

# VERIFIED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into 2013–14 and 2014–15 Financial and Performance Outcomes

Melbourne — 16 February 2016

#### Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Dr Rachel Carling-Jenkins

Mr Tim Smith

Mr Steve Dimopoulos

Ms Vicki Ward

Mr Danny O'Brien

#### Staff

Acting Executive Officer: Mr Phil Mithen

#### Witnesses

Mr Adam Fennessy, Secretary,

Ms Christine Wyatt, Deputy Secretary, Planning,

Ms Kate Houghton, Deputy Secretary, Water and Catchments,

Ms Carolyn Jackson, Executive Director, Finance and Planning,

Mr Terry Garwood, Deputy Secretary, Local Infrastructure,

Dr Paul Smith, Deputy Secretary, Land, Fire and Environment, and

Mr Alan Goodwin, Chief Fire Officer, Department of Environment, Land, Water and Planning.

**The CHAIR** — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2014–15 financial and performance outcomes. All mobile telephones should now be turned to silent.

I would like to welcome Mr Adam Fennessy, Secretary of the Department of Environment, Land, Water and Planning; Ms Christine Wyatt, deputy secretary, planning; Ms Kate Houghton, deputy secretary, water and catchments; Ms Carolyn Jackson, executive director, finance and planning; and Mr Terry Garwood, deputy secretary, local infrastructure. I would also like to welcome all witnesses sitting in the gallery. Any witness who is called from the gallery during this hearing must clearly state their name, position and relevant department for the record.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege. The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses 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 by Hansard. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, any PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Witness advisers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

I will now give the witness the opportunity to make a very brief opening statement of no more than 10 minutes. This will be followed by questions from the committee.

**Mr FENNESSY** — Thank you, Chair, and thank you, members of the committee, for the opportunity to present today. I will go through as few slides reasonably quickly and then hand it back to yourselves.

#### **Overheads shown.**

**Mr FENNESSY** — In our first slide, that is obviously very small writing but that is just to show we have a DELWP strategic framework. My brief comments on that are that our overall focus and outcomes are: a stronger, fairer and better Victoria — people, jobs and growth. That is to reflect the whole-of-state-government approach. Within that, our shared outcome, which is really our DELWP focus, is livable, inclusive, sustainable communities and natural environments. You can see then that breaks out into our specific outcome areas. Down the bottom in the green shows how we work to do that. So we focus on delivery: to me and to our organisation positive culture and leadership is very important, and finally, how we work with the community and deliver service excellence is very important in how we achieve our overall outcomes.

Moving more to our structure as a department, you can see there we have got six groups that work together to support our three ministers and our portfolio partners: land, fire and environment; planning; water and catchments; local infrastructure; regional services; and corporate services. To assist the committee today, I have got the deputy secretaries of each of those groups for issues of detail and also so you do not have to listen to me talking for 3 hours. That will be for those extra points for questions the committee might ask of us.

Importantly, we have got a regional service delivery model that is based on local decision-making to put our services and our relationships as close to the community as possible.

In terms of our profile and what we are like as an organisation, we have got about 3000 staff at 102 locations across Victoria, which is a mix of offices and depots. We have major offices in most of the major regional cities. Also we have depots going as far as Corryong, Cann River, Heywood and Irymple. So we very much have a broad reach across the state. That links to our public land management issues, and it also gives us the opportunity to work very closely with local communities and indeed support local economies.

We manage 8.3 million hectares of public land. A lot of that management is in partnership with portfolio agencies, including Parks Victoria. We also own and manage \$2.1 billion of other assets, including an extensive road and track network, which is mostly forest and fire access roads and tracks. We have got office buildings, depots and public toilets and recreation facilities, because we own a lot of public land that is open for camping

and other uses. We have firefighting and road maintenance equipment and waterway crossings, water bores and mobile plant.

In terms of our key outcomes for 14–15, our outcomes are across those major areas that our groups cover. The first is sustainable and effective local government. Some of the outcomes that we have achieved in 14–15 include a rate capping system being implemented now to manage council rate rises and new measures introduced into a Local Government Amendment (Improved Governance) Bill to strengthen council governance and reduce or manage councillor misconduct. We have also developed a Know Your Council website, which allows the community to monitor the performance and understand the performance and information about their councils. That was developed in the 14–15 period and has subsequently been launched late last year.

On the building, planning and heritage outcome, we have commenced, on behalf of the Minister for Planning, the refresh of the metropolitan planning strategy Plan Melbourne. The department, working with the minister, has released the *Better Apartments* discussion paper, and we continue as a department to provide planning services to deliver planning and heritage outcomes. You can see some of the statistics: 452 planning scheme amendments; issued 984 heritage permits; assessing 44 places or objects for the Victorian Heritage Register; and, importantly, reporting annually on residential and industrial land supply, which also highlights the important role that we play in the overall Victorian economy around land use and supply as a key driver of the state economy.

The next outcome is our environment and climate change area. I mentioned earlier we manage a lot of Crown land and public land. We manage risk, particularly fire risk, and as part of that during the 14–15 period we completed 670 planned burns over 234 000 hectares. We responded to 1149 fires on public and private land. While we are responsible under legislation to manage public land, we very much have an all-agencies approach, working with our partners in Parks Victoria, the CFA, SES and many others for fires wherever they occur.

In the climate change area we led the development of a climate change adaptation memorandum of understanding between state and Victorian local governments. We provide funding into our Victorian Landcare groups, resulting in the protection and enhancement of landscapes across the state — 1600 hectares of revegetation. We have also supported through Parks Victoria over 100 million visitations onto public land estates managed by Parks Victoria and supported 600 coastal and recreational activities undertaken by Coastcare Victoria. Those last points again highlight the key community and economic role we play in supporting local tourism and interaction with our natural environments.

Finally, our outcomes in the area of water: we have supported over 5000 hectares of waterway vegetation works to improve waterway health; we have engaged with nearly 2500 people to increase community knowledge of sustainable water management across the state, in their communities and in their catchments; and we have invested in wetland and riverine improvements across 346 river and wetland areas.

That is an overview of our outcomes and our department. Chair, I will hand it back to you and members. That concludes my overview.

**The CHAIR** — Thank you very much, Secretary. I might commence by turning to page 3 of the questionnaire you provided to the secretariat in relation to the Northern Victorian Irrigation Renewal Project stage 2 agreement. Obviously this project has been going on for a number of years in terms of making the investment into our food bowl in the north-east. It is about trying to improve the quality of the water channels, making greater levels of efficiency by avoiding seepage and evaporation and providing more quality water to the food bowl. I just wonder, from your perspective — because of the length of time this project has been running — in terms of your data, have you seen an increase in production in the food bowl as a consequence of this investment?

**Mr FENNESSY** — Thank you for the question, Chair. To start with the broader approach, over many years Victoria has looked to the economic opportunity to invest in irrigation infrastructure alongside the environment and community benefits. The overall approach we have taken in partnership with the commonwealth government as well as local communities is: how we modernise our infrastructure? A lot of these, as you will know, are open channels subject to loss of water that does not benefit the environment, local economies or local communities. So it is very much investing in our infrastructure to provide more reliable water for irrigators and also to allow us to return flows to rivers that require that and doing it in a way that takes the community along with it.

So that is the broad story about the northern Victorian irrigation renewal program, which is now known as the Goulburn-Murray Water Connections Project. Overall that has been a \$2 billion investment from state and commonwealth governments to provide those outcomes. In terms of the improvements that you have asked about, Chair, I will hand to Kate Houghton, who is the deputy secretary of our water and catchments group.

**Ms HOUGHTON** — Thanks for the question. In terms of causality and the actual increase in production, I do not have the actual number, but in terms of the effect of the connections project itself, it is actually delivering more reliable service to farmers at the right time — at the time that they actually need it. As well, it is through a channel automation system. The old way was farmers opening up the Dethridge wheel and the water coming through, the farmer having to be there at that time. That is all now through channel automation, and from a business certainty and reliability perspective that creates benefit for the farmer and the farm business.

In terms of just piping channels, the evaporation loss, the water that you order is the water that you deliver, and the benefit for the environment is that the evaporative losses go back to the environment as well as some water going back for productive purposes. So as a whole it is creating a more reliable and certain product and a modernised irrigation district, not just for now but for decades to come.

**The CHAIR** — I note in your answer you indicate that as of 1 July 2015 120.7 gigalitres of water shares have been issued to the commonwealth government. Are you projecting that there will be further water shares allocated back to the commonwealth, and would you see an increase in time or are you now broadly flatlining?

**Ms HOUGHTON** — The commitment for the water savings is 279 gigalitres of water that will go back to the Murray-Darling Basin for increased flows. The commitment is June 2018 for those water savings to be delivered within the budget that we have.

**Mr D. O'BRIEN** — Continuing on with the NVIRP — the connections project — in 2013 the managing director in the Goulburn-Murray Water newsletter said the project was on time and on budget. Is it still on time and on budget? Sorry, it is the connections project I am talking about.

**Ms HOUGHTON** — In November of last year there was a mid-term review that was released. The mid-term review is an agreement, part of good governance of the project, between the commonwealth government and the Victorian government. The outcome, in a nutshell, of that review was if we kept going the way that we were and did not reset the project, then on time, on budget with the same amount of water savings we would not achieve. That is why the government is going through a process, with the commonwealth government, Goulburn-Murray Water and the community and irrigators, to look at how you can reset the project to deliver and get it back to on time, on budget and with those water savings.

**Mr D. O'BRIEN** — The final question is: what went wrong? What has happened in the interim between being on time and on budget to now not being?

**Ms HOUGHTON** — There were a number of assumptions within the original setting of the project that the drought would actually move people off the land because it was so dry — that there would be just a natural structural adjustment. Because of the reforms of carryover and the water market working so well and creating choice for those farmers, a lot of farmers have stayed on the land. So what the connections project needs to do is work with the current context that we are in and make sure that the connections that we do make are strategic connections that can modernise the system going forward.

In terms of delays, in terms of time frames, the 7000 landholders that we are now working with within the Goulburn-Murray area — we have to have a lot of conversations with them because these are serious future decisions that these farmers and families are making about whether to connect or not connect, and that takes time.

**Mr D. O'BRIEN** — So just to flesh that out a bit, the expectation was at the time that people selling their water would sell the farm and get up and get out, and you would have consolidation and therefore less connections, et cetera.

**Ms HOUGHTON** — Correct.

**Mr D. O'BRIEN** — But partly probably due to a wetter series of years you had farmers thinking, 'Well, now I can keep irrigating —

**Ms HOUGHTON** — Correct.

**Mr D. O'BRIEN** — and I will just buy on the temporary market. Is that — —

**Ms HOUGHTON** — Yes. So in 2010 we had historic floods that broke the drought, and that created a different water context that people made their decisions within.

**Mr D. O'BRIEN** — Right. So I think you said that 2018 is the commitment for 279 gigalitres.

**Ms HOUGHTON** — Yes.

**Mr D. O'BRIEN** — Is that just through the connections program or through NVIRP, or is that — —

**Ms HOUGHTON** — That is through the connections project into the Murray–Darling Basin plan.

**Mr D. O'BRIEN** — Right. Is that still the target, though — June 2018?

**Ms HOUGHTON** — Yes, it is.

**Mr D. O'BRIEN** — It is. Thank you.

**Ms WARD** — Hi everyone. How are you going? Thanks for coming along. I know it can take a bit of work to get here, so thank you for coming along.

One of the things that is of particular interest to me in terms of policy, and I know it is of interest to my electorate, is climate change. What I am interested to know is how much has been spent on climate change programs and if you could outline how this has compared with the following financial years and talk about the kind of programs that have been invested in and what the economic benefits are of those programs.

**Mr FENNESSY** — Thank you for the question. Chair, I will start with the answer. If it is acceptable to you, I will also call upon our deputy secretary in the environment and climate change area, Dr Paul Smith, to come to the table.

**The CHAIR** — Sure.

**Mr FENNESSY** — But I will start by saying that we have focused a lot of our investment in particular around climate adaptation, and this is consistent with the approach taken over many years through COAG where the commonwealth government has focused broadly on the mitigation space, state governments on adaptation and local governments on local adaptation, and this has taken place in Victoria over quite a number of years.

We are delivering through the statewide adaptation plan. In particular one area that is important to us is connecting in with local communities. As per your question, we have a Victorian Adaptation and Sustainability Partnership grant program, which is in partnership with local government to drive climate change response in the local area. So that is the broad approach we have taken. To go to the specifics I will call on Dr Paul Smith to detail some of the areas of those programs.

**Dr SMITH** — In detail, for 2013 we had \$4.7 million in grants allocated to 39 local government adaptation projects, based on Adam's introduction there about our focus on adaptation for that period. That was part of the Victorian Adaptation and Sustainability Partnership. Seventy councils benefited from this investment, which addressed adaptation issues on a regional scale, and I should say that a number of councils worked collaboratively on those projects. A further \$1.25 million was allocated over two years to provide skilled mentors to assist local government in their adaptation planning and action. The concept behind the mentors was to assist local government to develop its own solutions to local adaptation risks and local adaptation requirements. I can talk a bit more about that should that be required.

