

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2024–25 Budget Estimates**

Melbourne – Thursday 23 May 2024

### **MEMBERS**

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Aiv Puglielli

Meng Heang Tak



**WITNESSES**

Harriet Shing MLC, Minister for Water; and

John Bradley, Secretary,

Kirsten Shelly, Deputy Secretary, Water and Catchments,

Andrew Fennessy, Executive Director, Statewide Infrastructure and Rural Strategy,

Melinda Knapp, Executive Director, Catchments, Waterways, Cities and Towns,

Jesse Rose, Executive Director, Water Resources Strategy, and

Deb Brown, Executive Director, Partnerships and Sector Performance, Department of Energy, Environment and Climate Action.

**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 2024–25 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 today is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

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

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

I welcome the Minister for Water the Honourable Harriet Shing as well as officials from DEECA. Minister, I am going to invite you to make an opening statement of no more than 5 minutes, and this will be followed by questions from the committee.

**Harriet SHING:** Thank you, Chair and committee members. It is a wonderful opportunity to join you this afternoon to talk about the budget as it relates to the water portfolio. I do want to begin by acknowledging the traditional owners of the lands upon which we gather today, the Wurundjeri people of the Kulin nation, and I pay my respects to their elders past and present. I also want to acknowledge any and all Aboriginal and Torres Strait Islander leaders and emerging leaders who are part of this particular hearing. Part of the work of the budget development in the water portfolio is the work across DEECA and indeed the substantive policy engagement around return of water to traditional owners across the state.

**Visual presentation.**

**Harriet SHING:** The 2024–25 budget includes \$691 million of new funding for the water portfolio over the forward estimates. This has approved the establishment of a sixth tranche of the environmental contribution – I will refer to that as EC from now on – from 1 July this year until 30 June 2028. This is the most important tool for sustainable water management in Victoria. It will collect \$705 million over four years. It will maintain the same revenue settings as all previous EC tranches, so 5 per cent of urban and 2 per cent of rural water corporations' revenue, and around 98 per cent of EC6 revenue has been allocated to investments over the next four years through the 2024–25 budget, so that is about \$690.6 million.

This will enable us to deliver on a range of initiatives, which are outlined on the slide there. They include the *Central and Gippsland Region Sustainable Water Strategy* – so that is basically the blueprint for addressing need over time; *Water Is Life*, which will support traditional owner access to water and water management and decision-making; and the *Water Cycle Climate Change Adaptation Action Plan 2022–2026*, and that will cut

water sector emissions and boost climate resilience. And the budget is geared toward making sure we can continue with a lot of the really important work around addressing the challenges and the opportunities, including in innovation, circular economy work and facing the challenges of population growth and climate volatility.

Next slide, please. The \$690.6 million in the budget for the water portfolio is disaggregated on the screen in a number of ways, around continuing to protect and restore waterways and catchments and then safeguarding and improving access to water. We do want to make sure that we can continue to undertake more than 5000 hectares of vegetation work and deliver 90 environmental watering actions at planned sites across the state; improve the health and resilience of waterways; support jobs across the regions; make sure we are investing in waterway and catchment health and environmental water; safeguarding and improving access for current and future generations through water-sharing arrangements; data collection, because an evidence-based approach to policy is always the best way to proceed; and analysis.

Next slide, please. We have also got \$95.7 million around water efficiency improvements for urban communities. We want to make sure that households are able to save water and save money through behavioural change in the way in which we go about using water and conserving water as well, and we also want to make sure we are delivering sustainable irrigation through the Waterwise and Resilient Rural Communities programs; \$41.2 million for the support of *Water Is Life*, that traditional owner access to water road map; and \$37.5 million alongside the funding from the emergency services portfolio to reduce the impacts of flooding through implementation of regional flood management strategies, investment in localised flood studies and flood warning systems.

Next slide, please. Coordinated water planning for Victoria, helping the water sector to increase water cycle resilience and targeted improvement in environmental water infrastructure in the Murray Darling flood plains. In addition to that, I am really delighted to confirm that the recent federal budget has included additional funding for projects through the National Water Grid Fund, including \$46.4 million in capital investment contributions towards the \$113.2 million Western Port irrigation scheme being delivered by South East Water, \$1.11 million for a detailed business case for the Mitchell system water security project with East Gippsland Water and \$750,000 for the Wangaratta water security and supply strategy.

**The CHAIR:** Thank you very much, Minister. We will go straight to Mr O'Brien.

**Danny O'BRIEN:** Thank you, Chair, and good afternoon, Minister. Minister, as you mentioned there, page 3 of budget paper 3 allocates \$41.2 million to *Water Is Life: Traditional Owner Access to Water Roadmap*. How much of that funding will be used to buy water for traditional owners?

**Harriet SHING:** None.

**Danny O'BRIEN:** What is the \$41 million for then?

**Harriet SHING:** I can take you through that, Mr O'Brien. I am not sure if you have read *Water Is Life*, but it is about that road map to deliver projects, programs and resources across metropolitan and regional Victoria. When we released that in September 2022, it was the completion of many, many years of work. It took 19-odd meetings to be able to get to the point where we could have a framework for discussion –

**Danny O'BRIEN:** I appreciate the background, Minister. I am after –

**Harriet SHING:** and this will continue the Aboriginal water program, which has grown significantly since 2016. It has dedicated funding for over 20 Aboriginal water officer positions, and it will enable us to continue that work for implementation of *Water Is Life*. It will renew dedicated funding for those organisations to deliver water officers and traditional owner led projects, so that is \$21.2 million, and invest in traditional owner participation in *Water Is Life* pilot and research projects. It will cover any fees and charges of water returned during this period, as distinct from the buying and the purchasing of water, and we can get to that in terms of any conversation you might want to have about the Commonwealth's \$100 million fund.

**Danny O'BRIEN:** So what do you mean –

**Harriet SHING:** I will just keep going with the \$40 million – enabling the traditional owner oversight of *Water Is Life* implementation, facilitation of the Aboriginal water officer network and coordination of *Water Is Life* policies, actions and reform. This is again something that builds on the \$39 million in the previous budget.

