

CORRECTED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2011–12

Melbourne — 19 May 2011

Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

Staff

Executive Officer: Ms V. Cheong

Witnesses

Mr P. Walsh, Minister for Water,

Mr G. Wilson, Secretary,

Dr J. Doolan, Acting General Manager, Office of Water, and

Mr M. Clancy, Deputy Chief Finance Officer, Department of Sustainability and Environment.

The CHAIR — In resuming, given that we have had a change of portfolios and as a result a change of media, I remind the media that there shall be no filming, recording or broadcasting of any activity or discussion in the committee room unless it is permitted as part of the formal proceedings. Any film that was taken during the break should not be broadcast. Any recording that was done during the break should not be broadcast. I remind TV cameramen to focus only on the person who is actually addressing the committee at any one time and not to pan the gallery or the committee as a whole.

We move to the portfolio of water, and I would like to welcome Mr Greg Wilson, Secretary of the Department of Sustainability and Environment; Dr Jane Doolan, acting general manager, Office of Water, Department of Sustainability and Environment; and Mr Matthew Clancy, deputy chief finance officer, Department of Sustainability and Environment; as well as Ms Jessica Nolan, Department of Sustainability and Environment, who will be operating the presentation only.

I call on the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information relating to the budget estimates for the water portfolio. Before I ask the minister to proceed I would like to I make a comment about the delay in the receipt of the Department of Sustainability and Environment budget estimates questionnaire and indicate that this is no small thing that the committee requests of departments to enable them to properly prepare for the estimates hearings and also for the preparation in writing of the report. The questionnaire from DSE was extremely late — indeed it was a fortnight late. It is clearly unacceptable to the committee when departments do not respond and, at the very least, when no courtesy of an explanation is provided as to the lateness. I would ask the secretary of the department to take that on notice.

Mr WALSH — Thank you very much, Chair, and it is a pleasure to be here as the Minister for Water to appear before the committee. The department output that I am responsible for is sustainable water management and supply output, and today I am speaking about that water portfolio.

Overheads shown.

Mr WALSH — The water output has \$285.2 million in funding for 2011–12, and this provides funding for the Office of Water and water-related initiatives and projects including the Living Melbourne, Living Victoria project, the Environmental Contributions Levy 2, sustainable water strategies, the Northern Victoria Irrigation Renewal Project and various other water projects.

Since taking government we have had to address a variety of issues, including water projects, the Murray-Darling Basin Authority, drought and flood challenges, water authority management and strengthening urban water sustainability. I suppose one of the key things in strengthening our urban water sustainability is the fact that the government is committed to helping Victorians adopt integrated water cycle management and use water more efficiently through the implementation of our election commitments.

During late 2010 heavy rains caused severe flooding in the north-eastern region of Victoria, then in early 2011 further high-intensity rainfall caused major flooding across much of the northern and western parts of Victoria. In many cases the record flows in early 2011 were the highest or second highest on record, and in both the 2010 and the early 2011 floods, damage was sustained to critical public infrastructure, including roads and bridges. I think we have covered some of the statistics of that flooding in my previous presentation as Minister for Agriculture and Food Security.

In the 2010–11 budget, 175 million for statewide flood recovery plans has been committed to affected areas, and the water portfolio has \$19.2 million for repair and improvements to the flood warning network; \$5.1 million for the lower Loddon flood plain and groundwater bore network; and \$17.4 million for Goulburn-Murray Water irrigation district flood recovery and floodplain restoration.

If you talk particularly about the flood warning network, there is a network of something like 585 stream gauges across Victoria. Some of those were damaged or destroyed in the extreme flood events. The money there is to repair those and also to put in place additional flood warning places. The \$5.1 million from the government was particularly to repair levies in the lower Loddon area, where there were some major breaches in those levies that inundated a substantial amount of private land. What went on there has been well documented in the media, and the flood recovery and flood plain restoration program there is to assist irrigators in the Torrumbarry, Pyramid-Boort and Rochester districts in planning their recovery from the flood. There is also an initiative area

whereby Rural Finance will do land acquisition and resale to reinstate additional flood capacity in that lower Loddon area.

In relation to the Leading the Way — Liveable Victoria Fund there are some funding commitments to adopt integrated water cycle management. There is \$50 million in the budget to assist with that process. There is also \$40 million in the budget for water efficiency rebates for residential and small business customers. There is \$1 million in the budget to fund a feasibility study into the development of a city-wide integrated water cycle management framework for Ballarat. Those projects are particularly aimed to increase the livability of our cities for the people here in Victoria. It is very well documented that if you increase the amount of greenery and water in the urban environment, you actually lower the temperature and increase the livability of cities.

The water efficiency grants are something that the government is continuing and has added some incentives to. The additional incentives include a subsidy for the purchase of front-loading washing machines. If you look at the appliances in houses that actually use the most water, one of those is the washing machine. If you can convert the people from top-loading washing machines to front-loading washing machines, there is an opportunity for some substantial water savings.

There is also an increase in the funding as an incentive for people to install rainwater tanks and have those connected to the toilet system within the house. Again, there is very good documented evidence that if you put a rainwater tank on a house and you plumb it through the toilet system, you can substantially reduce the demand on the potable system for non-potable purposes. One of the things we have specified in that particular part of that grant program is that the rebate will only be paid on tanks that meet the Australia design standards. We have had a number of instances raised where there are tanks being sold that do not meet the Australian design standards. As we all know, the Australian environment is very tough on lots of particular materials — polyethylene is one. With our high ultraviolet rates in Victoria, polyethylene is not up to the Australian standards; it is something that will perish and crack over time. Those rebates will only be paid on tanks that meet Australian design standards, which is something that was not the case before.

Chair, that is a very brief overview, and I am happy to start on questions.

The CHAIR — Thank you, Minister. We have a little over an hour for questions on the water portfolio. Whilst the consumptive use of water in agriculture is the predominant driver of water harvesting in this state because of the significant proportion of water used in that industry, clearly population is also a driver. I therefore ask: how have predictions concerning population growth shaped the budget for 2011–12 and the out years in the water portfolio?

Mr WALSH — As you have outlined, the issue around supply of water to an increased population is a very critical issue to how that population will be sustained in the future. From a water supply point of view, the initiatives in this budget, as I talked about in my presentation in relation to integrated water management, are very much about what the next augmentation will be for our major cities, particularly for Melbourne. We are firmly of the view that the next augmentation will be how the city will utilise stormwater better in the future and how it will utilise wastewater better in the future.