**Ms WARD** — How many local councils took up the mentor program?

**Dr SMITH** — Seventy-nine, so all of them did.

**Ms WARD** — Seventy-nine.

**Dr SMITH** — We had three skilled mentors. This was for a pilot project. The success of that has been quite phenomenal, actually. Local government have responded very well to the program, and we are seeking to work more closely with local government, being the key part of the government structures that we have in Victoria that are the closest to local communities on many things.

I will just continue in answering your question there, if I may. In the 14–15 state budget there was no additional funding for climate change grants programs. In 2014–15 DELWP continued to deliver the climate adaptation commitments with funding provided through the 12–13 budget period. The department completed 20 Victorian Adaptation and Sustainability Partnership grants project evaluation acquittals. You will note in the performance report within the annual report that seven of those were not delivered — the acquittals and evaluations for the 13–14 financial year. I can confirm that those seven outstanding acquittals were completed in July 2015.

The climate change grants build on the successes of previous rounds. Principally they have enabled councils to drive local climate change priority actions. They have strengthened existing or created new partnerships and collaborative opportunities between state government and local government as well as other organisations that have critical climate change science and knowledge, such as universities and private research outfits. The key relationship between the state and local government on climate change is a really critical one. I refer you to the Productivity Commission report on the roles and responsibilities for climate change that was completed a couple of years ago. It is quite instructive — firstly, for clarifying the importance of getting those roles and responsibilities set and, secondly, the role that state government can play in facilitating and enabling state government to succeed in climate change adaptation. I will leave that answer there, thank you.

**Ms WARD** — Can you give me an indication, then, of how acting on climate change can actually improve productivity?

**Dr SMITH** — The adaptation plan that was released in March 2013 is pretty instructive as to the need for active risk management in the face of the impacts that climate change will bring. We have got hotter, drier summers. We have got more potential risk of bushfires, vulnerable people — so if you think about structural disadvantage in the community, people who are already at risk for various reasons are likely to be affected more by climate change, whether it is through heatwave events or other things that cause some people to suffer through that disadvantage.

**Ms WARD** — Thank you. Just finally, can you tell me what the current and previous financial year contributions by the commonwealth government have been to Victoria with regard to combating climate change or programs around climate change?

**Dr SMITH** — So the commonwealth government investment in climate change in Victoria, my understanding has been zero in reference to funding directed to State Government other than through a joint research arrangement which is called NCCARF, and that is a National Climate Change Adaptation Research Facility. That is not in Victoria but certainly from that perspective we do share information across borders. But in program terms my understanding is there is zero.

**Mr T. SMITH** — Secretary, I am referring to your annual report at page 62 and indeed your initial presentation with regard to Plan Melbourne refresh. I am wondering where you are up to with regard to a review of neighbourhood residential zones.

**Mr FENNESSY** — Thank you for the question. I will give a few comments about Plan Melbourne refresh and then also go into the detail about residential zones. I will make some overall remarks, and I will get Christine Wyatt, who is the deputy secretary of planning, to assist the committee with that question as well. With Plan Melbourne refresh, there was a very specific approach to continue with the work of the previous government under Plan Melbourne so that there was that longer term consistency with planning. The original ministerial advisory committee, which was appointed in May 2012, has been the same committee used by the current Minister for Planning and, as you will recall, the finalised Plan Melbourne from the first approach was released in May 2014.

In terms of the role we have played as a department with the current Minister for Planning, the Plan Melbourne refresh was announced in March 2015. The same ministerial advisory committee was reconvened and, on the basis of the original draft from August 2013, submissions received originally and any other relevant matters, the further report from this ministerial advisory committee came in to the current Minister for Planning in June

2015 with 93 recommendations for government consideration. So that was the process we went through. Quite a lot has happened for the rest of the 14–15 period and indeed into 15–16. I will ask Christine Wyatt to comment on that and also then pick up your question about residential zones.

**Ms WYATT** — Thanks for the question. If you could just bear with me for a moment, I will go back to some Plan Melbourne discussion.

**Ms SHING** — It's all right; we've got hours.

### **Members interjecting.**

**Ms WYATT** — That's right. There is a lot of material. I will probably just pick up 14–15 activities of Plan Melbourne. As Adam has outlined, the refresh was announced in March 2015. We progressed to reconvene the ministerial advisory committee to provide further advice on the matters that the if I can call it 2014 Plan Melbourne was from their perspective seen not to have included, so that advice has been quite informative and it informed the release of a discussion paper that was released in that year as well — on 22 October 2015, actually.

The Plan Melbourne refresh has been quite specific that it is a refresh not a re-put-out of the whole document and start again, and the focus was specifically on housing affordability, climate change and the transport components of that plan, so it was not a total 'We'll put this document to one side; we'll start all over again'. The refresh document and the discussion paper has been quite specific about that and quite specific about inviting the community to have a say on those particular topics. That process has been well and truly underway. As I said, released on 22 October 2015 to the community, local government and industry stakeholders, and the ministerial advisory committee's report was released alongside that refresh paper so that it was a fully transparent process so that the community and stakeholders could also have a look at that advice to see where were those parts of the plan that could possibly be enhanced or areas that need further input.

During the exhibition process that went through to 18 December 2015 there were 266 participants in various discussion groups and forums, and that represented 99 organisations across local government, peak organisations and stakeholders. In the opening for public submissions there were 317 submissions — well, unique submissions. There were a number of petitions but we have grouped the petition into equivalent of 1, so we call that 317, if you like, unique — that is probably a good way to look at it; they all are unique. We have had those submissions in and we are just going through the process of looking at those, seeing what issues are raised, seeing the commentary in relation to the propositions that were put by the ministerial advisory committee. We are looking to make those submissions all available on the website. At the moment we are just going through final privacy issues that often are in relation to submissions where you have to go back and check with the submitter whether they are okay to put that on the website, so we are looking to do that early this year and have some further commentary on what did the community say, what are those key issues, and heading towards a refreshed Plan Melbourne in the middle of this year. That sort of paints that whole journey.

Now I might delve into the residential zones. It is a bit of a history for the residential zones, so I think it is worth just refreshing you on the journey because again that is not an easy thing of how we are going with the zones, so it is quite —

**Mr T. SMITH** — Ms Shing said we have got all afternoon.

**Ms WYATT** — Not that I want to take all afternoon with this, but I will just quickly step back — 2012–13, if we think in that period. In July 2012 there was a set of proposed reformed zones released for public comment and that went through a ministerial advisory committee process. There were about 1000 submissions at that point to the residential zone proposition. The upshot of that was a final set of residential zones was released in March 2013. From that date the councils had 12 months to submit an amendment to the planning scheme to implement the zones into their schemes — if you like, a voluntary take-up of the zones.

On 1 July 2014, the zones were automatically put into the planning schemes, so if councils at that point had not initiated their planning scheme amendments, there was an automatic rollover, if you like, from the old zones to the new zones. The residential zones were then included into the reformed package of moving from residential 1, 2 and 3 to a residential growth zone, a general residential zone and a neighbourhood residential zone. The key features of the zones included setting mandatory building heights of 8 metres in the

neighbourhood res zones; improving some of the purpose statements for the zones; restricting non-residential uses in the neighbourhood res zones and the general residential zone; allowing small-scale, complementary commercial uses in the residential growth zone.

In 2014 a residential zones standing advisory committee was appointed to advise on the method and application of introducing the new neighbourhood residential zone, the general residential zone and residential growth zone into the local planning schemes. It undertook its work in two stages. Stage 1 was to provide councils with a process to implement their new zones before 1 July. So if you think back to what I was describing before and that almost voluntary take-up period, there was a process established so councils could go through a process and go to a standing advisory committee to have those considered, so there was some consistency in the consideration by the committee rather than setting up a separate committee every time a planning scheme amendment was proposed, which is standard practice in planning to do that. So the alternative was to send it to a standing advisory committee.

The second stage was to provide councils with a process to make changes to the residential zones beyond the 1 July 2014 process. So beyond the time where it was automatically imposed into the planning scheme there was a process again. If they were halfway through it, they could be sent to the standing advisory committee process. That took us to, if you like, the middle of 2014. A number of the standing advisory committee planning panel reports and decisions were then released over a period of time since that date.

In the 2015–16 period a review of the reformed zones commenced. That started on 29 November 2015 when the Minister for Planning appointed a managing residential development advisory committee to report on the application of the zones that provide for residential development in metropolitan Melbourne and the four regional cities of Bendigo, Ballarat, Geelong and Latrobe.

There is a consultation process that commenced in early December run by the advisory committee and they have held inception meetings with relevant councils and industry bodies. They are looking at the inconsistencies in the implementation of the residential zones, including some of the strategic justification and some of the consultation and process by which the merit of planning scheme amendments were introduced. The advisory committee will review and advise on the implications of residential policy and the future application of the zones.

The terms of reference for the residential advisory committee are online, so they are fully available on the web. In addition, to support the work of the advisory committee, a task force has prepared residential zones state of play reports for each of the Melbourne subregions and an overarching report. For the regional reports, if you like, the central subregion is Maribyrnong, Melbourne, Port Phillip, Stonnington and Yarra. The northern subregion is Banyule, Darebin, Hume, part of Mitchell within the metropolitan area, Moreland, Nillumbik and Whittlesea. The eastern subregion is Boroondara, Knox, Manningham, Maroondah, Monash, Whitehorse and Yarra Ranges. The southern subregion is Bayside, Cardinia, Casey, Frankston, Glen Eira, Greater Dandenong, Kingston and the Mornington Peninsula. The western subregion is Brimbank, Hobsons Bay, Melton, Moonee Valley and Wyndham. Then there is a combined regional report for Ballarat, Greater Bendigo, Greater Geelong and Latrobe.

The purpose of those reports is really as the title really suggests — it is a state of play to say, ‘What does this look like in the region? What does that zoning framework look like? What are the hectares of land that that generates in the region?’, and that will provide some information for the advisory committee to undertake some of its work. So that is a long answer, but that is where we have got to at this point. Just to finish — —

**Mr T. SMITH** — When will the advisory committee hand down its findings?

**Ms WYATT** — I was just going to get to that.

**Mr T. SMITH** — Very good.

**Ms WYATT** — The submissions to the advisory committee close actually on 29 February, so we are still open for submissions.

**The CHAIR** — So you still have time, Tim

**Mr T. SMITH** — Thanks, Danny; thanks for that advice, mate.

**Ms SHING** — It is ‘Chair’, not ‘mate’.

**Mr T. SMITH** — Thank you, Ms Shing.

**Ms WYATT** — There will be established hearing dates in the coming weeks and a report period at the end of those hearings.

**Mr T. SMITH** — I understand that Treasury are conducting a review into housing affordability. I just wonder if you have made a contribution to that, and if so, have neighbourhood residential zones come up with regard to your discussions with them? And in terms of established suburbs, what you are doing with regard to housing affordability, given our population growth at the moment.

**Mr FENNESSY** — I think that that is certainly a priority for various parts of government, both for, as you said, the Department of Treasury and Finance and the Department of Health and Human Services, and we have got a critical role in that. Christine and the planning group are leading a lot of that work for us. So, Christine, I will get you to comment on some of the work we are doing to support the Minister for Planning for housing affordability.

**Ms WYATT** — Certainly. If I can just start with perhaps your question that was related to the residential zones, I think one of the things we are finding at the moment is that it is a little early to really figure out whether or not the zones have impacted on the extent of development, because if you look in parallel at the amount of planning permits and building permits that are through the system, there has not been a slowdown. The indications are that naturally in the planning system once you rezone something there will be a bit of a lag until you can really see the indicators of this process.

If I can move to the affordability question, we are certainly looking at ways in which affordability can be considered in the planning system. It has got to be remembered that the planning system can only deal with certain elements of land use change, and through built form, naturally, we impact on affordability, or through location of zones. If I take the first — the built form approach — we are certainly looking at contributing to the combined affordability through ensuring that we have a proper definition of inclusionary zoning and what affordable housing means and how it can be facilitated in the planning system. So we are working with that closely with Treasury at the moment. From a built form perspective, in any of the significant planning controls that we are looking at, we always make a consideration of whether or not that will impact on affordability by further impost of rules on the construction of residential development.

**Mr T. SMITH** — Have you made a submission to the Treasury review?

**Ms WYATT** — We have not made a submission to the Treasurer; we are working with the Treasury in a broader group of us who have an impact on housing, which goes right across from finances and taxes through to land use and built form and where they are located and how they are constructed.

**Mr FENNESSY** — Just to assist and follow that question, in terms of the governance across state government departments, we would not expect to make a separate departmental review; however, we are a key part of the interdepartmental process for that, because it is as much a priority for our ministers as it is for the Treasurer.

One other point I will add to Christine’s information is that there are a whole range of factors. One is of course the supply and the amount of permit applications received et cetera, and Christine did touch upon that. In 2014–15 there were 52 000-odd permit applications received and determined, and that was an 8.3 per cent increase — that is for the whole of Victoria. The breakdown for metro Melbourne was 36 707 — that is a 10.5 per cent increase. And then to bear out the role of regional cities and towns in accommodating that growth, across rural and regional areas 15 287 permit applications were received and decided, which was a 3.3 per cent increase. While that is only one part of the story, it shows that that is increasing the stock, and together with things like inclusionary zoning, which is critical to the planning zoning process, that is part of the effort for housing affordability.

