

Infrastructure Betterment – Program guidelines

The Betterment package is jointly funded by the Australian Government and [administering agency] Government to build back better, more resilient essential public infrastructure damaged by the [event name].

Event name

The Betterment package is one component of a jointly funded, exceptional circumstances Category X funding package, approved under the Disaster Recovery Funding Arrangements (DRFA) 2018.

Name/title of initiative DRFA Category of assistance	Name: <name of package> AGRN: XXXX DRFA Category of assistance: Category <X>
Type of assistance and who will receive support/benefit	Funding to build back better, more resilient essential public infrastructure damaged by the <event> Local governments and State agencies activated for DRFA for the <event>.
Available Funding	<\$X million>
Description of initiative, including: relevant amounts/levels of support; how the assistance will be provided/delivered; and	The Betterment Program aims to provide funding to enable state agencies and local governments to build back better, more resilient essential public infrastructure damaged as part of the event. A total of <\$X million> is available under this program through a contestable EOI process. Applicants may lodge more than one project proposal. Betterment funding is calculated as the difference between the Category B estimated reconstruction cost to restore an eligible public asset to its pre disaster function, and the cost to build back the damaged asset to a more resilient solution. An upper-limit of <\$X million> in Betterment funding will apply to a single local government Betterment project. Assets of national significance, such as national highways, will be exempt from the <\$X million> upper limit. Betterment funding is approved as a capped amount to an approved project, however under and over-runs will be managed on the program level to achieve best value for money
Locations where the initiative will be made available/provided	All local government areas activated for DRFA for the <event>
State/territory administering agency and contact details	<Administering Agency > Phone: Email:

1. Purpose

The purpose of the jointly funded (50:50) Australian and <state/territory> Government Betterment Program is to build back more resilient essential infrastructure damaged by the devastating impacts of the <event>, and reduce the impact of future events on essential infrastructure and the community.

The Betterment Program is one component of a jointly funded, exceptional circumstances <Category X> funding package, approved under the Disaster Recovery Funding Arrangements (DRFA) 2018.

2. Objectives

The key objectives of the Infrastructure Betterment Program is to provide <Category X> DRFA funding to enable state agencies and local governments to:

- access funding that is in addition to DRFA Category B, Reconstruction of Essential Public Assets (REPA) funding available to restore event damaged assets to pre-disaster function,
- use the total funding to build back better, more resilient essential public infrastructure, and
- contribute to the objectives of <relevant strategies>.

3. Outcomes

1. Provide infrastructure that delivers essential services to the community
2. Infrastructure is built in accord with current knowledge and practices for mitigating disaster impact
3. Infrastructure is built to current Australian standards and relevant codes of practice.
4. Infrastructure is built with regard to local disaster risks
5. Infrastructure is rebuilt that delivers essential services to the community in a way to minimise future damage and/or build resilience

4. Eligibility criteria

Eligible applicants – Betterment is open to local governments and State agencies activated for DRFA for the <event>.

Proposed Betterment projects must address the Program Objectives, eligibility criteria and timeframes.

Eligible projects - Betterment works must be undertaken on assets that:

- meet the DRFA definition of an essential public asset; and
- have sustained damage as a direct result of the <event> and meet the eligibility requirements for DRFA REPA funding, for the <event>. Please refer to the Activations summary at <web link>.

Eligible costs may include:

- a) local government labour and plant costs directly associated with delivering the eligible works
- b) extraordinary wages such as overtime, additional allowances
- c) plant operating consumables
- d) contractor and hire costs
- e) materials.

Ineligible costs

- a) non-specific indirect and overhead costs

- b) profit margins of applicant including (but not limited to) that associated with the applicant's supply or use of plant, labour or materials
- c) costs that are reimbursable under other funding sources, including insurance
- d) costs of works completed prior to approval of the Betterment project.

5. Funding

A total of <\$X million> in Category D DRFA funding is available under this program. Applicants may lodge more than one project proposal.

