

TRANSCRIPT

LEGISLATIVE ASSEMBLY ENVIRONMENT AND PLANNING COMMITTEE

Inquiry into Tackling Climate Change in Victorian Communities

Bendigo—Thursday, 19 September 2019

MEMBERS

Mr Darren Cheeseman—Chair

Mr David Morris—Deputy Chair

Mr Will Fowles

Ms Danielle Green

Mr Paul Hamer

Mr Tim McCurdy

Mr Tim Smith

WITNESSES

Mr Chris Corr, Member, Bendigo Sustainability Group & Project Manager Community Power Hub Bendigo,

Mr Colin Lambie, Member, Bendigo Sustainability Group, and

Ms Cathie Steele, Board Member, Bendigo Sustainability Group.

The CHAIR: Welcome to the Legislative Assembly Environment and Planning Committee's public hearing for the Inquiry into Tackling Climate Change in Victorian Communities. I would also extend a welcome to the public and the media present. All evidence taken today will be recorded and protected by parliamentary privilege. Therefore you are protected for what you say here today, but if you go outside and repeat the same things, those comments may not be protected by privilege. You will be provided with a proof version of the transcript of today's evidence at the earliest opportunity. Transcripts will ultimately be made public and posted on the Committee's website. As is customary, we will allow 5 to 10 minutes for a presentation and then the Committee will ask a number of questions. Could you please state your full name and title before beginning your presentation.

Mr CORR: Great. Thank you, Mr Chairman. My name is Chris Corr. I am a past board member of the Bendigo Sustainability Group and a member, and also a project manager for the community power hub. I might just introduce my co-presenters: Cathie Steele, who is a current board member of the BSG and also involved with Foodshare; and also Colin Lambie, who is similarly a previous long-term board member of the BSG.

The CHAIR: Fantastic. Looks like you have a presentation.

Ms STEELE: We do.

The CHAIR: Take us through.

Visual presentation.

Ms STEELE: Just quickly, what we are going to go through, so you are aware of it, is an overview about the Bendigo Sustainability Group. It is a grassroots community group that is working on issues like climate change and waste et cetera, and the community power hub program where we are looking at bringing in community-owned low-energy systems. I will outline what we propose that the government can do, or where we seek government support to mobilise that even further and make even bigger achievements, but we will give you a bit of an overview of the things that we are achieving now and how the community is working.

We are a not-for-profit incorporated community group, founded in 2007, with a range of action groups. The action groups are set up based on what the community wants to do. If a person comes forward saying, 'This is an area of my interest', and it fits with the philosophy of the group, then we will support them in taking that forward. So we engage ground up and that makes the difference, and it is owned by the community then.

We won the 2016 Premier's sustainability regional achievement award, and there is a long history with the BSG in solar PV making a huge difference in our community—everything from the solar on the library through to major community-owned solar projects.

The priority that our board has set for tackling climate change has been implementing renewable energy projects, including community-owned, individually owned and business-owned models, so we work with all sectors of the community. Remember these are volunteers working on this, so there is a huge amount of work. People ring on and off all day, every day, people on the BSG, talking about what is happening with their solar panels or what they want to do in their business, so it is a really deep engagement.

We are doing a lot of work in reducing food waste going to landfill, and we will tell you more about these along the way. The other action is community engagement and general education. So we have multiple, multiple projects going on all year, from festivals to events, to engage people and bring them in to talk about housing and get them to see low-energy houses—Repair Café, low-e sort of work, lots of things.

Very quickly, my personal involvement as a BSG member is really in tackling food waste. We have a win-win situation here, and this is across the state—the regional areas of the state as well. It is a different system in Melbourne because of the availability of resources. Food waste, as you probably know, is the third-highest priority in the Drawdown work in tackling climate change. We know that food rescue is for food relief, because a lot of that food is suitable for human consumption still. Just on this page you will see those pictures there are actual food waste in our region that would go to waste if we were not rescuing it. We are a local community group tackling climate change by reducing food wastage, and I will give you some figures. About 120 volunteers work every day—or five days a week, not every day; we are just going to seven days, so I will not get into that yet, it is too hard—to help develop food waste. About 2000 people in the communities around—about 100 kilometres around—we work with. These are pictures of the engagement of people in the community.

