

# CORRECTED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into 2002–03 budget estimates

Melbourne – 25 June 2002

#### Members

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Executive Officer: Ms M. Cornwell

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#### Witnesses

Ms S. Garbutt, Minister for Environment and Conservation;

Ms C. Munro, Secretary;

Mr. D. Seymour, Deputy Secretary, Services;

Mr K. King, Executive Director, Forests Service, Department of Natural Resources and Environment;

Mr P. Sutherland, Executive Director, Catchment and Water Division; and

Ms M. van Rees, Executive Director, Parks Flora and Fauna, Department of Natural Resources and Environment; and

Mr R. Joy, Acting Chairperson, Environment Protection Authority.

**The CHAIRMAN** — I declare open the Public Accounts and Estimates Committee hearings on the budget estimates for the portfolio of environment and conservation.

I welcome the Honourable Sherryl Garbutt, Minister for Environment and Conservation; Ms Chloe Munro, the Secretary of the Department of Natural Resources and Environment; Mr Rob Joy, the acting chairperson of the Environment Protection Authority — and I note that the chairperson designate, Mr Mick Bourke, is in the gallery; and departmental officers, members of the public and the media.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript early next week.

Before I call on the minister to give a brief presentation on the more complex financial and performance information that relates to the budget estimates for the portfolio of environment and conservation, I ask that all present ensure that their mobile telephones are turned off.

Minister, would you care to make a presentation to the committee.

**Ms GARBUTT** — Thank you very much, Chair. I will outline my responsibilities and the activities and initiatives and so on of the various parts of my portfolio.

**Overheads shown.**

**Ms GARBUTT** — My ministerial responsibilities include forests and fire management — and that includes 3.5 million hectares of state forest and 7.5 million hectares of public land for which the Department of Natural Resources and Environment is responsible for fire management. State forest includes areas for which we have sustainable forest management policies in place.

Land management and information is quite a large area, including Crown land management; titles office; geospatial information, which is becoming more and more important; titles automation has been a major project in that area; and the land exchange is a major initiative of this year. A further area is conservation and recreation, which includes all our parks, coasts, alpine resorts and biodiversity responsibilities. It includes many of the icons that people would be familiar with such as Wilsons Promontory, the Twelve Apostles, national parks, Mount Hotham and so on.

Catchment and water is a large area of responsibility. It includes catchment management authorities and funding for them, Melbourne and regional water authorities and irrigation water supplies. It includes issues such as salinity, weeds and pests — they are very active areas indeed — and a major initiative is a national action plan for salinity and water quality. Another area of major effort has been around the Snowy River and improving environmental flow.

The Environment Protection Authority, which is under the environment protection area, includes pollution control, waste management responsibilities, air and water pollution, industrial monitoring and so on.

I will have a look at some of these in a little more detail. The major achievements in forests and fire management have been the regional forest agreements (RFAs) and the actions flowing from them. Each of the RFAs has a number of milestone initiatives, and progress has to be reported annually. Under Vicfisap which is that important part of the RFAs and includes funding for industry development assistance, business exit, there have been over 100 recipients of workers assistance. Some 93 per cent of those wishing to work have been found new employment.

The licence renewal project is a major part of our initiatives in this area. Resource reviews were undertaken right across the state in our 14 forest management areas. We independently reviewed those figures and have now announced the Our Forests Our Futures major project, which is a major reform of Victoria's forests.

**The CHAIRMAN** — Am I correct in assuming that Vicfisap stands for forest industries strategic action plan?

**Ms GARBUTT** — Close — 'fisap' stands for forest industries structural assistance program.

**The CHAIRMAN** — Thank you.

**Ms BARKER** — I think ‘strategic action plan’ sounds better.

**Ms GARBUTT** — The strategies listed there come under Our Forests Our Future — that is the major reform of forestry — to ensure that the industry operates on a sustainable basis for the future. ‘New supply arrangements’ means new licences for the industry. We will be offering long-term contracts of up to 10 years to provide a level of certainty for the industry so that they can get funds for investment. There will be short-term contracts so that the department can respond effectively to any new information about the sustainable yields that are available in our forests.

We will be working with regional communities. You might have seen the announcement by the Minister for State and Regional Development offering \$9 million towards communities that have been affected by this structural change in the industry. Support will be offered to communities through programs for developing and growing small businesses, funding new community infrastructure projects and so on. They have been recently announced by John Brumby.

We are changing the management of our forests as well by establishing a new forest management entity called Vicforests, and that will separate out the commercial and regulatory functions of government so you do not have the one department doing both. It will be responding to the expert data reference group recommendations for improved information about resources and monitoring forestry practices and providing greater transparency by including the community in various audit processes.

In the fire division we will be implementing the outcomes of the Linton coronial inquiry. Under codes of forest practice for timber production we are identifying new arrangements for the implementation of the code so that there is greater transparency there as well. That is a very busy area. For that same division the major outputs and the budget are there. You can see the increase, which is due of course to Our Forests, Our Future reform project and the funding available to that.

With the sustainable forest management services outputs, the aim is to strike a balance between economic, environmental and cultural values. Sustainable forest production is about generating a fair return to the state for the resources applied to the timber industry. We want to be transparent and also ensure that the licensing and allocation process is commercially efficient and does in the end produce a competitive and efficient timber industry.

Fire prevention and planning is a constant focus. It is particularly busy in winter preparing for the forthcoming season, which really is about fire operations for the next part.

Turning to the land management and information division and some of the achievements for the past financial year, the Victorian online title system was a major IT project that took four years to complete. It involved the scanning of over 5 million property titles from paper to digital form. Victoria now has all its titles available on computer, which provides some security as well. They do not burn, get lost or misfiled, and so on.

The Crown land improvement program has been a very useful program in providing funding for committees of management on Crown land. That has allowed improvement to the natural vegetation. It has also been about upgrading halls, which are commonly on Crown land, playgrounds, visitor amenities and so on. We have funded 125 programs in 2001–02 through that particular program. Local councils and committees often put in money as well, so that has taken that up to a greater value.

The caravan park upgrade program has also been an interesting one, where we have upgraded over 100 caravan parks that are on Crown land reserves and are being run by committees of management. That has provided an opportunity for those committees to improve visitor amenities such as ablution blocks and a whole range of projects on Crown land.

The land exchange is about the integration of all land-related information and transactions, so whether you buy or sell property, or whether you are a subdivider or developer going through council, it is intended that all of those will be able to be done online. This is a major project to allow faster and easier property transactions from anywhere in Victoria, all over the Internet.

The Victorian geospatial information strategy has been developed by Land Victoria. It was endorsed by the government last year and sets out a framework for all our geospatial databases. So they can all link them — whether it is every property in Victoria; roads; police, ambulance and other emergency services; topography; or the location of electorates and police stations — and it can all be on this particular project.

The outputs for this particular division are shown there. The output budget is shown there. Public land management includes all those Crown land management issues that I talked about before — balancing off the protection of natural values against development and use. The role of land information is to provide accurate, reliable and up-to-date information on boundaries and changes — anything to do with property and land, whether it is publicly or privately owned. The operating budget there has gone up considerably. The main reason for that is increased revenue from land data.

As to asset initiatives, I mentioned the land exchange, which is a \$24 million project, a big one, which will take several years to complete. We started it with the Victoria online titles system — the VOTS scheme that I mentioned before — and there is a component for box-ironbark forests and woodlands that we are implementing in national and other parks.

Conservation and recreation is another division within the department that comes under my responsibility. The achievements include the introduction of the marine national parks legislation that we are all familiar with, which was successful just recently; the release of the Victorian coastal strategy; and the alpine discussion paper. The coastal strategy updated the previous one, and about two months ago I released the alpine 2020 strategy, which will guide the direction and future development and management of our alpine areas.

The coast strategy has been well received. It is now being implemented right around the coast and involves a wide number of stakeholders, including many foreshore committees of management.

The bush tender trial is another achievement. It is a very useful program which has protected and will protect areas of remnant native vegetation, particularly the higher conservation value ones. These are all on private land, so it involves private landowners signing up to protect their native vegetation. They are paid by the government, but it is a market-based approach where farmers or landowners put in a bid for how much they will manage their land for. So the emphasis is on driving the dollar outlay down, but the value of the land protected increases. It has the very useful approach of a market-based initiative that we have not used before in this state. It is a way of protecting native vegetation and conservation areas that are on private land sitting alongside our national and state parks, which of course are public land and cannot be extended to private land.

The strategies there listed include the successful implementation of an alpine risk management plan, where we have spent \$8 million to date, with another \$4 million allocated in this present budget to ensure that we have learnt from the event at Thredbo and addressed any risks in alpine areas.

I released an action plan on the Gippsland Lakes following up this CSIRO study. That study determined what we needed to do to protect the Gippsland Lakes, or to try and save them. It identified the fairly dire state of the lakes, which is not new, but what it did show is the direction and where our efforts have to be. We have also released a draft policy for sustainable recreation and tourism on public land so that we protect the environmental values at the same time as provide for recreation and tourism.

We have here the outputs in conservation and recreation, in that division, and the output budget shows again an increase. The outputs are those three listed there. The management and governance of Victoria's parks bring in Parks Victoria, which is funded through this program — both national and state parks as well as the metropolitan parks.

Biodiversity, conservation, utilisation, ecosystem protection and services are an important part of the division. It includes our endangered species Flora and Fauna Guarantee Act, and so on. Nature and heritage recreation and tourism services are another important part of managing our public land.

The output initiatives and asset initiatives in this particular part include the box-ironbark national parks. They have been the subject of an extensive report by the ECC and recommendations back to government. Funding has been provided to protect the forests and woodlands and to assist the communities and industries involved. I have mentioned the alpine resorts risk mitigation program. That is one year's funding of a \$4 million program. There are further initiatives in park infrastructure as well.

Catchment and water is a very large division and includes those achievements there. We have had a vast range of achievements and initiatives, including environmental flows for both the Snowy and Murray rivers, and the Victorian river health strategy. I have released a draft on that and am in the process of finalising the strategy.

The farm dams legislation went through, finally, after seven months in the Parliament and six trips to the houses. It is being implemented, and existing dams on farmers' properties will have to be registered or licensed in the year beginning next week — 1 July.

With second generation Landcare I appointed a task force that made a range of recommendations to me, which we accepted and have funded. Some more achievements include the national action plan for salinity and water quality. This government has committed \$152 million over seven years; it matches the federal funding. So a great number of initiatives are coming up there. We held a water summit in Parliament just recently, where the Treasurer and I brought together the key players and we came out with many new ideas and strategies.

Water conservation has been a major focus because of the long-running drought. It is five years now; we are getting to five years of a record dry. Water recycling is another priority.

I refer to some more achievements — I did say it was a large area. I have had a committee looking at water resources for metropolitan Melbourne. It has presented some draft recommendations to me for the water supply of Melbourne for the next 50 years. Sharing the Murray is about developing bulk water entitlements for various users right along the river. It has been an interstate effort. The irrigation water savings report is part of implementing the Snowy environmental flow and is about where we are getting the water from. This report has shown us some possibilities.

We have also implemented the rescue package for the Gippsland Lakes. That was a two-year program, and it has now been supplemented by the Gippsland Lakes action plan. Some of the other work we have been doing — more achievements — includes the drinking water quality framework. This is a joint effort with health to put an emphasis on quality and ensure that we take a risk management approach and clarify the roles and responsibilities. Water for Growth has been a major project — \$30 million worth — which encourages on-farm efficiencies so we make the best out of our water use. There are also new town sewerage schemes. We are well on the way to implementing new sewerage schemes for 60 towns across the state and developing water markets. It is very important that we are able to trade water between the holders of water rights so we get the most efficient use of water.

