

PAEC Inquiry into the 2023-24 Financial and Performance Outcomes - Questions taken on notice

Monday, 18 November 2024

Question 1: (page 21)

Lauren KATHAGE: Thank you, and I have constituents that have used that program, so I know that is really beneficial for the community. For the existing website, how many users have accessed the site across 2023 and 2024? And I am right that the federal government is also using that as a platform for their –

John BRADLEY: I will see if my colleague Katie Brown can find the data for 2024. There are two different websites. The Australian Energy Regulator has a comparator website that is available for non-Victorian households, and that is called Energy Made Easy. Victorian Energy Compare recognises the history of Victoria's retail market where we have got smart meters deployed across the community and it provides a bespoke Victorian service that is delivered by the Victorian government and is then able to be used to leverage things like the power saving bonus program when the government is putting its focus on the power saving bonus program. That is probably one of the reasons why we see Victorian retail energy bills and the Victorian default offer being so much more competitive than other jurisdictions and other member states, but I will just see if my colleague has managed to find the data for 2023–24 usage.

Katie BROWN: Thank you very much, Secretary. I do not have the data for 2023–24. We will take that on notice, but I will say that since October 2015 the website has been visited more than 27 million times, so we do know that it is a service that is used by Victorians.

DEECA response:

The Victorian Energy Compare website was visited more than 3 million times in the financial year of 2023-24.

Question 2: (page 23)

Bev McARTHUR: It has not even been started. Have you continued any discussion about undergrounding around Melton?

Alistair PARKER: Not to my knowledge. I do know that as the EES – AusNet will have to consider undergrounding and provide information on that.

Bev McARTHUR: They were considering it. There was discussion. Do you know where it is at?

Alistair PARKER: I am not right up to date with that as at the minute. I know they were looking –

Bev McARTHUR: Are you able to find out for us, perhaps?

Alistair PARKER: Yes, of course.

DEECA response:

The Western Renewables Link is being delivered by AusNet through the Australian Energy Market Operator as the Victorian Planner. VicGrid has sought a response from AEMO and AusNet, and AusNet has advised:

While the Western Renewables Link (WRL) has been proposed as an overhead transmission line, AusNet have investigated partial undergrounding as part of the Environment Effects Statement (EES) investigations in areas of significant heritage and flora and fauna impacts.

Since then, AusNet has considered alternative routes proposed by landholders and community members, including an option to construct part of the project underground around Darley.

The EES is currently being finalised and will be on Public Exhibition in 2025.

Question 3: (page 25)

Danny O'BRIEN: Okay. Can the QMR research be provided to the committee?

John BRADLEY: I am happy to look to do that, Mr O'Brien; I just do not have the details of the research. But I am happy to take that on notice.

Danny O'BRIEN: If it is not possible to get the research, can I ask whether the questions asked during their research to survey respondents could be provided to the committee?

John BRADLEY: I am happy to take that on notice.

DEECA response:

The Victorian Energy Upgrades program commissioned market research through Quantum Market Research to better understand the program's impact on Victorians and community awareness of energy efficiency opportunities to reduce bills and emissions in their homes. Two separate but complementary surveys were undertaken to this effect.

Survey 1: Understanding awareness of energy efficiency initiatives

1. Online survey
2. 20 minutes in length
3. n=2,000 sample size
4. General population audience
5. Survey coverage will ascertain:
 - Which products within the scheme Victorians are aware of
 - Which products within the scheme Victorians have used
 - How likely they are to replace products within the next 5 years
 - How they think about replacement (like-for-like vs. detailed research)
 - Likelihood to take up products via the VEU program
 - How pricing of products impacts uptake
 - Measure previous participation in the VEU program
6. Those who have previously participated in the scheme will be provided Survey 2

Survey 2: Experiences of VEU program participants

1. Online survey
2. 12 minutes in length
3. Estimated sample size of n=1,000
4. Survey coverage will ascertain:
 - Their overall satisfaction with the scheme, including products and installers
 - Detailed exploration into their most recent experience with the scheme.

Question 4: (page 25)

Danny O'BRIEN: Thank you. Likewise, page 18 of the annual report indicates that the Nous Group was paid \$1.846 million of an \$11.6 million contract for commercial advisory services on offshore wind, but it indicates that future expenditure is zero. What is the discrepancy? Why was there \$11.6 million allocated but only \$1.8 million delivered?

John BRADLEY: Mr O'Brien, if it suits, I will take that on notice to get you the most accurate answer. Certainly, they were involved in the earlier stage of the government's development of the offshore wind strategic framework, and then as we have got into the implementation mode and implementation statements, the activities that are underway at the moment, with the approach to the establishment of Offshore Wind Energy Victoria, have evolved. I expect that is the explanation, but I will get you a proper answer on notice.

