

FACT SHEET

Category C measures

Category C measures are outlined in Section 4.4 of the Disaster Recovery Funding Arrangements - Western Australia (DRFA-WA). Guideline 3 of the DRFA-WA is the Category C Assessment Framework, which provides a detailed overview of the assistance measures.

What is Category C?

Category C funding is a community recovery package that is intended to support a holistic approach to the longer term recovery of communities severely affected by an eligible disaster.

There are several measures that may be activated individually or together:

1. the Community Recovery Fund (CRF)
2. Recovery grants for primary producers
3. Recovery grants for small business

When can Category C be applied for?

Category C assistance may be available to communities following the declaration of an eligible disaster by the WA Government, but only in exceptional circumstances and requires the endorsement of both the Premier and the Prime Minister.

Category C Principles

The Category C principles are outlined in Guideline 3 and provide the criteria that will be considered when determining whether Category C assistance may be made available.

- It must be demonstrated to the Commonwealth that a community, region or sector has been severely impacted by an eligible disaster and there is a need for longer term recovery support.
- Category A or B measures under DRFA-WA must have been made available prior to Category C assistance being considered.
- Category C measures should be considered a 'helping hand'; the intent should not be to provide an economic stimulus (although on occasion this may be an unintended outcome).
- Assistance must align with the National Principles for Disaster Recovery

This Fact Sheet discusses the three Category C measures separately, including:

1. the Community Recovery Fund (CRF)
2. Recovery grants for primary producers
3. Recovery grants for small business

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1. Community Recovery Fund

A community recovery fund (CRF) may be activated in circumstances where a community has been severely affected and has identified a need to restore social networks, community functioning and community facilities.

The focus of this assistance is on community recovery, community development and community capacity building. The CRF will be administered collaboratively between the state, local government and other community bodies.

1.1 Demonstrating Severity of Impact

The state must demonstrate the following community impacts, as a direct result of the eligible disaster:

- the community is at risk of losing essential businesses
- there is measurable loss or reduction of essential services in the community
- there is measurable loss or damage to essential public assets in the community
- more than five community facilities have been destroyed and/or damaged in the community¹
- more than five community activities have ceased and/or been disrupted in the community²

1.2 Eligible measures

Eligible measures may include, but are not limited to:

- employment of a community development officer/s
- funding for a range of community activities
- grants to community service organisations providing recovery services
- assistance for restoration and repair of facilities owned by *non-profit organisations*
- assistance for restoration and repair of community facilities owned by an *eligible undertaking* but are not considered to be *essential public assets*
- community information initiatives
- funding commemorative events and/or memorials
- advocacy and monitoring services
- tourism and small business initiatives
- economic development initiatives
- heritage and cultural sites initiatives
- psychological services for community wide initiatives
- projects for building community resilience, and

¹ Where there are fewer than 5 community facilities in the community, contextual information may be provided to support the request

² Where there are fewer than 5 community activities in the community, contextual information may be provided to support the request

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An evaluation of the need and benefit of a community recovery fund must be undertaken in accordance with the National Monitoring and Evaluation Framework for Disaster Recovery. Costs associated with such an evaluation are eligible to be included in a reimbursement claim.

1.3 Application process

The application is prepared by the impacted Local Government/s with the support of Department Fire and Emergency Services (DFES) Recovery Directorate. This process can be quite complex as a comprehensive demonstration of the impact of the emergency on all aspects of community is required.

Once complete, the application is progressed through DFES to the Premier for endorsement. Upon endorsement, the application is lodged with the Commonwealth for its decision and, if supported, agreement by the Prime Minister.

1.4 Successful Applications

Should the application be successful and a CRF established, the DFES Recovery Directorate will assist the local government in the mandatory reporting and monitoring and evaluation requirements.

2. Recovery Grants for Primary Producers

The Special Disaster Assistance - Recovery Grants for Primary Producers may be made available where the primary production sector is severely affected and the community risks losing essential producers. Recovery grants are designed to provide short-term targeted assistance for clean-up, removal of debris, disposal of deceased livestock and re-establishment of the business following an eligible disaster in cases where the impact on the farming sector has been particularly severe and could result in production and viability being disrupted beyond the current season.

Category C assistance is not intended to compensate eligible primary producers for loss of income or reduce the incentive for adequate business insurance. Applicants are required to claim on insurance where available.

2.1 Assessment

In determining the severity of impact on the region, community or sector, the state must demonstrate the following impacts:

- Standard recovery grants (i.e. one off grants up to \$10,000) to a primary producer sector:
 - more than 15 per cent of primary producers in the sector are directly affected
 - those primary producers affected have incurred losses worth more than 10 per cent of the Total Gross Value of Agricultural Production (TGVAP) in the sector, and
 - primary producer viability or production in the sector is at risk of disruption beyond the current season.

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- Exceptional circumstances recovery grants (i.e. one off grants up to \$25,000) to a primary producer sector:
 - more than 33 per cent of primary producers in the sector are directly affected
 - those primary producers affected have incurred losses worth more than 20 per cent of the TGVAP in the sector, and
 - primary producer viability or production in the sector is at risk of disruption beyond the current season.