What we are seeing on the ground—and you spoke about this in the last presentation to the council—is increased suicide, farmers shooting dogs because they have not got enough food to feed their dogs, and youths bin diving in the rural areas. It is because they have not got food. We are hearing from the police that in the city they are having trouble getting money for transport so they try and do fare evasion, but in the country they are bin diving for food. So they are having their first interaction with police over as simple a thing as ‘I have not got enough food—I am bin diving or I am stealing’. So that is what we want to change, and that is why we are working in the community on this in a win-win.

So the system is in place here. In just Bendigo alone, we are diverting about 615 000 kilos of food per annum from landfill for zero government cost—state, local, federal: zero—and that could significantly be increased with a little bit of support. It is easily doubled, because we know the food is there. We know it is going to waste. We know we cannot collect it all. We cannot warehouse it and get it out. We know the demand is there. We know that the youth need it, we know the farmers need it and we know the community needs it.

The poverty rate in youth here in Bendigo is huge—87 schools, agencies and charities that we are working with who do the work getting it out into their communities. The neighbourhood houses, the schools—they are the groups who on the ground make it work. They are there. We do not need to fund them anymore, but we need to support them—give them the food and help them to get their programs going for the people who need that support, be it education in even eating the right food or education in growing their own food et cetera. Whatever their programs are, we need to support them.

We know that this could be magnified significantly with very little input. Across Victoria there are four regional community-owned Foodshares—Albury-Wodonga, Shepparton, Bendigo and Warrnambool. It needs to spread across the whole state, and the State Government put some money in the budget last year to help Ballarat and Morwell, I think it is, or Warragul, but very, very easily we could expand that program up. Our estimates are that we could go to about 2.6 million kilograms of food being diverted from waste. You will see the equivalence there: 5.51 million kilograms of CO₂, with just a minor support in each region.

Our recommendation is that we expand the current existing Neighbourhood House program. So we have a model in place that the Government is involved in through the Neighbourhood House program to support regional and metropolitan communities in community development, with some specialty increase in that area. So with tackling climate change, if you have groups like the BSG involved in BSG-type specifics—sustainability as a neighbourhood house set-up, with only that amount of support in the current system so there is no new system to set up—that would hugely change it on the ground. That would mean we could have multiplier effects across the whole community.

So the State Government we believe has a system. It does not take much more income to get some money into that system to do a huge multiplier effect in making a difference here, and you will see on the left-hand part of that slide down there at the bottom, over here, that that is the food in one and a half days that goes to waste if we do not rescue it. That is just disastrous. That is only in Bendigo alone.

We are now going to move on to community engagement and education.

Mr LAMBIE: So we try to get greater involvement by the people in the community, and one of the things we do annually is Sustainable House Day. There is one across Victoria. We do one at a different time, and we

open houses around here at the end of October. People come along, we have talks by people, the experts, whether it is energy efficiency, low-energy housing et cetera.

The sustainable living festival again is another annual thing. We have been doing it here at the town hall the last few years in the gardens outside. So we have lots of different exhibits and talks covering ranges of things from the usual renewable energy but also food, transport et cetera. We have done the electric vehicle expo, again with talks. We have done that a couple of times, this year in conjunction with the festival that we do here.

Monthly we have been doing solar talks—solar and battery talks—for several years, like almost 10, off and on. We started again last October, and we have been amazed at the interest. Certainly with the Solar Vic program that interest has been somewhat stimulated, although we have to tell them that batteries are not viable and the rebate is not available here, just as a reminder. Another monthly thing is the Docos for Difference, so that is where we run films at a local hall. Sustainability at the Pub is a dinner and a talk by an expert, whether it is public transport, trains et cetera. We have got multiple action groups. The family nature club is adults and kids going into the parks and learning about flora and fauna. Plasticwise has been a really progressive group. The Repair Cafe is about stopping things going to landfill, whether it is this microphone or the computer or whatever. It is stopping things that we buy going to landfill.

You can see at the top left, pumped hydro. That was started by the Bendigo Sustainability Group—so it was obviously discussed just before—as a result of us doing voluntary work for the mine that has this water pumping problem. Again, electric vehicles.

