

CORRECTED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into 2004–05 budget estimates

Melbourne – 17 June 2004

Members

Mr W. R. Baxter	Ms D. L. Green
Ms C. M. Campbell	Mr J. Merlino
Mr R. W. Clark	Mr G. K. Rich-Phillips
Mr L. A. Donnellan	Ms G. D. Romanes
Mr B. Forwood	

Chair: Ms C. M. Campbell
Deputy Chair: Mr B. Forwood

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Witnesses

Mr J. Thwaites, Minister for Water;
Dr L. Neilson, secretary;
Mr G. Wilson, deputy secretary, water sector group;
Mr A. McDonald, chief finance officer;
Mr I. Porter, executive director, sustainability strategy, Department of Sustainability and Environment.

The CHAIR — I have to introduce a couple of our new attendees. We welcome Mr Greg Wilson, deputy secretary, land stewardship and biodiversity, Department of Sustainability and Environment and Dr Lyndsay Neilson, secretary, Department of Sustainability and Environment. Over to you, minister, for a brief 5-minute presentation, and then we will move straight into questions.

Overheads shown.

Mr THWAITES — Water is probably the most pressing environmental issue for Victoria, and we are committed to securing our state's water for a sustainable future. We have some key targets: reducing Melbourne's drinking water use per capita by 15 per cent; by 2010 recycling 20 per cent of our water; increasing the efficiency of irrigation systems by 25 per cent by 2020; and significantly improving the health of Victoria's rivers, flood plains and estuaries by 2010.

The Victorian Water Trust has been established and the trust investment strategy has been released. The Our Water Our Future campaign has been launched, and we have delivered the green paper on water. More than 60 000 people have taken up a water rate, which is a pretty incredible response. The green paper was released in August 2003, and there were an enormous number of submissions. The white paper, which will be the government's policy, will be launched shortly and will set a 50-year strategic direction for the state's water.

Additional measures being introduced include a new framework to monitor drinking water standards with a drinking water regulator, amending the constitution to prevent future governments privatising our water authorities, and establishing an essential services commission as the economic regulator of all water authorities. We have a number of water conservation programs: Our Water Our Future, which is a public education campaign; the Water Smart Gardens and Homes rebate scheme; the Water Smart Farms scheme provides financial support for on-farm efficiency; and the Healthy Rivers program, which is an investment guided by Victoria's river health strategy.

In terms of results, we have had a very positive result in Melbourne over summer with a 17 per cent reduction in water consumption, which is certainly higher than predicted. It demonstrates that people really do want to save water. If you go back to November 2002, there has been an 11 per cent reduction in water consumption against predictions. The bottom-line water consumption reduction is greater than that, but that is an adjusted figure that takes into account the restrictions and the climate. More than 60 000 rebates have been taken up, and \$1.8 million has been invested in eight Smart Farm projects.

In terms of funding for the environment announced for the 2004–05 financial year, an additional \$67.5 million over four years has been allocated to the Victorian Water Trust and \$4 million to the Murray-Darling Basin Commission. In terms of some of the projects that have been allocated funding in past budgets which are now under way: the restoration of environmental flows to the Snowy River; healthy rivers and environmental flows; the Victorian Water Trust; the Murray River environmental flows; and the Wimmera–Mallee pipeline. We can look ahead to the release of the water white paper, phase two of the Our Water Our Future behavioural change campaign and implementation of the Victorian Water Trust projects.

The CHAIR — My question goes to the water trust money at page 301 of budget paper 3. I am particularly referring to Victoria's contribution to the Living Murray initiative. Can Victoria expect to obtain credits from the federal government in relation to the Living Murray initiative arising out of contributions made from the Victorian Water Trust?

Mr THWAITES — Certainly, Chair, the answer is yes. We have indicated that Victoria has a program to make water savings to improve the environmental flows in the Murray and we want to be able to get on and do that. It is the very reason that we have a water trust.

We set aside that money in order to make investments in improving the environment of our rivers and improving the management of our water system, and one of the key targets was the Murray River, and so it is certainly appropriate and right that we are able to do that as part of the Living Murray initiative.

The CHAIR — And will we be obtaining credits?

Mr THWAITES — We certainly expect that, and it is a condition of our entering the Living Murray initiative that the action we take and the funds we spend be credited towards our commitment of \$115 million to the Living Murray initiative.

Mr BAXTER — Just a clarification on the key targets in terms of the language. It says, ‘Reducing Melbourne’s drinking water by 15 per cent’. I take it that that does not mean that we are going to drink 15 per cent less; it means the total consumption?