There are two key numbers that I would like to draw to the committee's attention. The first one is that there are something like 500 000 megalitres of stormwater that run off the streets and the roofs of Melbourne into either Port Phillip Bay or Western Port bay every year. There is an opportunity to harvest some of that water for non-potable purposes to take pressure off the potable supply. That is one of the key initiatives that is in the budget as part of the Living Melbourne, Living Victoria strategy — that is, how we utilise some of that stormwater that runs into the bay at the moment as the next augmentation to take pressure off the potable supply for non-potable purposes.

The other key number I would like to mention to the committee is the fact that there are something like 300 000 megalitres of wastewater pumped out into the bay or into the ocean every year from Melbourne, whether it be from the western treatment plant at Werribee or whether it be from the eastern treatment plant down to Boags Rocks at Gunnamatta and pumped out to the ocean there. Again, there is an opportunity to improve the quality of that wastewater and then use it for non-potable purposes to replace the demand on potable water. The money is in the budget to start that process as to how we as a state, and Melbourne as a city, actually use that stormwater and wastewater to better effect to take the pressure off our potable system in the

future for non-potable purposes so that we do not have to have another major augmentation in the foreseeable future.

In my presentation I also touched on the fact that there is money there for Ballarat to do work on integrated water management. One of the things I remember in my journey on studying these issues of wastewater reuse and stormwater harvesting is that Associate Professor Tim Fletcher from Monash University gave a presentation at the Ballarat town hall at a forum that was organised by the ABC. He gave a significant presentation about how our cities actually become catchments in their own right and about the fact that as you build a city you increase the impervious surface of that particular area by something like 50 per cent. There is obviously substantial run-off from that impervious surface that as a society we need to utilise for non-drinking purposes to take pressure off the potable system, as I have constantly reiterated.

Given that Ballarat was the first place where I became aware of that a number of years ago, I have studied this idea very extensively over time. I have been to Adelaide twice and looked at what that city has been doing in this area. They are doing some very good work. There is a suburb there called Mawson Lakes, where they have set up water harvesting off that particular suburb. They run the water through an artificial wetland to help purify the water, they pump it underground and store it in an aquifer, and then they draw it back up again over summer for use in that suburb. There is actually a premium on houses in that area because it is all purple piped with that water that comes from underground. Through the water restrictions period, they were still able to have gardens, nature strips and grass and stuff because they had put this in place. They are the sorts of initiatives we would like to see our cities, and particularly Melbourne, be able to adopt in the future, which is why we have done the Living Melbourne, Living Victoria strategy, and we have put money in the budget to do that.

Mr PAKULA — Minister, I just want to refer to the output that you have mentioned in your presentation, the sustainable water management and supply output, and the water augmentation measure that you refer to there, and I want to ask you about it in the context of the north–south pipeline. Your stated policy is that the north–south pipeline will only be used in the event that Melbourne has critical human needs, but I would suggest that when Melbourne’s water storages are so low that we hit critical human need point, the rivers north of the pipeline would also more than likely be in the same state. Right now Melbourne’s water storages are at about 54 per cent. Dams north of the pipeline, like Hume, are at about 94, and there is a chance that that will be overflowing sooner rather than later. Would it not make more sense for the north–south pipeline to be opened and for water to flow to Melbourne now, when, as you say, there has been one of the biggest rain events in the last 10 years and the storages north of the pipeline are full to overflowing?

Mr O’BRIEN — On a point of order — again, the same point.

The CHAIR — I am anticipating the point of order, Mr O’Brien. Before Mr O’Brien takes his point of order I remind the committee that, as wide a discussion as we had in the agriculture and food security portfolio earlier today — and I think there was a lot of forbearance shown about the range of the questions — I am uncomfortable with a line of questioning which, from the outset, seeks to have a broad policy debate across the table.

Mr PAKULA — Can I respond to that?

The CHAIR — You may, but I am just flagging for the committee, so the committee understands, that questions need to relate firstly to the minister’s portfolio and secondly to the budget estimates and particularly to the budget estimates that are before this committee. They should not go to matters of broader policy or administrative purpose.

Mr PAKULA — Yes; right. Can I respond?

The CHAIR — Deputy Chair, given that you related your question specifically to the minister’s presentation, in this case I am going to allow the minister to respond.

Mr PAKULA — Just before he does, Chair, can I just make this point? I object to any suggestion that this is not absolutely relevant to the budget. The minister has already talked about further water augmentation measures that might be needed, and no-one can suggest that the question of whether or not water flows through the pipeline will not impact on whether we need further water augmentation measures as a cost of budget over the forward estimates.

The CHAIR — As I said, the reason I am allowing the question is that it specifically relates to an area that the minister has opened up in his presentation. However, be advised that further questions really need to relate specifically to the estimates that are before this committee.

Mr PAKULA — Yes. I reckon it does.

Mr WALSH — The member in his question talked about the fact that Melbourne water storages are at about 54 per cent, which they have been for a while. In starting to respond to the question, I commend the people of Melbourne for how well they have managed water restrictions through the time that we did have a shortage of water. I think everyone made their contribution, and I think that people right across Melbourne are to be commended.

If you look at the reason why Melbourne water storages are only at 54 per cent, the main reason is the fact that the Thomson — I think, from my recollection — is at about 38 per cent. The Thomson is by far the largest reservoir in the Melbourne series of dams, and because it is so low that drags the overall average down. The Thomson is a large dam on a relatively small catchment, so it does take time to recover. As has been explained to me, the Thomson Reservoir is effectively our term deposit that we put away for dry years. It takes a number of years to fill, but then when it is full it is there for when we have a series of dry years, as it has been used. The Thomson is taking a while to recover.

If you looked at the layout of the Melbourne storages, you would understand that the storages on the Yarra River are all effectively full. Sugarloaf Reservoir is where the north–south pipeline actually delivers water to. Sugarloaf is somewhere around 90 per cent full. There is substantial water in the Yarra part of the Melbourne catchment, and there is not room at the moment to actually be taking water out of the north–south pipeline.

Mr PAKULA — I have a follow-up, Chair. There was a contribution to the building of the pipeline of some \$300 million from Melbourne water users. Is there any allocation in the budget to compensate Melbourne water users for the fact that they have paid for a pipeline that you will not open?

