects as soon as practicable after the completion of reconstruction work on a project-by-project basis.

23. Given the large quantum of Commonwealth funding involved in the floods and cyclone reconstruction and recovery effort, the public is likely to expect an even higher standard of transparency and assurance that funds are being used appropriately
24. The Parties recognise that each jurisdiction's Auditor-General has the responsibility for auditing all public sector entities, including departments, statutory bodies and local governments within that jurisdiction. The Commonwealth Auditor-General will explore with the Queensland Auditor-General an agreed audit plan that would provide the capacity for Commonwealth funding under the National Partnership Agreement and the NDRRA to be audited from its source to the point of final expenditure and/or final recipient through a complementary approach to performance audits. The audit plan will determine the scope, timing and frequency of any audits relating to Commonwealth expenditure.
25. The Parties also agree that the Queensland Auditor-General will provide the audit findings, and the basis for those findings, to the Commonwealth Auditor-General for audits conducted in line with the agreed audit plan.

## **PART 5 – FINANCIAL ARRANGEMENTS**

26. The Commonwealth will provide financial assistance to Queensland for flood and cyclone recovery and reconstruction activities in accordance with the provisions of the NDRRA. Any new proposals for assistance (for example, falling under Category D of the NDRRA, or non-NDRRA items) will need to be proposed to the Prime Minister, accompanied with business cases demonstrating value-for-money. Proposals should be consistent with the Principles Related to Proposals for Additional Natural Disaster Assistance, set out in a Schedule to this Agreement.

## **PART 7 – GOVERNANCE ARRANGEMENTS**

### **Ministerial oversight**

27. The governance arrangements in this Agreement aim to:
  - (a) ensure that the Commonwealth and Queensland collaborate effectively in the reconstruction and recovery process;
  - (b) establish clear roles and responsibilities for the Commonwealth and Queensland in the reconstruction and recovery process; and
  - (c) identify clear lines of reporting and transparent accountability for outcomes.
28. At both the Commonwealth and Queensland Government levels, Cabinet committees will oversee the recovery effort and report directly to the Prime Minister and Queensland Premier respectively.
29. The Commonwealth Minister Assisting on Queensland Floods Recovery will coordinate Commonwealth Ministerial involvement in Queensland flood and cyclone recovery efforts. This includes the Minister participating in the relevant Queensland Cabinet Committee to facilitate good communication between Queensland and Commonwealth Cabinet Committees.

### **Australian Government Reconstruction Inspectorate**

30. The Commonwealth has established an Australian Government Reconstruction Inspectorate (the Inspectorate) to oversee the reconstruction activity to provide assurance that value for

money is being achieved in the expenditure of both Commonwealth and State funds during the recovery phase. The Inspectorate:

- (a) reports to the Prime Minister;
  - (b) works closely with the established processes within state agencies and provides an additional level of check and balance for the expenditure of funds; and
  - (c) does not replicate the function or responsibilities of decision-making or statutory bodies, such as the Queensland Reconstruction Authority or the Commonwealth or State Ombudsmen or Auditors General.
31. The Inspectorate performs its functions by continuing to:
- (a) work collaboratively with the Queensland Reconstruction Authority on continued improvement to the value-for-money framework ; undertake scrutiny of reconstruction projects undertaken by local governments and state departments and agencies;
  - (b) undertake scrutiny of benchmark prices to ensure value for money;
  - (c) where appropriate, undertake scrutiny prior to execution for complex or high value contracts; and
  - (d) respond and investigate complaints or issues raised by the public.
32. Membership of the Inspectorate is a matter for the Commonwealth to determine, but will include:
- (a) a Chair with extensive experience of public sector management and decision-making;
  - (b) the Secretary of the Australian Government Department of Finance and Deregulation (DoFD); and
  - (c) two independent members with relevant private sector expertise and experience, such as audit and assurance.
33. The Commonwealth will support the provision of expert advice to the Inspectorate, for example in the fields of quantity surveying, construction management, audit and assurance, and contract law, as necessary through its National Disaster Recovery Taskforce.
34. The Parties agree to update the operating protocol between the National Disaster Recovery Taskforce and the Queensland Reconstruction Authority within 60 days of the signing of this Agreement to incorporate learnings from the past two years to ensure the effective and efficient provision of information.

