

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into 2019-20 Financial and Performance Outcomes**

Melbourne—Wednesday, 24 February 2021

### **MEMBERS**

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr Danny O’Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor

Ms Bridget Vallence

**WITNESSES**

Mr John Bradley, Secretary,

Ms Kylie White, Deputy Secretary, Environment and Climate Change,

Ms Anthea Harris, Deputy Secretary, Energy,

Ms Christine Ferguson, Deputy Secretary, Forest, Fire and Regions,

Mr Julian Lyngcoln, Deputy Secretary, Planning,

Ms Helen Vaughan, Deputy Secretary, Water and Catchments,

Mr Terry Garwood, Deputy Secretary, Local Infrastructure,

Mr Graeme Emonson, Deputy Secretary, Corporate Services,

Mr Xavier Hinckson, Executive Officer (Chief Financial Officer), Finance,

Mr Chris Hardman, Executive Director, Forest and Fire Operations, and Chief Fire Officer, and

Mr Stan Krpan, Chief Executive Officer, Solar Victoria, Department of Environment, Land, Water and Planning;

Ms Lynda McAlary-Smith, Executive Director, Operations, Victorian Building Authority;

Mr Lee Miezis, Interim Chief Executive Officer, and

Mr Tim Eaton, Executive Director, Regulatory Standards, Assessments and Permissioning, Environment Protection Authority Victoria;

Mr Matthew Jackson, Chief Executive Officer, Parks Victoria; and

Mr Dan O'Brien, Chief Executive Officer, Cladding Services Victoria.

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

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting. We pay our respects to them, their culture, their elders past, present and future and elders from other communities who may be here today.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2019–20 Financial and Performance Outcomes. Its aim is to gauge what the government achieved in 2019–20 compared to what the government planned to achieve.

We note that witnesses and members may remove their masks when speaking to the committee but must replace them afterwards.

We ask that mobile telephones now be turned to silent.

We note for the record that the Member for Mordialloc is an apology. His family is celebrating the birth of a new baby this week.

We also advise you that all evidence taken by this committee is protected by parliamentary privilege. Comments repeated outside this hearing may not be protected by this privilege.

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 as soon as possible.

We welcome you, Secretary, and officials of your department. We invite you to make an opening statement of 10 minutes, which will be followed by questions from the committee. Thank you.

**Mr BRADLEY:** Thank you very much, Chair. It is a real pleasure to be with the committee today. Can I join you in acknowledging the traditional owners of the land on which we meet. In the case of the work of DELWP over the 2019–20 year we are about to discuss, all of our work has been done on the lands of traditional owners, and we pay our respects to elders past, present and emerging.

### **Visual presentation.**

**Mr BRADLEY:** I am just going to briefly step through the 2019–20 overview for the committee. I will try and keep it as brief as possible. The committee will be very familiar with the fact that the department works over 91 locations with 4500 staff across Victoria. A significant proportion of our asset base is in Crown land. About 75 per cent or so of that \$6.4 billion in assets we are responsible for comprises various categories of public land, including 40 000 kilometres of roads and other significant community infrastructure.

So 2019–20 was clearly a very significant year of challenges for the department, its staff and its partners: recognising our role in delivering bushfire response and recovery; adapting quickly to move to our COVID-safe operations as we moved to remote working or modified our operations; and then also continuing our focus on delivery and ensuring the organisation was a safer, more diverse and inclusive workplace for our staff.

In terms of the 2019–20 bushfires, I know the committee needs no reminding that the bushfires were significantly impactful for the operations of the department, with more than 1.5 million hectares of land impacted, including 1.3 million hectares of Crown land. What that meant for the staff of the department was that for 98 days our staff responded from the beginning of the serious fires, around 21 November, responding to more than 1160 fires in an exceptional performance.

Clearly those bushfires devastated communities in Hume, Gippsland and Barwon south-west. They also had a significant impact on biodiversity, with about 242 plant and animal species being impacted, with more than 50 per cent of their habitat being impacted by those bushfires. So that set the challenge for a very significant effort in response and recovery for the department, and hundreds of our staff were involved in non-firefighting activities across the state in our regional incident control centres in a variety of support roles.

As we moved into response, the department worked to clear over 5500 kilometres of bushfire-impacted roads, to reopen communities and help local economies get back on their feet. Our biodiversity staff worked to assist with initial triage units and wildlife response, but then also went into recovery with a biodiversity response plan.

I might also recognise, if the committee is open to it, that tragically in 2019–20 we also lost three of our FFMVic—Forest Fire Management Victoria—staff, including a DELWP contractor, David Moresi, and firefighters Mat Kavanagh and Bill Slade, who were tragically lost during the response to that season, and we cannot remark on the 2019–20 outcomes without recognising their tragic loss and the sacrifice that they have made.

Moving then to key initiatives and projects, the department, despite the disruption of bushfires and the challenges of recovery, kept its focus on delivery. The committee will be aware that there was a significant \$380 million plan known as *Recycling Victoria* released in February of 2020 which delivers a 10-year transformation of the recycling system, including the introduction of a new four-bin household recycling system, the introduction of a single-use plastic ban and key environmental commitments such as the release of the Victorian *Marine and Coastal Policy*.

The Parliament is very aware of course of the passage of the *Flora and Fauna Guarantee Amendment Act 2019*, but that led then to significant work by the department in the implementation of that program during the year in question. We have also undertaken significant work in preparation for the establishment of the Great Ocean Road Coast and Parks Authority, which commenced on 1 December.

We are very pleased to see progress in joint management, with three joint management plans for national parks completed with Yorta Yorta, Gunaikurnai and Dja Dja Wurrung traditional owners and the commencement of the department's consultation on its self-determination reform strategy. In waterways, the department

completed, with its partners, more than 10 600 hectares of waterway vegetation works and saw environmental watering sites managed to meet the objectives at over 222 locations.

Energy affordability was a significant priority during the year, with the Victorian default offer coming into effect on 1 July 2019, setting a regulated, fair price for electricity which was nation leading as it was introduced. I would also recognise the \$3.7 million package established by the department to support the government's response to Victorian households struggling to manage energy bills in response to the COVID-19 pandemic. On the Solar Homes program—we have the CEO with us today—a significant aspect of 2019–20 was the delivery of 54 675 rebate applications that were approved and 970 battery rebate applications.

Planning reform has been a significant priority for us, including the work program that was already on foot, such as the reform to regulations to make private pools and spas safer and the smart planning reform that sees the translation of 30 planning schemes into a new planning policy framework for more efficient, streamlined decision-making. Also the department responded to COVID-19 through planning reform measures I will discuss in a moment.

In relation to the Victorian renewable energy auction scheme, the committee would be aware that we have completed the procurement for at least 650 megawatts of new renewable electricity generation capacity, which the department has progressed during 2019–20.

It is worth remarking on challenges during the year, however, and obviously the most significant was our adjusted operations in response to the COVID-19 pandemic. We, like other agencies you will have heard from, undertook activities to ensure COVID-safe operations for those staff that were still continuing in our depots and our operations and on the front line of our planned burning program and other activities, but also sought to support staff who were in roles working remotely in transitioning into a completely different operation where they might be dealing with homeschooling or caring responsibilities and other things during the year, and we are very grateful to them.

We also worked to support portfolio entities through the establishment of the Portfolio Entity Taskforce to support those entities that were struggling with operations that were impacted by the pandemic. Customer-facing services like Zoos Victoria, Phillip Island Nature Parks and the Royal Botanic Gardens that rely on those customer revenues required financial support during the period. And we supported the surge in uptake in the use of the public land estate that occurred during the pandemic.

Lastly I might just recognise the work around the Building Victoria's Recovery Taskforce, and the fast-tracking of approvals. It was established in April 2020, and it saw 300 applications assessed in that period. There were also a range of planning provision reforms enacted to try and enable more convenient deliveries during the pandemic but also outdoor dining, live music venue protection and facilitation of local infrastructure delivery by councils.

I hope that gives the committee a sense of what we were trying to achieve during 2019–20, but we are very keen to address any of your questions today. Thanks for the opportunity.

**The CHAIR:** Thank you very much, Secretary. Ms Bridget Vallence, MP.

**Ms VALLENCE:** Thank you, Chair. Thank you, Secretary and officials, for appearing. Secretary, page 35 of the questionnaire states that \$17.8 million has been spent so far bringing the EPA into the modern era, it says. Look, Victorians would expect the EPA to keep people and the environment safe. How far from the modern era is the EPA?

**Mr BRADLEY:** Thank you for the question. As you mentioned, there has been a significant investment in the EPA in recent years. The department works closely with the Environment Protection Authority in a supportive role as we have moved to establish the new legislative framework that will commence on 1 July this year, now delayed by the pandemic, but also works to prepare the supporting regulatory framework. It is worth recognising, as the annual report does, that in 2019–20 the EPA met all of its budget paper 3 service delivery outputs. It did deliver on all nine of its measures in the ministerial statement of expectation by the stipulated time lines.

**Ms VALLENCE:** Secretary, in terms of the questionnaire itself, you have written there in the project that it is bringing the EPA into the modern era. If you are spending money on that, clearly, by your department's own admission, the EPA is not in the modern era. How far away from it are we?

**Mr BRADLEY:** Thank you for the question. I think the EPA reforms have been significant, and the CEO, who is just joining us, will be able to talk to the significant achievements that the EPA has made in improving, say, the reduction of incidents of the waste fire activity but also increased presence in audits and enforcement.

**Ms VALLENCE:** I just want an answer to the question. Page 35 in the questionnaire there says \$17.8 million is allocated to that. How much more money will be required to bring the EPA into the modern era?

**Mr BRADLEY:** Yes, so that initiative that you are referring to refers to the implementation of systems that are supporting the new regulatory environment that the EPA will be responsible for administering. There has been, in answer to your question around funding commitments, in the 2020–21 budget joint funding of \$10 million to the EPA, DELWP and Sustainability Victoria to facilitate innovative contaminated land remediation.

**Ms VALLENCE:** Look, Secretary, I would like to ask actually about that expenditure. I really wanted that question answered, but obviously not. Budget paper 3, page 170, might go to some of the things that you are saying there. Budget paper 3, page 170, has \$204.3 million allocated to statutory activities and environment protection. Of that amount, how much is allocated to the EPA?

**Mr BRADLEY:** I might have to ask for a copy of budget paper 3 and the \$204 million, unless the chief financial officer is in a position to answer that question.

**Ms VALLENCE:** I have to give a reference for the benefit of other committee members. But it is your budget—\$204.3 million allocated to statutory activities and environment protection. How much of this is for the EPA? You can take it on notice if you do not know. I guess it is surprising you do not know how much is allocated to the EPA.

**Mr BRADLEY:** Of that particular figure, I am happy to take that question on notice and give you a breakdown. The CEO of the EPA can absolutely speak to you about the budget for 2019–20 and the scope of that. If you want an overview of what was spent in that year, we can—

**Ms VALLENCE:** No, that was not the question. Thanks for taking that on notice. Additionally—and perhaps this is also another one on notice, but you can let me know—in the EPA's annual report, page 83 states that the EPA received \$186 million in revenue. I imagine potentially the figures are different—the amount out of the \$204 million in your budget and the amount of aggregate revenues in your annual report may be different. So if I could also have a breakdown of that \$186 million provided to the committee.

**Mr BRADLEY:** Do you mind if I just check and see if the CEO is in a position to answer you now, Ms Valence?

**Mr MIEZIS:** I think we will take that one on notice.

**Ms VALLENCE:** Thank you. Thanks very much. The EPA posted a \$35.7 million deficit for the 2019–20 financial year. Can you inform the committee how such a massive deficit is possible given that you did receive an additional \$11 million in landfill levy funding compared to the prior financial year? And of course, as you mentioned in your presentation, the commencement of the new Act was deferred by 12 months.

**Mr BRADLEY:** Thank you for the question. The CEO can certainly elaborate on what I am about to say, but the 2019–20 deficit was a planned deficit that was reflecting planning to deliver the reform that you are referring to in relation to the program to bring the EPA into the modern era, as it was badged as a program.

**Ms VALLENCE:** It was a planned deficit—is the EPA inadequately funded to meet its expenses?

**Mr BRADLEY:** No. More to the point, it was recognising the financial capacity of the EPA that it had within its resources. So while there is a kind of deficit reported in the operating statement, there were financial resources available to the EPA because of prior-year funding that had been given, including that significant

allocation that was invested by the government in the 2017–18 and 2018–19 budget initiatives. The CEO might want to elaborate on that deficit and the funding that was drawn on to deliver the program in that year.

**Mr MIEZIS:** Thanks, Secretary. You have referenced the annual report. Clearly in there we have met all of the service delivery outputs. In reference to the \$35.7 million, as the Secretary said, it was a planned deficit associated with delivering the reforms under the initiative that you have talked about—bringing the Environment Protection Authority into the modern era. Largely that program has been using a combination of new funding from the government and then drawing down on the reserves of the organisation.

**Ms VALLENCE:** Given you are here and the reality and what is noted, that you got funding allocated to bring the EPA into the modern era, perhaps you can inform the committee how far away it is from being in the modern era.

**Mr MIEZIS:** I would preface my comments by saying I have been in the organisation now for two weeks, but what I have seen is an organisation that is absolutely committed to doing its job well, and I think it will—

**Ms VALLENCE:** Do you think it will need more money, more than what has been allocated to that project?

**Mr MIEZIS:** The EPA has had more investment over the last number of years than it has in its history. It has more frontline officers than it had. To give you an example, between 2017–18 and 2019–20 we had an increase in authorised officers—so frontline staff out there—from 99 to 176, so significant growth, and historic corresponding growth in what is happening on the ground in terms of inspections, enforcement action, prosecutions et cetera.

**Ms VALLENCE:** Yes, and hopefully the next time we meet we will hear that there has been some transformation in that.

I will move on to recycling, Secretary, and if there is someone else at the committee as well in your panel who might be better placed to answer. Page 39 of budget paper 3 of the 2019–20 budget provided \$6.6 million for the recycling sector to combat the waste management crisis. How much of this has been expended at 30 June 2020, and what on?

**Mr BRADLEY:** Thanks very much for the question. I might just ask Kylie White, if she is with us, to join us at the table, and she can speak to that question.

**Ms WHITE:** Hello. Could you repeat that question? Was that on page 39?

**Ms VALLENCE:** Yes. So you had \$6.6 million allocated to the recycling sector to combat the waste management crisis. What was it spent on, and how much was spent at 30 June 2020?