Mr WALSH — The issue of the contribution from the Melbourne Water businesses to the northern Victorian — —

Mr PAKULA — The users.

Mr WALSH — irrigation project is something in relation to which those businesses have made a contribution based on the schedule. There is still — —

Mr PAKULA — No, the users have made the contribution.

Mr O'BRIEN — Let the minister answer.

The CHAIR — Deputy, the minister will answer the question.

Mr WALSH — They have made contributions to the schedule as part of that. They still have some future contributions to make to the Northern Victoria Irrigation Renewal Project. Melbourne Water will have an entitlement out of the savings of that particular project, and there are some criteria being developed at the moment between the department and the Melbourne Water businesses as to the definition around 'critical human needs' and when access would be deemed appropriate for water to come down the pipeline.

So there will be an entitlement in Eildon held by the Melbourne Water businesses, and the criteria as to how that will be accessed and when the pumps may pump or may not pump is something that is being developed.

Mr PAKULA — Can I just — —

The CHAIR — No, you have had a follow-up. Come back to it.

Mr MORRIS — Minister, I go to page 76 of BP 3. The first item in the output initiatives and expanded upon towards the bottom of the page is the feasibility study for Ballarat. Can you indicate for the committee's benefit what exactly the proposal is and what the \$1 million allocated to undertake the integrated water management feasibility study will mean — the potential importance of the project?

Mr WALSH — Thank you very much. As I said earlier in my presentation or in answer to a previous question, Ballarat is one of our regional cities and there was some work being done by Monash University about how once you develop an urban area you increase the amount of impervious surface in that, which increases the run-off from that area compared to how a natural state lies. Ballarat is a city that has the opportunity to harvest stormwater to use for non-drinking purposes in the future. As we all know, Ballarat was one of the cities that had an issue with their water supply during the drought. The previous government built a pipeline from Bendigo to Ballarat to augment that particular supply, but we believe there is opportunity for Ballarat to harvest stormwater in particular and also use recycled water from their treatment plant for non-drinking purposes to take the pressure off their potable supply.

There is also the opportunity in the Ballarat West growth area to look at how you might use aquifer recharge there to store some of that stormwater. I briefly touched on something before about Mawson Lakes in Adelaide where you can set up a harvesting regime, you can create an artificial wetland that the water runs through that helps purify that water. If you have a defined aquifer, you can actually pump it underground and it can be stored there and brought out when the water is needed through the summer months. This \$1 million will go to the City of Ballarat to do the detailed study and design work as to how you could actually harvest stormwater in Ballarat and how you could store it in the future, particularly this issue around aquifer recharge, which I think is something that has some exciting potentials in it in a number of areas of Victoria, that will help make Ballarat more sustainable.

In those drier years if you can keep moisture in the environment, keep green in the environment, you will actually improve the livability of the city. I know the Ballarat City Council is very excited about this initiative that we have funded so that they can actually do some of the work they have talked about.

Mr PAKULA — In answer to my previous question as to the rationale for why you would not use the current fulsome nature of the catchments north of the pipeline to pump water south of the pipeline your answer was that those Yarra reservoirs are basically full and that they could not take any water anyway. I am interested in what the current status of the Cardinia Reservoir is, because my understanding is that you could actually pump water from the Upper Yarra Reservoir to Cardinia, and if that is the case and Cardinia is not full, it would render your previous answer somewhat deficient I would have thought.

Mr WALSH — If you look at what we as an opposition said, we have clearly articulated our view about the north–south pipeline ever since the previous government announced the project. I think it will be useful to refresh the committee’s memory that the previous Bracks government actually went to the 2006 election promising that they would not build — —

Mr PAKULA — Is this about the estimates?

The CHAIR — Well, you have asked the question.

Mr PAKULA — This is not what I asked.

Mr WALSH — They promised that they would not pump water from northern Victoria into southern Victoria.

Mr ANGUS — Another broken promise.

Mr WALSH — Within seven months that promise had been totally broken and the north–south pipeline project was announced, so we have been very clear all the way through about our opposition to that project and the fact that it was a key promise that was broken by the previous government. We have set out very clearly what we think about the north–south pipeline, but in saying what we have said about it, we also said very clearly that Melbourne is a major city in Victoria, obviously, and it should not run out of water. There is the opportunity there that if water is needed, as a last resort the pipeline would be used. As I said in my answer to your previous question, we are currently in the process of developing the criteria as to how that will work with the Melbourne Water businesses and the department.

Mr PAKULA — To follow up. Minister, you have now effectively changed your answer.

Mr O’BRIEN — He has not.

Mr PAKULA — Hang on.

Mr ANGUS — He has not changed his answer.

Mr PAKULA — Well, he has.

Mr ANGUS — No, he hasn't!

Mr PAKULA — His answer to the first question was, 'There is no room to pump the water into'. What he is now saying is, 'Well, it could be pumped to Cardinia, but it is our policy not to'. Your first answer was misleading the committee. Your second answer is more to the point, that it is your policy not to. Even though the catchments north of the pipeline are full to overflowing, you will not pump water through the pipeline to Melbourne where there is 54 per cent only, where it is 94 per cent in the Hume, because it is your policy not to, whether or not that makes any sense.

Mr O'BRIEN — Where is your business case for this pipeline?

The CHAIR — Deputy, I did not hear a question.

Mr ANGUS — It was not even a question! Just a speech.

The CHAIR — I heard a statement.

Mr O'BRIEN — Why didn't you think about this when you spent \$1 billion of taxpayers money?

Mr PAKULA — My question is this, Chair: which of your two answers was correct? You are not piping the water through the pipeline because there is no room to pipe it to, or is it because it is your policy not to? Which of those two answers is correct?

Mr O'BRIEN — Because you built a white elephant!

Mr ANGUS — That is exactly right.

Mr WALSH — Thank you, Chair. Can I correct the asker of the question in that I think Hume Reservoir is actually irrelevant to this debate. Hume Reservoir is not connected to the north-south pipeline and it is not connected to the Melbourne system.

Mr PAKULA — That is not the point!

Mr ANGUS — It is clearly a fundamental issue.

Mr WALSH — The fact that Hume Reservoir is 94 per cent full is not an issue that is relevant to the question that you asked, and I believe that both answers I gave are relevant.

Mr O'BRIEN — Apologise for being misleading. Where is your apology?

Ms HENNESSY — He got it wrong. What a mess!

