

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2025-26 Budget Estimates

Melbourne – Tuesday 3 June 2025

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Meng Heang Tak

Richard Welch

WITNESSES

Vicki Ward MP, Minister for Natural Disaster Recovery;

Kate Houghton, Secretary,

Kate Fitzgerald, Deputy Secretary, Emergency Management,

Corinne Cadilhac, Deputy Secretary, Corporate Services and Infrastructure, and

Samuel Ho, Chief Financial Officer, Department of Justice and Community Safety;

Timothy Wiebusch, Acting Emergency Management Commissioner, and

Jenni Rigby, Chief Executive, Emergency Management Victoria; and

Mariela Diaz, Chief Executive Officer, Emergency Recovery Victoria.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2025–26 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

All evidence given today is being recorded by Hansard and is broadcast live on the Parliament's website. The broadcast includes automated captioning. Members and witnesses should be aware that all microphones are live during the hearings and anything said may be picked up and captioned even if said quietly.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream this evening and other committee members.

Witnesses will be provided with a proof version of the transcript to check, and verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Natural Disaster Recovery the Honourable Vicki Ward as well as officials from DJCS. Minister, I invite you to make an opening statement or presentation of no more than 5 minutes, after which time committee members will ask you questions. Your time starts now.

Vicki WARD: Thank you very much, Chair, and thank you to the committee for the opportunity to present on the natural disaster recovery portfolio for the first time. It is the first time that we have had this portfolio itself at PAEC, which is pretty cool, so thank you for the opportunity to outline our record of supporting communities to recover after natural disasters.

I also want to acknowledge the traditional custodians of the land which we are on today, the Wurundjeri people, and I pay my respects to elders past and present and recognise more than 60,000 years of care for country.

Visual presentation.

Vicki WARD: The natural disaster recovery portfolio demonstrates our government's clear and ongoing focus on responding to the needs of our communities following disasters. As we all know, natural disasters bring considerable disruption and destruction to homes, businesses, roads, community assets and our environment. We also know that new disasters are re-affecting areas still recovering from previous events, adding to the stress and burden of an already difficult recovery journey. This is why our government has established a dedicated relief and recovery coordination agency in Emergency Recovery Victoria. It is through ERV that we are able to move at speed with on-ground and targeted support, providing assistance to those who

need it the most. They play a leadership role in coordinating recovery expertise to support the delivery and coordination of complex programs across the state. Over the past five years, ERV has coordinated more than \$3.5 billion in recovery investment. For recovery to be successful, we must draw on the knowledge and expertise of all levels of government and entities, as well as other agencies to ensure supports to disaster-affected communities are targeted and delivered holistically.

We have had another significant bushfire season this year, and recovery efforts are underway. The bushfires in western Victoria began on 17 December and caused widespread effects, with over 230,000 hectares of land burnt across the Grampians and Little Desert national parks. This caused significant disruption to the local economy and the affected regions, particularly the tourism sector. That is why in addition to the immediate response we are delivering over \$77.5 million to ensure our affected businesses, natural wildlife and native species can recover effectively.

Our past investment has included \$29 million in a recovery package announced in March this year, which comprised \$24 million in business support and over \$5 million for an early environmental recovery package. The major disaster events of recent years have resulted in an unprecedented amount of volume of disaster recovery funding arrangement submissions being made to councils, which we have responded to with additional resources and more support for councils. This includes putting on surge claims assessors and providing intensive support and training for councils to help them better navigate this process.

We know that recovery has a long tail – it can take years – and that is why we continue to support Victoria's recovery from significant recent natural disasters. Since these significant events, together with the Commonwealth, we have provided billions of dollars in recovery support, representing one of the most comprehensive recovery programs in our state's history. The investment ensured communities impacted had the support they needed to commence and continue their recovery journey.

In October 2022 heavy rainfall led to devastating flooding across the state, and following the floods more than 2000 affected people were supported to find accommodation through the temporary accommodation program. While we are nearing the three-year anniversary of these events, recovery programs continue.

Across December 2023 and January 2024 numerous houses were damaged or destroyed due to significant storm and flood activity across 29 local government areas. Over the past 12 months we have continued to support the community to recover from these events, including through the continued operation of the 1800 recovery hotline and the recovery support program, which has to date supported more than 545 households.

