

TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2018–19

Melbourne — 15 June 2018

Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Mr Steve Dimopoulos

Mr Tim Smith

Mr Danny O'Brien

Ms Vicki Ward

Ms Fiona Patten

Witnesses

Ms Lily D'Ambrosio, Minister for Energy, Environment and Climate Change,

Mr John Bradley, Secretary,

Ms Kylie White, Deputy Secretary, Energy, Environment and Climate Change,

Mr Lee Miezis, Deputy Secretary,

Ms Phuong Tram, Acting Chief Financial Officer,

Mr Matthew Jackson, Chief Executive Officer, Parks Victoria,

Dr Mark Norman, Chief Conservation Scientist, Parks Victoria,

Mr Stan Krpan, Chief Executive Officer, Sustainability Victoria,

Mr Nial Finegan, Chief Executive Officer, Environment Protection Authority Victoria, and

Mr Darrin McKenzie, Acting Chief Fire Officer, Department of Environment, Land, Water and Planning.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2018–19 budget estimates.

All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Energy, Environment and Climate Change, the Honourable Lily D’Ambrosio, MP; Mr John Bradley, Secretary of the Department of Environment, Land, Water and Planning; Ms Kylie White, Deputy Secretary, Energy, Environment and Climate Change; Mr Lee Miezis, Deputy Secretary; Ms Phuong Tram, Acting Chief Financial Officer; and in the gallery, Matthew Jackson, Chief Executive Officer, Parks Victoria; Mark Norman, Chief Conservation Scientist, Parks Victoria; Stan Krpan, Chief Executive Officer, Sustainability Victoria; Nial Finegan, Chief Executive Officer, Environment Protection Authority; and Darrin McKenzie, Acting Chief Fire Officer.

Any witness who is called from the gallery during this hearing must clearly state their name, position and relevant department for the record.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege.

The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, any PowerPoint presentations and handouts will be placed on the committee’s website as soon as possible.

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

Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

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

Visual presentation.

Ms D’AMBROSIO — Thank you very much, Chair. I am absolutely delighted to be here, and I will give a bit of an overview of where we have come from and where we are going. Our last four state budgets have delivered unprecedented investment in energy, environment and climate change, with almost \$1.6 billion in new funding approved. This includes a \$257 million investment in the portfolio in this budget that we have got before us. The investment in the portfolio includes a record investment from the Sustainability Fund of over \$600 million since 2015–16. This contrasts with just \$15 million in new funding approved from the fund over the four years prior to 2015–16.

The \$257 million allocated in this budget can be summarised by this slide. The highlights are focused on protecting the natural environment, addressing energy affordability and security, and improving the management of forests to enhance regional communities. The budget provides more than \$104 million to protect our natural environment for generations of Victorians and builds on the government’s investments over the last three years. These include support to Parks Victoria; the Shrine to the Sea concept, which links the Domain gardens and Port Phillip Bay; the further protection of Port Phillip Bay and its beaches; and of course Victoria’s faunal emblems, which will see better protection for the helmeted honeyeater and Leadbeater’s possum habitats. It also includes funds to complete the Patterson River precinct master plan and finalise the land tenure arrangements. There are also funds to improve the Olinda precinct.

The budget also provides more than \$54 million to help households bust their energy bills, to modernise our energy system and to maintain an affordable energy market for all Victorians. This includes \$47.8 million to the

power saving bonus. The budget also provides \$21.7 million to increase the utility relief grant cap from \$500 to \$650, and that is being delivered by the Minister for Families and Children and Minister for Youth Affairs.

The Victorian government has committed \$38.2 million to forest and fire management in this budget. This funding will also be spent to enhance regional Victorian communities and to deliver new jobs for Aboriginal Victorians and increase connection to country. Funding of \$35.9 million will be allocated to modernise the state's regional forest agreements to improve the long-term management of Victoria's forests while ensuring the agreements reflect modern science, climate change impacts and consider community needs and cultural heritage — and also of course bushfire impacts of recent years. Further, this includes \$18.3 million to undertake preharvest surveys in timber harvesting coupes to improve protection of threatened species.

The budget also provides \$29 million to deliver landmark reforms in environment protection that will protect Victoria's environment, livability and the health of Victorians. This includes continuing the investment to bring the EPA into the modern era through maintaining its core functions. This commitment continues the record \$162.5 million in funding provided in last year's budget. The clean up of contaminated public land also features in this budget. This will be used to help clean up three high-risk contaminated public land sites and assess seven other high-priority areas. The development of an air quality strategy is also an important feature of this budget.

The budget will also provide \$25.9 million to protect Victorians from waste and pollution. This includes of course support for councils and the recycling industry, and the development of a strategic plan for the transition of the recycling industry. Once this plan has been finalised, we will be making further announcements. There is also \$9.1 million to continue the illegal dumping strike force, and there is \$2.2 million to protect people and the environment from hazardous waste, such as contaminated soils, heavy metals and pesticides. The funding will help to deliver a long-term plan and policy for Victoria. This takes the amount provided by this government to a record of more than \$80 million over the past four years to address waste and resource recovery.

This budget also provides \$5.8 million to build on the government's strong commitments over the last three years and ensure Victoria continues to be a leader on climate change. This includes support to build Barwon South's capacity to respond to climate change impacts by identifying vulnerable locations and assets to inform future investment and adaptation plans, and also support to maintain momentum on climate change action across the state.

This funding will be used to ensure pledges are developed for all major sources of emissions across the economy. This money will also go towards building partnerships for effective responses to climate change. This takes our government's additional funding investment in climate change to over \$70 million in the past four budgets. This does not include the transformative work and investment we have put into renewable energy. In addition, the government has also established the Climate Change Act, which sets a target for Victoria to reach net zero emissions by 2050.

In addition to the new funding provided to the portfolio we have also committed to deliver on our commitments. We have commenced construction of two large-scale batteries as part of the Victorian government's energy storage initiative. They are strategically located and will provide backup power and grid stabilisation functions vital to maintaining a reliable and affordable energy supply for Victoria as the grid transitions. We have improved emergency response capability in western Victoria and opened a new incident control centre at Horsham in January.

Earlier this year we launched the first interactive app, More to Explore, to help Victorians access and get to know more about the fantastic forests that we have got in this state. In February this year the 2018 round of community and volunteer action grants were announced. This is to support Victoria's native plants and animals on public and private land. In 2017 community and volunteer action grants funded 110 community projects totalling \$4 million of investment. We also continue to deliver on the significant investment of \$273.3 million made in the 2017–18 budget for the reducing bushfire risk initiative.

As mentioned previously when discussing climate change, our government has set the Victorian renewable energy target at 25 per cent by 2020 and 40 per cent by 2025. Under this government more than 2000 megawatts of new energy generation has been delivered or is under construction; 2000 megawatts is now in the system or is being built. The targets are supported by legislation and of course our Victorian renewable energy target reverse auction, the largest one in the country, which opened in November last year and closed in February. We will be making an announcement shortly about the successful tenders coming through. All of this

is about not just additional energy but also the thousands of jobs that will be created and the billions of dollars in investment that will be shared to the benefit of all Victorians.

Hydrogen has been recognised as one of the clean fuels of the future. Our government has committed, for example, \$1 million to help Moreland City Council implement a renewable hydrogen refuelling station to transition local government rubbish collection vehicles to a zero emissions fleet. We have also supported electric vehicles through support for SEA, a fantastic manufacturing business in the south-east of Victoria linked into university technologies over at Deakin University. These are just some examples of how our government is planning for the future. Not only have we committed significant resources towards climate change and renewable energy, we are investing in the right projects. Low or no-emission fuels and electricity sourced from renewable energy or clean energy will be a vital part of the transition to a decarbonised economy.

Further, fuel management is vital to mitigate bushfire risk. Fuel management is a highly weather-dependent activity, with burns only able to be carried out when conditions are right. Forest Fire Management Victoria has programmed 230 000 hectares of planned burning and mechanical works for 2017–18 and has planned and prepared 98 per cent of this program to maximise delivery flexibility. As at the end of May there had been 358 burns totalling an area of just under 65 000 hectares plus mechanical works to treat a further 9750 hectares. This year 43 of 71 high-priority risk reduction burns have been completed.