There are also a few more achievements. The salinity management plans are being updated. We are working with the commonwealth on that, because it will be critical to the national action plan for salinity and water quality. The Essential Services Commissioner will undertake some overview of water pricing from January next year. We are working on that.

A framework for native vegetation management is about to be finalised. That will ensure the long-term management of our remnant native vegetation. Recently I released the Victorian pest management framework on a variety of pests and weeds, including all the usual suspects — rabbits, wild dogs, foxes, wild goats, feral pigs and a range of others. The rabbit buster program has also been renewed.

**Ms BARKER** — A range of others?

**Ms GARBUTT** — Yes. What did I say?

**Ms BARKER** — I thought you had covered all of them.

**Ms GARBUTT** — No, there are plenty of others, including corellas and kangaroos — native animals that can become pests.

Looking at some of the strategies for the forthcoming coming year that you will find in this year's budget for example, the Snowy initiative, where we are having to find that water — we are progressing very rapidly on some projects which will deliver water savings which can be put back down the Snowy. With the national action plan for salinity and water quality we are in the process of reviewing, renewing and accrediting the new regional catchment strategies, which will allow the funds to flow from that major project.

The native vegetation framework is being finalised and will be out shortly. We are developing final arrangements for the Essential Services Commission. We are implementing farm dams; anyone with an existing farm dam will have to choose whether to licence it or register it. That will be undertaken in the year from 1 July. We will implement the Victorian river health strategy and the pest management framework. We are following up some of the outcomes of the water summit, particularly in relation to Werribee Vision and the water recycling efforts there.

We will be implementing the Gippsland Lakes future direction and action plan over the next few years, particularly focusing on reducing nutrient loads. Werribee Vision, which I mentioned, is a very exciting new vision, focusing on the Werribee treatment plant and reusing that water resource as recycled water. In the national approach to water allocation and environmental flows, particularly through the Murray-Darling Basin Commission, Victoria is a very active participant.

With the outputs and the output group budget, as you can see the budget has grown, as you would expect, with all those initiatives under way. The outputs there are the three subsections within the division. Among the output initiatives outlined there, or a few of them, is the funding and asset initiative for the Wimmera–Mallee pipeline of \$7.7 million, and there will be \$7.7 million every year for 10 years. We are still hoping for federal matching funding. It has not been guaranteed yet, but we do hope that that comes through. That is a very important project.

I turn to the EPA and environment protection and some of the achievements there. The resource efficiency bill that just went through, in the last week of the sitting, did a number of things, and they are very important. It introduced voluntary sustainability covenants, which will enable industries and companies to identify how they can reduce their environmental impact and sign up to a covenant with the EPA. That is a very innovative approach, involving voluntary work with companies and industry groups, and is one that will produce some great results. It also introduces changes to waste management, clarifying the roles of the key bodies, whether it is Ecorecycle, the EPA or the regional waste management groups. It makes changes to the Litter Act — in fact, it integrates it into the EPA act.

Urban stormwater has been a major focus, so there is a \$22.5 million program over three years. The stormwater action program is now going into its third year. It has funded a large number of projects, usually with matching or better funding from the local councils. So it is a good one to leverage up additional investment. In fact, we are getting about \$2 for each one invested, and nearly every council around the state has signed up to a stormwater management plan. I think there are four outstanding.

On air quality management, we put out a completely revised state environmental protection policy; that was gazetted in December of last year. It provides an improved tool for managing and improving our air quality objectives. It supports efforts we are making nationally as well to reduce greenhouse gas emissions, and it sets a legal framework — it is a legal document — for regulating air emissions. Through that we have also increased the number of pollutants which are classified as highly hazardous from 8 to 26. So all of those must be reduced to the maximum extent possible.

The rural chemical collections program is another one of the achievements. That program was undertaken in central and north-east Victoria, and it now completes a statewide program. The strategies are listed there, including environmental audit monitoring. The government boosted the EPA when it first came to office, and the EPA set up a team audit which has undertaken specialised audits of targeted industries. The work there is under way. Another program funded by the increase through the government was Molab, or the mobile air monitoring station, which provides the EPA with the capacity to move that monitoring station around to concentrate on hot spots and get the information back there. That includes potential new freeways.

The environment protection outputs provide the full policy frameworks, regulations and services to enhance air quality and water quality, protect ground water and land from pollution, and reduce and manage waste. There are also services to control noise right across the state. The neighbourhood environment improvement project is an important project which gives local communities a lot of strength and the ability to have a say in protecting their own environments. The funding is shown there on the overhead. Last year the EPA accessed some money from its trust funds, and that is the only reason for that budget change. That concludes the presentation, Chair.

**The CHAIRMAN** — I take you to one of the major areas that you listed within the budget papers — that is, marine national parks. I note in the questionnaire you returned to the committee that marine national parks and sanctuaries are listed at pages 5 and 6 with various allocations and with the comment that due to delays in the marine parks legislation the majority of the planned activities had not been undertaken by the department at the time of the questionnaire response. Now that the legislation has been passed, can you outline to the committee how the government's commitment to establishing those parks will progress from here and how that budget allocation will be applied to ensuring that those parks come into being?

**Ms GARBUTT** — Yes. There are few times in one's life as a parliamentarian that one gets to achieve something as significant as getting this legislation through. The legislation established 13 marine national parks and 11 marine sanctuaries in one go, and that is a great heritage to leave for all future generations in this state.



It was a rough road to get the legislation through, as you will appreciate, but it has now been passed. Those marine national parks and sanctuaries will come into existence on 16 November this year, although in four of the marine national parks fishing will be allowed for some time longer. That was a deliberate phase-in to assist the industry to make the adjustment to marine national parks.

The next key date is 16 November, when the marine national parks will become fully no-take zones and the sanctuaries will also come into being. The parks will be no-take for anything: obviously fishing will not be allowed, and nor will you be able to collect shellfish or extract minerals or oil. In fact you will not be able to do anything that would disturb the life in those parks.

The main purpose of marine national parks is biodiversity protection, but they will also enhance fishing, simply because the diverse marine life inside them will not stay there, it will obviously swim out. The experience around the world has been that where there are large no-take zones, such as in New Zealand or even in Bunnarong down off Cape Paterson, there are more fish and bigger and better fish inside those areas and fishermen find the boundaries alongside marine national parks very good places to fish. So although the main purpose of the parks is biodiversity in all its forms, there is no doubt that they will be good for a sustainable fishing industry as well.

Those parks and sanctuaries will come into existence on 16 November. We have recognised that that will, of course, have some impact on the commercial fishing industry, and we have put into place in the act a compensation arrangement that is fair and balanced. It provides for compensation for commercial fishers, who can take their claims to a compensation assessment panel which will be established under the Fisheries Act. They can make a claim at any time, although it is expected that most of them will wait for the full 12 months after implementation. If there is a short-term impact that seems quite severe — we doubt there will be — we have built into the legislation a capacity for them to take a claim to that compensation panel and make their case. We have also provided for an appeals process under the Fisheries Act, so if commercial licensees feel they have not been heard properly by the first panel, they can go to the appeals panel as well.

We have put those compensation provisions into place through the act for people who are fin fishers or rock lobster fishers. We have taken a different approach for the abalone licensees. We have recognised that poaching right along the coast has been a problem for many years, so we have put into place a big boost for enforcement. A crackdown on poaching will free up the abalone stock that has previously been taken by poachers and make it available to the abalone licensees, and we believe they will be able to take their full quota through that mechanism. We will be involving them in deciding how that enforcement effort is directed. It will be a major boost to enforcement right along the coast which will provide security and enable abalone licensees to access their full take.

Although a lot of concern has been expressed publicly about recreational fishing, I have also had a lot of recreational fishers say to me that they support the legislation and think marine national parks will be a good boost to fishing. They all say they are not catching the same quantity or quality of fish that they caught years ago and that they recognise there has been an impact on our fisheries.

In addition, we were careful that we took only 5 per cent of the coastline, which leaves 95 per cent fully available for any sort of fishing. Also, no boat ramps are located in the national parks, so I suspect that people who say they have a favourite fishing spot at the end of a boat ramp will find no change even after 16 November. There are also no piers or jetties in the proposed marine national parks, so I can assure the people who have told me they sit on the end of St Kilda pier and fish — I don't think they catch anything! — that that pier will not be in a marine national park, nor will any other pier.

We took the precaution of going through the *Victorian Fishing Atlas*, which has over 300 hot spots and good sites, and only 15 of those are located inside a marine national park. So we can pretty much say to most recreational fishers that they will still find their favourite spot available, and in the end they might even find more fish there once marine national parks have been in place for a few years.

It is historic legislation, and it is certainly a world first. No-one has established so many marine national parks before, and ours have been designed to be representative of the different marine environments right around the coast. That is what is new, that is why it is a world first and that is what the rest of the world is applauding at the moment.

**The CHAIRMAN** — You may have said this, but is there a date for the four parks where fishing will continue for some time?

**Ms GARBUTT** — Yes, there is. I think it is the middle of next year. I am told that they will be able to fish there for another 12 months or more.

**Mr DAVIS** — Thank you for your presentation. I take you to the Auditor-General's report that was tabled on 5 June. Have you read the comments contained in the transcript of that report, and are you planning to take any action to address the concerns that the Auditor-General expressed?

**Ms GARBUTT** — Would you like to be more specific?

**Mr DAVIS** — I refer, for example, to the matters regarding section 20 statements. I will quote from what the Auditor-General said:

The report covering the 2000–01 financial year was prepared by the Surveyor-General and presented to the minister in early May 2002, 10 months after the required date in the act.

He went on in 7.240 to say:

In the absence of legislative amendment, the Surveyor-General's report should be prepared and tabled in Parliament on a timely basis, in accordance with the requirement of the act.

The Auditor-General went on to talk about the delivery of legislative responsibilities:

- 7.259 We are of the view that once legislative responsibility for a function or activity has been assigned to a statutory position, the ultimate responsibility cannot be transferred to a third party under a contract or other arrangement. Although the Surveyor-General has no operational control over these activities, he is still legislatively accountable.
- 7.260 If the government considers that responsibility for these functions should not be assigned to the Surveyor-General, then this should be considered by the Parliament ...

In other words, there are requirements under the law, according to the Auditor-General, for reports to be tabled. There has been an hiatus over the past two or three years, where reports have not been tabled despite the Surveyor-General presenting you with them. I understand another report was presented to you in early May this year. I wonder why they have not been tabled. These are just some of the matters; there are a couple of other matters I want to go to.

**The CHAIRMAN** — Before we go down that track, I do not know whether it was your intention, but in your preamble you referred to the 2000–01 year. I remind you that our estimates cover 2001–02, 2002–03 and the forward year and that we will not be going back to examine financial details from earlier than that. However, where you are asking about a subsequent action that may have been taken, I think that might be a reasonable question to put. I just want to make sure that we are not intending to go back some years in the questions that are being pursued.

**Mr DAVIS** — To the extent that there is a pattern of non-tabling, I want to be sure that in the forthcoming year the report is tabled as is required by the act. I also want to be sure that the Auditor-General's comments, which have been tabled and require a response from the government in the forthcoming year, are examined.

**The CHAIRMAN** — I understand what you are saying. What I am saying is that those matters should relate in some way to the current examination of the estimates rather than being a general question about tabling, if you follow.

**Mr DAVIS** — The output groups in that area relate directly to the minister's area.

**The CHAIRMAN** — I understand what you are saying. I am just trying to ensure that we are involved in an examination of the estimates for the period under our purview.