Mr O'BRIEN — Take a lesson from a good water minister for a change.

Mr SCOTT — Who contradicts himself in two answers.

Mr ANGUS — Minister, I refer you to budget paper 3, page 76, and the output initiative 'Leading the way — Livable Victoria fund — funding for communities to adopt integrated water cycle management', which you did touch on in your presentation. Can you outline for the committee firstly the aims of this program and secondly the specific commitment to the Melbourne CBD of this initiative?

Mr WALSH — As I have already touched on, this whole initiative is something that I think is very exciting, and I think the people of Melbourne are very keen. As I see it, there has been a substantial cultural change in the way we all value water. I think up until this last drought we all took water for granted in some ways, and I think now most people realise that it is a very precious resource and we need to utilise it to the best possible

advantage that we can. In the budget there is \$50 million over the four years to help the community adopt integrated water cycle management strategies. You touched on in your question the commitment to the City of Melbourne. Of that \$50 million, \$5 million has been set aside for the City of Melbourne for innovative strategies and projects to implement integrated water cycle management within the CBD of Melbourne.

I will reiterate, because I think it is very important, that if you increase the amount of greenery and moisture in the urban environment, you reduce the heat bank effect that you get with large cities and you increase the livability of that city. There are already some very good projects that are out there, but within the CBD there is the ability to set up rain gardens. For those people who have not been out to Royal Park, can I suggest they make a trip to Royal Park? At the back of Royal Park an artificial wetland has been created that harvests water off the suburban area around there. That wetland provided the water that kept Royal Park's sporting ovals green all through the drought. Please, if any members of the committee have not been there, go and have a look at it. I was there recently. I had not been there for about two years and the trees, shrubbery and everything have grown substantially. The water is harvested off the suburb, it runs through the artificial wetland that has been created — it has got the reeds and the rushes and all the plants that wetlands have that help cleanse the water. There is a major storage tank under one of the sporting ovals there that most people do not know about — a 5-megalitre storage tank — that keeps that water. They are the sorts of projects that we would like to see. That project was done by the City of Melbourne, and the \$5 million that is there is to help the City of Melbourne do some more innovative projects like that. I think one of the advantages of those projects being done in close proximity to the city is that one way or another most people come through the city or into the city of Melbourne, and if they have the opportunity to see those projects, they understand what can be done in their particular community.

Mr SCOTT — Minister, I refer you to budget paper 4, page 90, and particularly the reference there to the eastern treatment plant and the expenditure there. In your coalition water policy, on, I believe, page 20, you promised to bring forward the completion of the eastern treatment plant and argued that Labor's timetable of 2012 was not soon enough. However, if you look at this particular table, there is a remaining expenditure after the 2011–12 financial year of over \$68 million, meaning the project will not be complete by the end of the financial year 2011–12; therefore of course it will not be complete as promised before 2012. My question is: is this correct that it will not be complete before 2012?

The CHAIR — Thank you, Mr Scott. That is the way to frame a question relating to estimates.

Ms HENNESSY — Gold star for you.

Mr PAKULA — I will take that as a backhander.

Ms HENNESSY — Yes. Teacher's pet!

Mr WALSH — Again it is useful for the community to refresh our memory about the eastern treatment plant upgrade. This was something that was promised by the then minister, Sherryl Garbutt, in 2002 as the eastern treatment upgrade being done. It was promised in 2002 by the previous government; we are now in 2011 and it is still not completed. It is something that this government is going to make sure is completed.

Ms HENNESSY — On budget and on time?

Mr O'BRIEN — Listen to this.

Mr WALSH — There will be in excess of 110 000 megalitres of class A water coming out of the eastern treatment plant once that upgrade is done. If you think about what we have already talked about with the drought over the last decade and the shortage of water, if that treatment plant had been done when it was first announced, there would have been a substantial amount of class A treated water available for non-drinking purposes that could have taken pressure off the potable system for Melbourne. It was not done, it is something that we are committed to making sure is finished, and we find a useful use for that particular water to take pressure off the potable system.

Mr SCOTT — Could you clarify for the committee when it will be completed?

Mr WALSH — My understanding from talking to Melbourne Water is that they will have it completed next year.

Mr SCOTT — Do you mean the calendar year 2011–12 not the financial year, or the financial year 2012–13?

Mr WALSH — They are talking about some time next year.

Ms HENNESSY — So another broken promise, Minister.

Mr O'BRIEN — Take a lesson from a water minister who knows his portfolio, and I will ask the minister — —

Mr SCOTT — Please!

Mr PAKULA — Get him a straw

Ms HENNESSY — Did you have many friends at school?

Mr O'BRIEN — I don't know.

The CHAIR — Ms Hennessy, that is enough of that.

Mr ANGUS — Dear, oh, dear! Stick to the estimates.

Mr O'BRIEN — I thought you were my friend, Ms Hennessy. I am clearly mistaken.

Ms HENNESSY — You are making it very hard, Mr O'Brien.

The CHAIR — Mr O'Brien, without assistance.

Mr O'BRIEN — I would like to move on to my important question about the water efficiency rebates, Minister. Budget paper 3, page 77, outlines the water efficiency rebate scheme for residential and small business customers. Could you explain why this government has chosen to introduce these rebates?

Mr WALSH — The government has chosen to put what is a substantial amount of money into water rebates — \$40 million over the next four years — \$10 million a year — is a substantial investment in water rebates. We have also included small business in this particular program. Something that was not included in the water rebates programs when they have been run previously was small business, so there is a substantial number of small businesses across Melbourne who will benefit from these rebates, who will be able to implement water efficiency programs within their small business. The amount that they are able to claim is going to be capped at \$2000, but there is an opportunity for small business to be part of this particular program. It is envisaged at the moment that the money will be split approximately half and half between small business and household customers.

As I think I said in my opening presentation, two of the initiatives are pivotal, particularly from the urban household point of view. The first is the rebate for buying tanks and having them pumped to the toilet system. We have increased the rebate for the purchase of tanks. It is limited to tanks that meet the Australian design standards, and I touched on the issue that if you have substandard polyethylene tanks, over time the Australian climate is very harsh on those tanks and they will get brittle and break down, and potentially break, so we have made sure that the rebate is paid on tanks that meet the Australian design standards.

