

Relief and Recovery Funding for the 2022 Floods

October 2025

Independent assurance report to Parliament
2025–26:5

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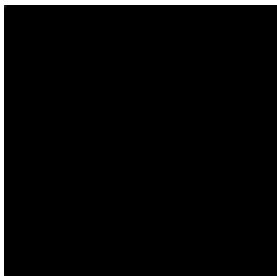
The Hon Shaun Leane MLC
President
Legislative Council
Parliament House
Melbourne

The Hon Maree Edwards MP
Speaker
Legislative Assembly
Parliament House
Melbourne

Dear Presiding Officers

Under the provisions of the *Audit Act 1994*, I transmit my report *Relief and Recovery Funding for the 2022 Floods*.

Yours faithfully



Andrew Greaves
Auditor-General
15 October 2025

The Victorian Auditor-General's Office (VAGO) acknowledges the Traditional Custodians of the lands and waters throughout Victoria. We pay our respects to Aboriginal and Torres Strait Islander communities, their continuing culture, and to Elders past and present.

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Audit snapshot

Did impacted regional communities receive eligible and timely funding for relief and recovery activities following the October 2022 floods?

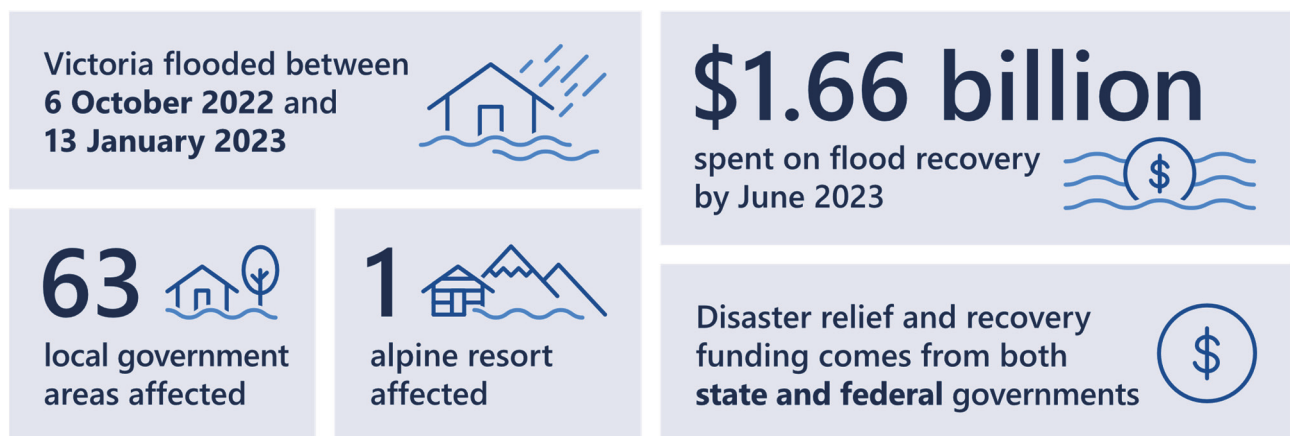
Why we did this audit

Between October 2022 and January 2023, heavy rainfall led to flooding across Victoria. Two people died and the flooding had serious social and economic impacts. It killed a substantial number of livestock and damaged homes and infrastructure across 63 local government areas and one alpine resort.

When a natural disaster happens, state and federal governments provide support services and recovery funding. Victoria uses the *Victorian State Emergency Management Plan* to manage emergencies and coordinate disaster recovery.

It has been 3 years since the Victorian October 2022 floods. It is timely to assess whether the disaster funding provisions adequately supported immediate relief and recovery for flood-impacted communities.

Key background information



Source: VAGO.

What we concluded

Victoria's disaster funding provisions provided timely support to flood-impacted communities.

Within 4 weeks of the flood occurring, the Treasurer had approved in-principle requests for \$823.5 million in Treasurer's Advance funding from government departments for relief and recovery centres, cleanup, public safety works, financial assistance and temporary housing.

Treasurer's Advance spending on flood recovery reached \$1.66 billion by June 2023. But not all Treasurer's Advance requests included documentation showing they were financially sound or could not have been funded elsewhere.

Under the national Disaster Recovery Funding Arrangements (DRFA), Emergency Recovery Victoria (ERV) approved \$77.9 million in claims and \$66.4 million in certified estimates from regional councils by April 2025.

Victorian Government departments also made claims under the DRFA. But not all met requirements, with state-appointed auditors finding that \$15.6 million, or 5.8 per cent, of claims made in 2022–23 were ineligible.

While processing times improved between 2023 and 2025, the Department of Transport and Planning (DTP) and ERV cannot show that they met their timeliness benchmark for assessing claims. As ERV and DTP do not have a timeliness benchmark for assessing certified estimates, it is not possible to determine if they have assessed certified estimates as quickly as possible. Any delays may hold up asset reconstruction works.

We made 4 recommendations to the Department of Treasury and Finance, DTP and ERV, which is within the Department of Justice and Community Safety.

1.

Our key findings

What we examined

Our audit followed one line of inquiry:

- Did disaster funding arrangements ensure relief and recovery assistance reached communities impacted by the October 2022 floods in a timely way?

To answer this question, we examined:

- Emergency Recovery Victoria (ERV), within the Department of Justice and Community Safety (DJCS)
- the Department of Treasury and Finance (DTF)
- the Department of Transport and Planning (DTP).

Identifying what is working well

In our engagements we look for what is working well – not only areas for improvement.

Sharing positive outcomes allows other public agencies to learn from and adopt good practices. This is an important part of our commitment to better public services for Victorians.

Terms used in this report

Certified estimates

A cost estimate for restoring essential community infrastructure to pre-disaster function, that DTP and ERV have reviewed and approved respectively. Required for works that will take more than 3 months to complete.

Claims

A request for reimbursement of disaster-related costs that has been assessed by DTP and ERV under Disaster Recovery Funding Arrangements (DRFA).

Disaster recovery

The coordinated process of supporting disaster-affected communities to reconstruct physical infrastructure and restore emotional, social, economic and physical wellbeing. Recovery typically takes months to years.

Disaster relief

Meeting people's and communities' immediate needs during and right after an emergency.

Treasurer's Advance

Funding set aside each year for the Treasurer to meet urgent expenditure claims that were unforeseen when the state's budget was prepared.

Background information

The Bureau of Meteorology first reported the floods on 6 October 2022. The flood event officially ended on 13 January 2023.

Regional Victoria was heavily impacted, with extensive public infrastructure damage, residential and commercial building damage, agricultural produce losses, business disruptions and emergency response costs.

Emergency relief and recovery

Local councils provide frontline services during an emergency. They share information about event impacts, and coordinate relief and recovery activities.

Major relief, such as relief payments, emergency housing and major cleanup activities, are coordinated at the state and federal levels.

The *Victorian State Emergency Management Plan* gives government departments a comprehensive approach for mitigating, responding to and recovering from emergencies. The Resource Management Framework helps departments understand the legislation and policies for resource management, budgeting and reporting processes.

ERV coordinates relief and recovery assistance for Victorian emergencies. ERV works with affected communities, all levels of government and non-government agencies.

There are 3 main sources of relief and recovery funding:

- Treasurer's Advances
- Budget and Finance Committee submissions
- advance payments from the Natural Disaster Relief Trust Account.

Treasurer's Advances

If urgent and unforeseen expenses come up during a financial year, government departments can request a Treasurer's Advance. Any advance payments made are reported to and sanctioned by the Parliament the following year.

After a natural disaster, the Treasurer can authorise the release of immediate funding via Treasurer's Advances so departments can deliver relief and recovery support.

The Resource Management Framework sets out the evidentiary requirements for requesting a Treasurer's Advance for urgent and unforeseen claims.

Disaster Recovery Funding Arrangements

The DRFA are cost-sharing arrangements between the Australian and Victorian Governments. The arrangements provide financial assistance and support for certain relief and recovery activities after a disaster. DTP assesses council DRFA claims.

There are 4 DRFA assistance categories.