**Ms GARBUTT** — I am happy to provide some background as well. The report that you are referring to is required under the Survey Coordination Act. There has been no report since 1996. It is an act that is well and truly out of date, as the Auditor-General pointed out. No Surveyor-General had supplied a report until last month, when I received a report from the Surveyor-General which was 10 months late. I then required him to clarify some aspects of it, because I was not satisfied with that report. I am getting some legal advice on some aspects of it, because I do not believe it is accurate. I also asked him why he did not supply a report for the previous year, as he was also Surveyor-General then. I have since received that report, and I am examining it.

**Mr DAVIS** — So there are two reports.



**Ms GARBUTT** — This is the first time since I think 1996 that a report has been furnished. You might well ask your colleagues in the previous government why they did not inquire about these reports. I suspect the answer is that the Survey Coordination Act is well and truly out of date. It has redundant parts, and most people seem to have assumed that they are redundant and no longer applicable. The Auditor-General did recommend a review of the Survey Coordination Act, and I will be doing that. I will broaden it to include the Surveyors Act 1978 and review that as well.

Land Victoria and surveying are areas that you will appreciate are undergoing rapid change and have been for a number of years. Some states have done away with their Office of Surveyor-General and have found other ways of doing it. It is more moving about into the geospatial information that I mentioned before, where we are world leaders, or certainly Australian leaders, in developing spatial information. There is a lot of discussion in that industry as to how to do things and what the future directions are. That of course is reflected within Land Victoria.

Returning for a moment to the Auditor-General's other comments about the Surveyor-General having legislative responsibilities, we agree that he has responsibility for them, and there is no proposal that it should be any other way. However, that does not mean the whole of these responsibilities have to be carried out by the one person.

Indeed under a system put in place by the previous government some of the operations of information gathering have been undertaken by the department in agreement with the Surveyor-General. I have simply kept up the operational procedure put in place by my predecessors and made no changes. I entirely agree with the Auditor-General that those legislative responsibilities will be met by the Surveyor-General and are being met, and there is no proposal to change that. I will be reviewing Land Victoria itself because of the changes in the industry over the past few years and will be accepting the Auditor-General's recommendations about the Survey Coordination Act and the Surveyors Act.

**Mr DAVIS** — Can I just get it clear? We can expect to see those reports tabled — —

**Ms GARBUTT** — When I am convinced they are accurate.

**Mr DAVIS** — So at this point you are not convinced that they are accurate?

**Ms GARBUTT** — That is right.

**Mr DAVIS** — In that context do you have confidence in the Surveyor-General, if you are suggesting to me that in some way the report that has been presented is not accurate?

**Ms GARBUTT** — That is a big leap. I have just said that his reports were not accurate, and I have asked for further information on them.

**Mr DAVIS** — That seems an extraordinary statement to make — that the information in a report from a statutory official or an official like the Surveyor-General is not accurate. In what respect is it inaccurate?

**Ms GARBUTT** — There are comments in there that I have sought legal opinion on, and I do not believe they are accurate enough to be tabled in Parliament. Anyway, Parliament is not sitting.

**Mr DAVIS** — It was in the past few weeks.

**Ms BARKER** — Perhaps if the Legislative Council would review its refusal to table reports in between sittings you might get it a bit quicker, Mr Davis.

Minister, you referred to strategies under the Snowy initiative. I think you said — I hope I am quoting you correctly — that that is progressing rapidly. Could you provide us with some detail on the progress the government is making in finding water for the Snowy?

**Ms GARBUTT** — Indeed. Most of the agreements have now been signed between the three governments following some delays because of the federal and South Australian elections. This government's commitment was to improve the environmental flow down the Snowy River to 21 per cent below the dam at Jindabyne over 10 years and then to 28 per cent over a period of time. We have given a commitment that that water should come from savings projects — that is, projects where water that currently evaporates or seeps into the soil is piped or captured so those savings can be put down the Snowy as environmental flow. I have just this week given the go-ahead to pipelining the Normanville stock and domestic system up near Swan Hill. It is quite an old, open, earthen channel system — 335 kilometres of open channels — where large amounts of water evaporate or sink into the soil.

That will produce around 3500 megalitres of water savings that will be used to offset the increase in environmental flows in the Snowy and also in the Murray. That is being replaced with a pipeline that will deliver enormous benefits to the farmers who use that water supply. It will improve the water quality because it will be delivered quicker. Currently when the water gets there it often sits in open dams and is subject to blue-green algae and various other water quality problems. So they will get clean, fresh water, and they will get it reliably. It will increase the security of supply to them so they will be able to perhaps invest in higher value crops. It means lower maintenance costs, and it means much more on-farm efficiency. It is a great project. It is a contribution of nearly \$4 million by the state government, and it is part of the \$25 million package that the government announced last year to provide that savings for the Snowy. That is just a very recent one agreed between the water authority — Goulburn–Murray — and the Normanville landowners. They will have to invest considerable amounts in on-farm works. They will put in covered tanks and pipelines throughout their properties, so it is quite an investment by farmers as well.

As well as that we have under way at the moment a pipeline project at Worrinen — the Worrinen stock and domestic system up near Swan Hill — which has given a boost to the whole region. The system was in quite bad decay: it was breaking down, there were holes in the concrete channels and so on. Whenever a hole appeared they would have to stop the water and fix it. There were delays in delivery. So that one is well under way. I dug the first sod for that six months or so ago.

We are also investigating piping the Tungamah system, another system that is close to collapse. It loses around 85 per cent in evaporation. Of all the water that leaves the headworks there, 85 per cent does not make it to any farmer. It evaporates or seeps into the soil. We are progressing with the community consultation process there, which is well under way.

We have had studies done of the headworks of the major dams and piping or channel systems of the northern irrigation area to see what major savings can be made there. They have identified that Lake Mokoan loses 42 000 megalitres a year and only delivers 2000 megalitres. Forty-two thousand megalitres a year is a huge amount. The study did not definitely say how that water could be saved and how Lake Mokoan's role could be altered, so I have asked for a more detailed study. Indeed the report recommended detailed studies. We have commissioned an extra study to examine three possible options for Lake Mokoan and how we might achieve those water savings. That is under way and will take about 12 months. It will involve community consultation. There is a lot of interest around that particular study. A lot of fishermen, caravan park owners and users are interested in it as well.

We have under way a metering project with Goulburn-Murray involving the users and irrigators themselves. That has seen the installation of the first 120 meters to meter the water use of some of the larger users to see if there is water there we can save. There is another pilot project under way — the Rubicon project — which is about computerised channel control. That is a \$1.5 million program to see if we can save some water in the way it is sent along the channels. A lot of work is being done to achieve those savings. I might ask Peter Sutherland, who is the executive director of catchment and water, if he can indicate any other details about those projects.

**Mr SUTHERLAND** — As the Minister has indicated, there has been a lot of activity prior to the corporatisation of the Snowy and the establishment of the joint government enterprise (JGE), that will ultimately lead the process of commissioning savings projects, to ensure that when that JGE process is under way there is already a first tranche of savings projects that have been developed.

In addition to the ones the Minister mentioned, there is also work proceeding under contract with Goulburn–Murray Water, which is the rural water authority provider in the region, in relation to domestic and stock metering. There has already been a pilot in relation to about 120 properties, and subject to the outcomes of that pilot being successfully implemented it will be extended to more than 1000 properties in the region.

As the Minister indicated, a review of headworks has been completed in terms of looking at other savings opportunities in relation to losses in the delivery to northern irrigators. A number of areas with the potential for savings have been indicated, in particular the project the Minister mentioned about the automation of channels. It is quite an exciting project in the sense that it is now being investigated in New South Wales as well as in Victoria. It has the potential to revolutionise service delivery, providing greater timeliness in terms of the delivery of water as well as reducing evaporative and leakage losses within the channel systems.

In addition there are the evaporative losses in Lake Mokoan — as the Minister mentioned, a huge 42 000 megalitres p.a. is lost. Lake Mokoan is clearly a storage that since its commissioning has had severe algae management problems on an annual basis, which has meant its utility as a water storage in northern Victoria has

been very limited. The study the Minister mentioned will investigate the full range of opportunities in terms of the rehabilitation of Lake Mokoan, both as a water storage but also looking at the opportunities for savings which could be of value in terms of not only the Snowy but also environmental flow benefits for the Murray River.

Shortly, once corporatisation is completed, there will be the commissioning of the Moama aqueduct diversion, which will release the first tranche of water down the Snowy. That will result in 38 000 megalitres of water essentially being paid back as a result of the savings projects that have been developed to date under this initial package of \$25 million worth of new activities and projects, as well as additional projects that will be commissioned by the JGE once it is established. Very shortly the Moama aqueduct commissioning will mean that water will be flowing down the Snowy River.

**Mr RICH-PHILLIPS** — I wish to ask you about the \$80 million forest package which is included in this year's budget. Firstly, can you give the committee a breakdown of how that \$80 million will be dispersed across the areas? I understand that there is to be a licence buyback and other industry support. Can you break down the \$80 million into those areas?

**Ms GARBUTT** — As you said, there is \$80 million over four years as part of the Our Forests, Our Future reform package. Of course this is a major reform project by the government.

Licences for hardwood sawlogs were due for renewal, some of them on 30 June this year, or the new ones on 1 July. The industry was of course most eager to get licences renewed as a security measure. Obviously if they have a long licence, they can take that to a bank and get loans based on the security of that licence. Unfortunately when I looked at the figures of the existing licences — the volume of licence on these licences and therefore the volume that would have to be renewed — and asked about the sustainability of those figures there was a lot of uncertainty about them. In fact the figures from the past were full of uncertainty; in some areas they were very doubtful indeed.

As part of the two regional forest agreements that we signed on coming into government we fast-tracked the forest inventory process, put extra money into that, and that was returning some new figures which also cast doubt on the old ones. We also had the industry saying to us that wood was available but in areas they could not get to or could not get to with any financial viability. So prior to establishing any new figures I undertook a process to examine the existing ones. I established an expert data reference group which examined all the figures that were available. It was headed up by an interstate expert who came back and said that we knew enough to make the decisions currently but not forward for 15 years, which was the requests for the licence renewals. We then checked those figures with an international expert from New Zealand and found that we could make decisions about the current licence-holders but not for an extended or long term — for example, not for 15 years. That is the background.

I have to say that had any minister for forests in the previous government undertaken that exercise we would not today be looking at having a forest reform package of \$80 million with a lot of pain associated with it. It could have been done by your colleagues in the previous government had they bothered to examine the figures and had they responded to the many requests that they were getting, not just from the conservation groups but from the community, the industry and the workers, that the figures were doubtful. Had that happened then the industry would not be in the painful situation that it is today.

Nevertheless, they insisted that they wanted security. The best security is knowing that the water is there and can be delivered for whatever is on your licence. This government was prepared to make that tough decision, made much tougher by the previous government's lack of interest and delays, and we put up \$80 million — a very large package indeed — to assist with that reform proposal, including worker assistance for those affected, assistance for the timber industry itself to make that adjustment and funds for completing on a very fast track indeed the forest inventory process so that we can know with absolute reliability what wood is in the forest, how fast it is growing, what species it is, where it is, and whether the timber can be obtained economically. Also included in that \$80 million is management reform of the industry so we have new contracts, a new pricing process and assistance, of course, for communities. I have already mentioned the \$9 million that John Brumby has announced, and that is assisting those communities.