These burns are generally located near communities. They include the Hepburn basalt burn, which reduces potential impacts to properties in Daylesford and Hepburn, together with extremely high-risk areas in the Dandenong Ranges, which will also refocus with burns near the communities at Olinda and Sassafra. We are keeping the residual risk level well below 70 per cent of maximum level of risk. We can never, though, be complacent and our efforts are always full. We take every opportunity, weather permitting, to get in there and do those planned burns or mechanical works. Importantly of course we are working in partnership with the Dja Dja Wurrung to return traditional burning onto country. The Aboriginal fire strategy will seek to restore thousands of years of land management practice with a focus on reducing bushfire risk and ensuring Aboriginal traditional knowledge is employed into the future.

The safety and wellbeing of the Stawell community and its environment are of utmost importance to the Andrews government. It is a fantastic example of what a modernised, new and well-resourced EPA can actually achieve — keeping communities safe. After years of failures under the previous government the EPA successfully removed 1 million tyres — that is 9500 tonnes — from this site. The community is well and truly literally breathing a massive sigh of relief.

Investment through this budget ensures that we are well-placed to continue to take action on climate change, protect our environment for this generation and the next, and deliver a reliable, sustainable and affordable energy supply for all Victorians to enjoy. Thanks very much, Chair.

The CHAIR — Thank you, Minister, for that comprehensive presentation. Minister, I might commence. The budget paper reference is budget paper 3, page 60, ‘Meeting the government’s climate change obligations’. Can you outline to the committee how some of the funding as outlined in this budget paper reference will help tackle the impact and effects of climate change?

Ms D’AMBROSIO — Thanks very much, Chair. The budget provides \$5.8 million to assist us to take that clear leadership role that we have assigned ourselves as a government, and we are preparing for the future. So, importantly, what this allows us to do is build on the significant investments that we have made in previous years. In terms of the work that is before us, it will allow us to go further in terms of growing jobs and keeping prices down through renewable energy and efficiency measures and also, importantly, our preparing to reduce our emissions within government itself. This represents very much an achievable effort from us. For example, we announced that we would have a target to reduce our emissions by 15 to 20 per cent below 2005 levels by 2020.

Important of course is the effort that we need to take to keep building up a really important program of Take2. Take2 is a pledge program modelled on the Paris agreement and fantastic programs that are happening globally. To date over 5000 volunteer pledges have been made. These include pledges from 39 local governments, representing over half of Victoria’s population. Local governments have well and truly stepped up to take the pledge, and those reforms that they will introduce, that they have pledged to undertake, will go a significant way to help to meet our government’s efforts in terms of reducing our emissions. Five hundred and fifty-five

businesses, representing more than 360 000 employees, have also signed up. One hundred and two community groups that have more than 187 000 members, as well as schools and tertiary institutions with over 270 000 students, have all taken part in reducing greenhouse gas emissions.

Importantly of course in terms of office-based operations of government departments our commitment is to reduce those emissions in office-based operations by 30 per cent below 2015 levels by 2020. So the additional investments that we are making from this budget give us the opportunity to go further in terms of achieving those principal commitments that we will achieve.

The CHAIR — Thank you, Minister. In terms of the work the government is undertaking in relation to fostering and encouraging the greater level of take-up of renewable energy, can you just outline to the committee how that work has been progressing over the course of this current financial year in terms of addressing some of our climate change targets that we are working towards?

Ms D'AMBROSIO — Yes. We should never forget the vital role that decarbonising the energy mix plays towards actually achieving our climate change targets. By far it is the most affordable contributor to reducing our emissions. Importantly of course it is an important source of supply; it will be and will grow in that respect well into the future.

We have wasted no time as a government using our own purchasing power. For example, through our own certificate purchasing initiative we have now seen under construction two solar farms and two wind farms, one of which, Kiata Wind Farm, has already been built and now is operating. The Gellibrand wind farm is a massive project through our initiative. They have actually been able to leverage further megawatt capacity and actually will grow their project far greater than what was initiated through our effort. Two solar farms have been created, one in Numurkah and one in Bannerton. They are well underway now in being constructed. And this will provide important new energy supply to the system, because ultimately that is what will help to decarbonise our economy, meet our emissions reduction targets and also of course ensure that we have affordable energy well into the future.

We are really pleased with these initial approaches, but we are not stopping there. We will have very soon an announcement regarding our 650-megawatt reverse auction, which is being funded through state government. We have fantastic approaches that came forward. It is going to be a fantastic announcement that we will be making very soon, in the coming weeks, and that will add further supply into our system, again helping to reduce emissions and importantly providing the thousands of jobs that we have committed to and the billions of dollars of investment that will be shared right across our state. So it is a windfall for everyone.

The CHAIR — Just picking up on one point you made, you were talking about the level of investment that is occurring now in renewables. I am assuming those projects are being partly funded by the banks — by financiers — and that the developers of these projects are clearly able to secure private finance to fund these sorts of renewables. I would probably compare and contrast that to, say, the capacity for a financier to fund baseload coal-fired power stations. Can you maybe just unpack that in a little more detail for the members of the committee?

Ms D'AMBROSIO — Thank you, Chair. It is really important for us to understand the way financial markets operate. Globally no financial markets are actually now willing to invest in old technology. There is too much at risk — financial risk — for these businesses to do that, so lending is effectively drying up if not dried up altogether. What we have got left before us is ensuring that we can actually go to those technologies that have less risk, and they are renewable technologies and they are also by far the cheapest form of new-build energy that you can build anywhere globally, including here in Victoria.

What we have done as a government is provide the policy certainty and also facilitated through really good strong programs that provide fantastic value for money for our state to get these projects built, because what we have had unfortunately for too many years in this state is an unwillingness of governments to provide the confidence to the financial markets to actually back projects. Our efforts and our programs are allowing those moneys — those significant billions of dollars of investment that are travelling right across the globe looking for a home to invest in — to actually come forward and back projects. These are bankable projects that are made possible because of our government's efforts and our very strong renewable energy targets.

The CHAIR — I think in terms of looking at the impact that climate change is having on a society or a community, it would seem to me that less well-off communities often struggle the most in terms of adapting to climate change. Can you outline to the committee what the government is doing to address some of these challenges that some of the less well-off or the more impoverished communities are experiencing as a consequence of climate change?

Ms D'AMBROSIO — Absolutely. Our government is absolutely committed to ensuring that nobody is left behind in this transition. It is a transition that will happen whether governments like it or not. The fact is we are seeing decisions being made by owners of old technology generation that are privatised, may I add — not controlled by government — that are exiting for financial reasons, profitability reasons. It is incumbent on us that we actually prepare every part of our community and assist them to be able to get the best outcomes that they can. So we have invested very strongly in some really important programs that really get tangible outcomes there for communities that are really vulnerable.

For example, from this budget we have got almost \$50 million for a power-saving bonus. We know that seven out of 10 Victorians, especially vulnerable ones that really perhaps do not have that time to be able to shop around and get on top of really complex bill arrangements and products that are offered in a privatised market, to actually get out there and not just get the bonus but the bonus is really a way of actually unlocking the opportunities for them to get a better deal and save significant dollars on their bills. For example, the Victorian Energy Compare website is a government-sponsored, trusted website with no frills and no hidden secrets there. It is owned by government, managed by government and requires all retailers to be able to provide all of their offers to that website that they can get in there, and for seven out of 10 Victorians typically an average household can save \$330 a year of their energy bills. That is a significant saving.

That is why very soon, from 1 July, that website — it is available right now, but in terms of accessing that \$50 bonus — will be available from 1 July for a number of months. But, importantly, that website is available all year round, and we are absolutely encouraging every Victorian to get in there and take full advantage of it and get those savings. Seven out of 10 Victorians can be saving more than \$300 a year every year.

The CHAIR — Thank you, Minister. I think this had a name change, but the old CUAC, Consumer Utilities Advocacy Centre — I have run a couple of workshops in my electorate, particularly on the public housing estates — I think increasing that level of energy literacy is very important, and to empower people who might be otherwise disenfranchised so they are able to make better choices is fantastic.