Figure 1: DRFA assistance categories

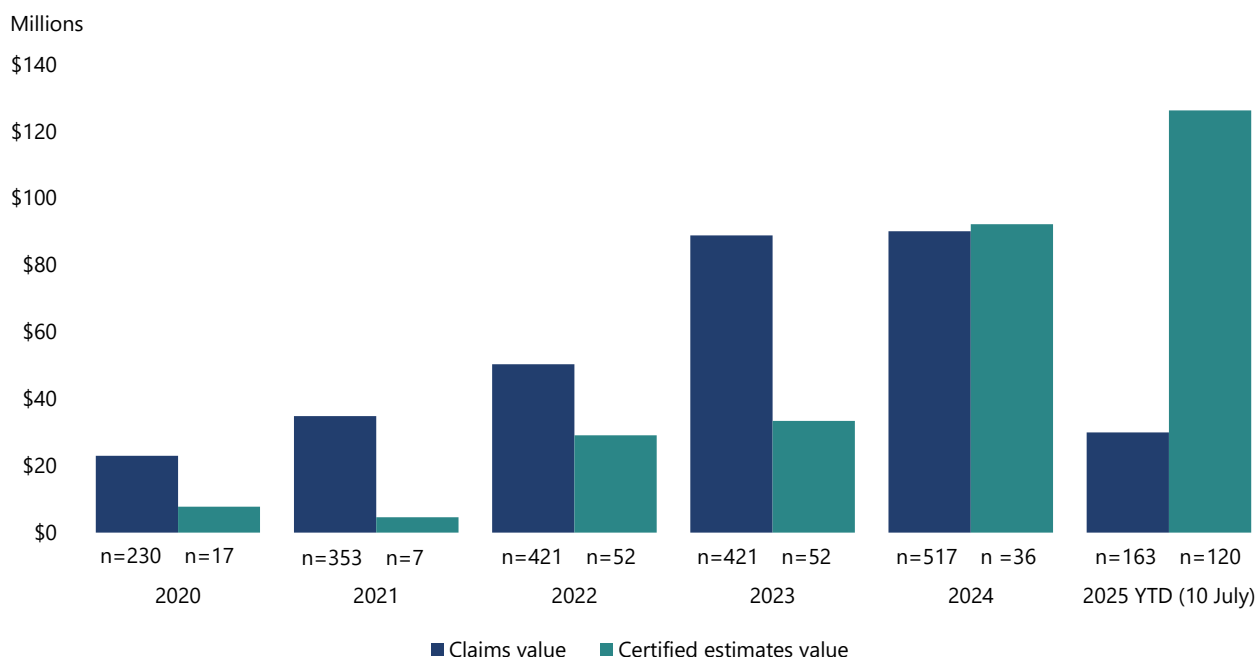
Category	Assistance level
Category A	Emergency assistance to individuals
Category B	Temporarily or fully restore or reconstruct essential public assets
Category C	Clean up and restoration grants and/or community recovery packages. Category C measures are 'special' assistance measures
Category D	Exceptional circumstances beyond Categories A, B and C

Source: VAGO.

Category C and D measures are only for major events, including the October 2022 floods, and require the Prime Minister's approval. The floods are the largest event ever administered in Victoria under DRFA.

Since October 2022 the number and value of DRFA claims and certified estimates increased well above previous years (Figure 2).

Figure 2: Annual value of DRFA claims and certified estimates lodged by councils



Note: 'n' refers to the number of claims or estimates. 'YTD' stands for 'year to date'.
Source: VAGO, based on DTP data.

Natural Disaster Relief Trust Account

In Victoria, the Natural Disaster Relief Trust Account funds DRFA assistance measures. ERV administers the account. To ensure that councils have funding available to provide relief and recovery supports before making DRFA claims, they can apply for an advance from the trust account. ERV then offsets the advance amount from later DRFA reimbursements.

Advances from the trust account are only available for DRFA Category A and B supports.

ERV has a flexible advance funding policy, with funding advances available on:

- forecast expenditure or expenditure incurred by councils before councils claim to support required immediate relief and recovery works
- claims lodged awaiting assessment
- approval of a certified cost estimate.

For the 2022 floods, ERV based initial funding advances on councils' actual expenditure and preliminary estimates of their forecast flood relief and recovery expenditure by 30 June 2023. Not all councils impacted by the floods requested an upfront advance.

What we found

This section focuses on our key findings, which fall into 3 areas:

1. The Treasurer approved recovery funding quickly, despite not all department requests meeting Treasurer's Advance requirements.
2. Some departments did not provide enough evidence to support their DRFA claims meaning the Victorian Government may not receive some Australian Government funding.
3. Claim processing times improved over time, but ERV and DTP cannot show they met their agreed timeliness benchmark for assessing claims.

The full list of our recommendations, including agency responses, is at the end of this section.

Consultation with agencies

When reaching our conclusions, we consulted with the audited agencies and considered their views.

You can read their full responses in Appendix A.

Key finding 1: The Treasurer approved recovery funding quickly, despite not all department requests meeting Treasurer's Advance requirements

The Treasurer approved requests for advances quickly

Departments made 18 initial requests for a Treasurer's Advance totalling \$981.2 million 2 to 4 weeks after the flood event. The Treasurer approved 17 of these within 2 weeks of submission. This meant most Treasurer's Advance funding became available to departments 2 to 6 weeks after the flood event.

Departments used this funding to deliver food relief, waste and debris disposal, and free kinder for affected families.

Departments did not meet all Treasurer's Advance request requirements

The Resource Management Framework sets out the steps and information departments need to request a Treasurer's Advance for urgent and unforeseen claims.

But departments did not adhere to all requirements under the Framework when they requested flood relief and recovery advances.

All requests included supporting documentation detailing the amount of funding required and the rationale. But departments did not provide:

- records of prior correspondence with DTF
- a rationale for why they could not fund relief and recovery initiatives from other sources
- a description of how the request would adjust departmental output and financial year performance targets.

DTF did not show evidence that requests made to government included the required detailed costing information, or that departments provided detailed costings later. This means we cannot be sure the Treasurer only approved requests that were financially sound and needed a Treasurer's Advance.

Addressing this finding

To address this finding, we made one recommendation to DTF about:

- making sure department requests for Treasurer's Advances meet Resource Management Framework requirements.

Key finding 2: Some departments did not provide enough evidence to support their DRFA claims meaning the Victorian Government may not receive some Australian Government funding

ERV and DTP provided general and targeted DRFA training to councils before and after the floods. ERV also provides online guidance on the DRFA process, and DTP assigns assessors to specific councils across disaster events.

Under the DRFA the Victorian and Australian Governments undertake a dual claims eligibility audit each financial year.

Dual claims eligibility audit

The Australian Government makes its cost-sharing contribution to the Victorian Government after audits are completed by a Victorian Government-appointed auditor and an Australian Government-appointed auditor.

The Victorian Government-appointed auditor confirmed that all council claims included in the 2022–23 acquittal to the Australian Government met DRFA eligibility. This confirms that DTP's assessors accurately assessed claims and that the training, guidance and support from ERV and DTP helped councils prove their claims.

But \$15.6 million (or 5.8 per cent) of Victorian Government departments' claims were rejected due to insufficient evidence. While departments can resubmit some claims that did not have enough evidence, others did not meet DRFA requirements meaning the Victorian Government will not be reimbursed.

ERV and DTP do not assess claims made by departments, which certify that their claims meet DRFA eligibility.

Addressing this finding

To address this finding, we made one recommendation to DJCS about:

- improving its guidance and support to departments on DRFA processes.

Key finding 3: Claim processing times improved over time, but ERV and DTP cannot show they met their agreed timeliness benchmarks for assessing claims

October 2022 flood-related claims have taken 214 days to assess on average. Certified estimates have taken 118 days on average.

Claims and certified estimates have spent the most time waiting for an assessor to be allocated and for councils to provide more information. Assessors requested more information from councils so that they could progress a submission for 65 per cent of flood-related claims and 52 per cent of certified cost estimates.

DTP has an agreement with ERV that it will assess claims with all required documentation within 4 weeks. But ERV's claims management system does not record when councils have submitted all the required documentation.

This means ERV and DTP cannot track performance against the benchmark. But as the average time claims spend waiting for the assigned assessor to start their assessment was more than 4 weeks, it is unlikely the standard is being met.

Working well: The time taken to process claims and certified estimates has decreased

Although regional councils mostly met submission deadlines for claims and certified estimates, they submitted claims in spikes near financial year-ends and submission deadlines.

Despite this placing pressure on DTP and ERV to assess submissions quickly, processing times substantially decreased as the flood recovery period progressed.

To speed up claims and certified estimates, DTP:

- increased its assessment capacity by doubling core assessor roles and bringing on surge resources
- implemented a risk-based assessment methodology based on claim type, previous experiences of the council with the DRFA process and prior claim history
- simplified assessments of low-value claims.