DEECA response:

The total approved project fee of \$11.6 million for commercial advisory services – Offshore Wind is correct. The \$1.846 million reported expenditure for 2023–24 reflects only the expenditure for that financial year. The remainder of the expenditure in relation to this NOUS contract was incurred and reported in previous financial years, with the contract concluding in FY 2023–24.

Question 5: (page 26)

Kelly CROSTHWAITE: It relates to the superannuation scheme for FFMVic staff, so it relates to the additional superannuation that they receive. There are two streams within the scheme. If you are deemed to have an operational role, you get the extra super on all of your earnings. If you are in what we call a non-operational role, which is where part of your time is spent on emergency work, you get the additional super on the earnings when you are doing that emergency work. It is quite a complicated scheme. That is where the errors have arrived. It has got nothing to do with core super, just the additional. There have been underpayments and overpayments, and KPMG have been working with us and the partner agencies within FFMVic to make the reconciliation.

Danny O'BRIEN: What was the quantum of the underpayment?

Kelly CROSTHWAITE: There were a range of underpayments and overpayments.

Danny O'BRIEN: Is there a net figure?

Kelly CROSTHWAITE: I will have to take that on notice.

Danny O'BRIEN: Okay. How many staff did it impact as well? Do you have to take that on notice too?

Kelly CROSTHWAITE: Yes.

DEECA response:

An Additional Superannuation entitlement was introduced in the VPS Agreement 2020, the Field Staff Services and Wild Dog Controllers Agreement 2021 and Parks Victoria Enterprise Agreement 2021. This new additional superannuation entitlement was introduced in addition to the superannuation guarantee contribution. It is applied to emergency related earnings recognising the work FFMVic employees undertake in fire suppression and planned burning activities.

As it applies for some employees to all earnings and for others to only deployment-related earnings, the implementation of this new arrangement involved complexity which initially resulted in some underpayment and overpayment of the additional entitlement. The total underpayment amount was \$3.586 million and the 'net figure' in terms of net financial remediation cost to the department was \$2.192 million. 2,157 staff were affected by underpayments and 264 staff affected by overpayments.

These issues did not impact salary or core superannuation guarantee contributions. They were corrected via payments to superannuation accounts in direct consultation with the employee.

Question 6: (pages 26-27)

Danny O'BRIEN: Okay. Mr Jackson, the Parks Victoria annual report shows a \$95 million reduction in government funding last financial year, yet you are about to get another 44,000 hectares of national parks. It would be my contention that we cannot regulate or look after the national parks we have now. How is Parks Victoria going to manage another 44,000 hectares with a \$95 million budget cut –

Bev McARTHUR: And a staff cut.

Danny O'BRIEN: and another hundred staff going?

John BRADLEY: If it suits Mr O'Brien, I might just address that, as it does relate to a change in the structure within the operations between Parks Victoria and the department. The lower than budgeted output cost is due to the reprofiling of the output allocation from Parks Victoria to fire and emergency management, management of public lands and forest outputs to the department.

Danny O'BRIEN: But that does not go close to covering the \$95 million, Secretary, does it?

John BRADLEY: Well, the figure in question for the resources for fire management being transferred from Parks Victoria to DEECA was a material driver of that change in the Parks Victoria expenditure.

Danny O'BRIEN: How much?

John BRADLEY: I am just looking for that figure for you. I am not sure, Carolyn, if you have a better figure for me.

Danny O'BRIEN: Could I ask you to take it on notice what the breakdown of the \$95 million reduction was?

John BRADLEY: We can take it on notice, yes.

DEECA response:

The primary drivers of the change in revenue levels between 2022-23 and 2023-24 were:

- variations in the approved phasing of major works funded by DEECA and DTP and the conclusion of some government grants (\$57.051 million);
- the transfer of assets valued at \$22.818 million received free of charge from the Australian Grand Prix Corporation in 2022-23; and
- the transfer of functions from Parks Victoria to DEECA including as part of changes to firefighting responsibilities (\$18.852 million).

Question 7: (pages 33)

Aiv PUGLIELLI: Thank you. Still on *Biodiversity 2037*, which we were speaking about earlier, funding for environment and biodiversity programs fell from \$169 million in 2022–23 to \$140 million in 2023–24 to \$125 million in 2024–25. I also understand there has been a massive transition in DEECA this year with cuts almost across the board and multiple biodiversity roles merged or cut. Can you provide the committee with a complete set of the staffing levels for biodiversity from 2022 to now?

Carolyn JACKSON: I am happy to take that on notice in terms of the detail. What I can say is that we did go through some structural changes in my group, but the impact on the biodiversity division was pretty minor and there were only four occupied roles that were changed or removed as part of that structural process. The biodiversity division is a couple of hundred people – I do not have the exact figure off the top of my head. It is 200-plus, and there was an impact on four occupied roles.