Mr D. O'BRIEN — Good morning, Minister. Minister, the budget paper reference is BP3, page 59. In August 2017 the final report of the Thwaites-Mulder review was handed down. Could you tell the committee what the total cost of commissioning that review was?

Ms D'AMBROSIO — We are sourcing that information in terms of the cost of the review.

Mr D. O'BRIEN — While you are looking for it, Minister, can I also include what the chairs, Mr Mulder and Mr Thwaites, were paid for that as well?

Ms D'AMBROSIO — Yes, we will find that for you. Thank you for the opportunity to discuss this because that was an absolutely important review, coming up with a finding that effectively the privatised market is not actually working in favour of consumers. I am really pleased to say that it has taken this government to accept that and call for this review because ultimately privatised markets need to work in the best interests of consumers, and if they are not getting the best deal possible then we are going to do something about it. That is why I am absolutely delighted that, with that bipartisan review, a former minister of the coalition government who was a member of that review panel, together of course with a former Deputy Premier of this state under a Labor government and a well and highly regarded former senior public servant in Patricia Faulkner, who was there — they actually made recommendations to our government, most of which have been accepted thus far, with two outstanding recommendations that are still under consideration.

Mr D. O'BRIEN — Yes, one of those was for implementation of the basic service offer. Minister, where are you at on that? You have gone quiet since having said that you would undertake further analysis as part of the government's response.

Ms D'AMBROSIO — No-one has gone quiet, absolutely not. We are working with a whole range of stakeholders, as we made very clear we would. We released an interim response, which made it very clear that we were accepting all of the recommendations, with two recommendations under further consideration, which is what we have undertaken right now. So there has been a lot of significant work, understanding that we have had this privatised market now for probably more than 10 years, or almost 10 years, and it is not working in the interests of consumers. We want to get it right, and we will do just that and will have more to say about that in the coming period.

Mr D. O'BRIEN — So, Minister, this morning the AEMC has released its 2018 retail energy competition review, in which it said:

Price re-regulation of currently deregulated jurisdictions is not clearly warranted and may result in far worse outcomes for consumers.

Will you be pursuing a BSO in light of that advice?

Ms D'AMBROSIO — That is not advice — the advice that I seek is the one that we commissioned, and we have been very clear about that.

Mr D. O'BRIEN — So it gave you the answer you want — is that what you mean, Minister, by that?

Ms D'AMBROSIO — What's that, sorry?

Mr D. O'BRIEN — Is that getting the answer you want, when you said the advice you seek is the one you commissioned?

Ms D'AMBROSIO — Well, if you are suggesting I have verbalised Terry Mulder, one of your people, I find that offensive and I think Terry Mulder would find it offensive.

Mr D. O'BRIEN — No, no. You have got that advice, Minister.

Ms D'AMBROSIO — Yes, we have got that advice.

Mr D. O'BRIEN — I am now asking about the AEMC advice.

Ms D'AMBROSIO — And, can I say to you very clearly, the ACCC has made it clear that they have concerns about the functions of the retail market. So if you are really interested, if you are really genuinely interested in getting the best outcomes from a privatised market and the sale of all of these assets that you actually oversaw a number of years ago in Victoria, then —

Mr D. O'BRIEN — Actually it was Joan Kirner that started privatisation of the SEC, and if you want to go that far, Minister, you also deregulated the market, so do not try and pin this all on us.

Ms D'AMBROSIO — you ought to be also interested to understand whether the market is actually healthy and working in the interests of consumers or working in the interests of your mates.

Mr D. O'BRIEN — Minister, in September 2017 you referred to the Australian Energy Market Commission as 'experts, those people who understand the way the energy market works'. You obviously have respect for the AEMC. This morning they have indicated in a report that a basic service offer may result in far worse outcomes for consumers. Will you accept that expert advice that you have highlighted before comes from the experts?

Ms D'AMBROSIO — I do not think they actually understand the design of the BSO, which is really about what is actually happening right now within our jurisdiction. They are not a member of the group that are working on any possible design of it.

Mr D. O'BRIEN — So you are now saying they are not experts?

Ms D'AMBROSIO — Well, experts in what?

Mr D. O'BRIEN — I am giving you your quote. You said they were experts and the people who understand the way the energy market works.

Ms D'AMBROSIO — Yes.

Mr D. O'BRIEN — They are saying we should not re-regulate retail prices. Are you now going to dismiss that out of hand?

Ms D'AMBROSIO — The fact is the answer is there and it is quite clear. The evidence from an independent bipartisan commission —

Mr D. O'BRIEN — It is not bipartisan, Minister. Just because you had a former coalition MP on it does not make it bipartisan.

Members interjecting.

The CHAIR — Order!

Mr D. O'BRIEN — Minister, there is a question on the table.

Ms D'AMBROSIO — And I have answered it. We have been very clear.

Mr D. O'BRIEN — So you are now rejecting the AEMC?

Ms D'AMBROSIO — You want to answer it? Okay, you answer the question.

Mr D. O'BRIEN — Well, no, you did not answer my question. I am asking you —

Ms D'AMBROSIO — Well, I have answered the question.

Mr D. O'BRIEN — So you reject the AEMC?

Ms D'AMBROSIO — Yes.

Mr D. O'BRIEN — Minister, the AEMC identifies that the proposed BSO would force small retailers out of the market and increase market concentration, reduce competitive choice and decrease customer service — some of the things that the Chair was just talking about — undermine the benefits to consumers from investments undertaken to manage electricity usage such as home energy efficiency upgrades, and reduce the opportunity for innovation in the retail energy market. In light of that advice, will you be proceeding with the BSO?

Ms D'AMBROSIO — I think I have been very clear and our government has been very clear. We have not made a decision on the BSO, so that is why we are undertaking further work on it. So that is my answer. I am not going to give you a yes or no answer because that is not the way we operate. We want to do things properly, and that is why we are giving due consideration to this.

Just in terms of your other question earlier, I do have some details about the costs or funds put aside for the conduct of the retail review, the bipartisan and independent retail review, and that was \$1.68 million over the 2016–17 and 2017–18 period.

Mr D. O'BRIEN — Okay. And the costs of the payments to the chairs of that review?

Ms D'AMBROSIO — I will ask John to —

Mr BRADLEY — With apologies, we will take that one on notice. We do not have that detail with us today, sorry.

Mr D. O'BRIEN — Minister, can I move on. It is the same budget paper reference. The budget, as you outlined, includes the busting energy bills package. Would these measures be necessary if Victorian customers were getting the same energy bill decreases and freezes as South Australia, Queensland and New South Wales will be enjoying from 1 July?

Ms D'AMBROSIO — I think you actually fail to understand how the markets work in each of the states. For a start, in some of the other states most of the standing of tariffs are adjusted by financial year, so 1 July. In Victoria historically most of the tariffs have been adjusted from 1 January each year. So that is the answer.

Mr D. O'BRIEN — Minister, there is no reason for retailers not to be able to adjust their prices every six months, is there, and you could intervene to do so.

Ms D'AMBROSIO — I think the retail market was privatised a number of years ago, so we cannot tell them when to adjust their tariffs.

Mr D. O'BRIEN — Perhaps I should put it another way, Minister: what have you done to bring prices down from the retail sector, given that they are coming down or have been frozen in other states?

Mr DIMOPOULOS — That was half of your presentation, Minister.

Mr D. O'BRIEN — Once again, you do not seem to notice when we come in. I was here for the entire presentation.

Ms WARD — I know, so you were not listening.

Ms D'AMBROSIO — We have been very clear about this: you need a proper plan to actually tackle increases in prices. Number one, you need to create more generation coming into the mix, and we have wasted no time in getting that done. With more energy supply into the market, Economics 101 will tell you that prices come down. The Australian Energy Market Commission and other agencies have actually indicated and anticipated decreases in wholesale electricity prices that will be coming through over the 2018–19 and 2019–20 period. We have actually put in place certainly a number of other things; for example, of course, having the Victorian Energy Compare website far more accessible than it has ever been, knowing that seven out of 10 Victorians are paying too much. Let me very clear about this: the retail market is broken, which means that —

Mr D. O'BRIEN — It does not seem to be broken in the other states, Minister, where their prices are coming down.