Addressing this finding

To address this finding we made one recommendation to DJCS about:

- improving the claims management system to better track submissions and assessment times.

We also made one recommendation to DJCS and DTP about:

- analysing common issues in submitted claims and certified estimates
 - improving training and guidance based on these findings.
-

2.

Our recommendations

We made 4 recommendations to address our findings. The relevant agencies have accepted the recommendations in full or in principle.

Agency responses

Finding: The Treasurer approved recovery funding quickly, despite not all department requests meeting Treasurer's Advance requirements

Department of Treasury and Finance	1	<p>Ensure Victorian Government departments meet the Resource Management Framework's requirements when they request Treasurer's Advances for disaster relief and recovery funding. Requests should be:</p> <ul style="list-style-type: none"> financially sound only made when no alternate funding sources, including existing department budgets, are available (see Section 3). 	Accepted in principle
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Finding: Some departments did not provide enough evidence to support their Disaster Recovery Funding Arrangements claims meaning the Victorian Government may not receive some Australian Government funding

Department of Justice and Community Safety	2	<ul style="list-style-type: none"> Give Victorian Government agencies training and guidance on the eligibility and evidence requirements of Disaster Recovery Funding Arrangements. Establish targeted support to help these agencies meet reporting requirements (see Section 4). 	Accepted
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Finding: Claim processing times improved over time, but Emergency Recovery Victoria and the Department of Transport and Planning cannot show they met their agreed benchmarks for assessing claims

Department of Justice and Community Safety	3	<p>Improve its claims management system to record when councils submit all required evidence to enable it to better track Disaster Recovery Funding Arrangements assessment times for claims and certified estimates (see Section 5).</p>	Accepted in principle
Department of Justice and Community Safety and Department of Transport and Planning	4	<ul style="list-style-type: none"> Analyse common issues in submitted claims and certified estimates. Use these findings to improve training and guidance for councils to support them to submit compliant claims and certified estimates (see Section 5). 	Accepted

3.

Requests for Treasurer's Advances

The Treasurer approved \$823.5 million in Victorian Government department requests for Treasurer's Advances for flood relief and recovery within 2 weeks of submission. Departments had spent this funding within 8 months.

The Resource Management Framework helps departments apply the policies, processes and legislative requirements around using public funds. But DTF did not ensure compliance with all the Framework requirements for urgent and unforeseen claims.

It is not clear if all requests for Treasurer's Advances were financially sound or if departments could have used their existing budgets instead.

Covered in this section:

- The Treasurer approved Treasurer's Advances quickly
- Requests for Treasurer's Advances did not meet all requirements

The Treasurer approved Treasurer's Advances quickly

Treasurer's Advances

Government departments can request a Treasurer's Advance if they need to access urgent funds.

Urgent claims occur when department spending needs are immediate, but the required funding has not been budgeted for in that financial year. The most common reasons for urgent funding requests are to respond to emergencies including natural disasters.

In response to the October 2022 floods, departments used \$1.66 billion in Treasurer's Advance funding on relief and recovery initiatives in 2022–23. The Treasurer approved \$981.2 million following direct requests from relevant ministers, with the government approving a further \$713.8 million.

Because departments are not required to acquit incremental drawdowns or provide specific detail for Victoria's annual financial report, DTF cannot confirm that departments used funds for the approved purposes.

Initial requests for Treasurer's Advances

The timely approval of Treasurer's Advances following a natural disaster is important so that departments can deliver essential relief and recovery initiatives in impacted communities.

In the first weeks after the flood event, 7 agencies made 18 separate requests for a Treasurer's Advance to support flood relief and recovery initiatives. These included:

- 16 requests, totalling \$812.5 million, from relevant ministers directly to the Treasurer
- 2 requests, totalling \$168.7 million, submitted to the government.

Departments made 7 of these 18 requests within 2 weeks of the flood declaration, another 7 within 3 weeks and 4 more within 4 weeks.

The requests were for a range of relief and recovery initiatives including food relief, waste and debris disposal and emergency accommodation.

The Resource Management Framework does not say how quickly DTF should assess requests for Treasurer's Advances in unforeseen or urgent circumstances. But DTF finalised 10 requests within 7 days of receiving the submission and a further 7 requests within 2 weeks. The average processing time was 7 days.

This supported the Treasurer to approve in-principle requests for \$823.5 million within 4 weeks of the flood occurring.

DTF took 93 days to finalise one request from the Minister for Environment because the Treasurer could not approve the request due the 2022 state election caretaker period. This meant the request had to be resubmitted after the election.

Requests for Treasurer's Advances did not meet all requirements

The Resource Management Framework

The Resource Management Framework supports public sector accountability for using public resources. It helps ensure departments manage resources consistently with government policies, legislation and standards. It is mandatory for departments to comply with the Framework.

The Framework outlines that departments should request a Treasurer's Advance for urgent and unforeseen claims either by:

- a letter from the relevant minister to the Treasurer
 - a submission to a relevant Cabinet committee (that is, to the government).
-

Direct requests to the Treasurer

The Framework sets out the required steps and information to support a request for a Treasurer's Advance for urgent and unforeseen claims.

The 16 requests submitted directly to the Treasurer immediately after the October 2022 floods did not meet all the Framework's requirements (see Figure 3).

All 16 included supporting documentation detailing the amount of funding required and the rationale. But DTF provided no records:

- of correspondence with requesting departments before submission of 14 of the 16 requests
- that departments' chief financial officers reviewed any of the submissions.

Of these 16 requests, only:

- 7 provided a rationale for why there was no other funding source available
- 4 described how the request would adjust departmental output and financial performance targets for the financial year.

Figure 3: Treasurer's Advance compliance with the Framework for the October 2022 floods

Resource Management Framework requirement	Compliant submissions
Request for Treasurer's Advance was discussed with DTF before any correspondence is prepared	2
The relevant chief financial officer has an opportunity to review and sign-off the costs as outlined in the request	0
The letter from the relevant minister to the Treasurer included:	
• the reasons for the funding request	16
• the quantum of funding sought	16
• confirmation that there are no other sources available to fund the request	7
• adjustments to outputs and financial performance targets arising from the request	4
• any changes to previously approved funding for the program requesting the advance	2
Source: VAGO, based on data provided by DTF.	

Submissions to Cabinet committees

Of the \$1.66 billion in flood-related Treasurer's Advance funding spent in 2022–23, the government approved \$713.8 million.

Under the Resource Management Framework, requests submitted to the government also need to include detailed costing information. This includes:

- all calculations, formulas and assumptions, including source raw data
- unit prices and quantities including justification
- staffing costs
- financial implications across the forward estimates period including ongoing costs.

DTF did not provide us with detailed costings for any of the flood-related Treasurer's Advances.

These information gaps show that departments' requests for Treasurer's Advances did not meet all requirements of the Framework and DTF did not enforce compliance.

This means Treasurer's Advances may have been approved for initiatives that were either financially unsound or that departments could have funded through their existing budget allocations.

4.

Disaster Recovery Funding Arrangements

As of April 2025, ERV has approved \$77.9 million in claims and \$66.4 million in certified estimates from regional councils for the October 2022 floods under the national DRFA.

Councils received \$73.7 million in early financial assistance from the Natural Disaster Relief Trust Account, with first payments issued in January 2023.

Victorian Government departments also submitted claims, but their claims are not subject to the DTP and ERV approval process as councils. ERV excluded \$15.6 million (5.8 per cent) from the Victorian Government's acquittal to the Australian Government due to insufficient evidence of eligibility.

Covered in this section:

- Claims and certified estimates
- DTP and ERV supported councils to meet DRFA requirements, but there was less support for departments

Claims and certified estimates

Councils' claims and certified estimates

Under DRFA, councils can seek reimbursement for the cost of relief and recovery activities following a natural disaster.

