# Victorian Disaster Recovery Funding Arrangements

## Tip Sheet 12: Day Labour under Category A & Category B Counter Disaster Operations (CDO)

* + - 1. Introduction

Victoria's Natural Disaster Financial Assistance (NDFA) scheme is available to Delivery Agencies, including Local Government Authorities, to relieve some of the financial burden that may be experienced following a disaster in accordance with the [Australian Government’s Disaster Recovery Funding Arrangements (DRFA)](https://www.disasterassist.gov.au/Documents/Natural-Disaster-Relief-and-Recovery-Arrangements/disaster-recovery-funding-arrangements-2018.pdf). The DRFA does not cover all costs resulting from a disaster.

This Tip Sheet relates to the eligibility of Day Labour under Category A & Category B CDO of the DRFA and should be read in conjunction with the individual ***Tip Sheets* 1 – 5** on Category A and Category B CDO for advice on how to seek reimbursement on eligible expenditure associated with Category A and Category B Counter disaster operations.

For advice on the day labour under Category B excluding CDO, please refer to ***Tip Sheet 11: Day Labour under Category B excluding Counter Disaster Operations***.

* + - 1. Definition

**Day Labour** refers to the use of a Delivery Agency’s own plant, equipment or resources to undertake DRFA Category B Emergency Works, Immediate Reconstruction Works and Reconstruction of Essential Public Assets (REPA aka certified estimates). The key components of Day Labour are plant, labour, and materials where internally supplied.

Day labour is not eligible for expenditure associated with Category A Early relief and recovery activities and Category B Counter Disaster Operations and accordingly, is deemed to be ineligible expenditure however, eligible costs are detailed in the section below.

* + - 1. Eligible Costs
				1. Eligible expenditure

Eligible Delivery Agency costs that may be required to support the activities under Category A Early Relief and Recovery activities include the following:

* Additional temporary employees engaged;
* Backfilling of those employees seconded to undertake the eligible activities;
* Overtime costs of Delivery Agency employees;
* Travel costs, Allowances and Accommodation expenses; and the
* Use of other Delivery Agency/ies staff to assist with relief and recovery activities

Delivery agencies must be able to demonstrate that any employment on-costs that are to be claimed, such as superannuation, payroll tax and workers’ compensation insurance premiums, are directly attributable to the employment of temporary fixed-term staff and contractors, overtime and backfilling.

Only the additional costs, such as higher duties of backfilling a person undertaking eligible activities, are eligible, and this is dependent on type of arrangement, not the salary of the incumbent.

Time in lieu amounts are ineligible as they do not result in an additional cost to the Delivery Agency.

* + - * 1. Additional temporary employees (including secondments) & position descriptions

If a Delivery Agency employs an additional position in response to an event and wish to claim salary costs through the DRFA, the request for a **DRFA funded resource** must be completed in the CMS for that module and a copy of the position description uploaded. Position descriptions (PDs) must be approved by the Administering Authority following the recommendation of the Assessing Authority prior to the role commencing. For example, where a Delivery Agency needs to operate a Recovery Centre post the original three months allowable time period.

Additional temporary employees may be permitted where Delivery Agencies are able to demonstrate that resources from within their organisation have been exhausted, and any costs associated with additional temporary fixed-term employees or contractors to be claimed are in addition to the aggregate level of staffing prior to the eligible disaster.

PDs must include the following information:

* the eligible disaster for which work will be undertaken,
* the start and end dates of the position,
* the salary range of the position,
* a clear description outlining how the position relates to the event, e.g. ‘To assist in the planning, procurement and delivery of the necessary projects to repair Council’s essential public assets damaged as a result of disaster AGRN XXXX’,
* a clear description of how the activities or works being undertaken link to the disaster e.g. ‘Develop and deliver assigned storm impact related projects for Council essential public assets damaged as a result of storm event AGRN XXXX’.

Ineligible items for PDs include:

* positions that already exist in the organisations structure, including positions for temporary employees working under an existing contract that was in place prior to the disaster.
* positions that will be recruited from an external agency, these costs should be treated the same as any other external contract cost.
* incumbent salaries for any staff who have been seconded to the eligible disaster related positions, only additional disaster related positions should be claimed.