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

35. A Commonwealth National Disaster Recovery Taskforce ('the Taskforce') has been established.
36. The Taskforce has as its sole focus the oversight and coordination of Commonwealth interests in relation to the recovery and reconstruction efforts regarding the flooding and cyclone events that took place in Queensland between November 2010 and January 2013 and the flooding events that took place in Victoria in early 2011. The Taskforce:
- (a) provides support, including Secretariat services, to the Inspectorate;

- (b) reports to the Minister Assisting on Queensland Floods Recovery;
- (c) provides the relevant Cabinet committee with regular progress reports on Queensland recovery and reconstruction, including updated estimates of the Commonwealth's liability under the NDRRA;
- (d) assesses spending on recovery and reconstruction efforts arising from the flooding and cyclone events to ensure consistency with NDRRA, in conjunction with Emergency Management Australia;
- (e) assesses requests for Commonwealth funding assistance outside those automatically triggered by a declaration under the NDRRA (including all Category D requests) consistently with the Principles Related to Proposals for Additional Natural Disaster Assistance set out in a Schedule to this Agreement, and advises the Commonwealth Government on these requests; and
- (f) ensures that a strategic approach is taken to reconstruction and recovery efforts, incorporating the principles of local input, and leverages effort across all three tiers of government and the private and not-for-profit sectors.

### **Queensland-specific governance arrangements**

- 37. In addition to the general governance and accountability arrangements set out in this Agreement, Queensland-specific arrangements have been established and are included in a Schedule to this Agreement.

### **Dispute resolution**

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

### **Review of the Agreement**

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

### **Variation of the Agreement**

- 43. The Agreement may be amended at any time by agreement in writing by all the Parties.
- 44. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.

### **Interaction of this Agreement with the NDRRA Determination and Guidelines**

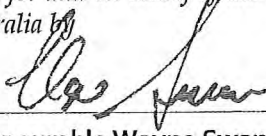
- 45. The Parties agree that this Agreement operates in parallel with the relevant NDRRA Determination that was extant at the time of the disaster event. In the event of a conflict between the Agreement and the NDRRA, this Agreement is taken to override the NDRRA, unless otherwise agreed by the Parties.



46. As required under the NDRRA, all restoration or reconstruction of essential public assets must be undertaken in accordance with recognised current building and engineering standards, subject to cases where betterment projects are agreed in a Schedule to this Agreement. The appropriate standards to be applied to the restoration or replacement of assets damaged in the 2013 flooding, including transport infrastructure, will be agreed between the Parties with a framework developed within two weeks, until such agreement is reached the current arrangements will continue.
47. The Commonwealth agrees to provide an exemption to the State in relation to clause 3.6.2 of the NDRRA Determination 2012 relating to the 2013 events covered by this Agreement. Accordingly, the State will not be required to seek approval from the Commonwealth in relation to the commencement of a restoration or replacement project estimated to be more than \$1 million. This exemption only applies if a restoration or replacement project is subject to the Queensland Reconstruction Authority's value-for-money and eligibility processes and the oversight of the Australian Government Reconstruction Inspectorate as outlined in this Agreement.
48. The Commonwealth agrees to provide an exemption to the State in relation to clause 4.3.2 of the NDRRA Determination 2012 relating to the events covered by this Agreement. Queensland shall instead notify the office of the Minister Assisting on Queensland Floods Recovery of approved submissions for the restoration or replacement of essential public assets.
49. In relation to Guideline 6 of the NDRRA Determination 2012, the Parties agree that, sporting, recreational or community facilities (such as playgrounds and associated facilities) and memorials that:
  - (a) were damaged in the 2013 event covered by this Agreement, and
  - (b) that had been damaged in a previous event covered by this Agreement, and
  - (c) that had been previously approved for reconstruction under the NDRRA,will be considered eligible essential public assets for replacement or restoration funding under the NDRRA Determination 2012. The Parties note that similar assets, or assets assessed by the Queensland Reconstruction Authority as essential public assets, damaged only in the 2013 events covered by this Agreement will be considered eligible for restoration or replacement funding under the NDRRA.
50. The Commonwealth undertakes to fast-track consideration of Category C requests where there is clear evidence of severe impact on a community, with relevant impact information to be provided by the Queensland Reconstruction Authority as soon as practicable. Subject to the provision of appropriate evidence, the Commonwealth also agrees to expedite consideration of Category D requests.
51. The Parties will agree a framework for proposals for changes to betterment arrangements in relation to the January 2013 events within two weeks of execution of this Agreement. A Schedule to the Agreement will detail the scope, criteria and other elements for the operation of any such agreed framework.
52. The Parties will agree the applicability to the January 2013 events, of an extension of the current trial, to reimburse expenditure on local government internal labour as Category D proposals under the NDRRA, or by agreement between the Parties.