**Mr DIMOPOULOS** — I just want to stick to planning, but more about one of the achievements you have got listed in your annual report about better apartments. I understand that so far there has been a submission

process, I think. They have been collated into a document about what people thought. What is next for the better apartments agenda, and where is it ending up?

**Mr FENNESSY** — My preliminary comment, and then I will hand back to Christine Wyatt, is that while of course we are focusing on the quantity of housing availability and stock, quality is very much part of the focus well. Particularly when there are apartment developments, say, for example, in and around the city, we want to make sure that the amenity and the livability that Victoria and Melbourne are renowned for flow through to things like the design of apartments. So that is part of the process — for there to be better apartment design guidelines. To go to the specifics, I will ask Christine to comment on that.

**Ms WYATT** — Thank you for that. Back in December 2015 there was a discussion paper of engagement released to give an indication of the response to all the earlier discussions about what the problem is in the apartments and what everybody feels this problem is. There were over 1700 people who participated in some of our discussion forums, and we had 145 submissions to the discussion paper. It is a varied range of views of things that are an issue, and it comes back to also the affordability question, because there are some people that say, ‘Don’t put more prescription on, because that will result in increased costs’, and others would say, ‘If you don’t put more prescription on, we get really poor outcomes of product’.

One of the questions we were asking through the discussion paper was: what are the key things that matter to stakeholders in apartments? The report has them quite clearly listed. Access to daylight is the first one; the provision of adequate functional apartment space is no. 2; good natural ventilation; the fourth one is internal and external noise; and the fifth one is energy and resource efficiency. They are some of the key findings that we have had so far.

The next step is to undertake some further public engagement, because this is such a fundamental issue for apartments. It impacts everywhere across Melbourne. It is not just the central city; it is the central city, inner suburbs, middle suburbs, small units, large units — this is right across the board — so the aim is to formulate a set of apartment design guidelines and, again, consult on those, because of the wideranging nature of them, by the third quarter of this year. So there will be another round of consultation.

We have formulated a reference group of peak local government, industry and consumer bodies to help us do these things, so the department is not doing them in isolation and just then going out and saying, ‘What do you think?’. We have actively engaged with key groups such as the institute of architects, the building designers association, the Housing Industry Association, the master builders association, the MAV, the Planning Institute of Australia, the property council, the real estate institute, the urban development institute and the Victorian Planning and Environmental Law Association. You can imagine everybody has got a view and they will be quite varied on those things, but it is key to get those stakeholders involved in the formulation of potential development controls. We are going through that process at the moment, and, as I said, we are aiming to have some further documents for public consultation in the third quarter of this year.

**Mr DIMOPOULOS** — So the end product is, I imagine, recommendations to the minister about planning and about a range of instruments he could consider to achieve better apartments.

**Ms WYATT** — Correct. And we are really looking at what needs to be in the planning system and what needs to be distilled and put into the building system.

**Mr DIMOPOULOS** — Can I ask just one more on this. It is a big issue around different places and particularly in parts of my electorate. This is probably too detailed for you, but was there any submission that focused outside those five key things and talked about the ratio of parking per apartment? I think it is one car park per two-bedroom dwelling. Was there any view offered in the submissions?

**Ms WYATT** — I will have to take that one on notice if that is all right. I am sure there would have been. I just mentioned the top five. I am sure there would have been some conversation on parking, but I am happy to come back with an answer on that one.

**Mr FENNESSY** — Through the chair, could I add one other detail which goes generally to your point. The opportunity that presents itself to the department is, while the planning group has a key role in this, that it also relates to our local government function and how we work with local governments, because there is debate in different municipalities about that. It also relates to the work that Paul and his group lead on climate resilience

of our building stock and the savings to buildings around energy efficiency — and this actually goes to Ms Ward's earlier question about some of the economic opportunities from climate change adaptation. You create more resilient housing stock, and over the life of that apartment or that house you can lower your heating bills.

In Kate's group we do a lot of water efficiency work. So one of the opportunities of the organisation is that we can think across four or five parts of our group to think about what good, livable, sustainable housing looks like for Victorians, whether it is an apartment in Bendigo or a new house at the edge of Melbourne in Melbourne's growth areas or indeed a high-rise apartment in Docklands. It is that whole-of-life approach, and it is also working with local communities about the challenging debate around impact at the street level on things like parking, access to public transport, access to health and education services.

**Mr MORRIS** — Welcome, Mr Fennessy. I imagine the response to this will have to be on notice, but if I can go to question 21 of the department's questionnaire, which relates to reprioritisation of resources, I am wondering — as I say, on notice — if you can provide the committee with some further detail. Specifically what I am interested in is, if we take the 2014–15 budget papers as a starting point, the area reprioritised, the year, the amount that is reprioritised and what it was reprioritised to — what it was applied to. For all reprioritisations in the department, can we get that information on notice, please?

**Mr FENNESSY** — Yes, we certainly can. Sorry, just to clarify, was that for both 13–14 and 14–15? I did not quite hear the years.

**Mr MORRIS** — Taking 14–15 as the starting point, so amounts that were in that year or the forward estimates that have been reprioritised either for the balance of 14–15 or beyond.

**Mr FENNESSY** — Yes, all right. We have our chief finance officer, Carolyn Jackson, at the table. We had some of that information in the questionnaire.

**Mr MORRIS** — Yes, we have got it at portfolio level, but I am looking for it at initiative level. We have got the portfolio information; I would just like the detail.

**Mr FENNESSY** — We can happily take that on notice.

**Ms PENNICUIK** — Thank you for coming today, everyone. If we could go to page 28, and it follows on from the theme raised by the deputy chair just then with regard to reprioritisation of funds. This one is in the environment and climate change portfolio. For 2013–14 it is \$20.1 million and for 2014–15 it is \$8.3 million redirected towards certain projects, such as a cleaner Yarra and Port Phillip Bay, coastal environments, environment partnerships, native vegetation, threatened species et cetera. It says there:

These initiatives were partly funded via the reprioritisation of initiatives that are currently being funded from the Sustainability Fund, including energy efficiency rebates for low-income homes, revenue raised from Victoria's landfill levy, and internal reprioritisations at Parks Victoria.

That sort of raises a lot of questions. Even though it is an answer, it raises a lot of questions. The first question is: were any programs cut as a result of the reprioritisation of initiatives here and, if so, which ones?

**Mr FENNESSY** — I will provide a bit of a general response, and then for the specifics, through the chair, I think we will take some of that on notice. The general approach has been to make sure we have got enough agility to reprioritise to emerging priorities. And, as you have already alluded, there was an increased community focus on the health of the Yarra River and Port Phillip Bay, which was one reason why we redirected funds in that regard.

There was also, particularly in recognition of the source of funds from the Sustainability Fund, which includes landfill levies, the need to put that into a broader waste and resource recovery policy, and other approaches were really reflecting the priorities of the day. So that is the broader reason. Some of the programs that were used for reprioritising if they had less take-up, and some of them were household rebates, then we took the decision, working with ministers, that if the community is not taking up some program money, then it is better to reprioritise that to where the need is emerging. So that is really the approach we took. But to go to the specific question on that next level of detail, we are happy to take that on notice.

**Ms PENNICUIK** — Yes, that would be great to get that level of detail. My supplementary, really, or follow-up from that is: what is the balance of the Sustainability Fund, and does the department have plans to allocate additional funds to other projects from the fund or are you sticking with what is here in this paper?

**Mr FENNESSY** — With the Sustainability Fund, that is now or in the current period administered wholly by the department and particularly in Paul Smith's area and through Carolyn Jackson's, our chief finance officer. I think as of 1 July 2015 it is just over \$380 million and, as members of the committee will be aware, there are specific criteria for the reinvestment of those funds. I think that figure is just over \$380 million.

**The CHAIR** — If I could turn now to Melbourne Water's annual report for 14–15, and I note that Melbourne Water recycled — —

**Mr D. O'BRIEN** — It's Harriet's question.

**Ms SHING** — That's all right. I don't mind. I don't need a question.

**The CHAIR** — I'm sorry.

**Ms SHING** — No, no.

**Ms PENNICUIK** — Why don't you take a point of order, Ms Shing?

**Ms SHING** — Because you know — —

**The CHAIR** — Sorry. The Chair must always play by the rules, and the Chair was certainly remiss in that instance. Ms Shing, my apologies.

**Ms SHING** — Thanks, Mr O'Brien. Now we know where the land is lying.

Thanks, everybody, for coming along today and for the presentation that was provided at the outset and for the questions to date. We will be leaping around a little bit in terms of the answers that have been provided to questions 17 and 19, so that is pages 21 and 25 of the questionnaire. In particular what I am interested in discussing is the machinery of government changes that occurred prior to November 2014, which resulted in a number of overall full-time employment reductions. I would like to know how many jobs were cut from the Department of Environment and Primary Industries and what the target was — whether this number was met or exceeded or fell short of the target within the context of the outcomes achieved as part of the sustainable government initiative.

**Mr FENNESSY** — Thank you for the question. Was the question more to the prior machinery of government changes to the lead-up — —

**Ms SHING** — Yes. In particular page 25, the bottom of question 19, maintaining the sustainable public service from 11–12 with the budget update and the efficiency savings that were generated there.

**Mr FENNESSY** — At the time, the policy of the government was referred to as the 'sustainable government initiative'. The targets for the two former departments that led to the creation of DEPI — so the two former departments were the Department of Sustainability and Environment and the Department of Primary Industries. The Department of Sustainability and Environment had a target under the sustainable government initiative of 400 staff reductions, and DPI had a target of 200.

**Ms SHING** — That is full-time equivalents?

**Mr FENNESSY** — Full-time equivalents, yes, and the overall number across what was then the DEPI portfolio — so for both DSE and DPI — was a staff reduction of approximately 466 full-time equivalent. Does that answer — —

**Ms SHING** — So within the terminology that we are using, that target was exceeded in the context of what the target as then set was?

**Mr FENNESSY** — I will just clarify, and I might get the chief finance officer to comment. I think that relates to what is now the DELWP portfolio. I said, 'DEPI', but it is the DELWP portfolio. So for our staff base

now, when we look back to the sustainable government initiative impact, it was 466 full-time equivalents. Carolyn, can you clarify that?

**Ms JACKSON** — Yes, sure. Just to clarify, in terms of the DPI target, that was 200. The actual staff that were lost was 286 — so 400 and 200, and against the 200, 286.

**Ms SHING** — Great. Thank you. The next component of that particular question relates to the EPA and the way in which the sustainable government initiative was implemented across that agency. Could you outline again how many jobs were cut from the EPA through this initiative — so the sustainable government initiative — and also how many of those, if you are able to provide this information in this hearing, were actually cut from those employees with a scientific capacity as part of their positions?

**Ms JACKSON** — So in terms of the EPA target, they were part of the DSE 400 target. I do not have the exact split between DSE and EPA. We can certainly provide that, and we would also need to take on notice how many staff were lost from the EPA, and in particular the science capacity.

**Ms SHING** — That would be fantastic if you would not mind. Also if you could provide on notice in responding to that what the breakdown between men and women was as part of that number, that would be fantastic too. Thanks. Sorry, Chair. As you were.

**The CHAIR** — Sorry, Ms Shing. I just refer to Melbourne Water's annual report for the 14–15 financial year, and I note that in the course of that financial year 46 billion litres of recycled water was recycled for non-drinking purposes. I am just wondering how much of that was recycled for use for agricultural purposes, and was it a revenue-making exercise for Melbourne Water or was it revenue neutral or did it cost money?

**Ms HOUGHTON** — I will have to take it on notice in terms of the eastern treatment plant and the western treatment plant about where it actually went and its impact on their budget and financials.

**The CHAIR** — Okay. Thank you.

**Mr FENNESSY** — One other comment, through you, Chair, to assist the committee is certainly some of those allocations will be for particular agricultural and horticultural purposes, and others will be for the watering of community assets like golf courses. Generally it will all be for non-human consumption, and it will be for either economic productive activities or community infrastructure which also has a broader economic benefit to those communities.

**The CHAIR** — Excellent.

**Mr FENNESSY** — We will take the specific on notice.

**The CHAIR** — That will be quite useful. Thank you.

**Mr D. O'BRIEN** — Secretary, you referred to 14–15, 670 planned burns. Not of those, can you advise the committee how many planned burns were cancelled, and if possible a map of where they were and whether those burns were scheduled again later?

**Mr FENNESSY** — Yes. I will comment generally. I will also ask Alan Goodwin, our chief fire officer, to come to the table. The general answer before we go to the specific is that the planned burning program is very detailed planning for every burn, and then some of those burns will be subject to the conditions at the time and right down to the day and the hour, so where some burns may not go ahead, it is very much around those weather conditions. For some of the specifics, I think we will take that on notice, particularly around locations. Alan, do you want to comment on the approach we have taken?

**Mr D. O'BRIEN** — Just as you do, Alan, I would be interested if there are any that are cancelled for any reason other than weather and climate.