**Ms WHITE:** That \$6.6 million related to funding to assist local governments that were impacted by the SKM failure, which was an organisation that went into receivership and left a number of councils hanging. That funding enabled councils to be able to deal with the extra costs associated with the waste and the, if you like, inconvenience caused by that.

**Ms VALLENCE:** So the full amount went to the councils?

**Ms WHITE:** That is right.

**Ms VALLENCE:** Okay. Could you provide a list of how much to each council? So each council and then the amount to each of those.

**Ms WHITE:** Yes, I do have that information. We can provide it.

**Mr BRADLEY:** Yes, I am happy to give it to you now, or we can—

**Ms VALLENCE:** On notice.

**The CHAIR:** If you have it now, it is a public hearing, and I am sure some people would like to hear the answer to the question.

**Ms VALLENCE:** You are directing the witnesses again, Chair.

**Mr BRADLEY:** Ballarat received \$260 000, Boroondara received \$47 929, Brimbank received \$336 865, Buloke received \$19 000, Cardinia received \$247 226, Casey received \$876 817, Colac Otway received \$29 844, Golden Plains received \$72 692, Greater Geelong received \$1.059 million, Hobsons Bay received \$351 000, Hume received \$461 000, Kingston received \$378 000, Knox received \$483 000, Macedon Ranges received \$123 000, the City of Melbourne received \$425 000, Moonee Valley received \$268 000, Moorabool shire received \$63 800, Mornington Peninsula received \$623 000, Nillumbik received \$94 000, Port Phillip received \$177 000, Queenscliffe received \$15 000, Surf Coast received \$150 000 and Whittlesea received \$35 000.

**Ms VALLENCE:** Without having a calculator here, I am presuming that takes us up to the 6.6?

**Mr BRADLEY:** 6.6.

**Ms VALLENCE:** Okay. So on that then, at page 163 of the 2019–20 financial report, it refers to an additional \$2.3 million allocated from the Treasurer’s advance which is for, and I quote, ‘Recycling industry support’. Why was this extra \$2.3 million required, and what was it spent on?

**Ms WHITE:** I think I might have to take that particular one on notice.

**Ms VALLENCE:** Okay. Thank you. And would you say then that, of that money—I know it is about \$9 million, presumably all for addressing the crisis at hand—was that enough to manage the crisis? Is the crisis over?

**Ms WHITE:** That assisted local governments to be able to manage that situation. In addition to the funding for local governments there was also funding provided to initiate a new infrastructure program at the time. That was known as the recycling industry infrastructure fund, and that commenced, and there was a range of projects that were initiated from that. If you would like to know more information, to date there was funding that was provided to infrastructure projects that dealt with plastics and glass. There was funding for—

**Ms VALLENCE:** I guess the question was not necessarily about infrastructure, it was more around the clean-up and the situation at hand. In your questionnaire, at page 18, in relation to the Recycling Victoria program, it has got there that the cost of the program is \$380 million—and in fact I think that was in your presentation also—for the plan released in February 2020. Now, that is well after the budget was handed down in May 2019. Can you tell me how much of that money was spent for the 2019–20 year, or at 30 June 2020, and what it was used for?

**Mr BRADLEY:** With just a moment we will be able to answer that question.

**Ms WHITE:** Could I also just note that the Recycling Victoria Victoria’s circular economy policy was announced in February. The funding for that, other than a small amount which I will be able to talk to or the Secretary will be able to talk to, was allocated from 1 July of the next financial year, so from 2020–21.

**Ms VALLENCE:** That is the \$380 million funded plan?

**Ms WHITE:** That is right, yes. The bulk of—

**Ms VALLENCE:** Was any of that money spent at 30 June? And if you need to take it on notice, that is okay.

**Mr BRADLEY:** No, I can address that. In the 2019–20 year total expenditure was \$2.7 million at that time, which was early activity in relation to the Circular Economy Business Innovation Centre, the plastic pledge campaign work in relation to household recycling reforms, the container deposit scheme early policy work and the recycling markets acceleration package and a sum of about \$1.6 million in relation to high-risk sites. So that was the figure in 2019–20.

**Ms VALLENCE:** Thank you. Secretary, in March 2020 New South Wales announced that it would reduce its emissions by 35 per cent by the year 2030—during the pandemic. Why has Victoria not yet announced its targets and failed to comply with your own law?

**Mr BRADLEY:** Thank you very much for the question. Obviously climate change and action on climate change has continued to be a significant priority of the department and of the government during the 2019–20 year. The climate change legislation does require, as you indicated, for the government to set targets and establish a climate change strategy, which were due to be produced last year, in 2020, in both cases—

**Ms VALLENCE:** Have you provided advice to government on those targets, on what they should be?

**Mr BRADLEY:** The process around the assessment of those targets was formally undertaken through an explicit panel process. I will just finish the first part of the question and then I will come to the second one if that is okay. The government has obviously taken account of the economic impact and the uncertainty of the economy in choosing to not set those targets at that time, given the economic disruption that was being caused by the COVID pandemic, and has explicitly indicated that it would set the targets as soon as it is possible to do so, and the minister who is responsible has indicated that that will be forthcoming in the near future.

In relation to the question around the process for assessing targets, the independent panel chaired by Greg Combet explicitly analysed options—

**Ms VALLENCE:** So the panel has set forward—

It is just a yes or a no—have you as a department provided advice on the targets?

**Mr BRADLEY:** Certainly we have provided support and advice in relation to that panel's work.

**Ms VALLENCE:** Budget paper 3, page 39–40, has got \$1.5 million to implementing the *Climate Change Act* and developing a climate change strategy. At 30 June how much of this money had been spent, and has the strategy now been completed?

**Mr BRADLEY:** I will just check that for you. I won't be a moment.

**Ms VALLENCE:** Whilst you are looking that up, were any external consultants engaged in developing the strategy or developing the strategy so far?

**Ms WHITE:** I might respond to that and then ask John if there is anything further the Secretary would like to say. Of the \$1.5 million that we had, it was fully expended, but I would say, and I would need to check just with the finance officer, whether there was some funding that was then moved into the 2020–21 year, noting that the development of the underpinning information for the climate change strategy has straddled both 2019–20 and 2020–21. It was spent on—

**Ms VALLENCE:** Could you clarify that on notice then?

**Ms WHITE:** Yes. It was spent on funding resources. There was some funding put towards consultants with that funding.

**Ms VALLENCE:** There was? Could you provide a list of the consultants engaged and how much money was paid to each of those consultants?

**Ms WHITE:** I would have to take that on notice; I cannot do that today.

**Ms VALLENCE:** Thank you.

**The CHAIR:** Sorry, Ms Vallence, your time has expired. I will pass the call to Mr Gary Maas, MP.

**Mr MAAS:** Thank you, Chair, and thank you, department secretaries and officials, for your appearance this afternoon. If I could take you to government planning decisions, I would really like to go to question number 2 in the questionnaire where you have reported that \$16.5 million of funding had been allocated to speeding up local government planning decision processes. Are you able to talk to that and let the committee know what that initiative has provided?

**Mr BRADLEY:** Thank you. Once he is in a position to do so, I might ask the Deputy Secretary of Planning to address that question for you.



**Mr MAAS:** Sure.

**Mr LYNGCOLN:** Thanks, Member. Thank you, Secretary.

**Mr MAAS:** Please feel free to remove your mask too by the way.

**Mr LYNGCOLN:** Thank you. As you say, there was \$16.5 million allocated for speeding up local government decision-making, so that was provided to provide assistance to councils for accelerated planning and approval processes to increase the supply of new houses in Victoria, to reduce delays in subdivisions and speed up approvals. This was done through the Streamlining for Growth program, which was administered by the Victorian Planning Authority, so councils were in a position to bring applications to the VPA, and in that year there were 177 projects which were funded to reduce delays in subdivisions, speed up planning approvals and provide assistance in rezonings.

**Mr MAAS:** Thank you. So what are the assessment process and the criteria that need to be used to identify those projects eligible for the money?

**Mr LYNGCOLN:** Yes, thank you. So the Victorian Planning Authority have got a set of criteria that they established, and submissions that are made to the VPA are then tested against those criteria so that they then prioritise how those dollars are allocated. Those criteria involve a range of things, but they are largely targeted to how growth can be unlocked to stimulate economic activity in those areas and cater for population growth. And particularly take into account that some local governments can have limited capacity, particularly the smaller councils, so they would take into account the capacity of the council as well in prioritising those projects.

**Mr MAAS:** Great, thank you. Are you able to provide the committee with any examples at all?

**Mr LYNGCOLN:** I would have to take that on notice, but we would be happy to provide a list of the projects that are funded under that program.

**Mr MAAS:** That would be great, thank you. Just in terms of the overall planning system, at question 3 in the questionnaire, \$5 million of funding was allocated to support the planning department in its capacity to manage increasing demands in the system. Are you able to talk about the type of work that that supported?

**Mr BRADLEY:** Have you got the page reference, sorry, in the questionnaire?

**Mr MAAS:** I do not have a page reference. It is question 3 in the questionnaire.

**Mr LYNGCOLN:** I am happy to take that question as well. As you will understand, Victoria, and particularly Melbourne, has been experiencing very significant population growth. That growth creates demands on the planning system, so it results in a greater degree of planning scheme amendments and planning permits that come through the system and also a greater need for strategic planning that the department needs to undertake to cater for that growth.

So we were allocated \$5 million for 2019–20 to continue and to ensure that we have got the capacity within the planning group within DELWP to manage those increased demands on critical land use and also to help facilitate the delivery of infrastructure that is required to keep pace with that growth as well. So that money supported our core planning resources that did strategic planning and development assessment functions as required of us under the Act—that increased because of that demand—and also some of that funding was used to support early planning responses to the COVID-19 pandemic.

**Mr MAAS:** Okay. Are you able to talk a bit more about that?

**Mr LYNGCOLN:** Yes, certainly. As the Secretary alluded to in his presentation as well, obviously one of our roles as a department was to support economic recovery in response to COVID. So there were a number of things that we did in the planning space to assist with that. Early on when there was very high demand on supermarkets and a rush on supermarkets for toilet paper, food and other goods, we made some amendments to ensure that truck deliveries could happen out of hours to make sure that supermarkets could remain stocked. We also, in terms of ensuring some business activity could be maintained, made exemptions so that outdoor

dining and the like could be utilised, so those that could not have dining inside still had an ability to run a business.

There was also a big concern around property speculation that might see the like of music venues—that were not able to operate those properties—being sold and losing the ability to have music venues within the city and the state. So there were planning changes made so that councils could give regard to the cultural aspect of music in making their planning decisions in considering any applications on those sites as well. And then there was also a process set up through the Building Victoria's Recovery Taskforce to assess projects that may be somewhere in the planning system, in a local government or at VCAT, that if the Minister for Planning intervened in those decisions could bring on an appropriate consideration and a planning approval that would allow development to be ready to go once we got to the other side of COVID.

**Mr MAAS:** Okay. Was that to assist in supporting economic recovery?

**Mr LYNGCOLN:** Absolutely. So there was a focus within that process of looking at projects that would be shovel ready so that an approval would lead to immediate action on the ground that would generate economic activity and jobs. There was a role that Invest Victoria played to help us with that assessment, to ensure the feasibility of those projects and also to assess the sort of government objectives that those projects might contribute to as well. And so there were, as the Secretary outlined, around 300 applications that were made and then an intervention in a number of decisions by the Minister for Planning to ultimately grant planning approvals.

**Mr MAAS:** Great. Thanks very much. I might move to bushfire recovery planning assistance now, and the questionnaire, at 17, identifies work undertaken for the 2019–20 bushfire response and recovery. Is the department able to talk about planning work that was undertaken at this time to assist with the bushfire recovery and the immediate response?

**Mr LYNGCOLN:** Yes. Thank you for the question. It is fair to say that in terms of the role that planning plays in recovery we have learned a fair bit, not just in terms of the recent fires but going back to Black Saturday but also the Wye River fires. Obviously those bushfires had a devastating impact on communities, particularly in Gippsland and the north-east of Victoria, so it has been a real priority for planning to support the recovery of those communities. Obviously the loss of property is quite distressing for those people who are keen to get back on their feet properly, and so we have been playing a role in supporting the rebuilding but ensuring that that has been done in an appropriate and a safe way—and the primacy of life is really key to that. The other challenge there is that local councils—again, their capacity to be able to respond to those issues can be difficult.

In terms of what we did to support those communities, there were a number of changes and funding that were put in place. So there was \$4.4 million for planning for a recovery program that was put in place, and that has been used to support local communities, particularly in Towong and East Gippsland councils, to help by looking at building a planning permit, support and cost offsets for the sort of technical assessments that need to be done to support that planning work for rebuilding. There has been the assessment of impacted heritage sites. There were a number of heritage assets impacted by the bushfires, so 28 heritage site assessments were scheduled and will be completed by the end of this financial year but starting in the financial year in question. And then we are also working closely with Bushfire Recovery Victoria and complementing investment that has been made by the commonwealth in that as well.

We have also done work to streamline planning processes to try and speed that up for communities. There are amendments that have been made to the Victorian planning provisions again to assist households and businesses to recover, and those amendments basically provide assistance to people to help provide temporary accommodation so they had a place to stay while rebuilding processes happened but also to speed up the planning processes and approvals for rebuilding and to work with local councils to ensure that they, through grants to them, have the capacity to deal with the planning decisions they need to make. We have also established a complex sites committee where we work with local councils to deal with some of those really difficult sites where there might be a concern for safety for people that are looking to rebuild.

**Mr MAAS:** Terrific. Thanks very much. No further questions from me.

**The CHAIR:** Thank you very much, and I will pass the call to Mr David Limbrick, MLC.

**Mr LIMBRICK:** Thank you, Chair. And thank you for appearing today. My first question is around some of the water companies. When I went through the questionnaire, South East Water, Melbourne Water and City West Water all made profits and paid dividends to the government. What is the purpose of these public companies turning a profit and then paying dividends? Why wouldn't they just lower water prices instead?

