

Queensland Betterment Funding Guidelines

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Introduction and background

1. The success of betterment funds delivered under Category D of the Disaster Recovery Funding Arrangements (DRFA) has been proven. The Queensland Government, through the Queensland Reconstruction Authority (QRA), developed a betterment framework in 2013. The ongoing utilisation of betterment programs in conjunction with the delivery of restoration of essential public assets (REPA) has seen resilience improvements to Queensland communities from the southern border through to the Torres Strait Islands.
2. Betterment Funding enables restoration of essential public assets damaged in eligible events, to a more resilient standard. This builds the resilience of infrastructure and communities, and reduces future costs associated with disasters.
3. The DRFA, which came into effect on 1 November 2018, includes an Efficiencies Framework, where efficiencies realised in delivery of the DRFA reconstruction program are retained by the state and allocated to disaster mitigation and resilience activities in accordance with the Commonwealth's disaster mitigation principles. Funding administered through the Efficiencies Framework is referred to as Category E funding.
4. All Queensland Betterment Funding is administered by the QRA and managed within QRA's grants Monitoring and Reporting System (MARS). [Annexure 1 Lodging Betterment](#), of this guideline provides a MARS user guide for developing and lodging betterment scope in a REPA submission.

Objectives of Betterment Funding

5. The objectives of Betterment Funding are to restore essential public assets damaged in eligible events to a more resilient standard:
 - so infrastructure and communities are more resilient to future disasters
 - so future costs associated with disasters are reduced
 - to address Queensland's assessed natural hazard risks, and
 - in alignment with the National Strategy for Disaster Resilience and the Queensland Strategy for Disaster Resilience objectives of strengthened disaster risk management and investment in disaster risk reduction.

Eligibility

6. **Eligible applicants** are local governments and state agencies with assets that are eligible for Category B REPA funding under the DRFA for events listed under each Betterment funding round in [Annexure 2 – Betterment Funding Rounds - eligible events](#)
7. **Eligible projects** are betterment works proposed for assets that:
 - meet the DRFA definition of an essential public asset
 - have sustained damage as a direct result of an event listed in **Annexure 2**, and
 - meet all eligibility requirements for DRFA REPA funding under the event.
8. **Eligible costs** must be related to the approved scope of the betterment proposal and be consistent with Section 9.2 of the [Queensland Disaster Funding Guidelines \(QDFG\)](#). Eligible costs may include:
 - local government labour and plant costs directly associated with delivering the eligible works
 - extraordinary wages such as overtime, additional allowances
 - plant operating consumables
 - contractor and hire costs, and
 - materials.

9. Ineligible costs include:
 - non-specific indirect and overhead costs
 - profit margins of applicant including (but not limited to) that associated with the applicant's supply or use of plant, labour or materials
 - costs that are reimbursable under other funding sources, including insurance, and
 - costs of works completed prior to approval of the betterment project.

Funding

10. The total value of Category D Betterment Funding rounds vary, based on the extraordinary nature of each particular disaster. Category E Betterment funding rounds also vary, based on distribution of DRFA efficiencies (if available) to resilience and risk reduction measures across the state. The total value of each Betterment Funding round is detailed in **Annexure 2**.
11. Betterment funding is calculated as the difference between the Category B estimated cost to restore an eligible essential public asset to its pre-disaster function and the cost to build back the damaged asset to a more resilient state.
12. Upper-limits of betterment funding applying to singular betterment projects vary between programs, and are specified in **Annexure 2**. For the purposes of considering a singular betterment project:
 - A singular betterment 'project' is considered all betterment works to improve the resilience of a single essential public asset.
 - Determining whether the Betterment works are deemed one 'project' involves a common-sense approach to the location of the REPA eligible sites, the betterment works, asset and submission.
13. The upper-limit amount refers to the betterment component only, not the estimated total project cost. An exemption to the upper limit may be considered for assets of national significance, assessed and approved on a case-by-case basis, based on the applicant's betterment project application.
14. Applicants may apply for betterment funding for more than one project.
15. 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.
16. Any funds not expended in the delivery of the project will be returned to the State for re-allocation under the relevant Category D or Category E Betterment Fund.
17. Achieving improved resilience for Queensland communities requires commitment by all levels of government, as such, applicants are required to provide a co-contribution to the project. A co-contribution is considered an in-kind or monetary contribution from the applicant (or otherwise sourced by the applicant), relating to eligible costs and/or costs associated with an enhanced or increased project scope.
18. In recognition of limited revenue generating capacity, Indigenous councils are not required to make a contribution.