Betterment funding is calculated as the difference between the Category B estimated cost to restore an eligible public asset to its pre disaster function and the cost to build back the damaged asset to a more resilient solution.

An upper-limit of <\$X million> in Betterment funding will apply to a single local government Betterment project. This amount refers to the Betterment component only, not the estimated total project cost. Assets of national significance, such as national highways, will be exempt from the <\$X million> upper limit.

Betterment funding is approved as a capped amount to an approved project. Only the actual eligible cost, up to the capped amount and directly associated with delivering the approved Betterment works is eligible for reimbursement.

6. Timeframes/key dates

Key dates relating to the program are as follows:

- a) Expressions of Interest (Eol) due to <administering agency> by <date>.
- b) all approved projects must have awarded tenders lodged to <administering agency> by no later than <date>, unless otherwise agreed in writing with <administering agency>
- c) all approved projects completed by <date>
- d) all approved project close out reports due to <administering agency> within three months of completing project and by no later than <date>.

7. Application requirements

7.1 Expressions of interest

The Eol should contain details of the proposed project, including:

- asset details
- accurate GPS locations of event damage and the Betterment site/s
- description of event damage at site
- description of the proposed engineering solution to increase resilience
- cost estimate of the REPA works to reconstruct the asset to pre-disaster function
- cost estimate of the Betterment works to build back a more resilient asset
- approximate project timeframes
- prior event DRFA/NDRRA funding approvals at the site/asset
- socio economic benefits of project
- applicant's project priority.

For any priority or shovel ready projects, additional information can be supplied on the Eol form to expedite the assessment and approval process.

Eols can be lodged through an online form available from <administering agency>. More information about lodging Eol applications is available here <web link>.

The <administering agency> will review Eols and advise applicants of projects identified for further scoping and consideration.

7.2 Detailed submissions

Applicants will be required to prepare and lodge detailed submissions for identified Betterment projects, including:

- a completed Betterment project proposal
- supporting evidence including preliminary or detailed designs, options analysis, cost benefit analysis, resilience outcomes, and results of investigation / consultation
- the related REPA scope of works, if not already lodged.

8. Assessment

<Administering agency> will assess detailed submissions against the Program objectives, eligibility criteria and the following criteria:

- **Issue identification:** A need, risk or vulnerability has been identified related to the damaged asset and will be addressed by the proposed Betterment option.
- **Cost-benefit analysis:** The proposed project includes the preliminary estimate of proposed works, financial and non-financial benefits, and the avoided costs when calculating benefits. Note: rigour of analysis is expected to vary according to the complexity, risk profile and attributable cost of the proposed project, including any regulatory requirements.
- **Community benefits:** The resilience benefits to the community have been quantified.
- **Evidence based:** The proposed project is supported by investigation, evidence and consultation.
- **Innovation:** The proposed project may demonstrate innovative mitigation solutions to long-standing risks and may introduce new methods or approaches to enhance the existing landscape.

As a capped funding program, Betterment funding will be prioritised to projects based on the applicant's cost benefit analysis and resilience outcomes.

Detailed design review - where there are material changes following detailed design and procurement, applicants must provide <administering agency> with updated project information.

Market price updates - applicants must provide <administering agency> with the awarded tender price and approved schedule of rates (in electronic Excel format) prior to <date>. Or have a tenure arrangement in place with optional variations to improve efficiency.

9. Reporting

<Monthly/quarterly> progress reporting is mandatory throughout project delivery, to ensure applicants update <administering agency> on status of works, dates and expenditure.

<Monthly/quarterly> progress reports are created and lodged via <mechanism>, detailing:

- actual expenditure reported against the approved capped amount
- percentage of scope of works completed
- project start and finish dates
- any variances in scope, cost or time
- details of complementary works.

Once actual expenditure has exceeded the initial submission advance, applicants can progressively claim expenditure incurred up to 90 per cent of the approved capped value or the Estimated Final Cost, whichever is the lowest.