**Mr BRADLEY:** Well, thank you very much for the question. Ms Vaughan is probably not with us. She will be better placed to speak to the full detail of all of those payments made, but in short—

**Ms VAUGHAN:** I am here.

**Mr BRADLEY:** Oh, you are. I am sorry, Helen. Feel free to add to or contradict anything I say, Helen. But the short version would be that those water entities operate as PNFC entities. They are operating within a corporatised framework that is overseen by a board that replicates the corporate governance discipline of a private sector entity and looks at the investments of those organisations in a way that makes sure that they are being appropriately managed and governed but also performing efficiently in terms of the outcomes for customers as well as being subject to economic regulatory oversight. So the model of corporate governance of those organisations is intended to make them basically work their capital investments as significantly as they can. To the extent that they do produce dividends, then obviously they are returned and available to the government to then invest in other government priorities, including significant investment in relation to budget-funded works in relation to the water sector. So I might ask the Deputy Secretary to expand on that aspect of it.

**Ms VAUGHAN:** Thanks for your question. In terms of the dividends, under the *Water Act 1989* water corporations must pay a dividend—so it is actually within legislation—to the state as part of a process that is led by the Treasurer. Typically the dividend payments are based on the benchmark payout rate—

**Mr LIMBRICK:** So a percentage of profit?

**Ms VAUGHAN:** Yes, at 65 per cent of the pre-tax profit under the legislation, and that is the proportion that is actually allocated.

**Mr LIMBRICK:** Thank you for that answer. If those dividends are paid to the government and then used for other capital investment or let us say that they are invested back into water—which may or may not be the case; I assume they go into consolidated revenue—aren't there serious equity issues there? Because some of these corporations are making different levels of profit and some of them will return bigger dividends, which do not necessarily go back to the people in that area who were paying the water bills and generating those profits. Aren't there serious equity issues with this?

**Ms VAUGHAN:** So, there are a couple of parts to that question, if I may.

**Mr LIMBRICK:** Yes.

**Ms VAUGHAN:** The dividends do not go into consolidated revenue. They contribute towards the environmental contribution fund, which is a specific fund that is set aside to help pay for sustainable water initiatives. So a lot of what we call EC funding actually funds infrastructure projects across the state, and they are kind of figured out with community as to where best to do that. And there is what we call the water grid. So, you have got your different infrastructure projects that are all kind of linked up, which means you are actually kind of sharing the benefits of the contribution and the dividends to customers across the state.

**Mr LIMBRICK:** Okay. Another thing regarding fire season preparedness: in the presentation you mentioned that the fire season preparedness continued during the pandemic restrictions. What sort of changes needed to be made in order to continue those activities? I assume they would have had to significantly change what they were planning.

**Mr BRADLEY:** Yes. The Chief Fire Officer is anticipating the call, so I will get him to join us at the table. He will be a lot more erudite on this than me, but while he is joining us I will just say that one of the important things to recognise is that the planned burning season was also impacted by the extent to which the season ran late in terms of we were still in significant response with significant staff hours going into response before the pandemic impacted it. But there were a range of accommodations made in relation to COVID-safe practices that the Chief Fire Officer will be ready to speak to, I am sure.

**Mr HARDMAN:** Thank you for the question. So from a preparedness point of view we were obviously looking at, as we do every year, the seasonal conditions and comparing our baseload resources to enable us to be confident that we can respond to the bushfire threat based on the seasonal conditions. Of course, we had the pandemic, which complicated factors, and what we did was we were very strongly connected with Canada and the United States, who were ahead of us in terms of their preparedness. Because we were building the plane as we were flying it in a lot of cases, trying to develop COVID-safe work practices to enable a dedicated, aggressive first attack—keeping fire small is one of the primary goals—we were learning every day from what was occurring in Northern Hemisphere.

That was an absolute key to our success, because they had made a few errors along the way in terms of how when they brought resources in that were deployed from other areas there was COVID transmission. And we were able to establish what we call a ‘module as one’ system, where we put our resources into bubbles. Then if there was a potential transmission it would be restricted. And we brought on additional resources to enable us then to shift resources from another geographic area to enable an efficient and effective response to all hazards, all emergencies.

The other positive thing that I will cover off is that we have a response agencies task force established which my team helped lead for Victoria. We were working in really strong collaboration with the CFA and the other services to enable and ensure that the systems and processes we used were applied consistently across the sector, and the focus for us was ensuring that community safety came first, second and third. I was really pleased with the efforts and the energy and being able to take those international lessons and apply them here in Victoria.

**Mr LIMBRICK:** Thank you. It sounds like a good thing to be learning from other people’s mistakes in the Northern Hemisphere. Another question related to bushfire preparedness: in the questionnaire and in budget paper 3, there is a metric—I think the number was 36 per cent or something—that says, ‘relative reduction in state-wide bushfire related powerline risk’. How is this metric actually calculated? Like, what is it actually representing here? So it said that there was, I think, a 36 per cent reduction or something. What are we actually talking about with that metric?

**Mr BRADLEY:** Thank you. That one is actually one that, although it does relate directly to fire safety, is not under the responsibility of the chief fire officer. It is administered as part of our energy group, and it will relate to the powerline bushfire safety program, which has seen a range of initiatives in the government’s response to the Victorian bushfires royal commission which included the installation of rapid earth fault current limiting devices, which help to avoid fire starts and played a significant role—not so much in this season, where it has been a fairly benign season—in the previous season in avoiding fire starts but also a significant program of undergrounding of powerlines in Victoria. The measured effect of that package of measures—there is a range of things including not only the REFCLs, the undergrounding program and other automatic reclosers—the net effect has been this reduction in measured risk, statewide bushfire risk, of that amount—about 33 per cent.

**Mr LIMBRICK:** Thank you for that clarification. So there has also been the addition of lots of new transmission lines out west. How does the addition of new transmission lines affect that metric?

**Mr BRADLEY:** The biggest issues of concern are usually your small distributed assets like the single-wire earth return—SWER—lines. The significant development that is occurring in the west of Victoria and the north-west has tended to be more at the high-voltage level, including at the high-voltage distribution level, which are sort of a different class of asset in terms of the fire risk they represent. There is absolutely still a kind of fire regime around those assets, and under the Victorian regulatory framework there is actually something called an f-factor scheme that applies to make sure that the regulated business actually is financially penalised if its performance is not appropriate in managing fire risk caused by that electricity network asset. The risk does depend on the asset, and in most of those developments they are also being expected to meet the modern Australian standards as well.

**Mr LIMBRICK:** Thank you. Moving onto energy and solar homes, with the Solar Homes scheme, with the outputs from that in 2019–20, how much is spent on administration and eligibility testing versus how much actually gets handed out to be given to these companies?

**Mr BRADLEY:** I am just making sure I have not missed him in the room. I think the CEO of Solar Victoria is not in the room with us but may be coming in now, having heard the question. I think I can give you that breakdown if you bear with me for just a moment.

Sorry to slow you down. It appears I have every statistic about that program other than the administrative cost.

**Mr LIMBRICK:** If you can take that on notice, that is fine.

**Mr BRADLEY:** I will take it on notice, if that is all right. Actually, Stan, are you able to speak to the administrative cost of the scheme? Are you happy to take the question?

**Mr KRPAN:** Good afternoon, I am Stan Krpan, the CEO of Solar Victoria. Could I just ask you to repeat the question?

**Mr LIMBRICK:** Yes. So the question was: what percentage of the Solar Homes grants or rebates that have been given out is spent on administration and eligibility requirements versus the amount that actually gets given out?

**Mr KRPAN:** I will just get the exact figure so that we have got it for you in terms of what was paid out. The allocation that was made for 2019–20 was \$197 600 000. That was attributed to the Solar Homes program for rebates. The bulk of that was \$135.1 million and then there was a top-up a \$62.5 million, which gets to the \$197.6 million. Of that, what was paid out in rebates was \$124 070 000 for the rebates. In terms of the administration cost—because obviously Solar Homes is part of the department and the administration costs would be shown in other parts of the accounts—in terms of staff, rough numbers are about 140 staff that administer those rebates and about half of those are in the contact centre.

**Mr LIMBRICK:** Okay, thank you. For the residential solar PV units that people are purchasing, do we know what the average life span of these is expected to be?

**Mr KRPAN:** It is going to depend on the quality of the system. Obviously we use only approved solar retailers under the scheme. When we started there were only about 35 approved solar retailers in Victoria. There are now over 700 that participate in the scheme, and that is a scheme that it is administered by the Clean Energy Council. It includes a minimum of a five-year warranty, for instance, and then other quality assurance and governance requirements for all of the retailers. Depending on the quality of the system they generally last between 10 and 15 years, and the pay back at this stage for most of those—obviously it depends on the system's size and the amount of electricity that you use—could be three to five years. That is something that is required under our scheme to be included in a quote that is uploaded onto our system. There is obviously an assurance behind that that is provided by the retailer to the customer, and that is obviously a transaction that they go through.

**Mr LIMBRICK:** Thank you. Do we currently have any facilities in Victoria that can actually recycle these once they reach their end of life?

**Mr KRPAN:** Yes, there are two facilities as far as I am aware in Australia that undertake some recycling. One of those is in Victoria and one of those is in South Australia. In terms of the technology and the proportion that is recycled, that is not a question that I could answer, but we can certainly take that on notice. There is a number of R and D projects in Victoria, South Australia and elsewhere in that. It is obviously a rapidly growing market as the very early forms of solar energy are coming to their end of life.

**Mr LIMBRICK:** Thank you. Another question I have got related to solar is occasionally there are periods in the energy market where there is negative pricing, and I think there may have been periods of that during the 2019–20 financial year—negative wholesale pricing. When these negative periods happen and you have solar PV putting energy onto the network, who effectively is paying for that? Who is actually paying for that? Because it is not the person who has got the solar panel on their roof, who is actually paying for that?

**Mr BRADLEY:** Anthea Harris, our Deputy Secretary of Energy, might answer that one.

**Ms HARRIS:** In terms of those times of negative prices, in the wholesale market it is the retailers who would be paying at that time. In terms of the householders themselves who might be exporting energy at that

time, they are certainly not being paid those negative prices. Just the normal feed-in tariff arrangements would apply at those times.

**Mr LIMBRICK:** So the retailer is paying it on behalf of the home owner, effectively, because the home owner should be paying to put that energy onto the network but they are not and therefore the retailer is. Does that mean that it is the other consumers on that retailer's network that are effectively paying for that negative pricing?

**Ms HARRIS:** In terms of what the retailers would be paying for the amount of the solar that is being exported in the distribution network, that is going to be paid for at the normal feed-in tariff rates, but in terms of the wholesale market—so that would be retail; distributed solar is not paid for in the wholesale market overall, it is netted out of that system—the negative prices would only be paid by retailers in the overall wholesale market.

**Mr BRADLEY:** Would you be happy for me to just add to that?

**Mr LIMBRICK:** Yes.

**Mr BRADLEY:** I guess the retailers are looking at an aggregated cost of wholesale purchases from a range of sources, and they will be looking at the impact of positive prices and negative prices over the course of the year. And part of the role of the retailer in our market, particularly for small customers, is to pass through a smooth cost profile in terms of the contribution of the wholesale cost. It is usually set once a year and for most customers on a variable tariff, which most of them are, just being paid as a sort of fixed charge that should not change within that 12-month period. So the individual small customers are not seeing the ups and downs of a volatile wholesale price—that is being managed by retailers—but those issues of volatility are certainly issues that the Energy Security Board nationally is looking at in terms of the ability of retailers to manage that risk as part of a portfolio and issues like underwriting of new capacity and other issues.

**Mr LIMBRICK:** Thank you. But during those periods of negative pricing the distributors would not want that energy coming onto the network at those times. Like, if they could choose to turn it off, they would turn it off surely, because they do not want to—

**Mr BRADLEY:** As Ms Harris said, though, it tends to operate where is it effectively the net demand that is met by the wholesale market, so the solar performance is effectively offsetting load on the distribution network and that is never negative. The wholesale price signal is sending an indication to the wholesale market that there are generators that effectively prefer to run and would rather maintain volume in the market. That is effectively something that is happening at the wholesale level. The individual customer's behaviour is not being given a signal in the small-scale market.

**Mr LIMBRICK:** Thank you.

**The CHAIR:** Sorry to cut you off there, but the time has expired. I will pass the call to the Deputy Chair.

**Mr RIORDAN:** Thank you, Chair. Thanks to the department for coming along. My first question references page 39 of budget paper 3, and it is to do with the allocations for bushfire risk. It was budgeted there at \$12.7 million. Was that money spent in the season?

**Mr BRADLEY:** I might just ask the Deputy Secretary—

**Ms VALLENCE:** Ms Ferguson?

**Mr BRADLEY:** Oh, she has just gone.

**Ms VALLENCE:** She just left.

**Mr RIORDAN:** She has just gone. Okay. Well, we can take it on notice if you are not sure. I guess the second part of it is that in these budget papers you have then got for this year that it was supposed to be \$15.8 million. I am just wondering whether that stayed your ambition?

**Mr BRADLEY:** I am sorry, Mr Riordan. I am sorry to be rude, but would you mind if you could just bear with me for 2 seconds and I will answer your first question.

**Mr RIORDAN:** I am just conscious that I have got a few questions to get through, so—

**Mr BRADLEY:** That funding you were referring to in terms of managing bushfire risk was for the Safer Together program—

**Mr RIORDAN:** Sorry, the Safer Together program?

**Mr BRADLEY:** Yes.

**Mr RIORDAN:** Yes. Well, look, while you are—

**Mr BRADLEY:** In 2019–20 the program was impacted by the 2019–20 bushfire season, which did impact on Safer Together, including some significant programs in relation to radio acquisition, and the amount—

**Mr RIORDAN:** So have you got the figure of how much was spent?

**Mr BRADLEY:** The amount committed in that year was \$12.3 million.

**Mr RIORDAN:** So there was an underspend that year—

**Mr BRADLEY:** Which was re-phased into subsequent years.

**Mr RIORDAN:** Okay. So in the budget here you have then got \$15.8 million for this year. Is that on target?

**Mr BRADLEY:** The Deputy Secretary has just joined me now. We are talking about the budget of \$15.8 million for managing bushfire risk, or Safer Together, Christine.

**Mr RIORDAN:** You have underspent three, so we are assuming we are looking at \$16.1 million for this year if you have re-phased it.

**Mr BRADLEY:** I will just ask the Deputy Secretary to answer that question.

**Ms FERGUSON:** Yes.

**Mr BRADLEY:** Table 2—otherwise we will take it on notice, Christine.

**Ms FERGUSON:** I may need to take that on notice. I am not sure.

**Mr RIORDAN:** Okay. That is fine. We will move on. Reference is made at page 44 of budget paper 3 that the Forest Fire Management radio system, which I think you were touching on a moment ago, would be upgraded out of this budget allocation. How much has the radio upgrade cost, and is it now operational?

