

**NSW Council Support Payments (Category D)
Local Government Recovery Grants
Program Guideline**

**ADDENDUM
SCHEDULE OF AMENDMENT/S**

| | | |
|---|--|---------------------------------------|
| Schedule A Program Guideline Variation | Changes to these guidelines as below are effective 24 March 2025 | |
| | <p>Variation to the program completion date (Allowable Time Limit (ATL)) as approved by the Australian Government on 24 March 2025.</p> <p>Revised program completion date to 30 June 2026 as listed in Part 1: Overview/Summary - Program completion.</p> | Changed to: ATL - 30 June 2026 |
| | Version update number | V2.0 |

Part 1: Summary/Overview

| | |
|---|---|
| Australian Government Reference Number (AGRN) | AGRN 1025 |
| Event Name/s | NSW Severe Weather and Flooding: 27 June 2022 onwards |
| Disaster Recovery Funding Arrangements (DRFA) Category of assistance | Category D |
| Name/title of initiative | Local Government Recovery Grants |
| Program completion | 30 June 2026 |
| Type of assistance and who will receive support/benefit | <p>Streamlined, flexible and immediate funding directly to local councils, to support local economic and social recovery in areas impacted by the NSW severe weather and flooding events.</p> <p>The Council payments will provide timely financial assistance directly to affected councils to support them to undertake immediate recovery activities, address emerging needs and to help build community resilience. This includes initiatives across the built, social, economic, and natural environment recovery domains.</p> |
| Available Funding | \$1 million to each local council declared under disaster event AGRN 1025. |
| Description of initiative, including: relevant amounts/levels of support; how the assistance will be provided/delivered; and eligibility criteria | <p>The grants provide financial assistance to councils towards supporting restoration and recovery projects that best meet their community's needs.</p> <p>Payment will be released to councils to assist them in undertaking immediate recovery activities, addressing emerging needs and help build community resilience. Councils are to use these grants on measures and activities not eligible through existing Disaster Recovery Funding Arrangements (DRFA) but may use these grants on activities eligible through Cat A and/or Cat B of the DRFA.</p> <p>Projects must meet eligibility and project criteria as outlined in the program guidelines. Councils will be required to submit a Program of Works within three (3) months of receiving funding and regularly report on how the funds are being spent.</p> |
| Locations where the initiative will be made available/provided | Funding will be made available to disaster declared Local Government Areas (LGAs) as listed in Appendix A. |
| State/territory administering agency and contact details | <p>Department of Planning and Environment - Office of Local Government (administrating agency)</p> <p>Email: grants@olg.nsw.gov.au</p> <p>Phone: 02 4428 4100</p> |

Part 2: Recovery Needs

Purpose/intent

The Australian Government and NSW Government are supporting the recovery of communities impacted by NSW Severe Weather and Flooding events from 27 June 2022 onwards (AGRN 1025). Funding is available to Councils to support local economic and social recovery – including initiatives across economic, social, built and natural environments.

All projects supported under the Local Government Recovery Grants will be jointly funded by the Australian and NSW Government and will contribute to the recovery of communities affected by disaster events.

Objective

The objective of the program is to deliver immediate flexible grants to local councils for projects which support economic and social recovery projects at a local level. Funding aims to support restoration and recovery activities that

- Are eligible activities under Cat A and/or Cat B of the DRFA; and/or
- Are not otherwise eligible through existing support measures but can demonstrably strengthen community resilience and reduce the impact future natural disasters will have on communities.

In recognition that the impact of these storm and flood events have been diverse, councils can apply for funding for a range of activities that best meet their local community's needs. The program will encourage community and local economic recovery in the short, medium and long-term.

Councils will be responsible for working with the NSW Government administering agencies to ensure funding complements (rather than duplicates) any other forms of recovery assistance being delivered.