Claims for expenditure must be lodged with a progress report, a general ledger or transaction report (or similar financial document produced from the applicant's financial system) demonstrating the actual expenditure incurred against the Recommended Value of the approved scope of works.

Project acquittal reports must include:

- final progress report detailing the completed approved works
- final actual costs reported against the approved capped amount
- detailed general ledger evidencing the final actual expenditure claimed. Supporting source documents must be available for sampling by <administering agency> if requested.
- evidence demonstrating the completed works - (JPG including EXIF metadata, GPS coordinates and date taken) typical of the work that has been completed.

10. Monitoring and Evaluation

The program will be evaluated against a series of Key Evaluation Questions which cover the domains of Appropriateness, Effectiveness, Efficiency, Impact and Sustainability. The key evaluation questions will depend on the specific nature of the event and availability to capture appropriate information, as per the NME Framework.

11. Governance

11.1 *Public acknowledgement – Acknowledgment of joint State and Australian Government assistance*

Public acknowledgement of joint Commonwealth and State DRFA assistance is required under Section 5.2 of the Commonwealth Guidelines available at:

www.disasterassist.gov.au/Documents/Natural-Disaster-Relief-and-Recovery-Arrangements/disaster-recovery-funding-arrangements-2018.pdf .

The announcement of an eligible measure/s will occur as a joint media statement unless otherwise agreed by the Commonwealth. In addition, prior agreement must be reached with the Commonwealth on the nature and content of any subsequent events, announcements, promotional material or publicity relating to an eligible measure under the arrangements. This includes but is not limited to: media releases, events, social media, signage and advertising.

As the program is being delivered, the Lead Agency will identify announcement, progress and finalisation of program media opportunities. The Lead Agency will communicate these opportunities to <administering agency>, which will advise Emergency Management Australia.

Each Lead Agency is responsible for organisation and drafting of media events and associated materials. <administering agency> will oversee approval of these media events and associated materials for government agencies, councils and not-for-profits, in consultation with Emergency Management Australia.

All media events and materials (initial and subsequent) must adhere to the Commonwealth's 2018 Disaster Recovery Funding Arrangements (DRFA) Public Acknowledgement Guidelines.

The Australian Government must be notified in writing where there is an intention to undertake approved Category D Betterment projects.

11.2 Assurance activities

Agencies/applicants may be required to provide documentation to support any assurance activities. These assurance activities may include, but are not limited to:

- audit
- site inspections
- obtaining relevant documentary evidence to support estimated reconstruction costs and or value for money assessments
- verification reviews on measures or projects.

11.3 Certification

All submissions, including progress reports, must be certified by the applicant in line with its delegations. <insert copy of certification from submission form>

11.4 Goods and Services Tax (GST)

When claiming reimbursement of expenditure the amount to be lodged must be the GST exclusive actual cost incurred.

11.5 Funding Agreement

It is a requirement that all recipients of <administering agency> funding enter into a Head Agreement with <administering agency>. Where a recipient is successful in its application for funding, <administering agency> will issue a Project Funding Schedule which, when executed by both parties, will be considered a binding Project Funding Agreement under the terms and conditions of the Head Agreement. The Project Funding Schedule will detail the terms and conditions specific to the approved funding, including reference to the relevant funding guidelines that govern the program, funding type and amount, key date and milestone schedules, payment claim and reporting requirements.

11.6 Procurement

The procurement of goods or services must be in accordance with the applicant's procurement policy. When procuring goods or services local governments must align with the <relevant legislation and/or regulations> and their own procurement policy. State government agencies must comply with the <relevant procurement policy>.

If expenditure is in breach of the applicant's procurement standards, reimbursement of these costs are unable to be sought under the DRFA.

11.7 Record keeping

All agencies must keep an accurate audit trail. DRFA records must be available for seven years from the end of the financial year the claim is acquitted by the Australian Government. For assurance purposes, the Australian Government may at any time, via <administering agency>, request documentation from agencies to evidence the State's compliance with any aspect of the DRFA. This may include, but not be limited to access to project level information, to confirm acquittal in accordance with the DRFA.