Another really active group is about collecting materials for making bags like the ones that have just been presented, and you have probably heard of this campaign; it is international.

Ms GREEN: I've made a lot.

Mr LAMBIE: There you go. Thousands of bags have been made, and that reduces the number of plastic bags. So a couple of groups that have started within the Bendigo Sustainability Group are Bike Bendigo and the farmers market, which is still very active and growing—an important part of buying local food et cetera. There is the sustainable living festival, which we mentioned, and this year we did the electric vehicle expo. We are trying to raise awareness of electric vehicles. We know that in the future they are going to be much more prominent than they are now. That is coming and we want to make people aware of what is involved. We are involved in electric vehicle charging systems and helping council with where they could be and what sort they should be.

It originally started as the climate change problem, so obviously a lot of what we do is about raising awareness that helps reduce the problem of greenhouse gas emissions. One of the things that is interesting that has changed is that for years we talked about solar on rooftops and we only talked about the economics, but lately, in the last year or two, the interest has been, 'Well, I want to do it and I want to do it for environmental reasons'. That has been an interesting change in attitudes. We have had government support from time to time. We got the solar hub grant way back, and more recently is what Chris will talk about. Again, as Cathie mentioned and Chris will, this neighbourhood house model is something that we think could be very helpful to groups like us here and across Australia.

Mr CORR: Thanks, Colin. Chris Corr; I have been managing the Community Power Hub project here on behalf of the BSG over the past two years under the pilot program. It is a program that the State Government has funded for three locations—Bendigo, Ballarat and the Latrobe Valley—as a pilot, and that has just concluded. It is all about how we can do more and better community-owned renewable energy. So a lot of independence was given to those groups to develop how they wanted to, and it has been highly successful, which I will talk about. I guess there have been a few people paid a little bit, but it has been about 25 per cent of the actual time that has been put in by those resources, which is literally thousands of hours here in Bendigo alone.

Certainly in Bendigo the BSG for a long time has had a desire to have 100 per cent renewable energy, and more recently—because that is happening, it is economic—it is about having 100 per cent community-owned renewable energy. So it is all about keeping our local benefits and jobs here. In urban Bendigo alone there is

over \$150 million spent each year on electricity, plus gas, plus the region, so it is a huge amount of money, and we want to keep more of that locally here in Bendigo for local benefit.

Over the last number of years the BSG has developed a number of community and commercial-scale solar projects as well as rooftop projects. The first was in the Bendigo library just next to us here in 2015 which council also mentioned. It took Colin and others here two years and two ministerial exemptions to get that project up. Thankfully things have become a little bit easier, but it is still, I guess, a lot of effort. That is owned by the Bendigo Sustainability Group. There is a power purchase agreement in place, so that now provides income to the Bendigo Sustainability Group for the next 17 years and helps those sorts of programs that Colin and also Cathie have talked about. So that is about keeping that money local.

A number of other projects there are listed on the screen: the Bendigo discovery centre, Bendigo Tramways—half of Bendigo trams' power use is provided by the community-owned solar system—and also more recently the Bendigo archives centre. There are also two projects there under the power hub in blue: the Eaglehawk stadium, which we will host you on a tour of this afternoon; and also a set of eight social housing units. So those systems there—174 kilowatts over 25 years—will keep over \$1.5 million here in the local community, and they were built with local installers, creating local jobs.

On the screen there is a photo of the Eaglehawk stadium, which you will visit this afternoon. Donations were raised for that 31 kilowatt solar system. Also for the social housing project, that set of eight social housing units, over \$62 500 was raised from 120 community donators in a two-month period using our, I guess, tried and tested models now—so very successful projects. Those social housing units are for eight long-term, low-income tenants, and each of those tenants is now saving \$500 a year off their energy bills as a result of this community project. So we have been working work with Solar Victoria and really wishing to expand that program as well.

Back in March this year we had the Minister up here. She has been up a number of times as part of these programs and projects. She opened both of those projects there at the Eaglehawk stadium along with local Member, Maree Edwards; local installers, as I said; Community Housing (VIC) Limited; and the users of that stadium.