**Ms FERGUSON:** The Chief Fire Officer may take that.

**Mr BRADLEY:** Chris, are you in a position to speak to that?

**Mr HARDMAN:** Yes. Thank you.

**Mr RIORDAN:** The radio system.

**Mr HARDMAN:** Yes, the radio system. The exact figure, I am struggling to find it, but \$17 million was allocated over a four-year period to the final transition of moving to the digital radio system.

**Mr RIORDAN:** Yes. So are we there now?

**Mr HARDMAN:** No. That \$17 million was really about phasing DELWP, Parks Victoria and the Department of Jobs, Precincts and Regions to the digital network, which will be a bid for consideration for this financial year.

**Mr RIORDAN:** So we have not actually got the radio system yet?

**Mr HARDMAN:** The radio system is in place. The CFA, SES and FRV are all on the network. What was occurring was there was going to be a staged approach for each of the users of the network to come on board. Now, Victorian government agencies, including DELWP, DJPR, Parks Victoria, Melbourne Water and others, are the last stage. So that will be a bid.

**Mr RIORDAN:** So the ones that are on are on and using it?

**Mr HARDMAN:** Yes.

**Mr RIORDAN:** Yes. And we have still got just those last ones you listed yet to come on board?

**Mr HARDMAN:** Correct.

**Mr RIORDAN:** And how many more millions will we need?

**Mr HARDMAN:** That will be subject to a budget bid. I am not certain. We would have to take that on notice.

**Mr RIORDAN:** Could we have that on notice, please?

**Mr BRADLEY:** Yes. Well, I think the issue is that that will require analysis in itself, which will be the subject of the budget considerations, so that is yet to be confirmed. But there are 8300 radios in the DELWP network for which we are responsible for making that transition. The driver of this is that Telstra has provided formal notice to the Victorian government that—

**Mr RIORDAN:** Sorry, could you just take your mask off, Mr Bradley? It is just a bit muffled.

**Mr BRADLEY:** I am so sorry. The driver for this is that Telstra have provided formal notice to the Victorian government that it will be moving the old analogue state mobile radio network, which will cease to function at a date that is yet to be finally set. But we are expecting to receive confirmation of that fairly soon. This transition is one that we can manage in an orderly way, and our approach to cost estimation, to be honest with you, will be also one where we are seeking to minimise the cost.

**Mr RIORDAN:** So if you are still putting in bids, as I understand it from what was just said, you have still got some people to come on board, so it is not yet fully operational. Have you set a goal for when it will be fully operational?

**Mr BRADLEY:** The target timing I think is—Chris, have you got it off the top of your head? I think the target timing is 2022–23.

**Mr HARDMAN:** Yes. 2022–23 it finally shuts down and everybody has to be on by that stage.

**Mr RIORDAN:** So you have been told when the Telstra network—

**Mr HARDMAN:** Yes.

**Mr RIORDAN:** So you have got a date for that?

**Mr HARDMAN:** Yes. There is a hard cut-off date that will require everybody to be on the network before that network is shut down.

**Mr RIORDAN:** But you have not yet been given the funding to finish the transition of people?

**Mr HARDMAN:** That is in consideration at the moment.

**Mr RIORDAN:** Yes, that is right. So we need to get that confirmed. Okay, thank you. At page 39 of budget paper 3, there is \$2.7 million allocated for roadside weed and pest management programs, providing grants to rural and regional councils to reduce roadside weeds. Can you tell us how much of that budget allocation has been spent on that program, please—and also a list of what grants were provided. Do you have that?



**Mr BRADLEY:** Kylie White may be able to address that. Just say from there if you have to take it on notice, Kylie.

**Ms WHITE:** I could take it on notice if it is easier to do that.

**Mr RIORDAN:** Yes, that is great.

**Mr BRADLEY:** If you can answer it, answer it.

**Ms WHITE:** I would need to get the details to match the councils.

**Mr RIORDAN:** Right, okay. That would be good. You will provide it matched by council. Okay. And could you also—I presume it would be in the same list—provide what goals were achieved. Like, were there actually weeds removed?

**Ms WHITE:** Yes, and I can confirm that. Yes.

**Mr RIORDAN:** Yes. Okay, thank you. At page 18 of the questionnaire, reference is made to the fact that Forest Fire Management crews responded to 767 fires impacting 1.5 million hectares. It was later reported that hundreds of DELWP employees, including many forest firefighters, had been forced to wait many months to be paid for the additional work that they undertook during the bushfires. Can you explain how much additional money has been paid to forest firefighters as a result of the bushfires in this period?

**Mr BRADLEY:** So the total quantum for performing their fire role?

**Mr RIORDAN:** The extra. So the amount that we underpaid, what was the total amount extra we have had to pay out?

**Mr BRADLEY:** I believe, unless the Chief Financial Officer is in a position to answer that, that we would have to take that on notice. I think there is a variety of reasons why sometimes there can be delays in payments to firefighters. We regard our people as our most important asset, and we have been wanting to remove delays to payments. In some occasions the delay could be caused by a system issue. In some cases it is the authorisation of the hours worked.

**Mr RIORDAN:** This was a pretty big event. It was not a secret to anyone that you had lots of extra people working. Was there a particular reason why these people were delayed in payments?

**Mr BRADLEY:** As I was saying, there has been the implementation of a new payroll system. It has also been public that it has caused us delays in relation to addressing some complex payrolls, and some of our fire staff are people that are most likely to be impacted by that. But it is also not always a system issue, it is an issue of information lodged and the timeliness of approval. So we can take your question on notice in relation to the quantum.

**Mr RIORDAN:** Okay, great. Just in taking that on notice, you can confirm that everyone has now been paid—there are no outstanding issues with this problem?

**Mr BRADLEY:** Yes, our payroll system is working as expected and performing well now.

**Mr RIORDAN:** Were you forced in those payments to pay anyone compensation for interest or time outstanding to get it cleared up?

**Mr BRADLEY:** No, and the reason why I am probably not responding to your question is because I think you were referring to underpayments. In most cases what happened in the teething problems we had with our new payroll system was an overpayment and the need to manage overpayments with staff, which we have worked our way through, and we have now completed that process of resolving those issues with those staff. It tended to be staff with those complex emergency management roles that you referred to, and, as I said, the payroll system is now performing as expected within our benchmark performance in terms of each pay run, each fortnight.

**Mr RIORDAN:** Okay. Changing topic, has the department conducted modelling on the closure of the Yallourn power station, and when is the projected closure date for that facility?

**Mr BRADLEY:** EnergyAustralia has public advice to the market that it provides as part of its notifications to the Australian Energy Market Operator, like other power stations, and it indicates a closure period that ends in 2032, with the closure process commencing in 2029.

**Mr RIORDAN:** Sorry, what is in 2029?

**Mr BRADLEY:** The formally lodged notification to the market indicates a closure pathway that ends in 2032, and there is a process that commences in 2029.

**Mr RIORDAN:** Right, starting perhaps in 2029. Have you done modelling for what our energy system looks like with Yallourn closed or closing?

**Mr BRADLEY:** Modelling the next decade of supply in the energy system is something which we have to take account of and others in the market have to take account of with any analysis we do around Victoria's renewable energy target contracts that we have issued or other energy market activity. There is a range of published materials as well that AEMO publishes as part of things like its *Integrated System Plan*. What we rely on at the moment is the formal notification from EnergyAustralia of their closure date of 2032, but as the Australian Energy Market Operator has done with the *Integrated System Plan* report that it has published, it has four or five scenarios that do look at scenarios of potential early coal closure, not just in Victoria but in other locations.

**Mr RIORDAN:** So EnergyAustralia has done that and AEMO has done that, but have you done that?

**Mr BRADLEY:** We will tend to do modelling a number of times per year, if you like, for a range of different purposes, and it will have to take a view on the energy supply on the system. We obviously treat as the base case the public position of EnergyAustralia of closure in 2032.

**Mr RIORDAN:** But, I mean, in light of Hazelwood, which was very rapid and unexpected—its closure—that has an impact on the whole system; you have not been independently modelling the management of the Victorian system if Yallourn was to come forward six years or something?

**Mr BRADLEY:** Well, to the contrary, we are continuing to look at scenarios around that. There is a range of different factors that impact on the future of the system. One is the extent of interconnection in Victoria, and you will be aware that the department and the government have put significant work into the VNI West interconnector and the need for that augmentation to occur, with the government recently announcing an MOU with the commonwealth government to progress works that would enable for the fast-tracking of that interconnector. That is obviously changing the supply mix in Victoria. There is a need to make an assumption around the extent of variable renewable energy that is being supported into the market, including the government's 50 per cent by 2030 target, and then there is the solar entry and all of those things adding to the mix.

**Mr RIORDAN:** On that topic of the interconnector, which, as you know, is sort of a bit bogged down in community consultation at the moment—these things do not happen overnight, the provision of extra transmission lines, but it is part of stability—my question is: how many large-scale renewable projects have we currently got that the department has helped fund in one way or another currently not connected to the grid due to lack of capacity?

**Mr BRADLEY:** Right. Well, I might ask the Deputy Secretary of Energy to speak to that, maybe, if you are in a position to, Anthea. I can make a few opening comments if you would like.

**Ms HARRIS:** Thank you for the question. You will know that six projects were selected as part of the VRET II rounds. They are at different points of completion for those processes. The Berrybank wind farms are still under construction. Carwarp solar farm is still in preconstruction. Cohuna is precommissioning. Dundonnell wind farm is in commissioning—

**Mr RIORDAN:** Sorry, not the ones under construction. My question relates more to ones that either are under construction or have completed construction that at the moment cannot be connected to the grid because grid connections do not exist.

**Ms HARRIS:** There are a number of projects throughout Victoria that are experiencing some delays in relation to the connection experience. I will get the exact status of our own projects. I will take that on notice in terms of how many are directly connected for—

**Mr RIORDAN:** Okay, thank you. And in that list could you provide estimated connection times? So projects sitting there not yet connected and what their estimated connected time is.

**Mr BRADLEY:** I think the issue with that last part is that that process of interaction with AEMO is a commercial-in-confidence process. We will do that to the extent we can within some constraints from commercial in confidence. It is a negotiated process of engaging with the market operator that the government is not directly involved with, and the solutions for securing their registration and the connection agreement tend to be issues that are commercially sensitive in terms of the competitive position of the generators in the market. So we will answer to the extent we can on notice, if that suits.

**Mr RIORDAN:** All right. But you will be able to provide us the list of renewable energies that are not connected?

**Mr BRADLEY:** Yes.

**Mr RIORDAN:** Okay. Can you tell us: of the renewable energy projects that the Victorian government has helped to fund in recent years, how many of those have equipment sourced from Huawei?

**Ms HARRIS:** I am afraid I will have to take that one on notice.

**Mr RIORDAN:** Right. Are there any formal agreements between the state and Huawei for provision of renewable energy components?

**Ms HARRIS:** No, there are not.

**Mr RIORDAN:** Only with the developers?

**Ms HARRIS:** The proponents of the development—yes, that is right, the developers.

**Mr RIORDAN:** How much gas has been exported from Victoria to other states on a monthly basis to June 2020?

**Mr BRADLEY:** Thank you. We will be in a position to answer that. We will just be a moment.

**Mr RIORDAN:** Perhaps, Mr Bradley, while you are looking that up, Ms Ferguson may be able to help me with this other question. Has the department entered into any electricity production and supply agreements under the Victorian government's Belt and Road Initiative?

**Ms HARRIS:** No. No, we have not.

**Mr RIORDAN:** Thank you. We talked about large-scale renewable projects. Does the government to June 2020 have a report or have you done some analysis on how many small-scale—so basically home solar, which we were talking about before—how many people are unable to take advantage of solar programs because they cannot connect to the grid?

**Ms HARRIS:** We do have some information. I will check what we are able to provide in relation to information from distributors. It is exceptionally rare to not be able to put on a system at all.

**Mr RIORDAN:** I just beg to differ there, because certainly in country Victoria, certainly in my electorate, there are huge swathes of the electorate that cannot be connected. Is that something that you are monitoring?

**Ms HARRIS:** It is. We are very actively monitoring that, and we get regular reports from all of the distribution businesses to give us up-to-date statistics on all of those issues. What we have found in gathering

those statistics is that the issue is more acute in relation to being able to export rather than being able to connect at all.

**Mr RIORDAN:** Do you have a list of those that cannot export?

**Ms HARRIS:** We certainly have statistics, and I will check. I will need to check in relation to the confidentiality arrangements that we have signed with the individual distribution businesses as to what we can supply, and to the extent that we are able to do that, we can certainly do that.

**Mr RIORDAN:** Thank you.

**The CHAIR:** Mr Riordan, your time has expired. I will just ask the Secretary if he found what he was looking for.

**Mr BRADLEY:** I did not. Can I take that on notice in relation to the gas exports to other states?

**Mr RIORDAN:** Okay. Thank you.

**The CHAIR:** The call is with Ms Pauline Richards, MP.

**Ms RICHARDS:** Thank you to you all for appearing this afternoon. I am going to explore outcomes as they relate to integrated water management. I will draw your attention to the questionnaire at page 11. You have reported that funding has been allocated to integrated water management frameworks across the state, and I am wanting some insights into the importance of this policy in a global sense, and then perhaps I will prosecute a little bit more deeply.

**Mr BRADLEY:** Thank you. If you are happy, the Deputy Secretary will address that.

**Ms VAUGHAN:** Thank you for the question. In relation to the integrated water management framework, the framework that has been developed up for Victoria really is a process that helps government, the community and the water sector to come together and to plan about how best to use water within the landscape. The framework helps manage and deliver water to our towns and cities, and we are advancing those key policy reforms that help facilitate that greater uptake of recycled water and stormwater, because we want to ultimately reduce the impact of urban development on the surrounding environment. So it is very much working very closely with partner agencies and local government to really find what is the best approach to identify, prioritise and oversee the implementation of those collaborative water opportunities, and it really brings people together to understand different perspectives and how best to get that planning done.

**Ms RICHARDS:** Thank you, Deputy Secretary, and I will probably come back to that coming together of the stakeholders in a moment. But I do just want to get an understanding. Again, the same page number in the questionnaire, you report that \$12.4 million was allocated to support resilient cities and towns. I am interested in exploring how this supports recycling and stormwater use and the provision of green spaces.