**Mr GOODWIN** — As the secretary has explained, the planned burning program, I guess what we aim to do, because it is very weather driven — so a little bit in spring and particularly in autumn — we plan to prepare burns both in a planning sense and in a site preparation sense to give ourselves the maximum amount of

flexibility due to weather conditions or anything else that may arise, so I would have to take on notice the question of — —

First of all, the way the program works is burns change all the time. We may program burns this week. Weather or local conditions across the state may change that planning, so midweek we will have a burn in Gippsland and we may change our focus to the Mallee or to somewhere else, so burns come on and off our scheduling all the time. As far as any specific burns cancelled for a specific reason other than that, I will have to take on notice to check, and as we do I can provide the location or the mapping if there is a need for that.

**Mr D. O'BRIEN** — Yes, if you could do us a map, it would be useful, noting that we are listing here the 14–15 year, but if they were completed — you know, they were cancelled in November but done in April or have subsequently been done — that would be useful just so we could — —

**Mr GOODWIN** — Yes, and some would be in that category where they come on later, and there are variants of reasons as to why we change. Sometimes our priority changes. Even though an area might be ready to burn, we might target another area because of higher risk burning and so forth.

**Mr FENNESSY** — Perhaps to assist the committee, one other general comment I will make and then Alan could comment further on it is there are a range of factors. It is driven by the overall priorities of protection of life and protection of assets. There are other factors, such as health impacts on communities due to the smoke. There have been government priorities and commitments over the years on impacts on other industries. A good example is the viticultural industry, where rather than stop burns we will consult very closely and sequence burns around impacts on harvest and so on. The primary driver is protection of life and property. Within that and within the weather conditions and where we see the risks emerging over the season, that goes into the decisions taken by our technical experts. Alan, did you want to — —

**Mr GOODWIN** — I think that covered it. Other areas would be tourism for various reasons.

**Mr FENNESSY** — But we will follow up the specifics.

**Mr D. O'BRIEN** — Sure. Another specific, which I suspect will also need to come on notice, is how many of the burns broke containment lines or got out of control or did more than they were intended to one way or the other?

**Mr GOODWIN** — For that season, 14–15.

**Mr D. O'BRIEN** — Yes. I am sure you will not know it now.

**Mr GOODWIN** — Yes, and we can do a run-down on that.

**Mr FENNESSY** — Again, through the Chair, I know that because we do look at this very closely and we are rightly audited by other parts of government, like the inspector-general for emergency management, I think over the last five years we have had 0.6 per cent of our planned burning program escape containment lines. Putting it in the reverse, 99.4 per cent of planned burns stay within containment; 0.6 escape. It is our responsibility to communities to do everything to ensure that less than 0.6 escape. That is the percentage, but we can come back specifically to 14–15 on those figures.

**Mr D. O'BRIEN** — Is there a definition of escape? If you say you are going to burn 25 hectares and you burn 26, it has not necessarily escaped.

**Mr GOODWIN** — Yes. We do within our planning, and we are reviewing it now for the planning that has gone on. Obviously putting fire into the landscape is a risky business, and you are burning fuels all the time. A lower level of escape or a breach would be, as an example, working off a track, fire may go from one side of the track to the other, which we would extinguish straightaway, so it has no impact on the burning, no impact on resources, no impact on what we are doing. That would happen on numerous occasions.

Then there would be where a planned burn escapes from one side of the track to the other. That then becomes large enough that it impacts the burning. We may need to cease burning. We may need to cease other burns in the area to use resources. That would be something as a category 2-type escape that we have some triggers whereby we do a review of what happened there. I guess from there it can grow into where it impacts on private

property. It could a fence, it could be smoke to an area that we had not planned, so it elevates in those three areas.

**Mr D. O'BRIEN** — Yes, so if you could delineate those in the response, that would be useful.

**Mr GOODWIN** — Yes, as per our planning manual we can.

**Ms WARD** — I would not mind teasing out the idea of residential zones a little bit more. You were talking about planning permits still being on target, so the numbers are around about the same, but I am interested in how this breaks up around Melbourne metro — you know, if you are talking about east, south-east, how these planning permits break up. Where are the pockets where a lot of planning permits are not getting issued, and where are the pockets where overwhelmingly planning permits are being issued?

**Mr FENNESSY** — Through the Chair, I might ask Christine Wyatt to comment on that as well.

**Ms WARD** — Thank you.

**Mr FENNESSY** — Thanks for the question.

**Ms WYATT** — I am going to have to take that one on notice, because I will have to go back and get the team to have a look at the statistics, but we can break down those planning permits. I am pretty sure we can break down — —

I do not want to speak in case it is not right, but I will just check to make sure that we can break them down into categories of use. But if we cannot, we can certainly break them down via the regions for you.

**Ms WARD** — And in terms of how residential zones are applied in those areas as well, I would be interested to know.

**Ms WYATT** — We would not be able to do it at that.

**Ms WARD** — You cannot compare that?

**Ms WYATT** — That would be a local government matter.

**Ms WARD** — Yes, that is fine.

**Ms WYATT** — But we will certainly provide some statistics on an area regional basis for you.

**Ms WARD** — Great. Thank you very much.

**Ms WYATT** — As I said, if we can break it down into the nature of the use — in a big level, commercial, residential — I will see if we can do that as well.

**Ms WARD** — Fantastic. Thank you.

**Mr T. SMITH** — Going back to local government in regard to your rate capping policy, how many councils are you aware of will be seeking an exemption to the cap, and as a consequence, how many CEOs have you spoken to with regard to that issue?

**Mr FENNESSY** — Terry Garwood, who is the deputy secretary for local infrastructure, which covers local government, will go to some of these details. There has certainly been very extensive consultation with all 79 municipalities, including both with elected officials and CEOs. As you would probably be aware, that has been done through the Essential Services Commission process. To go to the details, I will ask Terry Garwood to speak to that.

**Mr GARWOOD** — Thanks for the question, Mr Smith. Twenty-one councils have let the ESC know that they have an intention to seek a higher cap under the rate capping system, but I need to just qualify that by saying that councils have until 31 March to actually formally notify the Essential Services Commission of their intention to seek a higher cap. What that means is some councils have, if you like, informally told the ESC

because the ESC has asked the councils to give them early advice so that the ESC can get a bit of a sense of the sort of quantum they might be likely to deal with.

That being said, it is not until the end of March before councils need to actually, under the legislation, make an application for a higher cap. So whilst we have 21 at the moment, some councils may have, for example, for one reason or another, not said that they intend to do it, and others who have put their notice in about their intention may actually change their mind. So I suppose my advice is that we are going to wait until 31 March to make sure we know which councils are actually going to seek a higher cap.

**Mr T. SMITH** — Do you know how much they are going to be applying to go above the cap for the other 50-odd councils?

**Mr GARWOOD** — Guidelines have been issued by the Essential Services Commission about their application for a higher cap, and they need to comply with the guidelines that have been set out by the Essential Services Commission. We are simply waiting for the applications to come in. We see a lot of media about intentions and discussions and a lot of interest in the space, but frankly it is not really much point going in that direction until 31 March when we will know exactly what the applications for higher caps are and we will know exactly what are the amounts that councils are seeking. So at this stage it is a bit premature, although we have an indication of 21, giving some early advice which was very helpful of those councils, of their intentions.

**Mr T. SMITH** — Can you give us a list of which councils

**Mr GARWOOD** — I can, and I have got it here. As we continue on I will just drag it out because I have got a spare one here.

**Mr DIMOPOULOS** — I want to talk about camping fees. It was an early commitment by the current government to make it more affordable for families to use Victoria's parks and camping sites. I just want to get a sense, in terms of I think the announcement predates the budget period, so how that figured in the budget and what the take-up rate is. Have you got any qualitative as well as quantitative feedback?

**Mr FENNESSY** — Thank you for the question. I will make some general comments, and then I will ask Paul Smith to go to some of the detail. There has been longer term policy over a number of years about getting the balance right between a user-pays approach for camping and accommodation, particularly in national parks run by Parks Victoria, balanced with affordability and also the level of service. So, as you may be aware, you have everything from a very high-serviced camping facility where you have got hot showers, full-time rangers, and seweried toilets, all the way to basic and very basic, which are serviced, minimal ranger patrols, pit or no-pit toilets and no booking service. So the question really, from the policy point of view, is how do we get the balance right? I will ask Paul to go to your specific comments — —

**Ms SHING** — Feel free to use the word glamping too if you'd like to.

**Dr SMITH** — I will do my best.

**Mr FENNESSY** — Glamping is certainly at the very high-end.

**Dr SMITH** — Thank you. I will just talk a bit about the context for the camping fee being introduced and the feedback that was received as a consequence by users. In 2013 the then Department of Environment and Primary Industries and Parks Victoria develop the proposed new user pays model for camping and accommodation in Victoria's national parks. As part of that process there was a regulatory impact statement on the proposed fees, and that was released for consultation to the public in October 2013. After considering all the feedback the then Minister for Environment and Climate Change announced the commencement of new permit fees to apply from 1 July 2014. This included the requirement to book and pay a fee for roofed accommodation at all basic, mid, high and very high and special fee campsites managed by Parks Victoria.

Where that has got to is that the incoming government, in late 2014, asked for a review of those camping fees in response to concerns about the increases, first of all, and second of all the booking system that was put in place to manage this process. So on 2 April 2015 the camping fees were removed at all of the 500-plus basic and very basic campsites at more than 70 campgrounds and 19 parks throughout Victoria. Those sites specifically no longer require a booking and are available on a first-come, first-served basis. Following the removal of fees for

basic and very basic campsites the current department, DELWP, worked with Parks Victoria to review all of the other camping options and the pricing structure that was put in place for them.

In response to that review, the current Minister for Environment, Climate Change and Water announced a reduction, effective 18 December 2015, in the fees for camping at mid-level campsites, and that reduction was from \$38.90 to \$28 per site in peak season. This change applied to 48 campgrounds around the state. In addition, fees at popular boat-based campgrounds in Bunga Arm in Gippsland Lakes Coastal Park were reduced from \$38.92 to \$21 per night per site, and the fee for camping in the Banksia Bluff campground at Cape Conran National Park has remained unchanged at \$38.90. Following the most recent changes, fees now apply at 116 campgrounds in 29 parks. This is only 17 per cent of the Parks Victoria-managed campgrounds across the state.

**Mr DIMOPOULOS** — I just wanted to get a sense of, how you got any qualitative data? Obviously it makes sense. My understanding is the government came up with that initiative by talking to Victorians. But I just want to get a sense, do you have any qualitative information that backs up? Is there a big take-up rate or what?

**Dr SMITH** — The qualitative data came through in terms of complaints in letters that were sent into the then minister and there were campaign letters; there was all sorts of correspondence that was provided through in respect of that. It was leveraged, from recollection, on a social justice platform for many people who cannot afford holidays, to have camping that they could afford. So there was an issue there. The other was about being able to price effectively for what was being provided, and in some cases what was being provided was not worth the fee that was imposed. The third main thematic, from my recollection, is that the booking system that was put in place was cumbersome and difficult to use in terms of the stakeholders and customers that were using the system.

**Mr D. O'BRIEN** — Given that the increase in fees or the introduction of fees was to try and cover a shortfall, did the winding them back lead to a shortfall, and was there any money put in to cover that shortfall?

**Dr SMITH** — So was there any — —

**Mr D. O'BRIEN** — Any further money put in to Parks Victoria to cover that shortfall?

**Dr SMITH** — Yes. So the gap — and I will have to refer to my colleague here — my recollection is that the initial removal was about 900 000 in forgone revenue but that that was supplemented through an allocation through the Parks and Reserves Trust Account that would provide for Parks Victoria's operating shortfall in respect of that.

**Mr D. O'BRIEN** — So 900 000 per annum?

**Dr SMITH** — Yes.

**Mr D. O'BRIEN** — Or for that year at least. So by removing the fees on the basic sites?

**Dr SMITH** — Yes. But I will just caution by saying that was my approximation based on my recollection here. We can confirm that figure for you.

**Mr D. O'BRIEN** — In writing would be good. Either way, we are not talking \$20 million.

**Dr SMITH** — No.

**Ms WARD** — And the flow-on effects to the local community, especially in areas like Gippsland where you have got cheaper camp fees, how that then flows on to increased patronage and the benefits to the wider community?

**Dr SMITH** — I think that there are a number of sort of customer segments who visit parks, and people who want to get away will get away regardless. Many of the small towns and communities that rely on people that go into remote parks and reserves do rely on that visitation from people, most of all from Melbourne. A lot of people with their four-wheel drives like to go and visit the Sunset Country or the Mallee or other parts of the

high country, for example, and so the removal of the camping fees would have been an added incentive in my estimation.

**Mr MORRIS** — On a completely different subject, if I can refer to the departmental questionnaire, page 3, and in particular the reference to the Leading the Way — Liveable Victoria Fund. As the questionnaire identifies, one of the aims was to support community action and awareness of the integrated water management cycle, or water cycle management I should say — get it around the right way. How is that going? I realise it is still underway, but were those aims achieved and were the intended outcomes achieved? And are they ongoing I guess is the other part of that.

**Mr FENNESSY** — Thank you, Deputy Chair, for the question. I will make a few comments and then I will ask Kate Houghton to go to more of the detail. There has been long-term work in state government for a number of years on better use of multiple water sources — recycled, stormwater, potable — and how that works into communities, in particular: how do we tap into local solutions? So there has been a lot of continuity around funding out of what previously known as the Living Victoria Fund and is now known as the Local Water Management Fund. The continuing themes is that local application and linking into local solutions, as well as tapping into statewide and national trends in better technology, better use of multiple water supplies, and this then takes the pressure off other sources of water, so it gives communities a broader range of water sources to choose from. So that is the broad approach. Kate, can I ask you to speak to the specifics of the Living Victoria Fund, to which the Deputy Chair referred?