Ms D'AMBROSIO — the markets in the retail area are not working in the best interests of consumers. In Victoria various agencies, including federal agencies, have indicated over a period of time that the retail margins in Victoria are bigger than they are in other states. That tells us that competition —

Mr D. O'BRIEN — Minister, you are not actually answering the question.

Ms D'AMBROSIO — In Victoria, which is a far mature market in terms of privatisation of the retail market and competition, the evidence therefore is presented much earlier to show that competition is not working — retail margins are too big. That is why we have undertaken the review into the energy retail markets, and we are actually going to be making it very clear in the recommendations that we now giving the ESC to implement that we are going to have those prices addressed.

Mr D. O'BRIEN — Minister, I am very short of time. From 1 January this year Victorian retail prices rose by up to 26 per cent — around about 15 per cent on average. My question was about the other states: are Victorian energy consumers subsidising the reductions and the freezing of prices in other states?

Ms D'AMBROSIO — Sorry, can you repeat the question?

Mr D. O'BRIEN — Victorian prices have gone up by up to 26 per cent from 1 January — around about 15 per cent on average. Other states are either coming down or being held frozen. Are Victorian consumers subsidising other states?

The CHAIR — Order! Ms Pennicuik until 10.10 a.m.

Ms PENNICUIK — Morning, Minister. Morning, Secretary. Morning, all of the staff of the department. Thank you for coming to the last day of the budget estimates. Minister, I have got two questions if I can fit them in. If I could refer you to budget paper 3, pages 59 and 60, which is the allocations, and also pages 64 and 67.

But in terms of the \$70 million over the forward estimates that is allocated to Parks Victoria in the budget papers — page 60, at the top there — the notes to that on page 67 say that:

Parks Victoria will be resourced to maintain 130 existing park ranger positions in regional Victoria to manage natural resources and provide services ...

et cetera. That also includes the shrine to the sea project, but in your presentation that appears to be a separate \$13 million. It says \$83.6 million to secure the benefits of parks for Victorians, and then it mentions the \$13 million. So what I would like is a clarification of that \$70 million. Is that all to be spent on existing park rangers? Are there new park rangers included in that \$70 million, and what duties et cetera would they be focusing on?

Ms D'AMBROSIO — Thank you very much. What I will do is seek Parks Victoria, if I may, just to clarify those figures.

Mr JACKSON — Good morning, committee. Thank you for the question. I'm Matthew Jackson, the CEO of Parks Victoria.

Ms PENNICUIK — Mr Jackson.

Mr JACKSON — Thank you, Minister. To clarify your points, you are correct: \$70.6 million is in opex in addition to \$20 million ongoing to fund regional Victoria in the vicinity of the current rangers. That will look after all of our Parks Victoria infrastructure — staffing existing rangers. That is not for new rangers, that is for the existing rangers, noting that in the previous budget there was an uplift of 31.2 million. Of that, last year 53 rangers were appointed. They are appointed for a period of two years. So existing rangers funded again ongoing, and last year's budget was for 53 rangers.

Ms PENNICUIK — So last year there was 53 —

Mr JACKSON — Additional rangers.

Ms PENNICUIK — for new rangers for two years. There are no more rangers in this particular budget?

Mr JACKSON — What that does — in the 70 million are our seasonal rangers that do come in, so the existing structural deficit of the organisation has now been resolved. To put that in context, annually we apply for our budget, as we do through the process. This has now given us certainty over a four-year and ongoing process, that we have a baseline funding.

Ms PENNICUIK — Can you outline what the functions and focus of those rangers are in the regional areas? What are their duties?

Mr JACKSON — To put that in context, 80 per cent of our estate, over 3000 reserves, is in regional Victoria. To put that in other questions, if I use a whole-of-government approach, our rangers are not only for maintenance; they look after the estate, biodiversity gains, science, research, conservation and community safety. That is our fire staff, our regional staff, our tourism staff, our frontline rangers staff, our community activation — the whole lot.

Ms PENNICUIK — Thank you very much. Minister, if I could quickly go to another question — and thank you, Mr Jackson, this might not be one for you — this is with regard to caring for our environment faunal emblems, which you did mention in your presentation. If I could just get the figure there, it is \$3 million in your presentation for that. The government has not responded yet to the recommendations of the review of the 200-metre timber harvesting exclusion zones, so could you update us as to where that response is?

Ms D'AMBROSIO — Sorry, can you just repeat that again?

Ms PENNICUIK — You have got \$3 million there for protecting our faunal emblems, and the report into the Leadbeater's possum and the review into that recommended 200-metre radius exclusion zones after a period of identifying new colonies et cetera. Now these milestones have been met, but there is no response from the government as to whether they are going to implement that recommendation — of the 200-metre exclusion zone.

Ms D'AMBROSIO — Thank you, Sue. Look, I will ask Kylie White, deputy secretary, to go through that.

Ms PENNICUIK — Thank you, and before you start, just bear in mind that we may run out of time, so if there is more information that could be provided to the committee on where that situation is at, that would be good.

Ms WHITE — Can I just confirm with you that you are wanting to know whether the protection measures for the Leadbeater's possum have —

Ms PENNICUIK — Whether the government is going to respond to the recommendations, because there has been no government response, and whether it is going to implement those recommendations, given that the milestones were two years of surveying or once 200 new colonies were located in state forests in June — that those milestones were met. It will have to be taken on notice.

Ms WARD — Good morning, everyone — last day. I can see the joy on everyone's faces, including our own. Minister, can I get you to come back to the questions that you have had and some of the information you have already given us regarding energy affordability. You also referred to it in your presentation. Can you please talk us through systematically what the government is doing to assist families and businesses with their energy bills and how the measures that you have put in this year's budget will contribute to this?

Ms D'AMBROSIO — Thank you for that. We are doing a whole range of things right across households and also businesses. I have talked about the broader one in terms of getting more supply into the market, which is absolutely vital, and importantly, of course, the power saving bonus, which I have just talked about. We have also, in terms of dealing with some of the more vulnerable members of the community, put aside some funds to assist vulnerable households to meet their energy costs by helping with affordable retrofit programs, which is really critical here. That will deliver upgrades to —

Ms WARD — What do the affordable retrofit programs do?

Ms D'AMBROSIO — The retrofit programs actually target vulnerable homes, and they are about actually making an assessment of the energy efficiency of a particular home and then coming up with some of the solutions that can actually address those lack of energy efficiency areas of the home, and then retrofit, if you like, and provide financial support to actually make them more efficient. Obviously that gives them greater comfort in their home, but is also saving money. In terms of business —

Ms WARD — But that is a long-term action really, isn't it?

Ms D'AMBROSIO — Absolutely. Once those retrofits are done, those households will have the benefits each and every day, year in, year out for many, many years. So they are really good ways to actually get in there and delivery really tangible outcomes for the long term for these people. We are also doing some of that stuff in public housing. My colleague the Minister for Housing is delivering the EnergySmart public housing program — 600 upgrades — and they are doing some fantastic work there. There is also the broader Healthy Homes. It will deliver 500 home energy and thermal comfort upgrades in this coming financial year, so this is under the broad home energy assist series of programs.

We also are putting a lot of support in for businesses and boosting their business productivity. These are really similar to what we have been doing in households. It is getting out to those businesses through the effort of the department and, more often than not, led by Sustainability Victoria, getting out there to those businesses that really need that important advice to actually work through how to save on their energy bills, and we have got a wealth of examples of how many businesses have really taken up those really good tangible offers from government and are, importantly, saving some significant amounts of money off their energy bills. I am happy to elaborate on any of those if you would like.

Ms WARD — So these are good actions to take in terms of, as we were saying earlier, longevity, in terms of long-term approaches to this — whether there were increases in energy prices or not — but since there are increases to energy prices, can you please explain to us why energy prices are going up?

Ms D'AMBROSIO — This is certainly important for us to understand. Certainly there are a whole range of issues in the market that have put pressure on prices, and really it is up to a government that is actually

interested in tackling prices to actually take the steps to bring them down, because there is a significant role for state and federal governments in this area.