Mr THWAITES — I agree. The problem is that what we are saying is that we might consume more but it will be recycled water, so when we say that we are saying that the drinking water, or potable water as it is called, will be reduced in its usage per head by 15 per cent, whereas if we use recycled water it is not calculated in that.

Mr BAXTER — In terms of just getting the message across to the people at large, I think we have to be very careful with language, and I think you are acknowledging that.

Mr THWAITES — Yes.

Mr BAXTER — Can you give the committee a date for when the white paper will be released?

Mr THWAITES — I cannot, but it is going to be within a week; it will be in the next week.

Mr MERLINO — I refer to the output measures at page 203 of budget paper 3. As part of the water trust money allocated in last year’s budget, the government earmarked a rebate scheme to encourage Victorians to save water, and in your presentation you referred to the 60 000 rebates. Can you outline how the various schemes work, which ones have been better and which have been most impressive, and the results in terms of water savings?

Mr THWAITES — It has been an amazingly successful program, and we have had more people apply than we expected. I think that demonstrates that people right around the state are very keen to save water. In terms of the breakdown, one of the most popular aspects was the rebate for five-star washing machines and dishwashers. For two months in the lead-up to Christmas last year we gave people a rebate on those and that has led to a significant water saving. But it was also about getting the opportunity to use those water-saving appliances into the public mind. We gained an enormous amount of free publicity out of it because all the retailers did full-page advertisements. If you calculated the free advertising in terms of getting people to change their behaviour, it was very worth while. But we are seeing substantial numbers of people now also taking up the rebate for high-pressure hoses for washing cars. I do not have a figure, but I know I was quite surprised by how many people had taken on high-pressure hoses for cleaning their cars. Also, a reasonable number of water tanks, and certainly a lot of people have put on water saving devices around the garden.

The CHAIR — Have you got those figures?

Mr THWAITES — We can provide them.

The CHAIR — If they could be provided it would be helpful in writing up our report.

Mr CLARK — I understand that on 20 November 2002 the Minister for State and Regional Development signed an in-principle agreement for a water reuse scheme for the Eastern Treatment Plant at Carrum to provide 10 000 megalitres of class A water to vegetable growers and recreational users, a project of about \$20 million. Given that time has now passed since that agreement was signed, can you tell the committee how much class A water is being delivered to those consumers under the project, and how much potable water has had to be supplied to those customers since the agreement was signed because class A water has not been available?

Mr THWAITES — I am very pleased to advise the committee that that project is under way. It was only the beginning of the process when the project was signed. The process that the Treasurer signed up to was simply to commence that. After that it had to go through a commercial testing approach, as it obviously needs to, as all major projects like this do. It also has to be built, and that is what is occurring now. This project, which I think will deliver around 5000 megalitres of recycled water, is under way and it is a very positive thing, but I think we have to understand that these recycling projects are not simple — they often involve quite serious environmental issues that have to be met. They also involve cost issues and commercial issues. If you think about it, we are setting up a new product, a new type of water, and the existing water system is one that has been developed over 100 years, and there is quite an understanding of how much it costs to pay and deliver drinking water. But recycled water is a new product, and in terms of a committee like this, which has to carefully examine government finances, it is appropriate to have some level of caution about recycling, because proponents will always say, ‘Let’s do it; let’s do it tomorrow’, and it is a good idea, but you have to get the commercial side right too. The government does not want to go ahead with arrangements or deals that do not meet those criteria as well.

Mr CLARK — When do you expect the project to be operational?

Mr THWAITES — We can check the exact dates.

Ms ROMANES — I note on page 203 of budget paper 3 that there is an expected outcome in water savings in relation to the Snowy River. What progress has been made on the establishment of the Snowy joint government enterprise?

Mr THWAITES — The Snowy joint government enterprise has now been established and the board and the CEO have been appointed and it is now operating. The establishment of the joint government enterprise was significantly delayed because unfortunately the commonwealth government was threatening to tax it, and so it was not set up for many months because it could possibly have been set up in such a way that it would have been subject to taxation. It is now operating. In terms of actual projects, a number of projects have not only commenced, but have been completed. The Woorinen and Normanville pipeline projects have been completed and will deliver up water savings that can go towards the Snowy River.