**Ms HOUGHTON** — Yes. The Living Fund Victoria, now called the Local Water Management Fund. I will answer that question in two parts: one, on a budgetary sense, and then a process, because it has had various different reviews made on it. From a budgetary sense, it was \$50 million. There were two rounds of allocated funding that totalled \$35.5 million, funding gone to also the schools and water efficiency program, and then administration costs. There are 44 projects approved under round 1 and 65 projects approved under round 2.

The benefits that we are seeing from those projects, and they are all locally based, so a lot of local councils, a lot of community groups, have taken up those grants. We are seeing increased water system resilience through the use of alternative water supplies. So sporting grounds are getting water through recycled and stormwater. We are also seeing that through the various different technologies that the stormwater quality is then not impacting on the environment through water run-off, so that is also an environmental benefit. So that is an improved environmental health of waterways. There is also an increased awareness of integrated water management and the impact on catchments from how we use water. So that has been a real benefit in that process.

In terms of the process that this fund has been through, it was \$50 million, previously the Living Victoria Fund, administered by the Office of Living Victoria. In December 2014 the Office of Living Victoria was abolished and Minister for Environment, Climate Change and Water announced an independent review of OLV, including this fund. Des Pearson started that report in February 2015 and found similar findings to the Ombudsman report on OLV previously: needing to ensure more robust processes are put on the fund in terms of governance, record management, risk management.

Before caretaker, there were 13 projects that were unsigned. Those projects remained unsigned and negotiations were not continued until Des Pearson's report had finished. The department agreed to the findings of Des Pearson's report and the governance now of those 13 projects has improved because of his findings. Due to the passage of time, nine projects are now under negotiation to be funded from now the Local Water Management Fund. We are seeing real benefits from a community level of all those projects, of which 56 have actually been completed.

**Mr MORRIS** — Thank you for that. Just going back to the first stage of the answer, you gave us examples without specifics. Can you give us perhaps a couple of specific examples that really stand out as good examples of integrated water management?

**Ms HOUGHTON** — Yes. For example, La Trobe University has a project that enhanced and redesigned the rehabilitation of stormwater collection around the university itself, which both increased its storage capacity to do on-ground watering around the campus as well as improving the water quality of the stormwater run-off, which then had an environmental benefit on its surrounding environment.

Also Yarra Valley Water, a demonstration project in Kalkallo is currently looking to prove whether or not it is possible to harvest stormwater and treat it, and treat it to a quality that is close to drinking water quality. So that is quite an ambitious avenue through Yarra Valley Water.

**Mr MORRIS** — Absolutely.

**Ms HOUGHTON** — I must say, Yarra Valley Water is quite an innovative water corporation and doing those things. The project aims to take this concept to the next level and see whether large-scale stormwater harvesting can actually then act as a bigger source and a more reliable source of supply. I must say that it is government policy and has been the previous government policy that stormwater and recycled water for potable use is something that we need to continue to monitor, but it is our pilot innovative project.

**Mr MORRIS** — That is useful. Thank you.

**Ms SHING** — I would like to touch on the Gippsland Lakes, if I may. This is obviously a Ramsar-protected site and has global recognition as a site of special significance in the context of being the largest inland waterway in Australia. Given the importance of this particular natural asset to the region as well as to the state in terms of economic return as well as environmental significance, can you please explain what the tangible protection outcomes were that occurred during the current reporting period and how that fits in with the Gippsland Lakes Ramsar site management plan, which was recently given approval?

**Mr FENNESSY** — Thank you, Ms Shing, for that question. I will make some general comments and then ask Kate Houghton to comment on the specific. It has been a long-term priority for the region and for the lakes, as you will know, to have good, community-led governance. There have been many years of effort through task forces to give advice to governments as to the best approach, particularly for water quality but also keeping in mind the range of recreational, economic and environmental uses that the lakes provide to a beautiful part of our state. So in terms of the specifics, I will ask Kate to talk about some of the things that go to your question, particularly some of the works in the 2014–15 period.

**Ms SHING** — Great. Thank you.

**Ms HOUGHTON** — As you say, Gippsland Lakes are not only important for Gippsland but obviously for the state. The key environmental improvement outputs that have been delivered are such things as 23 kilometres of fencing; 187 hectares of revegetation; 641 hectares of weed control, including a focus on the final remaining patches of willows in the Mitchell River; and 505 hectares of pest animal control. There were 8200 people engaged through workshops, conferences and field days, to improve the awareness and understanding of the challenges and opportunities for the management of Gippsland Lakes.

From a quantity perspective, we have got 25.5 gigalitres of environmental water provided in key catchments upstream of the Gippsland Lakes — so the Thomson, Macalister and Latrobe rivers — to maintain and improve water quality feeding into the Gippsland Lakes; delivering a new collaborative framework to enable industry partners to work together to deliver on-farm nutrient management, so that has been a long-term key issue with the Gippsland Lakes in terms of nutrients; and obviously flow. Partners are GippsDairy, Dairy Australia and Fonterra.

The key component of all those works, with now the Gippsland Lakes Ramsar site management, is really looking at meeting our international obligations for maintaining the ecological character of the lakes. So it is an economic asset but it is about managing and improving it for its environmental contributions and it as an environmental asset.

**Ms SHING** — So that is then the first priority and trumps economic considerations. Sorry, I will rephrase that. How are the competing priorities in relation to investment in the Gippsland Lakes determined within the context of the Gippsland Lakes Ramsar site management plan?

**Ms HOUGHTON** — So the focus is now being on it being an ecological asset. But in all catchment management and dealing with the asset, there is always a balance between the economic and the environmental, but with this Gippsland Lakes Ramsar site management the international obligations for ecological character are prime.

**Ms SHING** — Fantastic. Thank you very much for that.

**The CHAIR** — We might take the opportunity of having a quick break. We will resume in 15 minutes.

We might get started. We have got a quorum.

**Ms PENNICUIK** — Thank you, Chair. Mr Fennessy, if we could go back to Parks Victoria, on page 15 of the questionnaire, which is about revenue and appropriations, there is just an item there with regard to interest increasing from 16.7 in 2013–14 to 21.8 in 14–15, and the note is that:

The variance is primarily due to investment (at call) of more than expected cash surplus from the Parks and Reserves Trust Fund.

And another note there that:

The additional revenue was utilised in accordance with the legislated activities of the Parks and Reserves Trust Fund.

So, following on from that, an analysis that was performed or conducted by the VNPA and the Victorian Environment Friends Network of the distribution of funds from the Parks and Reserve Trust Fund shows that the proportion of that funding that is allocated to Parks Victoria has dropped from 74 per cent in 1999 to around 57 per cent in 2014 and the funding is allocated to parks within the trust's metropolitan expenditure area. Sorry about the long background. According to Parks Vic's annual report the agency's total expenditure for its operations across the state has decreased from around 230 million in 2010–11 to around 209.5 million in 2014–15, probably largely due to decreasing government funding but also the aforementioned decrease in the funding from the trust.

My question is, following on from that: how are decisions made in relation to the allocation to parks from the Parks and Reserves Trust Fund? Under the structure, Parks Victoria is largely a service provider to you, the department. What proportion goes to administration — or does any of that? — and what plans are being done to allocate more money to the operations of parks from the fund?

**Mr FENNESSY** — All right. Through the Chair, thank you for that question. I will give a bit of context around the Parks and Reserves Trust Account, and then I will ask Carolyn Jackson as our chief finance officer to comment on some of the specifics and, if there is further information that we can help you with on the broader Parks Victoria funding approach, I can ask Paul Smith to comment on that.

As some of you may be aware, the Parks and Reserves Trust Account receives money from the metropolitan parks improvement rate, which is collected through the water sector — through Melbourne Water — and that makes payments for the management and control of open spaces, parks and waterways in the metropolitan area. That also includes, in addition to Parks Victoria-managed land, the Royal Botanic Gardens and the Shrine of Remembrance. That is the broad context.

To go to some of your questions, I will ask Carolyn Jackson to comment and then, if we need to, some further contact from Paul.

**Ms JACKSON** — In terms of the Parks and Reserves Trust Account, at the end of 2014–15 the balance of the fund was just over \$50 million. It is important to note that the Parks and Reserves Trust Account is also used for the acquisition of public open space, so we do need to have a cash balance that is available to purchase those properties as and when they arise. There have been in the past some substantial properties that have been acquired at sort of around the \$20 million mark, so a fairly substantial cash balance is required to ensure that we can buy those properties when they become available.

In terms of Parks Victoria itself, the amount of funding that has come from the Parks and Reserves Trust Account is around \$80 million per annum. There are some fluctuations year on year. There are a number of budget initiatives that have been funded via the PRTA over recent years, so that would explain why the number would fluctuate. I cannot comment on the percentage and whether that has changed or dropped — I do not have that information to hand — but in terms of how the distributions are managed, it is the responsible minister, which at the moment is the Minister for Environment, Climate Change and Water, that makes the determination as to who receives funding from the PRTA. The way it works usually is that there is some base funding that is allocated to the portfolio entities. That is obviously Parks Victoria as well as Zoos Victoria, the shrine et cetera. That number is indexed on an annual basis and goes out to the entities, and then there will be some initiatives that would cause some fluctuation year on year.

**Mr FENNESSY** — If it assists, through the chair, I will ask Paul Smith to assist the committee around the broader funding model for Parks Victoria, because I think that goes to part of your question. It is not just the parks minister who has the reserves trust fund. I will ask Paul to comment.

**Dr SMITH** — Thank you, Adam, and thank you for the question. I will make some comments broadly about the funding profile of Parks Victoria. Since 2010 there have been a number of challenges in respect of Parks Victoria's funding base. As Carolyn mentioned, a combination of base reductions, a combination of initiative funding concluding, a combination of climate change and fire challenges and the cost of providing the service increasing just through input costs have caused there to be a deficit there. The service expectations of the community also are a key driver of how Parks Victoria manages itself.

Over that period since 2010 the state appropriations for the funding of Parks Victoria fell from 74.7 million — that is in 11–12 — to 54.6 in 14–15. The consequent change in staff contingent to that, I may comment on. The other thing is, I guess, in terms of the metropolitan area and the broader part of the parks system, that with the current arrangements under the collection boundary, the collection boundary is a different boundary to the spend boundary, and the spend boundary does not include the broader parks and reserves system outside — the spend boundary being greater metropolitan Melbourne. So the funding for parks in metropolitan Melbourne is more secure in terms of the levels at this point than for the broader parks and reserves system. That has been a trend since 2010.

**Ms PENNICUIK** — One of my questions is a supplementary from part of your answer, which was about the botanic gardens and the shrine. Is the proportion allocated to the botanic gardens and the shrine going up? You also mentioned the difference between the metropolitan gathering of money and spending of money, so looking at the figures it seems that for those parks and reserves outside the metropolitan area the funding to them is not clear. It is sort of hidden in a bit of a statewide figure. Do you have a breakdown of those funding allocations, or can you get that?

**Dr SMITH** — We are going to ask Parks Victoria for that breakdown of figures, if that is useful, but I do not have that information before me.

**Ms PENNICUIK** — That would be very useful. Thank you.

**Mr FENNESSY** — Perhaps through the chair, if I could add one other comment to provide information to the committee. Paul and Carolyn have talked about funding through state appropriations and the metropolitan Parks and Reserves Trust Account. There is a lot of funding that will come for things like fire operations, and it is often not as well known that Parks Victoria make up a substantial part of the forest firefighting force across the state for public land. So when you see people in green overalls who are working for the state government, they will often be DELWP staff or Parks Victoria staff, and in other cases they may be from Melbourne Water or VicForests. The broader funding that comes out of state government for fire response is another source of funding for Parks Victoria, and there are other commercial activities that Parks Victoria will run. So there is a broader mix of funding sources, and increasingly their expertise in land management and forest management, from the ecological point of view, is incredibly helpful when it comes to fighting fires.

Some of the parks people that we work with, through Alan Goodwin, Paul and others, know parts of the state intimately because they have been rangers there and they have managed that land. In increasingly hot, long and dry summers it is really valuable to have that knowledge from Parks Victoria. So I think it is really important for us to acknowledge, as well as making sure we are getting the funding right within the limited resources we always have across state government, that there is a critical land and fire service that Parks Victoria provides, which is then funded, as we said, through the broader state government.

**The CHAIR** — If I could just bring you back to the annual report of Melbourne Water for the 14–15 year, I refer to note 24 for the financial statements, which relates to the defined benefits superannuation scheme of Melbourne Water. I note that page 120 indicates that the present value of the defined benefit obligation at the end of the year was 97.224 million and that the fair value of plant assets at the end of the year was 116.78 million, thereby ensuring there was an asset of nearly \$20 million. Given the fact that most defined benefit schemes have tended to be in deficit — or there have been some problems or issues — I am just wondering why the scheme has got such a healthy surplus.

**Mr FENNESSY** — That may be one we will take on notice. I will just check with Carolyn and Kate; yes, we will take that on notice.