**Ms VAUGHAN:** The resilient cities and towns is really about how best to use the water that is available through stormwater and recycled water to create projects that help keep water in place, if you like. So as part of the framework I was describing before we have got 15 forums that are set up across the state. There are five in the metro area and 10 across regional Victoria. The funding has really contributed to the resilience and the livability. That is the aim of delivering these projects into the community. And so co-investing \$4.7 million out of the \$6 million towards five on-ground capital projects, for example, 10 feasibility studies or business cases have been identified through our IWM program, and we are also advancing those key policy reforms that I referred to before.

**Ms RICHARDS:** I am wondering—you have just given a number there of 10 projects—if you can perhaps give some examples of the projects that have emerged from this policy so that we can have an understanding and a more detailed context of how that applies?

**Ms VAUGHAN:** Yes, okay. So the strategic directions statements that the forums have put together in each of the locations around the state really form the basis for identifying those particular projects. And some of the projects, for example, that we have delivered are the development of master plans to maximise the use of alternative water sources for places like North Geelong, Melton, Bacchus Marsh and the Arden urban renewal

area—so the precinct. So that is one example. Another is exploration into recycled water use at Melbourne Airport to support the construction of a new runway, which could save around about 3 gigalitres of potable water—so a really significant saving there. Another project is the construction of a recycled water scheme in Beaufort in the Central Highlands, which when it is implemented will use up to 88 megalitres per year of recycled water for greening the local community assets. And also through the building works stimulus package \$2 million of recycled water for a Werribee zoo project has been funded, so it is recycled water for helping to manage the zoo, if you like.

**Ms RICHARDS:** Terrific. On page 43 of the questionnaire—so I am still on integrated water management, but perhaps sort of taking it to a different level—you report on the desalination plant and major projects to secure water and of course water efficiency programs, so both the supply side and the demand side of this water equation, but with climate change I know we need to keep pursuing alternative sources of water. Is that what you are looking at? Can you perhaps unpack how the recycled water and stormwater projects under the integrated water management framework are assisting with that aim?

**Ms VAUGHAN:** Yes. Thank you for that question. So, you know, in terms of the demand and supply cycle for water really our aim is to utilise alternative water sources where we can as a way of actually using our potable supply for where we really need it for drinking. So it is a way of substituting potable water, if you like. It is about utilising water that is in place and reserving our drinking water that is becoming so precious as we move through climate change.

**Ms RICHARDS:** Thank you, Deputy Secretary. I am not sure if I am staying with you. I will perhaps seek the Secretary's guidance here. I am interested in exploring some of the major projects across the state that we are using to secure our water supplies for towns, businesses, communities and agriculture. What role does the department play in delivering these major projects? I see I am still with you.

**Ms VAUGHAN:** Yes, you are. Thank you for that question as well relating to major infrastructure projects. So the role of the department in major infrastructure is very much an oversighting role and an administrative role in delivering our infrastructure projects across the state, and we work really closely with our agencies, our water corporations, local government, delivery partners and catchment management authorities to deliver these projects. They include such things—it is quite diverse things—as environmental projects that I just was referring to before to really keep water at place, refers to irrigation modernisation, the grid partnership works and also integrated water management projects. DELWP works really, really closely with these entities in order to ensure we have got really robust project planning and governance arrangements in place. We will help undertake the cost-benefit analysis and also get involved particularly where commonwealth processes are involved and any negotiations that need to happen there. So we develop and provide that input and feedback into business cases, which is a really critical part of ensuring that we have got cost-effective and relevant and good projects being put up. Just as an example, in 2019–20 we really made significant progress on the \$2 billion Connections Project, and that achieved our water recovery target in October 2020—so a very significant achievement. It also includes the \$60 million Macalister irrigation district phase 1B project—that is due for completion in mid-2021—and the latest stages of Werribee and Bacchus Marsh irrigation district modernisation, which has reached practical completion at stages 3 and 4.

**Ms RICHARDS:** Thank you for that explanation. Could you explain how the department gauges the levels of local support and how you work with water corporations and local communities and sometimes including the commonwealth in delivering these projects, like the ones you have just listed?

**Ms VAUGHAN:** Yes. The community really needs to be at the centre of these projects, and a really good example of that is the work that we have done with the Connections Project that I referred to before, where we had to work really closely with the community to ensure that we were putting the right works in place across the Goulburn-Murray Water district. I was very much working with landholders, explaining the works, going through exactly what that was going to entail. As I said before, we have come to a conclusion in terms of the works on the ground for the Connections Project, and this comes off the back of a reset of the Connections Project that was carried out in 2016. In order to do that we needed to work really closely with the community as well. Part of the benefit of doing these large infrastructure and improvement projects across the state is that the Connections Project, for example, created 800 jobs annually and resulted in an annual increase of regional GDP of approximately \$170 million, so they are very significant projects and very important for regional Victoria.

**Ms RICHARDS:** Thank you. I am going to take up issues around wildlife support, so I invite you to do whatever movement is necessary. In the questionnaire you have reported that \$7 million of a Treasurer's advance has been put towards providing additional resources to protect wildlife and biodiversity in the aftermath of the fires. Can you explain how the funding helped the department and related agencies to protect and rehabilitate threatened species?

**Ms WHITE:** Thank you. The \$7 million was allocated in recognition, if you like, of the extent of the bushfires in 2019–20, where 1.5 million hectares, largely of public land in the north-east and in East Gippsland, was burnt. It was, if you like, a first tranche of funding that supported what was a document that was produced very rapidly, even during the fires, called the bushfire biodiversity response and recovery plan, and it outlined a range of things that needed to happen urgently in order to protect not only the threatened plant and animal species but also the rare vegetation types, the rainforests and others, that exist in the north-east in Gippsland. The \$7 million was allocated principally towards herbivore control. To enable any plants to regrow, herbivores needed to be at least addressed—and principally deer. In the case of pest predators, funding went towards being able to deal with particularly foxes and those pest predators that would prey on native animals that would be exposed in the severely burnt environments. There was also funding provided to do extraction of species that were either immediately impacted by the fire—the eastern bristlebird was something that got a lot of attention at that time, koalas—but also freshwater fish, molluscs and crustaceans that were likely to be affected by any heavy rains that followed after the fires, where blackwater events would have in effect drowned them. So the funding enabled those matters to be dealt with quickly.

Some initial seed extraction or seed collection of very rare species was also undertaken by the botanic gardens. There were a lot of partners involved in all of this. I mentioned the botanic gardens, Parks Victoria, Zoos Victoria. We had a range of universities and other wildlife institutes assist with the eastern bristlebird extraction. We then sought, if you like, refuge for the freshwater species. They were housed at the department's science institute, the Arthur Rylah institute, and kept in specially prepared tanks to enable that to occur. Subsequent to that \$7 million there was additional funding.

**Ms RICHARDS:** Thank you. The questionnaire also states that there was \$7 million for the recovery of fire-affected wildlife and biodiversity, and I think that you really unpacked that well. Can you explain the planning that the department is undertaking with this funding to ensure long-term recovery of the environment?

**Ms WHITE:** The long-term recovery was always a consideration while, as I mentioned, the biodiversity bushfire response and recovery documentation was prepared, which outlined a clear plan of, if you like, attack in order to be able to best enable the biodiversity in East Gippsland and the north-east to survive. The Secretary mentioned in the introduction that more than 244 species were impacted—rare and threatened species—and many of them were in fact impacted severely. We needed to then focus on what were, if you like, the works and the considerations of their long-term survival. We looked at things such as that ongoing use of predator control and herbivore control, noting as the environment recovered that in order to be able to enable it to recover as quickly as possible and without being damaged or further threatened we needed to deal with predators for animals and herbivores for plants.

We then, with the first tranche of funding, were able to determine the extent to which we were able to do those works, and we then looked towards being able to identify what would be successful ways of identifying refuges and how we would then consider what kinds of plants we need to extract seed from in order to be able to propagate and then grow those species back in the wild. There were a range of considerations about what kind of mapping information and also what kind of data and further knowledge we needed to gain through this, and that mapping and data will be significant assets as we go through the long-term recovery of East Gippsland and the north-east.

**Ms RICHARDS:** Thank you again for expanding on that. I am interested in understanding, with the Treasurer's advance, what improvements the department made to support wildlife carers and the coordination of specialist teams for future bushfire events.

**Ms WHITE:** As you may recall, there was not only—

**The CHAIR:** Sorry to cut you off there, but the member's time has expired. We might actually take a short break now of 15 minutes. I declare the hearing adjourned until 20 past.

**The CHAIR:** I declare open this hearing, and the call is with Mr Sam Hibbins, MP.

**Mr HIBBINS:** Thanks, Chair, and thank you, Secretary and your team, for appearing before us this afternoon. I just want to continue on with some questions on what Mr Riordan was asking around our coal-fired power stations. Surely some modelling must have been undertaken when you were determining or trying to understand the interim emissions targets. Surely some modelling would have been done around the time lines for closure of coal-fired power stations and the greater impact that would have on both emissions and the energy sector?

**Mr BRADLEY:** I just missed the last part of your question, Mr Hibbins.

**Mr HIBBINS:** The last part as in?

**Mr BRADLEY:** I just missed the last phrase; I could not hear what you said, sorry.

**Mr HIBBINS:** Both the emissions and the energy sector—so the impact of those.

**Mr BRADLEY:** Certainly we recognise that energy emissions are a significant portion of the state's total emissions profile, both stationary energy in the form of electricity consumption and gas consumption, but transportation as well is contributing. Through the development of the government's work in relation to climate change emissions abatement scenarios, the panel work that I referred to earlier, that was chaired by Greg Combet, certainly identified the significant contribution of energy emissions in that mix and indeed provided scenario analysis in that context in relation to the contribution of coal-fired power stations, recognising that coal-fired power, as you are very aware, has an emissions profile which is significantly higher than pretty much any other energy source, including black coal or gas-fired generation, let alone zero emission renewables. So it is certainly a significant contributor to the emissions profile of Victoria. It was something that was taken into account in the policy work and the analysis that was done by the Combet panel.

As I mentioned earlier, the department does, from a kind of energy security and reliability perspective, continue to assess these risks. I might point to the fact that through the national market reform process the Australian Energy Market Operator is responsible for its integrated system plan, which does look at supply sufficiency and adequacy of supply over the decade when it is doing its long-term forecasting. And as I mentioned earlier to Mr Riordan's question, it has done scenario analysis around early coal-fired power station exit. The Energy Security Board has a directions paper which it has recently released, which looks at ways of managing reliability in the energy transition and the potential for early coal-fired power station exit, and it has looked at whether or not there is a need for the strengthening of the reliability obligation—the RRO, as it is called—which currently is only triggered under certain circumstances. The ESB is asking the question as to whether or not there is a need for a more actively imposed RRO that is always on and physically backed.

So those kinds of policy options are being considered within the national market context. Certainly we continue to analyse the significance of the energy sector contributions in terms of the work that has been done by the Combet panel and the department's work in relation to climate change, and from an energy security point of view we prepare for that as a contingency while recognising the role of those national market bodies, like AEMO and the ESB.

**Mr HIBBINS:** Thank you. I guess the reason I am asking is, I mean from what it sounded like obviously the owner—for example, Yallourn, as you referred to earlier; I think EnergyAustralia is the owner—have slated a 2032 closure date, and that is being used as a base case. Yet a decision on the interim targets that were due to be tabled some time ago, during the 2019–20 period, have not been yet. That could actually then be different, or have different ramifications for the closure of the Yallourn power station. In fact it would go from leaving it up to the private market to a government-set time line. Is that not the case?

**Mr BRADLEY:** Certainly there is a statutory obligation for the government to set emissions targets, and the framework provides for that to be done by sector, including not only in the energy sector but also across the economy, including in waste and agriculture and other areas. It is absolutely true to say that the government will set targets and objectives in relation to the energy sector for emissions abatement, but that will also reflect the significant commitments that have been made. Although it is after the period in question for today's hearings, the 2020–21 budget has within it a \$1.6 billion energy program, which includes provision for investments in renewable energy zones and the increase of hosting capacity, as the minister has announced—to

increase hosting capacity to up to 16 gigawatts in Victoria. So there are energy policy measures which are being advanced, including as part of the November budget announcement, which are occurring, and there are significant climate change abatement measures within that.

My colleague the Deputy Secretary can speak about the Victorian energy upgrades program, which continues to drive efficiency in energy use across the community. So there is action occurring within that framework. This broader approach under the climate change strategy to set targets will include targets for stationary energy, like power stations, but also be across the spectrum of energy use.

**Mr HIBBINS:** Okay. Thank you. Can I ask now, in terms of my understanding, throughout 2019–20—and it has not been published yet—a zero emissions vehicles road map was being developed, and at the same time Treasury was developing their own paper on road user charging; were the two departments talking to each other in the development of those papers?

**Mr BRADLEY:** Well, ultimately those matters are matters that are considerations of government. Without breaching cabinet confidentiality, departments, as you will be aware, do work and provide commentary on proposals that come forward for government consideration as an organised and sort of standard part of the government consideration by cabinet. So yes, the departments continue to cooperate in relation to both of those initiatives.

**Mr HIBBINS:** Okay. Thank you. Now, just another measure that was due to be responded to by government in 2019–20 but was not was the Victorian Environmental Assessment Council and their recommendation for creating new national parks in, I think, Victoria's central west. Has a response actually been prepared to that report?

**Mr BRADLEY:** I might ask my colleague the Deputy Secretary, Kylie White, to answer that question in relation to the response to VEAC.

**Ms WHITE:** Thanks, Secretary. The government has stated that it would delay the government response to that VEAC investigation for the central west. In particular the government noted that due to the need to consider the *Victorian Forestry Plan* and the impacts of the bushfires, which have flow-on effects for the central west around some of the species that were impacted significantly by the fires, particularly in Gippsland, they would delay the response until they have considered those impacts.

**Mr HIBBINS:** So it is still a work in progress?

**Ms WHITE:** It is, yes.

**Mr HIBBINS:** Okay. Thank you. I want to ask now about the environment effects statement process and just how many projects within 2019–20—if you could just give me some understanding of the process too—were considered for environment effects statements and then also either were exempted from an environment effects process or an environment effects process was then proceeded with?