Very importantly we monitor our solar systems. You need to make sure you are getting the benefits. We monitor not just generation, which is the yellow on a very sunny day there, but also the purple, which is showing usage. We provide this information to users and community groups so they can then actually reduce their usage and become more efficient to start with as well is being offset by renewable energy. So that is very important, and that will enable us to install batteries in the future when the viability is there as part of the likes of virtual power plants and other measures.

We are developing a community-owned investment model for commercial-scale and community-scale buildings. Very shortly that will be launching, and that could apply to sporting groups, to private facilities, to commercial facilities and to community facilities. That will be a real game changer for getting community investment, particularly into locations that cannot afford the capital themselves. We are also working with DELWP and others on a model that can be rolled out across such facilities across the state; we are currently working on them with some leasing and licensing agreements.

We are also working with primary and secondary government schools here in Bendigo, again on using the same model that I just showed. Twelve schools have signed up in writing to participate in that program. There will be over \$1.2 million in community investment required for those. Over a 25-year period those projects will keep about \$8 million within the local community and offset about 38 000 tonnes of CO₂ emissions. This is part of how we can own our entire energy generation system in this once in a multigenerational opportunity that we have got as the energy generation system transitions. There is certainly the potential there for a statewide rollout as well through the Community Power Hub projects.

We are also developing mid-scale—so community scale—solar farms. Two megawatts powers about 650 houses, and \$4 million to \$5 million in local community investment is required for those. We will be very shortly actually securing two or three land sites for that as we work through that process. Certainly some level of government support is required to make those economic at the moment because they are feeding back into

the grid, but there are proposals, I think, coming to Government now through a number of organisations that will make that work. That is about keeping local all the benefits that I have talked about—local money, local investment and local jobs—rather than building clean energy but then largely those profits still going offshore.

I have mentioned that the pilot program finished in June, so that pilot Community Power Hub project is being reviewed. More work is being presented with that, and that will be coming before the Minister and Government in the next coming weeks, I believe. But there are absolutely fantastic outcomes—very glowing outcomes—from the whole project. In particular there, if you look, 13 to 1 was the project leverage on the Government investment through the last two years of those projects, and if all the pipeline projects were developed, that would be 72 to 1, with the Government magnifying all their dollars. So that is an absolutely fantastic result, with thousands of community members engaged. Certainly of the recommendations from that pilot program the key one there is that it be continued; and the other key one is that it be expanded around the state to six community power hubs. The Coalition for Community Energy, C4CE, similarly have made recommendations—again, very consistent—about scaling up with those projects.

So what can government do to assist the likes of what we have all spoken about and also support what council has spoken about recently as well? It can certainly fund the Community Power Hub pilot program, including for the balance of this financial year. There are bids going in for next year, we believe, but that is still nine or 10 months away. The really key message is: properly fund grant programs. We will give some examples shortly. A substantial increase is required. It is just not nearly what is required. Certainly do not run lots of small underfunded grant programs, and also reduce some barriers and the difficulty in applying for those.

By way of a few examples, in March 2018, in round 3 of the New Energy Jobs Fund, we had an application for the floating solar manufacturing industry that would create jobs and would create a whole new industry in this renewable space here in Bendigo. We had eight partnering organisations—two universities, council, local manufacturers, Coliban Water. We requested \$50 000, and the result was: 'Great project, but sorry, not enough money in a very competitive field'.

Similarly, not long after that, in September 2018, there was the Renewable Communities program, and actually it was a good one—it actually went to capital projects, which is quite unique—but there was a total of \$1 million available across the whole state, and applicants could apply for up to \$1 million. Again, a fantastic project that BSG put up, but there was insufficient money and there were nine programs funded. The frustrating part of that was that that was a program that was created late in the piece, and that money actually came out of the New Energy Jobs Fund and we had already missed out on \$50 000—not enough money, but a new program got released and advertised. Certainly there are estimates on that one too. For example, the community, in putting submissions in for that Renewable Communities program, probably spent over \$500 000 of community time to put in for a \$1 million grant program. It was all volunteer time.

Similarly, with the Community Climate Change Adaptation Grants program—3CA—the outcome was out this last week, but I guess there was a three, four, five-month delay in the advice. That is I guess frustrating for communities. We need that to be streamlined. There were over \$140 million worth of projects, as we understand it, put in to those two rounds for \$3 million in government funding. So we are talking about the huge magnifying benefits of what Cathie and Colin have spoken about. We are not getting those because there is just simply not enough money in these programs.