To demonstrate the positions are over and above the current structure, the Administering Authority may request a letter from an executive in the Delivery Agency confirming that current resources are fully utilised and not able to meet the demand expected to complete the reconstruction works.

Delivery Agencies will need to provide a copy of the payroll reports as evidence of the claims and ensure forecast salary costs are included in certified estimates (for essential public asset reconstruction works).

Delivery Agencies must keep records to demonstrate that appropriate recruitment processes have been followed for temporary fixed-term disaster recovery roles.

Delivery Agencies considering seconding staff to or from another Delivery Agency and seeking reimbursement under the DRFA should seek approval from the Assessing Authority in consultation with the Administering Authority, to ensure eligibility of these costs and establish PDs accordingly. Delivery Agencies should ensure that the roles are backfilled for those staff seconded to undertake eligible activities under Category A Early Relief and Recovery activities and Category B CDO.

### 1.3.3 Overtime for standard employees

A Delivery Agency can claim overtime costs for employees who have been required to work extra time on eligible activities associated with an eligible event. As a result of the overtime. the Delivery Agency must have incurred additional costs to be eligible for inclusion in a claim, for example an employee cannot claim their overtime as Time in Lieu (TIL) which has been taken at a later date. A Delivery Agency will need to provide supporting documentation that outlines the reason for the overtime, what eligible activities were carried out during the overtime and evidence of the increased cost to the Delivery Agency.

If costs associated with overtime for standard employees cannot be allocated per asset, the Delivery Agency is to proportionally allocate the overtime costs against each eligible asset to be included in the claim. Delivery Agencies will need to provide supporting documentation that outlines the reason for the overtime, how the overtime has been proportioned and what eligible activities were carried out during the overtime.

### Griffin Engineering Management (GEM) Pty Ltd1.3.4 Travel costs, Allowances and Accommodation expenses

Travel costs, allowances and accommodation for Delivery Agency employees, consultants and contractors that are directly related to an eligible activity referred to in this Guideline are eligible. These costs are considered indirect costs.

Where a Delivery Agency is seeking reimbursement for costs associated with meals and allowances associated with undertaking an eligible activity i.e. damage assessments on impacted residential properties, the Delivery Agency is required to demonstrate that the person undertaking the activity was not paid a meal/incidental allowance while on that particular deployment.

### 1.3.5 Use of other Delivery Agency/ies staff to assist with relief and recovery activities

A disaster affected Delivery Agency (Delivery Agency 1) can utilise the workforce of other non-disaster affected council/s in the same way they would engage an external contractor to undertake eligible DRFA activity, on the following basis:

* Delivery Agency 1 can demonstrate it does not have the capacity to undertake the activity within current Delivery Agency’s resources (Delivery Agency 1 has exhausted its workforce capacity);
* the workforce costs are extraordinary – that is, costs would not have been incurred if the disaster had not occurred;
* the activities the workforce from the non-disaster affected Council/s are undertaking relate to the delivery of eligible DRFA activities/measures, and
* the workers from the non-disaster affected Council/s are being paid by Delivery Agency 1 and not paid by the non-disaster affected Council/s to undertake the contracted activity i.e. the costs are incurred by Delivery Agency 1.

Should a Delivery Agency utilise other non-disaster affected council/s staff to assist with relief and recovery activities following a DRFA disaster, the impacted Delivery Agency should provide a purchase order and engagement agreement from Delivery Agency 1 to the non-disaster affected Council/s, the corresponding invoice/s from the non-disaster affected Council/s to Delivery Agency 1 for services provided and further supporting documentation outlining the dates, and the activities undertaken by those particular staff.

* + - 1. Further information

For further information, refer to the [Victorian Guideline 3: Claims and Eligibility for early relief and recovery activities and CDO and the individual ***Tip Sheets* 1 – 5** on Category A and Category B CDO for advice on how to seek reimbursement on eligible expenditure associated with Category A and Category B Counter disaster operations which have specific examples of eligible expenditure following a disaster.](https://www.vic.gov.au/drfa-resources-guidelines-and-forms#reconstruction-of-essential-public-assets)

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