

CORRECTED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2011–12

Melbourne — 20 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 R. Smith, Minister for Environment and Climate Change,

Mr G. Wilson, Secretary, and

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

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2011–12 budget estimates for the portfolios of environment and climate change, and youth affairs.

On behalf of the committee I welcome the Honourable Ryan Smith, MP, Minister for Environment and Climate Change, and Minister for Youth Affairs; Mr Greg Wilson, Secretary of the Department of Sustainability and Environment; and Mr Matthew Clancy, deputy chief finance officer, Department of Sustainability and Environment; as well as Mr James Atkinson, acting manager, budget coordination and strategy, Department of Sustainability and Environment, who will be operating the presentation only. Members of Parliament, departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in any way in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his or her chief of staff, can approach the table during the hearing to provide information to the minister by leave of me as chairman. Written communication to witnesses can only be provided via officers of the PAEC secretariat.

Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room, and no more than two TV cameras are allowed at any one time in the allocated spaces. I remind TV camera operators to remain focused only on the person speaking and that panning of the public gallery, committee members and witnesses is strictly prohibited.

I am also pleased to announce that this series of budget estimates hearings are being audiocast live on the Parliament's website.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. This committee had determined that there is no need for evidence to be sworn. However, witnesses are reminded that all questions must be answered in full and with accuracy and truthfulness. Any persons found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of this hearing. Unverified transcripts and PowerPoint presentations will be placed on the committee's website immediately following receipt, to be replaced by verified transcripts within 48 hours after the hearing.

Following a presentation by the minister, committee members will ask questions relating to the budget estimates. Generally the procedure followed will be that relating to questions in the Legislative Assembly.

I ask that all mobile telephones be turned off.

I now call on the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of environment and climate change.

Overheads shown.

Mr SMITH — Thank you, Chair and committee members. I turn to the first slide. This slide details the departmental outputs for which I am responsible, which encompass healthy and productive land, a healthy and resilient natural environment, effective management of fire, effective adaptation to the impacts of climate change, and land administration and property information. The other departmental output is sustainable water management and supply, which the Minister for Water is responsible for and I suspect has already spoken to yesterday.

You will notice that there are some changes to the department's output structure in the 2011–12 budget. The 10–11 output grouping names 'healthy and productive land', 'healthy, productive and accessible marine, coastal and estuarine systems' and 'flourishing biodiversity in healthy ecosystems' have been separated into three output groupings. These three output groupings are healthy and productive land, a healthy and resilient natural

environment, and effective management of fire. Effective adaptation to the impacts of climate change is the new title for the former grouping. Less waste, less pollution and clean air — a livable climate.

There have been some variations of greater than 10 per cent for all five output groupings. Notably there have been some substantial increases in the effective management of fire and effective adaptation to the impacts of climate change outputs, which have increased by approximately 50 per cent and 27 per cent respectively. Compared to 2010–11 budget the effective management of fire output has increased by \$108.7 million, primarily due to funding allocations which relate to the implementation of recommendations of the bushfire royal commission. Compared to the 2010–11 budget the effective adaptation to the impacts of climate change output has increased by \$51.3 million, primarily due to increases in the level of grant payments from the Sustainability Fund and the HazWaste Fund to help administer reduction in hazardous wastes and to increase remediation of contaminated soils.

The next slide covers off on the issue of the floods that Victoria experienced late last year and in the early part of this year. As committee members will know, these heavy rains caused some severe flooding in the north-eastern region of Victoria which damaged a lot of critical infrastructure on public land, and then in early 2011 we had some further heavy rain events which caused major flooding across most of the northern and western parts of Victoria, which caused further damage to critical public infrastructure. I am told that in many cases, as it says there, the recorded flows were the highest or second highest on record, and in both the late 2010 and the 2011 flood events quite severe damage was sustained by critical public infrastructure, including roads and bridges and various facilities on public land that I am responsible for.

In response to the flooding, the government moved very quickly and committed to ensuring that Victorian communities could recover as quickly as possible. Over \$175 million was provided to DSE in the 2011–12 budget for flood recovery initiatives, including the Flood Recovery Community Infrastructure Fund, which provided \$30 million to develop a program of community asset rebuilding. There was the flood recovery and repair on public land program, which provided \$34 million for the recovery and repair costs of public land assets. The funding will be used to repair and rebuild infrastructure on public land, including roads, bridges, crossings, culverts and that sort of thing.

The budget also provided \$3.9 million to reimburse DSE for additional costs incurred in providing the responses to the floods, including staff overtime, and there was \$60.2 million as part of the Restoring our Parks package, or in totally funding that package, which will be delivered as part of the budget and which will allow Parks Victoria to fast-track some of the works to repair the extensive damage, including clearing debris, reopening access to parks, restoring bridges and roads, restoring walkways and just making parks more accessible to the public.

There is obviously — which the Minister for Water no doubt also covered yesterday — a number of other initiatives that would have fallen into his portfolio area, such as the CMA flood employment program, the flood warning network and some other initiatives.

The next slide covers a range of initiatives that the government will begin to improve the protection of Victoria's environment. The government's approach includes a focus on facilitating community engagement with Victoria's natural assets. We have in the budget the Community Green Fund grants program which provides \$20 million over four years to support practical community action to address local environmental priorities. It is a program that will certainly get some great outcomes. It will provide for volunteers and community groups, 'friends of' groups, schools and that sort of thing to address gaps that are not currently covered by existing environmental grants programs. This grants program will provide on-the-ground support for a number of communities across regional and metropolitan Victoria.

We have \$12 million over four years provided to fund up to 60 Landcare coordinator positions. These are going to provide much-needed support to local communities to engage and contribute to environmental and sustainable agricultural outcomes. We anticipate that these facilitators will be in place by the end of the year.

As part of this slide, we are also putting \$1.2 million towards a wildlife shelter capital grants program, which will be provided to private volunteers in institutions involved in the care and rehabilitation of orphaned and injured native animals to ensure their successful release back into the wild. Funding is also provided to retain the 10 catchment management authorities, 3 regional coastal boards and the 2 peak bodies to discontinue the

former government's program in amalgamating the 15 agencies into 6 natural resource and catchment management authorities.

This slide details the range of initiatives the government will use to maintain and improve the conditions of Victoria's parks and public lands to ensure that current and future generations of Victorians can enjoy the parks. To that effect the government has provided \$9.6 million to continue the renewal and replacement of built assets in priority parts of the Parks Victoria estate. We are providing another \$9.6 million over five years for more intensive monitoring and management of the Alpine National Park. That will go towards research and managing feral horse and deer in that region and the rehabilitation of nationally listed wetlands.

The government is also committing \$16.6 million towards ensuring that key environmental values and environmentally dependent industries and economies are protected from the impact of weeds and pest animals on public land. I am very pleased and proud that we have been able to fund 65 park ranger positions. Park rangers, as we all know, are a great asset to the portfolio. They provide great visitor information and education and do a lot of work in maintaining the sites. They also support search and rescue operations. I am very pleased we have been able to support those.

Further to this, we have put \$9.6 million towards the re-nourishment and protection of beaches around Port Philip Bay, which I am sure Mr Morris will be very happy about. There is obviously a great deal of erosion and concern about that erosion in those communities at the moment. It has had an impact on the local economies. I and my department will be making sure that we continue to monitor that erosion and ensure that we can re-nourish those beaches to support the local communities and continue to make them great places for people to visit.

This slide also details the \$46.7 million that the government has put to ensure the ongoing financial sustainability of Parks Victoria. That is in light of a number of cost pressures that Parks Victoria has undergone lately, including increases in insurance premiums and an increasing population. There are a couple of other issues that are up there. There is just the allocation of beekeeping sites on public land and review of policy and regulatory framework.