**Danny O'BRIEN:** What do you mean by any water that is returned to traditional owners?

**Harriet SHING:** When we return water, Mr O'Brien, it is done through a variety of different means. What we have done in returning water to traditional owners – and you would be aware of the areas within which that has occurred, so the Mitchell and the work around the connections project, Gunditj Mirring and the 2 gig down in the west, the work we are doing on the Tambo, Buchan and the ongoing discussions around how we increase the 0.2 of 1 per cent of water currently held by traditional owners. This is about making sure that when that occurs through savings and through efficiencies, such as those delivered in the connections project, we can allocate part of that or all of that in certain circumstances to traditional owners and that any fees and charges are not borne by anyone in the licence system, that the fees and charges that might otherwise flow are met by government.

**Danny O'BRIEN:** Can I ask: can they trade that water, the traditional owners?

**Harriet SHING:** This is not water that is irrigated water for the purpose of a licensed arrangement. That licence system is fully allocated.

**Danny O'BRIEN:** So it is not within bulk entitlements?

**Harriet SHING:** No.

**Danny O'BRIEN:** It is outside that altogether?

**Harriet SHING:** Yes.

**Danny O'BRIEN:** And how is it, in the case of the Mitchell, for example, is –

**Harriet SHING:** This is for environmental purposes, so when you have water that is deployed through an aquifer, it is then held for the purpose of –

**Danny O'BRIEN:** So it is not tradeable? This money will partly go to any fees and charges that go to that, but it is not irrigation water?

**Harriet SHING:** It is not irrigation water, but the same rules and systems apply as if it was held by farmers.

**Danny O'BRIEN:** Well, that would suggest then that it is tradeable if it is in the tradeable location.

**Harriet SHING:** Again – and this is where the intersection with the \$100 million –

**Danny O'BRIEN:** The Mitchell is a good example – they have got 2000 megalitres there, I think.

**Harriet SHING:** This is where again we come up against the Commonwealth space in entering the water market for the purpose of purchase.

**Danny O'BRIEN:** The Mitchell does not involve the Commonwealth at all, for example.

**Harriet SHING:** No, no, but the \$100 million allocated through the restoring our rivers Bill does.

**Danny O'BRIEN:** Yes. I am just seeking clarity though on the question of: can they trade that water?

**Harriet SHING:** They are not irrigators, but they can trade that water.

**Danny O'BRIEN:** To irrigators?

**Harriet SHING:** They can trade the water, but they are not irrigators. That water is returned to them as traditional owners under the framework of efficiencies that are delivered through *Water Is Life*.

**Danny O'BRIEN:** The people that they will likely want to sell it to or who would like to buy it would be irrigators. Can that –

**Harriet SHING:** Well, I think we are in a sellers market at the moment, aren't we, Mr O'Brien?

**Danny O'BRIEN:** That is not answering the question, Minister.

**Harriet SHING:** Well, it is answering the question. It is tradeable.

**Danny O'BRIEN:** Okay. Righto. Does this funding meet the criteria under clause 194 of the *Water Industry Act*, which says that environmental contribution levies must be used to:

- (a) promote the sustainable management of water; or
- (b) address adverse water-related environmental impacts.

**Harriet SHING:** When you look at the *Water Act*, Mr O'Brien, it also contains a number of refinements around the way in which traditional owner considerations are required and indeed part of –

**Danny O'BRIEN:** This is about the use of the environmental contributions levy.

**Harriet SHING:** Yes, but against the *Water Act*, so you go back to first principles in the way in which the *Water Act* is drafted, and you look at how that sits alongside a range of other instruments that regulate the way in which water is addressed and delivered and made available.

**Danny O'BRIEN:** I just want to know whether the use of the environmental contribution levy for this purpose is consistent with that section of the Act.

**Harriet SHING:** Yes, so it is, but I also want to make it clear, and I am not sure whether you saw the pretty lengthy appearance that I had at Yoorrook – I think it may have been a new record – but one of the discussions that we did have was the very clear intersection between the nature of environmental water and the aspirations that traditional owners hold for the use of water that goes beyond traditional and ceremonial purposes.

**Danny O'BRIEN:** Okay. Thank you. Minister, last year water corporations were forced to pay \$209.8 million in capital repatriation payments to the government. How much are they being asked to pay in this year's budget?

**Harriet SHING:** I can give that to you. In 2023 –

**Danny O'BRIEN:** 2024–25 is what I am after.

**Harriet SHING:** Yes. So we do not yet have the figure for 2024–25, do we? No.

**Deb BROWN:** The budget makes a general recommendation for capital repat being permitted, but the Treasurer is yet to make that determination for water.

**Danny O'BRIEN:** So we do not know?

**Harriet SHING:** We do not have that, so I am happy to communicate that you would like that figure to the Treasurer, if you like.

**Danny O'BRIEN:** If you could. Could you tell me what the debt level of each of the water authorities in the state is at the moment? Given my short amount of time, would you be happy to take that on notice?

**Harriet SHING:** I can probably take that a notice, but what I would want to say is that debt is actually a really important part of enabling water corporations to finance investment –

**Danny O'BRIEN:** I understand that.

**Harriet SHING:** without them passing on increasing costs to end users. So the Essential Services Commission process on price setting is something that has kept our water bills the lowest in Australia.

**The CHAIR:** Thank you. Mr Galea.

**Michael GALEA:** Thank you, Chair. Thank you again for joining us, Minister, Secretary and officials. Minister, I would also like to ask you about environmental contributions. I note in your presentation you discussed the EC6 investment plan. Can you please outline the purpose of these environmental contributions and what it will mean for the four-year budget?

**Harriet SHING:** What we know is that delivery of the EC and the way that this is rolled out is the most important funding tool for sustainable water management across the state. So it has been collected for about two decades, and it has been established under the *Water Industry Act 1994*. It is collected for the revenue of water corporations, and it ensures that the cost of remediating or offsetting the impacts of water use are recovered from water users and benefits all Victorians. The *Water Industry Act* is very, very clear that EC is collected for the purpose of funding, as Mr O'Brien referred to, initiatives that seek to promote the sustainable management of water or address adverse water-related environmental impacts.

**Danny O'Brien** interjected.

**Harriet SHING:** I just said 'as Mr O'Brien has just said'. I mean, it is –

**Danny O'BRIEN:** I am glad to be of help.

**Harriet SHING:** I am glad that you are listening, Mr O'Brien. It makes a nice change perhaps from the last hearing. This provides a degree of certainty across each of the four years and gives us an opportunity for some really strong forward planning of budget activities. Obviously we have a number of challenges around water – the reach of the grid, the discussions around the availability of water, the excess amounts of water in various parts of the system and indeed the fact that, statistically speaking, in light of climate volatility and those dramatically changing weather patterns that make modelling ever more difficult we need to manage everything from storage through to consumption.