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

*Signed for and on behalf of the Commonwealth  
of Australia by*



---

**The Honourable Wayne Swan MP**  
Treasurer of the Commonwealth of Australia

8 February 2013

*Signed for and on behalf of the  
State of Queensland by*

---

**The Honourable Tim Nicholls MP**  
Treasurer of the State of Queensland

February 2013

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

*Signed for and on behalf of the Commonwealth  
of Australia by*

**The Honourable Wayne Swan MP**  
Treasurer of the Commonwealth of Australia

February 2013

*Signed for and on behalf of the  
State of Queensland by*

  
**The Honourable Tim Nicholls MP**  
Treasurer of the State of Queensland

8 February 2013

# PRINCIPLES RELATED TO PROPOSALS FOR ADDITIONAL NATURAL DISASTER ASSISTANCE

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

## A Framework for the Development and Consideration of Proposals

- A1 The following principles are to guide the development and consideration of proposals:
- (a) Ensure that each level of government contributes appropriately to the funding needs, recognising that for large disaster events, the standard NDRRA provisions already provide that the Commonwealth funds the majority of State and local government costs for repairing/replacing eligible assets. Accordingly, a strong case showing the benefit to the Commonwealth and the States should be made, noting that contributions from States and local governments provide good incentives for high priority projects to be identified and, if approved, also provides incentives to obtain value for money in the management of the projects.
  - (b) A higher level of government should not provide assistance until the lower level(s) of government have also done so, and their ability to provide further assistance has reached its limits.
  - (c) Ensure that the structure of proposals and their funding arrangements do not undermine or distort the obligations on parties for security, business continuity or insurance— accordingly, proposals should not have the effect of providing a disincentive for individuals, businesses and governments to act prudently and responsibly in future.
  - (d) Each proposal should demonstrate why it should be regarded as a relative priority for funding — proposals need to show why they are critical to recovery and are unable to be funded in an alternative and more cost-effective or equitable way, in particular, the case should explain why the proposal has not been, or could not be, considered for funding under the standard infrastructure programs of the Commonwealth and State/local governments.

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

- A2 Taking these principles into account, proposals which are developed should address the following issues where possible:
- (a) Why does the Commonwealth government need to intervene in the way proposed?
    - i. What is the rationale for the proposal — issues to be addressed would include the scope for State and/or local government funding?

- (b) What are the options and their pros and cons?
  - i. Are they supported by a cost-benefit analysis (or at least a cost-effectiveness analysis)?
  - ii. What evidence can be presented that the proposal will be cost-effective, and represents value for money?
  - iii. Are they supported by commitments to mitigate future claims of the same kind, for example a commitment for specific improvements in land use policies, zoning rules, etc?
  - iv. Has the proposal been, or could it be, considered for funding under another program? If so, why was it not funded or not considered for funding under another program?
- (c) What is the fiscal impact of the options?
  - i. What is the cost — details of the costing assumptions and the basis for the costing calculations should be provided.
- (d) Implementation arrangements
  - i. Issues to be addressed may include governance, management of risks and mechanisms to provide assurance on obtaining value for money.