Program outcomes

Council will need to demonstrate in their Program of Works how projects aim to contribute to one or more of the following outcomes (consistent with the *National Monitoring and Evaluation Framework*) (See Part 4 and Part 5 for details outlining this requirement):

Disaster Recovery Outcomes

- The needs of vulnerable groups are addressed in the disaster recovery process
- The community is aware of the disaster recovery process
- The community can express its changing disaster recovery needs
- Community members are aware of the risks of future disasters
- Government, private sector, civil society and organisations are engaged in plans for preparedness and management of the recovery

Social and Economic Recovery Outcomes

- Community members receive access to appropriate and coordinated social services
- The community has improved capacity and capability to respond to future disasters
- The community strengthens its ability to withstand and recover from future disasters
- Business and non-profit groups implement adequate mitigation practices for risks and threats

Built and Environment Recovery Outcomes

- Infrastructure that delivers essential services to the community is repaired
- Infrastructure is repaired in accord with changing recovery needs
- Cultural or heritage sites or assets of importance are restored, where possible, in a way that provide these values to the community
- The impact of future disasters on biodiversity and ecosystem is minimized

Part 3: Funding

The Local Government Recovery Grants program is jointly funded by the Australian and NSW Government and administered by the Office of Local Government under Category D of the *Disaster Recovery Funding Arrangements (DRFA) 2018 (DRFA)*.

Payment to councils

An upfront payment of up to \$1 million will be released to each eligible council who will be required to sign a Grant Acknowledgement Schedule (the Schedule) between the Office of Local Government and Council.

Under the Schedule, Councils agree to:

- submit a Program of Works within three (3) months of receiving funding
- return the signed Grant Acknowledgment Schedule within 21 days of receipt of funds to grants@olg.nsw.gov.au
- return any unused funds as of 30 June 2026
- provide reports on a quarterly basis as per DRFA

(See Section 5 for details outlining the Program of Works and Reporting requirements)

Spending funds on eligible project costs can occur prior to submission of Program of Works. Council will be required to pay back funds which have not been spent in accordance with these program guidelines or any funds which are not expended by 30 June 2026.

It is strongly recommended Council contact the administering agency prior to spending funds should they require any advice or assistance regarding eligibility.

Part 4: Eligibility Criteria

Projects must meet the eligibility criteria and the project criteria for expenditure to be considered eligible under the grants program.

Eligible applicants

Eligible applicants include NSW disaster declared councils as listed in Appendix A.

Ineligible applicants

The only circumstance where an organisation other than a council may be considered for funding is for the Unincorporated Area of NSW (if disaster declared).

Project location

Projects seeking funding must be delivered in an eligible LGA as listed in Appendix A.

Projects that provide benefit across multiple eligible LGAs are considered eligible (i.e. LGAs can combine funds for eligible projects). Where the Council/s is not the owner of the land on which the project will be delivered, landowner's consent will be required as part of the Program of Works.

Project criteria

Councils will be required to submit a Program of Works within three (3) months of receiving funding (see Part 5 outlining Council Program of Works).

The Program of Works should detail all eligible projects that are planned for delivery and council must demonstrate how each eligible project meets the project criteria outlined below:

| Project Criteria | Description |
|--|--|
| Diverse local recovery needs are balanced | The community has a need for the project and its outcomes. This need can either be demonstrated through data analysis or through community driven interest in the project and its outcome. |
| Alignment | The project is able to contribute to social and economic recovery needs and current recovery activities whilst avoiding duplication with other recovery initiatives already funded or underway. |
| Resilience building | The project supports the ongoing productivity, sustainability, preparedness and disaster resilience of the impacted community or infrastructure asset(s). |
| Local support and delivery | The community supports the project and participate, where possible, in planning and development processes. The project should aim to optimise local and Indigenous employment and procurement opportunities, including opportunities for local trades, services and other input-supplying businesses. |
| Feasibility | The project is feasible, risks and consequences are acceptable, and appropriate mitigation strategies are identified. Project proponents can demonstrate delivery capacity and experience, and project readiness supports commencement and completion within program timeframes. Cost is an effective, efficient, and ethical use of resources. Council must provide evidence the project has been adequately planned, costed and appropriate mitigation strategies are in place for identified risks. For infrastructure projects, council should demonstrate how any infrastructure is to be maintained, including evidence to demonstrate that the future operating and maintenance costs of the project can be continued. |

Eligible projects

Projects should contribute to recovery initiatives that are not otherwise eligible under the DRFA. Projects which include activities that align to Category A or B initiatives may be eligible (see examples of eligible projects).

