



**New disaster  
funding  
arrangements –  
What does it mean?**



**Government of Western Australia  
Office of Emergency Management**

# What is NDRRA?

- Natural Disaster Relief and Recovery Arrangements (NDRRA) – agreement between the Commonwealth and all States and Territories
  - It's a document, outlining the conditions and requirements of the funding arrangements
- WANDRRA
  - WA's application of NDRRA
  - Defines how funding can be applied for following an eligible disaster
  - Some NDRRA measures are not provided under WANDRRA and are therefore not available in WA.

# What is NDRRA?

- NDRRA is designed to be a ‘safety net’ which complements other state-based strategies such as insurances, natural disaster mitigation and planning.
- It is not designed to be the first point of contact in the event of a disaster.



# Why is it so challenging



Significant events and misuse of the arrangements have created the need for greater regulation.

Productivity Commission Report 2014 – critical of the current disaster funding arrangements.

National audit of the NDRRA 2015 - identified significant areas of concern.

# The implications



The Commonwealth requires:

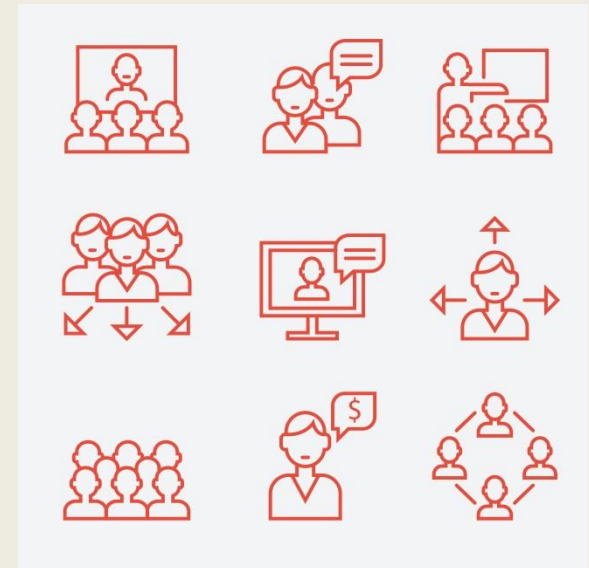
- greater certainty in understanding its liabilities
- significant assurance that claims are accurate



The State, LGs, asset owners receive funding they would not otherwise receive

# Changes to NDRRA

- The Commonwealth regularly updates NDRRA
- Disaster Recovery Funding Arrangements (DRFA) due July 2018 are a significant step change
  - 2 years of consultation with representatives from DPC/OEM and MRWA, participating in 8 workshops



# What are we expecting?

- Clarification and possible revisions to certain clauses in Version 5 of the arrangements.
- Arrangements commence 1 July 2018
- Submission to WA Cabinet required
- Revised version of WANDRRA to be released

# Questions?





# Key changes proposed

1. Payment by the Commonwealth on estimates of damage, rather than actual cost (State will continue to pay on actual costs)
2. Pre-disaster condition for essential public assets
3. Damage assessment requirements
4. Provision of estimates for estimated reconstruction
5. Removal of 'day labour' restrictions
6. Introduction of emergency and immediate reconstruction works

# State Impact

State Benefits	State Challenges
Reduced payment time between Commonwealth and State	Greater assurance requirements
Potential for mitigation funding	Estimates and actual cost reporting required

# Local government impact

LG/Agency Benefits	LG/ Agency Challenges
Immediate and emergency works may provide greater flexibility for LGs/asset owners	Better asset data is required to support claims: <ul style="list-style-type: none"><li>• Asset function information</li><li>• Asset pre-disaster condition information</li></ul>
Own resources can be used, with less paperwork than the current exemption	Damage estimates are required
Possible access to mitigation funding to improve resilience of assets	Assurance required by suitably qualified professional (Engineer/Quantity Surveyor) <ul style="list-style-type: none"><li>• Impact on resourcing</li></ul>

# Key concerns being addressed

Cashflow concerns for LGs:

- Options are being discussed with Treasury, DPC
- Desktop trial of possible option being undertaken

LGs capability to provide suitably qualified personnel for assurance

- Clarifying requirements with OAG

Asset information concerns

- Status of databases, currency of information

WANDRRA process being reviewed

- Assurance required, parties involved

# Next Steps

Communication pack to be prepared and tested with a sample of LGs

New DRFA to be released and reviewed to understand WA impact

Continue to resolve the key concerns currently being addressed

Control objectives framework and assurance requirements to be addressed

# Questions?