# Queensland-Specific Governance Arrangements for Reconstruction and Recovery

- B1. This Schedule provides for a number of governance arrangements specific to Queensland in addition to the general governance and accountability arrangements set out in the National Partnership Agreement for Natural Disaster Reconstruction and Recovery (the Agreement).
- B2. For the purposes of this Schedule:
- (a) "floods" means floods that were declared disasters for which NDRRA assistance was activated from November 2010 to January 2013;
  - (b) "cyclones" means cyclones that were declared disasters for which NDRRA assistance was activated from November 2010 to January 2013, particularly Tropical Cyclones Yasi and Oswald;
  - (c) "disaster-affected communities" means communities directly affected by the floods and cyclones between November 2010 and January 2013 in Queensland as per the NDRRA activations; and
  - (d) the Australian Government Reference Numbers (AGRN) for the specific events are:
    - AGRN 422 – Qld - November 2010 - January 2011 Floods
    - AGRN 428 – Qld – Tropical Cyclone Yasi commencing 2 February 2011
    - AGRN 437 – Qld - Flood - 28 February 2011
    - AGRN 450 – Qld - Flood - 19 April 2011
    - AGRN 485 – Qld – Localised Heavy Rainfall, Northern Queensland – October 2011
    - AGRN 466 – Qld - Southern Queensland Flooding November - December 2011
    - AGRN 476 – Qld - South East Queensland Heavy Rainfall and Flooding 23-26 January 2012
    - AGRN 472 – Qld - Tropical Low Far North Queensland - 3-4 February 2012
    - AGRN 474 – Qld - Tropical Low - 3-4 February 2012
    - AGRN 482 – Qld - Nth Coast Storms and Flooding/East Coast Hybrid Low - 24 February to 7 March 2012
    - AGRN 484 – Qld - Heavy Rainfall and Flooding - 15 March 2012

- AGRN 486 – Qld - East Coast Low - 22 March 2012
- AGRN 542 – Qld - Tropical Cyclone (Oswald) - 21-24 January 2013

## **Queensland Reconstruction Authority**

- B3. The Queensland Reconstruction Authority (QRA):
- leads and oversees Queensland’s flood and cyclone recovery operations;
  - monitors and assesses the progress of the reconstruction program;
  - monitors and assesses the performance of the delivery of projects;
  - reports to the QRA Board, the Australian Government Reconstruction Inspectorate and the Queensland Cabinet on the progress of recovery and reconstruction; and
  - liaises with the State Disaster Recovery Coordinator and the Commonwealth National Disaster Recovery Taskforce as needed to ensure good integration.
- B4. To ensure good coordination across levels of government, two Commonwealth representatives will be appointed to the Board of the QRA. Both members will be nominated by the Commonwealth.
- B5. Members of the QRA Board will have substantial experience in financial, contractual, engineering and/or large-scale infrastructure projects.
- B6. All QRA Board members will be indemnified against any legal claims while exercising the Board’s functions in good faith.

## **Queensland Flood Recovery Cabinet Committee**

- B7. The Commonwealth Minister Assisting on Queensland Floods Recovery will participate in the Queensland Disaster Recovery Cabinet Committee to facilitate good communication between the Queensland and Commonwealth Cabinet committees.

# Operating protocol between the National Disaster Recovery Taskforce and the Queensland Reconstruction Authority

NATIONAL PARTNERSHIP AGREEMENT FOR NATURAL DISASTER RECONSTRUCTION AND RECOVERY

## BACKGROUND

The National Partnership Agreement for Natural Disaster Reconstruction and Recovery (NPA), executed by the Commonwealth and Queensland Governments on 8 February 2013, outlines the governance and oversight arrangements in relation to funding under the Natural Disaster Relief and Recovery Arrangements (NDRRA) for flooding and cyclone disaster events from November 2010 to January 2013.