**The CHAIR** — I got very excited when I read that last night, so I did want to ask the question.

**Mr FENNESSY** — It is a very good question for aficionados of superannuation policy, and we will certainly talk to Melbourne Water about how they have got such a healthy approach to their long-term liabilities.

**Mr T. SMITH** — Secretary, regarding your planning powers — and I refer to your initial presentation talking about effective planning services — will you be for the sky rail having a proper environmental effects statement process? And also, will the department recommend proper consultation, or will you use your powers or advise the minister to use his powers to exempt from consultation under section 20 of the Planning and Environment Act?

**Ms SHING** — Point of order. Sorry, Mr Smith, our cooperation had to come to an end at some point. I would actually question the relevance of what you have just referred to in the context of sky rail development within the current reporting period.

**Mr T. SMITH** — I thought you would, but we have got the secretary of the department of planning here. He has made a comment in his initial presentation.

**Ms SHING** — Through the Chair, Mr Smith.

**Mr T. SMITH** — I was just responding to your point of order, Ms Shing. I think it is a perfectly reasonable question given we have got the secretary here and it is a topical issue.

**The CHAIR** — These hearings are more historic, Mr Smith, in terms of looking at what transpired in the 14–15 financial year. I am happy for you to maybe point to the section you are referring to.

**Mr T. SMITH** — On page 6 of the secretary's presentation, 'to continue to deliver effective planning and heritage services', and I would have thought, given the importance of this issue to residents in the south-east, that an understanding of the planning process with regard to approving it — —

**Mr MORRIS** — Importance to the state.

**Mr T. SMITH** — Importance to the state is somewhat paramount to what we are trying to achieve here.

**The CHAIR** — I think, in fairness to the secretary, what the secretary referred to was referring to what transpired in the 14–15 financial year in relation to the fact that the department determined 452 planning scheme amendments and issued 984 heritage permits and assessed 44 places or objects for the Victorian Heritage Register. If you have got a question in relation to the 14–15 financial year, I am happy to consider it, but what you are asking is more prospective and relates to the current financial year, which is outside the scope of these hearings.

**Mr T. SMITH** — I understand that consultations on this process began last year. Is that correct? Therefore it is an appropriate question.

**The CHAIR** — Perhaps you might wish to rephrase your question in the context of what transpired in the 14–15 financial year, Mr Smith.

**Mr T. SMITH** — Given that consultation for the process, I believe, began in the 2014–15 financial year, are you going to be conducting an appropriate process with regard to environmental approvals of the sky rail project, as I previously asked?

**Mr FENNESSY** — Through the Chair, in terms of those decisions coming before the Minister for Planning, we would then provide advice when the specific request comes in, and it has not come in yet. I will get Christine Wyatt to confirm the technical aspects, because the department certainly plays a role to give advice on questions when they come to the minister, and I do not think this question has come to the minister yet.

**Ms WYATT** — That is correct.

**Mr T. SMITH** — So you have received nothing from the minister with regard to environmental approvals for the sky rail or planning approvals?

**Ms WYATT** — We would need to receive a request from the level crossing authority seeking the minister's decision on those matters, and they are not before the Minister for Planning at this moment.

**Mr T. SMITH** — Okay, thank you.

**The CHAIR** — Mr Dimopoulos.

**Mr DIMOPOULOS** — My computer has carked it; I had a reference and a completely separate question about wind farms, but I might come back to that because I cannot turn it on. I might need some IT help. My reserve question is something I have an abiding interest in, local government. Recently the Minister for Local Government announced the 'Know your council' website I think it is called, which I reckon is excellent, the way it does comparative data for people. I am just wanting to get a sense of, is there any mechanism in that, because I have only looked at it once about two months ago, for government to collect data from it? Not necessarily obviously council data, but is there an opportunity for community members to input? I cannot remember if there was a submission form in there or something. Is it more useful than just the public having comparative analysis, which in itself is fantastic anyway?

**Mr FENNESSY** — Thank you for the question, and through the Chair I will make some comments and then I will ask Terry Garwood to go to the specifics. As you referred, we have now established the local government performance reporting framework and in particular the 'Know your council' website. One of the primary drivers is to get that conversation going with the community and their local government and their municipality to get that better link between the services that they want to know about or that they would like.

Going to your question, one of the opportunities is not just the data that will sit there for the community to look at, but it is also what we see as the interactions: how the community uses that website, where their interest is, what sort of data they are interested in. In a sense there is a broader capturing of what the community is interested in. That is a bit of real-time feedback which helps us understand from the state government point of view what it is about municipal services that is important to community. That is also data that could be really interesting and informative for any 1 of the 79 local councils.

The other is that there is an immediate recognition for users with their local government. So when you go to the website, as many of you have will have done, you will often just go straight to your local municipality and it really allows you to bring that focus in locally. I will ask Terry Garwood to answer some of the other aspects of your question.

**Mr DIMOPOULOS** — The other thing just in relation to that is: will councils have access to the data you have got about the traffic on that site and what people are interested in?

**Mr FENNESSY** — I will get Terry to pick up on that one too.

**Mr GARWOOD** — Thanks for the question, Mr Dimopoulos, and I want to acknowledge the support from across the Parliament in relation to the development of the local government performance reporting framework. We did get strong support from the Parliament.

**Mr T. SMITH** — A very good project. A great project.

**Ms SHING** — It is like the *Muppet Show* in here — little echoes everywhere.

**Mr GARWOOD** — So I want to put that on the record. It was much appreciated. As members of the committee would be aware, the new performance reporting framework came out of advice from the Victorian Auditor-General's Office that we need to improve our performance reporting. It was then developed by the former government in particular and carried through with this government.

I also have to acknowledge that we had very, very strong collaborative input from local councils. I must say, it was a most extraordinary collaborative effort by councils from right across the state in a whole series of workshops, technical working groups et cetera, to develop the 'Know your council' website and the

performance indicators. And, I might add, without a blip in relation to a very significant piece of IT development and information system. So we are quite pleased with that.

I will run through a few things. It has been developed with the sector to ensure that councils have information to support strategic decision-making and obviously also continuous improvement. It is also obviously about communities having information about council performance and productivity. Also for regulators to have information to monitor compliance with relevant reporting requirements, and also for state and federal governments to be better informed to make decisions that work with local government.

After the legislation for the framework begun operation in the 2014–15 financial year, as I said, the department subsequently developed the public-facing, user-friendly ‘Know your council’ website, which was only recently launched in November 2015. The website has allowed communities to view their councils’ performance across a range of service areas, including roads, animal management, waste, statutory planning, as well as to find out whether their council has adopted a range of operational plans and policies such as emergency management or disaster recovery. Users of the site can also compare — and I think this is a very important point — their councils’ performance to that of other similar councils, and they can access a guide detailing how councils work. So far, since the site was launched in November 2015, we have had 7500 users and over 134 000 page views.

I happen to have here one I just picked out before I came which was to look at, say, financial performance. You can look at a council and you can enter like councils, so comparing like councils in metropolitan areas or comparing like councils in regional cities or comparing like councils in rural and regional Victoria, three at a time compared to the one you are looking at, and then you can look at and make comparisons. So, for example, I will just give you one example here: average residential rate per residential property assessment. You can compare your council to three other like councils. Or expenses per property assessment by your council. It is the same thing; you look at your council and then compare three like councils.

For us, this is a really major piece of accountability and really a transformation, and we are yet to see, I think, the full benefits of what is a very significant piece of work that will, we think, lead to really significant transparency and, more importantly I think, really lead to councils looking to compare with each other about, ‘Why are we here and those other councils are there? What can we do to be better? What are they doing that we can do?’, et cetera. Whilst it is early days yet, we have got really strong confidence it is going to drive significant improvements in the sector.

But in saying that, I want to acknowledge that the sector themselves have been part and parcel of this. They have absolutely helped to drive this particular piece of work, and they are working with us now in terms of loading the data. Sometimes we look at it and say, ‘Why is it like that?’, and we get back to the councils, and they have to then put an explanation that goes online so that users can see why it is perhaps a bit different et cetera. Then sometimes it may be that they need to improve their services, and they will have to be held to account through the normal budget planning operational processes to explain things.

So, you know, from the wide support that we have got across the Parliament it is a very, very significant development and one that, as I say, in that whole area of information services has been delivered quite seamlessly, and local government I think need to be commended for the support and input they have had into that whole framework.

**Mr MORRIS** — Can I just say, Chair, I thank the member for his question, because it was a good piece of work and the outcomes have been excellent.

**The CHAIR** — I hope Hansard recognises the outstanding contribution the member for Mornington made in his service as the Parliamentary Secretary for Local Government.

**Ms SHING** — Chair, if we could also make buckets available for the other members of the committee at the conclusion of this, it might perhaps be of tremendous use to those who might have to clean the carpet.

**Mr D. O’BRIEN** — I do not know if I can go on after all that, but I will try. The annual report references the fox baiting program in the Grampians National Park. Are you able to give us any data on the sites that were targeted, whether you have been able to assess how many foxes you might actually deal with across the state as well, across the other national parks?

**Mr FENNESSY** — Yes. Some of the detail we will take on notice. What I can say is that over a number of years, between the former DSE/DPI and then within DEPI and now in DELWP, we have taken a whole-of-landscape approach to foxes, wild dogs in particular, in that, rather than run a public land program and then a private land program, we have very much worked within the public sector or the bureaucracy to bring them together and have more of a 10-year blind approach. That benefits the environment, because you get less bandicoots and other threatened species being killed by foxes and wild dogs; it benefits agriculture in particular, because you lose less land or whatever is susceptible to those; and it has allowed us to get much better practice for things like baiting technology and surveillance technology. From the point of view of the department, we still have an integrated wild dog program in Gippsland, for example. That is the general approach.

I think we will take on notice to see what data we have available to answer your question, because it is important to me or to the department how we work together with what is now DEDJTR — the Department of Economic Development, Jobs, Transport and Resources — and Agriculture Victoria because this is where we have seen really good broad benefits to the environment, to communities and to agriculture. The devastating impact that wild dogs and foxes can have on farming communities when they get through one hole in a fence is quite profound, and the benefits we have seen in ecological programs like the Southern Ark Project way out in far East Gippsland have been quite amazing — to see the lesser incidence of threatened species dying from wild dogs and foxes. We can take that on notice, but I thought it would be worth commenting on that broader approach we are taking with DEDJTR, and in fact we will make sure we work with DEDJTR if there is any data that Agriculture Victoria has got.

**Mr D. O'BRIEN** — Are those programs continuing within national parks?

**Mr FENNESSY** — Yes. That is correct, within national parks. Within DELWP and within our Gippsland region we still run the coordinated wild dog program, and that includes foxes as well.

**Mr D. O'BRIEN** — Okay. If we could sort of get an overview of what is done, what has been spent and what sorts of outcomes to the extent that you can, particularly with baiting. I know you cannot say 10 000 foxes were removed because of baiting, but whatever you can provide would be useful.

**Mr FENNESSY** — We certainly have got good data. As to whether it goes to baiting and other approaches, we can come back to the committee.

**Ms SHING** — I would like to go to the funding received by fire and emergency management for the reporting period, and indeed the resources planned for fires and planned burn operations. We have touched on this with earlier questions that have been asked, but I would like to look at the way in which the various departments through collaboration have been able to be dexterous, given the change in environmental conditions that have occurred over the reporting period, and to get general commentary on how this feeds into what are increasingly volatile environmental conditions within the context of emergency management and land and livestock protection.

**Mr FENNESSY** — Thank you, Ms Shing, for the question. Through the Chair, the department has a significant portion of our ongoing funding for fire and emergency management and response. It also does highlight the longer term impacts of a changing climate or, to be specific, of climate change. What the long-term science has told us is to expect more extreme events, and that certainly has come through in our experience of each fire season. For example, this year was the earliest start to the fire season that we have experienced I think in the memory of fire staff in Victoria. We have also had flood events more frequently and at less predictable times.

The other point I will make before asking our chief fire officer, Alan Goodwin, to speak is that we certainly work within an all-emergencies framework under the auspices of Emergency Management Victoria, and for DELWP that relates to fire, flood and also whale strandings and various other emergency management incidents. The large weight of our funding goes into bushfire season response and the planned burning program, and it is pretty much a 365-day-a-year business now for us, fire. That is the general overview. Alan, can I ask you to comment on some of the specifics?

**Mr GOODWIN** — Yes, sure. Do you want to cover the finances first?

**Mr FENNESSY** — We can cover both — —

**Ms SHING** — Perhaps if we can talk about finance in the first instance and then operational responses, dexterity and perhaps challenges in cross-collaboration with other departments and ministerial portfolios within the scope of this reporting period, that would be very helpful.

**Ms JACKSON** — Yes, sure. Going back to 13–14, the total output cost for that particular output was \$338.7 million; in 14–15, 357.6; and in 15–16, it is around 335. In terms of the actual expenditure, for 13–14 it was 381 million and 14–15, 347 million. I guess the difference between the two is usually as a response of the fire season, so where we do have a severe fire season we do seek and obtain supplementary funding.

There is also some additional funding that has been provided in previous years for additional aviation resources in particular, so helitacks and the large air tankers — things like that — so that will explain some of the variation in dollars.