It is frustrating to see a lot of these programs being really heavily advertised and marketed on TV and in newspapers. We know how much that costs, because we really struggle to pay for that for our own projects and our fundraising. When there is so little money available it does seem at times like it is a bit of a marketing exercise as well, so we would really love to see proper money put in. A quote came from yesterday at a session that Make a Change Australia—who will be presenting to you later—was running. Others made the comment about unpaid career and grant writing for often very low chances of success—being inefficient.

So directly supporting what is already happening within community is absolutely key. The projects are out there, the passion and the drive is out there; the community just wants those funded. Certainly do not create new programs all the time, just fund the existing ones and fund them better. A constant challenge within communities that we hear regularly is that local government and State Government, often the first thing they do when they want to do a new thing is put on staff members—project managers and staff. We know how much

that costs and I guess the extra on-costs that go on that as well. What the BSG could do with \$100 000 a year or \$200 000 a year, which is really one mid-level staffer's cost to the entity, would just be absolutely phenomenal.

As has been said these sorts of groups, environment groups and sustainability groups, just need recurrent base funding. Just ongoing funding given to community groups that have demonstrated their value and what they can deliver, not something we have to compete for all the time. We will absolutely go and deliver reduced impacts on global warming, and also the return on government's investment will be huge. Again, the simple models have been talked about.

Again, just putting it in perspective and finally—for example, Solar Homes has been mentioned. We know it is a big high-profile thing at the moment. There is \$545 million in the current financial year and \$1.3 billion over 10 years—recently increased by almost \$60 million in the current financial year alone. We have already mentioned community climate change grants of \$3 million, community renewables of \$1 million. The scale is just completely out of whack for what the community could deliver and the benefit the community could deliver. Say, a \$100 million fund for community climate would fund most of those wonderful projects put up in that last grant. Say, \$10 million a year would fund what we are talking about—100 community environment grants across the state being properly funded just to cover their admin and operations-type costs.

The CHAIR: Thank you so much for that presentation. If you would not mind providing that to the Secretary as well—I am sure they took some notes but it is always handy to have the source documents.

Mr HAMER: Just a question firstly on the food waste. Is that mostly being collected from the large commercial businesses or how is that actually—not in terms of the physical collection, but where is most of that coming from?

Ms STEELE: In Bendigo we are only collecting from businesses, so we are collecting from all the supermarkets, all the smaller and medium-sized businesses around the region. We are collecting from bigger producers. We are probably only collecting less than half of what could be collected there from that group. Then the gap is that we are not collecting in the rural areas—and I think this is pretty much across the state—from any pre-prepared food because there is no system for that as yet, whereas in the city there are good systems for collecting pre-prepared food. It has to be used so quickly, within the next 24 hours. The system has to be really quick to get it straight from whoever has had catering here out to a group who is going to use it that day or the next day. So that system is not in the country as yet.

Mr HAMER: And with, say, the supermarkets, your arrangement with them is that they are actually dropping it off or you have to pick it all up?

Ms STEELE: We pick it up. We go everywhere and pick it up. We are actually also teaching them how to donate food. We do not have legislative requirements here that you must donate food to food relief places, like in France, where it is legislated for. Here it is a voluntary thing and it is very easy—I am not putting anyone down here, but the managers are under a lot of pressure. The people in the warehouse are under pressure. They would dump food. They would say, 'Here, you can take our waste bin', so we have to put a lot of time and energy into working with them to say, 'Cold food has to be kept cold, frozen food frozen, ambient food ambient and you can't put it out on the dock at the back in the sun'.

We will only take food fit for human consumption otherwise that is going to waste, so we know that over half of it is going to waste. We know we could take more. We also have volunteers go out in two vans every day all around the countryside and all around Bendigo. That is why I say we have got 120 people doing it all the time, because it is a lot of work. Then we then deliver it out to groups who need it.

Mr HAMER: I have got questions on the power hub.