Finally, as an example of the compounding effects of disaster, in early February 2024, fires occurred across western Victoria, centred around the Grampians National Park, destroying dozens of homes. Eastern and central Victoria also experienced a large-scale storm event, resulting in significant destruction. Over the past 12 months we have continued to support these affected communities, with 4500 households now having access to the recovery support program and 187 properties undergoing hazardous tree remediation. Recovery is a long process, and it is a process that can be made even more challenging when natural disaster events occur in the same community, as we saw, for example, with the community of Pomonal, which was evacuated with the recent Grampians fires, as well as the devastating effects that they had on some properties in February last year. So we will continue to be there every step of the way. Thank you.

The CHAIR: Thank you, Minister. I am going to go to Mr Welch.

Richard WELCH: Thank you, Chair. Thank you, Minister. I am going to go through just a few a few factual questions. I might direct them to the Secretary, if I may. This is part of the emergency management capability output, which is on page 158 of budget paper 3, and within that I just want to know how much of this is allocated to this portfolio.

Kate HOUGHTON: Just to clarify your question: of the \$1.9 billion investment in the budget, how much of that is allocated particularly to Emergency Recovery Victoria?

Richard WELCH: Yes.

Kate HOUGHTON: I do not have that. I have to take it on notice because we have a number of funding agreements, particularly with the Commonwealth, that also would be replicated into that output group. I am more than happy to take it on notice.

Richard WELCH: Yes, if you could, that would be great. Thank you. And likewise for the number of full-time employees.

Kate HOUGHTON: Yes, I can. It is in our questionnaire in terms of VPS, but I can identify those allocated to ERV.

Richard WELCH: Thank you. And have those numbers increased or reduced since 2022?

Kate HOUGHTON: I would also have to take that on notice. We did do a restructure in the emergency management group where we did move some people from ERV and EMV into an enabling group which provides technology communications across both of the groups. Whilst there might be a reduction in ERV numbers, it is because we created an enabling group because it services both of those entities.

Richard WELCH: Understood. Last year the Minister for Emergency Services indicated that \$300 million had been allocated across government for the recovery expenditure from various natural disasters. Has all of that been spent, or is there any carried over into this period?

Kate HOUGHTON: Kate Fitzgerald can talk to that in terms of how far we have got, particularly with clean-up and other parts of the recovery portfolio.

Kate FITZGERALD: Yes. There has been significant investment, as the minister was outlining, since really the 2019–20 fires through then BRV, now Emergency Recovery Victoria. That has included 279 programs, of which 183 have been completed and 96 remain active. Of those 96, 23 will continue into 2025–26. We would be happy to provide that detail on notice to you, but there are a combination of programs that will be closing at the end of this financial year with certain communities. And then there are other recovery programs that will be continuing into the next financial year.

Richard WELCH: On notice is perfect. Thank you.

Vicki WARD: There has to be context of course with this, because it depends on when the disaster has occurred but also around what the challenges are. Some communities are incredibly affected by disaster – there are a huge amount of homes lost, for example – whereas another community may have a bit of a stop-and-start or a slowdown to how they function but will have less property damage.

Richard WELCH: Happy to receive that context – that would be useful as well. Thank you.

It sort of goes on nicely to my next question: the ERV website lists a number of grants for disaster recovery or disaster preparedness, but they are all closed and there are no grants currently available. There is no line item in the portfolio for grants for the forward estimates either in this budget – or is there a line item for grants going forward?

Vicki WARD: Well, we just had the Disaster Ready Fund close.

Kate FITZGERALD: Yes. The Disaster Ready Fund is one of the grant programs that invests more in the preparedness and resilience. In relation to ERV, there are grant programs that ERV is the administration agency for, and then there are other grant programs that are delivered across the whole of the Victorian government that other departments and agencies are responsible for administering. If there was a specific grant in particular, Mr Welch, we could go into that detail.

Richard WELCH: Just any grants under your purview. Is there any funding for them? Where is the funding represented?

Kate FITZGERALD: I might pass to Ms Diaz about whether there are any ERV-administered grant programs for next financial year.

Mariela DIAZ: Thank you. There are still a number of grants that are available and being delivered for the eastern Victorian bushfires of 2020, and some of those will be completed in the coming months. It was quite a significant grants program that was made available to eastern Victorian communities.