**Mr BRADLEY:** Thank you very much. Maybe while Mr Lyngcoln is just getting a specific answer to the finer detail at the end of that question I might just mention that the department did modify arrangements to manage the environment effects statement process during 2019–20 because of those impacts you were referring to in relation to the pandemic. The arrangements for conventional or physical exhibition of environment effects statements were obviously not possible and we put in place arrangements which allowed for online exhibition and fair opportunities for stakeholders to participate, as authorised by the minister. Those amended procedures included providing notice of at least two weeks before the exhibition formally commenced to make sure that the community was in a position to adapt to that new model of exposition of environmental assessment processes and also providing opportunity for potential submitters to acquire the documents, including if they needed to through USB media or in hard copy. The other change to that process that is worth recognising because of COVID is the extension of the exhibition period, which occurred in significant project processes of 30 business days to 40 business days, which was intended to recognise the additional challenges for stakeholders in cooperating or collaborating together, because very often there is a community collaboration that goes into the response and the EES process. That was challenged, and the minister recognised that as part of the new arrangements for EES processes. But, Mr Lyngcoln, you might want to add to that?



**Mr HIBBINS:** Right. Thank you.

**Mr LYNGCOLN:** Thanks. So in relation to actual projects that went through *Environment Effects Act* type planning processes, there is a process there by which project proponents do a self-assessment against EES guidelines as to whether they believe they need to lodge for a decision on whether an EES is required, and then once they do that there is a submission to the Minister for Planning that then determines whether an EES is required. In some cases an environment effects statement is, in other cases there might be conditions in lieu of requiring to do that. In 2019–20 there were seven projects where ministerial decisions were made under the *Environment Effects Act* through environment effects statements—I can either run through those now or provide you a list on notice—and then there were a further six projects where there were conditions in lieu of an environment effects statement, so that is where the minister determined that an EES was not required, but there are other conditions that would need to be met to satisfy the project going ahead. I am happy to provide lists on notice, if you like, or can provide them now if you prefer.

**Mr HIBBINS:** I think a list on notice would probably better assist the committee. And are there mandated criteria by which the minister then decides whether something should proceed with an EES or be subject to conditions?

**Mr LYNGCOLN:** Yes, so the minister has discretion under the Act to make that decision as to whether an EES is required. There are published EES guidelines that outline the range of environmental impacts that should be considered by the proponent in determining whether to lodge an application to the minister, and obviously for those impacts the department would provide advice to the minister and would look at issues around whether there is an impact on multiple objectives covered by those guidelines, the extent of the impact and the kinds of mitigations that would already be covered off by other legislative and regulatory requirements. That advice is provided to the minister, and it is ultimately at the discretion of the minister then to determine whether an EES is required.

**Mr HIBBINS:** Okay. Were there any? Did the minister not proceed with any EESs against the advice of the department?

**Mr LYNGCOLN:** I would have to take on notice whether any were against the advice of the department. Generally the department would provide advice with the range of options the minister has around that and the things that the minister should weigh up. There were certainly projects, as I said, where the minister determined an EES was not required. From memory, they were largely in line with the advice that we provided, but I would have to take on notice if there were any that were against our advice.

**Mr HIBBINS:** Okay. Thank you. And just with your indulgence as well, in terms of if a proponent does not submit to the department at all, is that a risk at all, or does that not occur?

**Mr LYNGCOLN:** Yes, so there is an obligation for the proponent to make a self-assessment, and the EES guidelines that are published provide the methodology that the proponent should undertake in doing that. That is ultimately a matter for them, but obviously if they did not complete that properly, they could potentially be subject to a legal challenge around that.

**Mr HIBBINS:** And just for the clarification of the committee, it is only the proponent that can actually submit in regard to an EES? It is not an outside person or someone that is not—

**Mr LYNGCOLN:** Yes. The process involves that self-assessment by the proponent and an application to the minister. Certainly community impact is one of the factors that would be weighed up in making the decision, but yes, that is the process that the proponent initiates.

**Mr HIBBINS:** And then in terms of ongoing monitoring activities from environment effects processes, and we can talk about those undertaken in 2019–20, how does the department actually go about monitoring the recommendations that actually come out of an environment effects statement process?

**Mr LYNGCOLN:** It will depend on the project, but the usual process is that if an environment effects statement is required, that would be prepared and exhibited by the proponent. There is often an inquiry that Planning Panels Victoria would run the process for that would allow people to respond to that exhibited

material, to make submissions and to be heard, and then a panel would hear those submissions and make a final report that is submitted to the Minister for Planning.

Then, depending on the project, there might be different approvals that are required that are often tied up in that advice and that process. Typically the Minister for Planning might, for example, have a planning scheme amendment that needs to be considered based on that advice that would facilitate the project. Very commonly there would be a set of environmental performance requirements that the minister would approve, and so they set the benchmarks that the proponent would then be measured against to ensure that they are complying with the minister's decision. Those are often refined through that panel process that I referred to, and then there is a monitoring regime in place where the proponent needs to demonstrate compliance with those EPRs.

**Mr HIBBINS:** And are there any penalties for not complying with the environmental performance benchmarks that might be included in an EES? What is the actual—

**Mr LYNGCOLN:** It would depend. Some of those EPRs may involve compliance with existing regulation, and obviously the consequences of not complying with that regulation would depend on that particular legislation and regulation. There is also, as I said, the risk of legal recourse if some of those were not met as well. I am not aware off the top of my head of anything in the way of sort of financial penalties or anything like that, and generally our experience is that those EPRs are complied with.

**Mr HIBBINS:** Okay. Thank you. Just some now specific questions in terms of the Great Outdoors initiative, which I believe comes under this department. If we could have a breakdown—you can take this on notice—of activities undertaken in 2019–20 and the cost for those activities?

**Mr BRADLEY:** Just bear with me. I think we have got the Chief Fire Officer who can probably speak to that now if that suits the committee. Chris, the question is for a breakdown of expenditure under the Great Outdoors initiative.

**Mr HARDMAN:** Yes, I can do that. Thank you. So the expenditure for the Great Outdoors initiative includes \$12 million to cut national park camping fees by half all year round from July 2019, and that has occurred, and \$44.6 million to build 30 new campgrounds across the state and 30 other campgrounds to be upgraded. The delivery of the new campgrounds is going really well and is on track. There is \$10.5 million to upgrade seven iconic four-wheel drive tracks across the state, including the Wonnangatta, the Alpine National Park, the Grampians and the Grampians National Park. There is \$19.6 million to establish the Yallock-Bulluk Marine and Coastal Park along the Bass Coast from San Remo to Inverloch. There is \$4.3 million to build and upgrade the hiking tracks to help people experience the great outdoors in the 2019–20 phase of the project, so that work is progressing well, and \$1.5 million to employ additional seasonal rangers to work in parks and forests. There is \$1.5 million for the planning and design of the iconic sea-to-summit trail from Cape Conran to Errinundra Plateau, and the planning commenced for that in 2019–20. There is \$11.6 million to provide grants to local councils and committees of management, and that was to improve camp sites and caravan park facilities, mostly in a natural bush setting, and boost conservation volunteer programs.

Round 1 of the caravan and camping grants was awarded in 2019–20, so \$2.5 million, with grants between \$13 500 and \$200 000 to 25 Crown land managers, committees of management and local councils, including the Loddon Mallee, Barwon South West, Gippsland and Hume regions. Those grants are all about improving the landscape and the experience to encourage people to continue to enjoy the beautiful parks and forests in Victoria.

Round 2 of the caravan and camping grants have recently been awarded, and so on—volunteer funds. So that is a breakdown of the overall program. In the 2019–20 financial year I can just highlight that there were eight major upgrades delivered. That was the Loddon Mallee, Big Billy lookout; the Loddon Mallee Gunbower canoe launcher, which was an all-abilities facility, and it is fantastic to see people with limited abilities being able to get onto the water; there was the Bruntons Bridge investment at Gippsland; the French Island Fairhaven campground was upgraded; at Barwon South West there was a lovely campground at Hammonds North which was recently launched; in the Hume region the Matlock Grant Reserve received a significant upgrade; Neds Gully campground; and then the Great Otway National Park; Big Hill, Avonvale; and Hammonds campground, so a strong level of investment in our campgrounds.

**Mr HIBBINS:** Great, thank you.

**The CHAIR:** Thank you, and the member's time has expired. I will pass the call to Ms Nina Taylor, MLC.

**Ms TAYLOR:** Thank you, Secretary and officials. There was an issue that I would like to explore a little bit further. I think time cut out. I know there is a lot of interest in it, and that is wildlife welfare. From the Treasurer's advance, the \$7 million, I note that that went towards supporting specialist teams on the ground caring for injured wildlife and many other aspects as well, so I really want to understand better the improvements the department is looking to make to support wildlife carers, noting we are looking at outcomes in 2019–20—so how far you project into the future, you would have to contain that I guess—and the coordination of specialist teams in the event that there are future bushfire events.

**Ms WHITE:** Thank you. I will talk about 2019–20 and then also point to some things that have recently occurred because of the learnings of 2019–20. During the bushfires, you would be aware, there were many concerns both internationally and nationally and from Victoria about the impact on wildlife, and it was particularly so in January, which was a time where the eastern seaboard from Queensland to New South Wales had been burning. So there was a great deal of concern about the extent to which native forest and native forest animals in particular had been burnt and what would be the impacts. At the time during those fires of November through to January—we have for a long time had a wildlife carer network, so we were able to utilise that existing wildlife carer network to be able to take in animals once they were assessed, once they were medically treated and then be able to care for them for the period of time that they required before they could be considered to be released into the wild. Some of those animals needed quite significant care.

The skills on which we drew at that time included wildlife vets, and we were able to utilise those from the Australian Veterinary Association, Wildlife Victoria and Animals Australia, as well as being able to use the wildlife-trained staff within DELWP. We were able to bring together what we call teams to be in triage units, and those triage units were located in a number of places. We had one in western Victoria when the fires were in and around Budj Bim, noting there are koalas and other animals in that part of the world, and we had the first one located in Mallacoota, Bairnsdale and then subsequently in the north-east.

The learnings that we received from this time not only were around how much interest but what were the scale and care needs that we needed to factor in around future fires. In addition to what I talked about earlier, we have been working with our wildlife carer networks and those wildlife associations that I mentioned to better understand the needs to be able to respond to fires and then also to be able to ensure that the care arrangements are suitable.

So since that time, where the fires were actually occurring, where we dealt with animal recovery, we have also been working on systems and processes that will enable us to be better equipped, enable our wildlife carer network and the wildlife associations to be better connected into fires in the future—if you like, not so much the fires but in dealing with the impacted animals.

In addition to that, we provided funding in 2019–20 for the wildlife network in order to expand the hours of the wildlife hotline that had been put in place by Wildlife Victoria. So the funding that we received expanded the number of hours they could operate, the number of operators they could have to be able to address people's concerns. And in response to that and the expanded hours, they actually received more calls around animals that may be impacted, not only from fires but throughout the year from other events, whether it be from vehicle accidents, road issues or animals that are found that may have been hurt in other ways. So it has been quite an extensive and comprehensive approach.

**Ms TAYLOR:** Excellent, thank you. Now, I do not want to overlap. I think you did allude to this, but just checking with regard to how the funding was used to support threatened flora species, because I noticed that you did mention about looking into which species needed to be protected. Was there anything further that you wanted to add to that, or do you think that has been well transacted? I am not an expert in that area, so that is why I am asking.

**Ms WHITE:** I just might add one extra piece. We often focus on the animals and particularly those that are charismatic. The vegetation, though, is so vitally important because that supports all of the animal fauna that exists. So we have got a clear focus and a key theme on ensuring that the vegetation gets every chance to survive and recover. I did mention the program, the herbivore control program. Animals such as deer lead to significant damage, particularly of young shoots, if you like, or of young regeneration, where it is pretty

attractive to a deer who may be in a largely burnt landscape. And so that herbivore program was essential in order to be able to give the chances for the native vegetation to be able to regrow and recover.

**Ms TAYLOR:** Excellent, thank you. Now, continuing on this theme, but again not to overlap because you have just mentioned about herbivores, can you explain areas of priority control that were able to be undertaken and how the work of your agency adapted to deliver the weed and pest control measures—I note that you have spoken to some of that—despite the impacts of COVID-19?

**Ms WHITE:** Yes. The budget papers provide a summary of the programs that were set for 2019–20 for weed and pest control, and these were significantly impacted during 2019–20. Bushfires: obviously for the first few months, in the middle of the financial year, and then from February on, COVID then impacted the delivery of those programs in multiple ways. A number of those programs that occur on private land in order to be able to get the best outcomes around weed control and animal control were impacted because we were unable to actually have people in the field. As you may recall, people's movement was restricted, groups could not get together, community groups were not able to deliver the programs that they had received funding for, and also a number of programs had been burnt during the fires. So programs that had been originally planned were burnt and then we needed to reassess those programs.

In some areas we have had reduced hectares, if you like, of both animal and plant pest species. We have had that be a little bit modified due to an increased amount of herbivore control and pest control, all animal and plant pests, due to fires. And we have, if you like, swung our efforts behind those fire-related plant and pest animal control programs. We will be reassessing, and we have been reassessing, how we can return to provide greater focus on other areas of the state and with reduced restrictions now around COVID movement we have been able to deploy teams of people, both Parks Victoria and DELWP, as well as being able to work with our other partner agencies and continue those programs. Delayed, yes, but we will be able to continue them in, you know, in 2020–21 and then 2021–22.

**Ms TAYLOR:** Okay, thank you. So looking at *Biodiversity 2037*, again I say within the frame of outcomes 2019–20, our government's plan to protect Victoria's biodiversity, why are the targets important in reaching the goals set under the plan? I guess it is a global plan, you always have to have a plan that is going to look well into the future, but within the frame of where we are today.

**Ms WHITE:** It is a really good question, and for a plan that has got a 20-year horizon, targets that are short term, medium term and long term are important, and particularly in regard to the natural environment change is seen slowly. Targets are important so that you can keep measuring progress towards those targets. I think that the important part of *Biodiversity 2037* is that the plan outlines some clear actions that can be taken that are cost-effective and yet provide the best possible chance for biodiversity to flourish and that we are able to then act upon those targets to ensure that they are top of mind whenever we develop programs.

In regard to a number of programs that are currently underway, there is significant funding related to the engagement with communities, traditional owners and also with land managers, in order to be able to reach those targets. We have talked about pest animal and pest weed control; they are essential parts of Bio 2037, and reaching those targets, those area targets but also being able to identify the priority areas where it really makes the most difference is important for us to be able to see, if you like, readily improved outcomes for biodiversity.

