MAV Sector Submission: Disaster management reforms

August 2026

The voice for
local government

MUNICIPAL ASSOCIATION OF VICTORIA

Climate volatility, social fragmentation, digital disruption and rising costs are reshaping the way we live, work, and connect. Local government is where these global challenges turn into local responses – strengthening trust and resilience through the places, services and experiences people rely on every day.

The Municipal Association of Victoria (MAV) is the legislated peak body for local government in Victoria, advocating for all 79 councils across the state.

MAV works closely with councils, state and federal governments and global experts across industry and academia to deliver services and solutions grounded in local knowledge and community needs across metropolitan, rural and regional Victoria.

MAV offers sector-specific, not-for-profit procurement and insurance services, a local government innovation lab and statewide annual learning, convening programs designed to support Victorian local government to meet the challenges of a fast-changing future.

ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the traditional custodians of the land on which we live. We recognise their continuing connection to land, waters and culture and pay our respects to their Elders past, present and emerging.

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1 Executive Summary

The MAV welcomes the opportunity to engage with the Commonwealth and Victorian Government on the proposed new Disaster Recovery Funding Framework and future iteration of the Disaster Ready Fund.

The MAV is the peak body for Victoria's 79 councils with the purpose to mobilise action that supports Victorian councils to create cities, regions, and towns that are thriving, resilient and inclusive communities. The MAV vision is to be a nation-leading thought leader, partner and resource hub for the Victorian local government sector in strategic foresight, policy and research, leadership and governance, service design and advocacy impact.

Victorian councils play a critical role in planning for, responding to and recovering from emergencies, extending well beyond their commonly known roles of establishing emergency relief and recovery centres. As the closest connection point to community, councils are often the last level of government on the ground supporting their communities through the long tail of recovery.

Our submission sets out the initial positions of the Victorian local government sector in response to the proposed reforms. We understand the majority of the reforms have been put forward by NEMA as a starting point for engagement. We welcome further discussion and engagement with the Commonwealth and Victorian Governments and urge close co-design with the local government sector.

At the outset, councils are seeking a lower and more flexible event-based activation threshold to adequately account for the small and medium scale disasters Victorian councils frequently experience. A flexible approach would allow for cumulative, consecutive and compounding disasters to be accommodated through our recovery funding arrangements.

While councils welcome the introduction of a Resilient Infrastructure Scheme, evidence suggests 40 per cent betterment funding would be a more appropriate starting point for meaningful resilience works. This should be accompanied by a pre-disaster asset investigation scheme that allows councils to identify the highest priority infrastructure for resilience upgrades.

The introduction of nationally standardised packages must fund existing council responsibilities including the delivery of relief centres and other activities under existing Counter Disaster Operations arrangements. The reforms should also explicitly permit resource sharing between councils to ensure these critical capacity arrangements are not undermined.

These reforms provide a significant opportunity to make improvements to the administration of our recovery funding arrangements and uplift local government capability. Councils have put forward a range of options for simplified data, administration and audit processes. A staged implementation approach will also be critical to getting the reforms right.

In considering the future of the Disaster Ready Fund, the submission outlines key priorities for Victorian councils in accessing risk and resilience funding, including programmatic improvements.

While the Victorian Government will be responsible for determining how the reforms play out in Victoria, the Commonwealth has an important role to play in driving consistency and accountability through its funding agreements. The MAV is ready to partner with the Commonwealth and Victorian Governments to ensure the reforms are fit-for-purpose from a local government perspective.

The overarching message from the Victorian local government sector is that these reforms should strengthen and improve the delivery of recovery, risk and resilience funding. Improved funding certainty, administrative efficiency and recovery outcomes are key priorities. No council or community should be left worse off as a result of the changes.

Finally, this submission draws heavily from feedback gathered from councils through MAV consultation processes. We thank the councils who engaged in the consultation process and provided input via surveys and case studies.

Recommendations

Theme	Recommendation
Event based activation threshold	Introduce a lower and more flexible activation threshold that accounts for small and medium scale disasters, and the cumulative impact of disasters, frequently experienced by Victorian councils
Protection from cost-shifting	Assure the local government sector that no council will be worse off as a result of any associated funding shortfalls in Victoria
Nationally standardised packages	Ensure nationally standardised packages cover activities currently funded through Counter Disaster Operations including emergency relief centre operations, community outreach, impact assessments, debris and waste removal, recovery coordination, surge workforce costs, public information and communications, volunteer management, restoring essential infrastructure, day labour, and psychosocial support services
Resource sharing arrangements	Ensure the Disaster Recovery Funding Framework explicitly supports resource sharing arrangements between councils
Resilient Infrastructure Scheme	Introduce a flexible, evidence-based approach to betterment funding underpinned by risk exposure and asset type
Resilient Infrastructure Scheme	Ensure funding under the Resilient Infrastructure Scheme starts at 40 per cent to enable meaningful resilience works
Resilient Infrastructure Scheme	Introduce a pre-disaster asset investigation scheme that supports Victorian councils to identify infrastructure for resilience upgrades

Resilient Infrastructure Scheme	Include community facilities, recreational assets, parks and open spaces in the definition of essential public assets
Administrative improvements	Allow councils to recover officer time for administering claims through the DRFF, this includes activities relating to gathering evidence in advance of disasters
Implementation considerations	Deliver a local government implementation fund to support capability uplift to embed the new DRFF
Risk reduction program	Increase the total quantum of funding allocated to the future risk reduction and resilience program
Risk reduction program	Include a dedicated funding stream for local government to access under the future risk reduction and resilience program
Risk reduction program	Ensure future risk reduction and resilience programs are underpinned by an investment strategy informed by the Natural Disaster Risk Profile as recommended by the Colvin Review

2 Introduction

The opportunity to improve the efficiency, consistency and equity of disaster recovery funding is welcome. As the level of government closest to the community, Victorian councils play a critical role in disaster preparedness, relief, response and recovery. Yet too often recovery and resilience activities rely on short-term, events-based grants that limit long-term capability building.

This submission provides responses to key elements of the proposed reforms that most impact Victorian councils including the new event based activation threshold, nationally consistent standardised packages, resilient infrastructure scheme, administrative issues and implementation considerations. It also provides initial advice on a future possible risk reduction and resilience program to replace the Disaster Ready Fund.

The Commonwealth's reforms draw heavily from the Independent Review of Commonwealth Disaster Funding (known as the Colvin Review). The MAV cautions against undertaking this reform work in isolation from other critical elements of the Colvin Review including the development of a nation-wide Natural Disaster Risk Profile and National Natural Disaster Outcomes Policy.

3 Response to proposed reforms

3.1 Event based activation threshold

The Commonwealth is proposing a new event-based activation threshold of $2.7 million for triggering cost-sharing arrangements in Victoria. It is important to note that this threshold would be applied per event, at the state level. This would replace the existing small disaster criteria and financial year thresholds that jurisdictions need to exceed in order to qualify for cost-sharing.

The Colvin review noted the rules around thresholds for reimbursement are complex, resulting in a less efficient and effective use of the arrangements. It recommended the Commonwealth review existing DRFA cost-sharing arrangements and consider appropriate thresholds, reimbursement rates and insurance costs.

The MAV welcomes steps forward to simplify and improve access to cost-sharing arrangements across jurisdictions. Simplifying the event-based activation threshold may reduce administrative costs and complexity and clarify what support is available.

Under the new activation threshold, the Victorian Government would need to incur the cost of every event up to $2.7 million before cost-sharing arrangements with the Commonwealth commence.

Drawing on initial analysis from Emergency Management Victoria, the MAV understands that of all DRFA events activated in Victoria over the past 5 years, 35 events would have fallen below the $2.7 million proposed threshold. The majority of these related to storm and flood events and most heavily impacted East Gippsland, Baw Baw, Wellington, Towong and Yarra Ranges (see Image 1 and Appendix 1 for further details).

The evidence shows many smaller, localised disasters in Victoria would not meet the proposed event-based activation threshold. In Victoria, nearly 90 per cent of total DRFA claims have been made by rural and regional councils often facing multiple disasters. Councils are concerned that this could result in recovery costs being shifted to local government, particularly for those with low rate bases. For example, Cardinia Shire Council estimates that if the proposed threshold was applied to events over the past ten years it would have been $11 million worse off. In a rate capped environment, Victorian councils do not have the capacity to meet funding gaps that could occur as a result of these reforms.