Mr RICH-PHILLIPS — You may be aware of a report done by the Australian Academy of Technological Sciences and Engineering into water recycling which compared the level of recycling and reuse of water among the states and cities. It found that Melbourne has the lowest level of water reuse of any of the capital cities. I wonder if your department has done any work in researching why Victoria, and Melbourne particularly, lag so far behind the other states in the level of reuse of water, and how that can be addressed? Has the department done any work in that area?

Mr THWAITES — We are certainly putting an enormous amount of work into recycling, and this government wants to turn around the situation that you have talked about and substantially increase the level of recycling to 20 per cent. The biggest problem that we have in a practical sense in recycling in Melbourne is the level of salt in the water, and it means that you cannot simply use the treated water that comes out of the Werribee treatment plant now for recycling without treating that salt. The Eastern Treatment Plant is much less salty and essentially that salt comes largely from industry in the western suburbs. The commercialisation of recycling now is difficult if not problematic because you have to remove the salt. That is probably one of the biggest obstacles that we face.

Mr RICH-PHILLIPS — Does that mean there is a cost differential between what it costs to recycle that water here in Victoria and what other states pay?

Mr THWAITES — I cannot vouch for the costs in other states but I can say it does lead to extra costs in recycling from the Western Treatment Plant by comparison, for example, with the Eastern Treatment Plant. You have to put salt reduction in place. What we are doing is working with industry now to see how we can get the levels of salt going into the trade waste system reduced and we are also undertaking some work on the cost of having a desalination process. Part of the Werribee recycling project which we are undertaking will include a desalination process in order to reduce that salt level.

Mr DONNELLAN — Can you outline the government's position currently on the Wimmera-Mallee pipeline project?

Mr THWAITES — The government is — —

Mr FORWOOD — Just get out what Mr Brumby said in transcript for comparison.

Mr THWAITES — It is one of the biggest issues that certainly Western Victoria faces and it is a huge issue for the state. Currently the Wimmera-Mallee area loses about 100 000 megalitres of water a year through evaporation and leakage. The Wimmera-Mallee pipeline is a visionary project that would save that water and allow it to be used to improve the environment and also to a degree to go back into extra farming industry. The Wimmera-Mallee project would see about 85 000 megalitres go back into the environment. A business case is now going through its final stages — —

Mr WILSON — It is an interim business case.

Mr THWAITES — The interim business case has been completed and the final business case is going through its final stages, as I understand. That is being done with the commonwealth. The state government as you

are well aware has committed \$77 million to this project. We would like to see a similar commitment from the commonwealth government. We wanted to see it in the budget but now we would see it as a key part of the national water initiative. We are saying to the commonwealth government that if we are going to have a truly national water initiative it should not just be for the Murray-Darling Basin — we need to undertake a major project like that in western Victoria as well.

Mr BAXTER — If the business case shows it cannot be built for the figure you based your \$77 million on, will the state government be increasing its allocation accordingly?

Mr THWAITES — The state government will consider its position as we go through that business case. We have not ruled anything out. We will consider our position as we go through that business case analysis.

Mr FORWOOD — The business case at the moment, is that working on the cost per megalitre of \$5000 for each megalitre saved? The point that Minister Brumby made was that if you can buy water on the open market for \$1500, why would you spend \$5000 on saving a megalitre? It gets the issue of how the business case is going.

Mr THWAITES — The business case is looking at the total cost. There have been a range of figures and there was a figure of \$500 million that was splashed around. If you save 100 000 megalitres that works out at \$5000 a megalitre, which is what Mr Brumby was talking about. The business case is also looking at whether there can be efficiencies and savings in the way the pipeline is delivered, but you also need to look at the other benefits of the projects as well. The business case will consider that as well. It is not just buying water or paying for water. There is a major benefit for the whole region in terms of economic development and lifestyle.

Mr FORWOOD — When are we likely to have the result?

Mr THWAITES — It is about September, October I think.

Mr CLARK — Doesn't this show the commonwealth's position is justified in waiting for the results of the feasibility study in the business case before making a decision on funding commitment?

Mr THWAITES — We believe that what is required is a commitment to the project, which we have given — —

Mr CLARK — You have given in principle.

Mr THWAITES — And some clear way forward for the community there to know there is funding allocated and the governments are committed to it. That is what we have called upon the federal government to do.

Mr BAXTER — Minister, a 5 per cent environmental levy on water consumption has been widely canvassed. How much would that raise? Is it a replacement for the catchment management levy which was abolished by your government soon after you came into office?

