

## DRFAWA FACT SHEET

# ASSET REPAIR WORKING CAPITAL AND LOCAL GOVERNMENT CONTRIBUTION

## INFORMATION FOR LOCAL GOVERNMENTS

This fact sheet provides guidance on the practical application of the Disaster Recovery Funding Arrangements Western Australia (DRFAWA) and information on the contribution local governments pay towards Essential Public Asset Reconstruction (EPAR) and the Asset Repair Working Capital (ARWC) payment that can be provided to local governments.

### Asset repair working capital

ARWC is an advance payment to support local governments to cover the upfront costs of repairs to EPA damaged as a direct result of an eligible disaster. The ARWC payment is 30% of the approved estimated cost established via the Essential Public Asset Reconstruction (EPAR) process. Once the cost estimate has been approved by the Department of Fire and Emergency Services (DFES), a local government can apply to access the ARWC payment.

The ARWC is later repaid by the local government when claims are lodged for the reimbursement of eligible actual costs. Currently, an amount equivalent to either 25% or 50% of the value of each eligible claim is deducted by DFES until the ARWC payment is repaid.

### Local government contribution

Under the DRFAWA, local governments are required to contribute to the cost of works carried out under the EPAR measure for each eligible disaster event, up to a calculated local government contribution limit. The contribution amount applied is based on the financial year the event occurred.

The local government contribution limit is calculated each financial year for each local government based on the greater of:




- A. 1% of total rates levied; or
- B. 0.25% of WA's 1<sup>st</sup> threshold under the DRFA for the financial year.

The local government contribution is up to 25% of eligible actual costs capped at the contribution limit calculated for each local government. The contribution limit that applies is the amount that was applicable in the year the eligible event occurred. The contribution limits for all local governments are available from DFES Recovery Funding. Payment of the local government contribution generally occurs following the ARWC being repaid and is deducted at 50% of the value of each claim until fully paid.

## Further information and contacts

The full suite of DRFAWA fact sheets and other related documents are available on the DFES website in the Recovery Funding section, including a DRFAWA Key Terms fact sheet that includes definitions.

### Contacts:

-  Phone: 1800 920 659
-  Email: [drfawa@dfes.wa.gov.au](mailto:drfawa@dfes.wa.gov.au)
-  Website: Click [here](#)

UNDER REVIEW