**Mr RICH-PHILLIPS** — Is that part of the \$80 million?

**Ms GARBUTT** — No, it is not; it is additional. It is close to a \$90 million package, which demonstrates clearly the government's commitment to the timber industry. You do not put up \$90 million if you want to close down an industry; you put up \$90 million if you want to see the industry go ahead and become world class, to become secure, to provide ongoing jobs in remote areas. I will get the secretary to outline the breakdown for you. The background is some highly irresponsible lack of decision making by the previous government, sweeping the

whole issue under the carpet and refusing to face up to reality, and unfortunately that has made it much more painful now.

**Ms MUNRO** — To enlarge on that, the estimates that were assembled to create the \$80 million package are based on the experience of the Vic FISAP package and so they are based on some experience of structural adjustment that has taken place as a result of the Regional Forest Agreements. However, they are estimates and work is under way in terms of refining the approach that will be taken to the various elements of the package, given that this is about adjustments to the industry which will leave it in a more dynamic and vibrant shape than it currently is. The process that will achieve that is currently under discussion with the industry.

The approximate breakdown is that over the four-year period \$47 million is the estimate for the voluntary licence reduction program, and that number may change depending on the nature of arrangements that are entered into. The estimate for the worker assistance program was \$15 million — again that is based on the estimates of the numbers of workers who would be affected as a consequence of the licence reduction and also on the experience with the package that was offered under FISAP — and the remainder of the package is to be applied primarily to implementing the recommendations of the expert data reference group which, as the minister said, is to do with accelerating the very important work around modernising our inventory and putting that into a shape, where those figures can be kept current by taking advantage particularly of harvesting histories as they become available. There is a significant piece of work around that and some more general work around forest stewardship and addressing the very complex set of issues of how we manage the forest resource for all values. That completes the package.

As the minister said, the work being undertaken by the community under the aegis of the ministerial task force established under Minister Brumby's chairmanship is being funded separately, and \$9 million of that has already been announced. There may be other initiatives in due course.

**Mr RICH-PHILLIPS** — Part of that package involved setting up the Vicforest organisation. Do you have figures associated with how much that will cost out of that \$80 million?

**Ms MUNRO** — No, we do not; that is part of the residual. Again, we have some estimates, but there is quite an important piece of work to be undertaken in terms of examining the range of the functions that are carried out within the department — the commercial activities, the regulatory activities, the land management activities. The State forests are managed not merely for those commercial purposes but for others, so there is some disentangling to do and, very importantly of course, fire management in State forests. Part of the funds that are being allocated to the department are for that general work. That will lead to the establishment of a new entity, but the bulk of the work is really about looking at the whole range of activities that take place in forest management and getting them all into a durable shape.

**Ms GARBUTT** — This was about a total reform of forest management, not just about reducing the harvest down to a sustainable level, although that fundamentally is the most important aspect of it. It includes reform of the way the government manages forests — it makes it much more accountable, much more transparent, involves the community a lot more, and of course puts it on a secure footing. It is that sort of security that the industry needs, knowing that the timber is there and that they will be able to get it, knowing that the department has reliable estimates of not just what is in the forests now but in the future, and backed up of course by the regional forest agreements, which now cover the five areas of the state. So it is about sustainability — that is what will underpin the industry in the long-term — but it is also about a reform of the way we manage our forests.

**Mr RICH-PHILLIPS** — On the issue of reducing the harvest, you have allocated \$47 million to the voluntary licence buyback scheme. Can you provide the committee with details or an estimate of the number of licences and the volume of those licences that you anticipate will be bought back with that \$47 million?

**Ms GARBUTT** — When we announced this package we said we would consult widely with the industry in order to achieve the voluntary buyback. We have established the industry transition task force, with representatives from the industry, to work through those sorts of details. We are doing that very well; a lot of work is being undertaken on that aspect. But we said at the time that we were not going to announce something that had every detail pinned down because the industry clearly wanted to be involved in making those decisions, so we are involving them. We are working through a whole range of issues with the industry, the union, workers and of course the community. That work is being done now.

**Mr RICH-PHILLIPS** — Are there any ballpark figures we can have?

**Ms GARBUTT** — No, not ballpark figures. I do not think we want to get into ballpark figures. There is an allocation there, and we expect it will be within that allocation.

**Mr RICH-PHILLIPS** — Given that you have that set pot of money, you must have an idea of what that will buy in terms of taking back licences.

**The CHAIRMAN** — I think the minister just indicated on that.

**Ms GARBUTT** — I do not think it helps to speculate. We are doing the work in consultation with the industry and that will come up with a process, and obviously the figures will arise from that.

**Mr RICH-PHILLIPS** — Do you know when that will occur? Do we have a time frame for that?

**Ms GARBUTT** — It is happening right now.

**Mr RICH-PHILLIPS** — About when it will be completed?

**Ms GARBUTT** — No.

**Mr DAVIS** — Will the \$47 million be enough? Are you confident — —

**Ms GARBUTT** — We think it will be enough.

**Mr DAVIS** — How do you decide that if you do not have any calculations?

**Ms GARBUTT** — You have had your question, haven't you?

**Mr DAVIS** — This is a follow-up.

**The CHAIRMAN** — We are drifting a fair bit.

**Mr RICH-PHILLIPS** — Then I will ask it.

**The CHAIRMAN** — As a final follow-up. I think the questions was — —

**Mr DAVIS** — Are you confident about the \$47 million; is that sufficient; and how do you decide that — —

**The CHAIRMAN** — No, hold on, we are not progressing.

**Mr RICH-PHILLIPS** — Are you confident with that figure?

**Ms GARBUTT** — Yes, for that.

**Mr RICH-PHILLIPS** — I take it that is a yes?

**Ms GARBUTT** — I think I have answered it.

**Ms BARKER** — Get the transcript, Gordon.

**The CHAIRMAN** — You were speaking before about what is being done to address the health of the Snowy River, but of course the Snowy is not the only river in Victoria that has some level of stress or requires some mode of action. I note that on page 5 of your presentation you refer to the Victorian river health strategy. Could you give the committee a bit of detail about what the aims of that river health strategy are and how that differs from what is being applied to the Snowy? I guess I am asking you really what the government is doing to address health issues in rivers other than the Snowy.

**Ms GARBUTT** — The Victorian river health strategy is a very important strategy. I have a draft out now, have called for submissions and have a budget allocation of \$10.5 million. It is about the long-term restoration and protection of all our rivers. You are right, Mr Chairman, the Snowy is but one of our rivers and many of them are in a stressed or bad state. We know that about a third of our rivers are in a poor or very poor condition and only 22 per cent are in good or excellent condition. That really demonstrates and underlines why we have to put in a major effort to improve the health of our rivers. Some are very stressed indeed, but only 22 per cent are in good or excellent condition, so obviously the overwhelming majority need to be improved.



We have taken an approach where we need community involvement in these decisions. The communities needed to be the ones driving the development of programs to address the specific areas in their regions. The regions will be able to establish community-driven river strategies for particular reaches of particular rivers, so it will get to down to the level of detail. They will set a local agenda as to what needs to happen — whether it is revegetation, improved environmental flow, an emphasis on reducing sediment and nutrients into rivers and so on — so that the local community has some ownership of the actions that will take place. I am currently finalising that strategy, but there is \$10.5 million to be directed to that program.

We are holding up the Ovens and Mitchell rivers as two very good icon rivers. They are both heritage rivers under the Heritage Rivers Act and we will be focusing on trying to make them icons as well. I stress the program does apply to all the rivers. We have talked about the Snowy River. Other important ones include the River Murray. We have recently announced \$15 million to be put into a fund with South Australia, which is also putting in money, and that will go towards improving the water quality and reducing salinity in the Murray. That will be done in accordance with the Murray–Darling Basin council's process, which is focusing on environmental flows. We have already committed to that program, which will achieve up to 30 gegalitres of environmental flows through that funding. That will complement the 70 gegalitres targeted with the Snowy–Murray agreement for the three governments, so that is a major commitment already to the Murray River.

The Wimmera–Mallee pipeline, to which I also referred, will save enormous amounts of water. It is estimated it can save up to 93 000 megalitres of water every year; 10 000 megalitres of that will be allocated to regional growth opportunities, but that still leaves 83 000 megalitres every year which will then be divided between the Glenelg and Wimmera rivers. That will see enormous environmental flow improvements in both those rivers, and others in the Wimmera–Mallee system. That is a great program that will see not just environmental benefits but other benefits as well.

As well as those rivers it will benefit the terminal lake systems, particularly Lake Hindmarsh and Lake Albacutya. They are other significant water bodies that have had a severe impact because of use of water. The other one that is very significant is the Gippsland Lakes. I indicated there was a \$12.8 million boost in this state budget to the Gippsland Lakes.

I have launched the Gippsland Lakes action plan based on the scientific information and direction provided by the CSIRO — Commonwealth Scientific and Industrial Research Organisation — report. That indicated that the single most important thing we can do for the Gippsland Lakes is to reduce the nutrients flowing into the lakes. The nutrients are causing the blue-green algae, and the nutrients are caused by a whole range of activities right up the catchment — whether it is farmers putting on fertiliser and it flows into the river system, whether it is coming from inadequate sewerage in towns, whether it is from stormwater, or whether it is from each of us using detergents. All of those things, right up to the top of the catchments, is what eventually flows into the Gippsland Lakes and causes problems. We are putting in the \$12.8 million over four years to tackle nutrient reductions.

It is significant that we have been able to get that body of work from the CSIRO to determine what is the single most important priority, because a lot of action can be taken but this allows us to target the funding specifically. It will be about targeting nutrient reductions and setting nutrient reduction targets. It will provide incentives for landowners to change their land management practices so they do not have the flow from their properties of fertilisers, weedicides, pesticides and so on. It will be on-ground work to complement that work of nutrient management including revegetation, and it will be also investigating the possibility of a second ocean entrance. That has been talked about a lot and has been raised as an issue, so we are obliged to investigate whether that would make a difference or whether it would just create a whole range of other problems.

Across the state — from the Snowy to the Wimmera, from the Murray down to the Gippsland Lakes and for every river, in fact — we have allocated funding. That is not to mention the water recycling efforts the government is putting in place, the smarter water use on farms through our Water for Growth program, or the farm dam legislation, which will all contribute to better outcomes for our rivers and waterways. It is a comprehensive program in improving our rivers and waterways.

**Ms BARKER** — You mentioned something that is in budget paper 2 on page 90, where it states that the package would:

... provide incentives for landowners to implement best practice to reduce fertiliser run-off ...



Do you get a sense that that there is a general feeling among landowners who need that incentive or cooperation that they recognise that work needs to be done to reduce the fertiliser run-off and to do things to make sure waterways are cleaner?

**Ms GARBUTT** — It is hard to put a figure on that. There is recognition but there must be action also. That can cost the money. It may need mechanisms for pumping back the drainage from the irrigated pastures, for example, so it is reused and then the polluted water does not run off into streams. That is a cost. It may mean moving to more efficient types of irrigation — for example, drip irrigation instead of flood irrigation, which is pretty obvious. That costs a lot of money. We are providing the incentive to assist them to make that move. Many are doing that anyway because it produces better returns — that is, better crops, lower water costs, lower costs of fertilisers, pesticides and weedicides. There are benefits for farmers, but you have to get them to the stage where they are willing to make the initial expenditure. We have put in place incentives to underwrite not all but a little of that cost. There is a demonstration value — that people can see their neighbours are moving to this particular type of irrigation and that it can have a good impact, so they will do it.

**Ms BARKER** — Do you get a sense that you are getting that cooperation or interest from those farmers who require to do that work, that there is a recognition out there that they need to do it and that cooperatively it can happen?

**Ms GARBUTT** — Yes. I will ask Peter Sutherland if he can give any quantifiable account of how much interest and how much movement there is to more efficient irrigation practices to reduce run-off and so on?