Richard WELCH: But in the current?

Mariela DIAZ: Some of those are being extended into 2025–26.

Richard WELCH: But there are no new ones.

Mariela DIAZ: Not for the eastern Victorian fires.

Richard WELCH: Okay. Minister, as of today, how many councils still have outstanding claims for funding support for recovery from natural disasters under the disaster recovery funding arrangements, the DRFA?

Vicki WARD: Thank you for that. As I am sure you can appreciate, the DRFA, whether it needs to be or not, is a matter of debate, but it can be quite a complex journey. What we see is councils will immediately respond to a disaster, but in the recovery process there are a series of actions that they undertake which they have the initial outlay for but they then put through for government processing. It has to do this with the agreement of the federal government, and the federal government do not acquit that until the end of the financial year. So while 90 per cent of the councils –

Richard WELCH: Is there a number, a quantum of how many?

Vicki WARD: Yes. We know that nearly 90 per cent of council areas have been affected by disasters in the past couple of years.

Kate FITZGERALD: Well, it is cumulative, because it is dating back to, again, the 2019–20 bushfires and then the events that have occurred since that. We do know that we have 30 active DRFA events, and councils are at various stages. The majority of councils in Victoria are activated under the DRFA arrangements, because the majority of councils in Victoria have been impacted by natural disasters over the last several years.

Richard WELCH: Are you able to quantify that as a number of claims?

Kate FITZGERALD: It is difficult to quantify it because the claim journey, as the minister was outlining, is quite complex. Some of these claims are currently sitting with councils because they are undertaking the estimation of works required on the ground. Other claims are with the Department of Transport and Planning because they are assessing those claims. Other claims are with the department of justice through Emergency Recovery Victoria as the administrating agencies, and other claims are in the system awaiting approval from the Commonwealth government.

Richard WELCH: Yes, that is the next question.

Vicki WARD: Some of the important work that ERV does is actually helping to support councils navigate what can be, especially for small councils, quite a complex and difficult process which they have to –

Richard WELCH: Which I appreciate. Sorry, Minister, I am just conscious of time.

Vicki WARD: That is all right.

Richard WELCH: How many are waiting on Commonwealth funding?

Kate FITZGERALD: The process occurs, Mr Welch, and it is a very complex system. The claims are rolled up on a financial year basis, and they are audited by the state auditor and then progress to the federal government.

The CHAIR: Thank you, Ms Fitzgerald. We are going to go to Mr Tak.

Meng Heang TAK: Thank you, Chair. Thank you, Minister, for your presentation. I refer to budget paper 3, pages 28, 37 and 61, and the effort of government to support natural disaster recovery in the area around the

Grampians National Park and the Little Desert National Park. Minister, could you please outline the government's response to this devastating fire and take the committee through the supports the government has provided and continues to provide to these communities to assist in their recovery?

Vicki WARD: Thank you very much for your question and for your interest in this community, which I think every Victorian shares, because the fires that went through the Grampians were extraordinary. I mean, they start with five lightning strikes, four of which are contained, and one is in an inaccessible spot which means that a fire just grows and grows and grows. It is compounded by not just this fire that is in inaccessible terrain and the incredibly challenging logistics work of particularly Forest Fire Management Victoria, in responding to that immediate fire in the Grampians, but we see Halls Gap open, shut, open, shut, because of the firebreak's containment line. Then we see in January more fires emerge in the northern Grampians, putting even more pressure on this community. It was a fire that lasted for months, and the amount of work that has gone into responding to that fire, containing that fire and enabling communities like Halls Gap to reopen is really extraordinary. The work that I saw in the Horsham ICC was amazing. The work that people do is incredible. The resilience of your CFA brigades and so on like the one at Halls Gap that I spoke with and even with Little Desert, for example, with Dimboola, is really extraordinary in how they have worked so hard to protect their communities.