So there is a lot we are doing in that space. The health of our waterways is also really important. We want to make sure that our riparian environments are actually invested in, not just for recreational purposes, not just for habitat and conservation purposes but also for community and for livability. When we talk to the increase in population across the state – we are looking at a population of around 10.1 million people by 2050 in Melbourne – we do know that making sure that we have those open green spaces is as much about reducing the impact of heat islands as it is about making sure that community and livability are delivered, particularly in newer and growth areas of the state.

**Michael GALEA:** Thank you, Minister. Just looking at the current EC6, compared to the previous tranches, where EC4 was \$537.1 million and EC5 was \$693.9 million, now increases up to \$705 million in the current set of environmental contributions. I note that the increase is smaller than previously. Why is that the case?

**Harriet SHING:** There has been no change to the revenue settings. It is really important to note that for the collection of EC it is 5 per cent from metro water corps and 2 per cent from regional water corporations, and that is the same as it has been for all previous tranches of the environmental contribution. It means that the contribution that the EC makes to water bills under EC6 will be really similar to that which applied under EC5. It will in fact likely reduce over the tranche and be less than 5 per cent of a typical customer bill as an increasing customer base actually spreads that revenue contribution over more customers.

When we think about this in light of the challenges around cost of living, this is a significant point to make because the \$95.7 million water efficiency and diverse water supplies for water security and resilience and livability stream include over \$20 million for the water efficiency program. This program ensures that we have those hardship rebates in place for households and those rebates also help to reduce leaks and improve water efficiencies. Again across the sector there are so many organisations and communities doing a power of good to reduce the volume of water that is being used, to innovate, including the use of technology and electronic metering, the use of apps to determine and detect leaks, the work to make sure that, right through to our littlest learners in kinder and in primary school, we have got water detective programs that are able to save billions of litres of water and to make sure that we are working that into everything from the design of our housing estates, the collection of greywater and stormwater and the work to make sure that water literacy is ever more part of the way in which people make decisions. It is also then going to lead to a bottom-line cost in terms of the bills that they receive at the end of a billing period.

**Michael GALEA:** Thanks, Minister. So to be clear then: there has been no change to the rate of the environmental contribution?

**Harriet SHING:** No, no change to the revenue settings.

**Michael GALEA:** Thank you. Has there been any evaluation work that you have done on EC5 which has informed what investments you are making into EC6?

**Harriet SHING:** Yes. There has been an evaluation of the fifth tranche, and that will be publicly available at the conclusion of the tranche. The evaluation report for the first three years of the suite of EC5 investments found that they were appropriate and well-aligned to the legislative objectives of the environmental contribution, again to the question asked by Mr O'Brien before, and attributed this largely to two key factors: firstly, strong governance arrangements for the selection and performance monitoring of EC investments; and secondly, clear policy direction through *Water for Victoria* and the development of the *Central and Gippsland Region Sustainable Water Strategy* – the SWS as it is known to people in the sector – and *Water Is Life*.

**Danny O'BRIEN:** It is that water literacy you are talking about.

**Harriet SHING:** It is a very big glossary in this particular portfolio, and we love it. The government is also committed to being really appropriate and transparent. We know that from the metering and compliance systems that we have in place we are leading the nation in that regard, and we are determined to make sure that that work continues.

**Michael GALEA:** Thank you, Minister. What was the acronym for the Central and Gippsland Regional –

**Harriet SHING:** It is the SWS.

**Michael GALEA:** SWS. Good to know.

**Danny O'BRIEN:** But to be clear, there is not just a Central and Gippsland SWS. There are SWSs all over the place.

**Harriet SHING:** There are SWSs all over the place. What is the collective noun for a SWS, I wonder.

**Michael GALEA:** A deluge of SWSs.

**Harriet SHING:** A deluge of SWSs. There you go.

**Michael GALEA:** Thank you, Minister.

**Harriet SHING:** Yes, but we are very proud of the work involved in developing the sustainable water strategies. They are an important framework by which long-term decisions are taken.

**Michael GALEA:** Absolutely. Thank you.

**The CHAIR:** Thank you, Minister. We will go back to Mr O'Brien.

**Danny O'BRIEN:** Thank you, Chair. Minister, have you received any advice as to the impact of the Commonwealth's water buybacks out of zone 7 and the subsequent availability of irrigation water downstream of the choke?

**Harriet SHING:** Sorry, can we hand that to Mr Fennessy?

**Danny O'BRIEN:** Sure.

**Andrew FENNESSY:** Mr O'Brien, what we have looked at here as well, as you will be aware, are the socio-economic impacts associated with buybacks. That is the main work that we have actually done. The work that we have done has not looked particularly at zone 7, but we have looked at that across the work that we have done specifically. When I say 'specifically' – when we have looked at that across all of our work on the socio-economic impacts within that frontier work.



**Danny O'BRIEN:** I guess probably the point I am getting to, Minister, is that the Victorian Water Register released an independent report from consulting firm Aither in March last year which outlined the existing concerns about shortages of irrigation water in the lower Murray. Have you given a copy of that report to your good mate Minister Plibersek?

**Harriet SHING:** Mr O'Brien, Minister Plibersek is obviously given a range of resources in acquitting her obligations as the Commonwealth water minister. I just want to say it has actually been really, really important to collaborate with the Commonwealth government, and to have that level of engagement in such a positive way has been enormously important to Victoria's advocacy around achieving better outcomes. Again, Victoria did not sign up, for example, to the agreement which was put by the Commonwealth last year. Notwithstanding that, Minister Plibersek has agreed to fund some really important projects. So again, Minister Plibersek is an outstanding minister. She is doing an outstanding job.

**Danny O'BRIEN:** Yes, sure. The point I guess I am getting at – and have you expressed it to the minister – is that if she starts to buy water out of zone 7 from Barmah Choke to the South Australian border, there are already shortages of water down there for horticulture, and what are you doing about it?

**Harriet SHING:** I might just take you, Mr O'Brien and members of the committee, to the work involved in developing the prospectus, which Victoria developed and which was informed by incredibly detailed engagement with communities, including downstream of the Narrows, and what that looks like as far as the return of water as we continue our work – our nation-leading work – to return environment water into the system. To be really clear, I am determined to make sure that when we negotiate with the Commonwealth we have the impact and the socio-economic outcomes front of mind in the discussions we have with the Commonwealth.