Importantly, the proposal does not sufficiently consider the cumulative impacts from consecutive and compounding disasters. These events can be as financially devastating for councils as a single major event and place significant pressure on local resources, infrastructure and communities. It is critical that these reforms do a better job at accounting for compounding, cascading and cumulative disasters compared to our existing arrangements.

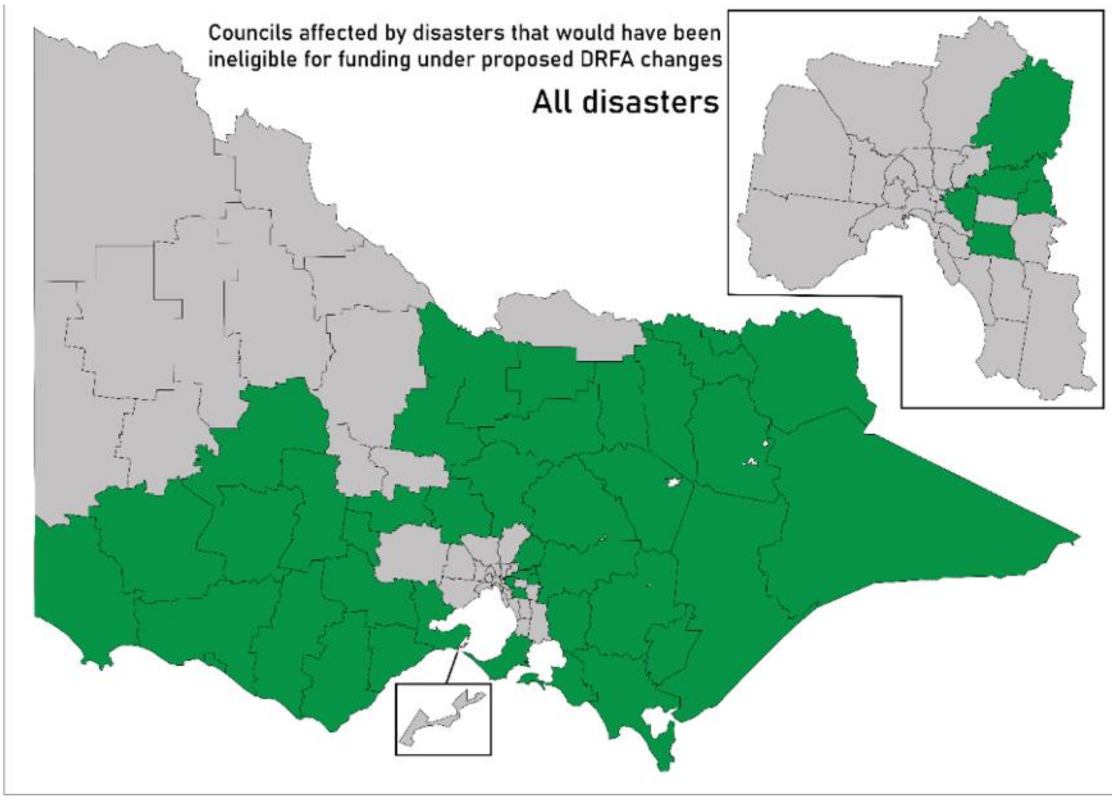
Victorian councils support a lower, flexible event-based activation threshold that recognises the impact of cumulative disasters, especially on rural and regional councils. This would ensure equitable access to funding and avoid disadvantaging communities affected by smaller but locally significant disasters. Costs incurred towards the threshold should also consider how state and local government insurance of essential public assets could contribute towards the threshold.

Further detail is needed on how local government claims would be assessed, aggregated and supported when an event falls below the proposed threshold. Councils do not have the capacity to meet any funding gaps that emerge where an event does not meet the threshold at acquittal time.

The MAV is seeking assurance from State and Commonwealth Governments that any funding shortfalls as a result of these reforms won't be passed on to councils, and that no councils will be left worse off under the new arrangements. As part of this process, councils need transparency demonstrating how the 50/50 cost-sharing arrangements will interact with the new event-based activation threshold. We are ready to work with State and Commonwealth Government to ensure that small and medium scale disasters, and cumulative impacts of disasters, are properly recognised in the new activation threshold.

Finally, in Victoria, where an event does not reach the DRFA small disaster criteria of $240,000, there is a safety net in place whereby the State Government can activate a Natural Disaster Financial Assistance event. Under these arrangements, councils are required to contribute the first $100,000 of the claim with the State able to fund above that. The MAV understands this policy will be reviewed in light of Commonwealth reforms and advocates for councils to be engaged in this process.

Image 1: Events from past 5 years that would not have been eligible under new activation threshold



Event type	Sum of Eligible Expenditure	
Bushfire	$	12,295.86
Flood	$	1,951,957.62
Other	$	1,070,404.94
Storm	$	7,300,576.96
Storm and Flood	$	6,159,230.08
Total	**$**	**16,494,465.46**

*Note: For events ARGN 1033, 1073, 1146 and 1160 expenditure amounts were not available

Calendar year event commenced	Eligible Expenditure
2019	$286,322.43
2020	$5,504,254.75
2021	$1,590,111.61
2022	$3,642,831.80
2023	$4,076,343.82
2024	$702,978.60
2025	$691,622.45
Total	**$16,494,465.46**

*Note: For events ARGN 1033, 1073, 1146 and 1160 expenditure amounts were not available.

Recommendations

- Introduce a lower and more flexible activation threshold that accounts for small and medium scale disasters, and the cumulative impact of disasters, frequently experienced by Victorian councils
- Assure the local government sector that no council will be worse off as a result of any associated funding shortfalls in Victoria

Unintended consequences of simplified thresholds

The Longstaffs Road landslip affected both South Gippsland Shire Council and Baw Baw Shire Council. Initial estimates indicated South Gippsland repair costs of approximately $600,000 based on comparable certified estimates; and Baw Baw Shire Council also anticipated disaster damage exceeding the event threshold.

Following consultation with technical officers from the Assessing Authority, Council adopted an Immediate Reconstruction Works approach rather than progressing through a traditional Certified Estimate process.

As nearby geotechnical investigations had recently been completed for another landslip, Council was able to utilise existing information, streamline procurement and undertake repairs far more efficiently.

This collaborative approach produced positive outcomes for all parties including faster restoration for the community, reduced administrative effort, simplified procurement and the State ultimately benefited from substantially lower repair costs.

The final repair cost was only $50,580, compared with an initial estimate of approximately $600,000. However, because eligible expenditure across both municipalities fell below the DRFA threshold after mandatory council contributions were applied, the event was no longer eligible for Commonwealth funding. As a result, no DRFA reimbursement was available and council absorbed the full repair cost.

This highlights the potential unintended consequences of threshold-based funding arrangements. Future funding arrangements should encourage innovation, efficiency and early restoration without creating situations where lower-cost repairs result in the loss of funding eligibility.

3.2 Nationally consistent standardised packages

The Commonwealth is proposing new standardised recovery packages, to replace current DRFA Categories A, B, C and D. The proposed categories will cover assistance for individual and families, resilient infrastructure, community recovery, local economic support and environmental recovery. An exceptional circumstances package will remain to provide flexibility and scalability for governments to address unexpected and unpredictable consequences from severe/catastrophic disasters.

The MAV welcomes efforts to streamline the current complex DRFA categories, however these new packages must cover the full range of activities council undertake in recovery, reflect how recovery is delivered on the ground and allow for flexibility for place-based, localised recovery. Councils play a central role in coordinating relief and recovery in Victoria, a standardised system that does not adequately recognise these responsibilities risks creating gaps and undermining recovery outcomes.

The proposed standardised packages should include more flexibility to support resilience and risk reduction initiatives, rather than focusing solely on restoring assets to their pre-disaster condition. The MAV supports the integration of 'building back better' across all recovery funding packages, not solely those focused on built infrastructure.

As highlighted by the Colvin Review, current disaster recovery funding arrangements are disproportionately weighted towards built and economic outcomes, with 88% of Commonwealth disaster funding since 2018-19 directed to the built and economic domains, compared with only 12% allocated to social and natural domains. Councils emphasised the need for funding frameworks to better recognise the social impacts of disasters and support recovery across all four domains: social, natural, economic and built. The proposed reforms provide an opportunity to rebalance investment across the disaster continuum and ensure standardised packages support and embed more holistic and resilient community outcomes in recovery.