This slide covers a range of initiatives in the area of sustainability that the government will initiate to ensure that Victorians have the appropriate information and support to continue the sustainable use of resources. The government is putting \$5 million towards a voluntary business sustainability accreditation program so small and medium size businesses which practice sustainable business practices will voluntarily be able to be recognised for that. We are implementing a range of energy efficient rebates for low-income earners which will include rebates for energy efficient refrigerators and washing machines as well as the purchase of gas space heaters. We are putting \$8.3 million towards the Sustainable Schools Program and another \$100 000 towards a feasibility study into generating green power from Ballarat's green waste.

The last slide here is one that really covers the importance of getting Victorians into our parks and enjoying our parks and the other facilities that fall under my portfolio. Principally among them, we are putting \$10.7 million towards subsidising free entry for kids to Victoria's three zoos — Healesville Sanctuary, Werribee zoo and Melbourne Zoo. Children under 16 will be free on public holidays, weekends and school holidays, which was a great initiative and has been very well received. We are also putting money towards the alpine resorts — \$3.6 million to support the operations, particularly of Mount Baw Baw and Lake Mountain.

The shotgun safety program is getting around \$700 000. It is a program the previous government put in place that had some practical benefits. We are very pleased to be able to continue to support that initiative of the previous government. It is certainly very necessary. Finally, there is another \$400 000 towards local parks improvements, which will include walk upgrades and issues of that nature.

The CHAIR — Thank you very much, Minister, for being so succinct. That means we can enjoy ourselves asking questions in the remaining time, which is about 1 hour and 17 minutes. I will go straight to a question which is important in the context of putting together the threads across the whole of government in terms of the way this budget has been constructed. Could you advise, in relation to the environment and climate change portfolio, how predictions concerning population have both shaped the budget for 2011–12 and the out years?

Mr SMITH — The growth of Victoria's population will obviously put increased pressure on the state's limited natural resources and broader environment. In recognition of the impact of population growth, this

budget provides a range of initiatives which will support much more efficient energy use, business and community sustainability, and continued access to and enjoyment of our parks will be increased with the suspected increased population.

For a start we have got, as I said before in the opening, a number of sustainable initiatives that promote sustainability. There are the energy efficient rebates at the beginning. Certainly energy supply and demand pressures will increase with population growth, so in response the 2011–12 provides \$5 million towards an energy efficient rebate scheme which will deliver rebates to low-income homes, helping reduce their energy use. These rebates include a \$700 rebate to replace electric heaters with high-efficiency gas space heaters and a \$100 rebate to eligible low-income households as part of the scheme to purchase of minimum 2.5-star or minimum 3.5-star washing machines and 2.5-star fridges. This two-year program will assist low-income households to purchase energy efficient appliances to help reduce household energy costs.

The government is also putting \$8.3 million towards the sustainable schools initiative. This initiative will provide funding for an additional 400 schools and early childhood centres to participate in the Victorian version of the Australian Sustainable Schools Initiative, which is a recognised framework which in Victoria schools can adopt to embed sustainable education in all aspects of their curriculum. The government anticipates that these energy efficiency grants of up to \$10 000 will probably deliver around 24 000 tonnes of CO₂ abatement each year.

The business sustainability accreditation program is a program which the government is putting \$5 million towards. That will support water efficiency, energy efficiency and waste reduction by recognising small and medium businesses, as I said before, that practice those sort of sustainability measures.

The Community Green Fund is a \$20 million program that will allocate grants of up to \$150 000 to volunteer groups around the state to make sure that they are heavily involved in the rehabilitation and protection of our environmental areas.

Finally, over \$46 million will be provided to Parks Victoria to ensure the ongoing financial sustainability of Parks Victoria in light of the cost pressures, and of course that includes cost pressures that come as a result of more visitors to our parks.

Mr PAKULA — Minister, I want to refer you to budget paper 3, page 76, which outlines the output initiatives for DSE in the chapter headed ‘Election commitments’, and there is an amount there for the management of Victoria’s parks. Over the summer, Minister, the government allowed cattle to return to the high country on the basis that it was supposedly a scientific trial to be undertaken by Professor Mark Adams from the University of Sydney. Could you, in terms of the cost to budget, outline what funding has been provided to fund that trial and what work has been completed to assess the impact of a return of cattle to the high country?

Mr SMITH — Can I say from the outset that, as committee members will know, the government, and indeed the secretary, have a lawful obligation to protect our national parks from bushfire. We take that role very seriously. In fact the events of Black Saturday certainly showed us that we cannot be negligent in making sure that our parks are managed sustainably, and that means making sure that all measures towards fire mitigation are taken. In light of that the government undertook a trial to see if the environmental impacts of putting cattle into the alpine regions had more, less or the same impact as other methods such as prescribed burning. In that trial during the last grazing season cattle went in — a very limited number, 400 head of cattle — over six zones, none of which had environmentally sensitive areas as put out by the federal law. They did not include those areas. The grazing season naturally finished in April, the cattle came down, and the results of that first phase of the trial will inform the rest of the trial. Because the rest of the trial has not yet been fully informed — that will happen over coming months — the budget for the ongoing trial has not been set down yet but will be within the department’s appropriation.

Mr PAKULA — Minister, you are saying that funding going forward will just be out of the appropriations. I do not think you addressed the issue of what funding has been provided so far. Also, in terms of cost to budget and potential recouping of some of the costs, I am wondering whether any of the cattlemen that were part of the trial were recipients of the compensation package that was paid in 2005–06 when cattle were removed and whether you will then, as a consequence of that, be able to recoup any of that compensation money if they have been part of this trial.

Mr SMITH — The circumstances under which the graziers are being used during this trial do not substantiate that opportunity, no.

The CHAIR — Thank you, Minister.

Mr PAKULA — Sorry, I do not understand the answer. Were they recipients of compensation?

Mr SMITH — Not to my knowledge.

Mr O'BRIEN — That will be the next question.

Ms HENNESSY — So no double dipping.

Mr MORRIS — Minister, can I raise with you the Community Green Fund grants program, which is reflected in the table on page 76 of budget paper 3 and described further on page 77 of the same budget paper? Can you indicate, for the benefit of the committee, how the government will help local community groups support practical environmental outcomes?

Mr SMITH — As we all know, volunteer groups across Victoria do an amazing job with helping the government and indeed Victorians with the protection and the restoration of various environmental areas. The government is putting forward \$20 million over four years for a Community Green Funds grants program, and what this program is for is to support practical local community action to address local environmental priorities. It is estimated that volunteers, as we know, contribute thousands and thousands of hours of labour each year to enhance the local environment, and certainly I have been across Victoria and met a number of Landcare groups over the last six months. It is quite astounding the amount of work they do, and the passion that they have for doing it is quite incredible. This particular Community Green Fund grant will provide much-needed funding to these volunteer groups as well as 'friends of' groups, environmental groups, schools and that sort of thing. The grants are there to provide practical support to deliver on-ground actions to regional and metropolitan Victoria to ensure that our environment is protected and looked after the way it should be.

The scope of the program is really to focus on local priorities to improve and restore the environment, such as by the elimination of feral pests, weed control, cleaning up coasts, revegetation and making sure that biodiversity and habitats are improved and protected. These grants are going to be from \$10 000 to \$150 000, and that range of grants will actually a broad range of projects to be funded. The initiative is also there to provide employment opportunities in terms of there will be opportunities for communities to get involved in works and there will be capacity-building and project and financial management issues that will also attract people into employment.

Cost-effective implementation and maximising community and environmental outcomes will be promoted by leveraging existing networks such as the CMAs and Landcare groups and community-based committees. We anticipate that this particular program will start late this year.