**Danny O'BRIEN:** One of the issues there, though, Minister, sorry, is when you say you negotiate with the Commonwealth, you really do not have a leg to stand on, do you? They can come in and buy water from so-called willing sellers. Have you considered any way of stopping them doing so to stop those socio-economic effects?

**Harriet SHING:** That is not quite correct, Mr O'Brien, because, as you would be aware, the restoring our rivers Bill, which was debated and passed with amendments last year, incorporated a number of amendments that required consideration of the impact of buybacks, which is part of the genesis for the work in developing the prospectus.

**Danny O'BRIEN:** We saw that with the up-water, though, too.

**Harriet SHING:** Well, again, I am really determined to see that when we deliver on our commitments – we did not have any Bridging the Gap targets and impact like other states did, which was announced on the day of the ministerial council at the start of last year, because we had done more than any other state. So our track record does speak for itself. The prospectus does set a framework for determining how we might deliver water with the least number of adverse socio-economic impacts but also how we can innovate to deliver projects that do not contain negative socio-economic impact as part of that knock-on effect.

**Danny O'BRIEN:** Are you confident that your federal colleague shares and understands the need for that socio-economic consideration?

**Harriet SHING:** Like I said, Minister Plibersek is doing a really outstanding job, particularly when it comes down to bringing water from the northern part of the basin. We know that it is the Darling, Baaka, areas that are the areas that are most representative of a river system that might in parts be in terminal decline. We cannot send that water up north, but what we can do with our higher reliability of water here in Victoria is make sure that when and as water is returned to the environment as part of our ongoing commitment, including through the VMFRP, and the effective benefit of around 70 gig of water, is that we are undertaking projects that minimise or otherwise remove negative socio-economic impact, and that is well understood. Everybody agrees that buybacks cause harm; we differ on the extent to which buybacks cause harm. But here in Victoria, as you well know, there is lived experience of what the recovery of that 550 gig has meant in terms of job and in terms of productivity, and I am really keen to work with my federal colleague, who is, as I said, a really important part of the success of the plan from here.

**Danny O'BRIEN:** Can I go to that issue of delivering through environmental watering infrastructure. You have mentioned the \$9.7 million for environmental watering infrastructure in the Murray–Darling. Can you provide details of what projects that will fund and how much water each project is anticipated to save?

**Harriet SHING:** I can.

**Danny O'BRIEN:** Also, will it be overseen by DEECA or CMAs or a combination of both?

**Harriet SHING:** Yes. The \$9.7 million over one year will target those improved environmental watering infrastructure works across three projects: the VMFRP, constraints and the Living Murray program. This is about making sure we can get that water back into the environment, and when we are talking about delivering on our objectives under the plan, it will take us to around 95 per cent of the objectives of the 1075 gigalitres in delivering on the shortfall – that 605 – and then beyond that it will reduce the impact of buying water, not just for Victoria but also for the southern part of the basin.

**Danny O'BRIEN:** Sorry, you said three things. The last one I picked up was Living Murray. That is not a project in itself. What are the actual projects that you are looking at funding?

**Harriet SHING:** Living Murray is a joint initiative with the Commonwealth and the governments of New South Wales, Victoria and South Australia, and it is coordinated by the Murray–Darling Basin Authority. When we can –

**Danny O'BRIEN:** Can I possibly get the details of the projects on notice, Minister? Because I am going to run out of time.

**Harriet SHING:** Yes, of course. I can give you detail on them, but again it is about making sure we make the best use of a range of projects, and nothing has said more about the commitment of communities to making good on environmental outcomes like these projects and the engagement that has informed the prospectus.

**Danny O'BRIEN:** Thank you.

**The CHAIR:** Thank you. Mr Tak.

**Meng Heang TAK:** Thank you, Chair and Minister. I would like to talk to you about waterway health. In your presentation, you outlined the breakdown of the four-year water portfolio budget allocations, including the \$270.4 million for waterway health. We know in my local community that waterways are important to the community for their social and recreational value. Often I have visited – a number of times – my local Karkarook Lake. It is 15 hectares of lake in the middle of the suburb along Warrigal Road in Moorabbin. It is really great to see that the funding is maintained. Minister, can you speak to how this will improve the water quality and biodiversity in our waterways?

**Harriet SHING:** Absolutely. Thank you for that question and again for your ongoing interest and advocacy for better waterway health outcomes. This is something which as our population grows, as I indicated earlier, is going to become ever more important. We know that where we can find a range of programs and grants that deliver those really localised and catchment-wide revegetation projects, we will see the renaturalising of waterways and better urban and regional environments. Funding those projects that include fishways to promote biodiversity, the work with traditional owners to incorporate their aspirations for healthy country and the \$4 million funding that we are complementing, which was in the 2024–25 and 2025–26 budgets, for our Green Links grant program also ensures that we are putting water into spaces, areas and community projects where the benefit can be delivered in the best and most efficient ways possible.

We have also got the integrated water management program, which has got \$75.4 million in funding in the water efficiency and diverse water supplies for water security, resilience and livability stream. That is about supporting projects which support stormwater for community use while also reducing how much stormwater and pollution runs off into our waterways. We know that given the volume of water that we are seeing in our urban and regional environments is increasingly volatile, we have to have healthy waterways to be able to accommodate that, particularly inundation, and also to make sure that we have got that climate adaptation built into our habitat and our biodiversity.

**Meng Heang TAK:** Certainly I attended one of the purple pipe consultations in my electorate. Minister, how much of this funding is allocated for regional waterways and projects?

**Harriet SHING:** We have got \$148.75 million to deliver regional on-ground works. That is on those high-value waterways, including those flagship waterways and Ramsar-listed wetlands. Again, the waterway health program is critically important to that work, and we want to have a statewide coordinated approach to waterway health policy, including the development of the next iteration of the Victorian waterway management strategy and regional waterway strategies as well. Another stream in that, which may well benefit regional waterways, is \$75.913 million to manage water for the environment to preserve environmental values and health of water ecosystems through the environmental program; and also, to go to the programs that I have just talked to in response to Mr O'Brien's question, the obligations under the Murray–Darling Basin plan and what they can deliver too.