Mr THWAITES — A range of things have been canvassed. People have come up with all sorts of different figures. The government is considering what is now the appropriate way forward and what the appropriate price of water should be. I said at the time of the release of the green paper that people need to value water, that the price of water needs to reflect its true value, and it also needs to reflect the environmental costs that are associated with using water. That is one of the principles of the national water initiative — that you do that. We need to look at all those issues. In terms of the catchment management levy we are certainly not going to have that. The core problem with that levy is that it was unfair to country Victorians because they were charged a levy which was not charged in the city. They were paying for that levy. We are not considering discriminating against country Victorians in that way. That will not be part of our considerations.

Mr BAXTER — Part of my question was how much would a 5 per cent levy raise?

Mr THWAITES — I cannot tell you exactly. I can get back to you on that.

The CHAIR — A number of times you have made reference to the environmental cost as well as the economic cost. Within government, environmental, economic and social costs are often calculated. Who has lead responsibility,— which department or policy area has lead responsibility, for the economic, environmental and social costing of policies?

Mr THWAITES — Across all government, are you saying?

The CHAIR — You are talking about it in relation to the 5 per cent levy and you have referred to it a number of times. Does that responsibility reside within DSE or is it jointly done through other mechanisms?

Mr THWAITES — The responsibility for costing in terms of water at the moment lies with me, but from next year it will be with the Essential Services Commission. Historically the minister for water has had the responsibility for pricing but from 1 July 2005 the responsibility to weigh up all the things you have talked about — the economic, environmental costs — and approve the pricing moves to the Essential Services Commission.

The CHAIR — It is not so much who actually prices it but who actually does the costings and where within government is that level of vast expertise that would be required be it in water or in other areas.

Mr THWAITES — In terms of water it has been traditionally been the water authorities. They calculate all their costs — infrastructure, environmental works that may be needed, delivery, paying their staff — they then work out a planned expenditure over a period of years and then base their prices on that. A lot of the debate has been what period of years could you include in your expenditure. That was the debate around the Goulburn Murray pricing. There are range of different ways you can do that — how much you have to factor in cost of replacement, for example.

The CHAIR — Luke has touched on a very interesting topic. There is another supplementary question.

Mr FORWOOD — In your answer you talked about arriving at the true value of water. Are you saying that that process you have just outlined leads to the true value of water? If it does not, how do we get to the true value of water.

Mr THWAITES — I think that is a very good question. I do not think there is a precise answer. You cannot precisely calculate it, but it is a matter of working towards that. To be more specific, if you were to take just the cost of extracting the water, building the pipe and delivering it, that may not take account of the true value of water. If, as a result of that you also have to do some revegetation, for example, to make up for the fact that you have pulled out a whole lot of trees, or you may have to provide some level of environmental flows to allow the river to remain healthy, these things have to be factored in also. There are a whole lot of other factors and there is no precise answer. It is more a case of trying to work out what is a fair value, taking all those things into account.

Mr FORWOOD — If you did decide to take additional water out of the Yarra, how would you value that water?

Mr THWAITES — Right, it is like all these market type-questions. I am taking the question as a hypothetical one because we are not proposing to do that, but how do you value water? Water does have a value, and it depends partly on where you are as to what its value is. In Melbourne it has a value inasmuch as the water authorities charge people a certain amount per megalitre or per litre of water which is roughly in the range of \$800 a megalitre. If you are an irrigator, you might be paying as low as \$35 but you might be paying \$100 or \$200, depending on where you are around the state. There is a huge variety in charges just as there is in charges to urban customers. In the northeast for example traditionally people have paid far less for water than they have in other parts of the state.

Mr BAXTER — It rains a lot up there!

Mr THWAITES — One of the reasons — and this is affected by the bushfires — is that they have had a natural treatment process, so they do not have to pay for water treatment. Now as a result of the fires they are having to factor in the fact that they will have to have more human intervention in treating the water and so the price will go up, and I understand it has gone up somewhat.

The CHAIR — Thank you. Mr Baxter asked a very interesting question and we meandered quite a way away.

Ms GREEN — On 29 August last year, COAG agreed to develop a national water initiative which included the provision of \$500 million in funding over five years to address water overallocation in the

Murray-Darling Basin, and this state's agreed contribution is \$115 million with the commonwealth at \$200 million. What funding in the 2004-05 budget is specifically allocated towards the \$115 million?

Mr THWAITES — The budget contained an amount for the water trust and said that part of that funding will go towards the \$115 million, but that \$115 million is over a five-year period and there will be further allocations to that from future budgets.