One important problem that has occurred, especially impacting businesses of course, is the fact that, despite the fact that we have got more than sufficient gas to meet all of our needs here in Victoria, we have had two-thirds of the gas produced along the eastern seaboard of Australia actually exported. Federal governments of whatever persuasion over the years, unfortunately, allowed that to happen. We as a government have called, through the Premier at a COAG meeting last year, to actually put a cap on the amount of gas that is allowed to be exported, effectively meaning that we supply the domestic market first, ensure that there is no tightness of gas supply and keep that cap on there until we have sufficient supply to meet not just our electricity production needs but also of course the actual gas supply needs that many businesses rely on, because some of them are very gas-intensive in terms of the fuel source.

But until we actually see those prices reduce sufficiently to resemble what is a fair price — and the federal government unfortunately made a big song and dance about it, puffed and puffed, and really has not implemented the policy that would make a significant difference —

Ms WARD — When you say ‘a big song and dance’, what does that mean?

Ms D’AMBROSIO — Well, look, they called in a whole range of businesses — gas businesses — to point the finger at them in front of the TV cameras. Whilst there have been some reductions in gas prices in Australia it is still not to the level that anyone would say is a fair price, so we are still seeing higher than ought to be gas prices that are being felt right across the market. Having said that, can I say in terms of residential gas prices in Victoria, right now residential gas prices are the lowest of all of the states’ residential gas prices, and that really does speak to the fact that Victoria has always had and will continue to have more than sufficient gas supplies available to it to meet all of our needs. So we need just to make sure that the federal government starts actually pulling its weight and addressing that really key issue that will significantly get those prices back to what a fair level is and that everyone can live with and adjust to.

Ms WARD — You referred earlier to Victorian Energy Compare, on which you will recall I have had sessions in my own electorate helping people manage Energy Compare, which they have found incredibly useful. One of the things that Energy Compare does is take away that confusion that people have over their energy bill and how to actually read it. Can you explain an energy bill to us?

Ms D’AMBROSIO — That is a good question, and this is one of the failures in the market that the bipartisan independent review revealed — that is, that offers aren’t offers. That is probably an old gag going back to an old ad, going back probably about 30 years ago, but the fact is you cannot easily compare apples with pears or bananas, and that is the nature of our retail market. The Premier himself is on record as saying it is really designed to confuse people and not allow them to be able to actually get the best offers. So Victorian Energy Compare allows people to input information from their own bill — and this is absolutely all confidential — and the Energy Compare website considers all of the offers available and then ranks the offers that are most suitable to the particular housing profile of the resident. The other important thing of course is that the bipartisan review made a series of recommendations to standardise and have greater transparency in the way that a bill is presented to customers, so that when people look at a bill they can understand what portion of it is in fact a connection charge, how much of it is actually a retail margin component, how much of it is the distribution proponent, et cetera et cetera. At the moment it is very, very opaque, and our objective as a government is to change that. As I said, work is already underway by the Essential Services Commission to implement the recommendations we have adopted thus far, and to do that means we will ultimately get better prices, lower prices, for households and businesses in Victoria.

Ms WARD — One of the things that people have found challenging in the past, pre-Energy Compare if you like, is putting information into commercial websites that do not necessarily give correct information but also you do not know where your data is going, you do not know who is using your data or where it goes to next, because it is all through a commercial process, if you like. How is the government one different?

Ms D’AMBROSIO — Look, very, very different, and I think people accept that with a government website they are going to get the full information — the transparency that they need. I mean we know that even just from reports over time and including even this morning that energy businesses are now ranked lowest, even below banks. This is what we have come to, and trust is so important. So this website actually can be trusted

because all of the market offers must be on the website. There are no hidden commissions. Governments do not take commission out of this, and the full facts are there for people to be able to get the confidence they need to make the right choices about which market offers are the best to suit themselves and their families or their businesses. So it is vital for us to get this right, and our objective is not just to tinker with the market but to actually reset it so that ultimately it is in the best interests of consumers.

Ms WARD — Putting pressure on the market at that very base point, which is the consumer, and empowering the consumer to be able to make educated choices about where they go absolutely helps bring down energy prices because it creates a level playing field.

Ms D'AMBROSIO — That is right, and can I just say that when the government announced its power saving bonus we had a magnificent uptake.

Mr D. O'BRIEN — Minister, just going back to my previous line of questioning, you said that the retail market in Victoria is broken. When will you be making a decision on a basic service offer?

Ms D'AMBROSIO — We have said from the beginning that we needed more time to consider the details of how a basic service offer, if it were to be implemented, what impacts it would have on the market —

Mr D. O'BRIEN — The report came out in August 2017, Minister — nearly 12 months.

Ms D'AMBROSIO — And I have said to you that we are a government that does not rush and make hasty decisions. We need to get this right. We are talking about a market that has been developed over a number of years now, and importantly we have already — months ago — accepted nine of the 11 recommendations. The work is already underway there. The BSO is one where we have listened to stakeholders who have said, 'Look, we'd like more opportunity to actually go through the details of this, work it through to understand whether there are any unintended consequences', and we need to be very clear about that. So we are working diligently through this, and we will have more to say about this in the coming —

Mr D. O'BRIEN — Can you give me a rough time line?

Ms D'AMBROSIO — I am not going to tell you when we will be finalising our decision, but it will be in the coming period. So we are working through all of the key stakeholders —

Mr D. O'BRIEN — It is not bipartisan, then, is it? If it was bipartisan, you would share it with us.

Ms D'AMBROSIO — including the retailers, including welfare organisations and the Essential Services Commission to ensure that we make the right decision. Importantly —

Mr D. O'BRIEN — Minister, can I move on, because you are not answering that question.

Ms D'AMBROSIO — I think I have.

Mr D. O'BRIEN — You have given it the answer the best you can, thank you. You just said to us in response —

Ms SHING — Oh, mansplaining.

Mr D. O'BRIEN — You just said to us in response to another question — speaking of mansplaining — in a manner that, well, I would not say it was patronising but —

Ms SHING — Tell us about mansplaining, Mr O'Brien.

Mr D. O'BRIEN — you indicated to us that economics 101 would suggest that if you put more supply in, the prices will come down. Therefore economics 101 would tell you that if you take supply out, the prices will go up. On that basis, do you now accept as fact that the tripling of the coal royalty that led to the closure of the Hazelwood power station and the withdrawal of 25 per cent of the state's power supply has had an impact on both wholesale and retail prices?

Ms D'AMBROSIO — Look, I think you are confusing a number of issues there and making assumptions —

Mr D. O'BRIEN — No, I am actually using your own comment about economics.

Ms D'AMBROSIO — Yes, I understand economics. Quite clearly Engie made it absolutely clear, as we know, as the owners of Hazelwood power plant, to the very question you are proposing and keep putting out there that coal royalty increases have nothing at all to do with their decision in terms of the future of —

Mr D. O'BRIEN — Well, that is not what they said at the time the coal royalty was increased.

Members interjecting.

Mr D. O'BRIEN — Minister, do you accept that the closure of Hazelwood had a significant impact on wholesale and retail prices in Victoria?

Ms D'AMBROSIO — Look, we have been clear all along that the decision that was made by a privatised company that was privatised under a previous coalition government was going to lead to an increase in wholesale prices. At the same time, you actually need a decent government that actually understands and looks to the future and actually plans to promote and facilitate the uptake or the deployment of new energy, more generation in the mix. We have wasted no time as a government to do that. Unfortunately we had four years of the previous government, which did nothing other than think that the world was never going to change. The fact is that the world did change and we have wasted no time in that regard.

Mr D. O'BRIEN — On that issue, Minister, you have said a number of times this morning and in the past that renewable energy is cheaper and will bring prices down. If renewable energy is cheaper, why does it need a subsidy through your VRET?

Ms D'AMBROSIO — Because of lack of policy certainty at a federal level and at a state opposition level in terms of investment confidence.

Mr D. O'BRIEN — Why does it need a subsidy?

Ms SHING — Because you reckon you are going to build more coal-fired power stations is why.

Mr D. O'BRIEN — Why does it need a subsidy, Minister?