Ms GREEN: I will have some on the Foodshare stuff as well. Look, congratulations on everything you do. John Brumby and Jacinta Allan have been banging on about you lot for a long time so I am glad I have finally got to meet you. I have visited Foodshare in Melbourne and their distribution is just remarkable, and I have got to say, I knew about Shepparton and Latrobe Valley I think, but I do not think I knew about yourselves or Warrnambool. I even clicked on their website and you are not listed, so—

Ms STEELE: Foodbank, you are talking about?

Ms GREEN: Yes! No, no hang on. Foodshare?

Ms STEELE: There are four Australia-wide groups: Foodbank, SecondBite, OzHarvest et cetera. It is just a terminology.

Ms GREEN: I might be getting confused between Foodbank—

Ms STEELE: Yes.

Ms GREEN: So I suppose that is just something—it would be great if we had a centralised website so people know. I love the neighbourhood house concept, but what do you think—would you be able to work partnering with men's sheds as well?

Ms STEELE: Absolutely.

Ms GREEN: Because I think with men in poverty and so many living alone and then that partnership—I am sure that you would get some volunteer drivers and things like that. And just another suggestion I had: my husband has worked in the food industry for a long time—he worked for National Foods and there is PFD; maybe an approach to them, some of those distributors, because if they are bringing stuff up from Melbourne or from distribution at, I do not know, that logistics hub over near Wodonga, they might be returning somewhere else empty. I know that Foodbank—and it is Foodbank; you are correct—have actually had some connections with logistics companies, and where they are based was I think Toll Holdings's premises, so—

Ms STEELE: Yes. The way the system needs to work and does not at the moment—well, it does to a minor extent—is cooperative sharing and backloading et cetera across Victoria. At the moment only a little bit of charity freight goes to Foodbank. They are the only ones with it and they do not even allow SecondBite, another statewide agency, to put food on it to bring it to Bendigo, so two trucks have to come up and down the road. It needs a review. We have been through Jacinta, we have been to State Government, and they have agreed—there is a review about to take place to look at food relief for Victoria from a food relief perspective, but part of what we put in that submission is there are so many nonsensical things like food miles being travelled and it needs to be cooperative rather than competitive, so we are all working together for the end outcome. So I absolutely agree—if we could coordinate some of that statewide it would be really good.

Just on your neighbourhood house thing, my suggestion is both men's sheds and neighbourhood houses have a model for funding—it is there—so we could just expand it in some of these areas. It means there is no additional infrastructure required and the cost is therefore minimal. Let us build on what we have got wherever we can.

The CHAIR: Rather than reinventing.

Ms STEELE: Yes. But as things change in the community we need more climate change awareness. We need more response to whatever it is, the climate emergency at the moment. You know, let us build them into existing community infrastructure.

Ms GREEN: Well, you have suggested what could be an excellent recommendation from this Inquiry—that could be expanding the remit and the funding agreements of neighbourhood houses to be sustainability information and support centres.

Ms STEELE: Yes. And I would say at the regional neighbourhood house level, so BSG, for example, covers a region and Bendigo Foodshare covers a region. Some of these that need specialised things—that cannot be in a little neighbourhood house—need to be funded at the regional neighbourhood house level.

Ms GREEN: Yes. Well, there are regional networkers that are funded.

Ms STEELE: Yes, but Foodshare needs a warehouse. We currently commercially lease a warehouse. That sort of stuff is not quite a neighbourhood house, but it is still the function of a neighbourhood house, so if some of that funding could come to regional levels to, say, well, the specialty things like climate awareness, the solar

stuff and the food waste, if those specialty groups were at the regional level, they would support all the neighbourhood houses—

Ms GREEN: But Foodshare, neighbourhood house and men's sheds are all the same minister and department too, so—

Ms STEELE: Absolutely, yes. But then we have got the specialty group that helps support the rollout in the neighbourhood houses.

Mr HAMER: I have a question just on the power hub. I am just trying to understand, I guess, the business model that you have got now and going forward. You mentioned that with some of the projects you are starting to draw revenue from that, and I also notice that most of the projects to date have been crowd funded, so I was just interested to know: at the moment does that mean that any of the investors, for want of a better word, are not actually deriving a revenue from the project? Is that the longer term aim—that how some of these projects would be community funded, those investors who would be, you could say, investing in the project would actually be seeing a return in addition to all the other general community benefits that it is generating?