DEECA response:

Total staffing within DEECA’s Biodiversity Division, including ongoing, fixed term and casual roles decreased from 304 to 276 between 30 June 2022 and 30 June 2024. This was largely due to the conclusion of initiatives such as the Bushfire Biodiversity Recovery program, which was established to support Biodiversity recovery following the 2019-20 bushfires. Of those positions, ongoing tenure increased within the Biodiversity Division between 2022 and 2024 increasing from 201 ongoing roles to 222 ongoing roles. This reflects the division’s commitment to support ongoing staffing opportunities where possible. A workforce transition process was carried out in 2023-24 across the broader Regions, Environment, Climate Action and First Peoples group. This resulted in a net reduction of four occupied positions in the Biodiversity Division. The transition aligned resourcing with functions, ensuring optimal delivery of outcomes within the staffing profile. It has not impacted on environmental outcomes.

Question 8: (pages 33)

Aiv PUGLIELLI: Thank you. How many full-time equivalent roles did the Arthur Rylah Institute have in 2022, and how many does it have now?

Carolyn JACKSON: I would need to take that on notice. But what I will say is the Arthur Rylah Institute forms part of that biodiversity division, so it is part of that reduction of four occupied roles that occurred as a result of the changes in my group. ARI are part of that four.

DEECA response:

On 30 June 2022, DEECA's Arthur Rylah Institute had a full time equivalent (FTE) workforce of 91.25 which included 80 ongoing roles (equating to a 76.65 FTE). As of 30 June 2024, the Arthur Rylah Institute had a full-time equivalent workforce of 89.5 which included 84 ongoing roles (equating to a 77.95 FTE).

The Arthur Rylah Institute (ARI) is mainly funded through a cost recovery business model so that the work that it does is funded by fee for service agreements. The overall effect is that ARI's annual budget is linked to the value of the projects it is currently delivering for a range of clients. This may create fluctuations in total FTE across individual years but the overall result is that ARI maintains its capacity to meet demand for its research services.

Question 9: (pages 34)

Carolyn JACKSON: I will. I will just focus on the Melbourne Strategic Assessment and the Parks and Reserves Trust Account. The Melbourne Strategic Assessment has been established for a particular purpose. That is for the creation of the Western Grassland Reserve, so that funding is for that purpose only. There is a balance in there, but that is in relation to the timing of land acquisition. As we go through the process of land acquisition, we need the funding to purchase the land or in some instances to pay compensation where we are not ready to purchase the land. There has been quite a significant amount of funding that has been spent on the MSA recently. That is for a particular purpose, and we are acquiring the land to create Western Grassland Reserve at the moment.

Aiv PUGLIELLI: Actually, I have a question on this exact thing. How much land has been purchased of the areas allocated under the Western Grassland Reserve?

Carolyn JACKSON: I will need to take that on notice. I do not have the figure to hand off the top of my head.

DEECA response:

To date the Melbourne Strategic Assessment program has acquired 3,854 hectares.

Question 10: (pages 35)

Aiv PUGLIELLI: In the container deposit scheme, do zone operators have KPIs they need to meet around functionality?

John BRADLEY: Sorry. Did you say: do they have requirements for punctuality –

Aiv PUGLIELLI: KPIs to meet regarding functionality.

John BRADLEY: Functionality. I am sorry. I will ask the Deputy Secretary.

Carolyn JACKSON: There are a number of KPIs that are in the contracts that have been established. I am happy to take your particular question on notice, but there are a range of contractual obligations that are required to be met. They include, for example, the number of sites that needed to be operational by 1 August as well as things around access and the hours et cetera.

Aiv PUGLIELLI: Thank you. It would be terrific if those KPIs could be provided to the committee, just for future oversight.

Carolyn JACKSON: We will see what we can provide. There will be some commercial-in-confidence arrangements that we will need to work through, but we will see what we can provide.

DEECA response:

The scheme's performance is demonstrated through the establishment of over 650 refund collection points across Victoria, the introduction of community access and community operating standards for CDS Vic sites, 1 billion containers returned by the public and \$100 million paid in refunds.

While the specific Key Performance Indicators which form part of contracts with Zone Operators are commercial-in-confidence, an annual report for CDS Vic will be published in the coming months that contains information about scheme metrics, including but not limited to scheme finances, environmental and community benefits, and material sales information. Further data will be available each year.