Ms D'AMBROSIO — From —

Mr D. O'BRIEN — You are telling us it is cheaper and will bring prices down, so why does it need a subsidy?

Ms WARD — Do you want to hear the answer or not? Why keep talking over the top of her? Why don't you just wait until she answers?

Mr D. O'BRIEN — Chair, can we have less interjections from the other side, because it is taking our time.

The CHAIR — Sorry, I was waiting for the minister. The minister was about to answer your question.

Ms D'AMBROSIO — The history of all generation plants in the country, no less so in Victoria, is that they have all been supported or built by governments — all of them — because of the economics of building these things. They continue to be subsidised in one way or another. Whether it is cheap water for our coal thermal power plants in Victoria, whether it is other types of subsidies in other states, they all continue to be. I am not arguing about that at all. But when you have got no policy certainty at all — in fact you have actually got the opposite, of actually doing nothing, which is actually going to make it worse when privatised businesses are going to make decisions about the future of these old, aged and inefficient power plants — you need a government to step in and actually help to give that certainty and investment confidence. If you talk to all the financiers —

Mr D. O'BRIEN — So, Minister, then it is only cheaper if you give it a subsidy. Is that what you are saying?

Ms D'AMBROSIO — No, I am not saying that at all. I am saying to you, right now, we are providing the certainty that businesses need —

Mr D. O'BRIEN — You can provide policy certainty without providing a subsidy.

Ms D'AMBROSIO — Well, we are providing the financial certainty and also, of course, the policy framework to make sure that we can get energy supply into the market as soon as possible. That is our objective. We are not wasting time; we cannot afford to waste time. The quicker we can get energy into the market, the cheaper the prices will be for everybody.

Mr T. SMITH — Minister, given your involvement in the Labor red shirts rorts scandal to the tune of at least \$5364, will you guarantee that the personal data you are collecting from Victorians in exchange for a \$50 bribe — and this is your \$50 power saving bonus costings and targets, BP3, page 59 — will not be used for political purposes by you or the Labor Party?

Ms SHING — On a point of order, Chair, again to go back to the issues that have been canvassed at length throughout the course of these hearings, Mr Smith has asked a question about matters which are the subject of discussion around the activities of a political party.

Mr T. SMITH — No. No, I didn't.

Mr D. O'BRIEN — Did you listen to the question, Ms Shing?

Mr T. SMITH — I don't think you listened to the question.

Ms SHING — You have, Mr Smith. You have asked a question about activities which relate not to the minister's portfolio or to the budget but which —

Members interjecting.

Mr T. SMITH — The power saving bonus is directly relevant —

Ms SHING — I am not saying that that is not.

Mr D. O'BRIEN — Well, that is the question!

Ms SHING — No —

Mr T. SMITH — That was the question.

Members interjecting.

The CHAIR — Order! Sorry, now, I may have —

Members interjecting.

Mr T. SMITH — Shall I ask it again for the benefit of Ms Shing?

Ms SHING — Please do.

Mr D. O'BRIEN — And can we please stop having these frivolous points of order that are chewing up our time? They are frivolous!

The CHAIR — No, Mr O'Brien, we have traversed this area extensively over the course of the hearings, and I have been making it very clear that if there are questions that relate —

Mr T. SMITH — Any mention of anything that is a bit sensitive to the Labor Party, you try and shut it down. Yes, we know that, but this question was actually about something —

The CHAIR — I haven't finished in terms of what I was saying, Mr Smith, before you rudely interrupted.

Mr T. SMITH — You can hardly lecture me about being rude, with the performance of your colleagues.

Members interjecting.

The CHAIR — Are we done? As I was saying, we have traversed this area extensively over the course of the estimates period, and I have been very clear in my rulings today that if a matter relates to events that may or may not have occurred in the 57th Parliament, then it is out of scope for these hearings. Now, I did not quite hear your question, Mr Smith, but you started to talk about events that related to the 57th Parliament. Perhaps you would like to either repeat or rephrase your question.

Mr T. SMITH — Regarding the power saving bonus, on budget paper 3, page 59, and given the minister's involvement in the Labor red shirts roting scandal to the tune of \$5364, will you guarantee, Minister, that the personal data you are collecting from Victorians in exchange for \$50 on this website will not be used for political purposes by you or the Labor Party?

Ms SHING — On a point of order, Chair, again to relevance, Mr Smith appears not to understand the nature of asking questions about the budget. The starting point that he began with — namely, the \$50 bonus — is in fact relevant to the budget paper. What Mr Smith then goes on to do is to actually refer to matters involving a political party —

Mr T. SMITH — I am asking what the minister intends to do with the data she is collecting from Victorians on this website.

Ms SHING — referring to actions that may or may not have been undertaken by individuals, as opposed to matters that fall within the remit of the minister's portfolio as it relates to the general business order.

Members interjecting.

Mr T. SMITH — From 1 July to December, this website will be up and running, and I am asking about data security, given this minister's proclivities with regard to roting the taxpayer.

The CHAIR — Again, we are nearly out of time. If there is a question to the minister in relation to preserving the integrity of the data, I am happy —

Mr T. SMITH — Let the record reflect that I have not asked a question about data security, given the rorts that have gone on by this government —

The CHAIR — Ms Patten until 10.36 a.m.

Mr T. SMITH — You are a disgrace, Chair. You are an absolute disgrace.

The CHAIR — You need to learn to ask questions.

Ms PATTEN — Good morning, Minister. I have a quick question. I am not sure whether this is actually the right area to ask it in, but I was interested in the Metro Trains electricity usage, and I was wondering if you actually knew. I know the trams have moved to renewable, so I was wondering if you knew the electricity usage and also the associated greenhouse emissions from that.

Ms D'AMBROSIO — Thank you for the question. Regarding the contracts, because they are not held by our department, I do not necessarily have that direct access that I can answer now or whether I would have the authority to answer it. Certainly if we can establish what that is, we are happy to provide that.

Ms PATTEN — That would be great, Minister. Thank you.

Ms D'AMBROSIO — If we are able to and I have the authority to do that, happy to do that. Definitely.

Ms PATTEN — Fantastic, thanks. Regarding pumped hydro, certainly I know there is a study being done in Bendigo. I know my office is very pumped about pumped hydro.

Ms SHING — Oh, look at you!

Ms PATTEN — I know. Look at how I did that! But there was also a recent ANU study that identified about 22 000 sites in Australia, and 4000 of them were in Victoria. Have you got any plans to invest further in pumped hydro?

Ms D'AMBROSIO — That is a really exciting potential for us, and I am very excited by it. In terms of the numbers of sites in Victoria, most of them are on the smaller side, but that does not mean that they are not useful or cannot be useful. Certainly if we reflect on the fact that we have got so many disused mine shafts right across the state —

Ms PATTEN — The ANU study says those sites are actually bigger than the Bendigo one.

Ms D'AMBROSIO — Yes, that is right. As you might be aware, there was a prefeasibility study that we provided some funding for and did together, I think, with the city of Bendigo. They were very keen to do it. The results of that prefeasibility study showed that it was really viable — that there was a real prospectivity about this. So what we have done thus far is put out to offer, to the market — we have put it out there — to see if there are any businesses that might be interested in doing further detailed work beyond that prefeasibility study to take that project further. It is still out there, so we are still waiting on of course those possible interests to come forward.

Ms PATTEN — Thanks, Minister. We will watch with interest. In budget paper 3, page 62 — this is around the energy target, the 25 per cent by 2020 and 40 per cent by 2025 — the Clean Energy Council's 2018 report stated that Victoria sources 16 per cent of its energy from renewables. That was in 2016. I wonder if you know what the percentage is for 2017.

Ms D'AMBROSIO — From memory, I think it is around about 17 per cent, understanding that this year there are far more projects that are under construction that actually are not in the market yet, but they are well and truly going to be delivering renewable energy that will contribute to the targets that we have set ourselves.

Ms PATTEN — Is that the projects that you mentioned in your presentation?

