

Public Accounts and Estimates Committee

Inquiry into the 2020-21 Budget Estimates



The Hon Lily D'Ambrosio MP
Minister for Energy,
Environment and Climate Change



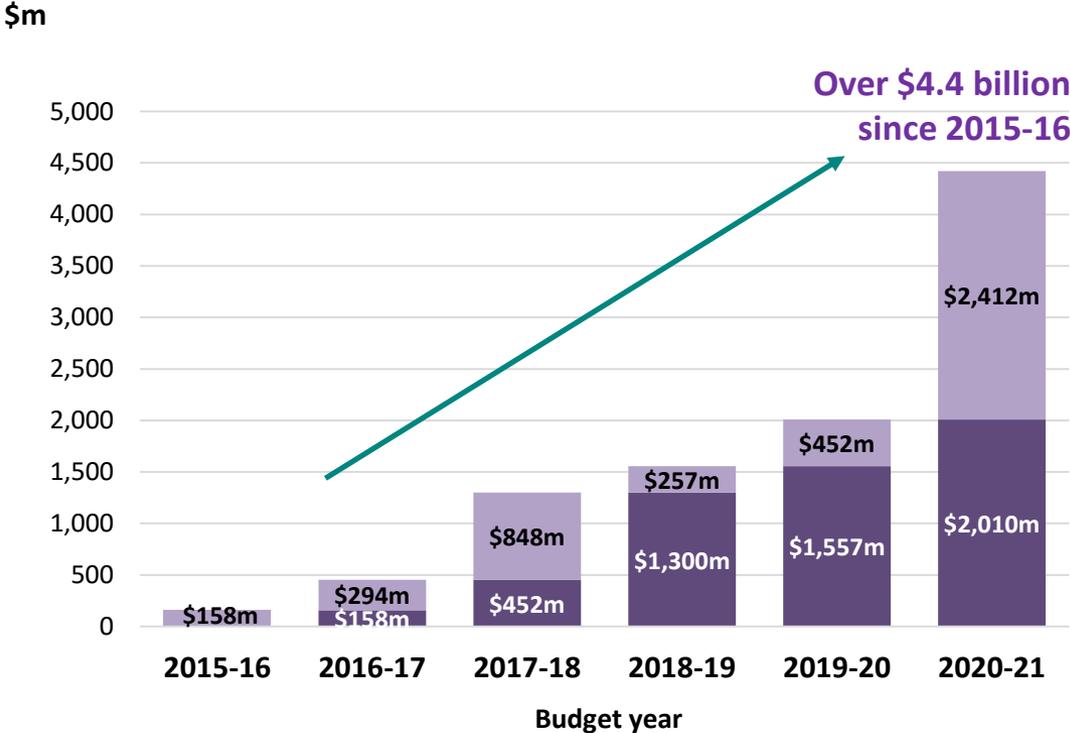
Environment,
Land, Water
and Planning

Investment in Energy, Environment and Climate Change

The 2020-21 Budget has delivered unprecedented investment, with over **\$2.4 billion** in new funding approved.

This more than doubles the already significant **\$2 billion** invested since the **2015-16 Budget**.