**Meng Heang TAK:** Does this allocation also provide funding for water agencies?

**Harriet SHING:** Yes, it does. That includes funding to support the work of the Victorian Environmental Water Holder. CMAs, so catchment management authorities, also receive funding through other streams, as well as funding a range of programs that they run to support land managers and owners. Community groups, like our Landcare groups, again, are the ones who are doing that work on the ground to manage issues around weed and pest infestation, to work on opportunities like Reveg and to make sure that citizen science is informing better engagement. Farmers and also a lot of people across our rural and regional communities maintain those healthy waterways and also too therefore improve sustainable land management. It might be carp, it might be capeweed, but either way there are opportunities for people to get involved through those grants.

**Meng Heang TAK:** Thank you, Minister. Do any other funding streams within the four-year water portfolio budget fund any agencies?

**Harriet SHING:** Yes. There are funding streams that are allocated, so Water Wise and the resilient rural communities streams provide funding to catchment management authorities. There is a flood resilience stream as well that will support CMAs with funding allocated to implement and administer regional flood plain management strategies. We will also see funding across the environmental contribution to support programs and grants for water corporations and catchment management authorities, so water cyber and data management, the work that happens around accelerating water climate action, becoming net zero and also disaster readiness and preparation.

**Meng Heang TAK:** Thank you, Minister. You mentioned that this stream will also fund the Yarra strategic plan. Can you give us an update on that?

**Harriet SHING:** Absolutely. We have got \$15.7 million that is set aside for the urban waterways program. This includes *Burndap Birrarung Burndap Umarkoo*, which is the Yarra strategic plan, *Barre Warre Yulluk Action Plan*, which is *Rivers of the Barwon*, and *Waterways of the West Action Plan*. Melbourne Water is the lead agency working with local government, other government agencies, water corporations, traditional owners, community groups and the Birrarung Council across the Yarra strategic plan region. There is also, as I flagged earlier, the \$4 million as part of the Green Links grant program. We have also seen the impacts of those grants, as they have been allocated already, and we have seen what can be done with that collective effort around improving the health of the Yarra.

**Meng Heang TAK:** Thank you so much, Minister. I am looking forward to inviting you to come to my local lake at the Karkarook Park one day.

**Harriet SHING:** Consider it on the record that I would love to join you.

**The CHAIR:** Thank you, Mr Tak. Back to Mr O'Brien.

**Danny O'BRIEN:** Thank you, Chair. Minister, I want to ask a bit about Kensington Banks, which I am sure you were anticipating. The articles in the *Age* just a few days ago revealed updated flood modelling and how that has impacted residents of Kensington Banks who now find themselves under a flood overlay, facing

plummeting property values and either increased or impossible insurance premiums. Will the government be considering creating a buyback scheme for those properties?

**Harriet SHING:** Kensington Banks is one of a number of areas that have been really significantly impacted by new modelling, by updated modelling. The modelling has incorporated data analysis processes from the 2022 floods, so there are many, many more data points and much more rigorous analysis using new –

**Danny O'BRIEN:** Ironically, Kensington Banks did not get flooded in 2022.

**Harriet SHING:** But again, we have a better understanding of what happens when large volumes of water are entering an area around a river system when there is population growth and increased density. A lot of people have been really significantly impacted by the updated modelling, and that has had a really significant ongoing impact as far as the decisions that people are taking. I want to make sure that we are continuing to support Melbourne Water in its work across three stages. Essentially –

**Danny O'BRIEN:** The question, Minister, is about supporting the people affected. Are you considering a buyback scheme?

**Harriet SHING:** Again, I want to come back to what it is that is happening now.

**Danny O'BRIEN:** I know what you want to come back to.

**Harriet SHING:** The process is we have got the modelling –

**Danny O'BRIEN:** I would like you to answer my question.

**Harriet SHING:** and then we have got the engagement with communities around what the impact of the modelling will be for them. The engagement then turns to mitigation and to risk management. That is the sort of work that will inform the decisions around how to mitigate and manage risk that will be guiding individual households on the impact for them and what that risk profile looks like.

**Danny O'BRIEN:** When was the last time modelling was undertaken on this area by the government?

**Harriet SHING:** We had modelling – when was the last – sorry, let me just see.

**Danny O'BRIEN:** I am happy for Mr Fennessy to – if you know it.

**Andrew FENNESSY:** The last time that modelling was undertaken in this particular area was probably more than 15 years ago or so, in regard to that area.

**Danny O'BRIEN:** Would it have been 2003, Mr Fennessy?

**Andrew FENNESSY:** Sorry?

**Danny O'BRIEN:** Would it have been 2003?

**Andrew FENNESSY:** That is likely, yes. In some of these areas I am very familiar with, Maribyrnong had not had an update on some of its flood models for a period of time.

**Danny O'BRIEN:** Are water corporations being required to update their flood modelling on a more regular basis now to prevent a similar situation?

**Harriet SHING:** Yes. The Pagone review has identified a five-year timeframe for review and 10 years to update modelling. Melbourne Water has indicated that they are doing that. In addition to that, they are also reviewing and upgrading modelling across other parts of the catchment. That is not unique, though, to Melbourne Water's part of the catchment; this is happening all over the state. We funded \$10 million between planning and water to make sure that we could get those 39 flood studies completed. We also, though, need local government to then work the outcomes of those studies into their planning approvals frameworks so that decisions can be taken around managing the risk as it is best understood. We are also doing flood modelling through FloodZoom and then also digital twin around what that outward-facing delivery of data looks like so that people know and understand risk. There might be early warning systems, levees – the flood management

strategies, for example, that are being developed and delivered by Campaspe shire and by others go to a range of different potential options for people to manage and to understand risk, and that sits alongside the work in emergency services and management, everything from early warning systems to the development and delivery of messaging.

**Danny O'BRIEN:** Speaking of risk, have you considered whether either Melbourne Water or the government more broadly has any liability for the suddenly changed and very different modelling that has now been provided, in a financial or legal sense?

**Harriet SHING:** Melbourne Water has delivered modelling which is the most contemporary picture for what risk looks like in a changing climate and as against the backdrop of population growth and density.

**Danny O'BRIEN:** Given this development was only built 20, 25 years ago, you would have thought that there should have been fairly accurate data at that point.

**Harriet SHING:** Well, the modelling at the time was based on the best available information at the time, and that is why updating modelling every five years, with a review in 10 years with new modelling, is a really important way to keep pace with the changing nature of risk. But this is also not just unique to a situation in water. When we talk about coastal erosion, when we talk about drought, fire and flood risk, it is the same principle about triaging and understanding risk through analysis, about building that into identifying risk mitigation strategies and then about working with communities and all levels of government to address the options and to find solutions through that so that communities have the best information to be able to make decisions that are right for them.