Ms GREEN — If the other states or the commonwealth do not contribute their share, what would be the Victorian government's action?

Mr THWAITES — We will not pay. We are saying quite clearly that this has to be a national initiative, and this is a pretty big issue because we do not believe it is appropriate for the federal government to spend all of its \$200 million, say, in New South Wales.

Mr FORWOOD — What about South Australia?

Mr THWAITES — No-one is going to spend it in South Australia because the water from the Murray will come from New South Wales and Victoria, substantially. We have put up a plan for the Living Murray, which would see each state contribute money in proportion to the amount it takes out. Currently New South Wales takes half the water out, we take 43 per cent and South Australia takes 7 per cent, so we say Victoria should put 43 per cent back of the 500 gegalitres, and New South Wales 50 per cent. We also say that Victoria should receive 43 per cent of the federal funds; so that is 43 per cent of the \$200 million. We want simple rules so that it is quite clear and transparent, and we do not want to see deals done to help farmers in particular parts of New South Wales, and that would be a concern.

Mr CLARK — A couple of other issues that are current at the moment relate to the process towards the white paper. My question is as to whether there will be a requirement that stock and domestic dams be licensed or registered and a question as to whether timber plantations will be required to have a water entitlement. Can you tell the committee what the government's intentions are on those two matters?

Mr THWAITES — I do not want to pre-empt the white paper, but I am not aware that we have ever suggested that stock and domestic dams would be, I am not sure where that has come from, and in relation —

Mr BAXTER — All hell will break loose if you do!

Mr THWAITES — It has never been a suggestion. It was not a recommendation in the green paper. It is the first I have heard of it.

Mr FORWOOD — So you are ruling it out!

Mr THWAITES — I do not want to pre-empt the paper, but if you were to go away and say somehow we are going to do it, you would be misleading and wrong. Similarly in relation to the timber area, we are not about causing unnecessary problems for the plantations industry, and we will not be doing that.

Mr BAXTER — The Victorian Farmers Federation (VFF) has taken up, with alacrity — and I support them — your offer, for want of a better word, on the sales pool — that 20 per cent might be allocated to the environment in return for certain other safeguards including a more secure title to the remaining 80 per cent and some assistance with infrastructure renewal. Can you tell the committee where that negotiation is at, because it seems to me, properly managed, that this can be a win-win situation both for the environment and getting some infrastructure renewal and having farmers feel that they are making a very fair contribution, but at the same time enhancing their rights as well.

Mr THWAITES — We are finalising all of those approaches now. The farmers in Victoria have been very forward looking and progressive, not just in this case but over a whole range of issues. As a minister I have been incredibly impressed by the approaches they are taking to what is a difficult situation at a time of drought. I have certainly worked well with farmers and other groups in working out the best ways forward in a range of these areas and we are now going through the finalisation of that process.

Mr BAXTER — So the decision on the 80 to 20 formula is a factor of the white paper, is it?

Mr THWAITES — Yes, that is part of the white paper considerations, yes.

The CHAIR — The Auditor-General reported in November 2003. I am not sure if you have a copy of *Report on Public Sector Agencies* of November 2003. At page 211 of that report reference was made to the nine catchment management authorities and particularly in relation to, 'Limited information regarding the performance of authorities against key performance indicators'. The Auditor-General suggested that more needed to be done with those authorities to assess their performance against pre-established performance indicators. Has any progress been made? I know it was only November 2003, but if any progress has been made it would be good to hear about it.

Mr THWAITES — There has been some action on that. There have been ministerial guidelines and specifications for corporate plans prepared for the catchment management authorities, and that does assist in meeting the recommendations of the Auditor-General. In general we are looking at how we can strengthen the capacity of those catchment management authorities. They do a very good job. Going back to the point I raised about farmers, we certainly value the role that farmers have played in catchment management authorities. We think that their involvement is of great benefit in that. What often happens is that farmers who are very practical are often able, once they get on the catchment management authority, to influence their fellow farmers in being good environmental managers as well, so we want to continue that approach.

The CHAIR — Given their expertise performance indicators is probably more terminology that is used within the departments around here and the Auditor-General's office. The advice that is provided from central agencies would I am sure be appreciated. Anything has been prepared and circulated to them would help the committee in writing up its report to highlight that.

Mr FORWOOD — In *Water for the Future*, your policy at the last election, you committed to \$1 billion of construction of water-related infrastructure projects.

Mr THWAITES — Where was that?