Mr SCOTT — Minister, I would also like to refer you to budget paper 3, page 76, and the funding for the management of Victoria's parks program. I listened with interest to your previous answers to Mr Pakula's questions and I note the contradictory comments on the intention of government to continue the so-called scientific trial. It seemed to be implicit in your answer that the trial would continue. The Deputy Premier had stated that cattle will be returning next summer, whereas the Secretary of the Department of Sustainability and Environment has stated that no decision has been made whether the cattle will return. I would be grateful if you could give a concise and definitive statement about whether they will be returning, and I noted that you had said that funding for the trial would come from within the existing appropriation, and if you could give an amount — if you expect that the trial is continuing, how much it would cost for this budget year.

Mr SMITH — I can reiterate the government's commitment to protect our rural communities from bushfire. I think that is paramount. I take some issue with the term 'so-called' because I think that if you are cheapening the need to defend our rural communities from bushfire, that is a real concern.

It would be very difficult. If Mr Scott had listened to my answer to Mr Pakula's question, it was that there has not been an opportunity to define how much will be spent out of departmental appropriations at this point, so I cannot give Mr Scott a definitive figure on that.

Mr SCOTT — In terms of the issue of the cost of it, I would also seek clarification. It seemed to me from your earlier answer to Mr Pakula that you had not sought information about whether people had received compensation, is that correct?

Mr SMITH — As I understand it, the compensation was a former government's initiative and it does not have an impact on the current situation.

Members interjecting.

Mr ANGUS — Minister, I refer you to budget paper 3, page 76, under the output initiatives there and the line entitled 'Energy efficiency rebates for low-income households'. I note that you touched on that in your presentation and indeed briefly touched on it in an answer to an earlier question. Could you just elaborate on that for the committee, just as to how that very practical measure will assist low-income earners to offset their energy costs within their homes?

Mr SMITH — One of the major issues going into the election was cost of living, and the government in opposition made a very firm commitment that were they to attain office they would do all they could to ease the cost-of-living pressures. Certainly we know that low-income households spend a higher proportion of their fixed income on energy compared to households on an average income. What this budget is going to do is provide \$5 million for energy efficiency rebates for low-income homes.

In 2011–12 Sustainability Victoria will take the lead in introducing a program that will establish and introduce a gas heater program. This program will be a rebate of \$700 to replace electric heaters with high-efficiency gas space heaters, and that will be available to low-income households to cut their power bills. We will also be introducing a rebate of \$100 to eligible low-income households as part of the scheme for the purchase of minimum 2.5-star fridges or a minimum 3.5-star washing machines. This program will also assist low-income households to purchase energy-efficient appliances, to help reduce household energy running costs and therefore contribute to the government's commitment to help ease the cost-of-living pressure on these households. About 2700 gas heater rebates and about 750 whitegoods rebates are expected to be delivered in the first year. This will come with a cost of \$2.5 million.

I just want to highlight that this program specifically targets low-income households who are more likely to be in need of assistance and therefore they will directly benefit from purchasing energy efficient appliances. These low-income households are defined as those with a pension or health care card, and they can either be private tenants or owner-occupiers.

Ms HENNESSY — Minister, just again in relation to budget paper 3, page 76, in relation to funding for the management of Victoria's parks program, I just wanted to follow up on your previous answers to Mr Scott and Mr Pakula. You say to the best of your knowledge there was no such double dipping occurring. I just wanted to satisfy myself. Is it your evidence to this committee that you did not ask whether or not the graziers had received compensation in 2005–06?

Mr SMITH — I received information that there was — if I can take it on notice — but as far as I am aware, my understanding is that the compensation was for three years from 2005 and any compensation that was given was in respect of that three years. So there was not a need or an obligation to recoup any of that. If I could take that on notice — that is to my recollection.

Mr O'BRIEN — Minister, I would like to ask you a question in relation to Parks Victoria. I particularly refer to budget paper 3, pages 139 and 140, and ask you: can you outline how this government is providing more support for the work of Parks Victoria through additional funding?

Mr SMITH — As I have said already, the 2011–12 budget will provide ongoing funding totalling \$46.7 million over four years to ensure the ongoing financial sustainability or stability of Parks Victoria.

There have been a number of cost pressures that Parks Victoria have highlighted to the government, and these come as a result of an increasing number of visitors, an increase in insurance premiums and also an increase in the area of land that needs to be managed. The Parks Victoria base review was triggered by the abolition of park entry fees by the former government. What a base review does is allow the government to systematically consider the efficiency and the effectiveness and the continued relevance of the goods and services that are

delivered for Victorians and the appropriateness of the price paid for these services. Parks Victoria identified several additional ongoing funding pressures, including the ones noted, that I have already talked about. The base review also made a number of other recommendations in relation to cost reduction and pricing and governance that the government is going through a process of considering at the moment.

Mr PAKULA — Minister, I am interested in budget paper 3, page 306. The name of the output measure has been changed from ‘Less Waste, Less Pollution; and Clean Air, Liveable Climate’ to ‘Effective adaptation to the impacts of climate change’. The government had a pre-election commitment to meet the previous government’s target of reducing emissions by 20 per cent by 2020. In regard to the purchase of green power by government departments, I am wondering why there does not appear to be any additional funding in the budget to increase the government’s purchase of green power. I am wondering if the minister could deal with that.

Mr SMITH — Can I say from the outset that the Climate Change Act, which was introduced last year and which had bipartisan support — and I congratulate the former government for bringing that particular act in — foreshadowed the 20 per cent reduction in emissions by 2020 from the 2000 levels. We, coming into the election, put forward a number of programs, initiatives, that we put to the electorate that would contribute towards achieving that target. The green energy purchase that you foreshadowed was not one of them. What we are prepared to do and what we said that we would do all along as we came into government — and, indeed, what the opposition said they would hold us to account for — was to implement the measures that we foreshadowed prior to the election, and we have done that virtually across the board, and that particular initiative was not part of those. It is something that we will take into consideration in the future. But this budget was about delivering the promises that we said we would and the initiatives we said we would, and that is what this budget does.

Mr PAKULA — I do have a follow-up, Chair. I say again, I am interested that the output measure is now described as ‘Effective adaptation to the impacts of climate change’, and I note from your presentation that there is \$241.8 million for that output measure. So clearly there is an acceptance by you, Minister, and certainly by your department, that climate change is occurring. In relation to the types of measures like the one that I referred to and the ones that you have said you promised in the lead-up to the election, obviously the types of measures that you would implement to deal with climate change will differ depending on the cause of the climate change, whether it is naturally occurring or man made. So in terms of the budget measures which are designed to combat climate change, do you accept that climate change is man made?

The CHAIR — No.

Mr ANGUS — A point of order.

Mr PAKULA — It would absolutely impact — —

Ms HENNESSY — This is the minister for environment.

Mr PAKULA — Hang on, this is the environment — —

Mr ANGUS — Point of order.

Mr MORRIS — Entirely irrelevant to the estimates.

Mr PAKULA — No, it is not.

Mr ANGUS — It has nothing to do with the budget.

Mr MORRIS — Entirely irrelevant.

Mr ANGUS — Nothing to do with it at all.

Members interjecting.

The CHAIR — There was a point of order called as to relevance.

Mr PAKULA — Right.

The CHAIR — I am giving the opportunity to you, Deputy Chair, to reframe your question.

Mr PAKULA — The types of measures that the government will implement to deal with climate change will be very different, depending on whether they believe it to be naturally occurring or man made.

Mr O'BRIEN — That is an assumption.

Mr PAKULA — If it is an assumption that the minister wants to rebut — —

The CHAIR — Mr Pakula, you will have the opportunity to hear a response from the minister. What I want to be clear about here is that this is, as we know, a very significant debate about climate change and this is not the place to have that debate.

Mr ANGUS — That is exactly right.

The CHAIR — This is the place to have a discussion, an examination, of the minister in relation to the budget measures relating to that particular matter.

Mr PAKULA — Right.

The CHAIR — So if you wish to pursue questions about funding within the budget estimates for measures relating to climate change, that is fine, but I am not going to entertain a debate from my left and my right on factors that are not relevant to the examination of the estimates; all right?