To be eligible projects must:

- Meet all eligibility criteria outlined in Part 4 of these program guidelines
- Support the recovery of the local community's economy, social well-being, built or natural environment, or improve resilience to future natural disasters
- For infrastructure projects, not meet the definition of *essential public asset* in the DRFA and must not be eligible for reimbursement under the DRFA
- For community infrastructure projects, infrastructure must play a demonstrated, important role in providing one or more of the following:
 - basic social and recreational amenity to local residents and visitors
 - help support and/or safeguard community cohesion
 - support the delivery of social support networks
 - support local and Indigenous-owned businesses through procurement
- For council or community infrastructure projects, be for the repair or rebuild of infrastructure that was directly impacted as a result of an eligible disaster or be for the enhancement (disaster resilience) works required to prepare for an eligible disaster
- Align with relevant NSW Government policies and strategies
- All eligible grant expenditure be completed by 30 June 2026 4

Examples of eligible projects

Projects must align to one or more of the project categories and project types below:

| Project Category | Project Type | Example |
|------------------------------|--|---|
| Social and economic recovery | New activities and measures/events that directly support local economic or social recovery: <ul style="list-style-type: none"> Recovery initiatives which support and promote community safety and wellbeing, social support, or social development. Initiatives which support and promote sustainable local economic recovery, business continuity, business preparedness and business development. <p>This may include projects that relate to existing activities and measures, where it can be demonstrated that the proposed project adds value to the existing activity or where an existing activity or measure has been significantly financially impacted by eligible storm and flood events or compounding disasters.</p> | <p>Activities, measures, events may include but are not limited to:</p> <ul style="list-style-type: none"> Community information initiatives Activities aimed at restoring community safety and wellbeing Commemorative events and/ or memorials Heritage and cultural events and initiatives Advocacy and monitoring services Community wide mental health and support programs Recovery outreach activities which support access to safety and security, shelter or health services Access to support on insurance, financial counselling and mentoring programs Tourism and small business initiatives Local economic development initiatives Programs that value and build on the local capacities of services that support economic activities (e.g. non-profit groups) |
| | Employing additional local staff to take on fixed term temporary specialist recovery or planning roles to help coordinate and plan the rebuilding effort and to foster resilience-building within the LGA <p>This includes employment of contractors, casual or fixed term temporary staff (or backfill staff when a staff member is deployed to these roles, and backfill is fixed term temporary).</p> <p>Note: this does not include the additional hire of staff to project manage restoration works related to essential public assets.</p> | <p>Employment of additional local staff may include:</p> <ul style="list-style-type: none"> Additional local staff hired by Council to work directly in the delivery of an eligible project or to help coordinate and plan recovery efforts |
| | Evacuation and Relief Centres: | <p>Including council or key community infrastructure owned/managed by</p> |

