GOVERNMENT OF WESTERN AUSTRALIA

DFES Department of Fire & Emergency Services

DRFAWA FACT SHEET

Asset Reconstruction Working Capital and Asset Owner/Operator Contribution

Information for local governments and state government agencies

This fact sheet provides information to local government (LG) and state government agency (SGA) asset owners/operators about the Asset Reconstruction Working Capital payment, and the financial contribution they are required to make towards Essential Public Asset Reconstruction (EPAR) works under the Disaster Recovery Funding Arrangements Western Australia (DRFAWA).

Asset Reconstruction Working Capital

Asset Reconstruction Working Capital (ARWC) is an advance payment available to assist in covering the upfront costs for EPAR works following an eligible disaster. The ARWC payment is 30% of the approved estimated reconstruction cost (ERC) established for EPAR works. Once the ERC has been approved by the Department of Fire and Emergency Services (DFES), the local government asset owner/operator can apply for the ARWC payment.

The ARWC is repaid when claims are lodged for the reimbursement of eligible actual costs. DFES deducts 25% of each eligible claim during the earlier phases of a reconstruction project and 50% during the later phases until the ARWC payment has been fully repaid. If the ARWC is not fully repaid through the claims process, the LG must repay the outstanding balance to DFES.

Asset owner/operator contribution - Local Government Agencies

LGs are required to contribute to the cost of EPAR works for each eligible disaster event.

An LG's contribution limit is calculated each financial year based on the greater of:

A. 1% of its total rates levied; or

B. 0.25% of WA's 1st threshold under the DRFA for the financial year.

The contribution limit that applies to a LG is the amount that was applicable in the year the eligible event occurred.

When an LG completes EPAR works, a contribution up to 25% of eligible actual costs capped at the contribution limit is applied through the claims process as a deduction from the claim reimbursement amount.

The LG contribution is deducted following the repayment of the ARWC amount. If, through the claims process the LG contribution is not fully paid, DFES will invoice the LG for the balance of the outstanding contribution.

The contribution limits for all LGs are available from DFES Recovery Funding.

Asset owner/operator contribution – State Government Agencies

SGAs are required to contribute 25% of the eligible actual reconstruction costs for EPAR works. This contribution is deducted from the reimbursement amount through the claims process.

Further information and contacts

Further information about the DRFAWA, including fact sheets, guidelines and training is available here:

💻 DFES Recovery Funding website

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