**Ms BARKER** — I am happy for it to come back. I am simply wondering whether you get a sense of cooperation.

**Ms GARBUTT** — Yes, and there has been a good uptake in those incentive schemes, whether it be the Gippsland Lakes rescue package that included incentives for farmers or whether it be the Water for Growth project that is aimed right across the state. There has been good uptake for more efficient usage of water on farms.

**Mr DAVIS** — I am wondering whether you or anybody from your office has had discussions with or has been informed of any moves by senior officials at Land Victoria to either contract out any of the functions of the office of the Registrar of Titles or to commercialise any of its functions? Could you give an explanation if you are aware of anything?

**Ms GARBUTT** — The titles office?

**Mr DAVIS** — Yes.

**Ms GARBUTT** — You mean the titles automation project that I mentioned before — to scan the 5 million-odd titles?

**Mr DAVIS** — But not the function itself.

**Ms GARBUTT** — It was a pretty miserable failed attempt by the previous government, which I criticised at the time. Certainly contractors were used for that scanning process. All the 5.12 million paper titles were digitised and put onto computer. You can look up your title quickly — instead of taking 24 hours it now takes 10 minutes. You can access it from any part of Victoria — you do not have to drive to Melbourne — or you can have an agent here look at it. That part of the project was delivered under contract.

**Mr DAVIS** — The ongoing activities of the office?

**Ms MUNRO** — There are no plans at present to contract out those activities.

**Mr DAVIS** — To commercialise?

**Ms MUNRO** — They are a core business of government. The land exchange project is designed to facilitate commercial activity, some of which will be based on land information, but that is not the same as commercialising the titles registration and information system itself. I am not sure to what you refer, but there is nothing on that.

**Mr DAVIS** — You are absolutely confident there are no plans of that nature?

**The CHAIRMAN** — By government?

**Ms GARBUTT** — Could you be more specific?

**Mr DAVIS** — I have heard, and I am trying to be certain that it is not the case, that there are plans to commercialise part of the process that relates to the core operations of the titles office, and in particular that huge volume of work that is the registration and processing of titles. I want to be absolutely certain there is no plan to do that or to commercialise it in any manner.

**Ms MUNRO** — I really do not understand what you mean by that. Essentially a title is guaranteed by the Crown, and the maintenance and provision of that data to people on request is a core function. People are charged for that, and the whole management of that information provides the basis for part of the state's tax base. There are associated cost recoveries and it is run in an efficient manner. If that is what you mean by commercialisation, I would say that is already taking place. In terms of future commercial opportunities in the marketplace, as I have said, the land exchange project, which has just started, is designed to provide a platform through which commercial parties can develop new products and services that would be commercial, but that is not commercialising activities of the State.

**Mr DAVIS** — There are no plans to do that and no discussion has occurred on that?

**Ms MUNRO** — No.

**Ms BARKER** — I take you to the issue of stormwater run-off and the implications for Victoria's waterways. You referred to the urban stormwater achievements program during your overview, but could you give us details on how the government has addressed that issue and if there are any other programs planned in regard to that very important issue?

**Ms GARBUTT** — It is important. I suppose everyone sees the plastic bags up in the trees along our creeks, and that is bad enough. Indeed, litter is a significant component of stormwater. But stormwater also carries sediment typically, for example, from building sites where sand and cement used by brickies can run off into the stormwater system. It can carry all sorts of nutrients, whether it is detergent from people washing their cars, or worse. There are significant pollutants and sediment as well as litter as a component of stormwater. I think most people have a picture of stormwater as being drains, but the drains usually end up in our waterways — whether they are our creeks or the lakes, or eventually across the beaches into our bays and marine environment. They are a significant, if unseen, sort of pollutant source.

When we came to government we put up \$22.5 million for the stormwater action program over three years. The first basis to work on was to get local governments to sign up and have a stormwater management plan developed with some community input and then put in place. There is a funding component to local government to encourage it to do that. There are also some best-practice guidelines which demonstrate how to do it. It is not just about gross pollutant traps. It is also about community education, whether it is those stencilling programs on the drains so that people can see that stormwater from that particular street will end up in that beach, that lake or whatever, or whether it is their planning so that they get their planning right — and the planning might allow for retarding basins which slow down the stormwater, allow litter and sediment and pollutants to drop out of it when it is slowed and then go into the stormwater system.

The first stage is to get local government signed up to a stormwater management plan. All but four councils across the state are now in the process of developing or have already developed a plan. I might be able to pick up in my notes the four councils which have not signed up. I know Glen Eira City Council is one, which might be of interest to you, and Boroondara City Council is another.

**The CHAIRMAN** — What is the reason for that? Why are there four that have not got to that stage?

**Ms GARBUTT** — Rob, do you know who are the four and what their excuses are?

**Mr JOY** — I think we are down to two now, which is encouraging. As I understand it Glen Eira and Yarra Ranges Shire Council are the two that are standouts, but they have now started to develop their programs. It is always interesting to try to work out in specific cases why a local council does or does not do anything in particular. In the case of Glen Eira there was some disputation about the size of the drains and who owned them. That has now been sorted out, and they are now working on the plan, which means that in the coming year they

will have access to implementation funds. They will be receiving some funds to assist in the development of a plan, along with Yarra Ranges.

**Ms GARBUTT** — So the second stage of that program — that is, once the plan is in place and it can be funded for development — is then to fund for implementation of certain projects. Typically it has been wetland development, retarding basins, gross litter pollutant traps and that sort of infrastructure. Also, community education campaigns, which can involve particular business areas where a stormwater officer might go and provide information to them about issues concerning the impact of what they are doing and how they are disposing of issues, to general community education campaigns.

**Ms BARKER** — That officer is employed by whom?

**Ms GARBUTT** — The officers would be employed by councils. Not all councils have them. It depends on their own particular plan and how they choose to do that part of the plan. Some have employed particular officers to do that work. They typically work with businesses but they also work in schools, community groups and so on. Community education is an important part, but so too is getting the infrastructure and planning requirements right so that developers know they have to build that into their subdivision plans and builders know that they are required not to allow any sediment to go off site and into the stormwater system because it silts up the creeks and so on. So far we have funded over 172 projects. The government has put up through the EPA just under \$12 million and councils have put up just over \$12 million, so we have leveraged it right up. I think it is a terrific result from having only a tiny handful of councils even considering stormwater management plans to now all but two actually under way or in place. That has been a great start.

Recently I announced over \$1 million worth of projects for half a dozen councils around Port Phillip Bay and their projects, although I think it is an artificial way to look at it because it is actually councils further back up the catchment of the Yarra, right back up the Yarra Ranges, that have an impact on the bay because of the way the stormwater moves down through to the bay. This has also been state wide, so every rural and regional council has been involved but the two that Rob mentioned. We are getting some quite innovative projects. One of the grants from the \$1 million worth was to Hobsons Bay to rehabilitate a former landfill site to improve the stormwater flowing into Port Phillip Bay. It is about getting the planning features in place, about raising community awareness, as well as about getting councils being able to fund some of the bigger infrastructure programs. It is a three-year program. We will be calling for expressions of interest in the third round very shortly, so you might make some inquiries at your local councils.

**Mr RICH-PHILLIPS** — I would like to ask you about the office consolidation projects which are listed at page 205 of budget paper 2. One is a Bendigo consolidation and Bairnsdale replacement, which was a total of \$10.8 million. The other is the CBD consolidation, which is \$17.5 million. Can you outline to the committee what the savings are going to be as a result of those consolidations, and also what the department's policy is, particularly with respect to consolidating field officers with the Bendigo consolidation? Are you taking people out of field areas and consolidating them in Bendigo? What is happening with the actual field staff?

**Ms GARBUTT** — The Bendigo one is consolidating existing officers. I do not believe it will be taking staff out of the field, but I will get further information from the secretary.

**Ms MUNRO** — In terms of the Bendigo consolidation, it is simply what it says it is. We have staff in two separate sites and the intention is to bring them together in one site. There will be some savings associated with that, but it is primarily so we can make better use of accommodation. Also, what we have found is we get a lot of benefits from interaction between staff members who work from different disciplines and bringing them together in one site in those urban locations makes a lot of sense. Obviously, it is a similar situation in Bairnsdale. Could you repeat the question.

**Mr RICH-PHILLIPS** — I was going to ask you about the savings and the consolidation of field staff. You mentioned two sites. Are they two Bendigo sites?

**Ms MUNRO** — That is right. As I say, it is not about reducing field staff or anything like that, but that we get better interaction between staff working in different disciplines. I think on the basis of that, we will be able to provide improved services. There are obviously very important connections there. One of the important connections is between our research staff and our staff who are delivering services in the field. The more opportunities they have to interact I think the better the quality, so that is what that is about. In terms of savings, I do not have the figures to hand, but I would be able to provide that on notice.

**Mr RICH-PHILLIPS** — Thank you. Also, the time frame of that consolidation is spread over three years. Why is that?

**Ms MUNRO** — I think because there is construction involved on site. Dale Seymour, deputy secretary, services, might be able to confirm that.

**Mr SEYMOUR** — There is a phased construction program that we propose at Epsom which will see the consolidation of the two Bendigo sites into one, in answer to your question.

**Mr RICH-PHILLIPS** — With respect to the CBD consolidation, it is also spread over two years. I understand that is only a fit-out. Is that correct?

**Ms MUNRO** — That is correct.

**Mr RICH-PHILLIPS** — Could you comment on the time frame for that?

**Ms MUNRO** — The time frame essentially is driven by the expiry of the leases that we currently enjoy. Not only are we scattered across more sites than is optimal, but our premises in Victoria Parade are in pretty poor condition and in fact do not provide for very efficient use of space, so in consultation with the government property group, which is run out of Treasury, we have been looking at our future accommodation needs. The intention is that we would consolidate if suitable premises were available and as part of the overall plan that they are developing for government accommodation. The fit-out is therefore part of the standard approach that would be taken to office fit-out at that point. The expectation is — it is a matter of matter a timing, really — that it would span two financial years. It does not necessarily mean it is a 24-month project, but that is what would happen.

**Mr RICH-PHILLIPS** — It is not necessarily consolidation on your existing Macarthur Street site?

**Ms MUNRO** — We are currently on Nicholson Street and Victoria Parade, but no, that is not necessarily the case. I would say it is a matter for the discussions we are in with the government property group now about the best way to meet our long-term needs, given the expiry of that cluster of leases that we have.

**Mr RICH-PHILLIPS** — Thank you.

**The CHAIRMAN** — I refer to your environment protection responsibilities. Page 257 of budget paper 3 outlines a number of those in the output group, and a number of indicators about compliance and ensuring compliance with things such as air quality standards and ensuring that statutory requirements are being met et cetera. Can you outline for this committee what you are doing as the minister responsible for the EPA to ensure that those people, corporations, et cetera who are polluters of our environment are pursued and stopped from doing damage to our air, land and water environments throughout the state, and how that compliance is being assured?

**Ms GARBUTT** — Yes, I can do that in a number of ways. When we first came into government I realised that penalties associated with pollution — of any sort, from general to quite serious offences of pollution — had not moved for 10 years and were at levels where some people could just ignore them — they could write down any fine as a cost of doing business and it really would not have had much impact at all. It certainly was not a disincentive to undertaking behaviour that led to pollution. So in 2000 we amended the Environment Protection Act and increased the financial penalties that applied for those sorts of pollutants. General pollution offences previously had a \$20 000 fine and that was raised to a \$240 000 fine — more than a tenfold increase. The maximum offence for dumping industrial waste went from \$40 000 to \$500 000. They were big increases and they were meant to deter people from polluting.