3.2.1 Community recovery package

Victorian councils undertake significant roles in emergency relief centre operations, municipal recovery coordination, volunteer management, public health, waste and debris management, social recovery, animal welfare, community engagement and recovery planning. These functions should be explicitly recognised as eligible activities within the community recovery package to ensure councils can continue to effectively support communities before, during and after disaster recovery.

The MAV supports ALGA's call for greater clarity regarding the interaction between community recovery assistance and councils' existing responsibilities. Further guidance is required on the eligibility of activities such as clean-up, community coordination and other recovery-related functions that may overlap with councils' day-to-day operations. Clear and nationally consistent guidance will be essential to avoiding inconsistent application across jurisdictions.

Further clarification is also needed on how the proposed national standardised packages will interact with existing state and territory recovery programs. Councils need certainty that the transition to a nationally consistent framework will not create gaps, duplication or delays in support. This includes understanding how existing programs such as Council Support Fund, Community Recovery Officers and Hubs, Prolonged Power Outage Payments, Re-establishment Payments and Financial Counselling services will align with, complement or be incorporated into the new arrangements. Clear transition and funding guidance will be essential to ensure affected communities, businesses and local governments continue to receive timely and coordinated support throughout recovery.

Councils consistently support activating community recovery packages according to the scale, consequences and duration of community impacts, not on expenditure thresholds alone. Criteria could consider initial and secondary impact assessment data, population affected, displacement, vulnerability, infrastructure and service disruption, cumulative and compounding events, expected recovery time and the affected council's capacity. It will also be important for these packages to consider broader community impacts including volunteer fatigue.

Counter Disaster Operations

The discussion paper provides limited detail regarding Counter Disaster Operations (CDO) under the proposed Disaster Recovery Funding Framework. The MAV seeks assurance that activities currently supported through CDO arrangements will remain eligible for Commonwealth cost-sharing. These activities come at substantial cost for local governments and reflect key responsibilities councils must deliver under the State Emergency Management Plan Council Role Statement[1].

Eligible activities currently include operation of:

- Municipal Emergency Coordination Centres (MECC);
- Emergency Relief Centres (ERC);
- Property protection activities; and
- Emergency response coordination.

The following recovery-related elements of Counter Disaster Operations should be included in nationally standardised packages: emergency relief centre operations, community outreach, impact assessments, debris and waste removal, recovery coordination, surge workforce costs, public information and communications, volunteer management, restoring essential infrastructure including roads, bridges, drainage, and public buildings, claiming day labour, psychosocial support services.

Councils are particularly concerned about the absence of relief activities, such as Emergency Relief Centres, in the proposed packages.

Community Recovery Officers

The MAV broadly supports a two-year Community Recovery Officer term as default for events. However, recovery timeframes vary considerably between events and communities. Flexibility should be built into the program to reflect the complexity and duration of recovery based on demonstrated community need.

Councils strongly favour scalable funding, consistently emphasising that recovery often extends well beyond two years. Experience from the 2019-20 bushfires and 2022 floods demonstrates that significant recovery programs may continue for several years after an event. East Gippsland Shire Council noted that some recovery officer positions following the Black Summer bushfires were funded for five years, while councils affected by the 2022 floods continue recovery activities several years later.

Future funding arrangements should also support specialist recovery expertise to stay in the region and recognise councils are often operating multiple recovery programs concurrently.

While councils can often deliver recovery activities using existing resources in the short term, the administration of DRFA claims, evidence collection, record keeping,

[1] Role statement - Councils | Emergency Management Victoria

financial reconciliation and reporting requirements can create a significant and prolonged workload that cannot readily be absorbed within BAU resources. Dedicated recovery personnel would support councils to manage these obligations while continuing to deliver essential services and recovery outcomes for their communities.

Short-term clean-up

The MAV supports the inclusion of short-term clean-up and recommends that eligibility explicitly covers the full range of activities required to restore community safety, access and functionality immediately following a disaster. Clean-up activities are resource-intensive recovery functions undertaken by local government and are critical to enabling communities, businesses and primary producers to commence recovery.

Eligible activities should include the removal and disposal of household and business debris, hazardous materials, fallen trees, flood waste, animal and agricultural waste, and debris affecting parks, reserves, public spaces and community facilities. Funding should also cover the workforce, accommodation, plant, equipment, contractors and other operational costs required to undertake clean-up activities safely and at scale.

3.2.2 Assistance for individuals and families

The MAV supports efforts to improve national consistency in hardship assistance however; harmonisation should not result in a reduction in support available to disaster-affected communities. With Victoria's Personal Hardship Payment one of the highest, any nationally consistent hardship payment should not leave individuals and families worse off. The introduction of national consistency should deliver improved equity and clarity while maintaining or enhancing existing levels of support.

3.2.3 Local economic support

The MAV supports ALGA's call for clarity on how support for indirect economic impacts will operate alongside proposed increases to activation thresholds. Where the activation threshold is not met, businesses and primary producers experiencing genuine economic hardship may be unable to access the proposed recovery packages. There is need for further clarification on how indirect economic impacts will be assessed under the DRFF and whether alternative activation mechanisms may be required to ensure affected communities are not excluded from support.

Councils have highlighted the importance of recognising impacts that extend beyond direct physical damage, including:

- Reduced visitor numbers in tourism-dependent communities
- Disruption to supply chains, freight networks and stock routes
- Loss of access to farms and agricultural production
- Impacts on school bus routes and transport networks
- Reduced economic activity resulting from prolonged infrastructure disruption.

3.2.4 Environmental recovery

The MAV supports the introduction of a dedicated environmental recovery category. South Gippsland Shire Council notes environmental damage particularly to waterways, roadside vegetation and coastal areas has been a recurring and expensive feature of the floods, storms and landslips has managed since September 2021.

South Gippsland Shire Council's experience suggests the following should be considered in developing eligibility criteria:

- Clean-up and environmental recovery activities can be difficult to separate, for example, removal of storm debris from waterways can be both a public safety clean-up activity and an environmental recovery activity.
- Rural municipalities include significant areas of waterway, coastal and reserve land that are not council assets but affect community safety and access. Guidance is needed on how environmental recovery funding interacts with land managed by other public authorities.
- The assessment process to provide evidence linking the disaster impact and environmental recovery should be proportionate for lower-cost, time-critical works (e.g. removal of hazardous debris from a waterway) and should not require the same level of assessment as higher-cost, longer-term rehabilitation programs.

3.2.5 Exceptional circumstances assistance

The MAV supports retaining an exceptional circumstances category to provide flexibility for severe, complex and cascading disasters that fall outside standard recovery arrangements. The MAV notes ALGA's feedback that the proposed requirements for detailed impact assessments, recovery plans and evidentiary documentation under the new exceptional circumstances category could create additional and unnecessary administrative burdens for councils. The MAV supports ALGA's recommendation that NEMA work closely with local government to ensure any reporting, assessment and planning obligations are practical, targeted and do not create barriers to accessing support.

3.2.6 Additional elements missing from the proposed packages

Resource sharing

The proposed standardised packages do not adequately recognise the role of resource sharing between councils during disaster recovery.

When disasters exceed local capacity, councils routinely rely on mutual aid arrangements and regional partnerships to provide surge workforce capability, expertise and support. In Victoria, there are multiple formal and informal arrangements across neighbouring municipalities and within regions (e.g. Otway Collaboration, Eastern Metropolitan Councils Emergency Management Partnership, Regional Municipal Emergency Management Enhancement Groups, Northern Victorian Emergency Management Cluster). In larger disasters that affect all or most councils in a region, councils seek assistance from other parts of the State.

The MAV recommends that the framework explicitly support resource sharing arrangements by allowing for the deployment of personnel between councils, including associated travel, accommodation, overtime and backfill costs. This is particularly important during large-scale disasters affecting multiple municipalities where unaffected councils can be deployed quickly to disaster-affected areas and strengthening local recovery capacity when it is needed most.