Mr PAKULA — Can I rephrase it?

The CHAIR — You can rephrase it.

Mr PAKULA — Minister, are the measures that you are implementing to deal with climate change measures that you have implemented on the assumption that climate change is man made or naturally occurring?

Mr MORRIS — It is a hypothetical question.

Mr ANGUS — Trying to have another crack at it, are you?

The CHAIR — Again that invites a debate, and I am not going to entertain that debate.

Ms HENNESSY — It is an assumption of the entire budget, Chair.

Mr SCOTT — I want to raise a point of order.

Ms HENNESSY — He is the minister for the environment.

Mr ANGUS — Next question.

The CHAIR — I am trying to be helpful to the deputy.

Mr ANGUS — It is all in there.

Mr PAKULA — Actually he is the minister for climate change, Chair.

Mr MORRIS — We are talking about land management, not personal beliefs.

Mr ANGUS — That is exactly right.

Mr PAKULA — No, he is the minister for climate change. Did you notice that in his title?

Members interjecting.

Mr SCOTT — On a point of order, the intellectual assumptions that underpin budget expenditures is a legitimate form of questioning.

Mr MORRIS — Policy, not private views.

Mr ANGUS — Yes, that is exactly right.

The CHAIR — Let Mr Scott take his point of order.

Mr SCOTT — The question, as it was rephrased, was about the intellectual assumptions that underpin budget policies that involve the expenditure of funds that are from the appropriation. That is a legitimate form of debate — questioning —

Mr ANGUS — Yes, debate; that is right.

Mr SCOTT — for the minister to respond to. So it is legitimate for the minister to respond as to what is the basis of policy for which moneys will be expended from the appropriation, and much of the minister's answers that we sit through in fact relate to the ideas which underpin their policies. And to suggest because perhaps it is uncomfortable to discuss that that therefore it is out of order would in fact have ruled out much of the various answers that ministers have given previously to this committee. This is not simply a process whereby — —

Mr ANGUS — That is nonsense.

Mr SCOTT — Allow me to finish. This is not simply a process whereby people list programs; they also explain what they are trying to do, and critical to what the programs are trying to do are the ideas upon which they exist — the foundations; their intellectual underpinning — and it is a very legitimate form of debate within this committee.

Mr ANGUS — Within the chamber, not here.

The CHAIR — Thank you.

Ms HENNESSY — It goes to the efficiency and the effectiveness of what is in the budget.

Mr O'BRIEN — Chairman, on the point of order.

Mr MORRIS — Mr Chairman, on that — —

The CHAIR — Mr Morris.

Mr MORRIS — Mr Chairman — —

Ms HENNESSY — We have heard about cows allegedly reducing fire risks in alpine national parks.

Members interjecting.

Ms HENNESSY — That is not an intellectual assumption?

The CHAIR — Ms Hennessy, we just heard from Mr Scott in silence, with respect.

Mr SCOTT — Not quite.

Mr MORRIS — Mr Chairman, I do not think anyone is arguing that ideas are not the underpinning of policy. The point at issue here is whether we are discussing the position of the government — and the government's view on this matter is clear — or whether opposition members of this committee are allowed to go fishing for personal views which may or may not inform the government view. The minister's view on this issue, or the manner in which he worships or the manner in which he spends his Sunday mornings — none of those things have any relevance to this debate. The point is about the government's view, not the minister's private views.

Mr PAKULA — I am happy to hear the government's view. I am happy to hear the minister express the government's view.

The CHAIR — I have heard the points of order, and we could have an extended discussion about points of order on this issue, so I want to be very clear about this as it relates to every other matter that comes before this committee. Ministers are entitled to give an answer provided it is frank and truthful within the parameters of the discussion about the budget estimates. I am not going to invite the minister to express any particular view other than the view he wishes to express to the committee, but what I will expect the minister to do is to be responsive to the question in the context of the budget estimates and the policy that the budget estimates provide resources for to implement. If he wishes to expand on that, he is entitled to, but my view is that members of this committee are not entitled to pursue the intellectual discussion which Mr Scott posits is the basis of every policy. The position is that whatever the policy is, it is the policy of the government collectively.

Mr PAKULA — That would have ruled out every Dorothy Dixier over the last 10 days, Chair.

Mr ANGUS — Let the Chairman finish.

Mr PAKULA — ‘The coalition believes’, ‘The coalition believes’.

The CHAIR — Mr Pakula, I have not concluded. The positions that are brought to this committee by way of the budget estimates are a reflection of the decision of the government. As you know, having served in the cabinet, not every minister agrees absolutely with every policy position adopted by a government. So it is a matter for the minister to be responsive to the question within the context of the budget estimates and the policy which the estimates resource to implement. Within those parameters I am happy for the minister to respond to your question. It was not yours. Whose was it?

Mr PAKULA — It was mine.

The CHAIR — I was yours. It was your follow-up question. I lost the thread there. Minister, you may respond.

Mr SMITH — Thank you, Minister — Chair, I should say.

The CHAIR — Thank you, Minister. I am delighted with that description.

Mr SMITH — I think you would be mad to say that human activity did not leave a footprint on the environment, and to that effect the government has put forward a number of initiatives which will tackle emissions and certainly will move the government towards the aspirational target in the act of 20 per cent reduction by 2020.

Ms HENNESSY — So Tony Abbott is mad.

The CHAIR — Thank you, Minister, and I will refer you to pages 139, 140 and 141 of BP3 under the heading of ‘Acting sustainably’, and I am interested in the initiative relating to sustainable schools. Could you please explain how we are helping more Victorian schools to go solo and to encourage learning on sustainable practices for our students?

Mr SMITH — As I have said, the budget provides \$8.3 million over four years to the sustainable schools program and this initiative will provide funding for an additional 400 schools and early childhood centres to participate in the Australian Sustainable Schools Initiative Victoria, or AuSSI Vic, and it will also provide funding towards the educational facility energy efficiency grants. AuSSI Vic is the Victorian version of the Australian Sustainable Schools Initiative. It is the recognised framework in Victoria that schools can adopt to embed sustainable education into all aspects of their schools, including teaching and general school operations. AuSSI Vic is a partnership between the federal government and the state, and it assists schools and early childhood facilities to reduce environmental impacts by reducing things such as energy consumption, water consumption, waste production and increasing biodiversity in school areas. This particular initiative assists schools and early childhood facilities to save money through reduced energy and water bills.

The demand at the moment for schools to participate in AuSSI Vic exceeds current government support, and we are also finding that the childhood sector is emerging as a significant area that wants to support the implementation of the AuSSI Vic approach. With that in mind we are funding at least an additional 400 schools and child-care centres to directly benefit from the initiative. Through the practical changes that are part of this program, these areas or schools and child-care centres will be able to save resources and ensure that their

programs have a knock-on effect to their local communities through their programs. We are looking for the preparatory work of this program to begin in the first half of the 11–12 financial year, and the school sector will be informed about the program around October this year.

Mr SCOTT — Minister, I refer you again to budget paper 3, page 76 and also to budget paper 3, page 139 in relation to funding for Parks Victoria for financial sustainability, asset replacement and parks management programs. Due to the floods this year significant damage occurred at both the Grampians and Wilsons Prom national parks. The government announced funding of \$19.7 million to repair damage. Can the minister indicate whether additional funding, and how much, was allocated, or is it the case that Parks Victoria has been asked to find this money from existing allocations? So what I am essentially seeking is, with the money that has been announced to repair those parks, whether there has been additional funding or whether it came from within the existing allocations to Parks Victoria?

Mr SMITH — I am advised it is all additional funds. A component of it has come through insurance payments, but it is all additional funds.

Mr SCOTT — If we could have a breakdown of what is coming from where on notice — how much came from insurance — that would be useful.