Clause 34 of the NPA states that the parties will update the operating protocol between the National Disaster Recovery Taskforce ('the Taskforce') and the Queensland Reconstruction Authority (QRA) to incorporate lessons learnt from the past two years to ensure the effective and efficient provision of information.

The NPA sets out the roles of each party to the agreement in Part Three, as listed below.

## Commonwealth National Disaster Recovery Taskforce (clause 36)

The Taskforce:

- a) provides support, including Secretariat services, to the Inspectorate;
- b) reports to the Minister Assisting on Queensland Floods Recovery;
- c) provides the relevant Cabinet committee with regular progress reports on Queensland recovery and reconstruction, including updated estimates of the Commonwealth's liability under the NDRRA;
- d) assesses spending on recovery and reconstruction efforts arising from the flooding and cyclone events to ensure consistency with NDRRA, in conjunction with Emergency Management Australia;
- e) assesses requests for Commonwealth funding assistance outside those automatically triggered by a declaration under the NDRRA (including all Category D requests) consistently with the Principles Related to Proposals for Additional Natural Disaster Assistance set out in a Schedule to this Agreement, and advises the Commonwealth Government on these requests; and
- f) ensures that a strategic approach is taken to reconstruction and recovery efforts, incorporating the principles of local input, and leverages effort across all three tiers of government and the private and not-for-profit sectors.

Paragraph 30(c) of the NPA notes that the Inspectorate 'does not replicate the function or responsibilities of decision-making or statutory bodies, such as the Queensland Reconstruction Authority or the Commonwealth or State Ombudsmen or Auditors General.'



## Queensland Reconstruction Authority (Schedule B clause B3)

The Queensland Reconstruction Authority (QRA):

- a) leads and oversees Queensland's flood and cyclone recovery operations;
- b) monitors and assesses the progress of the reconstruction program;
- c) monitors and assesses the performance of the delivery of projects;
- d) reports to the QRA Board, the Australian Government Reconstruction Inspectorate and the Queensland Cabinet on the progress of recovery and reconstruction; and
- e) liaises with the State Disaster Recovery Coordinator and the Commonwealth National Disaster Recovery Taskforce as needed to ensure good integration.

## REGULAR REPORTING

Clause 22 of the NPA sets out the framework for the delivery of reporting by the State of Queensland through QRA to the Commonwealth. The key reports are:

Information reported	Details, including format	Timing
Weekly report on the progress of recovery and reconstruction	Provided within 2 working days of the end of the week being reported.	Weekly
Monthly report on the progress of recovery and reconstruction	Monthly report based on the January 2013 Reconstruction and Governance report prepared by QRA and provided within three weeks of the end of the month. As noted in clause 22 of the NPA, this report is to provide information on the progress of reconstruction and recovery relating to only the events under the NPA. The content of this report was agreed in principle by both parties and outlined in the letter from Mr Eccles to Mr Newton of 7 March 2013.  It is at <b>Attachment A</b> .	Monthly
Benchmarking data	Benchmarking data broken down for each region, separated for LGA and DTMR and provided in a format that allows for data interrogation, for example Microsoft Excel.	Quarterly

## INFORMATION FOR VALUE-FOR-MONEY REVIEWS

The Inspectorate's value-for-money methodology includes three tiers:

- Tier One – desktop review by the Taskforce
- Tier Two – secondary review
- Tier Three – Inspectorate review

QRA provides a listing of approved submissions on a monthly basis to the Commonwealth. The Taskforce selects submissions from this list for value-for-money reviews. The Taskforce provides the list of its selected project submissions to QRA, which will provide the relevant submission documentation within ten working days. QRA will advise of any delay to the provision of information, so that reviews can be finalised as soon as possible.