| Project Category | Project Type | Example |
|----------------------------------|--|---|
| Built and environmental recovery | Reconstruction or enhancement (disaster resilience) to evacuation and relief centres that were directly impacted as a result of an eligible disaster or enhancement works that were required to prepare for the eligible disaster. | non-council community groups. This may include not-for-profit organisations or non-government community social infrastructure assets which play a key role in social cohesion. |
| | <p>Council or community owned infrastructure:</p> <p>Reconstruction or enhancement (disaster resilience) to directly impacted council or community owned infrastructure that is not otherwise eligible under the DRFA, including council damaged built, environmental, cultural, historic, or recreational assets.</p> <p>This may include:</p> <ul style="list-style-type: none"> - Reconstruction or enhancement of key community infrastructure owned/managed by non-council community groups. This may include not-for-profit organisations or non-government community social infrastructure assets which play a key role in social cohesion. - Using funding for the purpose of enhancement or complementary works to Essential Public Assets, where the costs for enhancement or complementary works aren't covered by the DRFA. <p>Note: Assets or infrastructure which meet the definition of an Essential Public Asset and are eligible for reimbursement under the DRFA are not eligible for funding under this program (see Part 6 Definitions).</p> | <p>Projects may include, but are not limited to, repair, replacement of disaster damaged council or community:</p> <ul style="list-style-type: none"> • access roads and car parks • council cemeteries • playing field or court surfaces • retaining walls • war memorials • parks and playgrounds • walking trails and footpaths • pedestrian bridges • signage in public spaces • river/creek banks • youth and senior citizen facilities • tourism, arts and culture facilities • fixed sporting equipment • cultural heritage and identity of place assets • wharves, jetties, boat ramps <p>Enhancement (disaster resilience) projects may include, but are not limited to:</p> <ul style="list-style-type: none"> • increased flood immunity (e.g. additional or increased diameter of culverts) • realignment of roads • Provision of additional signage • Enhanced materials for reconstruction |
| | Waste clean-up of assets and infrastructure: | Projects may include but are not limited to: |

| Project Category | Project Type | Example |
|----------------------------------|---|---|
| Built and environmental recovery | Clean-up of assets not covered by the DRFA (including category B, C, D), other government assistance or insurance claims. Note: this is only for projects in eligible LGAs where funding for clean-up assistance or waste disposal measures are not otherwise available. | <ul style="list-style-type: none"> Debris clean-up and removal, including green waste, trees, sediment, silt, mud, flood deposited waste items that are not otherwise covered by DRFA or other assistance measures. |
| | New projects or initiatives related to assets and infrastructure that support disaster resilience in response to flood and storm events: Projects or initiatives which have been identified following the flood and storm events which address the causes of risk to hazards and implement disaster reduction initiatives across the built and natural environment. Note: this does not include the building of new infrastructure which did not exist prior to the eligible disaster. | Projects may include, but are not limited to, initiatives related to: <ul style="list-style-type: none"> Protection of existing structures Sensitive ecosystems Critical infrastructure Education and awareness about hazard and risk |
| Resilience | Community capacity recovery building and resilience Projects or initiatives aimed at increasing community awareness, enhancing capacity and building resilience to future disasters | Projects or initiatives may include but are not limited to: <ul style="list-style-type: none"> Re-building or establishing new community networks Workshops and forums which provide awareness for disaster implications and developing risk mitigation plans Programs that assist affected people and groups to explore alternative opportunities through learning new skills |

Examples of ineligible projects

Ineligible projects include those that:

- fund the day-to-day operations and/or business as usual activities of the organisation
- include building of new infrastructure which did not exist prior to the eligible disaster
- for infrastructure assets that meet the definition of an *essential public asset* and are eligible for reimbursement under the DRFA
- are fully funded through other government grant(s), assistance and/or insurance claims
- duplicate other recovery initiatives already funded or underway
- are located outside of the eligible LGAs
- require ongoing funding from NSW or Australian Government
- are not aligned to the objective and outcomes of the program
- have exclusive private benefits or provide direct commercial and/or exclusive private benefit to an individual or business
- include improvements or repair to residences

Eligible expenses

Eligible expenses must be directly related to delivering the approved project and may include:

- extraordinary local government labour costs for ongoing/budgeted staff directly associated with delivering the eligible project. Including base wage, overtime, plus on costs to a maximum of 32.19% (on-costs including superannuation, workers compensation, and long service leave, if applicable, etc).
- fixed-term temporary staff or casual staff
- hire of contractors
- travel and accommodation expenses (allowance or actuals)
- communications technology costs including extraordinary mobile plans or internet services
- project costs related to buying or upgrading capital items, equipment or supplies up to 5% of total grant value
- external plant hire/rental costs
- extraordinary local government owned plant operating costs (fuel only)
- extraordinary materials and consumables (e.g. stationery, catering, advertising, promotion, printing)
- project delivery costs, including program and service development, project management, design, supervision and inspection/superintendent costs
- temporary office accommodation costs (where required) that are not council owned