Ms D'AMBROSIO — Some are those. There are a number of projects that are already underway because of the confidence that we have given. For example, yesterday I was at the Stockyard Hill Wind Farm. Because of the confidence that we have given them, they had planning approval 10 years ago. It has stalled because of a lack of confidence at federal and state level in terms of policy certainty, also bad planning laws. Very quickly the planning minister in Victoria was able to change the planning laws to allow bigger turbines also. That project is now being built and will be producing more than 500 megawatts of new generation into the mix. I do have a list of all of the projects. There are many of them.

Ms PATTEN — Would you say it is predominantly wind?

Ms D'AMBROSIO — No, no. There are also some solar ones coming through other than the two that I have mentioned — Bannerton and Numurkah — that are supported by one of our programs. We have got more that are going to come through the auction scheme.

Ms PATTEN — The reverse auction, yes.

Ms D'AMBROSIO — As you know, with our auction schemes, our VRET, we are actually assigning I think a 20 per cent target for solar projects so we make sure we have a really good offering of solar projects.

Ms PATTEN — Fantastic. Just in the short time I have left, South Australia has currently installed more wind power capacity than Victoria, and I think they are saying that 40 to 50 per cent of their electricity will be generated from renewable sources. It has been able to generate about 40 to 50 per cent. Is it because South Australia is smaller and it has just got less energy requirements that it can scale up to that degree?

Ms D'AMBROSIO — Sorry. What was the actual nub of the question?

Ms PATTEN — I am just asking a question about the reason South Australia has been able to scale up a bit more quickly. Is it because it is a smaller state with less energy demands?

Ms D'AMBROSIO — Absolutely, so they have been able to reach those targets more quickly, but also they had better planning laws and we had bad planning laws that brought the renewable sector to a standstill in Victoria.

Mr D. O'BRIEN — On a point of order, Chair, if I could, I want to raise this point of order given the discussions we had in the opposition's last questions. I am raising it deliberately now because the government members are continuously interrupting our time with frivolous points of order and interjections that are stopping the minister from answering. The question that was raised, and we did not get time to rule on it, was with respect to the \$50 power saving bonus, which is listed on page 59 of budget paper 3. I am seeking your clarification. Are you ruling out a question directly related to a government initiative in the budget papers because of the attendant commentary in the question?

The CHAIR — No, no. The issue was the way in which Mr Smith chose to raise a question. If the member had raised a question in relation to this particular initiative in relation to the fact that data collection will occur — 'Can you advise the committee how that data would be handled?' — then clearly that question would have been in order and I would have been very happy for that question to be asked. Where we got caught up in interjections and points of order was due to the fact that the member sought to introduce matters that related to the 57th Parliament. As I indicated in my ruling —

Mr T. SMITH — The question did not relate to the 57th Parliament.

Members interjecting.

Mr D. O'BRIEN — Sorry, are you now saying, Chair, that you are basically censoring how we ask our questions?

The CHAIR — No.

Ms WARD — We just want to help you out.

Mr D. O'BRIEN — No, you are not being helpful at all, Ms Ward. I would really appreciate it if you three would let us ask our questions. I know you have got a job to protect a minister who is really struggling on a difficult issue like this —

The CHAIR — There is no point of order.

Members interjecting.

The CHAIR — Order! Ms Shing.

Ms SHING — Minister, I might ask you in relation to the budget paper reference, BP3, page 54, which was referred to earlier by my colleague Mr Smith, and the Energy Compare process and the incentive payment that will be made available after July, one of the things which has come up in relation to the offer of this incentive has been the way in which data provided by consumers within the retail space will be —

Mr T. SMITH — On a point of order, Chair, Ms Shing is referring to budget paper 3, page 54. This is referring to new school construction.

Ms SHING — I beg your pardon. Thank you. Sorry. I was actually just copying you, Mr Smith, so that is my error. I will refer you back to the presentation then and to the answers to earlier questions, Minister.

Mr T. SMITH — My budget paper reference was correct. I am not telling you what it is. Do your homework properly.

Ms SHING — 'I am not telling you what is'. Is this your Pyrrhic victory again, Mr Smith?

Mr T. SMITH — No, no. We are going to continue to interrupt you, Ms Shing, as you have been doing to us all week.

Ms SHING — Minister, one of the concerns that has been raised by consumers is the way in which data will be —

Mr T. SMITH — What is the reference, Chair?

Ms SHING — The presentation.

Mr T. SMITH — What is the reference, Chair?

The CHAIR — The member has referred to the presentation.

Ms SHING — Minister, one of the issues that has been raised is the integrity of data and the way in which when consumers provide their personal data, including by reference to their own bills, there is concern about the management of that personal information. We know from various scandals and reporting on the sharing of data online and globally that this is a point of high sensitivity and justifiably high sensitivity. What are the safeguards in place to make sure that consumers who participate in this process to lower their energy bills or to get a better deal can have confidence in understanding that their data will not be used for any other purposes?

Ms D'AMBROSIO — Thank you for that question. The initiative is going to be administered with the very strict privacy requirements that are incumbent on government. There are a number of programs or engagements that government has with Victorians through websites. This is no different in that regard, but I can understand that there may be some concerns amongst Victorians. But absolutely the strict privacy requirements will be in place, and they are currently set out in the disclaimers and the terms and conditions that the Victorian Energy Compare users agree to in advance of using the website. They are as standard but with the highest integrity underneath that. It is important that that process is understood and that users will be provided with further terms and conditions, describing how their data will be treated and protected and seeking their agreement to those terms and conditions. That information is very clear, to the best standards of government to maintain integrity and public confidence that they can genuinely utilise this website to their advantage and not have unintended uses of their data being taken advantage of.

Members interjecting.

The CHAIR — Order!

Mr DIMOPOULOS — [inaudible] prices and also in terms of baseline capacity, or whatever the terminology is. Just in terms of the lessons from last summer, in terms of reliability, I refer to budget paper 3 and the performance measures on pages 207–8. Can you give us a sense of what we have learned through the past summer in terms of reliability? I imagine the renewable energy target that was set in law would be some kind of pulling force towards better reliability in the future.

Ms D'AMBROSIO — Thank you. As everyone would know, the national energy market is overseen and managed by the Australian Energy Market Operator. Each year the market operator provides advice, if you like, to the market about what the supply needs are going to be. Particularly it is about the summer periods, because typically that is when a significant increase in electricity demand is there. Those reports typically that are produced by the operator are there to send a signal to the market to bring online or make available to the market sufficient energy supply to meet our needs. In terms of Victoria's last summer period, I am very pleased that we worked very assiduously with the market operator, who made some very important and sage decisions in terms of utilising a very long-known scheme, the RERT scheme, which is the reliability and emergency reserve trader scheme. That has typically been used when the market operator believes there may be a risk of insufficient supply. It was last used, I think, in early 2014. It was put in place by the market operator back under the previous government.

In summer the RERT scheme proved very, very useful to ensure that Victorians could go about their business, enjoy their holidays and run their businesses without the fear of there being shortages of supply of electricity, and that worked very, very well. We are very pleased as a government to have provided our assistance and to have worked cooperatively with them to make sure that they had all of the preparations in place well ahead of the summer. The summer came and went without any shortage of electricity supply.

Mr DIMOPOULOS — Thanks, Minister. In the time we have got remaining, which is only about a minute and a half, I want to take you to a comment you made earlier in response to another question about gas prices. That is a good story to tell nationally in terms of retail gas prices. Can you talk to us a bit about the supporting energy reform investment in budget paper 3, page 63, and the impact on gas supply and prices?

Ms D'AMBROSIO — Yes, absolutely. Just to that point about Victoria having more than sufficient supply, there are a number of things that we are doing. For example, if I may, without speaking on behalf of the resources minister but just in terms of the information to deal with that question, in May this year the Minister

for Resources, who is also the Treasurer, released five new oil and gas exploration blocks offshore in the Otway Basin. That is about really just helping the long-term supply of gas for Victorian homes and businesses. The minister also oversees the investment — \$42.5 million — for the Victorian gas program.

The other thing that is very important of course is to understand that the market institutions have been very clear that there are years and years of gas available to us to meet our ongoing needs. But we do not rest on our laurels. The market operator has made it very clear that there is no shortage of gas offshore. There is at least 3500 petajoules of proven and commercial reserves, and Victoria uses 200 petajoules a year.