The Yarram Gap Road fire, the initial Grampians fire, affected an area of over 76,000 hectares and had a perimeter of 435 kilometres, and we had heard at the time that people were comparing it basically to the size of Singapore, which is an extraordinary amount of landscape to lose to fire. Following this, as I said, there were another four fires that started in the northern part of the Grampians. We also had the Little Desert fire, which I just referred to, which ended up burning more than 95,000 hectares and came so close to Dimboola. The Dimboola CFA and people who supported them are absolutely to be commended, as are people across that region who heeded the warnings to leave early, to leave when they were asked to, who ensured that emergency responders were able to actually fight the fire and not spend time trying to work out where people were and who they needed to protect. It was really an extraordinary effort. When you go to Dimboola and you see how close the fireground came, it is really quite extraordinary the work that they did. It is really terrible to report that despite all of this effort, this extraordinary effort, four residential properties were lost from the Grampians fires and one property and business from the Little Desert fire.

On 26 December we enacted, along with the Commonwealth, categories A and B of the disaster recovery funding arrangements. That allows for payments, but it also allows for councils to kick in with their recovery centres and hubs to help support people who may have had to evacuate, people who may need to have more information and so on. Category A of the DRFA, and this talks to the complexity that Ms Fitzgerald was referring to just before, refers to assistance directly for individuals who have been affected by a natural disaster. It helps with the payments and helps give them the information they need, while category B refers to the assistance that local councils may need when they are going about restoring public assets that have been damaged by the natural disasters.

Now, this goes beyond toilet blocks at the local park; this is about some really significant infrastructure, like the trails that you all have and the facilities that are along those trails. It talks to challenges that you might have with roads, with fencing, with any number of public assets that are owned. As we were outlining before, local councils submit a claim under the DRFA, and then we fully refund it. Then we have to acquit the process at the end of the financial year with the Commonwealth, and because the Commonwealth cost-shares 50 per cent of the DRFA, that means that we have to talk with the Commonwealth and negotiate, for want of a better word, the outcome that is best for that community. Of course it is all determined by the disaster that that community has experienced; so for example, we have seen a massive spectrum of natural disasters that this state has experienced over the last few years, which has meant some people have been homeless, some people have lost their homes – a thousand people in some communities losing their homes. We know about the fires in eastern Victoria in 2019–20 that were referred to before. There are different challenges that communities experience, and the DRFA is there to really understand what those challenges are and see how they can be best addressed. So as we were saying earlier, it can be challenging for our local councils, and I really welcome the work that ERV have been doing in helping councils really understand this quite complex process, particularly those smaller councils who do not necessarily have a lot of resources because they are a small council and who may not have experienced this before or may not understand all of the things that they need to do.

Now, with the DRFA funding, the category A, there was provided up to 13 weeks of income support for workers and sole traders who had experienced loss of income as a result of the bushfires. And from the information I had, it was something like 58 per cent across the five municipalities that qualified for this funding were sole traders – and that included Northern Grampians shire, Southern Grampians shire and the city of Ararat – who were eligible for this support. Now, it does remain open until 23 June, so I do hope that anybody who would like to receive these payments makes sure that they put their application in. These were available from 27 December, the emergency relief payments. These are one-off payments that are given to people based on their household who is living with them at the time, which is also an additional payment that can help support them in addition to the income support payment, if that is what they have qualified to receive. A total of 1286 personal hardship assistance program payments were made by the Department of Families, Fairness and Housing. These payments provide immediate financial help for affected families and people by assisting them with paying for items like food, clothing, medication and accommodation.

On 11 March we also announced in connection with the Commonwealth government that we would fund a new \$29 million package, which we referred to in the presentation we had earlier, which was to further fund recovery initiatives to help support communities and businesses in western Victoria get back on their feet. This included \$24 million for targeted business support, so it was the grants for small businesses and eligible primary producers; the Business Recovery Advisory Service, which really helps some businesses work out how they can strengthen what it is that they are doing and how they want to help their business grow and really respond to the challenges that they have ahead of them; as well as really important tourism and marketing activities to get people back into the Grampians. Anecdotally, we have seen good reports that there were some really strong attendances over Easter and over the Labour Day weekend. And I give a shout-out to anybody who is looking for something to do over the King's birthday weekend: get out to the Grampians, because there is a lot of good stuff happening.

The business bushfire recovery grants program plays a really crucial role in providing practical financial assistance, and it is aimed at helping small businesses located in and around areas like the Grampians National Park and Little Desert National Park, businesses that can really be at the heart of their communities, to help them keep going. So they do give them a bit of a pause. They help them work through where they are at and what they need to do and keep some money coming into them. So the Business Recovery Advisory Service was established to provide more tailored and strategic support, and it is focused on working directly with business owners to help them understand what recovery looks like for them in practical terms.