As well as that, we put into place some additional alternative penalties — green penalties, if you like — which gave the opportunity to the courts to really make the fine, or the penalty, fit the offence. Magistrates can now make sure that polluters publicise the offence, including in the local papers for where they are operating, where the local communities are is fairly sensitive to who they have as neighbours, and we are seeing that. They can also be required to publish the offence and the punishment in their annual report, and that is a publicly available document — available obviously to competitors as well as the community — or they can carry out a specific project for the environmental benefit of the neighbours who might have been subject to the — —

**The CHAIRMAN** — A sort of community service order?

**Ms GARBUTT** — That is right, yes. We are getting some through the courts now, which you, Mr Chairman, might be interested in as a Geelong member. In September of last year a company on the north

shore, Pivot, was prosecuted and pleaded guilty to charges of polluting the atmosphere. Its punishment was a fine of \$15 000, but it was also ordered to pay \$35 000 to the City of Greater Geelong to improve a local park in the area where it operates. It was a direct benefit to the neighbours of the company that had caused a pollution event in that local neighbourhood.

We have had other examples as well. A magistrate in Warrnambool ordered a company pay \$25 000 for the beautification of a playground and a road reserve in the local area, and also ordered that the company, Nestlé, publish a notice about the offence in the Warrnambool *Standard* and the financial pages of four major newspapers, including the *Australian Financial Review*, the *Age* and the *Herald Sun*. The magistrate also specified the wording of that notice.

So we are seeing those sorts of penalties, green penalties, come through. They are not more in dollar terms than the penalty might be if it were simply paid into consolidated revenue, but I am sure it would be more telling in the local neighbourhood and that those companies would find themselves under greater scrutiny from their local neighbours to make sure they did not commit those sorts of offences again. I think they have been very useful. We are starting to see those come through now, and I think companies will be dissuaded from taking those sorts of offences lightly, not just because of the dollar fine but also because of the scrutiny provided.

The other thing we have done is boost the funding to EPA, which has allowed it to put on a team audit. That audit team has some specialist expertise and is able to follow up with detailed investigations of any pollutant events it finds. I will ask Rob if there have been any notable successes from the team audit.

**Mr JOY** — In addition to team audit, the funding provided for the establishment of a special prosecutions unit, which works in conjunction with team audit. Together they are able to investigate industry sectors, individual premises and so on. Basically their target is the more complex investigations. Currently we have a very complex investigation which is coming to court as a result, we believe, of a very significant malpractice in regional Victoria in terms of managing grease trap wastes and the like. Team audit and the special prosecutions unit were both involved in developing the background to this and putting together what will be a very complex and lengthy case in the County Court quite soon.

Team audit is also versatile; it is also conducting investigations to characterise the health of some estuarine systems in the south-west, working with the local catchment management authority and the Department of Natural Resources and Environment regional staff to provide some baseline work in terms of the ecological health of that particular system. It has the skills and can draw in the skills to work everywhere from a prosecution brief through to an environmental or ecological study.

**The CHAIRMAN** — In a case like the one you mentioned, Minister, of Pivot, where the court has ordered various things to occur, does the court or someone follow up that that has actually taken place? I do not mean the payment of the money, but the outcome in terms of the local park improvement?

**Ms GARBUTT** — Yes. In fact that has been one of the features of the legislation, too. Rob might outline how that works.

**Mr JOY** — Yes. We work with the court and local government to establish an appropriate form of penalty of this sort, and then we work with local government, which is usually the project manager, to implement it to ensure that the funds are paid across and that the work is carried out, and the report then flows back.

**Mr DAVIS** — Minister, I want to take you, in the first instance, to the 2001–02 budget, and to make a comparison with the 2002–03 budget at budget paper 3. I refer to page 218 of budget paper 3 of 2001–02. If you have a copy on hand you will see what I am referring to. It refers to the very important matter of biodiversity and the need to ensure that specific steps are in place to ensure that threatened species and so forth are adequately protected.

I refer you, firstly, to the measure for threatened species with demonstrable improvement, where a target of 30 was set for 2001–02. In the first instance, was that target met, and where could we find that, because I cannot find a relevant measure in the new budget? Secondly, a target of 50 was set for new species listed for protection under the Flora and Fauna Guarantee Act in 2001–02. I ask again, was that target met, and where can we find some examination of those measures in this year's budget?

**Ms GARBUTT** — I will comment generally on the Flora and Fauna Guarantee Act, which lists endangered species and threatening processes and asks for action plans to be prepared. In fact we have put a lot of

emphasis on getting those action plans done. We have overcome the backlog in action statements, for example, and have now published or approved around 64 per cent of them. We are planning for another 55 items this year, and they will nearly all have action statements prepared after this coming year. You will appreciate that we had a big backlog because the previous government did precious little about them. I will ask the department secretary to provide some comment on those particular details and where you might find that information.

**Ms MUNRO** — Thank you, Minister. The outputs you are referring to have had their performance measures reviewed, and as we have discussed previously in this committee with respect to I think the agriculture outputs — —

**Mr DAVIS** — Reviewed or zapped?

**Ms MUNRO** — No, reviewed. You will notice if you look in this year's report that there are a number of new measures, and it is difficult in the format of the estimates to provide complete continuity. If it is a new measure, obviously there is not a previous measure to refer to, and that also means that the measures referred to in the previous year's estimates do not, for obvious reasons, appear. The direct answer to your question about whether or not those numbers will have been achieved is that that will be reported in this year's annual report, so you will be able to see that at that time.

**Mr DAVIS** — Those precise measures?

**Ms MUNRO** — Those precise measures. The measures that are in the 2001–02 budget statement will be reported against the annual report, so you will see those. That is the answer to that question. We have not provided in the context of the estimates an estimated out-turn, as we generally do. I can ask the executive director of the relevant division if she is able to give you those numbers now, but if not, it is again a question we can take on notice and see whether we can provide them later.

**Ms van REES** — The performance measures for this entire output group were subject to review, and as you will see there is a new suite of performance measures designed to better reflect the performance of the division. You will note in the previous year that there were a number of performance measures, such as the completion of the Victorian coastal strategy and management plans for national parks, all of which have been completed, so it was necessary to review them.

You will also note that a number of new performance measures have been included in order to better demonstrate the performance of this particular output group. I take you, for example, to the performance measures in relation to Parks Victoria. You will find that they are far more targeted and far more focused on the performance of that organisation rather than being just general performance measures. For example, last year you would have seen a performance measure in relation to the number of tracks and trails in parks. All that tells you is the number of tracks and trails; it does not tell you anything about the performance of Parks Victoria.

**Mr DAVIS** — I do not see that the one I am particularly concerned about — threatened species with demonstrable improvement — is reflected directly in the same way and on the same scale. Yes, similar measures are tied to certain bodies, but I do not see the same scale.

**Ms van REES** — No, and I will explain why: it is because that measure is not specifically a measure of our performance. A number of factors impact on the status of threatened species.

**Mr DAVIS** — I disagree with you. I would say that most Victorians would look at the outcome in threatened species as a key measure of this output group and would say that if the number of species that are threatened is not assisted, that is a problem. Most Victorians would regard a species moving closer to extinction as a key output measure for this group and for the department.

Indeed — and the minister may want to comment on this — in the Independents charter there is a promise of parallel reporting, and we do not see that here. All we see in my view is a downgrading of these performance measure.

**Ms van REES** — Can I respond to that?

**Ms GARBUTT** — Before I ask Ms van Rees to finish — —



**The CHAIRMAN** — Issues have been raised that are probably more appropriate for the minister to comment on rather than being directed to Ms van Rees. However, Ms van Rees was attempting to answer that question, and I think we should allow her to complete her answer.

**Ms van REES** — Thank you. In response to that, I think you will find far better targets in here which were not there last year. For example, we now have a specific target in relation to programs that are being run by Parks Victoria to do with threatened species — not a measure there last year. You will find a specific measure there in relation to the programs being run by the Royal Botanic Gardens in relation to threatened species — not a measure there last year. It is similar for the zoo. Similarly you will find a measure there of the community's perception of the management by Parks Victoria of protected areas. So I would argue that the measures there now are a stronger measure of the performance of those agencies in this area.

**Mr DAVIS** — Forgive me if I am wrong, but they add up 39 and not 50. It seems to me that a lower number of endangered species is being focused upon.

**The CHAIRMAN** — We will not get into an argument with departmental officers.

**Ms GARBUTT** — I was just going to set a context, which was a recommendation from this committee last year to the department to review the performance measures contained in the budget papers to ensure continued improvement. That is the context, and those performance measures have been reviewed.

**Mr DAVIS** — But is this an improvement?

**Ms MUNRO** — Yes.

**Mr DAVIS** — I do not believe it is.

**Ms GARBUTT** — They are, because they are much more specific for different organisations rather than all just being wrapped up into one.

**Mr DAVIS** — But a lesser number of species is being dealt with, according to these output measures.

**Ms GARBUTT** — That is not true.

**Ms van REES** — That is simply not the case.

**Mr DAVIS** — Just look at the simple numbers here: 39, 50, 30. I just do not see how those numbers add up in the way you are suggesting they do.

**Ms van REES** — I disagree.

**The CHAIRMAN** — There is not much point agreeing and disagreeing on these.

**Ms van REES** — Indeed, if you take the items listed under the Flora and Fauna Guarantee Act, we have moved up from 30 to 40 with action statements next year, so in fact there has been an increase there.

**Mr DAVIS** — I hope that is the case, and I hope there are no species that fall through the cracks in this way.

**Ms GARBUTT** — I can assure you that no species will be declared extinct, which the previous minister for conservation quite blithely did. She simply ignored it and allowed a building to go up on it and trucks to run over it and dump stones on it, and then said, 'Oh, it is extinct', in contradiction of the act. That was the problem I inherited from the previous government.

**Mr DAVIS** — The parallel reporting under the Independents charter is not there.

**Ms BARKER** — I think Mr Davis has had enough time on that question.

Minister, you referred in your overview to the Werribee Vision as part of the catchment and water strategies, but you also referred to it as part of the sustainability agenda. I recall that you said this was a very exciting vision, and you referred to the use of recycled water briefly in your overview. Can you provide us with more detail about what seems to be a very exciting project and about how this project actually fits within the broader sustainability program of the government?

**Ms GARBUTT** — It certainly is an exciting program and an exciting vision. We see the area around Werribee as an internationally renowned sustainable development region based on reusing that vast amount of waste water which is currently sent out into Port Phillip Bay but which clearly needs to be seen as a resource. The area around Werribee is very dry — it is a rain shadow area which receives less than 15 inches of rain a year — yet it has a vast water supply available to it that is not being used currently.

We are about to call for expressions of interest in this project in order to recycle some of that water and develop new opportunities for agricultural land use and a variety of high-value, export-based agricultural industries. That will see local jobs being created through the Werribee food technology precinct; it is big news for jobs. We also envisage that value-adding manufacturing industries that use high volumes of water will be able to be located there. It will also be a new supply of water for the landscaping of parks and lakes in new residential subdivisions. That third pipe, if you like, will be able to be built in at the planning stage of those subdivisions.

Of course we also have on the Melbourne Water site world-recognised, Ramsar-listed wetlands which attract an enormous amount of bird life. We can boost the importance, significance and understanding of those as well and attract tourism.

The possibilities for reusing that water and opening that whole new area are amazing. The emphasis will have to be on sustainability. You would not undertake that sort of project without looking at the sustainability of all the resources you use — the land as well as the water and so on. The project is expected to use around 165 000 megalitres every year, and much more than that goes out into Port Phillip Bay every year. It is a great opportunity.