Mr CORR: Thanks, Paul. Yes, absolutely. Those donation projects really just were teasers to get it out there and get the public really interested whilst we were developing investment models. So I showed a complicated diagram up there, but I certainly did not talk about detail. But there is a special purpose vehicle investment model that is absolutely what we have been working on, which we are now launching. So that would be used for the schools, that would be used for those community facilities, potentially all the DELWP-type facilities, because ultimately DELWP and Crown land is mostly your sporting clubs, your racing clubs and community halls—all those sorts of things. So that is so that people could invest money in, local people—so keep it local to the region. They will get their money back and a commercial return over, say, a 10-year period of these agreements. They would be fully funded to operate.

So we have actually set up another not-for-profit here called the Community Energy Development and Administration Group. That will actually, different to BSG, be able to pay local people to do the work. So it is not reliant on volunteers. That is absolutely commercial from basically day one, with a little bit of support from the power hub. And then delivering those projects is cost recovery from day one in operations as well. So they are behind-the-meter solar projects. That is why they stack up, because that is a very good business case. That will be absolutely investment. Multimillions of dollars will be able to flow very quickly. Bendigonians spend \$150 million on electricity a year, so we do not see any problem getting investors. We have got 60-ish people signed up to our potential interested-to-invest list right at the moment. So that will happen very quickly.

I guess we will need to work collaboratively with council, as we do, to enable investment-type projects to happen on their buildings. There are over 5 megawatts of solar capacity possible on the City of Greater Bendigo buildings. They only actually pay for the electricity on a small portion of those. The community and users pay for the rest. For the likes of the solar farm that I mentioned, because that is feeding into the grid—it is not behind the meter—those do need some support at this stage to be economically viable.

Mr LAMBIE: Can I add to that? The one investment model that we do have is the solar on the tram depots. Our trams were powered by renewable energy before the State Government organised that for the trams in Melbourne, so we are definitely leading the field in that. That was a charity that had seen what we had done on the library, and they had money in term deposits and the like. They wanted to invest it in solar on the tram depot, so we set that up. It is a 10-year power purchase agreement. The tram depots are happy because they are getting cheaper electricity, and the charity is getting a better return on their investment.

Ms GREEN: I am just stunned that you do this all as volunteers.

Mr CORR: And, sorry, if I could just add, the last thing to that is after that 10-year period those systems are then donated to the roof host at absolutely no cost, so they then get the benefit for probably a good 15 or so years thereafter.

Mr MORRIS: I must say, I was looking forward to hearing from you this morning. First with BSG, I think back in 2010 the conversation was solar at that stage. Given the fact that I remember something that occurred nine years ago, it was obviously a useful discussion then. I think this morning has been very good too. I am

mindful of the time, so I just want to skip to one question, if I may. Chris, you were talking about the library project and two ministerial exemptions and all the hurdles that had to be jumped through. What exactly was the issue, and what sort of recommendations can we make to smooth the path?

Mr LAMBIE: Things have changed, but one ministerial was local government, because it was a contract for 20 years—a power purchase agreement—and it was worth, we thought, more than \$100 000. It ended up being worth only \$60 000, so it probably did not need it then, but it is now worth more than \$100 000 anyway. You know, the tariffs go up and down. So that was one. The other one was the fact that we, the BSG, are selling electricity. We are not an electricity retailer so we had to go to the Essential Services Commission. They said we could self-assess as not needing a licence, so a bit like a caravan park. Some people said that is a bit of a grey area, possibly not legal. Anyway, they changed the rules and it is clearly acceptable for us to do it. That bit changed.

Mr MORRIS: I know what you did about the \$100 000. I mean, that is something we could perhaps take on notice and look at. So is the ESC aspect sorted now?

Mr LAMBIE: That has changed, yes.

Ms STEELE: There are still some issues, aren't there, that you mentioned—this is behind the meter—about crossing boundaries?

Mr LAMBIE: Yes, microgrids is another thing that we have looked at. Social housing—we need to be able to do microgrids, and sometimes that involves going across boundaries. That is a whole other issue.