**Danny O'BRIEN:** Thank you, Minister. Speaking of which, you said the government accepts the recommendation to move to every five years – five years, was it?

**Harriet SHING:** That is Melbourne Water accepting the recommendation from the Pagone review.

**Danny O'BRIEN:** Right.

**Harriet SHING:** Again, this is a decision that is taken by Melbourne Water under its operating arrangements.

**Danny O'BRIEN:** Will you accept all the recommendations made in the Pagone report?

**Harriet SHING:** Melbourne Water has indicated that it will. Again, I am looking forward to working with Melbourne Water, and it is my expectation that they will continue to do that work to make sure that people have accurate information, consistent information, and that that can work into interagency engagement, particularly the Bureau of Meteorology, the work with emergency frontline responders and the way in which information is distributed to people, including through that flood-modelling, digital twin and FloodZoom work that has been undertaken.

**Danny O'BRIEN:** Minister, thank you. Can you advise of the cost incurred by Goulburn–Murray Water to repair Loch Garry?

**Harriet SHING:** Can I take that one on notice?

**Danny O'BRIEN:** Sure. Whether you can answer now: whether the cost will be borne by the rateable properties or whether it will be covered by Goulburn–Murray Water or –

**Harriet SHING:** Yes. Let me get back to you in terms of the cost and the way in which that has been disaggregated, if that suits.

**Danny O'BRIEN:** Can I ask also: is the government proposing any changes to Loch Garry as to when the bars are pulled to reduce flood risk in the future? I understand that was a significant issue in 2022.

**Harriet SHING:** Yes.

**Andrew FENNESSY:** I can take it.

**Harriet SHING:** Yes. Mr Fennessy can help you out there.

**Andrew FENNESSY:** Following the October 2022 floods there was a review and there was a committee formed up within the Loch Garry community to look at the operational arrangements with the changes to Loch Garry. Now a decision has been made to change some of the operational rules within there, and that came out of the committee's recommendations for that.

**Danny O'BRIEN:** Is that now publicly available?

**Andrew FENNESSY:** That is publicly available, yes.

**Danny O'BRIEN:** Thank you.

**The CHAIR:** Thank you, Mr O'Brien. We will go to Ms Kathage.

**Lauren KATHAGE:** Thank you, Chair. Minister, officials, can I take you to page 88 of budget paper 5. It has information there on Victoria's contribution to implementation of the Murray–Darling plan. I know Mr O'Brien has touched on it a bit, there has been recent media on the topic and we have had Victoria's prospectus, so, Minister, where are we at with that, and how are we progressing with meeting our obligations?

**Harriet SHING:** The Murray–Darling Basin plan – always a pleasure to talk about it, particularly the work that Victoria has done to deliver on our obligations under the plan. Through many, many years of exceptionally hard, dedicated work we have seen Victoria return more environmental water than any other jurisdiction to the Murray–Darling Basin and we have also seen that those efficiencies have been delivered in a way that has happened, again, against the backdrop of some pretty significant disadvantage, with the return of 550 ggalitres through the buyback process. But our position on the Murray–Darling Basin plan has always been consistent. We remain fully committed to delivering on the basin plan objectives and obligations that we signed up to. We also want to make sure that that delivers on environmental and cultural, social and economic outcomes, as the plan intended.

With the changes made to the basin plan in 2023, so the restoring our rivers Bill with those amendments that I discussed with Mr O'Brien, without the support of Victoria, the Commonwealth government has given itself unilaterally the power to purchase water, and in fact it has weakened the socio-economic protections that were built into the socio-economic test that all basin states agreed to. This means that up to 500 MCGs – I do not know why it is that we persist in determining things relative to MCGs –

**Danny O'BRIEN:** It is a standard Victorian unit of measure.

**Harriet SHING:** Did you know, Mr O'Brien, that there is a water measurement called a Sydharb?

**Danny O'BRIEN:** Yes.

**Harriet SHING:** For those people who do not actually call Victoria home, I do not intend to –

**Danny O'BRIEN:** You have been using it for mines in the Latrobe Valley – that number of Sydharbs.

**Harriet SHING:** No, I know, but this is where I am going to go back to the MCG, if I may. We are talking about 750 ggalitres, so that is seven –

**Mathew HILAKARI:** How many SCGs is it? The SCG is a bit smaller.

**Danny O'BRIEN:** The SCG is totally irrelevant.

**Harriet SHING:** Yes. That is probably about 45 litres. But we could actually engage with the Commonwealth in all sorts of ways to address the uncertainty around additional water recovery, including how much water the Commonwealth intends to purchase from Victoria, where, when, how, how much, and what the transition process will be in terms of assisting communities that will be affected. We know that for every 100 gig taken out of a system we see about \$140 million in lost revenue. So this is where the prospectus *Planning Our Basin Future Together* was a Victorian initiative developed over many months of engagement with irrigation communities, with rural communities and with water users to determine how we can best

embark upon further water recovery in Victoria in a way that presents a viable alternative to the blunt instrument that is water buybacks – that is, where water is sold in any number of different ways and configurations from one part of an irrigation market into, for example, a market for the purposes of environmental water. What that does is it takes water out of the consumptive pool. That means that there is less water available, it pushes prices up, but it also means that we have primary producers who are left with stranded assets. In the water sector we call it the Swiss cheese effect. We have many, many different, strange ways of describing things, but it is a well-loved turn of phrase. We do have a starting point, though, through the planning our future together engagement that we will be engaging with across basin communities. I have spent a lot of time in northern Victoria, as have the staff across DEECA, the authorities and CMAs, to talk about innovative new alternatives to open-tender water buybacks, and the details set out in that prospectus are principles which guide the way in which we can innovate, the way in which our communities can engage and the way in which negotiation and discussion can occur with the Commonwealth, true to the spirit and the commitments of the restoring our rivers Bill and in a way that does not cause disadvantage to Victoria given the nature of our high-reliability water shares and the fact that we need to make sure that all parts of the basin are improved as a result of this legislation.