The CHAIR — Can we have some further detail?

Mr SMITH — So you are looking for the breakdown of insurance funds?

Mr SCOTT — Yes, on notice — or even if you have got it now.

Mr SMITH — Yes, sure.

The CHAIR — As I understand your response, Minister, it was additional funding for Parks Victoria and the package came from different sources?

Mr SMITH — Yes.

The CHAIR — So that is the information we are seeking: where those additional funds came from.

Mr SMITH — We will have to take it on notice, Chair.

Mr MORRIS — If we could return to an issue that I think is certainly a very important for a very important part of environmental management — that is, facilitating the community's contribution to both policy and practical measures, I refer in particular to the catchment management authorities. Minister, can you inform the committee what action has been taken to ensure that the CMAs retain their important presence in regional communities?

Mr SMITH — Again, the coalition came to the election with the commitment that the 10 existing catchment management authorities would remain, and we are committed to continuing that. Minister Walsh and I have joint responsibilities for the catchment management authorities, and we met with the current chairs recently. I have to say that almost unanimously — there was one dissenter, for want of a better word — they were quite appalled that the previous government had touted that they would be merged. Our commitment to retain them as separate entities was absolutely the preferred route to go.

Retaining them as they are means the institutional arrangements for the catchment management system will not be changed at all, and the role of these particular entities will continue. The government is going to ensure that there is a renewed emphasis on community engagement. In fact when catchment management authorities were initially set up, the focus most definitely was on the community, and it is fair to say that feedback we have had from regional areas is that the catchment management authorities have probably lost a little bit of focus over that time. Between Minister Walsh and me we are really directing the catchment management authorities to spend a lot more time on community engagement. We are also making sure that they are involved with the community through the CMA flood employment program that was put in place.

The budget provides for about \$300 000 to implement the government's election commitment to retain those 10 CMAs in their current form and not to merge them with regional coastal boards. We have implemented this

commitment to retain the existing institutions by discontinuing the transition process put in place under the former government. Actions that we have taken to date are: winding up the transition committees that were appointed by the previous minister to see how the amalgamation process would happen; conducting a debrief of the merger process with chairs of the statewide bodies, such as the Victorian Catchment Management Council, the Victorian Coastal Council and the Victorian Environmental Assessment Council; winding up the reference group established by the secretary of DSE as part of the restructure process; and ending the interdepartmental committee established to oversee the process.

But what we are doing to make sure that the learnings from the conversations that have been had during those discussions and that research is we are hosting a learning from transition workshop, which will capture any of the opportunities that emerged from the change process in order to strengthen the capacity of the existing institutions and also to make sure that some of them work together more closely. For instance, the East Gippsland and West Gippsland CMAs currently do work very closely together, and we certainly support that going forward.

We are also going through the process now of undertaking the appointment of the new boards for the CMAs. We have chosen to appoint the chairs early, because we want them to have input to the ministers as to the sort of board that they would like to see. We think it is important that they have input into the selection of the board so they have the right skills around the table. We expect the CMA chairs to be appointed by 30 June, and board members would be appointed by 1 October. We are very much looking forward to the CMAs becoming a bigger part of the community than they have been in recent times.

Ms HENNESSY — Minister, I take you to budget paper 3, page 306, in relation to funding for the effective management of fire. Your government when in opposition was very critical of the amount of fuel reduction burning, but in fact the government promised to meet the targets set out in the bushfire royal commission, where there is an annual rolling target of 5 per cent minimum of public land. The budget papers indicate only an additional \$3.6 million has been added to the funding provided under the previous government. I was interested in how many additional personnel will be employed to undertake fire reduction burns and, more to the point, how is it that you see the \$3.6 million achieving the additional fire reduction targets?

Mr SMITH — Can I say from the outset that the coalition has always had a very strong commitment to an increased burning schedule as opposed to the previous government. We said that in this financial year, at the end of 30 June, our target was 200 000 hectares burnt, and I have nothing but praise for the Parks Victoria, DSE and CFA staff who have been out there really working hard all around the state in order to try to achieve that target. We are a fraction below it at the moment with six weeks to go of this financial year. I believe we are around just under 187 000 hectares burnt at this point.

Mr WILSON — That is right.

Mr SMITH — We were very lucky to have been able to start it in the latter stages of summer due to a much cooler summer and beginning of autumn than we have had in the past. Absolute credit to those workers! We have committed to another 123 operational staff to assist in those burnings, and we certainly look forward to their work and hopefully the right weather conditions to ensure that our targets can be met.

Ms HENNESSY — So, Minister, is it your evidence to this committee that that additional \$3.6 million will be sufficient for you to meet those targets?

Mr WILSON — Perhaps if I can answer.

Mr SMITH — Yes. Thank you.

Mr WILSON — Basically we are doing the planning and preparation to raise to that level of burning from a historic target of 135 000 hectares per annum to achievements over the last few years averaging at around 150 000 hectares. We have the funding to get us up to a 200–225 level. As the minister just said, as of yesterday I think we are travelling at around 187 000, with a few weeks to go. From my point of view, administering the department, we are trying to do it better, do more with the resources we have got and look at the way we actually do the burning. As the minister said, it has been a challenging year in terms of weather: wet areas that are too wet to burn; areas that take longer to dry out; challenges in getting perimeters in and so on to burns and

so on. Nevertheless, we have achieved close to 190 000. There will be a review of that experience, and how we can do things better and what the resource implications of that are going forward will come out of that review.

Mr O'BRIEN — I wonder if I could ask about the business sustainability accreditation program, and I refer you to budget paper 3, page 78. Minister, how will this program assist small and medium enterprises?

Mr SMITH — The government is committed to funding to support the establishment of a voluntary business sustainability accreditation program for SMEs. I have actually just in recent times spoken to one of the major industry bodies, and they are quite excited about this opportunity. They feel there is even an opportunity for other states to take our lead and actually implement something themselves. The accreditation program will encourage businesses to adopt greener practices within their business operations and will also provide customers with the confidence that they are actually purchasing from businesses that have implemented sustainable and environmentally sensitive practices.

The budget provides \$5 million to implement this voluntary business accreditation program, and Sustainability Victoria will be the body that will roll out this program. What it will do over coming months is establish a business reference group. It will develop the business sustainability accreditation program, develop the accreditation process and commence some trials with some small and medium enterprises. We want to make sure that they speak at length with the industry bodies, the industry itself and indeed consumer groups and environmental groups to make sure that the accreditation mechanism is one that has credibility and is also in itself sustainable.

As I said, we want to ensure that government and industry make sure that the right parameters are there, and I would really be excited if other states saw the benefit of this particular program and took our lead and encouraged their businesses to have a similar accreditation program whereby consumers can see that they are buying from businesses that have the right programs in place.

Mr PAKULA — Minister, I want to ask you about the free zoos for children under 16 commitment, and I would not mind unpacking some of these costs a bit. In budget paper 3, page 76, you have allocated for the next financial year \$2.5 million for that initiative. In 2009–10 there were 1 763 000 patron visits to Victoria's zoos. The current cost of a child under 16 visiting the zoo is \$12.10. If you divide your initiative of \$2.5 million by \$12.10, that would only fund 206 611 visits by children under 16 each year — so that is 206 000 out of 1.76 million. Was this initiative funded on the basis that there are only 206 000 under-16s going on weekends, public holidays and school holidays out of that 1.76 million, or has the initiative been underfunded?

Mr SMITH — We have spoken at length, or I have spoken at length, with zoos. We are confident it is funded accurately. The zoos are going to go through a pretty public program of attracting people to the Friends of the Zoo program, which they think will mitigate some of those costs, but we understand that it has been fully funded. The zoos are comfortable that it will be fully funded, that there will not be a underfunding of it. It is a great program. I am sure you have been to the zoos recently. They are a fantastic place to take kids. Giving the opportunity for parents, carers, guardians and grandparents to take children to the zoos by reducing the costs is an outstanding outcome, and from the feedback I get I think families are very excited about it. Certainly from the conversations I have had, it is fully funded.