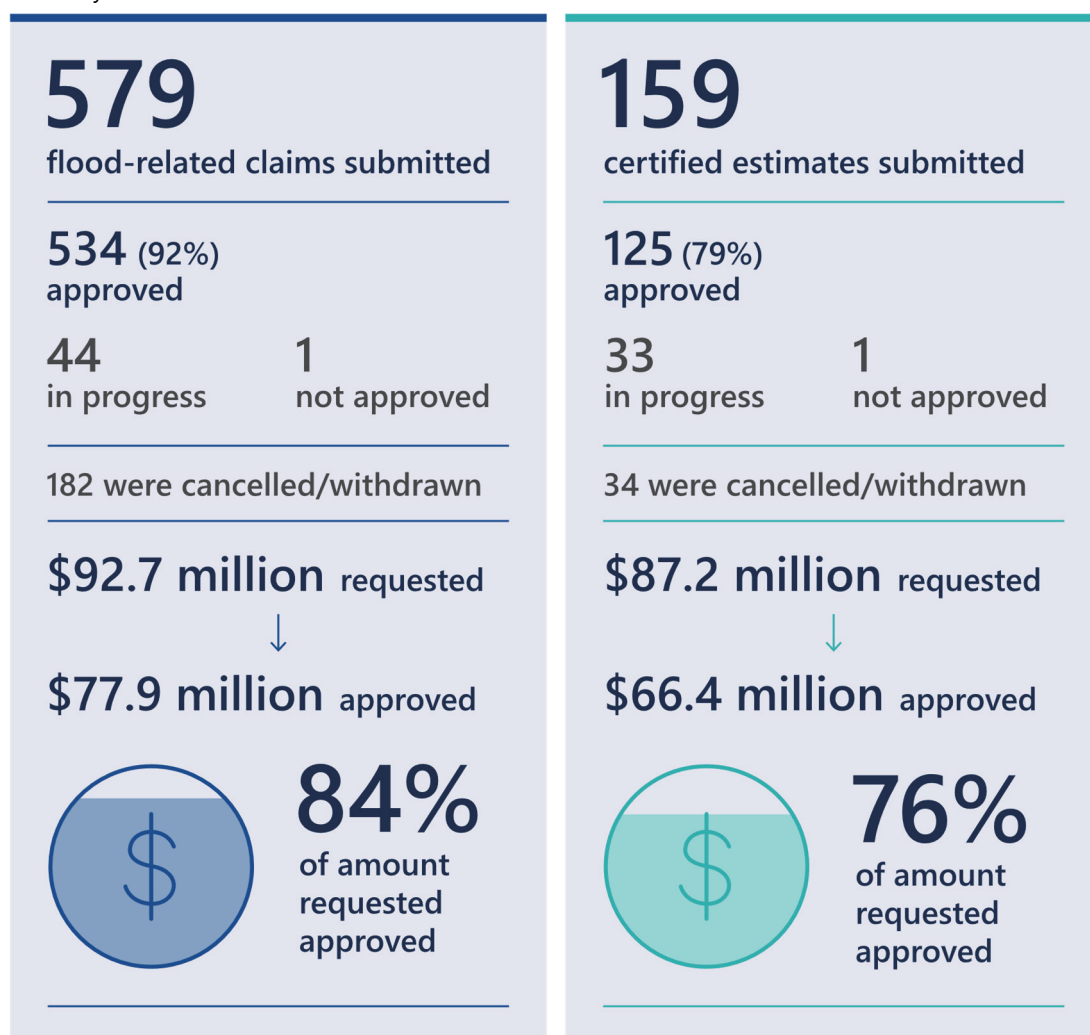
Councils must submit a certified cost estimate for approval when:

- they need to reconstruct damaged essential public assets, such as council-owned roads and bridges
- the works are expected to take longer than 3 months.

Approval of a certified estimate is necessary before works start.

Figure 4 sets out the number of claims and certified estimates submitted by regional councils for the October 2022 floods, as of July 2025. This will increase as councils continue to submit claims.

Figure 4: DRFA claims and certified estimates submitted by regional councils for the October 2022 floods, as of July 2025



Source: VAGO, based on data provided by ERV.

Department claims

Victorian Government departments have also made DRFA claims following the October 2022 floods.

In 2022–23, Victorian Government agencies submitted:

- 20 Category A and B claims totalling \$90 million
- Category C and D claims totalling \$178.7 million.

Many of these claims were for relief and recovery programs, including:

- personal hardship payments
- counselling services
- temporary accommodation
- counter disaster operations.

By submitting claims, the Victorian Government can share these costs with the Australian Government.

DTP and ERV supported councils to meet DRFA requirements, but there was less support for departments

DRFA requirements

To prove their disaster recovery claims, councils must comply with DRFA guidelines and provide all necessary supporting information. The sooner councils provide this the quicker DTP can assess their claims.

For certified estimates, this is especially important so that public assets reconstruction can start. Both DTP and ERV provide councils with training and guidance materials to build their knowledge of DRFA requirements, minimise assessment delays and maximise their eligible claims.

DTP training

Over the past 5 years, DTP has delivered both general awareness and targeted DRFA training to council staff across Victoria.

General awareness training has focused on an overview of the DRFA, the different claims categories, time limits for making claims and completing works, and evidence to support claim assessments.

Since 2020, DTP has delivered 88 general awareness training sessions to 624 staff from 55 councils. This included 458 staff from 37 regional councils, of which 33 made a DRFA claim related to the October 2022 floods.

DTP has also delivered targeted training on certified estimates and emergency works over the same period. All 9 regional councils that participated in targeted training submitted a certified cost estimate following the floods.

In addition to DTP's training, ERV and the National Emergency Management Agency ran 4 DRFA preparedness workshops in October 2023. Staff from 73 of Victoria's 79 councils attended these sessions.

ERV guidance

ERV makes a large amount of information available online to help councils understand the DRFA. The DRFA guidelines are available on ERV's website, in addition to how-to guides, fact sheets, a DRFA toolbox and a library of related documents to support councils to make a claim.

In July 2023, ERV launched a new claims management system, which houses 23 short videos and a user guide to assist local councils throughout the claim lodgement process.

Support for councils

During the claims process, DTP assessors support councils to provide the evidence they need to maximise the amount of reimbursement for their claims within DRFA rules.

DTP assigns a primary assessor to every council so that they can develop a working relationship with the council and gain a broad understanding of its claim history and status, and its familiarity with the DRFA process.

Our review of correspondence from a random sample of 15 claims and 10 certified estimates found that DTP assessors were in frequent contact with their council contact, engaging multiple times per claim. There were multiple instances of correspondence to follow up on requests or to ask for more information including:

- invoices
- photographic evidence of damage
- asset condition assessment reports to detail the pre-disaster condition of assets
- further details about successful tenderers
- updates on the status of certified estimates.

While DTP assessors develop an in-depth understanding of the issues and challenges that often arise for councils through the claims and certified estimates assessment process, they do not formally record their observations. Doing so could help ERV and DTP focus their training and guidance for councils on the areas of greatest need.

Dual audit arrangements

The Victorian Government reimburses councils for expenditure under the DRFA once ERV approves claims, having considered the DTP assessor's recommendation. The Australian Government then makes its cost-sharing contribution to the Victorian Government following the completion of a dual audit process.

The audit process consists of:

- an audit by a Victorian Government-appointed auditor
- an audit by an Australian Government-appointed auditor.

The Victorian Government-appointed auditor assesses whether the claims ERV includes in the Victorian Government's financial acquittal to the Australian Government are eligible under DRFA rules, and how effectively ERV's DRFA management system operates.

Australian Government-appointed auditors then carry out a range of collaborative assurance activities to determine eligibility of the state's DRFA claim.

2022–23 claims eligibility

We examined the findings from:

- the 2022–23 Victorian Government audit to assess the extent DRFA claims met eligibility requirements
- both 2022–23 Victorian and Australian Government audits to assess the effectiveness of system controls.

Both audits found that Victoria's DRFA management system worked effectively throughout 2022–23. The Victorian Government audit found that ERV prepared the final 2022–23 acquittal in line with DRFA requirements.

The final Victorian acquittal for 2022–23 totalled \$554.5 million for claims across all categories. Within this, claims relating to the October 2022 floods were \$456.4 million.

The state audit found 96.6 per cent of approved claim amounts in 2022–23, including all regional council claims, were eligible for reimbursement. This means DTP accurately assessed councils' claims. The training, guidance and support from ERV and DTP helped councils prove their claim.

There were 21 flood-related claims removed from the final acquittal because they did not meet DRFA rules. These were all from Victorian Government departments and totalled \$15.6 million out of \$268.7 million total claims by departments (5.8 per cent).

DTP does not assess claims by Victorian Government departments. Instead, departments only certify to ERV that their claims are eligible before ERV includes them in the Victorian Government's acquittal.

5.

Claim processing times

On average, DTP and ERV took 214 days to process claims from regional councils and 118 days to process certified estimates from regional councils.

Claims spent the most time waiting for assessments to start and waiting for missing information.

Processing times decreased substantially as DTP increased its assessor pool and improved its processes.