Surge demands

Alongside resource sharing arrangements, it will be important for standardised packages to recognise that councils need to undertake business as usual functions while simultaneously responding to emergencies. The dual demands of maintaining essential services – such as waste collection, infrastructure maintenance and community programs – alongside emergency management responsibilities places immense strain on local government capacity. Rural councils face particular challenges of working within constrained budgets and staffing levels, while being more likely to be exposed to disasters. Councils can face a loss of income from revenue-generating services that are used to support emergency relief and recovery activities. For example, where a pool or recreation centre needs to be closed to support the operation of a recovery centre. These issues need to be addressed through the introduction of standardised packages.

Monitoring and evaluation needed

The MAV supports ALGA's recommendation that standardised recovery packages be accompanied by robust monitoring, evaluation and learning frameworks. Regular review of package performance will help identify unintended consequences, ensure funding remains aligned with community needs and allow the framework to evolve in response to lessons learned from future disasters. Without ongoing evaluation, there is a risk that ineffective approaches become embedded across the national system.

Recommendations

- Ensure nationally standardised packages cover activities currently funded through Counter Disaster Operations including emergency relief centre operations, community outreach, impact assessments, debris and waste removal, recovery coordination, surge workforce costs, public information and communications, volunteer management, restoring essential infrastructure, day labour, and psychosocial support services.
- Ensure the Disaster Recovery Funding Framework explicitly supports resource sharing arrangements between councils.

3.3 Resilient Infrastructure Scheme

The ability to build damaged infrastructure back to a more resilient standard has been a long-standing priority for Victorian councils. As the DRFA is currently applied in Victoria, there are limited opportunities for councils to access betterment funding. This means that councils that wish to improve the infrastructure by designing and developing to more modern or disaster-resilient solutions must fund the improvements themselves.

The MAV welcomes the introduction of a Resilient Infrastructure Scheme under the DRFF. Ensuring that betterment is embedded in our disaster recovery funding arrangements is essential to improving the resilience of our infrastructure and communities.

3.3.1 A flexible approach to betterment funding

NEMA has proposed 15 per cent betterment funding to replace the existing efficiencies framework and Category D betterment arrangements under the DRFA. The MAV understands this figure is a starting point for engagement.

Victorian councils have identified 15 per cent betterment funding is unlikely to be sufficient to deliver meaningful resilience improvements, particularly for roads, bridges, culverts, drainage infrastructure and other critical community assets. It would be insufficient for major works such as bridge raising, road realignment, landslide stabilisation, asset redesign and asset relocation. This is in line with evidence from other jurisdictions, such as Queensland, that have significant experience delivering betterment projects.

Effective resilience measures often require an investment of 25 to 40 per cent above the cost of like-for-like restoration, depending on the asset type and level of risk. The following examples from the October 2022 floods highlight this:

- A Victorian replaced culverts with a bridge so that the bridge did not wash away again. It was over 25 per cent more expensive to replace the culverts with a bridge.
- Another Victorian council had an asphalt bridge that kept washing off the road which needed to be replaced with concrete footings. This work is estimated to cost an additional $30,000-$40,000 which is approximately 30 per cent of the project cost.
- The below Gooramadda Road Culvert Replacement case study.

A fixed percentage for betterment funding may not be appropriate in all circumstances. However, should the Commonwealth proceed with a fixed percentage, the scheme should allow councils to access betterment funding of at least 40 per cent to enable meaningful resilience works.

Case Study – Gooramadda Road Culvert Replacement

Following a significant rain event in October 2022, Indigo Shire Council had a major failure on Gooramadda Road where existing culverts proved inadequate to cater for the water flowing in the adjacent gully. As part of the road reinstatement, Council needed to replace a series of culverts. The original infrastructure was undersized by today's design standards, so replacement to current engineering standards required significantly larger culverts capable of conveying a 1% Annual Exceedance Probability (AEP) flood event, with current rainfall intensity data.

The contracted supply and installation costs were:

- Replacement to original design standard: $186,488
- Replacement to current standards (1% AEP): $274,232
- Additional betterment cost: $87,744
- Betterment uplift: 47%

This example demonstrates that a 15% allowance for betterment would not have met the additional costs incurred by council and that a betterment allowance of at least 40% would more accurately reflect the costs commonly experienced by local government when rebuilding damaged infrastructure to current standards.

A fixed allowance of only 15% risks leaving councils to fund significant unfunded resilience improvements.

Victorian councils support a flexible, evidence-based approach with betterment funding determined by risk exposure and asset type. Higher levels of betterment funding should be available where resilience improvements can demonstrate reduced future recovery costs, improved community safety, maintained access to essential services or strengtheened resilience of vulnerable communities.

The MAV supports ALGA's calls for further consultation and modelling to ensure the funding settings reflect the realities of resilience reconstruction and provide flexibility where strong resilience and value-for-money outcomes can be demonstrated.

Importantly, councils are of the view that reinstating an asset to contemporary engineering standards or in line with safety requirements should be covered by core eligibility under the standardised packages, not the Resilient Infrastructure Scheme. If these improvements are classified as betterment, there is a risk that the 15 per cent funding will be taken up by restoring an asset to contemporary standards. Councils are supportive of the Resilient Infrastructure Scheme being used to upgrade assets to a more resilient standard (over and above contemporary standards). As a result, it will be important to have a clear definition of betterment to support decision-making.

DRFA Funding Washed Away in Mitchell Shire

The Hume region is highly susceptible to disasters. Since 2019 there have been numerous declared disasters including significant bushfires, and two major floods in October 2022 and January 2024. In the wake of the 2022 floods, DRFA funding allowed damage to be repaired and infrastructure restored to its previous condition. However, a lack of betterment funding meant that this work did not include improved resilience measures, which meant 60-70% was damaged by floods again only fifteen months later. The Whitegate Road repair bill in October 2022 was $292,000 before the road was re-impacted in January 2024 resulting in further remediation works at an estimated cost of $200,000. Building to withstand similar events on this road is estimated to cost only $900,000 and would substantially reduce future remediation requirements.

3.3.2 Determining eligible costs

It will be important for local government to be involved in the co-design of the eligibility criteria for the Resilient Infrastructure Scheme given its role as owners and managers of community assets.

The MAV notes the design of the scheme will provide an opportunity review the existing definition of essential public assets. Councils strongly support the inclusion of community facilities, recreational assets, parks and public open spaces in the definition of public assets. This includes assets that provide essential community and social recovery functions but do not meet the definition of critical infrastructure.

The NEMA discussion paper poses a question around how the Resilient Infrastructure Scheme should determine eligible claimable costs. Victorian councils support a hybrid approach that combines estimate-based project approval with reconciliation against actual costs. Cost estimates are important in providing funding quickly, especially for smaller or routine claims. However final reimbursement should continue to reflect actual eligible expenditure. This combined approach will provide flexibility, accountability, transparency and value for money.

The final system should reduce the amount of detailed reporting required for smaller claims, while still allowing actual costs to be recognised where they provide a more accurate reflection of resources required.

3.3.3 Pre-disaster asset investigation scheme

A robust asset identification process could support faster decision making around resilient infrastructure upgrades. As noted in the NEMA discussion paper, this could include pre-identifying key assets for resilience funding and at risk or repeatedly damaged assets or pre-assessing value for money.

Unlike other jurisdictions, there is no uniform program of data showing which assets need to be upgraded the most in Victoria. We recognise there will need to be a data and capability uplift for the scheme to be effective.

To maximise the benefits of the Resilient Infrastructure Scheme, Victorian councils will need proactive support before disasters occur. Pre-identifying priority infrastructure such as roads, bridges, culverts, drainage systems and community facilities would enable councils to implement betterment opportunities more quickly following an event.

The MAV recommends the Commonwealth and State develop a pre-disaster asset investigation scheme with councils to identify and address the highest priority infrastructure for resilience upgrades across Victoria[2].

The pre-disaster asset investigation scheme would support Victorian councils to identify betterment projects through:

- Support to identify critical assets and resilience opportunities pre-disaster
- Support for the design, scoping and development of resilience business case templates resulting in a catalogue of pre-approved resilience treatments
- Access to regional risk assessments and cost-benefit tools
- Technical advice on eligibility of non-standard resilience solutions including asset relocation, land acquisition and network redesign
- Training and capability building programs for staff on resilience treatments
- Fast-track approval pathways for resilience treatments that have been identified as effective

Finally, it will be important to implement a decision-making framework to determine how and why we are investing in resilient infrastructure upgrades.