There is a range of programs that we have funded to enable that. We funded in an ongoing way the helmeted honeyeater, and there is a reserve in Yellingbo which enables that species to flourish, given that it has a very limited range and is threatened by its very nature of being quite constrained to that area. There is funding for biodiversity information uplift; so how do we use our biodiversity information both to generate what are the most appropriate areas in which we put funding to get the best biodiversity outcome but also to provide an outward link to the community and other interested people so that they are able to engage with the biodiversity programs and the information that underpins the biodiversity programs; there is a range of community grants, as I mentioned, which enable communities to participate; and there is a large suite of biodiversity on-ground action which derives from *Biodiversity 2037* and those targets that you mentioned.

**Ms TAYLOR:** Excellent. And I think you have already spoken to it, but I am just making sure that we have covered it well, because it is a very important point. You did speak to for instance the herbivores, you know, nibbling on some of the new shoots—and that is a problem. So how do pest and weed control programs support

the recovery of our biodiversity, post bushfires? Is it, you know, controlling those pests? Is that really a big part of it or are there other elements with the weed control that is helpful as well?

**Ms WHITE:** You have really identified the key issue there: looking at what are the most cost-effective actions but ones that make the most impact. Controlling pest predators and pest weeds make the most difference. There are key threats to the recovery of environments. The key threats to the recovery of the vegetation and also other key threats are managed as predator control, which enables animals to flourish, particularly small animals that are most impacted by those predators. Foxes and cats in particular are able to hunt everything from lizards to small possums and small wallabies, so it enables action towards those.

There is a key need to be able to keep those control programs operating over the long term, particularly in East Gippsland. We have got a program called Southern Ark, which is a predator control program, noting the significant number of rare and threatened animals in East Gippsland, including the long-nosed potoroo, the long-footed potoroo. These animals are very readily predated upon, and so with the open fire areas in particular the ongoing nature of those control programs will be important to give long-term benefit to those animal populations that have been so badly impacted.

**Ms TAYLOR:** Okay. Thank you. I just want to explore further in relation to the two expert workshops that the department convened to develop the bushfire response and recovery report. Can you please detail how this engagement with experts was leveraged to enable the response that we saw on the ground and how the department is continuing this engagement with experts?

**Ms WHITE:** Sure. Those workshops that you have mentioned were an essential part of dealing with the biodiversity response and recovery planning that sat underneath the plan that was first published in January and then we provided an update in August. The department was able to use its very strong relationships with research organisations, traditional owners, other interested parties and people that have an association with protecting animals, such as Zoos Victoria, and both national and international expertise around dealing with wildlife and the impacts of such a fire as the one we experienced in 2019–20. As it became apparent that the scale of the fires was so significant and the fires were so severe, we immediately tasked a small team within DELWP to work through who would we need, what kind of expertise would we need to be engaged in developing a really robust and effective plan for biodiversity recovery. We were able to then bring together a whole host of experts and land managers, traditional owners and stakeholders to contribute to and guide the preparation of that plan.

We tested them with their expertise to see whether the programs that were put forward would have the most effect and that they were able to be done—that they were achievable—and that they also enabled, if you like, a suite of immediate actions, noting that there would then need to be medium and then long-term actions to follow in order to provide for the satisfactory recovery and, if we could manage it, the flourishing of those environments that had been impacted so badly. So the workshops were held, and this was of course pre-COVID so we were able to get people together. We are able to join online, and it seems surprising to say that we had a big room of people, but we did. We really pressed everybody for their contributions and unanimously came to the themes that were outlined in the plan.

**Ms TAYLOR:** Thank you.

**Ms VALLENCE:** And the shadow minister was denied the ability to attend those round tables.

**The CHAIR:** Ms Vallence, you do not have the call. Ms Taylor, your time has expired. Mr Danny O'Brien, MP.

**Mr D O'BRIEN:** Thank you, Chair. Good afternoon, Secretary. Can I begin on planning. Page 3 of the questionnaire highlights a program of \$5 million to support the planning system as a result of the state's 'unprecedented population growth'. Given on the back of the lockdowns last year the loss of confidence in the Victorian economy and the fact that as a result we have got people leaving the state—indeed in the September quarter 7500 people left Melbourne in net terms—is that program now redundant and being axed?

**Mr BRADLEY:** I think the point that the member is making in relation to the implications of the pandemic for population is something which the department has been thinking about closely. As you would understand, we have got the population demography unit within the department that does significant work in this space, and

there are certainly significant growth trends, as you say, that the department has been planning on and building into its work around *Plan Melbourne* and other initiatives which have seen disruption in the 2020 calendar year, but we are also seeing signs and signals in terms of market activity, including property market activity, that indicate that this has been obviously a significant disruption to economic activity—undeniably—and therefore to growth patterns. We have seen some indications of increased uptake in regional demography as we have seen people take the opportunity to work remotely from regional towns in Victoria, and that has been—

**Mr D O'BRIEN:** Sorry, Secretary, can I just go back to the question of whether that program or that funding has been continued or not?

**Mr BRADLEY:** Well, the need for the program certainly has not changed in relation to the significant need to plan for population growth, and the planning—

**Mr D O'BRIEN:** It was \$5 million for 2019–20. Was there further funding provided to it in 2020–21?

**Mr LYNGCOLN:** Yes, the \$5 million was also allocated in 2020–21.

**Mr D O'BRIEN:** Sorry—say it again.

**Mr LYNGCOLN:** The \$5 million was also allocated in 2020–21.

**Mr D O'BRIEN:** Okay, so that was an additional \$5 million?

**Mr LYNGCOLN:** Yes, so there was \$5 million for 2019–20 and again another \$5 million for 2020–21.

**Mr D O'BRIEN:** Okay. Right. Thank you. Page 88 of the questionnaire reports on underperformance of EES against targets, and I think Mr Hibbins raised some of these issues. So there was actually a 5.7 per cent variation under the target for delivering EES targets for the department. Is that one of the reasons that the minister allowed the Chunxing Corporation to do their own self-referral for the lead battery project in the Latrobe Valley, when the minister actually called in and approved it against the wishes of the local community and the council?

**Mr BRADLEY:** Thank you. I will ask the Deputy Secretary in a moment to speak to the specifics of that case, but as we highlighted in the questionnaire, that 5.7 per cent variation—obviously we do not want to see an underperformance, but it is a reasonably modest underperformance—was attributed in significant part to the delays needed in achieving technical advice from regional staff, in some cases that were diverted to bushfire emergency response work in early 2020, and also the implications of the disruption to staff in relation to the COVID pandemic. We also—

**Mr D O'BRIEN:** I guess what I am getting to—

**Mr BRADLEY:** I am trying to respond to your question and then my colleague will respond to the second part of it in relation to that specific project. We also saw disruption to physical inspections of project sites due to the social-distancing requirements and working-from-home arrangements in 2020, so there was an undeniable impact. In relation to the minister's decision-making around that project you are asking about, the Deputy Secretary will be able to respond to that.

**Mr LYNGCOLN:** Yes. Thank you. There has not been any decision made about not using an EES for a particular project based on our resourcing or capacity or sort of workload around that. On the particular decision that you referred to, the minister exercised powers to call in that decision. That was not a project subject to an EES. There were powers under other parts of the Act—

**Mr D O'BRIEN:** Sorry, did you say it was not subject to an EES?

**Mr LYNGCOLN:** No.

**Mr D O'BRIEN:** Right. Why not? Because they did a self-referral?

**Mr LYNGCOLN:** Presumably they would have done a self-assessment that determined they did not need to refer it to the minister.

**Mr D O'BRIEN:** Okay.

**Mr LYNGCOLN:** And it was working its way through a local government planning decision-making process, and the minister exercised powers to call it in from the local government to make the decision.

**Mr D O'BRIEN:** Did he do that on the basis of advice from the department?

**Mr LYNGCOLN:** So as part of the department looking at opportunities where it would be appropriate for the minister to intervene, that was a project where, I think from memory, there was VCAT involvement. So the planning had been working its way through local government, there was a matter that had been taken to VCAT and there was an opportunity for the minister to intervene on that to speed up the planning decision-making and to bring certainty to that planning decision-making, and there would have been advice from the department to the minister with options around doing that.

**Mr D O'BRIEN:** On both the EES and the VCAT question, I guess, would I be wrong in suggesting that there has been an attempt through the system to try to knock a few through or knock a few out to catch up on the backlog, which is in part caused by bushfires and COVID?

**Mr LYNGCOLN:** There was certainly a process that we had in response to the need for economic recovery in relation to COVID—to look at where the minister exercising those powers and intervention that the minister has under the Act would lead to the approval of projects that would create economic activity and jobs.

**Mr D O'BRIEN:** Okay, thank you. Can I move on to cladding, and on page 21 of the questionnaire the cladding rectification program outputs are noted. It includes 22 government buildings identified through 2019–20 and 373 building audits undertaken by the Victorian Building Authority. We have been consistently told through 2019–20 and since that a list of buildings with cladding problems, or problematic cladding, would not be released publicly because of the threat of arson and potentially terrorism, and yet only recently we saw buildings actually going up with hoarding bearing the logo of Cladding Safety Victoria. Has that policy now changed?

**Mr BRADLEY:** On the specific question of the policy of Cladding Safety Victoria, the CEO is just joining us from the other room and will be with us momentarily. But it is important to recognise the continued reliance of the government on the advice of the MFB, as it was at that time, that it was considered to be a safety risk to disclose all of the locations that had been identified in terms of those sites and that that was a hazard to the community and community safety that the government recognised, and so it took a policy position that it would not disclose those sites.

In relation to the specific issues of the Cladding Safety Victoria logos and banners that have been used on some sites, obviously—and the CEO can speak to this as he joins us—that has occurred in a controlled manner with identified sites where it has been possible for Cladding Safety Victoria to take account of the onsite conditions. It is a very different thing to the full disclosure of all sites without any kind of management framework around that. So I might ask the CEO to speak specifically to that question about whether or not the policy has changed in relation to the display of the CSV material.

**Mr D O'BRIEN:** I guess to clarify: an element of the policy clearly changed because some buildings were identified as Cladding Safety Victoria. So is the list now available or not?

**Mr Dan O'BRIEN:** The list?

**Mr D O'BRIEN:** The list of buildings that have been identified with problematic cladding.

**Mr Dan O'BRIEN:** Two separate issues. In terms of the list, no, the list will not be made available. In terms of the Cladding Safety Victoria hoarding or safety mesh, which was on up to, I think, probably about 80 buildings, that will not go on any further—

**Mr D O'BRIEN:** So 80—eight zero?

**Mr Dan O'BRIEN:** Eight zero, yes. So we have got 80 works underway at the moment—83 either complete or underway. In terms of the mesh, we have decided to take it off, given that there was sort of divided

community opinion. So that has come off really out of an abundance of caution more so than any particular risk. I think the Secretary answered that part well.

**Mr D O'BRIEN:** I mean, I guess if originally it was decided that for safety reasons there were no buildings with cladding issues identified publicly, why would Cladding Safety Victoria even consider putting up hoarding on buildings they were rectifying?

**Mr Dan O'BRIEN:** Well, again, I think the Secretary answered it very, very well. These are managed environments. When the scaffolding goes on and the mesh goes around it, the first thing that comes off is the combustible cladding, so the risk is removed.

**Mr D O'BRIEN:** Presumably not from the start?

**Mr Dan O'BRIEN:** As soon as the scaffolding goes on, the first step in the rectification process is the removal of the cladding, and that is probably the quickest part of the project.

**Mr D O'BRIEN:** And so did you remove—

**Mr Dan O'BRIEN:** Again, these are managed sites, just to finish that answer. These are managed sites, well monitored—

**Mr D O'BRIEN:** 24/7?

**Mr Dan O'BRIEN:** Obviously the building works are underway and, yes, they are well monitored.

**Mr D O'BRIEN:** Why was the decision then made to take them down?

**Mr Dan O'BRIEN:** I made the decision to take it down because I did not want it to distract from the work that needed to be done, which is the job of removing the combustible cladding and getting onto the next job.

**Mr D O'BRIEN:** Was that prompted by the media inquiries from the *Age* about that hoarding?

**Mr Dan O'BRIEN:** It was prompted by, I think, enough public concern, or at least some concern, that was expressed in the media. That was enough for me to say, 'Well, it's not serving the value that I wanted it to serve'.

**Mr D O'BRIEN:** Sorry, can I just clarify: you said 'safety mesh'? Is it safety mesh that the Cladding Safety Victoria signs were on?

**Mr Dan O'BRIEN:** Yes. So what you do is you have your scaffolding up, you have the safety mesh, and then generally you have what is a branded site with the builder's logo, and Cladding Safety Victoria's logo was on those buildings, yes.

**Mr D O'BRIEN:** So it is the mesh around the—

**Mr Dan O'BRIEN:** Around the safety mesh.

**Mr D O'BRIEN:** No, sorry, around the scaffolding.

**Mr Dan O'BRIEN:** Yes.

**Mr D O'BRIEN:** Yes. Okay, thank you. I will move on if I can to some questions on water, which I suspect Ms Vaughan may take. In December 2019 the Deputy Prime Minister announced the commonwealth water infrastructure fund and invited the department to submit a funding application to the commonwealth for feasibility into Big Buffalo. Did the department prepare a response specifically for the minister to sign in relation to feasibility for Big Buffalo?

**Ms VAUGHAN:** Thanks for the question, Mr O'Brien. There has previously been work done on Big Buffalo. We did some analysis—I am happy to provide some more detail on it—that was put into one of our water security plans earlier. I think it was around about 2014, but I would need to check that. And so specifically—



**Mr D O'BRIEN:** Specifically, because I am looking at the reference period 2019–20—

**Ms VAUGHAN:** Yes.

**Mr D O'BRIEN:** whether a response to the Deputy Prime Minister was provided about Big Buffalo.

**Ms VAUGHAN:** Yes, I would have to take that one on notice, actually.

**Mr D O'BRIEN:** Okay. Has the government in any way progressed the options for feasibility for the Big Buffalo dam?

**Ms VAUGHAN:** Well, part of the issue that we have with Big Buffalo relates to the Murray-Darling Basin plan and the sustainable diversion limits that are in place associated with that plan, and that is why I referred to the previous work that was done around water security in around about 2014. So to specifically answer your question, we have not done significant work on that at the moment, because of the SDL arrangements.

**Mr D O'BRIEN:** Would it be more correct to say you have done no work on it because of the SDLs?

**Ms VAUGHAN:** I would need to take that on notice, Mr O'Brien.

**Mr D O'BRIEN:** Okay. The minister indicated in December, when she appeared before us, that she planned to submit the number of projects for commonwealth funding through the National Water Grid Authority. Can you outline to us which projects have been submitted for funding?