Assessment criteria

QRA will assess project proposals against the objectives, eligibility criteria and following assessment criteria:

- a) **Issue identification:** The proposed project addresses an assessed natural hazard risk. The project is justified as the preferred option to address an identified need, risk or vulnerability (for example, as identified in the State Disaster Risk Report or a local hazard risk assessment), and is supported by an options analysis, which includes the potential outcome of inaction.
- b) **Cost-benefit analysis:** The proposed project restores an essential public asset to a more resilient standard so future costs associated with a disaster are reduced. The proposal 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.

- c) **Community benefits:** The proposed project restores an essential public asset to a more resilient standard so communities are more resilient to future disasters. The community resilience benefits of the proposed project have been identified and quantified.
 - d) **Evidence based:** The proposed project is informed by investigation and/or consultation, demonstrating a measured approach to the identified risk, the forecast effectiveness of the betterment solution, and compliance with legislative requirements.
 - e) **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.
19. In prioritising projects, QRA will consider:
- whether local and regional needs are balanced
 - whether duplication of effort and funding is avoided
 - whether vulnerable groups/diverse populations are supported, and
 - whether alternative funding streams may be available for projects.
20. The Chief Executive Officer, QRA provides final project approval.
21. Details of unsuccessful betterment projects will be retained by QRA and may be reconsidered should further funding become available.

Timeframes/key dates

22. Betterment projects should be lodged at time of lodging the corresponding REPA submission, unless otherwise agreed with QRA. Although REPA submissions may be submitted to QRA up until nine months after the end of the financial year of the event (i.e. by 30 March), it should be anticipated that Betterment Funding rounds will be exhausted quickly, meaning applicants should endeavour to submit their betterment projects as soon as possible for consideration.
23. Where REPA submissions were lodged or approved prior to the announcement of Betterment funding rounds, applicants should submit their betterment projects as soon as practicable as an Estimate Update, including the approved REPA scope.
24. Estimate Updates for approved projects with awarded tenders/contracts must be lodged to QRA by no later than the **30 March deadline** (per 22 above), unless otherwise agreed in writing with QRA.
25. All approved projects must be completed within two financial years after the end of the financial year of the event (i.e. if the event occurred in March 2020 the works must be completed by **30 June 2022**).
26. All approved project close-out submissions are due to QRA within three months of when the works were completed, and by no later than three months after 30 June completion date at 25 above (i.e. by **30 September**).

Application requirements

27. **Annexure 1** provides a MARS user guide for developing and lodging Betterment scope in a REPA submission. Applicants will be required to prepare and lodge the betterment project together with the corresponding REPA submission, including a completed betterment project application consisting of:
- preliminary or detailed designs or specifications
 - options analysis / consideration
 - cost benefit analysis
 - details of resilience outcomes

- results of investigation/consultation
- project plan, and
- demonstration of the co-contribution.

Detailed design review

28. Where there are significant changes subsequent to the project approval, applicants must provide QRA with updated project details for consideration, and where appropriate, an Estimate Update to account for changes to the Category B component of the project (noting the betterment funding is approved as a capped amount).