Mr CORR: If I could on that, David, the purchasing element is not very well run and government certainly could assist with it, because essentially it is just a procurement policy. It relates to—a council has a procurement policy about tendering out publicly above certain numbers or getting exemptions. Similarly the work we are doing with the government schools, a barrier we still have to work through is that similarly because they would be purchasing power over a period, which would add up to hundreds of thousands of dollars over 10 years—because they are big systems—an exemption would be required there from the department and the relevant executive manager. It is having, I guess, that ability and direction from government and from the relevant ministers for exemptions of this type for these sorts of community-driven and led things, so it is basically a standing exemption or something that makes it very easy for council to say, 'Well, I am happy to sign that exemption because this is clearly what was intended by this directive from the local government minister', or whatever the case may be.

Mr MORRIS: If you perhaps set out however many conditions are to be met, then it automatically goes through without need for review, but if it does not, I mean, obviously the figure is there to protect public money. We have still got to maintain that protection but make it easier to get things done.

Mr CORR: Yes, and they are often there to protect value for money for the purchaser but our guess is they will get value for money. They actually get cheaper electricity from day one. There are private investors, but they are local people being administered by a not-for-profit group, essentially.

Mr MORRIS: Yes. It is worth looking at.

The CHAIR: We heard evidence earlier from the City of Bendigo, and you have added a little bit, in terms of the pumped hydro initiative that has been looked at. You have obviously got the community solar farm that you are looking at. The VRET obviously has been imposed for a little while now, and it is principally aimed at those very large renewable energy developments. What are your thoughts around whether we should have some form of a clean energy-type corporation that might support the style of initiatives that you are looking at? Would that be of benefit, to bring on some of these types of projects, not just in terms of within your immediate community but in other communities that might have similarly scaled initiatives, particularly where the power that you generate is going back into community purposes such as sports clubs or bowls clubs or libraries or those kind of things? What are your thoughts around that?

Mr CORR: I think that that would be absolutely beneficial, and I guess it probably needs to be a combination of grants and as you said before, low-interest loan types of other options. In those early innovative

type things and particularly for community groups involved, a community group does not have the ability to borrow necessarily or to support that if it does not turn out. That element of grants, you know, 'All best endeavours but it may not come off' is needed. But certainly once something has been demonstrated through a feasibility study, then those sorts of things would absolutely assist.

Certainly in the case of the likes of the pumped hydro project, as Colin said, that came out of volunteers for the BSG working on that project and then bringing council and then ultimately government together, who kindly funded the prefeasibility study. I guess that has not gone anywhere now in over 15 months because the next stage was needed to de-risk some of those activities and provide some number of hundreds of thousands of dollars. Ultimately it is a \$50 million project, which is still small in the scheme of things—30 megawatts. Bendigo is unique. It would actually be close to or it would be a world-first project, so we would love to see that move forward.

Mr LAMBIE: To me it is black and white, if I can add. To me it is black and white that we cannot make a community solar farm work without either a grant or low-interest finance. We cannot compete with the people who can go and build a 50 or 100-megawatt solar farm. Even if they are owned by France or whoever, they can do it cheaper at that scale. For us we cannot do 50 or 100 megawatts. That is a bit big for us, but we can do 2 megawatts. We cannot do it without a grant or free finance.

The CHAIR: It is certainly a lot of money that you are exporting out of your immediate region. I think you said \$150 million. That is a lot of money that leaves the area.

Ms GREEN: Can I just make a suggestion, and it may or may not fly, but in terms of the loans that government has recently announced they are making available to local government, and they are for capital projects, I have not looked at the finer, granular detail, but could I encourage you to have discussions with the City of Greater Bendigo about that because this is to local government, but if they were to be a partner, it could potentially qualify. If it does not, could you let the Committee know within the terms of our time frame, because that could then form a recommendation? We might say the Treasurer should look at expanding the low-interest loans. Because as we know, money has never, never been cheaper.

You know, the Reserve Bank in the US just dropped another 0.25 basis points only this week, so it could be something that is really viable and as you say would not require another grant program.

The CHAIR: Thank you for your time. Your presentation was very informative and we very much appreciate it.

Mr CORR: Thank you very much.

Witnesses withdrew.