It is a strategic location between Melbourne and Geelong. It has Avalon Airport nearby and a major highway that is currently being upgraded. It has the infrastructure to support a much more dense population and manufacturing, as well as irrigated agriculture. The opportunity is just amazing. We had a discussion about this at the water summit. People were very enthusiastic and saw the opportunities, whether it was Lindsay Fox, who owns the airport, or Frank Costa from Geelong and the huge fruit and vegetable operation he runs. They were all saying that there is a great opportunity to do something here.

In the department we have set up a state of water unit, which will talk to businesses interested in this sort of opportunity and assess the expressions of interest that come in — and they will be called for in July. This will be a blueprint, something that people from around the world will look at. Ms Munro might talk a little bit about some of the activities being undertaken in the state of water unit that show how serious we are.

**Ms MUNRO** — This is a unit we are establishing to really focus on the interface between the public policy objectives around sustainable water use and taking an integrated approach to a region, and the commercial opportunities that that presents. We are establishing a unit which will be headed by a person on secondment from Treasury who will bring with them some of those skills, and we will draw together some people from the water area of the department who understand the water issues inside out. We will generally make some connections with the outside world.

As the minister says, the first task will be to manage the expressions of interest process which is intended in a very open way to invite ideas from the community, whether it is the business community or elsewhere in the Werribee community, about the opportunities they can see for sustainable development in their region. There will then be quite a complicated process of analysing that and seeing how we can optimise an overall plan for the region. From there we would be moving to look at very particular investment opportunities and perhaps running the sorts of tender processes that are associated with them. However, that is further down the track. The main thing is to try to build a set of integrated skills that can take a holistic view of the opportunities in the region.

**The CHAIRMAN** — I concur with you: I cannot think of a more appropriate place for this.

**Ms BARKER** — It's not in the redistribution of boundaries, is it?

**The CHAIRMAN** — That's right.

**Mr RICH-PHILLIPS** — I would like to ask you about the fire operations output group on page 267 of budget paper 3. My question goes to the figures which are listed as expected outcomes. The first one I would like to address with you is the actual outcome listed for 2000–01 with respect to fuel reduction burning completed. According to the budget papers 65 800 hectares were burnt as part of fuel reduction in the 2000–01 year. If you compare that figure with the previous year's budget paper — that is, the 2000–01 expected outcome — you will see that the figure provided there was 120 000 hectares, which is roughly double what has been reported as the

actual outcome. Given that that figure was provided in the budget in May last year, when we had basically completed 11 of the 12 months for the financial year, how is it that the actual figure provided this year is only half of what was provided as the estimate last year when you already had 11 of 12 months actual data?

**Ms MUNRO** — Perhaps I could answer this on behalf of the minister, or I could call somebody who would have a more technical background. The issue in this area is that fundamentally this is not a year-round activity. We basically have a very limited seasonal window in which to carry out fuel reduction burns — namely, in the autumn. The fact is that when we plan and put together our expected out-turns for the budget it is actually ahead of the main season in which we are doing this work.

We are very dependent on weather conditions in terms of the amount that we are able to undertake. You are absolutely right: for most parts of the report we have had 11 months of activity, and we can be pretty confident about how it is going to go. However, in this case a very high proportion of the work is yet to be undertaken, and it is highly seasonal. I have just been passed a note saying that effectively the estimates are put together in February — that is in terms of the numbers that become published — so that is getting ahead of that very short window of opportunity.

In terms of what happened in the 2001–02 year, which is the year we are talking about, I do not know if Ken King, who is the executive director of the forest service, is across that. We do not have anybody from the fire management area here, so I do not know if there is anybody who can explain the precise seasonal conditions that drove that. Effectively it is because it is so seasonal. Obviously we misread the weather signals at the time we put together the numbers.

**Mr RICH-PHILLIPS** — It is a substantial variance from the budget — obviously better than double, or half, I should say — going from an estimate of 120 000 down to an outcome of 65 000. Are you confident with respect to the figures for the 2001–02 year, given that we are five days away from completing the financial year? Has the season been as predicted by your officers? Will we see these targets achieved?

**Ms MUNRO** — I am afraid I cannot say that. I am aware of a fair amount of activity that has been undertaken, but not what it aggregates to. I think we have had a pretty successful year. I would also say that in terms of the outcomes you can see that in fire management generally the structure that we have adopted on fuel reduction seems to be fairly successful in managing the risk, despite the fact that we have had several years that have been high risk because they have been so dry. We have very successfully contained fires at a smaller size, and fortunately we have had fewer of them. I cannot comment precisely on it. I can probably refer back to the people in charge and get a snapshot. I am aware that a fair amount of activity has been undertaken.

**Ms GARBUTT** — Mr Ken King, the executive director of the forests service, might be able to add some detail.

**Mr KING** — You need to look within the figures. Basically a lot of the priority 1 works, which are the small works we do around townships, would have been completed. Where we start to vary is in our broadacre burns, and basically they are happening at the same time as we are doing our regeneration burns. It depends on the time of the autumn break. This year it has been very dry north of the Divide, so there would be a chance that the figure would be down a bit because these have to be done when you can ensure they can be controlled. The variation in the figures is very much determined by how much of a window of opportunity we get for the larger scale burns where we go out and do many thousands of hectares at a time.

**Mr RICH-PHILLIPS** — With respect to the issue of controlling the burns, I note that the measures of that — fire controlled at less than 5 hectares and fires controlled at first attack — show a decline in the level of achievement in terms of the expected outcome for this year versus the actual outcome for the previous year. Those figures which are provided as the expected outcome match the target as well. Are they merely the target repeated, or are they actual estimates that the department has made of what it expects the outcome to be? If they are actual predictions of what the outcome will be, why have the figures declined, in the case of quality control within size, from 86 per cent down to 75 per cent and, in the case of timeliness, from 94 per cent down to 75 per cent?

**Mr KING** — It really depends on the season that comes around. There are so many seasonal variables.

**Mr RICH-PHILLIPS** — They are actuals.

**Mr KING** — No, they are targets.

**Mr RICH-PHILLIPS** — Targets you would expect to meet? The expected outcome is actually what you expect to achieve, or it is just repeating the target, pending accurate data?

**Mr KING** — They would be targets we would expect to meet.

**Ms GARBUTT** — Subject of course to the weather. There is a safety issue here, which is that burns are not undertaken where there is a risk that they will not be controlled. So with a late break where the vegetation is still dry, the department would not risk a fire there.

**Mr RICH-PHILLIPS** — I appreciate that. If I can put it this way, you expect the department's control of those burns to be less — that is, you expect a smaller percentage of them to be controlled within 5 hectares and a smaller percentage of them to be controlled at the first attack.

**Mr KING** — It also depends a bit on the source. There are a variety of sources. Some are deliberately lit, and some are lit by lightning. In some of the previous years the actual rate of control, including control of first attack, happened because you got rain after a lightning strike, so it depends on the suite of fires you get for a particular fire season and where you get them.

**Mr RICH-PHILLIPS** — Are those figures predicted when you put together these estimates?

**Mr KING** — We can only do a broad estimate, because we do not know what the season will be. We are predicting the fire season about now for next fire season.

**Mr RICH-PHILLIPS** — Exactly. That is why I am surprised that those would be factors you would be looking at when you are putting together those numbers.

**Ms MUNRO** — I refer the committee to the 2001–02 budget papers, which have been referred to a couple of times. On page 232 the committee will see again that the outcome for the previous year was significantly higher than the target and the expected outcome. If you look at the 1999–2000 outcome and the 2000–01 outcome, comparing those, you can see there was a significant improvement between those two years. It is true to say that we have been very conservative in our target setting because of the unpredictability of fire behaviour in exactly the way Ken King has outlined, and at the time of preparing these estimates we are still not in a position to do a complete analysis of the fire season. Therefore we can say with confidence that, yes, we will meet the targets, which is basically what this says. The target is 75 per cent; the expected outcome is 75 per cent.

I would anticipate when we report in our annual report there will be a different number and a higher number. Whether it maintains the trend that we have seen over the past couple of years of highly effective management I would not want to speculate on at this stage. It may be that over time we can review those targets and have a better predictive tool than we have at the moment. But at the moment we err on the side of caution in terms of what we put in the estimates, and the actual outcome will be reported in full in the annual report.

**Ms GARBUTT** — For fires controlled at less than 5 hectares, which is a key consideration — that means fires are kept small and do not get out of control — the figure has improved. The figure for fires controlled at first attack has also gone up to 94.5 per cent on the actuals, so that is a good outcome.

**The CHAIRMAN** — One of the perennial issues in rural and semi-rural areas is the control of weeds through weed eradication or weed control programs. From time to time we see things such as Paterson's curse or outbreaks of other noxious weeds on roadside verges. Within this budget what is being done to control weeds?

**Ms GARBUTT** — You are right, it is an issue that is constantly raised with me. It is a serious issue because it has an impact both on farming outcomes and also on the environment. There are major environmental weeds as well as agricultural weeds that have an impact on farmers' individual incomes and, of course, on the economy, so we have tackled it on a number of fronts.

I recently released the pest management framework for action, which tries to give an overall strategic direction to the considerable funding that governments, councils and landowners put into taking action on weeds and pests, but in particular weeds. It provides that overview and puts an emphasis on accountability being very transparent, so that no matter which part of government departments you are talking about the actions are transparent and there is good research, good monitoring, priority setting and an involvement of all the stakeholders. We have put out that framework, which I think will see us getting a lot more value for the money we are putting in.

We have also strengthened the enforcement process through the Catchment and Land Protection Act. One of the things that drives people frantic is when they actually put a big effort in on their property to control the relevant weeds only to find that a neighbour has done nothing. Often it is a problem on the urban rural fringe, where the neighbouring landowner lives in town and does not come out very often or is doing some sort of agricultural pursuit where weeds are not a problem — for example, growing pine trees, where it does not matter if a lot of weeds are under them. There are those sorts of examples as well.

We have put a lot of emphasis on an enhanced enforcement program. I can tell the committee that the number of visits that departmental officers have made has increased hugely; the number of landowners contacted has gone up; and there was a 48 per cent increase in enforcement activity in the six months from July to December last year compared to the six months before.

The department undertook over 2500 enforcement activities, and when it was tested out 94 per cent of landowners actually complied. So there is a high level of compliance; but just a few people not undertaking the relevant action, say, with serrated tussock where each plant can set millions of seeds, can undo a lot of work from many other people.

I have also just announced a new funding commitment of \$200 000 to tackle priority weeds on private land that adjoins public land along the box-ironbark regions where we are establishing new national parks. We have put in specific community-driven programs which have had management plans such as for gorse and ragwort where community groups have developed their own action plans and they know what they want to do. We have funded them to do that.

We have put in \$400 000 for a weed hot spots program as well, so there has been a lot of action to tackle them on a number of fronts. Overall we have put out that pest management framework so there is a bit of strategy behind what is happening. It is not just scattered effort that in the end does not amount to a whole lot; it really is setting those priorities, understanding whose roles and responsibilities they are, and making sure that that happens.

It has happened on a number of levels — the framework, the extra enforcement, the extra visits to landowners, tackling specific hot spots but also supporting those community groups. Large amounts of funding go to Landcare groups; they do a lot of the weeding. One of the changes we made there was instead of categorising grants into separate programs — Landcare groups might get a project to weed and then they might have to apply again to get another project to revegetate and then another one to tackle the rabbits, and quite clearly you need an integrated approach to those; if you weed and do not revegetate the weeds grow back — the second-generation Landcare program has emphasised integrated natural resource management. It tackles all of those existing issues and there is a long-term outcome rather than a short-term one or one where the problems are shifted from here to there, creating different problems further down the track. As I say it is an issue that people get quite emotional about, have a big investment in and endless conversations about, but we have tackled it very seriously in a number of ways.