2.2 Eligibility

Primary producers may be eligible for recovery grants if they meet the following criteria:

- are registered with the Australian Taxation Office as a primary producer, and have an ABN; and
- suffered direct damage as a result of the eligible disaster, which may include damage to farm buildings, crops, pasture, stock, fencing and/or tools of trade (equipment, plant); and
- the essential cost of repair or replacement are the applicant's responsibility; and
- were conducting business in the community, region or sector requested prior to the date of the eligible disaster; and
- are intending to re-establish the business in the community, region or sector affected.

In some circumstances, there may be different configurations of business responsibilities, partnerships, share farm arrangements and lease agreements in relation to primary production businesses. If your primary production business arrangement is different from the standard single entity/ABN structure please refer to Guideline 3 "Recovery grants for primary producers" to confirm if and how your business may be able to apply. *Note: Hobby farmers are generally ineligible as primary producers.*

Eligible expenditure must be in the nature of clean-up and reinstatement and may include:

- cost of equipment and materials to undertake clean-up, including the removal and disposal of damaged goods or produce and injured or dead stock
- additional labour costs (above and beyond day-to-day staffing)
- replacement or repair of fencing, essential plant and equipment
- salvaging crops, grain and feeds or replacing lost or damaged plant stock if the replacement is essential to immediately resume business activities
- health maintenance for livestock and poultry and purchase of fodder for livestock (not covered by other assistance)
- purchase or hire/lease costs for equipment, if the replacement is essential to immediately resume business activities
- replacing dead livestock, where satisfactory evidence of loss is provided
- water cartage and replacement of essential water, used for fire fighting
- essential repairs to (business) premises and internal fittings (e.g. flood covering, electrical rewiring, shelving), including payment for tradespeople to conduct safety inspections.

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Grant assistance provided may be subject to audit to verify that the assistance has been used in accordance with the application.

2.3 Application process

The Department of Primary Industries and Regional Development, with advice from DFES Disaster Recovery Funding Officers, undertake an assessment of the impact to affected Primary Producers and the sector as a whole. The application is then progressed through the DFES Recovery Directorate to the Premier for endorsement. Upon endorsement, the application is lodged with the Commonwealth for its decision and, if supported, agreement by the Prime Minister.

3. Recovery Grants for Small Businesses

The Special Disaster Assistance - Recovery Grants for Small Businesses may be made available where the small business sector is severely affected and the community is at risk of losing essential businesses. Recovery grants are designed to assist eligible small businesses with the costs associated with clean-up and reinstatement activities arising from direct damage caused by an eligible disaster. The grant is to assist businesses continue or recommence trading as soon as possible.

Category C assistance is not intended to compensate eligible small businesses for loss of income or reduce the incentive for adequate business insurance. Applicants are required to claim on insurance where available.

3.1 Assessment

Assessment to determine the need for this measure is undertaken by Department of Fire and Emergency Services Recovery Directorate, with support from local small business associations/Chamber of Commerce and local government. Activation of this measure requires endorsement by the Premier and agreement by the Commonwealth and the Prime Minister.

In determining the severity of impact on the community, region or sector, the state must demonstrate the following impacts:

- Standard recovery grants (i.e. one off grants up to \$10,000) to a small business sector:
 - more than 15 per cent of small businesses in the sector are directly affected
 - average individual small business losses of at least \$45,000, and
 - the community is at risk of losing essential businesses as a direct result of the disaster.
- Exceptional circumstances recovery grants (i.e. one off grants up to \$25,000) to a small business sector:
 - more than 33 per cent of small businesses in the sector are directly affected;
 - average individual small business losses of at least \$75,000; and

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- the community is at risk of losing essential businesses as a direct result of the disaster.

3.2 Eligibility

Small businesses may be eligible for recovery grants if they meet the following criteria:

- have suffered direct damage to their premises and/or tools of trade (e.g. equipment, plant) and the essential cost of repair or replacement are the applicant's responsibility; and
- are intending to re-establish in the community, region or sector impacted, and
- were conducting business in the community, region or sector impacted prior to and including the date of the eligible event.

In some circumstances, there may be different configurations of business responsibilities or investment, partnerships and lease agreements in relation to small businesses. If your small business arrangement is different from the standard single entity/ABN structure, and to understand businesses that are excluded from this assistance measure, please refer to Guideline 3 "Recovery grants for small businesses" to confirm if and how your business may be able to apply.

Eligible expenditure must be in the nature of clean-up and reinstatement and may include:

- equipment, materials and additional labour costs (above and beyond day-today staffing) to undertake clean-up
- costs associated with the removal and disposal of damaged goods and material
- essential repairs to premises and internal fittings (e.g. floor covering, electrical rewiring, shelving) and payment for trades people to conduct safety inspections
- purchase or hire/lease costs for equipment or leasing of temporary premises essential to the immediate resumption of operations
- replacement of stock which is essential to the immediate resumption of operations.

Grant assistance provided may be subject to audit to verify that the assistance has been used in accordance with the application.

3.3 Application process

When activated, the grant assistance may be claimed by completing an application form, which will be provided by the DFES Recovery Directorate.

Applicants will be expected to provide a range of supporting documentation.

The DFES Recovery Directorate will assess general eligibility and successful applicants will be advised that they have in-principle approval for the grant.