The other water appliance that we have included in the rebate program this time is a rebate of \$100 for the purchase of a front-loading washing machine. That assists and sends a signal to the community that front-loading washing machines are the way of the future, and this gives the household an incentive to change over from their old top loader to a front-loading washing machine.

Ms HENNESSY — Minister, following on from Mr O'Brien's question, I also note in budget paper 3 at page 308 that you have forecast cumulative water savings to go up. How do you expect to do this when you have scrapped Target 155, which actually provided the information to people to be able to save water. It is one thing to provide rebates, but to take away the information through which people can — —

The CHAIR — Thank you, Ms Hennessy, you have asked the question. Minister?

Mr WALSH — Thank you for the question. Target 155 was a program that was in place when Melbourne was on stage 3A water restrictions. Melbourne is now on stage 2 water restrictions. As I have already said and I think all the members of the committee would agree, we can commend the people of Melbourne for the work they did through the water restrictions in making sure they curbed their water use. Everyone did their little bit, which is an important part of how the reduction in water use was achieved. But given that Melbourne is now on stage 2 water restrictions, given that Target 155 was there for when Melbourne was on stage 3A restrictions, and given that there was something like \$9 million in advertising associated with that particular campaign, under this government's commitment to reduce government advertising we felt the money would be better spent on other incentives like the water rebate program.

Ms HENNESSY — Just as a point of clarification, knowing that you didn't reduce your own travel budget when we want to talk about government waste and government cost, Minister, how is it that you expect people to understand how much water they have used? That was part of the success of Target 155 — a fact that you acknowledged in your opening address.

Mr WALSH — As I understand it, the Melbourne water bills will still have people's water usage graphed on the bills, so people will still have a very clear understanding of how much water they are actually using within a billing cycle and how that relates to the previous year's billing cycle— —

Ms HENNESSY — Yes, I understand that, Minister, but no target.

Mr ANGUS — You asked the question.

Mr WALSH — The amount of information that will still be available to Melbourne water users is still there. What is not there is a \$9 million advertising campaign.

Ms HENNESSY — A target that actually worked, Minister.

The CHAIR — Ms Hennessy, I have the call. Minister, the government has re-affirmed its commitment to sustainable water policy. Specifically as part of this budget, in the output initiatives at page 139 and 140, the government has committed \$9.1 million to the Murray-Darling Basin Authority, and I ask the minister: how does this support the commitment to sustainable water management?

Mr WALSH — The funding there is Victoria's commitment to funding the Murray-Darling Basin Authority. It is something that is shared between all the basin states and the commonwealth. It is our agreed commitment to the authority and it gives us a seat at the table to be part of the discussions that go on around the management of the Murray-Darling Basin.

Members of the committee would be well aware of the production of a Murray-Darling Basin plan, and that last year there was a guide to the draft plan which was actually produced by the Murray-Darling Basin Authority. I have said many times — and I will probably end up saying it a number of times again — if you wanted to write a book on how not to do things, the way that guide to the draft plan was prepared is a perfect example. It was very poor. There was no consultation with communities and very little consultation with the states. As minister, I have taken a strong message to the ministerial council that that process needs to be done better in the future. There has been a commitment from the federal water minister and from the Murray-Darling Basin Authority to work better with communities in the future and to work better with the states in the development of a draft plan when it is tabled later this year.

As I understand it — because obviously we were not in government last October when that guide to the draft plan was actually put into the public arena — the government at the time only had two days to read that plan before it went into the public arena. I do not think that is the way consultation around something as big as the Murray-Darling Basin plan should be done.

Some of the proposals in that draft plan were talking about potential cuts to irrigation water in northern Victoria of up to 40 per cent — again that would have a major impact on our ability to produce food and major socioeconomic impacts on our communities in northern Victoria. In the previous presentation around my role as

the minister for agriculture, I talked at length about our need to be able to produce food in the future, not only for Victoria and Australia but for export to the world.

The things that were being proposed in that guide to the draft plan were not to Victoria's advantage. One of the things that I have taken up as the minister is to make sure that a draft plan, when it is produced, does not discriminate against Victoria, and to make sure that it does not have major social and economic impacts on our communities in northern Victoria and our ability to produce food.

The contribution the state makes to fund the Murray-Darling Basin Authority is something that is agreed, as I said, across the states and the commonwealth and gives us the opportunity to be part of that process.

Mr PAKULA — Minister, budget paper 2, at both pages 28 and 40, goes to the issue of water business dividends — 'The main driver of increased dividend revenue in 2011–12 is the deferral of the 2010–11 interim dividends from the metropolitan water businesses' and it goes on. My question is: which water authorities are paying water dividends?

Mr WALSH — Thank you for the question. The issue of dividends from the Melbourne Water businesses is an issue for the Treasurer.

Mr PAKULA — No, I am not asking about that. I am just asking: which of the businesses are paying dividends? Which ones? Someone must know.

Mr WALSH — The majority of the dividends are paid by the Melbourne water retailers and Melbourne Water as the largest water businesses in Victoria.

Mr PAKULA — It is actually all Melbourne Water businesses, is it, secretary? The reason why I am asking is that you have got Melbourne water users, as I have already indicated, paying \$300 million towards a pipeline that will not be opened, and as I understand it — —

Mr O'BRIEN — What about the desal plant? How much are they paying for a desal plant?

Mr PAKULA — As I understand the budget papers, they are also the only water users contributing towards the dividend that makes up such a substantial part of the surplus, so all the burden is on Melbourne water users.

Mr WALSH — I do not accept the premise that the questioner has put, that the pipeline will not be opened. What I have already said in answer to a previous question to the honourable member is that the criteria as to how that pipe will be used in the future and how Melbourne water's entitlement in Eildon will be handled in the future are being developed now between DSE and Melbourne Water and the three Melbourne water retail businesses. I do not accept his statement about the fact that it will never ever been used.

Mr PAKULA — I do not think I said never ever.

Mr WALSH — I suppose the issue of dividends from the Melbourne Water businesses is something that the previous government had in place as well.

Mr O'BRIEN — Absolutely.

Mr WALSH — There is nothing new in this.

Mr MORRIS — Minister, can I return to the flood issue, which I think you referred to in your opening presentation and certainly in the earlier session in the agricultural sense. Budget paper 3, page 305, clearly identifies that responding to flood and bushfire events is a key strategic priority for DSE in the coming budget year. Could I ask you, Minister, how the recent flooding events have impacted on the water portfolio?