Question 11: (pages 37)

Carolyn JACKSON: Thank you. Thanks for the question. The 2023–24 budget provided \$2.9 million for the delivery of the ResourceSmart Schools program for that 12-month period, and then there has been additional funding since then, and so the program continues to be funded. It has been managed by Sustainability Victoria since 2008, and there have been substantial financial and environmental benefits that have been achieved by the program. They include things like \$68 million in reduced operating costs for schools and over 110,000 tonnes of greenhouse gas emissions that have been avoided. It has diverted 170,000 cubic metres of waste from landfill. It has saved 1.9 million kilolitres of water, and it has planted 5.1 million trees – so quite significant and substantial environmental and financial benefits for the education system. In 2023–24 there were 563 schools active in the program, which has increased from 528 schools in 2022–23, so it is pleasing to see that there is an upward trend in the number of schools that are participating in ResourceSmart Schools. In 2023 there were energy savings of 10 million kilowatt hours and schools decreased waste to landfill by just over 11,000 square metres, and schools saved 191 million litres of water in 2023 alone.

If I can do a quick mention of some schools that have been recognised recently, because ResourceSmart Schools does do an annual awards program which recognises schools of excellence – and it is really well attended; from personal experience attending, the primary and secondary school students really do enjoy attending the event – the 2024 School of the Year was awarded to Chewton Primary School, which is located in the Loddon Mallee region. There is also, if I can, a sustainability –

Mathew HILAKARI: What did they do? What did Chewton Primary School do?

Carolyn JACKSON: I could not tell you off the top of my head. I cannot remember.

Mathew HILAKARI: Take that on notice, please. Somebody will get a media release for us to pull it up.

DEECA response:

Chewton Primary School’s award-nominated Reconciliation Action Plan shows its strong bond with the community. And its Koorie Engagement Officer works with the Nalderun Education Aboriginal Corporation to ensure First Nations perspectives are part of the school program.

In 2023 the school introduced a weekly sustainability class for the entire school and students participate in Connecting to Country workshops, where they learn about biodiversity.

The school cares for its nearby reserve and Forest Creek. Students collaborate with the Landcare and Post Office Hill Action groups on revegetation projects.

Students launched a Dog Poop Protest to educate walkers around Forest Creek about the danger of leaving dog poo near the waterway. This mission was later supported by Parks Victoria. In 2023, 300 people joined the school’s Reconciliation Walk, where this 3 Star school showed its strong environmental leadership.

Question 12: (pages 39)

Mathew HILAKARI: Now, I do not want to steal Mrs McArthur's thunder, but she is, I know, interested in the floating wetlands on the Yarra River. Could you just tell us a little bit more about those? I think I passed them on the train on the way in, and I had always conceived of them as nice versions of litter catchment on the Yarra River, but is there more to it than that?

Kirsten SHELLY: We could probably get some more information, but wetlands are the lungs, I guess, of Melbourne, and they do trap all sorts of sediment, heavy metals and litter and those sorts of things, and these are a type of those.

Mathew HILAKARI: Okay. Wonderful. I will look forward to hearing more about those

DEECA response:

The floating wetlands trial in the lower reaches of the Yarra is being led by City of Melbourne and is funded by the Victorian Government as a priority project for *Burndap Birrarung burndap umarkoo*, the Yarra Strategic Plan. The floating wetlands are installed at three locations, Victoria Harbour, Yarra's Edge and the Turning Basin adjacent to Enterprize Park. Final plant choices were made with input from Wurundjeri Narrap team.

The Victorian Government provided \$700,000 from the 2020-21 Iconic Urban Waterways budget to fund this project. Due to its demonstrated success, a further \$150,000 was provided from the 2023-24 budget to extend the trial and maintenance of the wetlands until mid-2026. City of Melbourne continue to lead the project and are providing additional in-kind activities including community engagement and data collection to understand the social benefits of the wetlands.

This project is reintroducing biodiversity to the city through planting wetland vegetation on floating beds. The trial is providing knowledge on the plant and animal species that these wetlands can support and will inform future opportunities to improve the health of the river and experience of our city landscapes.

These artificial wetlands serve as a sustainable solution for enhancing water quality, reducing pollution, and fostering biodiversity in the heart of the Melbourne.

Positive benefits for wildlife have been identified, with swans nesting at all three locations during the last breeding season, and hatchlings sighted again this breeding season. The wetlands are also attracting a great deal of community and visitor interest, helping to improve the amenity along the inner-city reach of the Birrarung, and creating opportunities for residents to interact with nature in a highly urbanised environment.

The shape of the wetlands are actually designed to accommodate the water dynamics of the river flow and allow any debris to flow around the wetland so this is not caught in ways that could present a hazard to wildlife. Regular maintenance checks of the wetlands, which have been in the waterways for almost 24 months, demonstrate that the wetlands are successful in preventing any accumulation of litter and there has been minimal rubbish requiring removal from the islands. However, litter is collected from existing litter traps managed by Parks Victoria upstream of where the wetlands have been located.

An evaluation of the project will commence in late 2025, and will draw on environmental monitoring, operational aspects and community feedback collected over the past three years. The findings will inform future management and opportunities for investment in this innovative approach to bring back nature to city reaches of the Birrarung.