We also want to make sure that, as I referred to earlier, the northern basin, which is covered by Queensland and New South Wales, that the Darling, that parched river – which has been the site of 20 million fish deaths, including the silver bream, which is really important to traditional owners – is restored as well. That is a really complex challenge for other jurisdictions and for the Commonwealth, because we have got large tracts of land that are occupied in very water intensive industries. So that might be cotton, it might be rice. Then we have got almond plantations and new licences being allocated. In Victoria we cracked down on flood plain harvesting. We have got really significant measures in compliance, in metering. Our register demonstrates accountability and transparency in a way that was recognised back in 2018 with the Pearson review, and it is also really important to make sure that we continue to engage and be guided by our community so that we are working by and with and for them, as we have always done since we signed up to the plan. I would really like to see some negotiated outcomes and negotiated agreements that reflect the good faith in which Victoria has engaged, and the actions that we have shown can deliver more environmental water than any other jurisdiction. I am determined that we continue that work, and that work is being informed and guided by communities. I look forward to providing the committee with further updates, which I know that you will all be very much looking forward to.

**Danny O'BRIEN:** Could you come back again on Monday? That would be great.

**Harriet SHING:** I am happy to.

**Lauren KATHAGE:** Minister, are there any implications for our budget following the release of the Commonwealth budget on 14 May?

**Harriet SHING:** What we do have is the opportunity for the Commonwealth to continue its work to support Victoria. Not only do we have a commitment from the Commonwealth to fund the Victorian Murray flood plain restoration project – so those projects which will deliver around 70 gig – but we have also got \$48.5 million for various commitments to basin plan implementation. I would really like to see where and how that funding is going to be allocated, and we will keep working with the Commonwealth to get that clarity.

**The CHAIR:** Thank you, Minister. We are going to Mr Puglielli.

**Harriet SHING:** Thanks.

**Aiv PUGLIELLI:** Thanks, Chair. Good afternoon.

**Harriet SHING:** Hi.

**Aiv PUGLIELLI:** We were just talking about this earlier – Melbourne Water changing the flood modelling for Kensington Banks. Now 900 homes have been told that they are in a high-risk flood zone. These are homes that were built between 10 and 25 years ago. It is quite a new estate. People bought their homes in good faith based on information from the state government that said that they were above the flood line. Now they are being told they are high flood risk. I mean, it sounds like you are not keen on a buyback scheme for these

homes: will the government give compensation to the homes affected by this change in flood mapping decision?

**Harriet SHING:** So, Mr Puglielli, this is a situation which, devastatingly, has affected many, many communities in flood scenarios, not just in the middle of Melbourne and across those three LGAs, not just around the peri-urban area but up to the north of the state – for example, in Rochester, Echuca, Shepparton, Mildura. We know that when we have these volatile weather events, when we have natural disasters like this, there is a really significant impact on people who live in and work in and around waterways. Across our flood plains we have got large numbers of people living and working as much as anything, because if you are living and working in and around flood plain with a secure water supply you can run stock, you can grow crop and you have got a really comparatively stable source of water. One of the things we have tried to do in the best way possible is assist people through a range of different payments and measures and supports where they have been affected by floods and by natural disasters. So there are payments that are made available to people in the immediate aftermath of a flood or a fire. There are drought payments that have been made available in circumstances, again, of significant hardship. We are continuing to understand what the nature of risk is, and Melbourne Water is engaging with thousands of conversations, households and the information that people need to know, because the risk that is there for a household does not necessarily mean that there will be over-floor inundation. So again, it is about understanding where and how risk might arise in a way that causes damage and from there what mitigation and management might look like.

**Aiv PUGLIELLI:** Thank you. I will just go to my next question. With regard to the Flemington Racecourse flood wall, given that the independent report found that it raised flood levels in Kensington by 6 centimetres, will the government demand that that wall be taken down?

**Harriet SHING:** Again, the impact of the flood wall has been considered as part of the Pagone review. It is one factor in a number of many factors around the way in which water moved in and around that area when the large-scale flooding in October 2022 occurred.

**Aiv PUGLIELLI:** Is it enough of a factor that it be taken down?

**Harriet SHING:** Well, again, this is where impact and risk assessment need to be understood for each individual property, and when we talk about these built-up areas we are also talking about large-scale infrastructure in any number of different combinations. When we build in areas that are flood prone we need to make sure, firstly, that people have current information; secondly, that they can make decisions based on that information; and thirdly, that we have the best possible measure of certainty and consistency. Again, the increased volume of water and the increased height of water across the part of the catchment that was affected does not necessarily mean that there was greater overflow across all – sorry, greater over-floor inundation numbers across the part of the catchment that was affected. So we are going to continue to work with Melbourne Water. I have got a very clear expectation that we will continue to see that information fed into what it is that communities want to do. I have not had any request for the flood wall to be removed in my portfolio as water minister. My focus indeed at this time is to look at the engagement, the modelling, the decision-making and the future planning for risk mitigation.

**Aiv PUGLIELLI:** Thank you, Minister. I might move on. In your recent appearance at the Yoorrook Justice Commission you provided evidence that the Victorian government's revenue from water was \$83 billion between 2010 and 2023, and at the same time in 2022 First Peoples owned only 0.2 per cent of Victoria's water entitlements. You indicated that the only thing stopping the state funding a scheme to enable traditional owners to purchase direct water entitlements was political will. With regard to making reparations with our First Peoples, does this government –

**Harriet SHING:** Sorry, have you got a quote for that, because –

**Aiv PUGLIELLI:** Yes, I do. I will read it out for you.

**Harriet SHING:** Thank you, if you would not mind.

**Aiv PUGLIELLI:** It says:



... is there anything to stop the State funding a buy-back scheme to enable Traditional Owners to purchase direct water entitlements, beyond political will?

And you said:

Beyond political will, no.

Does the government have this political will? And to back this up, how much investment can we expect in total from this government to right this historic wrong – to right the wrongs of aqua nullius?

**Harriet SHING:** So, firstly, the question that I got at Yoorrook, and you would see from the transcript that I said that the \$39 million was – sorry, from the total revenue and from the total EC, I said no money had flowed directly to traditional owners. That is because it goes into consolidated revenue. So from that, \$39 million went to traditional owners for the programs that I just talked about earlier. We have also seen it increase to around \$41 million in the 2024–25 budget, and we are determined to continue that work to increase access to water, including a 1.36 gigalitre connections project allocation. There is also work with the *Latrobe Valley Regional Rehabilitation Strategy*, and we are determined to make sure that within that allocation, when we look to allocate that between traditional owners, environmental groups and irrigators, we do so in a way that also incorporates the importance of traditional owner access to water.