Mr PAKULA — Can I just clarify? You must have done some estimates in terms of pulling together the costing for this model or program. What is the estimate of how many under-16s will visit Victoria's zoos on weekends, public holidays and school holidays in the next financial year?

Mr SMITH — I do not have the figures with me, but as I said I have spoken extensively several times with zoos, and they are confident that our budget amount will cater for it.

Mr PAKULA — Chair, could the minister take the question on notice if he does not have the figure with him?

The CHAIR — Minister, could you provide the committee with further information?

Mr SMITH — Yes, the estimated figure — —

Mr PAKULA — The estimated number of children under 16 that will visit Victoria's zoos on weekends, public holidays and school holidays in the next financial year.

Mr SMITH — No worries.

Mr ANGUS — Minister, I refer you to budget paper 3, page 313, and the output in relation to forests and parks. My question is: how is the government responding to the Victorian Auditor-General's report on the environmental management of marine protected areas that was tabled in the Parliament on 2 March 2011?

Mr SMITH — I certainly welcomed the Auditor-General's recommendations, but I was at the time particularly disappointed in his finding that \$34 million that was allocated by the previous government for the management of marine parks could not be accounted for. I think this demonstrates certainly a lack of care and oversight by the previous government and the lack of care it had for public funds.

The Department of Sustainability and Environment and Parks Victoria have provided already a coordinated response to the Auditor-General's findings, which has been tabled along with his report. To resolve some of the systemic issues identified in this audit and also in other audits, such as the 2010 audit on the control of invasive plants and animals in Victoria's parks, the government is going to examine the governance arrangements for Victoria's parks and reserves, including the marine protected areas. The government will also implement its election commitments for the VEAC — —

Mr PAKULA — On a point of order, Chair, for the sake of consistency I ask you to advise me or to rule on how either the question or the answer relates to the estimates.

The CHAIR — My understanding is that in relation to the matters raised in the Auditor-General's report there is a significant issue in terms of the appropriation provided to Parks Victoria, which is a matter relating to estimates, and an appropriation in relation to maintaining the implementation of the marine protected areas. I think that is the relationship, as I understand it.

Mr PAKULA — I did not hear the word 'budget' mentioned in the question, nor have I heard it yet mentioned in the answer. I just would not want government members to be inconsistent, given the points of order they have taken.

The CHAIR — My understanding is that the question related to BP3, page 313. I am not quite sure what the issue is.

Mr SMITH — As I said, we certainly plan to resolve some of the systemic issues that have been identified in that audit, and we look forward to implementing some more stringent governance arrangements in the future to make sure that public funds, as detailed in the budget, are used correctly and with proper oversight.

Ms HENNESSY — That is what we are here for.

The CHAIR — We are here. We are the oversight committee of the appropriation.

Mr ANGUS — That is what this new government is here for too.

The CHAIR — Correct.

Mr SCOTT — Minister, I refer you to your presentation, your breakdown of the budget and the reference made there to the expenditure of \$241.8 million for effective adaptation to the impacts of climate change. I would be grateful if you could provide the committee with information about what will be the reductions in greenhouse gas emissions — and I am happy to have that either in percentage terms or in tonnes of CO₂ equivalent — from the policies in this budget over the estimates period.

Mr SMITH — Essentially are you looking for the CO₂ abatement that will come as a result of the measures that we put in place?

Mr SCOTT — It can be expressed in a number of ways, and I am relaxed about the form that comes in.

The CHAIR — Minister, I think from having a little aside here with my learned friend Mr Scott, the member is seeking advice as to the return on investment — —

Mr SCOTT — The outcomes in terms of greenhouse gas emissions reductions.

The CHAIR — Yes, the return on the investment.

Mr SMITH — It is an excellent question, and one I will take on notice to give you some breakdown of CO₂ abatement per program.

Mr SCOTT — Could I have a follow-up?

The CHAIR — Certainly.

Mr SCOTT — If you cannot give me a figure for the policies, can you at least give me a target for that expenditure of funds over the estimates period?

Mr SMITH — The target is, of course, the legislated target. The target we are aiming for as a result of these programs and others that will come as the government's term progresses will be the aspirational target of 20 per cent by 2020.

Mr SCOTT — Just to avoid confusion, I said the estimates period.

The CHAIR — The estimates period.

Mr SCOTT — That is on notice. The estimates period.

The CHAIR — The minister will come back with a response to that output.

Minister, I wish to go to BP3, page 100, and the initiative 'Restoring and reopening Victoria's parks'. We heard some discussion earlier about where the funding was derived from in relation to initiatives to do with storm damage in 2010 and 2011. I ask: what action is the government taking to address that severe storm damage that occurred in late 2010 and early 2011 in the Grampians National Park and at the Wilsons Promontory National Park?

Mr SMITH — As you know, since late last year, in 2010, more than 70 parks or reserves have been affected by some very severe storm, flood and weather events. They certainly damaged or destroyed a lot of the state's assets and have also led to the partial or complete closure of many of Victoria's most popular visitor sites.

The 11–12 budget provides more than \$60.2 million to restore and reopen Victoria's parks. With regard to the Grampians National Park we had 192 separate landslips, totalling more than 75 kilometres. The funding that is going to the Grampians will be used to assess the implications of these for public risk and the implications of the damage to the park's visitor facilities and also to undertake some emergency stabilisation works. The repairs and reopening of the visitor sites requires road access. The main roads providing access to key visitor sites in the park have been severely damaged and will take weeks, and in some cases months, to repair. For example, it is estimated that Grampians Road, which is managed by VicRoads, will take six months to repair and reopen, and it is estimated that Mount Victory Road will take six to nine months to reopen.

I give credit to DSE and Parks Victoria staff for being able to get 20 per cent of the park open for Easter. I was up at Halls Gap with the Premier just a week or so before Easter and was delighted to hear that the damage that had been done had not deterred any visitors. In fact I was told at the time that all the accommodation was booked to capacity. It was great that the events had not deterred people from going.

The funding that has been allocated towards the Grampians will help to protect and restore the key environmental values in the Grampians, which is home to a number of endangered species. With regard to Wilsons Promontory, funding was needed very urgently there for the park to be reopened as quickly as possible, because basically there was one road in and we needed to deal with that issue immediately. The funding also focused on damage repairs, which ensured visitor safety and provided alternative tracks to sights and camping areas. I understand that a total of 220 camping sites were available at Tidal River at Easter, so again a lot of

work was done to ensure that a prime tourist area in the state had accessibility, and my understanding is that it was very well attended.

That is really where the government is at. The approach was, in the very early stages, to make sure that local economies were not too adversely affected by a lack of numbers which would have come about as a result of the floods. The work is continuing in those areas.

Ms HENNESSY — Minister, I refer to budget paper 3, page 306, and the decision to change the name of output measures within DSE from ‘Less waste, less pollution; and clean air, livable climate’ to ‘Effective adaptation to the impacts of climate change’. You will probably be aware that the former Labor government’s commitment to cut Victoria’s greenhouse pollution led to a new program called Climate Communities, which was introduced in last year’s budget. There is a range of community organisations and groups that submitted under this program and were told a decision — —

The CHAIR — Submitted funding applications?

Ms HENNESSY — They have submitted funding applications and have been told that a decision on funding would occur in March, but they have been unable to get any information from the department as to when or if these decisions have been made. Is it true that the government has walked away from this program and that the funding allocated in last year’s budget for 10–11 and 11–12 has been used to meet savings targets?

Mr SMITH — No, the funding for Climate Communities comes essentially from the Sustainability Fund, and there are some very strict parameters around how those funds should be used. They are certainly not being used for savings.