I want to go back to the tourism and marketing campaign. So it really does recognise that so much of this region is really dependent on the visitor economy. Recognising the long tail, as we have referred to before, that happens with recovery, we really want to make sure that we have got the infrastructure in place across the region, whether it is putting money into the environment, as \$5 million of that \$29 million package did, which is around how we can support biodiversity and how we can support keeping pests out of the park so that it is preserved as much as possible. It is about getting people. You know, we have had the Grampians feature on *Postcards*. We have had a live cross of the weather report on Channel 9 come from the Grampians. We have done a heavy marketing campaign at the Grand Prix and other major events to really help people appreciate, remember and want to go to the Grampians, because once they have gone once, they are going to keep going. And it is that long tail of recovery, particularly around strengthening the economic development of that community, where this tourism and marketing is so very important. So it may not sound like it has such an impact, if you like, but it really does, because it gets people going. I have got friends who are going for the third time this year, which I think is pretty extraordinary. The Grampians are a great place to go. They are just beautiful; they really are. We want to rebuild confidence in western Victoria, we want to remind people of what makes the region special and we really do want to absolutely help visitor numbers to return to a level that makes businesses absolutely not just sustainable but flourish. That is how we work with that long tail of recovery: as we strengthen that visitor economy, we strengthen those economies, and they are there for the long haul.

Meng Heang TAK: Thank you, Minister. Thank you, Chair.

The CHAIR: Thank you, Mr Tak. We will go straight to Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good evening. Minister, following the 2022 floods Melbourne Water began a flood mitigation study for the Maribyrnong catchment, which should be finished next year. Can I ask: have you been briefed as to whether the government will commit to funding the outcomes of that study in full?

Vicki WARD: With the outcome of the flood inquiry we saw that I think it was only 2 per cent or less than 2 per cent, but there were only two that were not supported by the government. The rest of them were supported in principle, were supported in full or we wanted further information to be examined to see what we can do. What was reassuring about the flood inquiry was that it actually showed that government is heading in the right direction, that a number of the things that we had already begun to implement and already begun to work on were forming part of the recommendations that came out of the flood inquiry.

I really do want to thank those people with that experience who felt comfortable enough and had the confidence to come forward to the inquiry and talk about their lived experience, because I have not had my house flooded, I have not had my house burnt to the ground – I have stood on the balcony of my home over Black Saturday smelling the air to see how far away it was from my home, but I have not had that lived experience – so I can only imagine how challenging it was for people to relive that and to share their experiences with the inquiry, and I really want to thank them for doing that, because it helped us as a government. It helped us understand what we can do better, what we are doing that is the right thing to do but also the other learnings that we can have.

There is some work to be done there, but it is really something that you might want to raise with the Minister for Planning, because it really does fall within her remit of what can be done around that. We have got flood studies underway at the moment, which are statewide, where we do want to understand what the future holds in terms of our waterways, when we are seeing the events that we are seeing occur with such frequency, when we are seeing downpours that our state does not normally have. We are not Queensland; we do not have these downpours that just flood waterways so quickly. So there is a lot of work to be done in terms of understanding flood plains as well as the work that can be done on mitigations, whether it is levees or what else might be needed. It is something that you may want to raise with the Minister for Planning.

Aiv PUGLIELLI: Thank you. Just on bushfires, with outlook forecasting increased risks – risks of winter bushfires, even – to be quite blunt, do you have the resources that you need to help communities recover if those risks become realised?

Vicki WARD: You are absolutely right. When we have seen a fire season, as I said in the presentation, in some areas finishing in May –

The CHAIR: Apologies, Mr Puglielli, Minister. Minister and department officials, thank you very much for taking the time to appear before the committee this evening. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

I would like to thank all ministers and officers who have given evidence to the committee today, as well as Hansard, the committee secretariat and parliamentary attendants. I would also like to thank the hospitality, security and cleaning staff who have looked after all of us today. I wish Ms Kathage a very happy birthday.

The committee will resume its consideration of the 2025–26 budget estimates on Wednesday 4 June 2025 at 8:30 am. I declare this hearing adjourned.

Committee adjourned.