Mr WALSH — Thank you very much for the question. I suppose the previous water minister had years of drought to deal with, and in not too short a time after being appointed water minister we had substantial floods to deal with. I suppose it reinforces the fact that the Australian climate is very variable and we do swing from droughts to floods and back again and it is a matter of planning for both all the time.

From a water portfolio point of view, as I have already outlined in some of the initiatives, there was substantial damage to public water infrastructure. There were a number of flood streamflow gauges that were destroyed or damaged by the floods. I visited the Mount Emu Creek and Hopkins River catchment not long after the floods, and there were a substantial number of the flood gauge warnings there that were actually destroyed by the floods. One of the initiatives in the budget is to replace those gauges and also to put in place some additional gauges.

Also as part of the initiatives some additional remote rainfall gauges will be put in place so the Bureau of Meteorology has up-to-date information, because we found that in that particular catchment there were some subcatchments of the Mount Emu Creek which had extreme rain events, but they did not have remote sensing gauges on them that gave relevant and timely information as to what was coming out of there. There is money in the budget for increasing that flood data so that you can have real-time information for the Bureau of Meteorology.

There is also money in the budget to develop a flood zoom, which is a web-based product that will take the information that is given by the Bureau of Meteorology and will interpret it and give real-time information to individuals as to what the flood flow effect may be at their particular location. One of the things that we obviously learn out of these events is that the best real-time information that you can have gives you the ability to make decisions — from a farmer's point of view as to what you might do as far as moving livestock or from a householder's point of view as to what you might do in the way of sandbagging or in the worst event actually leaving that particular location.

The government has set up two particular inquiries following the floods. There is the Comrie inquiry that is going on at the moment. Neil Comrie is having a number of meetings around Victoria, and he has had some recently in northern Victoria, where he is looking at the emergency response to the floods and what lessons have been learnt out of that and what can be done in the future. No-one is the font of all wisdom, and out of every emergency we always learn something new. So Neil Comrie is doing that particular part of the work.

The government has also given terms of reference to the Environment and Natural Resources Committee about the ownership and future management of levees in Victoria. You have seen a network of levees developed over the last 100 years in Victoria. There is very poor documentation or knowledge as to who is actually responsible for them, because they interchange between private and public land. One of the terms of reference for the Environment and Natural Resources Committee is about how those levees should be managed in the future and also the issue of how floodway and stream maintenance should be carried out.

If you go to the communities of Creswick and Clunes, which I have been to a couple of times, the creek in that particular location had, over the last decade, become very overgrown with willow suckers and poplar suckers and had silted up. I suppose because we have been in a drought no-one had really focused on it, but then there was a major rain event, and there was not the ability for the water to be handled down that particular creek. At Clunes in particular a lot of the debris washed up against the bridge there, and it was called the Beaver's Nest because effectively it created a beaver's nest. It created a dam and caused more flooding than was necessary in that particular area. That is another part of the terms of reference for the Environment and Natural Resources Committee.

The government has allocated \$150 000 to do the flood study and the hydrological work for Clunes and for Creswick. In the period between two of those flood events we actually made available \$100 000 for the north-central CMA to do work in that creek. The message I got back from the community was that the work that had been done in that intervening period, between one flood and the next flood, actually did make a difference. It was emergency work. You would need to have the detailed hydrology work done before you do substantial works, but it did reduce the build-up in front of the bridges in that particular town and allowed the water to flow through quicker.

The floods have had a major impact. I covered the issue in my agriculture portfolio about the significant impact on farmland, but in the water portfolio I suppose it is the damage to some of the flood warning infrastructure and some of the reservoirs that will need some rehabilitation work. If you go to the Loddon River and you go to Laanecoorie Reservoir, you will see that Laanecoorie Reservoir has some tip doors on the top of the reservoir that were damaged and the secondary spillway, which had never had water go down it since 1909 when it was built, did have water go down it this time and it caused severe erosion.

Mr SCOTT — Minister, I refer you to budget paper 4, page 43, and particularly the line item under ‘Existing projects’, Northern Victoria Irrigation Renewal Project.

The CHAIR — Proceed, Mr Scott.

Mr SCOTT — In reference to that project, Minister, are you meeting the time lines associated with that expenditure of public funds when so many of the Northern Victoria Irrigation Renewal Project staff are preparing for or are being interrogated by the Ombudsman?

Mr WALSH — Thank you for the question. As the member would know, the Ombudsman is an officer of the Parliament who is independent of any of the other authorities in Victoria. I have no idea how many people he has interviewed or how many staff he has talked to or how much work NVIRP — the Northern Victoria Irrigation Renewal Project — has done in preparing for him.

Mr PAKULA — A fair bit. That is all they are doing.

Ms HENNESSY — They are saying that they cannot get their work done because of it.

Mr O’BRIEN — Just let the minister answer. Take a lesson, for a change.

Mr WALSH — If the member has intimate knowledge as to how the Ombudsman works, I would be very surprised.

Mr SCOTT — No, that was not the question.

Mr WALSH — This side of politics respects the independence of the Ombudsman.

Mr PAKULA — Why don’t you read the Brimbank report?

The CHAIR — Mr Scott, you need to be careful where you go with this.

Mr SCOTT — No, I was quite specifically not asking about the Ombudsman’s activities insofar as — —

Mr O’BRIEN — No, that is not correct.

The CHAIR — In fact I thought you did.

Mr ANGUS — That is exactly what you specifically asked about.

Mr SCOTT — No, let me finish my point. I was not asking about the Ombudsman’s investigation insofar as how the Ombudsman is conducting it. I was asking about the impact of that investigation on meeting time lines within the budget that relate to expenditure. I do not want the minister to go to the direct issues around the investigation.

The CHAIR — Thank you. We have heard the question. Minister, perhaps I will paraphrase the question for the member. Minister, can you advise if there are delays in relation to the project?

Mr WALSH — As I understand it, there are not delays in the context of the particular project. As I said, I have no idea who the Ombudsman is talking to, how the Ombudsman is talking to them or whatever, and I do not believe it is appropriate that I do. The Ombudsman is an independent officer of the Parliament.

Mr PAKULA — You should know how NVIRP is working, though, and whether the money is going to go to Queensland or New South Wales.

Mr ANGUS — Let the minister answer the question. Let him answer.

Mr O’BRIEN — And do not come in and help Mr Scott.

Ms HENNESSY — How is NVIRP going? On time?