I think you will find in many circumstances that a new government puts new eyes on a number of programs, and indeed on the number of bodies that a minister has authority over. Over the last six months I have spent a lot of time looking at Sustainability Victoria and trying to understand the values of the programs that have been put out. To that effect I recently asked the board to initiate a review into the way Sustainability Victoria is operating, the effectiveness of the programs that have been run and the outcomes we have got out of the money that has been spent. I think we would all agree around the table that we should be accountable for the money that is put into our care by Victorians. Indeed we should be able to stand up in front of Victorians and say to them, ‘This is the outcome we got. Was it good value for money?’.

The review that is currently going on will assess, amongst other things, the Climate Communities program. We will assess whether it will continue in its current form or whether Sustainability Victoria is going to take a different focus and structure programs accordingly.

Ms HENNESSY — Minister, where is the funding that has been allocated for that program within the current budget?

Mr SMITH — The funds that are allocated towards the Climate Communities program are still in the Sustainability Fund.

Mr MORRIS — I would like to return to the issue of the floods, and for the benefit of the opposition the reference is budget paper 3, page 97. I think we are all aware of the impact that the floods have had on individuals, but of course the damage was not confined to private assets; there were a substantial number of public facilities, including public halls, sportsgrounds, caravan parks and those types of things, that have been damaged. Minister, I ask you: what action has the government taken or is it taking to assist local communities to rehabilitate those public assets?

Mr SMITH — The government is funding the Flood Recovery Community Infrastructure Fund, which will address these things. I was surprised to learn that the Victorian floods caused more loss and damage to public-built assets on Crown land than the Black Saturday bushfires did. We have had over 150 places impacted across Victoria. The budget will provide \$30 million to develop a program of community asset rebuilding following the floods of late last year and early this year. This initiative will assist the department’s committees of management to rebuild or repair community assets on reserved Crown land that have been significantly or adversely affected by the recent floods.

These funds will be provided to the COMs as direct grants to enable some timely repairs to or replacement of community assets or facilities. These assets, which include halls, sporting clubrooms, sporting grounds and gardens and that sort of thing, represent the social hub for so many of Victoria's regional and rural communities. It is very important that the money is put in to get these assets back on track so that in many cases the community can meet in a particular area and go about their community functions.

We also want to make sure that assets which include tourist accommodation and attractions are maintained as quickly as possible and got back to the condition where they can still be used by local visitors. We recognise that this is urgent, because local economies are so impacted by a loss of tourism to an area. Indeed I know that Mr O'Brien made several representations to government ministers during the floods in his part of the world, in Halls Gap, which led to the response that we spoke about earlier.

What we will see is DSE undertaking this particular initiative with DPCD to ensure that we get the widest possible coverage of all the impacted groups. We also want to minimise duplication of claims and submissions and make sure that we have it as streamlined as possible. This particular program will also investigate opportunities to rationalise or maximise utilisation of assets where there is limited community requirement. As part of the asset replacement process we will have consultation with the community to make sure we can identify some options for multipurpose facilities.

Mr PAKULA — Minister, I refer to page 306 of budget paper 3 under the output summary for the department, 'Sustainable water management and supply'. You have already indicated to the committee that the water minister and you share responsibility for water management, and in answer to a question from a government member you gave a rather detailed answer about catchment management authorities. I am wondering what the \$71.5 million difference is between 2010–11 revised and the 2011–12 budget — 356.7 million dropping down to 285.2 million. I am wondering how and where that expenditure will be reduced. In other words, what programs are going to be cut or discontinued to allow you to make a saving over \$70 million in one financial year?

The CHAIR — Minister, if it relates to your portfolio.

Mr SMITH — Mr Pakula has made, if I can say, an error. I did not say that we have joint responsibility for water management; I said we have joint responsibility for the catchment management authorities. The issue that you are pertaining to is really under the authority of the Minister for Water, who I believe appeared before you yesterday.

Mr PAKULA — I would have thought sustainable water management is a matter for the environment minister.

The CHAIR — I think the minister has responded to the question.

Mr PAKULA — He will respond to water questions he likes and he will not respond to water questions he does not like.

Mr ANGUS — That is an outrageous comment. He is answering the questions.

Ms HENNESSY — The truth hurts.

The CHAIR — We can have some indignation, but that is not necessary. The minister clearly stated that within his portfolio responsibility he shares responsibility for catchment management authorities, and I am satisfied with that.

Mr MORRIS — The responsibilities are split between the two ministers.

Mr ANGUS — That is right.

Mr PAKULA — The environmental contribution levy program, as I understand it, is one of the contributions that make up that output, which I understand is within the minister's responsibilities.

Mr SMITH — It is not under my authority; it is under the water minister's authority.

Mr O'BRIEN — It is set out at footnote (c).

Ms HENNESSY — No-one is responsible for anything.

Mr ANGUS — Minister, I refer you to pages 139 and 140 of budget paper 3, the 'Output initiatives', and in particular a matter that you did touch on during your presentation earlier in relation to the park rangers. I am wondering whether you can outline for the committee the importance of this park ranger initiative in the budget papers.

Mr SMITH — I am, as I said earlier, particularly proud of the government's commitment to supporting these particular park rangers. As surprising as this might sound, the former government employed the 65 park rangers across Victoria but they were classified as a program that would lapse on 30 June, which meant that there was no recurrent funding for staff, which appears quite outrageous. It was certainly —

Ms HENNESSY — So there are no lapsing programs over the four years in this budget?

Mr ANGUS — Let the minister answer.

Ms HENNESSY — I am tired of the mendacious cant around lapsing programs.

Mr MORRIS — We are tired of plugging black holes, too.

Mr SCOTT — Which of course means money is available.

Ms HENNESSY — And they are all over your budget.

Mr O'BRIEN — You should have run your economy better. If you did not build desals and other big white elephants, we might have had more money to deal with your lapsing programs.

Mr SCOTT — If you knew something about the budget process, you would understand the ridiculousness of that.

Ms HENNESSY — That just shows your ignorance of the budget process.

The CHAIR — Have you all finished?

Mr MORRIS — It is day 11.

Ms HENNESSY — We have only just begun.

Mr SMITH — In response, again I am surprised that the employment of staff is actually a lapsing program, but I am very pleased that the government has committed to recurrent funding over our term of the 65 park rangers. As we know, park rangers do an enormous amount of work to educate visitors, to maintain our parks and reserves and indeed with their involvement in search-and-rescue operations.

This budget provides \$30.5 million over four years to continue these positions and also includes the successful Summer Ranger program, which gives young people studying natural resource management in Victorian universities the opportunity to build their skills and help out in parks during holiday seasons. Maintaining investment for the park ranger positions will secure these exiting jobs within regional communities and also help maintain capacity for the government's commitment to a major expansion in our planned burning program, which we alluded to earlier.

Mr SCOTT — Minister, I refer you to the new output measure which I made reference to in my previous question known as 'Effective adaptation to the impacts of climate change'. One of the major impacts of climate change will be felt by coastal communities with predicted sea level rises. One of the important projects funded and being undertaken by the Department of Sustainability and Environment is the Future Coasts project. Is the minister guaranteeing the continuing funding of this project, and what measures will you be taking to assist local councils and communities along our coasts to adapt to climate change impacts?

Mr SMITH — As you refer to, the Future Coasts program is a \$13.5 million investment designed to help Victoria better understand and plan for the risks of sea level rise and other coastal hazards. This initiative is

currently due to lapse in the 2011–12 financial year. This programs includes an \$11 million investment in mapping the elevation of the entire Victorian coast and is being used to assess where coastal hazards such as inundation and erosion are most likely to occur across Victoria as a result of sea level rise and extreme storm events.

The program is also going to see the development of a policy framework and guidance on applying statewide and local coastal mapping to inform planning and management of coastal hazards, and it aims to provide clarity and certainty for sustainable development in coastal areas. The department has released the elevation modelling component of the initiative, and once the other components have been completed the Minister for Water and I will work towards their release.