**Ms BARKER** — You should get councils to get rid of agapanthus.

**Ms GARBUTT** — Agapanthus? Have you an agapanthus in your garden?

**Ms BARKER** — No.

**Ms GARBUTT** — Neither have I.

**Ms BARKER** — I have weeds.

**Ms GARBUTT** — That one is controversial. Vegetation is required first, I think.

**Ms BARKER** — I thought I would throw it in.

**Ms GARBUTT** — I appreciate that.

**Mr DAVIS** — Minister, I refer you to a consultant's report on options to upgrade the Moe main drain received by your office around February 2001 and to the fact that both the West Gippsland Catchment Management Authority and the federal government have committed their share of \$503 000 to the \$1.5 million dollar project, which as I understand it serves about 1000 Gippsland farms and protects about \$30 million per annum in farm income. I ask you why the Victorian government will not provide its \$503 000 share of this urgently needed project?

**Ms GARBUTT** — I will get Peter Sutherland to give us the run down on that one.

**Mr SUTHERLAND** — I am Peter Sutherland, executive director of catchment water. An allocation in excess of \$21 million is made each year to the Catchment Management Authorities across the state for integrated waterway, flood plain and regional drainage programs. Each of those CMAs has undertaken work to develop flood management and regional drainage strategies and then scheduled priorities for work over a three-year rolling planning horizon. The government provides some additional assistance for projects but most of the resource needs to come out of those funding allocations to Catchment Management Authorities. The general formula for funding these types of flood mitigation works is based on a one-third share from local government, a one-third share from the commonwealth and a one-third share through the state. In this case the expectation would be that the state allocation would come through the relevant Catchment Management Authority. It is really a matter of scheduling — each of the CMAs factoring the priority of the work into its works program.

**Mr DAVIS** — What worries me is about that is that as I understand it up to 6000 hectares of prime dairy land is at risk if the drain bursts. It seems to me that that is a very high priority, and I wonder if you could explain why the government itself is not making that a priority — you might want to come in here, Minister — to ensure that the catchment management authority does lift this up as a significant priority. The risk is great.

**The CHAIRMAN** — That is clearly a question for the minister, I would have thought.

**Ms GARBUTT** — The department has pointed out that it is a matter for the local catchment management authority and its priorities in the first place, so that question has been answered.

**Mr DAVIS** — But it does not explain why you have not been prepared to try and raise that profile up for the catchment management authority. Have you taken any measures to ensure that it turns its mind to this important project?

**Ms GARBUTT** — I do not intervene in the catchment management authority's priority scheme.

**Mr DAVIS** — You talk to its members from time to time.

**Ms GARBUTT** — Of course I do, but CMAs are special statutory authorities, and I do not intervene in that sort of way. They identify their priorities. In fact they are going through a process now where they are renewing their regional catchment strategies — a process that involves extensive community consultation — so the community is able to express its priorities through that as well. So it is not appropriate for a minister to intervene and say, 'This will be your priority'. I would have thought that was turning the whole process on its head, quite frankly.

**Mr DAVIS** — Still you are prepared to leave this area at risk?

**Ms GARBUTT** — That is a matter for decision by the catchment management authority.

**Ms BARKER** — Minister, I refer you to page 89 of budget paper 2, construction of the new Wimmera–Mallee pipeline. You probably do not need to refer to the budget paper because you did refer previously to it in your presentation as an asset initiative. I was wondering if you could provide us with more detail on the government's decision to proceed with this piping of the Wimmera–Mallee system, and of course what benefits will be available to the community in that area for this significant project in Victoria.

**Ms GARBUTT** — This has become an icon project. The Wimmera–Mallee channel system as it exists now is 17 500 kilometres of earthen channel. It goes through really hot dry country, often very sandy soils, and you can imagine that in those conditions most of the water evaporates or seeps away. At the extreme end of that system after 17 500 kilometres not much gets through. About 90 per cent or more is lost from what leaves the Grampians storages, so it is a significant loss of water and it has put stress on the Wimmera and Glenelg rivers which provide the water.

The Wimmera — in particular the terminal lake system — has not had water for years and is in severe decline, so it has had an enormous impact on waters and creeks right through the Wimmera–Mallee system, but also on the Glenelg, which flows south to the sea. It is also a very significant economic driver for that entire region. Farming enterprises depend on it. Most of them are stock and domestic so they water the stock from the system. There is a little bit of irrigation, and there have been some recent developments in intensive piggeries, for example, which have added some great economic boosts to that community.



But it is a system in decline; there are major problems with it as well as the obvious environmental ones I have outlined. It is also a community that has been losing population for many years and has not seen new prospects and new opportunities for it. This project will give it that opportunity. The whole place has had a boost. The morale has shot up remarkably since we announced that we would fund this project. It will save up to 93 000 megalitres of water a year; 10 000 megalitres of that will be allocated to new opportunities, perhaps irrigated agriculture, typically vineyards, down there around the Mount Avoca area — Stawell, Ararat and so on. So there are big opportunities there for new developments. That alone is enough to send the morale of the area sky high.

It will also provide them with security of water supply. In the past four years, when there has been a record drought, their storages got down to 11 per cent at one stage, and they have had to ration their supplies of water. They have filled one dam in three. Many have had to sell of their cattle or agist them elsewhere because the security is not there. In fact the only water they have been able to get in the past two years is because of the success of the northern Mallee pipeline, which has piped the northern part of that system, provided water savings back into the system and provided security. So if that pipeline had not been done over the past 10 years — in fact, it was an initiative of the Kirner government, in its last budget, that started that project — they would have run out of water two years ago and would have had nothing for their stock and domestic systems. I think they understand very clearly the importance of security.

It also will supply them with much better water quality. The dams are filled once a year, and by the time the next water comes through the dams will be full of blue-green algae. They will be saline and almost unusable; they will have vermin and weeds and everything in there. What they will get from this will be improved water quality; the water will be delivered without all those problems, and it will be delivered to farms as well as the towns and businesses. It will enable places like the piggeries to expand, because they will have that opportunity. It will provide secure supplies of water. They are unlikely to run out once it is piped and the savings have been made.

It will also renew the environment, improve the environmental flow into the Wimmera and Glenelg rivers and into the lakes system. It will turn those systems around; and it will offer increased water for recreational purposes. At present most of the lakes, like Green Lake in Horsham, are dry and that is causing problems. There will be benefits there in terms of tourism as well.

This is a great triple-bottom-line project, because it will deliver benefits there for the environment and the local economy, and of course socially. It will turn that region around. There will be optimism and opportunities that have not been there previously. They have had five years of grinding drought, and this has been the best announcement they could possibly have had.

We have allocated \$7.7 million over 10 years — the full amount being \$77 million. Farmers will have to meet quite a lot of costs themselves. They will have to put in tanks and new systems on their farms, so there will be some expense there. Some revenue will come in from the sale of the 10 000 megalitres of water that will be saved through the system, but fundamentally we are waiting for the federal government to commit its share, its \$77 million, to come in and make the project possible.

**Mr DAVIS** — You will spend it on the MCG instead.

**Ms GARBUTT** — We have put our money up there. You would be much better off spending your time — —

**Mr DAVIS** — It is Liberal policy.

**Ms GARBUTT** — Where is the money?

**Mr DAVIS** — You could take \$90 million from the federal government — —

**Ms GARBUTT** — You would be better off lobbying your colleagues in Canberra and getting them to put up the money. The pipelines committee has lobbied the federal government. It has presented its proposals, and we have heard all sorts of excuses, including one today, as to why the federal government did not put its money up. People in the Wimmera–Mallee area are worried that they will have to lobby every year for 10 years for the federal government to put up its little bit of money each year instead of saying, ‘Yes, we commit to the entire project, here’s the money, it is spread over 10 years’. The federal government should follow the example of this state government. We have put in the money and people can count on it being there. It is there in the budget papers, it will be there every year, and we will see this project through. but the federal government has still not put its money on the table and has not made it available. The people can see that they will have to go back every year for another

lobbying exercise to try to get that money out of the federal government. This is a great project. It delivers on the triple bottom line. It will deliver huge benefits for that area, but it does need the federal government to cough up the money. So the Liberal Party members on this committee would be better off making phone calls—

**Mr DAVIS** — I am pleased to see you have picked up Liberal Party policy.

**Ms GARBUTT** — Where is the money? It is all right to say you have this policy, but where is the money?

**Ms BARKER** — You referred to the triple bottom line in terms of this project. Is this the only project you can refer to in terms of building those sorts of sustainable partnerships which relate to the triple bottom line? The triple bottom line is an important aspect of this committee's work, as well as of the government's work. You referred to that project as being one that addresses those triple-bottom-line objectives. Can you just quickly talk about other projects or partnerships that are also in line with the triple bottom line?

**Ms GARBUTT** — We have talked about the stormwater management project, which I think also delivers on the triple bottom line. Of those rivers projects, the Gippsland Lakes one is another one that is triple bottom line. Tourism and fishing are the major economic drivers around the Gippsland Lakes region and both of those are threatened periodically by blue-green algae. We have had fish kills and so on over the period that we are looking at with blue-green algae. Of course, tourism is hit as well. That is a \$12.5 million project, and there is the action plan, so that is about the triple bottom line as well.

Werribee Vision is another one that will deliver triple-bottom-line outcomes. It will provide a big economic boost in the western area of Port Phillip. They are regionally based approaches, I suppose, but there will be benefits elsewhere as well. Parliament put through the bill in the last week of the sittings dealing with sustainability covenants, which are about working in partnership with companies and industry associations, and reducing their environmental impact but not hitting their economic bottom line. It is about having good environmental outcomes by signing up to sustainability covenants with the Environment Protection Authority which will reduce their impact on the environment. They will select how they will do that to have the most effective outcome and reduce their environmental impact while maintaining their triple bottom line.

We have companies now that are ready to work with the EPA to get those covenants in place very quickly. It does encourage companies that want to be good corporate citizens and have that recognised by the public to have that done in a very public way through these covenants.

The other innovative mechanism we have put in place is the neighbourhood environment improvement plans, where local neighbourhoods can get together to address what might be a single issue or a series of environmental issues. Typically they are noise, odour, air pollution or water pollution. All the organisations in that neighbourhood can get together and decide on what actions they will take to improve their local neighbourhood. This really does empower local communities to take action at that local level. Often it is not a big, single environmental issue that we are dealing with these days; it is a lot of diverse sources of pollution that are much harder to have an impact on that a strict regulatory regime, for example, can deliver.

The EPA is working with the community around Reservoir on Edwardes Lake, where there has been a lot of community concern about how polluted the lake has been. Work is being done around the area of Stony Creek, just under the West Gate Bridge, to try to clean that up. The aim is to get the community to buy in. A whole range of people might have to change their activities to get the outcome, but it is all driven at a local level, with EPA backing.

**Ms BARKER** — I was hoping it would protect me from my neighbour's choice of CDs.

**The CHAIRMAN** — Domestic noise, as local members know, is a vexed question. We get people wandering into electorate offices regularly and complaining about neighbourhood noise.

That concludes the time allocated for consideration of the estimates portfolios under the responsibility of conservation and environment. I thank you, Minister, and your various departmental officers for their attendance and participation today. The committee has a couple of issues that were raised during the hearing that it will follow up with you and maybe other questions will be forwarded to you at a later date.

**Committee adjourned.**