Covered in this section:

- ERV offered upfront financial assistance for councils
- Regional councils mostly submitted claims and certified cost estimates by agreed deadlines
- Regional claims and certified estimates spent the most time waiting for assessments to start and pending information

ERV offered upfront financial assistance for councils

Upfront financial assistance To help councils mobilise relief and recovery supports quickly, ERV offered councils affected by the October 2022 floods upfront financial assistance via the Natural Disaster Relief Trust Account.

Assistance is based on expenditure that has already occurred and anticipated future costs. ERV assesses expenses that are eligible under the DRFA and offers a percentage of that amount to the council.

Councils can enter a request for an advance at any time through the DRFA claims management system, with the most recent request being in March 2025.

ERV first contacted councils about upfront financial assistance in December 2022. In early January 2023 it issued the first assistance to 6 regional councils, totalling \$4.31 million.

By April 2025, ERV had provided financial assistance to 14 regional councils in 3 tranches totalling \$73.7 million.

Although there is no established benchmark for how quickly ERV should assess council estimates for future DRFA claims and then release funding from the trust account, ERV processed the first 6 requests within 22 days.

Regional councils mostly submitted claims and certified cost estimates by agreed deadlines

Submission deadlines

The deadline for submitting claims is within one month from the end of the financial year in which the expenditure happened. Councils must submit certified cost estimates within 9 months after the financial year in which the relevant disaster event occurred and before any reconstruction work begins. DRFA guidance encouraged regional councils to submit flood-related claims as they incurred them, but councils did not follow this guidance.

Deadlines are to minimise spikes in claim submissions, which can put pressure on processing times. Deadlines also help ERV meet the Australian Government's timeline for providing an annual acquittal of claims.

Due to the widespread impact of the October 2022 floods, ERV extended submission deadlines for claims and obtained National Emergency Management Agency support to extend timeframes for approving certified estimates (see Figure 5).

Figure 5: Extensions to DRFA claim and certified estimates submission deadlines, October 2022 floods

Category	Year of expenditure	Original submission deadline	Extended deadline
Category A and B claims	2022–23	31 July 2023	31 October 2023
Category A and B claims	2023–24	31 July 2024	31 October 2024
Certified cost estimates	2022–23 to 2024–25	31 March 2024	31 March 2025
Claims against approved certified cost estimates	2024–25	31 July 2025	31 October 2025

Source: DRFA guidelines and ERV.

Meeting submission deadlines

Regional councils mostly met the extended submission deadlines for flood-related claims in 2023–24 (87.8 per cent of claims), more than in 2022–23 (64.7 per cent) (see Figure 6).

To date, regional councils have submitted their certified estimates on time.

But regional councils are still submitting certified estimates, which will affect the compliance rate. Uneven distributions of claims and certified estimates place pressure on DTP and ERV to assess and approve submissions in a timely manner.

It also means that some communities will have waited over 3 years for some essential public assets to be restored.

Figure 6: Percentage of claims submitted within extended deadlines

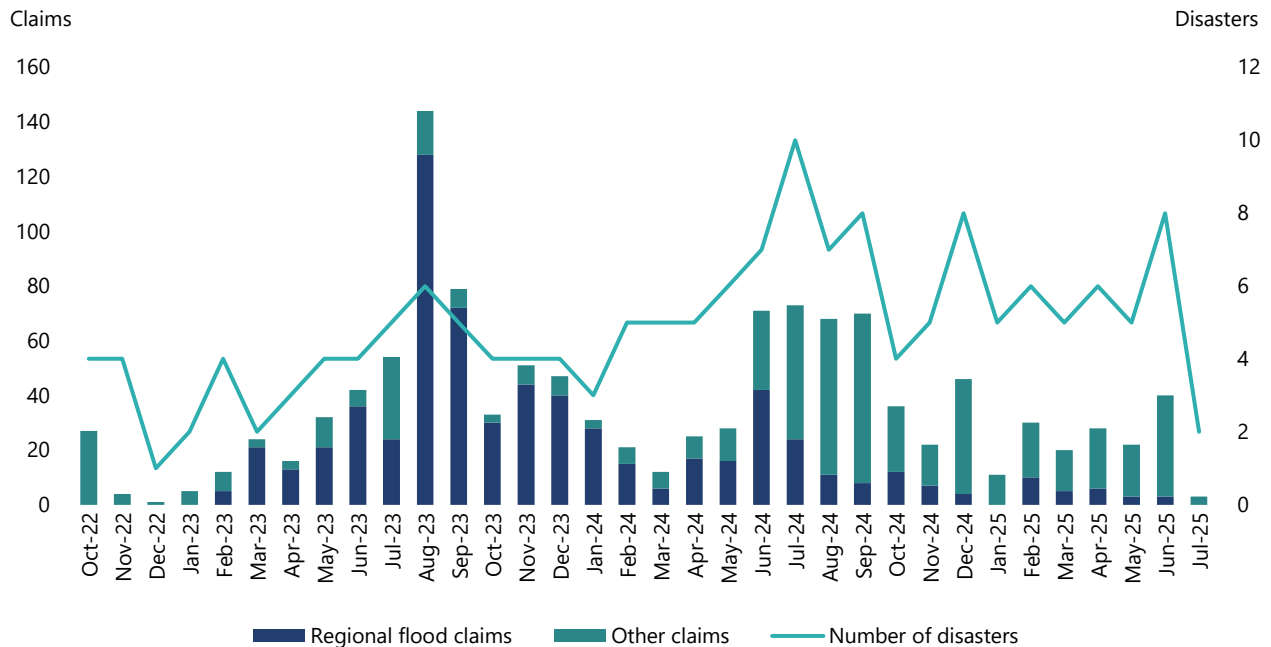
Category	2022–23	2023–24	2024–25
Category A and B relief and recovery/counter disaster operations expenditure claims	62.5%	83.3%	NA
Category B emergency and immediate work claims	66.6%	93.9%	NA
Approved Category B certified estimate claims	NA	27.3%	NA
Total claims	64.7%	87.8%	NA

Note: 'NA' stands for 'not applicable'.

Source: VAGO, based on claims data provided by ERV.

DRFA guidelines encourage councils to submit claims as they incur expenses, but regional councils submitted them unevenly. There was a spike in claims in August and September 2023, and to a lesser extent June 2024 (see Figure 7). Councils were submitting claims from 32 other disaster events over the same period, although until June 2024 most claims related to the October 2022 floods.

Figure 7: Distribution of DRFA claims from councils, as of July 2025



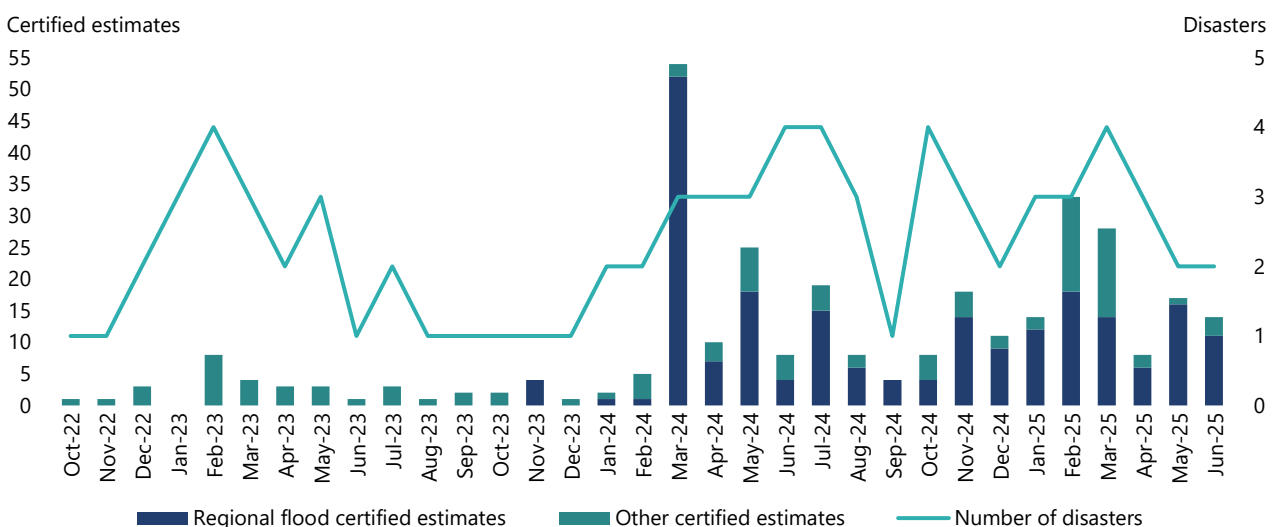
Source: VAGO, based on claims data provided by ERV.