The Commonwealth also has a fund. So there is \$100 million. That has increased from \$40 million. We had not seen any of that allocated before the restoring our rivers Bill. We have now seen that come back into play, and I am looking forward to seeing how that money can be deployed for the purpose of buying water, but as you would also note from Yoorrook, I made a very, very clear statement about the importance of an opportunity for reform and the intersection between environmental water and those flows and how that might then intersect with traditional owner aspirations for use of water.

**Aiv PUGLIELLI:** Just on Latrobe Valley, what is the current average cost per gigalitre for a bulk water entitlement for the Latrobe Valley system?

**Harriet SHING:** Off the top of my head, Mr Puglielli, I cannot tell you.

**Aiv PUGLIELLI:** Could you provide it on notice?

**Harriet SHING:** I am very happy to provide that to you on notice.

**Aiv PUGLIELLI:** How many gigalitres in bulk water entitlements does Engie currently have the right to extract from the Latrobe Valley system?

**The CHAIR:** Apologies, Mr Puglielli. The time is up. We are going to go to Mr Hilakari.

**Mathew HILAKARI:** Thank you, Minister, and officials, for your attendance this afternoon.

**Danny O'BRIEN:** Do you want to cede your time to me, Mr Hilakari, is that right?

**Mathew HILAKARI:** Not just yet. Look, if I run out of time, I will definitely send it your way.

**Danny O'BRIEN:** Thanks, mate.

**Mathew HILAKARI:** Be assured of that, although I think you still owe me a few minutes from earlier. I would like to take us to managing climate change through water policy. I am going to take you to budget paper 3, page 28. It talks to some of our funding that we are providing as a government. I am just hoping you can talk about how the changing climate is being mitigated against through some of these projects.

**Harriet SHING:** Climate change is a challenge that is contemplated in a range of different ways. On the one hand, on the ground, we are investing in those proactive programs to improve waterway health, and climate change adaptation is a big part of that. When we look, for example, back to the Murray–Darling Basin plan and the work of the Victorian Murray Floodplain Restoration Project, the VMFRP, we know that when we take pumps and regulators and we use them rather than an overbank flooding event to get water onto our flood plains, that with a much, much lesser volume of water we can get the same environmental impact. So we can actually see that there is an equivalent impact of 70 gigalitres of water – again, many, many MCGs – to actually see that 14,000 hectares of Ramsar-listed and very, very precious ecosystems get that opportunity to get water

that is able to lie, mimicking floods essentially. It lies across the land and recedes gently. That is where you get black box, you get river red gum, you get those migratory birds, reptiles and invertebrates, essentially all of the good hallmarks of a healthy system. We also know that when we invest in the water corporations and their work on innovation through the circular economy and through work towards net zero emissions that we are seeing a reduction in the energy output required to deliver water services across the state.

Water is a really energy-hungry industry. It takes up around 1 per cent of the total energy volume for government, and it sits roughly alongside health, right? So we want to make sure that we are supporting water corporations to reduce their emissions. In 2022–23 we saw a reduction in emissions by 80,000 tonnes of carbon dioxide. That is equivalent to the greenhouse gas emissions of 29,000 cars coming off our roads. Central Highlands Water have done a lot of work to install more than 6000 solar panels. You look at the work at Christmas Hills. It is a phenomenal example of how we can combine a range of renewable energy approaches and sustainability measures to get that cost saving and then also to turn to the delivery of reliance upon renewable energy. Yarra Valley Water is converting organic waste and therefore reducing waste footprints across the board; those that were destined to landfill are being used and repurposed for energy.

About 20 or 30 years ago when we had water processing, water treatment plants, methane was considered a by-product that was a nuisance and a difficulty to have to manage. We have come a really long way since then. We are now looking at the way in which we can develop and deliver projects using anaerobic digestion, using the floating vegetation islands and wetlands, using desiccation of anything from coffee grounds through to by-product from breweries. We have also got a transition plan being developed by the Victorian water sector. That is due to come to me in late 2025, and that will ensure that we have got a road map for the water sector emissions program beyond 2035 to ensure that we can continue to innovate and to lead the way.

Importantly, Victoria's water sector is leading the nation, and this is because of again a fierce determination to innovate. When we look at the commitments that have been made by the 18 water corporations across Victoria, we see that there has been a reduction by 42.4 per cent by 2025 that is committed to, 97.3 per cent by 2030 and 100 per cent – so net zero – by 2035. They have also committed to sourcing 100 per cent of their energy from renewable sources by 2025. A net zero water sector by 2035 will mean that we have seen an annual reduction in emissions of almost 900,000 tonnes per year. That is the equivalent of more than 250,000 cars on Victorian roads.

We do need to make sure that we can continue to innovate, and that is where the climate innovation challenge comes in. That is a competition open to corporations to secure funding for projects that previously included low-carbon concrete alternatives – again, we know that producing materials like concrete is very, very water intensive; it accounts for about 8 per cent of global emissions as well, and low-carbon alternatives could reduce those emissions by about 50 per cent – and a project examining how to extract up to 98 per cent of high-quality cellulose fibres from flushed toilet paper. And this is the thing about water: every single part of water treatment, conservation, recycling and repurposing has an opportunity attached to it to innovate. We then see that we can lower energy consumption in wastewater treatment by about 20 per cent and increase treatment plant capacity by about 10 per cent.

You would know the Werribee treatment plant. The augmentation of that particular facility also means that we can accommodate population growth demands and challenges. It means we can reduce odour and improve amenity in and around the areas where we are developing those projects, and it also means that we can lean into opportunities. Whether that is around the development and the delivery of habitat, whether that is around improved amenity for communities or indeed around the way in which we use and consider water for the purpose of engagement across an increasingly dry climate, we have all sorts of opportunities. I am incredibly proud of the water sector here in Victoria – absolutely leading the nation, absolutely driving positive change in the face of climate change.

**Mathew HILAKARI:** Thank you, Minister –

**Danny O'Brien** interjected.

**Mathew HILAKARI:** I will give you the 2 seconds – go.

**Danny O'BRIEN:** When are you making the decision –

**Harriet SHING:** I look forward to making that decision later this year.

**Mathew HILAKARI:** There you go. You are welcome.

**The CHAIR:** Minister, officials, very sadly our time together has come to an end. Thank you very much for appearing before the committee today. 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.

The committee is going to take a short break before beginning its consideration of the roads and road safety portfolio at 3:45 pm. I declare this hearing adjourned.

**Witnesses withdrew.**