**Ms SHING** — So that is not a new variation then in the context of extraordinary circumstances in a fire season?

**Ms JACKSON** — No. It is very much year on year, so the actual amount that we get will depend on the fire season. Obviously if we go back to Black Saturday, that was over \$350 million in additional funding. It will depend on the severity of the season.

**Ms SHING** — Thank you for that. Sorry, Alan. I did cut you off just as you were about to begin.

**Mr GOODWIN** — No, that is okay. For the severity of that season, we attended over 1100 fires for that year, both on private and public land. The public land figure of area burnt was just under 60 000 hectares, but that is on top of 400 000 hectares from the year before where we saw fires right across the state, from the Mallee, Grampians and far east Gippsland.

A lot of the fires impacting in the 14–15 year were starting from the west of the state. We had fires at the Little Desert — particularly dry; the Black Range, so near the Rocklands Reservoir side of the Grampians, again really dry; a little bit in the Mallee — we saw a fire there over 1000 hectares as well; and then coming through to central Victoria where we had private land impacted around Creightons Creek, the Warbys and just between Benalla and Shepparton and those areas. Quite a lot of fire activity as well as massive fires across the state.

But certainly CFA partnering with us, and earlier the secretary had covered, when I talk about us and our responsibility, it is DELWP, it is Parks Victoria, Melbourne Water, VicForests, and of course in the way we coordinate and combat for fire it is very much those agencies plus the Metropolitan Fire Brigade and VICSES, police and others that we use around arson. That was sort of the context of the year, fires right across the state — no large deep-seated fires in Gippsland that year, thank goodness, on the base of some of the other years that we have had — and that general dryness since coming through the floods of 10. In central Victoria we have seen the country dry out, where we still through into this year face that and, as the secretary had indicated, an early season in terms of fire, a lot of fires this year, and of course the devastation of Wye River for this year amongst other fires, so a drying trend in general, so a very intensive year.

But we did go on the back of that then, coming into this time last year, was the planned burning program, which we talked about before — 600-plus burns for the 240 000 hectares, so the preparedness and preparation during fire season was quite intense and the season volatility in autumn also had its challenges, and we did discuss that earlier.

**Ms SHING** — Thank you, and just a brief supplementary if I may. Would it be a fair conclusion then that the more people that are working in a collaborative way across the issues of fuel reduction and planned burn management and emergency services response, the better and that, correspondingly, the fewer people that are able to be deployed, I suppose the less effective those responses are?

**Mr GOODWIN** — Absolutely. The success to protecting Victorians and protecting Victoria is the way the agencies — all agencies, not just emergency services but recovery and support agencies — work together to better serve our community. I think we are doing that in a more comprehensive way than before. For this year, 14–15, what I just described as our summer came on the back of us deploying firefighters to British Columbia for support there, to South Australia and to Western Australia as well during that year. Obviously currently we have had people in South Australia and currently have our firefighters in Tasmania. The way we work together,

the way we plan together, the way we use aviation, the way we support our people both before, during and after emergency events in general, and the way that our forest firefighters are quite well trained, skilled and experienced in just that, but also those skills that they learn, particularly in incident management and supporting communities cross over to help support Victorians in all other emergencies, be it flood, be it all the things we stand up in supporting police in in terms of arson and everything else.

**Ms SHING** — Thank you. That is very helpful.

**Mr FENNESSY** — Through the Chair, just to assist the committee, the other perspective that I would like to add is that from the point of view of DELWP, the broader portfolio, there are other ways that we can take the opportunity of an integrated department, so we have done a lot of work with local government through emergency management resourcing, and they have been funded government initiatives. A long-term response to adapting our landscapes for fire goes into the buildings and planning system, how our building stock in certain risk parts of the state is made more fire resistant and how we use planning overlays where we know there are high bushfire risks through bushfire management overlays and even how we access water resources across the state. So there are a lot of longer term adaptation learnings that the department can tap into as well as that local delivery through local government.

The last point I will make is that our learnings and our work with Emergency Management Victoria is that safer and better protected communities are engaged communities. So it is imperative that agencies work together really well in government, whether it be DELWP, the CFA, SES, EMV, Parks Victoria et cetera. How we work with community, give information to the community and allow communities to work through their household plans and their community response plans means that ultimately — there is a clear role of state government. Ultimately if we can empower and engage and support communities to manage fire risk in their landscapes and give good information like through the FireReady app and so on, they then become the safest and best-supported communities.

The strength of organisations like the CFA and the SES is their volunteer base. They are members of the community. They will have the long-term knowledge of where the risks lie in the landscape, and we also find with our staff, because we have 102 locations across the state, we are not just paid professional forest firefighters, we are members of those same communities. So there is a big opportunity that we have tapped into. How do we work within local communities that we are members of if we are living in Swifts Creek or Corryong or different parts of landscapes? So to me it is interagency cooperation, to go to your question, and it is also community support and engagement, and we are using the same sort of tools we are using for climate change planning adaptation, local building and other statutory planning responses.

**Ms SHING** — Great. Thank you very much for those answers. They were helpful.

**Mr MORRIS** — If I could move the subject from fire to flood — —

**Ms SHING** — Get the brimstone in before we go home!

**Mr MORRIS** — No, no brimstone. That is estimates, the brimstone. Page 14 of BP3 for the year under consideration identified some \$7.6 million for flood implementation measures. Can you advise the committee, since 1 December 2014 what flood implementation measures have been undertaken?

**Mr FENNESSY** — I will make some general comments and then I will ask Kate Houghton to go to some of the detail. We do a lot of work with both catchment management authorities around that modelling of flood risk across catchments as well as with local government, where there is a critical role to play for local infrastructure that can support or protect communities around flood — the more traditional forms of infrastructure as well as our modelling to help us understand where the risks are. The other thing I will mention briefly is that we have developed a product with SES called flood zoom. It has been launched for some time now, but that allows communities to see online real modelling of where flood activity will take place. It is very much analogous to the eMap and the FireReady app. So that is the broader state approach. But to go to your question, I will ask Kate to comment.

**Ms HOUGHTON** — In regard to strategy, the government had an election commitment to reopen the Victorian flood plain management strategy for further consultation. Eight roundtables have occurred on that and 58 written submissions have been received. The department is finalising the final strategy at the moment for

government consideration. In terms of actual works, \$7.3 million as part of the 15–16 budget was allocated for flood mitigation works. As well there is the development of regional flood management strategies, flood mapping and sharing flood mapping. So works have been continuing. The flood mitigation works in Rochester have been constructed, investigations and community consultation are continuing in Charlton, Numurkah, Seymour, Violet Town and Donald, and the department is continuing, as Adam had said, to support the local government in leading their role. There is a lot of lead time that needs to happen in regard to the actual local, physical work, so there are local technical studies that need to be done and then that community consultation.

In regard to the catchment managements, they are funded to prepare regional flood plain management strategies, and that is engaging local communities on mitigation actions. Melbourne Water has completed its regional flood plain management strategy for the greater metropolitan area. DELWP is extending high-quality flood mapping across 10 major riverine flood plains; the mapping underpins improved information for local communities on advanced flood warning and emergency planning. The information I have is that the information shared based on that information has been shared with the insurance industry and has contributed to a reduction in flood insurance premiums from that sharing of information.

**Mr FENNESSY** — Perhaps through the Chair if I could assist the Deputy Chair, thinking about it again, I talked about that DELWP perspective for fire. The DELWP opportunity from a state government point of view for flood — if I think of my home town of Bendigo, that flood planning and flood mapping relates to, firstly, the infrastructure that may help the modelling through North Central Catchment Management Authority but also the planning overlays. How does the urban growth plan for Bendigo relate to where we know flood plains are? How do we work with the City of Greater Bendigo so that we are working together on planning and building controls for housing stock that may or may not be near a flood plain area? And how does that work into our longer term adaptation? So in the long term, good flood plain management is a water issue. It is a statutory planning issue and it is very much driven at the local level because we have got to work with local government. It also relates to where local communities see opportunities in and around their regional city or town, or in and around metropolitan Melbourne.

**Mr MORRIS** — I appreciate the detailed response. The key question was the actual flood mitigation works that have been carried out since 1 December. My take out from the response is that Rochester is the only works that have actually been undertaken. Is that accurate?

**Ms HOUGHTON** — So Rochester has been completed. Functional design has been completed and construction is due to commence in 16–17 for Seymour, Violet Town, Quambatook and Warracknabeal. Bendigo, Miners Rest, Hamilton, Numurkah, Donnelly, Castlemaine, Ballarat, Ararat, Wangaratta, Traralgon, Warracknabeal — they are due for 16–17.

**Ms SHING** — You could make a song out of all of those towns.

**Ms HOUGHTON** — Yes, there is a song I think. So there is a lot, and that is dependent on the long lead times and community consultation but then based on the flood studies and getting into local design of those works.

**Mr MORRIS** — No, I appreciate it is complicated. Just finally, the value of the Rochester works?

**Ms HOUGHTON** — I will have to take that on notice.

**Mr MORRIS** — If you could, that would be helpful.

**Ms HOUGHTON** — Yes, absolutely.

**Mr MORRIS** — Thanks.

**Mr DIMOPOULOS** — Sorry, can I just ask whether FloodZoom — —

**Mr FENNESSY** — FloodZoom.

**Mr DIMOPOULOS** — When will it be ready?

**Ms HOUGHTON** — It is ready. It is on our DELWP website. There is a link there. It actually got an international award through Esri that the minister received late last year.

**Mr DIMOPOULOS** — I am sure it is, but you know you go to a million pages and this one says, ‘is developing’, ‘will be this’, ‘will be that’ rather than ‘is ready’. I would love to have a look at it if you send it to me.

**Ms HOUGHTON** — Yes. Absolutely. I will send you the link.

**Mr FENNESSY** — We will send through the Chair the link. But, yes, it has been up and running.

**Mr DIMOPOULOS** — Okay. Thank you.

**Ms PENNICUIK** — Just following on from my other questions about Parks Victoria and the reduction in the budget over the years, there has been a lot of concern with regard to the reduction in the budget and the concomitant reduction in staffing and therefore loss of personnel and skills. You might be able to comment, but certainly it seems that in some areas individual programs for invasive species and weed control have actually been stopped — defunded. So I wonder if you could comment on that and let us know what proportion of Parks Victoria funds are actually allocated to invasive species and weed control.

**Mr FENNESSY** — Thank you for the question, and, through the Chair, I might ask Paul Smith and Carolyn Jackson to comment. One comment I will make, which is beyond the 14–15 period, is, as many of you will be aware, there is a new chief executive officer at Parks Victoria, Bradley Fauteux, and he is certainly bringing a lot of international best practice with him, where he formally managed Ontario Parks. So while this is outside the reporting period, we are working very closely with him and the Parks Victoria board to make sure that they are set up for the future, whether it be for their statewide recreational facilities, their fire responsibilities or indeed their core business of managing invasive pests and protecting the ecological and conservation values of the parks estate. That is again how we are working with them now. Paul, can I get you to comment?

**Dr SMITH** — I would say that the global figures, just to answer your question in terms of staff — and we will come to a breakdown shortly — from 11–12 state appropriations that I quoted earlier, it was 74.7 in 11–12 to 54.6 in 14–15. The corresponding reductions in staff — to compare from 2009–10; this is from the annual report of 09–10 for Parks Victoria — was 1300 full-time equivalents to 903 FTE in 13–14. That is from the 13–14 annual report on page 28. So the funding per program, as I mentioned earlier: there are a number of programs that Parks Victoria receive money for that may be initiative based, such as bushfire recovery. Those programs will include asset replacement, community engagement and threatened species management, aspects of which will pick up predator controls and habitat restoration. So we can provide the specifics of that for you in a written response.

The funding that goes into Parks Victoria then is a matter for the board and the CEO to make a decision about where their priorities rest in respect of their needs. So through the corporate plan and the Parks Victoria annual report, those program-based outputs and the funding attached to those will be contained therein.

**Ms PENNICUIK** — I have one more follow-up question about the staffing reductions, which you have just given us the figures for. There was a survey done and reported last year about the stress of Parks Victoria staff — a survey of 500 staff — which found that 6 out of 10 staff believed that workplace stress is an issue for them and about half had considered leaving Parks Victoria. So I wonder what is being done to address this issue.

**Dr SMITH** — Can I ask the survey source, through the Chair?

**Ms PENNICUIK** — It was reported in the *Age* of a survey done at Parks Victoria, done by the VPSC.

**Dr SMITH** — Okay. So that sounds to me like the People Matter Survey. If those figures are reported publicly, then — —

**Ms PENNICUIK** — They have.

**Dr SMITH** — I am not sure what further I can add to that, other than that the internal actions from the then CEO, Bill Jackson, took a very swift and decisive set of plans there to get OHS right across the whole

organisation, and they have since retrained all staff in OHS. Attached to that would be programs of staff welfare and the contingent issues of fire season fatigue felt across the sector, not just in Parks Victoria, and that is a management issue that we deal with year to year.

**Ms PENNICUIK** — Yes. Could it not also be that the workload, with the reduction of staff, is probably an increasing workload in terms of management of the state, or all the things we have been talking about today?