The Inspectorate Chair will inform QRA's CEO of the results of the value-for-money reviews endorsed at each Inspectorate meeting within 10 working days of the meeting. Both parties are committed to working together to resolve any outstanding issues.

All requests for information by the Taskforce will be made directly to QRA and will be identified with a unique reference number for tracking purposes. If QRA has the information, it will provide this information within ten working days of the request. If QRA has to ask a third party for the information, the third party will be given up to 20 working days to provide QRA with the information, and the information will be provided to the Taskforce within ten working days of receipt. QRA will advise the Taskforce of any delays to the provision of information. Where practicable, information will be provided by QRA to the Taskforce through GMRS and Trim access.

The Taskforce will provide early notification to QRA of any projects in which eligibility issues are identified and, subject to the timeframes set out below, will incorporate any additional material provided by QRA prior to finalising a recommendation on a project's value for money to the Inspectorate.

Information provided	Details, including format	Timing
Approved submissions list	In the format currently provided (e.g. 1 March 2013 list), but separated into financial year of disaster event.	Monthly
Submission documentation	The full submission documentation provided to QRA by the delivery agent for those submissions selected by the Taskforce.	Within 10 working days of the request
Requests for additional information	The Taskforce will provide a list of questions and requests for extra information once a fortnight. These will be identified with a unique reference number for tracking purposes.	Within 10 working days of the request, if QRA is in receipt of the information requested

Actual costs for reconstruction projects	<p>The Taskforce will make a regular request for the actual costs of those projects selected for value-for-money review by the Taskforce.</p> <p>The data provided should be in the format provided by delivery agents to QRA.</p>	Within 10 working days of the request, if QRA is in receipt of the information requested
Progress reports	<p>The Taskforce will make a regular request for progress reports relating to those projects selected for value-for-money review by the Taskforce.</p> <p>The data provided should be in the format provided by delivery agents to QRA.</p>	Within 10 working days of the request, if QRA is in receipt of the information requested
Completion reports	<p>The Taskforce will make a regular request for completion reports relating to those projects selected for value-for-money review by the Taskforce.</p> <p>The data provided should be in the format provided by delivery agents to QRA.</p>	Within 10 working days of the request, if QRA is in receipt of the information requested
QRA's inspection and assurance reports (50 per cent review and final review)	The Taskforce will make a regular request for inspection and assurance reports relating to those projects selected for value-for-money review by the Taskforce.	Within 10 working days of the request

## **OTHER MATTERS**

### **Format of information**

The parties agree to exchange information in a format that allows for data interrogation, where relevant, for example Microsoft Excel for tables of data.

### **Miscellaneous requests**

Ad hoc requests by the Taskforce and QRA will be made through the nominated contact officer and responded to as soon as possible.

### **Contact with local government authorities (LGAs) and state departments and agencies (SDAs)**

QRA will be the primary contact with all delivery agents (i.e. LGAs and SDAs). The Taskforce and the Inspectorate will initiate all contact through QRA.

In the event that experts engaged by the Inspectorate require direct contact with LGAs or SDAs, the Taskforce will notify QRA at least 10 working days prior to the first contact, allowing QRA to facilitate the process.

### **Complaints**

QRA and the Taskforce will work together and inform each party on receipt of a complaint. The administration of each complaint should be addressed by the more relevant party.

### **Amendment of protocol**

This operating protocol can be amended with the agreement of both parties.

### **Escalation**

Where an issue remains unresolved for a reasonable period of time, the matter will be escalated to QRA's Chief Executive Officer and the First Assistant Secretary of the Department of Regional Australia, Local Government, Arts and Sport.

## ADDENDUM TO REPORTING REQUIREMENTS

The Commonwealth Government has provided significant exceptional financial assistance under Category D of the NDRRA. Quarterly reporting on estimates and expenditure against Category D measures is already a requirement under the NDRRA Determination. Additional reporting on specific elements such as Day Labour, Betterment and the 2010-11 Queensland Local Council Package and the Cassowary Coast Support Package and the 2012-13 Queensland Flood Relief Package will be subject to agreement between parties, but should include:

- quarterly status report;
- the assessment criteria and process,
- annual reconciliation of expenditure;
- breakdown of LGAs benefitting from these measures, including amount of funding received;
- assurance reviews;
- number and identification of participating councils (day labour);
- cost of the actual labour component (day labour); and
- projected savings (day labour).