Mr WALSH — Could I also add, Chair, that as I understand it when the Ombudsman interviews people they are under oath and there is an issue of privacy.

Mr ANGUS — Minister, I refer you to budget paper 3, page 305, and the departmental objective which states, 'delivering sustainable water management and supply'. Could you outline for the committee how the government intends to manage local water management issues, particularly in regard to northern Victoria?

Mr PAKULA — By keeping the pipe closed.

Mr WALSH — Thank you very much for the question.

Ms HENNESSY — Keep that pipe closed!

Mr WALSH — There has been a substantial investment from the state government, and there will be a substantial investment from the commonwealth government with NVIRP stage 2 into water savings projects in northern Victoria. One of the concerns that I have as minister and we have as a government is making sure that that money is spent for the best purpose. One of the things that we gave a commitment to in opposition, which I have now implemented as the minister, is asking the Ombudsman to investigate those particular projects.

I wrote to the Ombudsman expressing my concerns about some issues with those particular projects. He, being an independent officer of the Parliament, did what he calls an own motion, where he accepted that there was potentially some validity in the issues I raised, and he is now investigating those issues. The issues that I raised with the Ombudsman in my letter to him were around the decision making and the governance of those water savings projects, the validity of the claimed water savings out of those particular projects and most importantly what advice he could give me as the minister as to any improvements that there could be in the delivery of those particular projects.

As has been partly covered in one of the previous questions, he is undertaking that inquiry at the moment. It is my understanding from him that he will have a report in late August or September. When we have that report we will assess what recommendations he may or may not make to the government and then do what is necessary.

Ms HENNESSY — Minister, if I could refer you to budget paper 3, pages 2 and 3. My question relates to the land buyback plan. I was wondering if you could clarify what the situation would be where one landowner refuses to sell. Will you proceed with the other ones without value for the taxpayer because a critical block is missing, or would you go to compulsory acquisition?

Mr WALSH — Thank you very much for the question. I think this is a very good project, and it is modelled in some part on a project that was used in the Tambo Valley following the droughts and the subsequent flood in East Gippsland back in the late 90s. In that particular case it was voluntary as well, and there was a quite substantial number of farmers who took up the opportunity. Rural Finance was the agency that did that work at that time, and it is the agency that will do this work now.

What Rural Finance did in that particular case was purchase those properties from the people who were willing sellers. It refenced and repastured them, and leased those farms out to land-holders in the local area, because they had also been impacted by the drought and the flood, until they had recovered financially and were able to purchase that land. The majority of that land was sold back to existing farmers, and I think it was a very good project at the time. I visited that particular area as the then VFF president and thought it was a good initiative. In some ways this current project is modelled on that.

The part that you have actually missed in your question, which I think is very important and which I will answer, is the fact that it is not just about farm buyback. There is also money in this particular project to compensate farmers who want to have a flood covenant put over their land. A farmer may choose to stay in that particular location, but depending on what the steering committee comes up with as to what farm areas actually qualify for the active flood plain management program there could be compensation paid to that particular farmer to have a covenant put over his land, knowing in the future that it would be flood affected and he would need to farm it accordingly.

It is not just about farm buyback. I would be very disappointed if the tone of the question was that this was viewed in a negative light. When the Premier and I visited that area, they were very keen to have a program like this. There was a flood study done of that area back in the 80s by then consultants Camp Scott Furphy as to how you could actually manage the flood plain there better. That has never been implemented. The clear message

that the community gave us that day when we were there with the Premier was that they wanted the opportunity to do some of the things that were raised in that flood study. This puts the money on the table to work with the community to do that.

When I rang Lindsay Schultz, who is one of the community leaders of the Benjeroop-Murrabit West area, and told him of the announcement we were making, he said, 'Fantastic! This is what we asked you and the Premier when you were here. It's absolutely fantastic that you have listened to us, you have heard us and you are doing something about it'.

Ms HENNESSY — By way of clarification, Minister, Tambo was of course about viability and this is a project about flood mitigation. I suppose the essence of my question is that in some cases a voluntary purchase might not be an effective or efficient expenditure of money unless critical blocks are acquired. I suppose I am just asking: is compulsory acquisition on or off the table in this context?

Mr WALSH — You talk about Tambo being an issue of viability. The issue for the lower Loddon flood plain is also an issue of viability.

Ms HENNESSY — Yes, but it is a flood mitigation project.

Mr WALSH — It is both, so it is an issue of getting a good outcome for that particular community. The clear message we got from the community was that they wanted to be part of this. They did not want to live through what they have just lived through ever again, and they wanted the opportunity to actually do something about it. The government has put some money on the table and set up a steering committee that is chaired by DPI, that has the stakeholders from the water authority, the CMA, the shire and NVIRP to work through those issues with the community. It is something that will be driven with the community; it is not something that will be enforced on them from on high.

Ms HENNESSY — Will you compulsorily acquire land or not, if you cannot get a critical block?

Mr WALSH — The clear message I have got from the community is that they actually want to work together to get a good outcome, so there is the opportunity for people to be part of it. As I said before, either they could get compensation for a flood covenant put over their land or they could have the opportunity as part of the package to relocate and farm somewhere else.

As I have said, the trauma that that community suffered through is not something they want to see again. If I take off my minister's hat and put my local member's hat on, it is not something I want to see a community go through again. I have a number of flooded communities. If you look at what the community of Charlton is going through again, it is very traumatic for that particular community. This is an opportunity for the government to work with the community, with some money on the table, to implement something that they have actually asked for.

The CHAIR — Thank you, Minister. I allowed Ms Hennessy to pursue the line, quite sincerely, because the information is important and critical to those communities. I was chairman of the flood recovery task force in 1998 in relation to the Tambo valley, and it was not just about viability questions. There was actually a significant amount of land that was taken out of agricultural production and returned to the Crown estate because it should never have been cleared in the first place. It is a similar, analogous circumstance I think, and there are a lot of community pressures. I have to say that often there are people within the community who initially are very resistant. They feel the big hand of government, but in retrospect clearly that has been a very successful program that I think all sides of politics support.

Mr O'BRIEN — I take this opportunity to ask a further question about flood recovery and to thank the department and the minister on the prompt response to the flooding issues that have faced western Victoria, and in particular the prompt works at Clunes and Creswick that were very well received by that community, particularly between the January and February flood events. I would like to take you to page 98 of budget paper 3, following on from Ms Hennessy's question, in relation to the third item down, 'Goulburn-Murray irrigation district recovery and flood plain restoration'. I ask you to please explain to this committee the importance of this commitment to flood plain management and recovery for that affected community.