Similarly, there were spikes when regional councils submitted flood-related certified estimates (see Figure 8).

The largest spike was in March 2024 with a lesser spike across February and March 2025.

The earlier spike was mostly certified estimates for the October 2022 floods. The latter spike also coincided with a spike in certified estimates for other disasters.

Figure 8: Distribution of certified estimates from councils, as of July 2025



Source: VAGO, based on claims data provided by ERV.

Regional claims and certified estimates spent the most time waiting for assessments to start and pending information

Assessing claims and certified estimates

While the Victorian Government provides councils relief and recovery services after a natural disaster, councils also need to draw on their own resources to respond to their communities' immediate and ongoing needs.

For Category A and B claims, councils seek reimbursement under the DRFA for expenditure that has already occurred. Processing DRFA claims quickly helps councils recover funds they have spent on relief and recovery activities.

But certified cost estimates are time sensitive. Reconstruction works that require estimates cannot begin until ERV approves DTP's assessment recommendation. Councils bear the financial risk if reconstruction works start before this.

Delays in preparing and assessing certified estimates can have significant impacts on the recovery of affected communities.

Processing claims

The average processing time for claims made by regional councils is based on when councils lodge their claim through to the date ERV approved DTP's assessment. For the October 2022 floods, the average assessment time has been 214 days. Claim assessment times by category have been:

- 218 days for Category A and B relief and recovery/counter disaster operations expenditure
- 214 days for Category B emergency and immediate works
- 65 days for claims against approved Category B certified estimates.

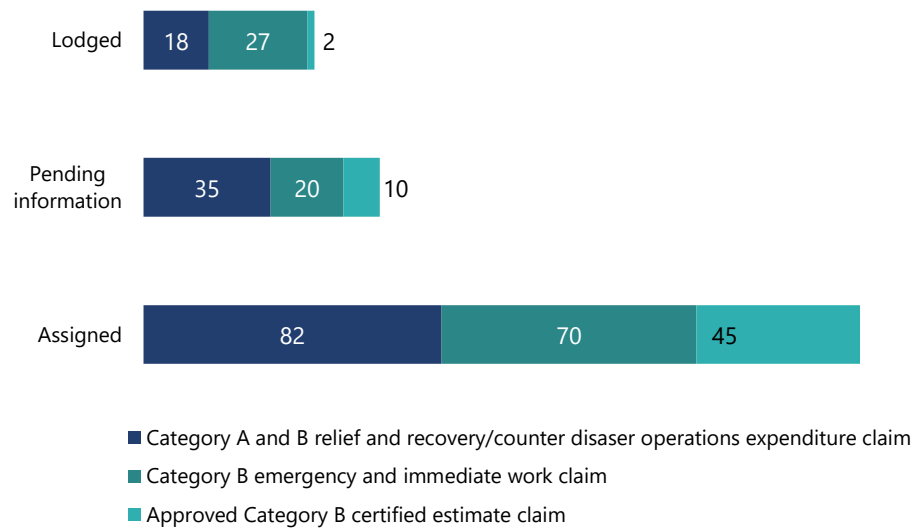
Assessors manually change a claim's status in the claims management system as it progresses through the assessment process.

Claims spent considerable time with a status of 'lodged', which is when a claim is waiting for DTP to assign an assessor.

But claims spent the longest time in the status of 'assigned', which is the period between when an assessor is allocated and the assessment starts (see Figure 9).

Claims then spent the longest time in 'pending information'. Assessors use this status when they cannot continue their assessment until the council provides further information. Assessors requested more information from councils to progress 65 per cent of flood-related claims.

Figure 9: Average days Category A and B regional council claims spent in each status



Note: Status data is only available from July 2023 because of an update to the DRFA claims management system.
Source: VAGO, based on data from ERV.

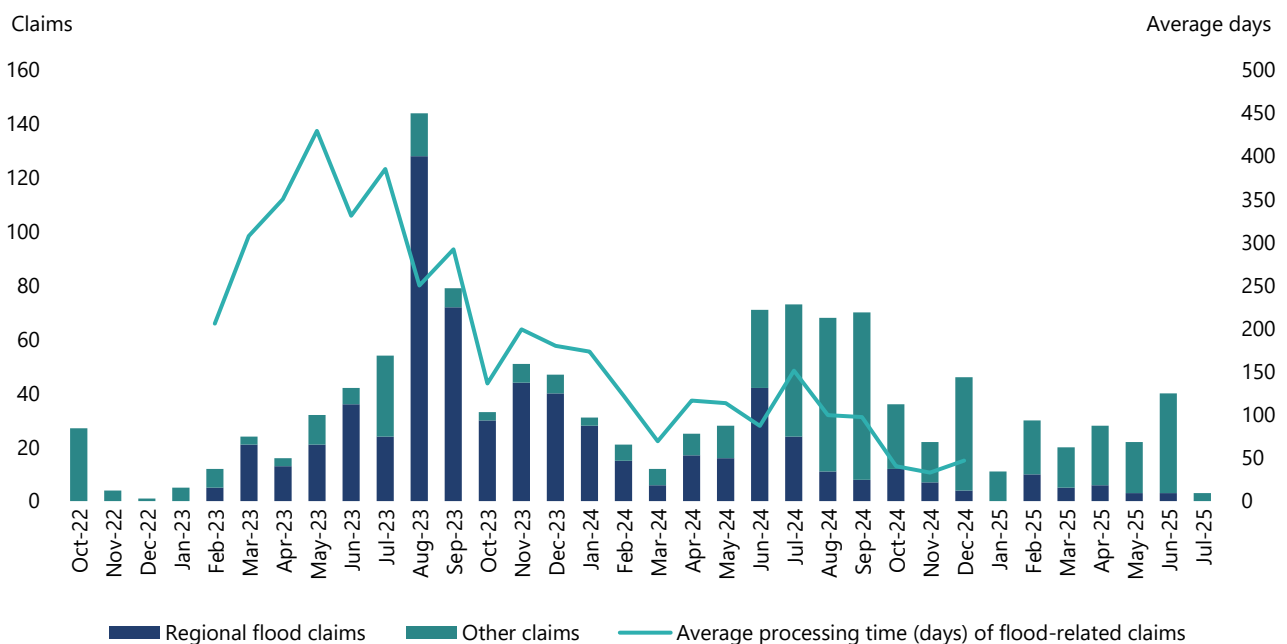
ERV and DTP have a memorandum of understanding that DTP will assess Category A and B claims that have all the required documentation and supporting evidence, within 4 weeks.

ERV's claims management system does not record when councils have provided all necessary information, and assessors do not document this milestone.

This means that ERV and DTP cannot assess performance against this benchmark, although the average time claims spent waiting for the assigned assessor to start their assessment was more than 4 weeks (see Figure 9).

Despite this, average processing time for flood-related claims has trending downwards since a peak of 429 days in May 2023 (see Figure 10).

Figure 10: ERV's average processing time for flood-related claims from regional councils over total submission volumes



Source: VAGO, based on data from ERV.

Since May 2023, DTP has increased its number of core assessor roles from 6 to 12, with at least 11 filled since December 2023. From October 2024, DTP also secured surge assessor resources. The total number of assessors peaked at 20 in January 2025 and was still 17 as of June 2025.

DTP also implemented:

- a risk-based assessment method in early 2024, which allowed assessors to sample check the evidence councils submitted based on claim type and their claims history
- a simplified assessment for claims under \$30,000 from October 2024.

By 2024, most impacted councils had also submitted more than one claim so should have been more familiar with the process and DRFA requirements.

Processing
certified
estimates

It is important that certified estimates are assessed without delays, so that disaster-affected communities’ recoveries are not prolonged.

The average assessment time for flood-related certified estimates from regional councils has been 118 days, although this has ranged from 4 to 385 days, with a median of 47 days. This is based on the average time between when councils lodged their estimate through to the date ERV approved DTP’s assessment.

Certified estimates spent the most time in the 'lodged' status, waiting for DTP to assign an assessor. This shows DTP has had some challenges resourcing these assessments. Certified estimates then spent almost 30 days on average waiting for the assigned assessor to start their assessment (see Figure 11).

Once assigned, certified estimates spent the longest duration in 'pending information' (34.8 days average). Assessors had to ask councils to provide more information to progress 52 per cent of certified estimates.