**Ms VAUGHAN:** We have been working quite closely with the National Water Grid Authority. We talk to them regularly. We talk to the commonwealth regularly. I do not have that information in front of me today, but we have been working really closely with the national water grid. As you know, we have a lot of arrangements with the commonwealth government for funding of projects. We have got a long list of projects that we want to keep going with, and we will continue to have those conversations with them.

**Mr D O'BRIEN:** Understanding that you are happy to take the detail on notice, have any projects been submitted thus far?

**Ms VAUGHAN:** I actually have not got that information in front of me, sorry, Mr O'Brien. But I do know that there are a number of projects that we are speaking with them about, and one that kind of comes to mind is the Western Irrigation Network project—the WIN, as we call it—through Western Water. My uncertainty is whether we have actually fully submitted that right at the moment or whether it is in progress.

**Mr D O'BRIEN:** I am happy for you to provide some detail on notice as to any that have been submitted or are going to be submitted—that would be good.

**Ms VAUGHAN:** Sure.

**Mr D O'BRIEN:** Continuing on the commonwealth water infrastructure fund announced first in 2019, again, the minister told the committee in December that one of the projects that she had considered originally was whether desalinated water could be delivered south to north using the north–south pipeline. The minister mentioned that there had been a business case on the reversal of the north–south pipeline. Is that available and could we have a copy of that?

**Ms VAUGHAN:** Again I would have to take that one on notice. Sorry about that, Mr O'Brien.

**Mr D O'BRIEN:** Sorry, just for clarification, there is online a summary of a preliminary business case for reversing the north–south pipeline, so I guess I am asking if the full business case is available and whether that was all that was done?

**Ms VAUGHAN:** Well, that is what is publicly available at the moment, and the north–south pipeline has a lot of conversations around it from time to time, as you well know, so—

**Mr D O'BRIEN:** The follow-up question is: the minister indicated an interest in a specific desalination water to northern Victoria idea. Has there been any further work done on that? Is there a business case prepared for that?

**Ms VAUGHAN:** As part of our water grid arrangements we look at a whole lot of different arrangements from time to time. So—

**Mr D O'BRIEN:** A feasibility study on desal—has there been one completed?

**Ms VAUGHAN:** Not completed, no.

**Mr D O'BRIEN:** Is there one underway?

**Ms VAUGHAN:** Well, we are doing work on the water grid at the moment, as you well know, trying to find where best to put our next infrastructure projects, given that we want to make sure we have got water security right across the state.

**Mr D O'BRIEN:** Yes. So as part of that have you looked at the potential cost of delivering desal water to the north and what it would be per megalitre?

**Ms VAUGHAN:** It is an option that we can consider, because we are looking at how best to move water around. We know that water availability in the north is reducing significantly—we see that on the ground—so—

**Mr D O'BRIEN:** Sorry, I just want as much clarity as I can. Is that an active investigation that the department is doing, which the minister said she is quite keen on? I just wanted to know whether there is actually any work on it or whether it was just a thought bubble.

**Ms VAUGHAN:** As I say, we are doing work across the state on our water grid. The water grid partnership looks at a whole lot of different options, and we can provide you with more information on some of the options that they are looking at. But it is—

**Mr D O'BRIEN:** So again, as part of that work that you have done, has there been any identification of what the potential cost of water might be, delivered from desal via a south–north pipeline?

**Ms VAUGHAN:** I will have to take that question on notice, that very specific question.

**Mr D O'BRIEN:** Okay. Likewise, I would be interested if you had any detail on whether it is feasible—I think the previous study looked at \$277 million in infrastructure costs alone—and whether there are any additional costs that are being considered for reversing north–south and delivering desal water in terms of both infrastructure and other costs associated with such a project. If you can take that on notice as well, that would be appreciated.

**Ms VAUGHAN:** Yes.

**Mr D O'BRIEN:** Thank you.

**The CHAIR:** Thank you, Mr O'Brien. The call is with Ms Nina Taylor, MLC.

**Ms TAYLOR:** I would like to explore recycling waste. In the questionnaire you report that the department has already implemented actions under *Recycling Victoria*. Can you please advise how we are tracking towards meeting our targets? Now, there are a few here, and they are all very significant—diverting waste from landfill, cutting waste generation, halving organic material to landfill and ensuring every household has access to food and garden recycling.

**Mr BRADLEY:** Thank you very much for the question. As our Deputy Secretary joins us, Kylie White, she will be able to speak to the specific dimensions of the targets that have been set underneath *Recycling Victoria* in just a moment. It is fair to say that across that program, up to \$380 million in total, there will be an integrated approach to not only addressing things like the kerbside recycling measures, which we spoke about earlier in relation to the four-bin system, but also pursuing the development of end markets to help build the markets that can absorb this recycled material as we achieve improved recycling rates in Victoria under the targets that you are referring to within the plan. And then also there is significant investment in R and D in technology and practical reuse, including a range of transport infrastructure projects that are being advanced as part of that

initiative. Kylie, are you happy to speak to the dimensions of the targets under *Recycling Victoria* and our progress?

**Ms WHITE:** Thank you. Noting that the policy came out in February 2020, there has been some significant progress made on a number of areas, but I would also say that the impacts of COVID-19 particularly were that engagement with our community and stakeholders and in particular local government was impacted, because local government is a key partner in some of the reforms. COVID-19 obviously impacted their engagement, given that they were working on other priorities related directly to the health impacts. But I would say that since that time—and noting that we have quite significant targets over the decade—we have focused on two or three key areas. I will talk about some of the others in addition.

So, the focus on kerbside reform has continued, where we have engaged with 79 councils and the four alpine resorts to understand how they would be able to transition to a four-bin service or a four-services arrangement in the time specified in *Recycling Victoria*, which goes out to 2027, noting that being able to get clear sources of uncontaminated waste enables us to be able to divert more material into recycled product and therefore leads to improved outcomes and less going into landfill. The other area that we have been looking at—and we have gone out to public consultation on this—relates to the container deposit scheme, also a key development, which will enable materials such as plastic bottles, glass bottles and cardboard containers to be recycled, and the community will be able to seek a 10-cent deposit. We have been consulting on that just recently. We had an enormous amount of interest around the proposed model for the CDS. That CDS will then also contribute significantly to reducing the amount of waste that goes to landfill.

We have also been working with industry and particularly with the large infrastructure programs, road and rail programs that the government is supporting, and looking at ways of being able to recycle as much industrial waste—things such as re-using concrete, being able to incorporate plastics into noise walls or into other infrastructure—in order to be able to minimise the amount of industrial waste that goes into landfill. And the third part of the key work that we have been doing is looking at ways of being able to engage industry, researchers, academia and business, and we have just recently announced a business innovation centre to look at ways of being able to use and re-use, remanufacture, wastes that are particularly difficult to deal with. Things such as textile, for example, come to mind.

So there has been a significant amount of progress towards all of those. In addition we know that with having the infrastructure to be able to recycle and remanufacture it is important to be able to find end markets for the material, and there have been recent efforts—not in the 2019–20 year for *Recycling Victoria*, given that it was only announced in February 2020 and the funding was largely available from 1 July 2020—and significant investments made in infrastructure to enable the processing of materials.

I think you mentioned organics?

**Ms TAYLOR:** Yes.

**Ms WHITE:** Noting organics and the very strong interest from the community and local government to be able to utilise green organics and food organics—sometimes put together as FOGO—there is a 10-year horizon for being able to ensure that everyone has access to some way of being able to utilise those organic materials, but we do know that in rural and regional parts of Victoria, where transport and other logistics would make it impractical to be able to cart it long distance, some of those recycling options—for example, for food organics—may be around people being able to utilise materials at home and through worm farms or other composting arrangements. But for places such as urban and suburban areas there is a strong interest in being able to utilise the organics, and there is a range of programs underway now to understand local governments' intentions about developing organics services. A number of councils have green organics but a growing interest in food organics, and stripping food out of the residual waste bin—the red-lid bin—is really important because we know that that contributes somewhere up to in some cases 40 per cent of what is in a residual bin which goes to landfill. So being able to get those programs in place over the time period allocated will be really important.

**Ms TAYLOR:** Indeed. I love FOGO organics—getting me excited, but I will try and stay calm anyway. So looking at grants—and I think you have probably touched on this in some of the programs et cetera that you have been talking about—the funding allocated for this program includes grants to support research. Have there been any promising results to date from government-supported research in this area? I think you may have

touched on it with some of the elements that you have mentioned there, but if there are things you would like to share it could be useful for the committee.

**Ms WHITE:** Probably more evident in the 2020–21 financial year, but the work was done leading into the announcements that have recently been made. The engagement with academia and business for the business innovation centre is really going to be a key driver to drive new products, and that is largely finding the ways to manufacture difficult-to-use plastics or materials that are actually generated from petroleum-based plastics and be able to incorporate those into either a recycling model of textile to textile, but probably more textile to other products. That research is going to be key.

We are also looking at research opportunities for working with, as I mentioned, those road and rail projects to look to what are the recycled products that could go into road base and still produce roads of a satisfactory standard and what are the options for soft plastics, perhaps into bitumen. Those kind of things are well underway and with a very strong interest from industries to be able to do that.

You mentioned also some of the funding and where did the funding get allocated. There has been a range of funds allocated to councils in recent years, particularly for FOGO, as I mentioned, or for being able to enable their transfer stations to be able to be more effective, resource recovery centres, e-waste collection centres and so forth.

**Ms TAYLOR:** Excellent. Thank you. Now, on the topic of plastic bags, in the questionnaire at 18 you report that a survey of retailers revealed a significant reduction in plastic bag use since the ban commenced in November 2019. You also noted that retailers were supportive of further action to reduce problematic plastics. Can you please elaborate on the response from this survey and where retailers supported further action?

**Ms WHITE:** As we know, when it comes to plastic bags—and I might speak to some of the plastic bag related matters first—in regards to the ban on single-use plastic bags and the introduction of it, and you might recall this, there were a couple of weeks of people noting the inconvenience. However, the community adjusted remarkably quickly, and it is now commonplace to see everybody bring their bags to the supermarkets or other shopping ventures. So it has worked very smoothly, and we have seen a really great take-up. And you will also notice that retailers now when you shop ask you if you want a bag or not, and those kind of behaviour changes have been really significant.

In regards to the survey that you refer to, it was also noted that single-use plastics or problematic plastics were things that people wanted to know more about. At the moment we are investigating ways and means of being able to minimise the use of those problematic plastics. And just recently, I think just this week, one of the big supermarket chains noted that they were going to remove those problematic plastics, single-use utensils—picnic-related materials, forks, knives, spoons, those kind of things—that they indicated that they had alternatives for and they were going to remove those, but that is a recent addition or a recent part of that story.

**Ms TAYLOR:** Okay, thank you. Just on the container deposit scheme, there was an aspect that I was wanting to explore: why the accessibility of the scheme is shown to be important to its success in other jurisdictions, just as part of the progress of this initiative.

**Ms WHITE:** And you have pointed to a really key part of what makes container deposit schemes work most effectively, and by most effectively I mean by being able to bring back into the system—rather than go to waste, bring back into the recycling system—as many containers as possible. What the work or the research has shown in other states which we have used as the basis for our preparation for a CDS is that the greater the access to container deposit sites—so those sites, whether it be an automatic vending machine or it be a site where you can take your CDS-like materials—the greater the accessibility, the more the containers stay within the circular economy and can be recycled. That means being able to locate these CDS deposit sites in a way that makes it convenient. The more you can provide and the greater the access, the more materials that will stay in the circular economy. That is why accessibility is so key.

**Ms TAYLOR:** Okay, that makes sense. Thank you. I would just like to proceed to the ResourceSmart Schools program. In question 23 you have reported that the program was able to successfully transition to online delivery. Can you explain the detail of the ResourceSmart Schools program and give some examples of how the program supported our schools, teachers and students to continue participating even while they were at home?

**Ms WHITE:** Yes. Look, that is a really good point. ResourceSmart Schools has been a program that has been delivering sustainability education since 2008, so it has a really long history and has been really well received by more than 1400 schools in that time period. They have had remarkable success in being able to reduce greenhouse gases; save money by reducing their paper, water and energy costs; and contribute greater amounts of recycled materials. It has been a very successful program. With COVID and then with the changes to schools, noting that schools had a very disrupted year during 2020 and 2019—through 2019–20—there were a range of other programs that were developed to either keep the current schools engaged or be able to still encourage new schools to join in. We note that there was target of 700 for 2019–20 and 636 schools actively participated, so there was a small reduction in the actual target, and that was largely because we were not able to run the program in its usual way and engage and have the ResourceSmart Schools people be on site with schools and so on and so forth. But what they were able to do is, as you said, transfer things online. They were able to achieve a range of things. There were teacher training programs to enable engagement to still be able to work through how they could reduce their climate emissions footprints, how they were able to grow their recycling on site and how they were able to minimise their water use.

In regard to then being able to deliver the program, there were some surprising but not surprising, if you like, benefits by going online in that not only did schools continue their participation but during the 2019 calendar year they were able to well exceed their energy performance target of 6 million kilowatt hours saved—they were able to actually achieve 10.4 million kilowatts. So it was still a remarkably successful program delivered in different ways. Online proved successful, but they look forward to ensuring that this year we can grow the success of the program, as would be anticipated.

**Ms TAYLOR:** Very good. Good stuff. I do not know if I have got time for one more. I will give it a crack. Okay. In the questionnaire at page 5 you report that \$4.9 million in funding was provided to support Aboriginal involvement in the water sector. I am jumping around here, I should say—not recycling. Can you inform the committee on the outcomes of this initiative and any other funding in this area?

**Mr BRADLEY:** Thank you very much. The Deputy Secretary has been strongly committed to this program, it has been close to her heart, so I might ask her to answer that question.

**Ms VAUGHAN:** That is true, Secretary, and I missed the question, sorry.

**The CHAIR:** And the time has just expired, so our apologies. That concludes the time we have available for consideration with your department today, Secretary. Thank you very much to you and all of your officials for taking the time to meet with us. The committee will follow up on any questions taken on notice in writing, and responses will be required within five working days of the committee's request.

The committee also thanks those who have assisted today's proceedings and secretaries and officers who have given evidence throughout the day: Hansard, the secretariat, as well as the cleaning, catering and security staff that have assisted us.

The committee will resume consideration tomorrow with the Department of Premier and Cabinet at 9.30 am.

I declare this hearing adjourned. Thank you.

**Committee adjourned.**