Mr WALSH — Thank you for the question. The other part of the program that we just talked about extensively with active flood plain management is money also in the budget for irrigation farmers in that particular area. It is for farmers in the Rochester irrigation district, the Pyramid-Boort irrigation district and the Torrumbarry irrigation district who were impacted by the floods. DPI will be involved in this program, where they will work one on one with farmers to give them advice and assist them in how they may re-establish their own irrigation infrastructure. We have not only seen damage to public irrigation infrastructure; quite a lot of farm channels and farm structures have been washed out in the floods. This will be DPI working with individual farmers on how they may redesign their irrigation system to re-establish it. There are \$2000 grants as part of that particular program for them to get independent advice as to what they may do in the future as well.

There is money in the program as well for some additional soil salinity surveying. A substantial amount of that area has had what is called an EM-38 survey over it historically, which measures the electro-conductivity of the soil and categorises it into class A and class B soils, which are the lower saline and more productive soils, and class C and class D soils, which are more saline and less productive. There is money in the budget for work to be done on additional soil salinity surveying to see what impact the drought and the subsequent floods have had to make sure that whatever irrigation infrastructure is being re-established and however people are going to farm in future they actually have the best knowledge available about whether there has been a change in the soil salinity status of some of those particular areas.

Mr PAKULA — Minister, in response to an earlier question and in your presentation you talked about one of the measures being the use of wastewater for non-potable purposes. I am just wondering what non-potable purposes you have in mind for the use of wastewater; what the plans are in that regard.

Mr WALSH — Thank you for the question. There are a number of opportunities to use class A recycled water. Some of those are obviously in place now but could be used more extensively. There is the opportunity to purple pipe water for residential developments. If you have been down to the Sandhurst estate, close to the eastern treatment plant, that is in place at the moment. There is the opportunity for purple piping. It is something that is also done in other suburbs around Australia.

There is the opportunity to use it for irrigation and agricultural purposes. If you are talking about the eastern treatment plant, there is a proposal that is being talked about which is the Bunyip food belt, an area not all that far from the eastern treatment plant that could be developed in the future for horticultural production. What you have seen with the expansion of Melbourne is that some of the previously utilised horticultural areas now have houses on them, and there is the opportunity to have a guaranteed water supply for that area with water from the eastern treatment plant.

There has been a smaller project done historically with Earth Tech taking some water from the eastern treatment plant that provides for irrigation in that area, but there is the potential opportunity for a larger scale project. The other, as I understand it, is the opportunity for golf courses and other recreational pursuits to get access to that recycled water. You have the situation where during the drought some of those golf courses and sporting facilities suffered because of the water restrictions, so there is the opportunity, if they are using recycled water, for them to actually have access to abundant water supply. If you marry that water with changing the grass species mix on those sporting ovals and areas and move to warm season grasses rather than cool season grasses, you can also reduce the water use on those areas. I think there are some exciting opportunities as to how we can do it better in the future. As I said before, I think Melburnians have learnt that we need to use water better, and there is the opportunity to do that.

Ms HENNESSY — Through Target 155.

Mr PAKULA — You interchangeably use ‘horticulture’ or ‘irrigation’ for agriculture. Are you talking about growing fruit trees or lettuces, veggies and that sort of agriculture?

Mr WALSH — That is an issue for an individual farmer to make as to what they may grow.

Mr PAKULA — But it could be for either?

Mr WALSH — It could be for either. We do not live in Russia.

The CHAIR — Some who are sitting on my right may have another aspiration.

Minister, I would like to go to flood warnings. As someone whose family grew up on the junction of the Thomson and Macalister rivers in Gippsland, floods have been a part of my life, and as a local member floods have been problematic. In 1998 of course we had the major East Gippsland floods, which we alluded to earlier. In 2007 there was a major flood event again, which impacted on the community of Newry. That community was taken very much by surprise. Minister, I would like to refer you to pages 94 and 98 of the BP3 and ask: how in relation to flood warning does the flood warning and network recovery and improvement program provide preventive flood measures for Victoria?

Mr WALSH — Thank you, Chair. Having also lived on a flood plain all my life I understand the issue of floods being raised. I farmed all my life on the Loddon River. It is something I do not think people understand until they are actually part of it. As I said in my presentation, a number of our recording gauges across the state were damaged or destroyed by the floods, so there is money there to reinstate those. There is also money there to put in additional warnings, and I touched before on the issue of the Mount Emu Creek and the Hopkins River. I have had discussions with the CMA down there, and what they want to see are additional flood warnings so they get real-time information and can help people make decisions. But I think the more futuristic part of that initiative is the flood zoom program. That will become a web-based program that will give real-time information. I would ask Jane Doolan to elaborate a bit on that for the community's benefit, because I think it is actually a very important initiative.

Dr DOOLAN — The flood zoom project has three significant components to it. The first one is to develop a web-based system which is accessible and aims to make all existing information on floods available to communities and to individuals. The point of that is that those communities can make longer term planning decisions and individuals can understand their own individual risk and make their own planning initiatives around their own properties.

In putting together that web platform it will utilise all available information. All the studies that have been done in the past, all the information that was actually taken during this last sequence of floods, some of which have been the biggest on record and have provided new information — all of that plus knowledge of the communities themselves can be incorporated into the system and made available to all. The thing that it will then do is influence, as I said, planning for local communities and planning for individuals, and also it will be available to emergency management. So it will increase emergency management capability at the time a flood is occurring. It has a number of issues around it. It makes all information accessible, it helps people manage their risk at a community level and at an individual level and it improves emergency response rates.

The CHAIR — Thank you. I think we have got to a point where the committee is almost exhausted for time, if not for questions. I thank the minister and conclude the consideration of budgets estimates for the portfolios of agriculture and food security and water. I thank the minister and departmental officers for their attendance today. It has been a very useful session. Where questions were taken on notice — did we take any on notice; I cannot recall?

Ms HENNESSY — We have got a number of questions taken — —

The CHAIR — Yes, there are some unanswered questions — —

Mr PAKULA — Unasked.

The CHAIR — Sorry, unasked ones, rather; we will follow up in writing at a later date, and I ask that you respond within 21 days.

Witnesses withdrew.