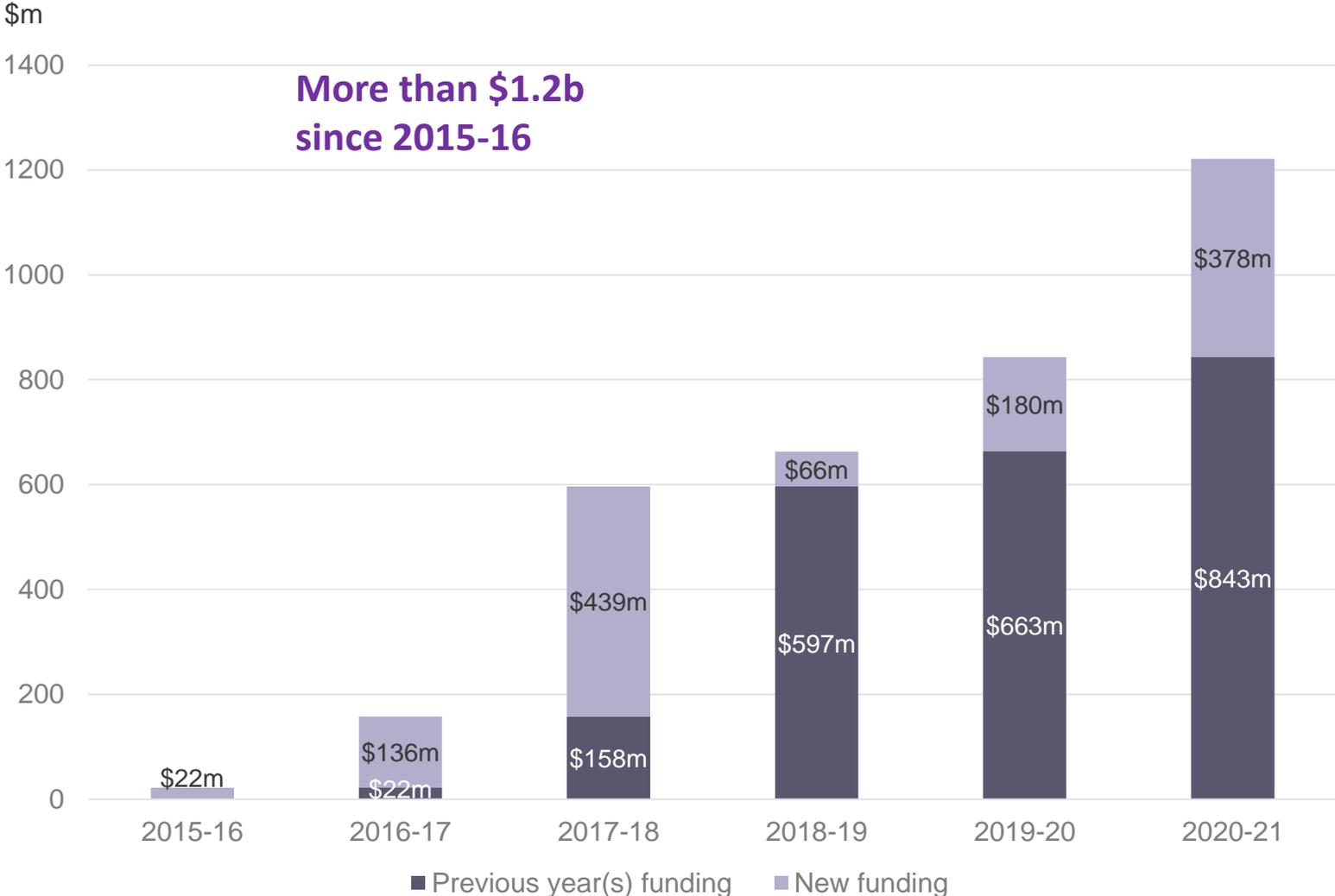
Cumulative Investment in the Energy, Environment and Climate Change portfolio



■ Prior year(s) funding approved
■ New funding approved

* Energy new investment only included from 2017-18 budget.

Cumulative investment from the Sustainability Fund



2020-21 Budget Highlights

\$310.6 million to
manage public
land and the
environment

\$101.8 million for
fire and
emergency
management

\$398.2 million to
manage waste
and recycling

\$141.6 million for
environment
protection and
climate change

\$1.6 billion to
improve energy
services and
support
renewable energy

\$310.6 million to manage public land and the environment

Includes:

- **\$83.8 million** to transform **Werribee Open Range Zoo** into Australia's leading open-range zoo.
- **\$52.4 million** for **Parks Victoria** to deliver the **Safer, better public parks** initiative to upgrade sites around the state
- **\$47.9 million** to deliver **core environmental programs and to support the implementation of Traditional Owner Settlement Agreements**. This includes community action to protect Victorian plants and animals, improve the management of Port Philip Bay and support the vital work of Landcare.
- **\$29.0 million** will continue the critical work of the **Bushfire Biodiversity Response** and Recovery program. This builds on the \$17.5 million in immediate Biodiversity Bushfire Response funding provided during the fires earlier this year.
- **\$18.2 million** over four years and \$4.4 million ongoing to plan and undertake **deer control** in priority locations across Victoria.



Manage public land and the environment continued

- **\$21.7 million** funding over two years for **Great Ocean Road Management Reforms** and Coastal Trail.
- **\$15.8 million** funding in 2021-22 for **Safeguarding marine and coastal environments**
- **\$10.5 million** funding for **immediate support for Victoria's wildlife and biodiversity**
- **\$10.1 million** funding over four years for **Yellingbo Conservation Area** to improve water quality, protect critically endangered species, boost tourism opportunities and implement the Yellingbo Conservation Area 10 Year Plan.
- **\$9.2 million** to continue the **Kids Free Zoos Victoria** program
- **\$6.7 million** to **Improve Gippsland Tourism** by upgrading the visitor access to and facilities around Mallacoota Inlet and access to the Point Hicks Lighthouse.
- **\$6.0 million** funding over four years for **Wild Dog Program** within the Maintaining Protection for Regional Economies and the Environment initiative.