Mr SCOTT — But at this point you are not guaranteeing funding beyond 2011–12?

Mr SMITH — At this point the Minister for Water and I will work towards whether that is something we will go forward with.

Ms HENNESSY — Sounds like a lapsing program.

Mr PAKULA — It does, doesn't it?

The CHAIR — It is your lapsing program, not ours.

Ms HENNESSY — His lapsing program.

Mr O'BRIEN — I wish to take the minister to a commonwealth government lapsing program, and that is restoring funds for Landcare support. I should say that I am a member of a Landcare group, and I am very complimentary of the work Landcare groups do —

Mr MORRIS — Hear, hear!

Mr O'BRIEN — and I look forward to more tree planting at the end of these PEAC and parliamentary sessions to restore some environment sustainability myself.

Ms HENNESSY — That would be P-A-E-C, actually, but spelling is not your strong point.

Mr O'BRIEN — I ask you: given that the commonwealth government reduced its funding for Landcare coordinators, how is the government responding to this?

Mr SMITH — As I said, I visited a number of Landcare groups over the last few months, and in fact just last week I think I was up in Torquay and met with a representation of Landcare and 'friends of' groups around the table at Surf Coast shire, and I have to say that they were gutted by the commonwealth government's decision to cut funding to them and consequently elated by the state government's decision to provide funding to shore up some of the losses that they had.

The \$12 million that the government is putting up is intending to fund 60 new Landcare coordinators across the state. We are certainly going to address the issue of the lost local and network-level Landcare coordinators that came as a result of the commonwealth cuts. The key objectives of the initiative are really to strengthen investment in Landcare and to support the community volunteers, who are really crying out for that support. We really want them to continue to protect and restore Victoria's environment.

What we get from volunteers, as we know around the table, is just an enormous amount of work for the money that you put into them. We are certainly acknowledging that we will get great economies of scale by funding these facilitators so they can mobilise so many volunteers across the state to look after their local interests and the natural assets that they have around them. I am really excited about that funding. I know Landcare and 'friends of' groups are really excited about that funding. We are just going through the process now of working out how we will disseminate that funding to the appropriate areas across the state.

Ms HENNESSY — Minister, I refer you to page 306 of BP 3 again, particularly in relation to the sustainable water management and supply. I have listened to the points that you have made in respect of previous answers to opposition members on this committee, but you are the minister responsible for

environmental flows and I would like to understand how that 13 per cent cut will impact upon environmental flows. If you are not in a position to answer that question, perhaps the secretary could.

Mr WILSON — I could have answered yesterday because I would have had it here for the Minister for Water. The CMAs are captured under the healthy and resilient natural environment output measure. In terms of the arrangements — as I understand them anyway — for the legal allocations, the Minister for Water is responsible for water and where it gets allocated. Once water is allocated, the use of it, as you point out, is with the Environmental Water Holder, which is an independent body, and the CMAs, which is a joint thing. In terms of the variance in that top line, it is a water minister responsibility. I am not sure whether it is the right protocol, but we can answer it on notice anyway.

Ms HENNESSY — I would be happy to have the answer to that provided on notice, specifically what the impact of that is on the environmental flows.

Mr WILSON — From memory it is to do with payments to — —

The CHAIR — Could you, Ms Hennessy, give me the actual question you want answered? Thank you, we will take that on notice. I am interested, Minister, that we had some discussion earlier in relation to the funding allocations and specifically in regard to the back-of-the-envelope analysis, I think it was, that the deputy was seeking to do in relation to funding for the zoos initiative — that is, the free zoos for children initiative. I would like to actually expand further on the benefits of that initiative. Could you advise the committee, with regard to Victoria's zoos, what action is being taken in terms of recreational activities for Victorian families under this initiative?

Mr SMITH — As I said before, Chair, the government is providing those funds — 10.7 million — to provide for entry for children under 16 to the three zoos on weekends, school holidays and public holidays. This will help also with the government's commitment to decrease or certainly ease the cost of living by making it more accessible for families to get to the zoo.

In terms of supporting the recreational activities for children, the zoos really are there to enhance children's awareness of conservation values, not just as entertainment to go around and have a look at all the animals. The zoos now really take a comprehensive approach to educating people about the conservational values of flora and fauna. I really commend them for that. They have done some great work in recent times in promoting the impact that palm oil has on orangutans and various other initiatives that they are going forward with in the future and also looking at preventing the extinction of Victorian animals into the future. They believe firmly that there should be no Victorian animal becoming extinct while they are on watch. So they are looking at a program of either bringing in some protected species into the zoo or species that are in danger into the zoo and making sure that we have got a manageable amount of them to continue their existence going forward. As part of the recreational activities we also need to look at the educational opportunities for bringing kids into the zoo and teaching them about these things.

Mr PAKULA — As we commenced, I shall finish, Chair. I just want to go back to alpine grazing.

The CHAIR — My favourite subject!

Mr PAKULA — I know, I know! Minister, it is probably fortunate for me that it is not you sitting there.

The CHAIR — Yes, it is!

Mr PAKULA — It is all right for me to slap the minister, Chair; I am not sure about you doing it!

Mr O'BRIEN — Or Tony Burke. That would have been really fun!

Mr PAKULA — Minister, in terms of the answers we have already sought from you in regard to whether it is the same graziers who received compensation in 2005–06. I think your initial answer was that not to your knowledge and then you clarified by saying that you believe the compensation was only for a three-year period anyway. In regard to both the trial that occurred and what will occur over the estimates period, did the graziers that used the Alpine National Park pay any agistment fees, and will they pay any agistment fees as we move forward through the estimates period for the use of the national park?

Mr SMITH — As I said, the principal aim of this particular trial is to make sure that our communities are protected and also to fulfil our legislative responsibilities to protect our communities from fire. As I keep saying, and as much as others want to make a political point out of it, including the federal environment minister — —

Ms HENNESSY — What? That it was unlawful?

Mr O'BRIEN — Lawful four-wheel-drive access.

Mr SMITH — If it were unlawful, he would have invoked the EPBC act and done something about it, which he did not. The point is that it is about protecting communities; it is absolutely about protecting communities. The graziers are providing a service to the government — they are not paying any agistment fees at all.

The CHAIR — We have time for one final quick question.

Mr MORRIS — Minister, I want to raise an issue very close to my heart. Budget paper 3, page 140, is the reference. Of course the Port Phillip Bay beaches are a very significant community asset, something that is a top-of-mind issue, certainly in my electorate. I ask you: what initiatives is the government undertaking to ensure that these beaches are not lost to coastal erosion?

Mr SMITH — It is certainly a problem. My understanding is that there is no permanent solution to prevent this coastal erosion. It is a continuous process and it requires ongoing renourishment programs, which the government has committed \$9.6 million towards. I was actually down with the member for Nepean, the Minister for Education, just recently with some very concerned community members who were informing me that as local businesspeople and traders they were suffering from a lack of tourism and they were really concerned that the beach is going to go. There were quite some divided views there about whether the beach would come back, and I was told of photos that showed that back in the early 1920s, 1930s the beach was of a similar nature then as it is now and over a period of time the beach came back again.

The department is monitoring the way that the beach is being eroded and whether over the next couple years the sand will come back. In the meantime we have committed these funds to the renourishment of the beaches in the area, particularly with a mind to how many tourists actually visit the area. We are certainly concentrating on improving the sand renourishment, the dune rehabilitation and the protection of assets, and we want to make sure that Victorians and visitors to Victoria continue to enjoy those assets.

The CHAIR — Thank you, Minister. That brings us to the conclusion of this section of the hearing on environment and climate change, and I thank Mr Wilson, Mr Clancy and Mr Atkinson for their attendance.

Witnesses withdrew.