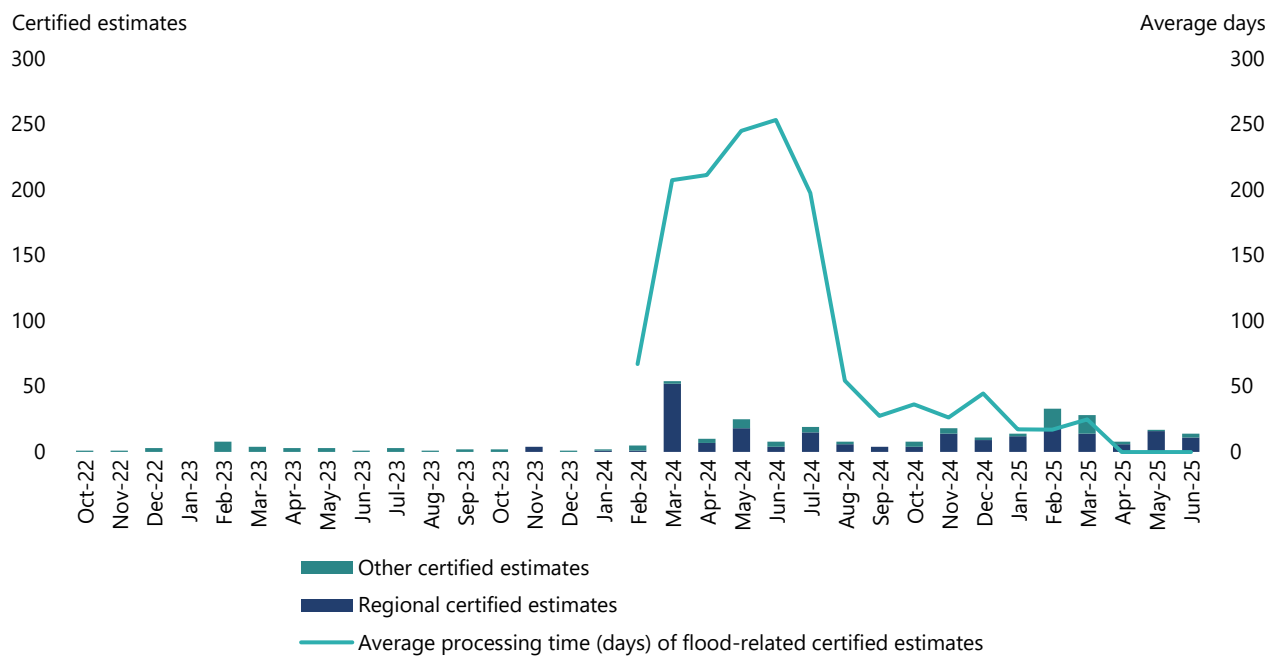
Figure 11: Average time regional council certified estimates spent in each status, October 2022 floods

Status	Days in status (average)
Lodged	37.7
Pending information	34.8
Assigned	29.6
Assessment in progress	13.2
Administering authority review in progress	6.8
Assessor recommendation	4.8
Assessing authority endorsed	2.6
Administering authority recommendation endorsed	1.9

Note: Status data is only available from July 2023 because of an update to the DRFA claims management system.
Source: VAGO, based on data provided by ERV.

From March 2024, the number of certified estimates lodged increased substantially over previous months. For the first few months, average processing times exceeded 200 days. But this went down considerably from August 2024 (see Figure 12).

Figure 12: Average processing time for flood-related certified estimates from regional councils over total submissions



Source: VAGO, based on data provided by ERV.

6.

Appendices

There are 3 appendices covering responses from audited agencies and information about how we perform our work.

Appendix A: Submissions and comments

Appendix B: Abbreviations, acronyms and glossary

Appendix C: Audit scope and method

Appendix A:

Submissions and comments

We have consulted with the Department of Justice and Community Safety, the Department of Transport and Planning and the Department of Treasury and Finance, and we considered their views when reaching our audit conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the relevant agency head.

Responses received

Agency	Page
Department of Justice and Community Safety (Emergency Recovery Victoria)	A-2
Department of Transport and Planning	A-5
Department of Treasury and Finance	A-7



Department of Justice and Community Safety

Secretary

Level 26
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Melbourne Victoria 3000
Telephone: (03) 8684 0501
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Our ref: 25092009

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Via email: [REDACTED]

Proposed report: Relief and Recovery Funding for the October 2022 Floods

Dear Mr Greaves

Thank you for your letter of 9 September 2025 providing the proposed report for your audit on Relief and Recovery Funding for the October 2022 Floods.

The department is committed to ensuring timely relief and recovery funding and support for to communities affected by significant natural disasters.

The department has reviewed the report and has provided minor feedback directly to your audit team. The department accepts 2 recommendations in full and one in-principle, contingent on funding and resources. The attached action plan details how the department will address your recommendations.

If your team has any questions or requires further information, please contact Julianne Brennan, Executive Director, Governance and Assurance on [REDACTED] or via email at [REDACTED].

Yours sincerely

Kate Houghton PSM
Secretary

19/09/2025





#	VAGO recommends that DJCS and DTP:	Response	#	DJCS will:	By:
4	Analyse common issues in submitted claims and certified estimates. Use these findings to improve training and guidance for councils to support them to submit compliant claims and certified estimates.	Accept	4.1	Establish a standing practice for investigating, capturing and addressing key issues from which proposed solutions can be developed and communicated to councils.	30-Jun-2026
			4.2	Develop and implement a strategic action plan that seeks to: <ul style="list-style-type: none"> • reduce variables for councils and assessors and address some existing common issues • establish a 'value for money' framework to support alternative reconstruction solutions for councils delivering reconstruction of essential public assets. • further standardise direct and/or indirect costs for reconstruction of essential public assets (design and investigation, project management, cost escalation and project contingency). • establish benchmarking of standard treatments for councils. 	31-Dec-2026
			4.3	Review and update the Victorian DRFA Category A and B guidelines and supporting documentation for clarity and alignment with the Commonwealth DRFA determination.	31-Dec-2026

DJCS action plan

Relief and Recovery Funding for the October 2022 Floods

OFFICIAL Sensitive

#	VAGO recommends that DJCS:	Response	#	DJCS will:	By:
2	Gives Victorian Government agencies training and guidance on the eligibility and evidence requirements of Disaster Recovery Funding Arrangements. Establishes targeted support to help these agencies meet reporting requirements.	Accept	2.1	Develop guidance and support materials on priority challenge areas for departments' administration of their DRFA requirements, and deliver training where required.	30-Jun-2026
			2.2	Develop workflows and guidance materials, and implement training, to support departments to: <ul style="list-style-type: none"> improve their internal understanding and application of DRFA-eligibility requirements (program and administration) meet state and Commonwealth reporting requirements. 	30-Jun-2026
3	Improves its claims management system to record when councils submit all required evidence to enable it to better track Disaster Recovery Funding Arrangements assessment times for claims and certified estimates.	Accept in principle	3.1	Subject to funding availability, implement improvements to the Claims Management System to enable: <ul style="list-style-type: none"> reporting on number of days at each assessment status for claims and certified estimates a 'triaged' status to confirm all required evidence has been lodged templates and process for claims assessors to consider case file notes and CMS fields that captures supporting documentation and mitigates against known compliance issues 'ineligible component type' to be captured as data fields for certified estimates (similar to claims). 	30-Jun-2026
			3.2	Develop and implement a best practice workflow for claims and certified estimates to ensure timely triage, assign and approval of submissions.	30-Jun-2026



Department of Transport and Planning

GPO Box 2392
Melbourne, Victoria 3001 Australia

Ref: BSEC-1-25-4157

Mr Andrew Greaves
Auditor-General of Victoria
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

Dear Mr Greaves

Victorian Auditor-General's Office - Relief and recovery funding for the 2022 floods - Proposed report

Thank you for your letter of 9 September 2025 inviting a response to the *Relief and recovery funding for the 2022 floods* proposed report (the Report).

The October 2022 floods were significantly larger than any event previously administered under the Victorian Disaster Recovery Funding Arrangements (DRFA), with submissions of claims and certified estimates increasing well above usual levels.

On behalf of the Department of Transport and Planning (the Department), I welcome the Report's findings that the Department has significantly invested in delivering improvements to assist councils to prepare high-quality DRFA submissions. This has resulted in the average processing time for flood-related claims reducing by over 50 per cent compared to the peak.