Ineligible expenses

Expenses that cannot be claimed include, but are not limited to:

- project costs related to buying or upgrading capital items, equipment or supplies (greater than 5% of total grant value)
- financing, including debt financing, or insurance
- legal costs
- project costs that are reimbursable under other approved/awarded funding sources
- additional hire of staff to project manage works related to essential public assets which are eligible for reimbursement under the DRFA
- site rental costs for infrastructure projects and environmental projects
- for community programs, rental costs not directly associated with the program
- costs relating to depreciation of plant and equipment
- business-as-usual operational costs and expenditure, including core business responsibilities and ordinary wages and plant costs of local / state government agencies
- in-kind contributions
- funding to a third party in the form of sponsorship, grant, cash prize or commercial gift
- non-project related staff training and development costs
- ongoing costs / recurrent funding that is required beyond the stated timeframe of the project (e.g. administration, operation, maintenance or repairs)
- purchase of land
- loss of revenue on council owned buildings or any other building

Part 5: Administrative Arrangements

Timeframes and Key Dates

| Key Dates | |
|--|-------------------------------------|
| Grant Acknowledgement Schedule | within 21 days of receipt of funds |
| Payments provided to Councils | By 22 July 2022 |
| Program of Works submitted to Administering Agency | Within 3 months of receipt of funds |
| Review of Program of Works by administering agency | 27 January 2023 |
| Final grant expenditure completion | No later than 30 June 2026 4 |

Program of Works

The administering agency will provide Council with a Program of Works template and be available to provide advice to Councils in preparing and submitting the relevant information.

It is strongly recommended Council contact the administering agency prior to spending funds should they require any advice or assistance regarding eligibility. Council will be required to pay back funds which have not been spent in accordance with these program guidelines or any funds which are not expended by 30 June 2026.

Project information and supporting documents which may be required as part of the Program of Works, may include but is not limited to:

- project name
- project description
- socio-economic benefits of project
- requested funding
- council contribution (if any)
- estimated project budget and total project cost
- accurate GPS locations of proposed site/s (for infrastructure projects)
- proposed project start date and approximate project duration
- a completed project plan including a risk plan
- cost estimates/quotes
- options analysis
- cost benefit analysis
- results of investigation/ consultation
- letters of support, as appropriate
- evidence confirming funding sources
- evidence of land ownership/tenure
- scope works and key milestones
- letter of offer / employment for temporary staff
- a copy of completed Cultural Heritage Management Plan, Vegetation Assessments, Environmental Management Plans, etc. as appropriate or evidence that these types of plans are not required.

The administering agency may request additional information from Council or from any other source.

Where there is uncertainty or unintended outcomes arising from the project eligibility requirements, a practical approach will be taken to resolve issues. Final determination will be made at the discretion of the administering agency, with advice and recommendations from relevant government agencies.

The administering agency may refer projects to other funding programs for consideration.

Requests for variations or changes to the project will only be considered by the administering agency in limited circumstances.

Councils should be aware that information submitted in Program of Works and all related correspondence, attachments and other documents may be made publicly available under the Government Information (Public Access) Act 2009 (NSW). Information that is deemed to be commercially sensitive will be withheld.

Councils to ensure all actual/accrued expenditure is incurred at the council level in accordance to the DRFA, with sufficient supporting evidence by 30 June 2026.

Complaints handling

Administering agency to insert contact details and process.

Reporting

Council will submit project progress reports to the administering agency on a quarterly basis, and may include information such as:

- actual expenditure reported against the approved capped amount (e.g. general ledger or transaction listing)
- percentage of scope of works completed
- delivery against project milestones and outcomes
- any variances in scope, cost or time

The reporting requirement for councils will be included in the Grant Acknowledgement Schedule.

The Australian Government or the administering agency may request funding information and progress reports outside of the agreed reporting activity if required.