Recommendations

- Introduce a flexible, evidence-based approach to betterment funding underpinned by risk exposure and asset type
- Ensure funding under the Resilient Infrastructure Scheme starts at 40 per cent to enable meaingful resilience works
- Introduce a pre-disaster asset investigation scheme that supports Victorian councils to identify infrastructure for resilience upgrades
- Include community facilities, recreational assets, parks and open spaces in the definition of essential public assets

[2] Make Good Happen - A Unified Voice for Victorian Councils | MAV website

Breakaway Bridge: need for long-term resilience upgrades

Murrindindi Shire Council has provided the following example of how existing funding arrangements do not allow for resilience upgrades. The Breakaway Bridge suffered significant damage during the October 2022 floods. Assessors recommended extending an existing timber bridge that is more than 100 years old rather than replacing it with infrastructure designed to current standards. Despite taking almost four years to secure funding, the proposed solution still does not adequately address long-term resilience or modern design requirements. This demonstrates how like-for-like restoration can perpetuate existing vulnerabilities and result in repeated future costs. Ultimately, funding should support rebuilding infrastructure that is fit for purpose, resilient to future events and capable of meeting current standards, rather than restoring ageing assets to a pre-disaster condition that may no longer be appropriate.

3.4 Reporting, evidence and administration

In its current form, the DRFA is complex to navigate, administratively burdensome and does not provide the level of certainty required to support community recovery. The complexity of claims processes requires councils to spend significant time and resources preparing documentation. The disproportionate reporting and audit requirements for smaller claims can mean the costs outweigh the benefits for low-value claims. There are also ongoing issues relating to duplication of evidence requirements, inconsistent interpretation of eligibility requirements and delayed reimbursements.

Victorian councils welcome the opportunity to work with the Commonwealth and Victorian Government to simplify and systemise the administration of recovery funding. Councils are supportive of a streamlined evidence-based claims process that reduces administrative burden, improves funding certainty and supports communities to access timely and effective relief.

The MAV supports ALGA's calls for simplified applications, reporting and acquittal processes that enable councils to focus on supporting communities and delivering recovery outcomes rather than navigating complex administrative requirements.

3.4.1 Opportunities for improved administration and assurance

Administration under the new DRFF can be improved through:

- A single integrated reporting and claims system, with end-to-end tools that allow councils to record and collate data
- Nationally consistent and simplified claims templates
- Clear guidance on eligible expenditure that provides certainty between events and is applied consistently by assessors
- Simplified and consistent infrastructure assessment methodologies

- Simplified processes relating to pre-disaster condition evidence, including flexibility to use asset management records, inspection records, historical maintenance records
- Streamlined processes that allow reliance on existing financial and asset management systems
- The adoption of a single, risk-based audit approach that maintains accountability while reducing duplication

Many councils spoke to the workforce pressures associated with preparing, submitting, managing and acquitting DRFA claims. This involves substantial resourcing for investigation, evidence collection, financial reconcilitation and audit support. To enable councils to maximise recovery funding opportunities through the DRFF, it is essential they are able to recoup the cost of officer time in preparing and managing claims. This includes time collecting evidence of pre-disaster condition of infrastructure.

The Colvin Review recommended the Commonwealth prioritise its data coordination efforts, including the provision of timely decision relevant information to assist decision makers to manage their risks and satisfy their disaster management objectives. Victorian councils would like to see investment in improved data systems as part of these reforms, including the development of a nationally consistent data governance framework for disasters. For example, this could be achieved through collection of photographic evidence via an app supplied by the Victorian Government ensuring correct data is obtained and mapped at a state-wide level.

The existing Victorian online claims and reporting portal could be scaled nationally. This system provides a centralised way to lodge claims, upload supporting documentation and track progress, making the administration of claims more efficient for councils.

Finally, the MAV shares ALGA's concerns regarding the proposed quarterly reporting requirements. Collecting and updating data on project phases, estimated start and completion dates, expenditure to date and final project costs across numerous recovery projects can be resource intensive. Reporting requirements should be proportionate to the size and complexity of a project and recognise the capacity constraints many councils face.

Recommendations

- Allow councils to recover officer time for administering claims through the DRFF, this includes activities relating to gathering evidence in advance of disasters

Popes Road landslip: administrative processes delaying recovery

The Popes Road landslip in South Gippsland Shire Council formed part of a larger disaster recovery package involving eight separate sites delivered under a Design and Construct procurement contract. Although the final claim was ultimately approved in full, the assessment process extended for more than 12 months due to detailed administrative requirements rather than uncertainty regarding eligibility.

During assessment, Council experienced several administrative challenges, including:

- repeated requests for procurement documentation that was commercially confidential;
- detailed reconciliation of individual claim line items despite the overall claim remaining below the approved Certified Estimate;
- inconsistencies between the breakdown of the Certified Estimate and actual practical construction delivery;
- repeated requests for documentation previously supplied; and
- differing interpretations of the contract pricing schedule requirements.

While the project was eventually approved in full, considerable officer time was required to repeatedly explain procurement arrangements and reconcile administrative documentation.

This case study demonstrates that:

- assessment should focus on overall project eligibility and value rather than individual estimate line items;
- reporting requirements should align with practical construction delivery;
- duplicate requests for information should be avoided; and
- administrative effort should remain proportionate to project risk.

3.5 Implementation considerations

The MAV acknowledges that effective and equitable recovery funding reform will take time. These reforms require careful consideration, consultation and testing to avoid unintended consequences. It will be important to balance continuity of support to communities with accountability, equity and long-term resilience outcomes.

To enable smooth implementation of the reforms, Victorian councils require:

- A phased approach to implementation
- Clear and consistent eligibility guidelines

- Practical guidance materials and templates, including updates to existing tip sheets
- Training and capacity building for council staff, particularly during the transition period
- Simple and proportionate reporting requirements with reduced audit duplication
- Adequate transition periods, avoiding active recovery periods
- Streamlined digital reporting systems
- Alignment between DRFF requirements and existing council asset management, road management and financial systems
- Clear grandfathering arrangements from DRFA to DRFF

During this time it is critical that particular consideration is given to the needs of rural and regional councils. The new arrangements must strengthen council capability rather than create additional obligations.

Early, close and ongoing engagement with the local government sector, and other recovery partners, will be critical to getting these reforms right. Victorian councils are ready to work closely with the State and Commonwealth Governments to ensure the reforms deliver better recovery outcomes for communities over the long term.

The MAV recommends the State and Commonwealth Governments provide a local government implementation fund to support capability uplift on the ground and enable councils to adjust their systems where needed.

Recommendations

- Deliver a local government implementation fund to support capability uplift to embed the new DRFF

3.6 Local government capability and capacity uplift

Ensuring local government has the capability and capacity to fulfill its legislated responsibilities is an essential part of supporting community recovery. The Colvin Review found uplifting local government capacity and capability is required to ensure Commonwealth investment is targeted and has the best chance of success. The Review recommended the Commonwealth work with state and territory governments to adopt a leadership role in ensuring adequate capability, capacity and investment exist for local government and communities.

In Victoria, councils have a legislative requirement to facilitate emergency management planning at the local level and appoint Municipal Emergency Management Officers and Municipal Recovery Officers. However, there has been a lack of ongoing, sufficient funding to support local government to fulfill these roles.

The Municipal Emergency Resourcing Program (MERP) only supports 64 of Victoria's 79 councils. MERP has not seen significant increases in recent years and there is no annual increase in line with inflation meaning funding is reducing in real terms year on year. There is a mismatch between the risks faced by communities and the resources available to councils to better prepare for and mitigate these risks and support them through recovery. Increasing and expanding MERP commensurate with risk would support councils to better meet their essential emergency management responsibilities.

For councils to support the Commonwealth and Victorian Government’s role in delivering timely and suitable supports to communities, serious consideration needs to be given to uplifting local government capacity and capability. Ongoing baseline emergency management capability funding, rather than ad hoc grant funding, should be prioritised as part of these reforms.

3.7 Future of risk reduction and resilience funding programs

The MAV welcomes the Commonwealth's engagement on the future design of a climate-informed risk reduction program. Evidence shows that investment in prevention, preparedness and mitigation reduces future recovery costs. Reforms to the DRF and DRFA are intrinsically linked and it is appropriate to review these programs in tandem.