The Department also welcomes the recommendation focussing on training councils to submit eligible and compliant claims. Fully compliant submissions are the key factor in efficiently releasing recovery funding for flood-impacted roads and will allow councils to be better equipped in future events to submit eligible claims. The Department accepts the recommendation and has prepared an action plan enclosed with this letter.

The Department is committed to working collaboratively with Emergency Recovery Victoria and councils to ensure claims and certified estimates are processed within a reasonable time.

Thank you for the opportunity to comment on the Report.



Jeroen Weimar
Secretary

Date: 19 September 2025

Enc: DTP action plan - Relief and recovery funding for the 2022 floods



DTP action plan

Relief and recovery funding for the 2022 floods



Department of Transport and Planning (DTP) action plan to address the recommendations from *Relief and recovery funding for the 2022 floods*:

No	VAGO recommendation	DTP response	Due date
4	<p>The Department of Justice and Community Safety and the Department of Transport and Planning to:</p> <ul style="list-style-type: none">– Analyse common issues in submitted claims and certified estimates.– Use these findings to improve training and guidance for councils to support them to submit compliant claims and certified estimates (see Section 5).	<p>Accepted</p> <p>The Department of Transport and Planning (DTP) will work with the Department of Justice and Community Safety (DJCS) to undertake a review process to identify, analyse and document common issues in submitted claims and certified estimates.</p> <p>Findings of the review will be used to:</p> <ul style="list-style-type: none">– Identify training gaps– Target key areas for improvement, and– Inform updates to Victorian Disaster Recovery Funding Arrangements (DRFA) training content– Support DJCS in their work to update the DRFA guidelines. <p>This will formalise the existing continual improvement process between DTP and DJCS.</p>	31/07/2026



Department of Treasury and Finance

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D25/94789

Andrew Greaves
Auditor-General
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Dear Auditor-General

RELIEF AND RECOVERY FUNDING FOR THE 2022 FLOODS – PROPOSED REPORT

Thank you for your letter of 9 September 2025 providing the acquittal of our comments on the Provisional Report and inviting comment on the Proposed Report *Relief and recovery funding for the 2022 floods*.

We thank you for the opportunity to be engaged throughout this process and the collaborative approach you and your team have taken to this performance audit. We acknowledge the key findings and are broadly comfortable with the report's recommendations. We have no issues to raise and the Department of Treasury and Finance's Action Plan outlining the department's response to your recommendation is attached.

Yours sincerely



Chris Barrett
Secretary

22 / 9 / 2025

Attachments encl.: Department of Treasury and Finance action plan to address recommendation from *Relief and recovery funding for the 2022 floods*



ATTACHMENT

Department of Treasury and Finance action plan to address recommendation from *Relief and recovery funding for the 2022 floods*

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	<p>Ensure Victorian Government departments meet the <i>Resource Management Framework's</i> requirements when they request Treasurer's Advances for disaster relief and recovery funding. Requests should be:</p> <ul style="list-style-type: none"> financially sound only made when no alternative funding sources, including existing department budgets, are available. 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input checked="" type="checkbox"/> In principle	<p>DTF will continue to work with departments to ensure compliance with the <i>Resource Management Framework</i> when requests are received for Treasurer's Advances for disaster relief and recovery funding.</p> <p>In doing so, DTF will seek to strike a balance between seeking appropriate verification of costs, the impacts of the disaster, and alternative funding sources, with the need to respond with agility and flexibility in consideration of the urgent and time-critical nature that is typical of these disaster events.</p>	Ongoing

Appendix B:

Abbreviations, acronyms and glossary

Abbreviations We use the following abbreviations in this report:

Abbreviation	Full spelling
the Framework	Resource Management Framework

Acronyms We use the following acronyms in this report:

Acronym	Full spelling
ERV	Emergency Recovery Victoria
DJCS	Department of Justice and Community Safety
DRFA	Disaster Recovery Funding Arrangements
DTP	Department of Transport and Planning
DTF	Department of Treasury and Finance
VAGO	Victorian Auditor-General's Office

Glossary The following terms are included in or relevant to this report:

Term	Explanation
Level of assurance	<p>This is a measure of the confidence we have in our conclusions. The quality and quantity of evidence we obtain affects our level of assurance.</p> <p>We design our work programs with the information needs of our report users in mind. We consider if we need to provide them with reasonable assurance or if a lower level of assurance may be appropriate.</p>
Reasonable assurance	<p>We achieve reasonable assurance by obtaining and verifying direct evidence from a variety of internal and external sources about an agency's performance. This enables us to draw a conclusion against an objective with a high level of assurance. We call these performance audits.</p> <p>See our assurance services fact sheet for more information.</p>

Appendix C:

Audit scope and method

Scope of this audit

Who we examined

We examined the following agencies:

Agency	Their key responsibilities
DJCS (ERV)	<ul style="list-style-type: none">coordinating relief and recovery activitiesadministering the Natural Disaster Relief Trust Account
DTP	<ul style="list-style-type: none">assessing DRFA claims
DTF	<ul style="list-style-type: none">assessing requests for Treasurer's Advance funding

Our audit objective

Did impacted regional communities receive eligible and timely funding for relief and recovery activities following the October 2022 floods?

What we examined

We examined if:

- agencies and local councils applied for funding in line with Framework and DRFA requirements
- DTP and ERV assessed DRFA submissions within designated timeframes
- DTF and ERV approved funding quickly after receiving submissions.




Aspects of performance examined

Our mandate for performance audits and reviews includes the assessment of economy, effectiveness, efficiency and compliance (often referred to as the '3Es + C').

In this audit we focused on the following aspects:

Economy	Effectiveness	Efficiency	Compliance
			

Key:

-  Primary focus
-  Secondary focus
-  Not assessed

Conducting this audit

Assessing performance To form a conclusion against our objective we used the following lines of inquiry and associated evaluation criteria.

Line of inquiry	Criteria
1. Did disaster funding arrangements ensure relief and recovery assistance reached communities impacted by the October 2022 floods in a timely way?	1.1 Agencies and local councils applied for relief and recovery funding in line with: <ul style="list-style-type: none">• Framework requirements• DRFA eligibility and evidentiary requirements.
	1.2 DTP and ERV assessed submissions for eligible relief and recovery funding within designated timeframes.
	1.3 DTF and ERV approved eligible relief and recovery funding as soon as was practicable after receiving submissions.

Our methods As part of the audit we:

- reviewed the Framework and used this to assess the outcomes and timeliness of ministerial funding requests
- reviewed the Victorian and Australian Governments’ audit findings and recommendations
- reviewed council applications and estimates for Natural Disaster Relief Trust Account advances against DRFA guidelines
- reviewed DRFA guidelines to identify what eligibility and evidentiary requirements apply to claims.

Level of assurance

In an assurance review, we primarily rely on the agency’s representations and internally generated information to form our conclusions. By contrast, in a performance audit, we typically gather evidence from an array of internal and external sources, which we analyse and substantiate using various methods. Therefore, an assurance review obtains a lower level of assurance than a performance audit (meaning we have slightly less confidence in the accuracy of our conclusion).

Compliance We conducted our audit in accordance with the *Audit Act 1994* and ASAE 3500 Performance Engagements to obtain reasonable assurance to provide a basis for our conclusion.

We complied with the independence and other relevant ethical requirements related to assurance engagements.

We also provided a copy of the report to the Department of Premier and Cabinet.

Cost and time The full cost of the audit and preparation of this report was \$660,000.

The duration of the audit was 11 months from initiation to tabling.

Auditor-General's reports tabled in 2025–26

Report title	Tabled
<i>Delivering Savings Under the COVID Debt Repayment Plan</i> (2025–26: 1)	July 2025
<i>Planned Surgery in Victoria</i> (2025–26: 2)	August 2025
<i>Financial Management of Local Councils</i> (2025–26: 3)	August 2025
<i>Responses to Performance Engagement Recommendations: Annual Status Update 2025</i> (2025–26: 4)	September 2025
<i>Relief and Recovery Funding for the 2022 Floods</i> (2025–26: 5)	October 2025

All reports are available for download in PDF and HTML format on our website at www.audit.vic.gov.au.

Our role and contact details

The Auditor-General's role

For information about the Auditor-General's role and VAGO's work, please see our online fact sheet [About VAGO](#).

Our assurance services

Our online fact sheet [Our assurance services](#) details the nature and levels of assurance that we provide to Parliament and public sector agencies through our work program.

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