Monitoring and Evaluation

Councils will be required to participate in a program evaluation which is undertaken during and/or after completion of the project to determine the extent to which their projects have contributed to the objectives of the fund. The evaluation will require Councils to provide evidence of how projects have resulted in a measurable benefit to the community that is consistent with the objectives of the Local Government Recovery grants program.

Public acknowledgement

Councils must acknowledge the joint Australian and NSW Governments support for the project as per the DRFA Guidelines: <https://www.disasterassist.gov.au/Documents/Natural-Disaster-Relief-and-Recovery-Arrangements/disaster-recovery-funding-arrangements-2018.pdf>

To obtain Australian Government agreement to public announcements, promotional materials or other publicity materials, councils must contact the administering agency, who will liaise with the National Recovery and Resilience Agency.

The NSW Government or Commonwealth Government may use any information submitted by a Council for promotional material. Information may be used in the form of press releases, case studies,

promotional material and in response to media enquires relevant to the Local Government Recovery grants program.

Assurance and acquittal

Councils will maintain and make available accurate audit records consistent with the minimum evidentiary requirements outlined in clause 10.4 of the DRFA. 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 the administering agency, request documentation to evidence the NSW Government's compliance with any aspect of the DRFA.

Councils must consent to NSW Reconstruction Authority conducting an audit of grant funding within a period seven years from the signing of the funding deed, and retain relevant documentary evidence to provide on request, should they be selected for audit. Documentary evidence may include:

- Financial acquittal report
- Payment receipts for completed works
- Bank records or ledgers
- Statutory Declaration from authorised delegate

Penalties apply where false or misleading information is provided.

The Administering Agency will provide further advice to Councils outlining the due date and requirements for final acquittal of the grant funding.

Part 6: Definitions

Community Infrastructure means key community infrastructure owned/managed by non-council community groups. It must be demonstrated that this infrastructure plays a key role in providing one or more of the following:

- basic social and recreational amenity to local residents and visitors
- help support and/or safeguard community cohesion
- support the delivery of social support networks
- support local and Indigenous-owned businesses through procurement

Disaster Recovery Funding Arrangements 2018 (DRFA) means the joint Commonwealth-State cost sharing arrangements, these can be viewed online via disasterassist.gov.au/disaster-arrangements

Essential Public Asset (under the DRFA) means an asset that must be a transport or public infrastructure asset that is an integral part of a state infrastructure and normal functioning of a community. Examples of assets that are **not** considered to be essential public assets are:

- Private roads
- Roads on Crown Land that are not Crown Roads
- Sporting or recreational or community facilities (for example, playgrounds and associated facilities)
- Beaches, coastal areas and riverbanks
- Religious establishments
- Cemeteries

- Memorials

Reconstruction means the restoration or replacement of an infrastructure asset.

Appendix A – List of Eligible LGAs

| | |
|-----------|--|
| AGRN 1025 | Bayside, Blacktown, Blue Mountains, Bogan, Brewarrina, Cabonne, Camden, Campbelltown, Canterbury-Bankstown, Central Coast, Cessnock, Cowra, Cumberland, Dubbo, Dungog, Fairfield, Georges River, Hawkesbury, Hornsby, Kempsey, Kiama, Lake Macquarie, Lithgow, Liverpool, Maitland, Mid-Coast, Muswellbrook, Nambucca Valley, Narromine, Newcastle, Northern Beaches, Oberon, Parkes, Parramatta, Penrith, Port Macquarie-Hastings, Port Stephens, Randwick, Shellharbour, Shoalhaven, Singleton, Strathfield, Sutherland, The Hills, Upper Lachlan, Walgett, Warren, Wingecarribee, Wollondilly, Wollongong |
|-----------|--|

Note: LGAs are subject to change pending any further extensions to disaster declaration.

Change History

| Version | Issue Date | Details / Reason for Change |
|---------|------------|--------------------------------------|
| V1.0 | March 2022 | Initial endorsement |
| V2.0 | July 2025 | Variation to program completion date |