Disaster risk reduction is aimed a preventing new and reducing existing disaster risk, all of which contribute to strengthening resilience. Victorian councils play a strong role in strengthening resilience across the natural, social, economic and built domains.

There are multiple opportunities for strengthening future Commonwealth investment in risk reduction and resilience. While the existing objectives of the DRF are largely appropriate, too often councils miss out on funding due to the design and delivery of the program. This is exacerbated by the absence of a risk-based decision making framework. These issues could be addressed by implementing the Colvin Review's recommendation that the DRF is underpinned by an investment strategy informed by a nation-wide Natural Disaster Risk Profile and climate risk data, including the National Climate Risk Assessment and National Adaptation Plan.

More recent rounds of the DRF have illustrated a preference towards large scale infrastructure projects. This has correlated with a reduction in local government projects being funded through the DRF in Victoria. It is clear there are opportunities to improve the accessibility and equity of the DRF to better support local government resilience projects.

Any changes to the DRF should seek to improve, not reduce, flexibility and accessibility for the local government sector. A future program should focus on building long-term local government capability while reducing exposure to hazards and increasing adaptive capacity. It will also be important to address outstanding questions around how the Resilient Infrastructure Scheme will operate alongside the risk reduction program.

3.7.1 Priorities for future risk reduction program

Victorian councils are supportive of a future risk reduction program that prioritises the following types of investments and activities.

Social capital projects

It is difficult to fund community initiatives that build social capital through existing arrangements. This includes community preparedness and resilience programs, which could cover education, resilience hubs, local emergency planning and preparedness, community capacity building. Some of the examples provided by councils include funding for Leave Early Road Access Plans and Local Emergency Action Plans.

Local government capability
Future risk reduction programs must find a way of enabling ongoing local government capability. The MAV is strongly supportive of ongoing resilience officers being embedded in councils to support preparedness, risk reduction and community resilience activities. Ongoing resilience staff would build trust in the community to engage in community-led initiatives.

Resilient infrastructure
Complementary to the proposed Resilient Infrastructure Scheme, a future risk reduction program should enable councils to undertake pre-disaster infrastructure upgrades. Priorities for Victorian councils include flood and storm mitigation works, drainage upgrades, resilient roads, bridges and culverts. Future eligibility should also explicitly consider community, recreational and social infrastructure as eligible public assets. Some councils have also called for funding for asset relocation and land acquisition to be made available through iterations of the DRF

Critical infrastructure resilience
The ability to invest in the resilience of critical community infrastructure is a priority for councils. This includes funding to install solar, battery storage and backup power systems at key community facilities including relief centres and emergency hubs. For example, the purchasing of generators provides long-term resilience for a relief centre compared to short-term equipment hire.

Climate change adaptation
There are opportunities to improve adaptive capacity and adaptation governance at the local government level. This could include dedicated program to improve local government adaptive capacity, piloting of collaborative governance models to facilitate adaptation, dedicated supports for low capacity councils to improve capability.

3.7.2 Program design improvements

The Colvin Review found there is a heavy administrative burden in applying for and using DRF funding. The co-contribution requirements are particularly prohibitive for councils to access funding. Councils can also struggle to meet the in-kind co-contribution requirements when balancing this with core emergency management functions.

The approach undertaken through the former National Disaster Risk Reduction Framework, whereby funds were allocated to jurisdictions under an agreed plan with the Commonwealth, could be an approach worth re-considering. This approach allowed jurisdictions to customise programs according to need and the accompanying Risk and Resilience Grants Program catered well for local government.

The MAV would like to see the following improvements made to future iteration of the DRF:

- Reduced co-contribution requirements for councils, particularly rural and regional Victorian councils.
- A dedicated local government stream of untied funding. This would avoid competition with large organisations, including state government departments and academic institutions.
- Larger share of funding reserved for social capital projects, including resilience initiatives.
- Whole-of-program opportunities to share best-practice and learnings from projects to support continuous improvement and scalability across jurisdictions.

Unfunded DRF flood and drainage projects

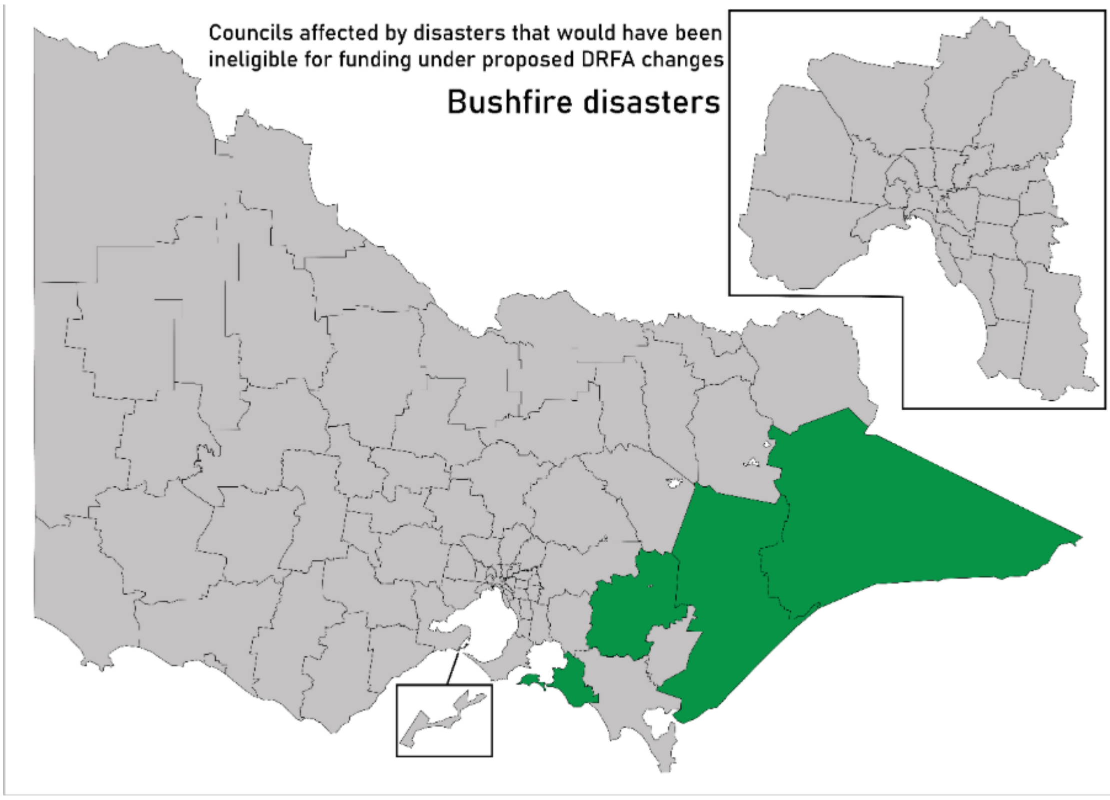
Bendigo City Council reported issues receiving funding through the Disaster Ready Fund for flood proofing roads and drainage work. One example was the Bendigo Racecourse Flood Levee Project, which aimed to reduce flood risk and improve community resilience in a known flood-prone area. The project was unsuccessful in securing funding, highlighting several challenges faced by local government when progressing significant mitigation infrastructure projects.

Key challenges navigating the DRF included: the need for substantial upfront investment in technical investigations, design and business case development; competition for limited funding within highly oversubscribed grant programs; the difficulty of progressing large-scale mitigation projects without dedicated funding streams that support both project development and construction; and the challenge of demonstrating benefits across multiple assessment criteria despite clear local risk reduction outcomes.