The above information will be supplied in keeping with the NDRRA Determination, the Queensland Disaster Relief and Recovery Arrangements Guidelines and the Queensland Reconstruction Authority's Compliance, Value for Money and Assurance frameworks.

# Queensland Betterment Framework

## NATIONAL PARTNERSHIP AGREEMENT FOR NATURAL DISASTER RECONSTRUCTION AND RECOVERY

### INTRODUCTION

- F1 The Natural Disaster Relief and Recovery Arrangements (NDRRA) assist state and territory governments with the additional financial burden as the result of a natural disaster. The NDRRA Determination 2012 (Determination) sets out the parameters required to access this assistance. In broad terms, the Determination allows the restoration or replacement of an essential public asset to its pre-disaster standard. The Determination also allows the restoration or replacement of the asset to a more disaster resilient standard than its pre-disaster standard; this is referred to as betterment<sup>1</sup>.
- F2 Betterment is intended to limit the cost of rebuilding repeatedly damaged infrastructure by allowing essential public assets to be rebuilt to a more resilient standard where it is cost-effective to do so.

### WHAT IS BETTERMENT?

- F3 Betterment costs are the difference between the cost of restoring or replacing an essential public asset to its pre-disaster standard, and the cost of restoring or replacing the asset to a more disaster-resilient standard.
- F4 For example: if restoring an asset to its pre-disaster standard will cost \$5 million and restoring the asset to a more disaster-resilient standard will cost \$7 million, the betterment component would be \$2 million.
- F5 The National Partnership Agreement for Natural Disaster Reconstruction and Recovery (NPA) between the Commonwealth and State of Queensland established a method under which betterment can be fast tracked, where local government authorities (LGAs) can apply for betterment from the Queensland Betterment Fund.

### QUEENSLAND BETTERMENT FUND

- F6 The Commonwealth and Queensland governments have created the Queensland Betterment Fund (the Fund) to provide a streamlined process for LGAs to pursue betterment projects relating to the 2013 events (and any other agreed eligible events).
- F7 The Fund will be managed by the Queensland Reconstruction Authority (the Authority), rather than through the standard betterment process which requires both Commonwealth and State government approval for all projects in advance. The Commonwealth and Queensland governments have contributed \$40 million each to the Fund.
- F8 The Fund will be used by LGAs for projects where the total contribution from the Commonwealth and State does not exceed \$2 million (i.e. Commonwealth contribution of up to \$1 million and State contribution of up to \$1 million).
- F9 While the Authority will manage the Fund and will not need Commonwealth approval before proceeding with projects, these projects will be subject to State approval process including

<sup>1</sup>Determination 2012, 3.6.7, 3.6.8, Guideline 7

endorsement by the Minister for Local Government, Community Recovery and Resilience and governance arrangements outlined in the NPA. Accordingly, approved projects under the Fund are able to be selected for review by the Australian Government Reconstruction Inspectorate.

- F10 Projects will be selected by the Authority through a merits based process. LGAs are encouraged to contribute to the betterment cost. This contribution will be taken into account as part of the assessment.

## APPLICATION AND ASSESSMENT

- F11 The following methodology for evaluating proposals for assistance under the Fund seeks to provide cost effective means of improving community resilience with respect to reduced future expenditure on asset restoration, reduced incidents, injuries and fatalities during and after a natural disaster, and improved asset utility during and after a natural disaster.

- F12 The methodology will provide a process to guide the preparation of business cases for betterment proposals. Assessments will involve a review of the merits of the project, which will be supported by quantitative and qualitative information on the costs and impacts of the project. The framework for the assessment is outlined below:

### Project Information

- F13 Betterment proposals should provide a general description of the asset, its functional role, the disaster event which caused the damage, the impact to the asset and the historical record of impact from prior events.