**Dr SMITH** — I could not comment on the causality of that versus the staff numbers.

**Mr FENNESSY** — Just through the Chair, given we are partner agencies, and as you highlighted before, under legislation Parks Victoria provides services on behalf of the department or the position of the secretary, it is a really important issue for us to work with the board and the CEO. I mentioned Bradley Fauteux, and Paul mentioned the work that Bill Jackson did. Speaking for DELWP, wellbeing and safety is one of our core values, and I know under Bill Jackson's tenure as CEO he brought a very specific focus to safety, and that includes health and wellbeing. From our point of view, we are very supportive of the work that the board, Parks Victoria and the CEO are doing around supporting staff and working within the funding envelopes that we get from government.

**The CHAIR** — I might ask a question on a similar topic, around the topic of inclusion. I know that Jesuit Social Services have got an African-Australian inclusion program with the National Australia Bank as a way of trying to get people from the Horn of Africa, who often live on public housing estates and are on welfare, into work. I am just wondering what inclusive employment practices DELWP or the other agencies that fall under your umbrella might be currently or previously engaged in?

**Mr FENNESSY** — Thank you, Chair. Diversity and inclusion is a strong priority for me as secretary as well as for the department, and in our annual report for 2015 there are quite a lot of specifics on that. If I may, I will comment on a few of those.

Our diversity inclusion vision is very much to embrace individual differences in all forms across the department. We find that has a direct link to innovation and a happier and safer workplace. We have a range of diversity events that we support. So in 14–15 we had NAIDOC Week, Carers Week, International Day of People with Disability, Human Rights Day, Cultural Diversity Week, International Women's Day, National Reconciliation Week and Midsumma Festival. So they are the sorts of whole-of-government activities that we support directly.

A big focus for us has been gender equity. To take this seriously, we measure it very specifically, and we have had a lot of debate internally about targets. Debate about targets in gender equity is a long-running debate. We decided that if we want to have a gender-equal workforce, we need to set a target and aim to hit that. So starting with our senior executive, going back a few years we had about 28 per cent women in senior executive roles. That was in the former Department of Environment and Primary Industries. We set a target of 50 per cent, and within about two years we have moved from 28 to about 44 per cent. So that is a significant change, and that target really brought a lot of focus to what we are doing about signalling our seriousness about this, not just through rhetoric.

In terms of our diversity program, we have a very broad range of approaches. We have got development opportunities for women, additional support and sponsorship for women in their careers, and workplace flexibility. At the start of 2014 we declared that all roles flexible in the organisation and in particular that any role in DELWP can be flexible in some way, whether you are a shift worker as a firefighter or a senior executive. Indeed some of our very senior executives are in roles that are flexible. So now when we advertise roles all the way up to deputy secretary they are flexible. It is really about a negotiation and respecting the staff. Even in my own case, because I live in Bendigo I have to take a flexible approach because on any given day I will be in Melbourne, Bendigo, across to Ballarat, up to Echuca. So the idea is that if you bring yourself to work, you know your priorities. You can use technology.

That sent a really strong signal, particularly for gender equity, that you do not have to be present at your desk all the time. If you have got a family, that is part of your world; therefore you can negotiate flexibility. You might have elderly parents, you might have outside interests from work. So that has had a really positive impact.

The other thing that we have done in particular around diversity is we have developed a new DELWP Aboriginal inclusion plan. That was launched at the end of last year by Minister Hutchins as Minister for Aboriginal Affairs, 'Munganin — Gadhaba'. That is very much looking at inclusive processes but in particular economic opportunities. We do a lot of land management across the state, a lot of partnership with traditional owner corporations as part of our traditional owner settlement processes. Once again, it really has engaged a lot of our staff at the regional level in how we work with traditional owners — for example, the Dja Dja Wurrung up in around Bendigo, where we are training project firefighters. It is a great way to get younger Aboriginal people into economic opportunities, and then it manages landscape risk. In fact as some of our Aboriginal colleagues say to me, they have been managing fire in the landscape for many hundreds of thousands of years or tens of thousands of years. So it taps into that deep connection with land.

Importantly, when we talk about things like closing the gap, you have got to take it seriously, so we now have I think a 3 per cent employment target within DELWP for Aboriginal people. As the land manager and the Crown land manager across the state, we have got a lot of joint owner and land management arrangements, so we are trying to activate those and have them driven from local communities.

So all in all diversity inclusion is a critical driver, and it means people feel more safe and supported at work. We also have a parent and carers network, a pride network and a whole-of-government approach which we have adapted in DELWP to human rights. So it is one of the things that drives the department. Even though if you look at our department title, it is not part of our core business, we have made it part of our core business, and staff really appreciate that.

**Mr D. O'BRIEN** — I just want to go to the Sustainability Fund now. I note that in the annual report on page 17 there is a reference to the legislative change that has seen it go from the EPA across to the department. I am looking at the figure there, but I am not 100 per cent sure what the actual figure of the balance of the fund was at that point. Can you give me an updated figure at the moment?

**Mr FENNESSY** — I will make a general comment, and then I might ask Carolyn to comment on specific financials. Previously we had a number of entities managing parts of the Sustainability Fund, and I think your question went to this. The Environment Protection Authority was part-managing the fund, Sustainability Victoria was part-managing it and the Sustainability Fund advisory panel. As of 1 July 2015, all of that has come into the department to improve clarity, transparency, coordination and management of a critical fund. So that is the broad approach. And through the Parliament, as you will know, that was achieved through amendments to the Environment Protection Act. I will now ask, through the Chair, Carolyn Jackson to comment on some of the specifics to seek to answer your question.

**Ms JACKSON** — So in terms of the cash that was transferred from the EPA from 1 July, it was \$383.8 million that was transferred. I do not have a cash balance any later than that with me at this stage.

**Mr D. O'BRIEN** — The bit I am still a bit confused about — I am not criticising the document — was that the total of the Sustainability Fund at that stage, or were there other elements of it?

**Ms JACKSON** — From a cash basis, yes. If you look at some of the financial statements, there is a number of around 430 million. That is the accrual. There is a time lag between when the cash actually hits the Sustainability Fund and when landfill operators incur the liability to pay it. They have a time lag make to actually make the payment. So the actual cash that came across to the department was that 383 million. The accrued amount from an accounting sense was 430.

**Mr D. O'BRIEN** — Three hundred and eighty-three — that is the entire Sustainability Fund?

**Ms JACKSON** — That is right, yes.

**Mr D. O'BRIEN** — So the department did not hold a section of it beforehand separately?

**Ms JACKSON** — No. The Sustainability Fund was managed by Sustainability Victoria but held in the EPA, and the full amount came across.

**Mr D. O'BRIEN** — This one you may need to take on notice, but could you give us a list of any projects or programs that were funded out of the Sustainability Fund, new initiatives — not just new, any initiatives I guess — in 14–15?

**Ms JACKSON** — Sure, I certainly can. There would be a number of projects that have been from the Sustainability Fund, so we can certainly give you that list.

**Mr D. O'BRIEN** — That would be great.

**Dr SMITH** — I can give you some examples now if you would like.

**Mr D. O'BRIEN** — Yes, a couple of examples would be good.

**Dr SMITH** — Programs funded during 13–14 and 14–15 include \$3.5 million funding for a program called a cleaner Yarra and Port Phillip Bay. That was funded from both the Sustainability Fund and the Parks and Reserves Trust Account. This program was on about enhancing detection and prevention of litter. It was to support greater community and business engagement and provide some better water quality information to the public.

Also \$4.7 million was provided to the waste policy, which was the getting full value program, and that was also supporting protecting our environment and livability objectives as well. We had \$11.2 million funding the communities for nature program, contributing to pest and weed control, cleaning up waterways, revegetation, and biodiversity and habitat preservation. Then as Carolyn and Adam have both commented, as of 15 July management and administration of the fund was transferred from EPA to DELWP.

**Mr D. O'BRIEN** — If we could still get a comprehensive list, that would be great, but thank you for that.

**Ms SHING** — I am going to steal Mr Dimopoulos's question and thus further confound the order of this afternoon's askers. I would like to take you to the Statewide Waste and Resource Recovery Infrastructure Plan and in particular the way in which that plan details actions that are taken or are required to be undertaken within the period for waste and resource recovery. I would like to know more about the improvements that have been made to provide the community with better access and insight and participation as part of the development of that final plan and how the outputs will then reflect that in terms of indicators.

**Mr FENNESSY** — Thank you for the question. Through the Chair, this is an example of what Paul had just referred to as some of that critical reinvestment. Landfills and the waste sector are often underappreciated as an economic driver for any state or city, whether it be regional or metropolitan. It is a critical part of infrastructure that helps cities grow, helps manage waste and can provide a valuable resource for recycling. The sophistication of the waste sector in this day and age is very impressive, and it is very much a materials, energy, resource efficiency industry as much as a protection and storage aspect to growing cities. That is the driver behind that framework. I will ask Paul to comment on your specifics.

**Dr SMITH** — The acronym is SWRRIP — Statewide Waste and Resource Recovery Infrastructure Plan. That is a statewide plan for how we invest in our statewide resource recovery arrangements across the six regional waste and resource recovery groups. This is a plan prepared pursuant to the Environment Protection Act and some of the reforms that were done in recent years. The plan, which was released in June 2015, was informed by the latest data and actually developed in conjunction with the community — and not just with the community but with industry and local government. It is an important opportunity to shape the long-term investment across Victoria in waste and resource recovery assets, and it will also ensure the long-term protection of our natural environment, whereas some legacy landfills and some legacy practices provide legacy environmental problems which have social and economic impact as well as environmental impact.

In recent times, in the lead-up to its release in 2015, we were asked to re-engage the community for a much more considered discussion about those waste and resource recovery infrastructure priorities across the state. That did cause just a little bit of a delay, but I think in the light of that consultation process and a reconfirmation of the policy direction which we have been setting, I am pretty confident that that plan sets a very long-term and strategic approach to waste and resource recovery infrastructure. What is happening now is each of the regional waste management and resource recovery groups are preparing their own regional plans to complement that statewide plan. That then guides the local investment from the private sector and by councils in procuring the assets that they need to better manage their landfill needs into the future but also, and most importantly, the long-term resource recovery opportunities that we have through glass, paper and organics recycling.

Sustainability Victoria leads the implementation of SWRRIP, which is the acronym for that, and there is a very strong collaboration from the statewide level, led by Sustainability Victoria, into the six regional groups.

**Ms SHING** — Just a very tiny supplementary on that. How is the success or otherwise of a regionally developed plan determined by reference to the specific challenges and opportunities that present across those groups?

**Dr SMITH** — The challenges are that as a society our waste is increasing per capita, and we need to look at ways in which to drive that waste profile down — firstly. Secondly, we have got to look at the waste stream and identify ways in which to intervene higher up in the process of collecting that waste so that you do have good product, good feedstock for a recycling industry. The third bit of that is to create markets for the resources that are recovered. We have got a really good track record in Victoria, particularly with aluminium, glass and metal recycling. The areas that we do need to work a lot more on are the organics. The organics are the products in landfill that cause the methane. They are the things that are problematic from a groundwater perspective as well, because the wetter the landfill product is it can seep and unlock other things that we do not want unlocked from the landfill into the groundwater. So the organics challenge is one which we are working pretty heavily on. Sustainability Victoria and particularly the Metropolitan Waste and Resource Recovery Group are doing a lot of really exciting work to divert organics out of landfills and to create the resources into markets where you can use them. The farming sector uses them, for example, in soil conditioner.

**Mr D. O'BRIEN** — Can I just have a quick follow up on that?

**Ms SHING** — It is a Gippsland initiative, that one, by the way.

**Mr D. O'BRIEN** — Yes. If a project is put forward but it is not supported by either the regional group or the metro group, does that kill it altogether?

**Dr SMITH** — Well, if that is the case, it would suggest to me that the community through the process of being consulted on the plan do not support it. However, there is always the opportunity for any private sector entity — a company — that thinks they have got a great solution to a problem to come to the table and say, 'We think we can take, for example, waste tyres or electronic equipment such as flat screen TVs and other things like phones. Let's have a product that we can make that waste into'.

There was a great example down in Dandenong recently with a technology which is called BluBox. It was recently launched by Minister Neville. That provides an opportunity for a local company. They take flat screen TVs and in about 27 seconds, out the end, you can get the separated glass, plastics and the valuable metals, and the gases and the toxic chemicals are separated out. The estimation by that company is that they could use another 8 to 10 of those machines to take the waste out of the e-waste stream, which is a commitment under the current government.

**Mr T. SMITH** — Secretary, if I turn to the parks and reserves trust, which I understand is funded through a levy on water bills, can you advise how much is currently in the parks and reserves trust?

**Ms JACKSON** — At the end of 2014–15 it was, from memory, 51.7 million.

**Mr T. SMITH** — 51.7 million. Thank you very much.

**The CHAIR** — I think we are done. I would like to thank the witnesses for their attendance — Mr Fennessy, Ms Wyatt, Ms Houghton, Ms Jackson, Mr Garwood, Mr O'Sullivan, Dr Smith, Ms Anderson, Mr Miezi, Mr Goodwin and Mr Sammut. The committee will follow up on any questions taken on notice. A written response should be provided within 21 days of that request. All recording equipment should now be turned off. Thank you for your time.

**Mr FENNESSY** — Thanks, committee members.

**Committee adjourned.**