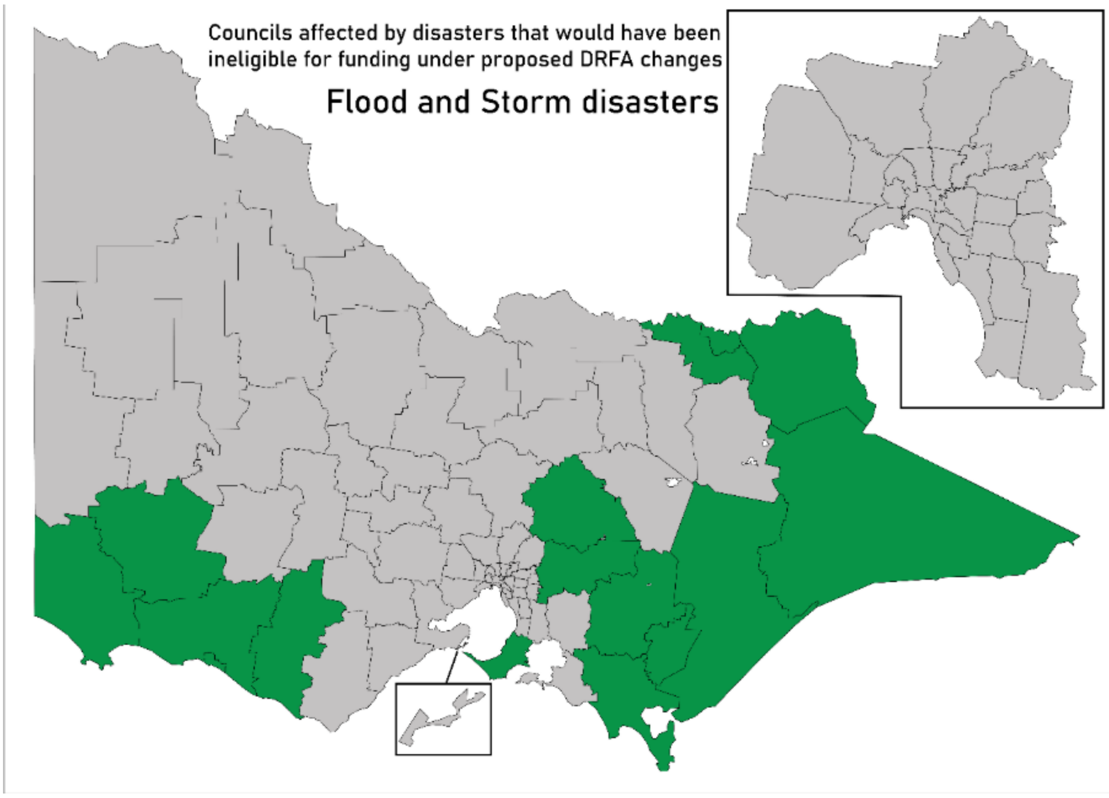
Recommendations

- Increase the total quantum of funding allocated to the future risk reduction and resilience program
- Include a dedicated funding stream for local government to access under the future risk reduction and resilience program
- Ensure future risk reduction and resilience programs are underpinned by an investment strategy informed by the Natural Disaster Risk Profile as recommended by the Colvin Review

Appendix 1: Councils affected by disasters that would have been ineligible for funding under new event-based activation threshold (by hazard)

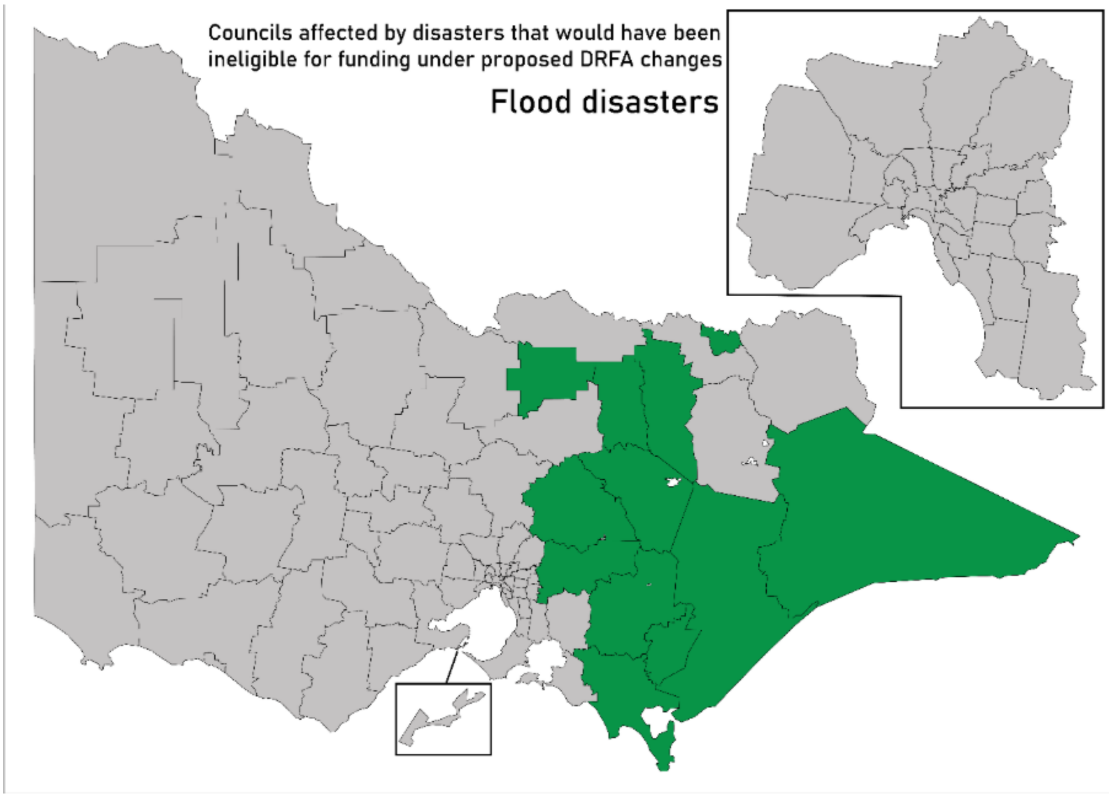


Event Type	Event	AGRN	Eligible Expenditure	Councils impacted
Bushfire	Bass Coast Bushfires (commencing 19 December 2024)	1169	$12,295.86	Bass Coast
Bushfire	East Victorian Fires commencing 29 September 2023	1073	Unavailable	Baw Baw, East Gippsland, Wellington

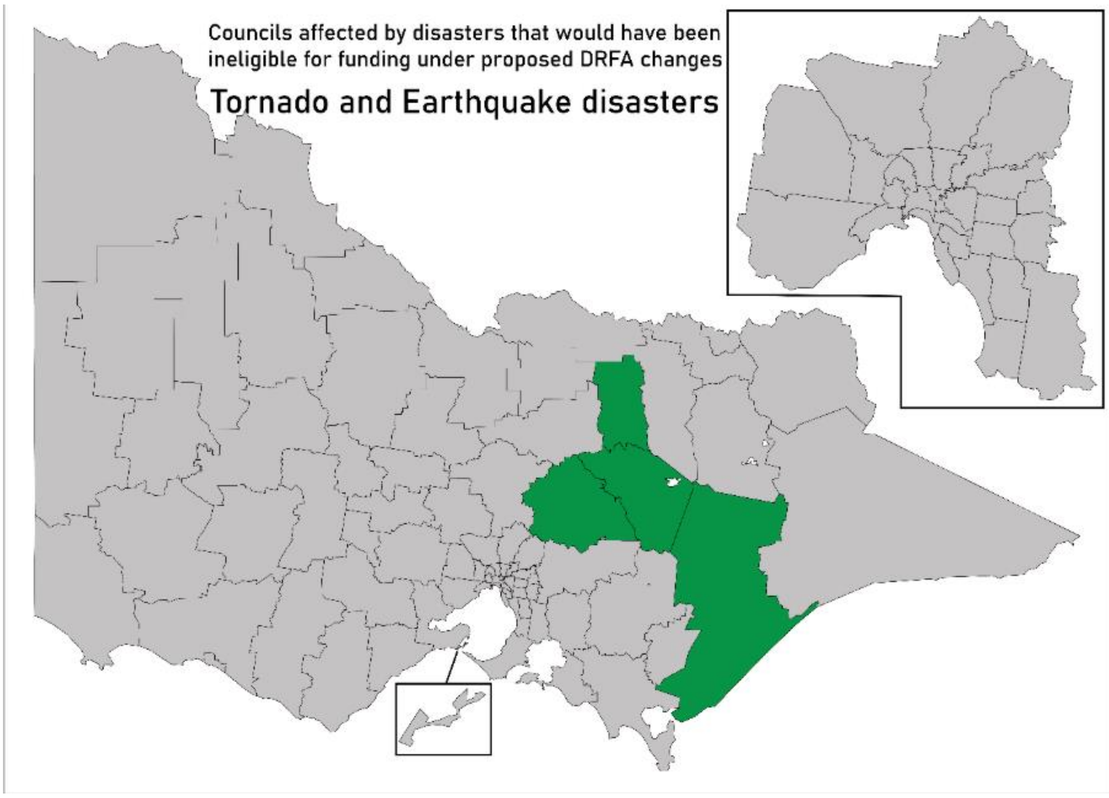


Event	AGRN	Eligible Expenditure	Councils impacted
North-East Victoria Floods and Storms (27 November 2024)	1163	$ 17,688.04	Indigo, Murrindindi
DRFA North East Victorian Floods and Storms (14 January 2022)	1004	$ 89,269.11	Towong, Wodonga
DRFA Wellington Storms and Floods (23 March 2021)	966	$ 201,476.57	Wellington
DRFA Eastern Victoria Storms and Floods (10 July 2019)	874	$ 206,852.58	Baw Baw, Mornington Peninsula
DRFA Eastern Victoria Storms and Floods (14 February 2020)	906	$ 645,878.95	Baw Baw, East Gippsland, Towong