### Eligibility Criteria

- F14 Betterment proposals should demonstrate that the asset is eligible under the Determination as an essential public asset, is a local government owned asset damaged by an eligible event, and describe the relevant treatment and cost.

### Betterment Proposal

- F15 Betterment proposals should detail the engineering solution and outline the effectiveness of the betterment proposal to mitigate the impact of future natural disasters. Alternative betterment proposals may also be included for assessment.

### Proposed Cost of Betterment

- F16 Betterment proposals should provide a cost estimate of the betterment solution that allows an assessment of value for money and demonstrates reduced cost of possible future asset restoration and improved asset utility and safety for users during and after future natural disaster events.

### Stakeholder Commitments

- F17 The proposal should also outline Federal, State or local government commitments to the project including funding agreements.

- F18 The submission process is aligned to the current process outlined in the Queensland Reconstruction Authority submission guide, the process is divided into four phases:

Phase 1: Prepare submission

Phase 2: Detailed planning

Phase 3: Undertake project – monitor and report on project milestones; submit progress claims

Phase 4: Project acquittal – finalise claim

## NOTIFICATION ON APPROVAL

F19 In line with paragraph 48 of the NPA, the approval of a betterment submission would be notified to the Commonwealth Minister Assisting on Queensland Floods Recovery.

## VARIATION OF FRAMEWORK

F20 A variation to this framework can be agreed at any time in writing between the Commonwealth Minister Assisting on Queensland Floods Recovery and the Queensland Minister for Local Government, Community Recovery and Resilience or their delegates.



# Essential Public Asset restoration or replacement to pre-disaster standard

## NATIONAL PARTNERSHIP AGREEMENT FOR NATURAL DISASTER RECONSTRUCTION AND RECOVERY

### GENERAL ADVICE

- E1 Category B under the Natural Disaster Relief and Recovery Arrangements (NDRRA) provides assistance to states to repair or restore a damaged asset to its pre-disaster standard, functionality or utility.
- E2 The purpose of this assistance is to allow the reconstruction of damaged assets, ensuring that the normal functioning of a community is restored following a disaster.
- E3 The NDRRA enables reconstruction to be undertaken in accordance with current building and engineering standards. This ensures that contemporary construction methodologies and building materials can be used to restore the pre-disaster functionality or utility of an asset. For example, using steel rather than timber, or prefabricated concrete rather than brick.
- E4 As far as practicable, reconstruction works should be designed to ensure value-for-money is achieved for both the Commonwealth and state governments.
- E5 Improvements or enhancements to an asset's pre-disaster functionality or utility will generally not be considered eligible for reimbursement under Category B. This includes adopting specific measures to improve an asset's size, capacity, strength, and resilience.
- E6 While it may be opportune or even required under state regulation to reconstruct an asset to improve its functionality or utility following a disaster, any such improvement or enhancement costs are usually the responsibility of state and local governments.

### ROAD WIDENING ADVICE

- E7 The NDRRA does not prevent states from widening damaged roads. State and local governments are encouraged to combine reconstruction work with complementary maintenance or enhancements where this results in efficiencies.
- E8 Restoration of a road at a greater width than its pre-disaster state will generally not be consistent with the requirements of the NDRRA.
- E9 Increasing the width of a road which results in improved resilience may include a component of betterment and funding for this component can be sought through the betterment framework. Where an increase in road width is based on enhancement of utility or traffic volume this component should be subject to complementary funding.
- E10 Where there are extenuating circumstances presented by the state that necessitate a damaged road to be widened, eligibility will be determined on a case by case basis. In such instances it will be necessary to provide evidence that the road has been maintained and that the treatment proposed is a cost effective engineering solution. Consideration may also be given to the documented accident record and whether the road has previously been identified for upgrading for safety reasons.