\$101.8 million for fire and emergency management

Includes:

- **\$45.9 million funding for Advanced Bushfire Management** for the management of bushfire risk across public and private land.
- **\$35.8 million** funding to create **strategic fuel breaks** and upgrade **1,447 kilometres of fuel breaks** across Victoria, targeting the highest priority fire risk areas.
- **\$20.0 million** funding for **fencing upgrades to help landholders recover from fire**. This will support farmers and help landholders in bushfire-affected communities repair, replace or upgrade damaged or destroyed boundary fencing adjoining public land.



Management of bushfires – fuel management

Forest Fire Management Victoria is responsible for 8 million hectares of public land.

- Fuel management delivery in 2019-20 treated 55,034 hectares. This included 257 planned burns covering 37,399 hectares, and a further 17,635 hectares treated mechanically.
- Coming into the 2020-21 fire season the level of residual risk was 64 per cent. This is below the state-wide target of 70 per cent.
- In 2020-21, 500 burns are planned plus 19,000 hectares of mechanical fuel treatment. These burns will be targeted to reduce the risk of bushfire, maintaining it below the state-wide target of 70 per cent.
- Forest Fire Management Victoria works with the Asthma Foundation, Department of Health and Human Services and the Environment Protection Authority to ensure the community is well informed about smoke impacts from planning burning and the steps that individuals and households can take to reduce those impacts, particularly on vulnerable people.



\$398.2 million to manage waste and recycling

Includes:

- **\$321.7 million** to implement the 10-year **Recycling Victoria action plan** to transform Victoria's recycling sector and develop a circular economy.
- **\$40.9 million** to **fast track regional recycling facilities** as we transform Victoria's resource recovery and transfer station network, provide ongoing regional jobs and attract new reprocessing and manufacturing to regional areas.
- **\$35.6 million** to tackle **hazardous waste and high risk sites** to ensure plans and policies are in place to manage hazardous waste, and to successfully implement new environmental laws.



\$141.6 million for environment protection and climate change

Includes:

- **\$92.3 million** to create jobs and attract investment in **carbon sequestration on private and public land** by incentivising the restoration of native vegetation and carbon plantings over 16 years through Government grants
- **\$18.5 million** to **strengthen EPA's regulatory functions** and ensure it can continue to protect Victoria's environment from pollution and waste
- **\$20.8 million** to deliver **Climate Change Community Action**
- **\$10.0 million** to facilitate **innovative and cost-effective remediation solutions and technologies**. Grants will be available to co-fund research and development and field trials to better support Victoria's major projects and developments.



\$1.6 billion to improve energy services and support renewable energy

Includes:

- **\$797 million** to help more Victorians slash their bills and reduce emissions, the **biggest household energy efficiency package** in any state's history (including supporting 250,000 homes to fit efficient reverse cycle air conditioners and 35,000 social homes upgraded)
- **\$540 million** to establish **six Renewable Energy Zones**
- **\$108 million** to prepare Victoria for innovative and transformational **renewable energy and hydrogen projects**
- **\$12.6 million** to bring online at least **600 megawatts of new, clean energy** through a second Victorian Renewable Energy Target auction



Energy

Victorian Renewable Energy Target (VRET)

- 25 per cent by 2020
- 40 per cent by 2025
- 50 per cent by 2030

Renewable energy construction

- Since 2014, 2,503 MW of new renewable energy capacity from 33 different projects have been commissioned or are undergoing commissioning, generating clean electricity for Victoria's grid.
- In addition, 11 renewable energy projects totalling 1,744 MW are currently under construction

VRET 2017 Auction

- Six successful projects totalling 928 MW, generating \$1.1 billion in investment and creating more than 900 construction jobs
- Three wind (all under construction), three solar (one under construction)

VRET 2 Auction 2021

- A second renewable energy auction to bring online at least 600 megawatts of renewable energy, address government load for schools, trains and hospitals, and contribute to achieving the target of 40 per cent renewable energy generation by 2025

Energy (cont'd)

Victoria to New South Wales Interconnector (VNI) West Project

- VNI West will deliver an extra 1,800 megawatts of capacity during peak demand periods, help lower prices and allow Victoria to export 1,930 megawatts to NSW. The project will help maintain system security and reliability, while also allowing more renewable energy to be connected to the grid.

We have also delivered on our commitments

- The Victorian Government legislated an increased Victorian Renewable Energy Target (VRET) of 50 per cent by 2030.
- The Victorian Default Offer, a regulated fair price for electricity to replace costly standing offers, came into effect from 1 July 2019.
- The Utility Hardship Support Package was introduced, a \$3.7 million package of energy hardship provisions to help Victorian households manage their energy bills.
- Round five of the New Energy Jobs Fund was launched, with over \$1 million in grants for regional community led and implementation ready renewable energy projects.
- An expert panel was established in March 2020 to advise on the implementation of a ban on electricity embedded networks in residential apartment buildings.

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