Progress reporting

29. Monthly progress reporting is mandatory throughout project delivery, consistent with Section 9.5.5 of the [Queensland Disaster Funding Guidelines \(QDFG\)](#). Monthly progress reports are created and lodged via the MARS Portal, detailing:
- actual expenditure reported against the approved capped amount
 - percentage of scope of works completed
 - project start and finish dates
 - reasons for, and details of, any variances in scope, cost or time, and
 - details of complementary works.
30. 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.
31. Claims for expenditure must be lodged with a progress report and a general ledger or transaction report (or similar financial document produced from the applicant's financial system) supporting the claimed amount and demonstrating the actual expenditure incurred against the approved scope of works.

Extension of time

32. Extension of time (EOT) to the approved project completion date will only be considered in exceptional circumstances. Applicants are required to formally request an EOT, detailing the unforeseen circumstance impacting on project completion, the actions taken to minimise the impact, and the adjusted project plan and milestones.
33. Regional Liaison Officers can assist with the process of formally lodging an EOT request.

Project acquittal reports

34. Project acquittal reports must be consistent with Section 9.5.8 of the [Queensland Disaster Funding Guidelines \(QDFG\)](#), and include:
- final progress report detailing the completed works at line-item level and reasons for variances in cost or scope delivered
 - final actual expenditure reported against the approved capped betterment funding
 - detailed general ledger or transaction reports evidencing the final expenditure claimed (including details of final co-contributions), and

- photo evidence demonstrating the completed betterment works.
35. Photographic evidence demonstrating the completed works should represent the extent of the completed works - (JPG including EXIF metadata, GPS coordinates and time/date taken) at line-item level.
 36. The quantity and distribution of photographic evidence of the completed works should be sufficient to enable assessment of the treatment type and extents of reconstruction and betterment works.
 37. It is recommended that additional post construction photographic evidence be collected by the applicant for use as pre-disaster evidence should a subsequent disaster occur in the following years.
 38. Supporting documents are to be made available for sampling if requested by the QRA. This may include:
 - internal costing/payroll reports for internal plant/payroll costs claimed to be available for sampling
 - source documents such as tax invoices or requisitions to be available for sampling, and
 - timesheets to be available for sampling.
 39. Following assessment and approval, the final eligible actual expenditure for the completed approved scope of works, submitted and delivered according to required timeframes, less the co-contribution (if applicable) is reimbursed.

Monitoring and evaluation

40. The program will be evaluated against a series of key evaluation questions which cover the domains of Appropriateness, Effectiveness, Efficiency, Impact and Sustainability. Ongoing monitoring and evaluation of betterment projects will occur beyond the delivery of works.

Assurance activities

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

Certification

42. All submissions, including progress reports, must be certified within MARS by the applicant in line with its delegations.

Goods and Services Tax (GST)

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

Funding agreement

44. It is a requirement that all recipients of QRA funding enter into a Head Agreement with QRA.

45. Where a recipient is successful in its application for funding, QRA 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.
46. 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.

Procurement

47. The procurement of goods or services must be in accordance with the applicant's procurement policy. When procuring goods or services local governments must act in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012* and their own procurement policy. State government agencies must comply with the Queensland Procurement Policy.
48. If expenditure is in breach of the applicant's procurement standards, reimbursement of these costs are unable to be sought under the DRFA.

Record keeping

49. All agencies must keep an accurate audit trail.
50. Records must be available for seven years from the end of the financial year the claim is acquitted by the Australian Government.
51. For assurance purposes, the Queensland and/or Australian Government may at any time, via QRA, 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.

Public acknowledgment of funding source

52. Funding recipients must acknowledge relevant funding contributions in public materials. This includes, but is not limited to:
 - Media releases regarding the approved project
 - Acknowledgement or statements in project publications and materials
 - Events that use or include reference to the approved project, and
 - Plaques and signage at construction sites or completed works.
53. To comply with this requirement, all public advice and media releases should refer to the relevant funding source, as detailed in the Project Funding Schedule/Agreement.
54. Contact QRA for assistance and to coordinate approval for any materials by emailing media@qra.qld.gov.au.

Annexure 1 – Lodging Betterment

Annexure 2 – Betterment Funding Rounds and eligible events