Mr FORWOOD — At page 4 *Water for the Future*, under the heading 'Building for tomorrow', states:

... involves upgrades to irrigation systems covering the majority of the 22 000 kilometres of channels and pipes ...

It talks about water savings. I wonder if you can give the committee an update on how much of the billion has been spent, how many of the 22 000 kilometres have been converted or upgraded and how much water we have actually saved?

Mr THWAITES — In terms of the expenditure by the various government water authorities on infrastructure I cannot tell you off the top of my head, but it is very substantial every year. We have started those upgrade programs — things like the Normanville pipeline and the Woorinen one. We are now starting the total channel control infrastructure, and there is a pilot program around Tatura and that has an enormous potential in improving water management.

Unlike the Wimmera-Mallee, in most areas of the Goulburn Murray it will not be financially sensible to pipe the channels. While the losses are significant — around 30 per cent — they are not the 90 per cent that you see in the Wimmera-Mallee. However, there are particular losses of water in the Goulburn Murray that can be relatively inexpensively overcome using this total channel control technology, and that is one of the major ways forward for the future.

Mr CLARK — I gather there is a 20 per cent leakage in pipes in the metropolitan area from dams through to end users. Are you spending any money on that?

Mr THWAITES — Absolutely there is 8 per cent leakage, and we are one of the best in the world. We are in the top three or four countries in the world. London, Rome — those cities have huge leakages of around 20 per cent or 30 per cent.

Mr FORWOOD — Because they were built by the Romans!

The CHAIR — The Irish probably built ours.

Mr THWAITES — Our system is very good. We are leading the world in leak technology. We now have these ultrasound sensors so you can go out and find where the leaks are, and we have reduced leakage by doing that. They are also reducing leakages in certain areas by changing the pressure. Sometimes if you have a higher pressure you have more leakage. In the future there will be more programs to reduce leakage in the system, but we are already up there in world best practice.

Mr MERLINO — In your presentation you talked about the government's financial support for water smart farms. Can you provide the committee with some details about what these water smart farms look like?

Mr THWAITES — These are largely on-farm savings. Basically it is about working with farmers to save water on their farms. There is a whole range of ways that it can be done but probably the most, not sexy but practical, is farm plans. We are supporting farmers do their farm water plans, and the farmers themselves are making considerable savings. A range of technologies is available — computerised technologies that farmers are using. The real thing is to pick the right technology for the right place. For example, flood irrigation might be appropriate in some places whereas a drip technology or a spray would be in others. It depends upon your doing the right farm plan, using the right technique with the right soils. We are seeing significant steps forward. We are also seeing farmers becoming quite innovative in the way they are coming up with and using different ideas. There are even industrial and commercial applications for some of those things, selling that technology around the world.

The CHAIR — By way of supplementary question, who allocates the performance indicators for smart farms? Is that done locally or centrally?

Mr THWAITES — I make the final decision based on recommendations from the department. The catchment management authorities in particular areas are essentially the ones that get the information; it comes in via the catchment management authorities. It is done on a catchment basis, so we make the funding by catchment. Essentially the department assesses the different proposals and then makes recommendations to me, which I decide on.

The CHAIR — I might not have phrased it properly. The key performance indicators or the performance measures to show that the funding has achieved what you want, is that allocated centrally or locally?

Mr THWAITES — That is centrally.

The CHAIR — If we could have some indication of what they are that would be helpful. Ms Green has a supplementary question.

Ms GREEN — Talking about the CMAs administering it has been helpful. Has that been undertaken in the Port Philip catchment as well?

Mr THWAITES — I would have to check. I would have to say it is not the focus, which is more of the programs in the main farming areas.

Mr BAXTER — Just to give an aside to that, you do not get the money up front, you do the work and you get a rebate usually, so there is a check on it.

The CHAIR — That is a nice present.

Mr BAXTER — Minister, as to the farm dams legislation which was passed in the last Parliament and provided some transitional measures for farmers who were putting irrigation dams in the upper catchment to go out and buy a water entitlement where previously they did not need to acquire it: do we have a handle on or are you able to come back to the committee with information about how much money has been expended and how many applications there have been so we can get some understanding of the rate of development in the upper catchment under this new regime?

Mr THWAITES — I would have to come back on that.

Mr BAXTER — If you would, please.

The CHAIR — Thank you very much. That concludes the attendance for the Department of Sustainability and Environment personnel, so thank you very much to one and all for their attendance this afternoon. We will take a short break while the Department of Victorian Communities joins us.

Witnesses withdrew.