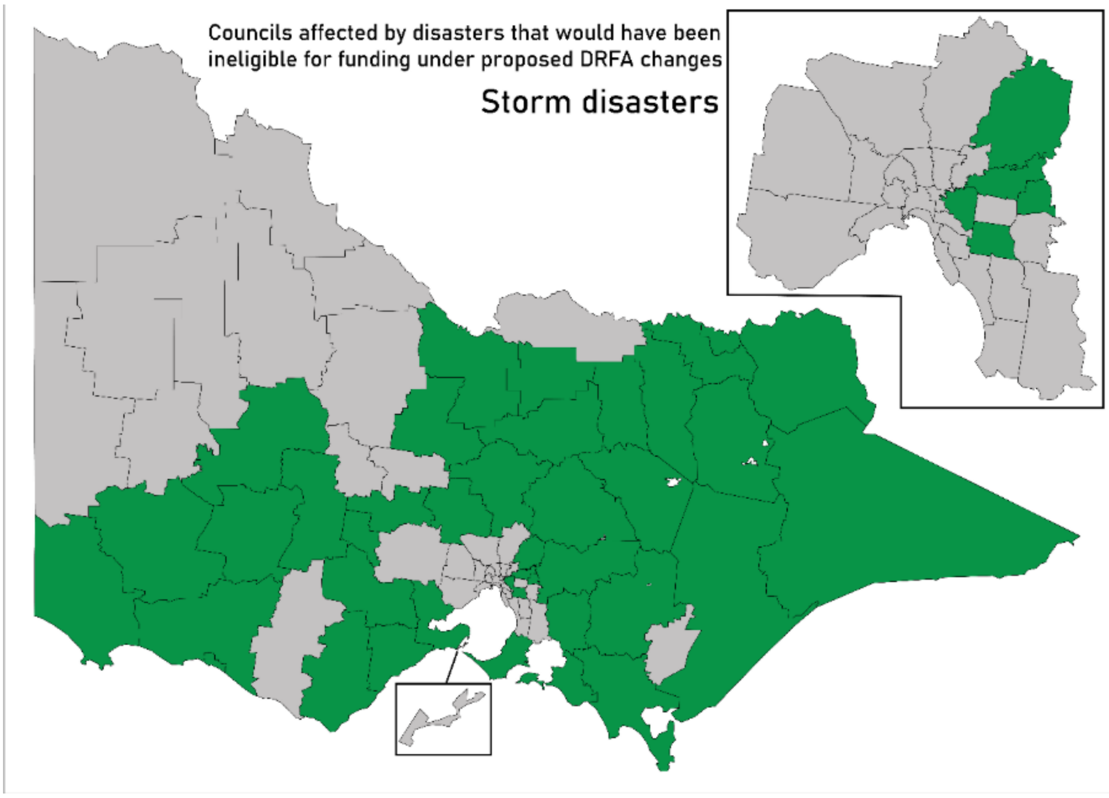
DRFA Victoria Floods and Storms (7 October 2020)	939	$	1,250,121.15	Baw Baw, Corangamite, Moyne, Southern Grampians, Warrnambool
DRFA Victorian Floods and Storms (2 April 2022)	1016	$	1,815,987.48	East Gippsland
Victorian Floods and Storms (28 November 2023)	1087	$	1,931,956.20	Baw Baw, East Gippsland, Latrobe, South Gippsland, Wellington



Event	AGRN	Eligible Expenditure	Councils impacted
DRFA Eastern Victoria Floods (3 September 2021)	977	$ 111,679.78	East Gippsland, Mansfield, South Gippsland
Yarra Ranges Floods commencing 1 April 2024	1122	$ 713,389.17	Yarra Ranges
East Victorian Floods (3 October 2023)	1072	$ 1,126,888.67	Baw Baw, Benalla, East Gippsland, Greater Shepparton, Latrobe, Mansfield, Murrindindi, South Gippsland, Wangaratta, Wellington, Yarra Ranges
DRFA Wodonga Floods commencing 29 August 2022	1033	Unavailable	Wodonga



Event	AGRN	Eligible Expenditure	Councils impacted
DRFA Benalla Tornado (14 January 2023) , January 2023 - June 2025	1058	$ 211,154.58	Benalla
DRFA Victorian Earthquake (22 September 2021)	999	$ 859,250.36	Mansfield, Wellington
North-East Victorian Earthquake (6 August 2024)	1146	Unavailable	Murrindindi



Event	AGRN	Eligible Expenditure		Councils impacted
DRFA North Victorian Storms (commencing 7 June 2023)	1063	$	55,236.00	Benalla, Greater Shepparton, Hepburn, Mansfield, Wangaratta
DRFA Victorian Storms (21 November 2019)	884	$	79,469.85	Alpine, Ararat, Ballarat, Campaspe, East Gippsland, Glenelg, Golden Plains, Greater Bendigo, Indigo, Mansfield, Moyne, Northern Grampians, Pyrenees, Southern Grampians, Strathbogie, Towong, Wangaratta, Wellington, Wodonga
North-East Victorian Storms commencing 13 December 2023	1095	$	109,844.60	Colac Otway, Wangaratta, Wodonga
DRFA Baw Baw Storms (2 December 2021)	997	$	150,126.13	Baw Baw

South-West Victoria Storms (2 February 2025)	1180	$	190,487.82	Golden Plains, Greater Geelong, Surf Coast
DRFA Central-East Victoria Storms (15 November 2020)	942	$	208,404.98	Baw Baw, Nillumbik, Yarra Ranges
DRFA Central Victoria Storms (15-20 January 2020)	902	$	222,275.90	Boroondara, East Gippsland, Manningham, Murrindindi, Nillumbik, Towong
DRFA East Victoria Storms (29 April 2020)	915	$	259,199.28	East Gippsland, Towong
DRFA South East Victorian Storms (15 October 2021)	991	$	267,578.77	Baw Baw, Yarra Ranges
DRFA North-East Victorian Storms (23 March 2023), March 2023 - June 2025	1060	$	304,784.54	Greater Shepparton, Yarra Ranges
Victorian Storms commencing 8 September 2023	1069	$	336,479.23	Baw Baw, Glenelg, Warrnambool
East Victoria Storms (commencing 7 February 2025)	1188	$	501,134.63	Cardinia, East Gippsland, Indigo, Towong, Wodonga
DRFA Central Victoria Storms (3 April 2020)	910	$	564,071.45	Greater Bendigo, Macedon Ranges, Mitchell
Victorian Floods and Storms (16 October 2024)	1152	$	672,994.70	Greater Geelong, Glenelg, Yarra Ranges
DRFA Victorian North East Storm (1 February 2020)	901	$	696,106.57	Benalla, East Gippsland, Murrindindi, Strathbogie, Towong
DRFA Victoria Storms (27 August 2020)	934	$	944,807.30	Bass Coast, Baw Baw, Cardinia, East Gippsland, Macedon Ranges, Maroondah, Monash, Mornington Peninsula,

				Nillumbik, South Gippsland, Wellington, Yarra Ranges
DRFA South East Victorian Storms (6 June 2022)	1022	$	1,737,575.21	South Gippsland, Wellington
Greater Shepparton Storms (17 November 2024)	1160	Unavailable		Greater Shepparton

MAV would be pleased to provide clarification on any information in this submission. For further information, please contact inquiries@mav.asn.au

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