Mr T. SMITH — Again to your power saving bonus, Minister, this \$47.8 million you have put in the budget for this will only cover around one-third of Victorian households. Can you guarantee that every eligible customer who signs up to your website will receive a \$50 payment, or will up to two-thirds of Victorian households miss out?

Ms D'AMBROSIO — Look, everyone is entitled to access the website, and provided they only do it once they will get one bonus. But let us remember that the purpose of the bonus is to actually get people knowing about the website and going to the website. Seven out of 10 Victorians — that is, 70 per cent — can be getting savings off their energy bills, gas and electricity. So that is the objective of this.

Mr T. SMITH — I am aware of the objective, but I am asking: in reality, is that going to cover the whole state? The answer is no, isn't it? You have not provided enough money for it.

Ms D'AMBROSIO — No, the answer is not no. Not to put words in the Treasurer's mouth, but I know that he was asked this question. If more people want to visit it and take advantage of the offer, that is a problem he is happy to have.

Mr T. SMITH — So in terms of the accuracy of the website the disclaimer on it suggests, and I quote:

No claim is made as to the accuracy or currency of the content on this site at any time.

Can you confirm that every Victorian that uses your website will actually find the best deal available for them?

Ms D'AMBROSIO — Absolutely, and this is the website that gives all of the information. We cannot obviously ultimately be held responsible for what private businesses provide by way of information, but I tell you what, if there are consumers who visit a website, find an offer and then want to pursue that offer with the retailer to change product or retailer, then I am absolutely confident that the regulator — the Essential Services Commission — will have a look to see about false advertising. So the usual consumer protection laws kick in, but absolutely, this is by far the most trusted, fully informed website available to all Victorians.

The stats speak for themselves. In the 2016–17 period, there were 210 000 visits to the website; in 2017–18 it was 480 000 unique visitors, and this is expected to reach 500 000 by the end of this year. That is a nearly 150 per cent increase. Once the bonus was announced in April we had 19 000 visitors to that website, I think in the space of 24 hours and 120 000 users visiting the website in the month that followed.

Mr T. SMITH — Minister, why do you have a disclaimer —

Ms D'AMBROSIO — It is a standard disclaimer.

Mr T. SMITH — if you are so confident that this will provide such accurate information to Victorians about how to improve their energy costs? You are paying people \$50 to go to this website on the one hand, and then on the other hand you are saying to them, 'Actually, but what you're seeing here might not be right'.

Ms SHING — It is the retailers that are providing the information, Mr Smith. Have you not heard the answers to earlier questions?

The CHAIR — Order! Ms Shing!

Ms D'AMBROSIO — I think I have answered it. These are offers that are made available to us by law; we changed the legislation to require businesses to provide their information — their tariffs and the like — and they are faithfully uploaded to the VEC and —

Mr T. SMITH — It is just a stunt, isn't it, Minister?

Ms D'AMBROSIO — I think that you would not want to say that to the hundreds of thousands of people who have visited the website, because they actually genuinely want to save money on their bills. Seven out of 10 Victorians can save, on a typical household bill, \$330 each and every year. I do not think that is a stunt by any stretch of the imagination. We have had unsolicited feedback on the website, 'This is great. I think I could save up to \$1000 a year'.

Mr T. SMITH — Minister, are the costs associated with advertising for the Victorian Energy Compare website, including trams in Melbourne's CBD, included in the \$47.8 million power saving bonus in your budget?

Ms D'AMBROSIO — Sorry, can you repeat the question?

Mr T. SMITH — Is the advertising that we are seeing on trams in Melbourne's CBD included in the \$47.8 million in your budget for the power saving bonus?

Ms D'AMBROSIO — I will ask the deputy secretary of the department to answer that.

Ms WHITE — Just in regard to the current advertising, it is in the current financial year, not in future years, 18–19, which is the upgrade to the saver bonus.

Mr T. SMITH — I am asking about the advertising. It is currently advertising this plan, that I understand starts on 1 July. We can get into minutiae around this financial year or next financial year. Is the \$47.8 million including advertising for your Energy Compare website?

Ms WHITE — It includes advertising.

Mr T. SMITH — It includes advertising. Thank you very much.

Mr D. O'BRIEN — Minister, you mentioned in your presentation the Bannerton and Numurkah solar farms and you claimed that 325 jobs will be generated from these projects. Can you tell us what proportion of these jobs are being filled by temporary visa workers?

Ms D'AMBROSIO — I do not have the answers to that question. As you would imagine with both Bannerton and Numurkah the contract arrangement of the state is to not actually physically build the project ourselves; the financial arrangement is to purchase the renewable energy certificates that provide a funding stream and give some certainty to enable these projects to be built. So in terms of the employment arrangements we have been very clear about our involvement, if you like, and what we are responsible for. So we are responsible for the purchase of these certificates for a period of time, which has allowed these projects to be bankable and to be financed and to now being built.

Mr D. O'BRIEN — Minister, the secretary of the Electrical Trades Union, Troy Gray, stated that there are 'plenty of jobs in the renewable sector just not for locals'. You claimed in your press release 325 jobs for these two projects. How many of these are actually going to local workers?

Ms D'AMBROSIO — As I said to you, I am not responsible for the appointment arrangements there, but —

Mr D. O'BRIEN — But you are responsible for the statement in your press release under your name, Minister.

Ms D'AMBROSIO — all successful suppliers are required to demonstrate a strong track record of maximising local benefits for their projects, and that includes local employment. They demonstrate that as part of the assessment of proposals to come forward to us, including of course the use of any local suppliers and community ownership and any benefit-sharing arrangements that they may wish to make to local community. All of those are part of what you would normally find in any similar contract arrangements, whether they are building new wind farms or solar projects or indeed other assets that governments tend to support through a variety of contractual arrangements. This is no different to any of those.

Mr D. O'BRIEN — So again, Minister, Mr Gray said that local workers are missing out on jobs because you have entered into, and I quote, 'the wrong contractual requirements'. Given the ETU recently re-joined the Labor Party, would you have the courtesy of answering Mr Gray's question, which was: how many millions in taxpayers subsidies can be spent on foreign backpackers and overseas profits before local workers even get a look-in?

Ms SHING — Point of order again: why are there continuous references to the Labor Party in your questions?

Mr D. O'BRIEN — I thought that you guys in the government were from the Labor Party. Is that not right? It might be something, right?

Ms SHING — No, you are talking about the ETU and —

Mr D. O'BRIEN — Ms Shing, that is not a point of order. The question is: prior to the budget —

Ms SHING — This is why you get into a pickle on points of order.

The CHAIR — Order! I will allow the question to stand.

Ms D'AMBROSIO — In terms of issues to do with employment practices of contractors or subcontractors, whatever the case may be, I have certainly had conversations with the ETU about their concerns. As I said earlier, we —

Mr D. O'BRIEN — Have you given them assurance that 100 per cent of the jobs will be for locals?

Ms D'AMBROSIO — I am not the employer, as you know.

Mr D. O'BRIEN — Well, you are claiming in your press release that there are 325 local jobs so you cannot have it both ways, Minister.

Ms D'AMBROSIO — The advice that has been given to us by the project proponents is that that is how many jobs would be created by the project and we anticipate that is actually what is occurring. In terms of workplace practices of particular employers or their contractors our objective is always to ensure that in considering —

Mr D. O'BRIEN — Minister, given you are taking —

Ms D'AMBROSIO — I am trying to answer your question.

Mr D. O'BRIEN — No, you are not answering my question.

Ms D'AMBROSIO — Okay.

Mr D. O'BRIEN — Minister, given you are taking credit for these jobs, can I ask on notice how many of the jobs, what proportion of the actual number, are going to locals and how many are going to temporary foreign workers?

Ms D'AMBROSIO — That is not information that is available to me.

Mr D. O'BRIEN — Hang on, you are claiming credit for these projects.

Ms D'AMBROSIO — No, what I am saying to you —

Mr D. O'BRIEN — You are saying they are happening because of the Andrews Labor government. You cannot have it both ways, Minister.

Ms D'AMBROSIO — Well, they are. These are people who work on sites and they are jobs.

Mr D. O'BRIEN — In that case there must be contractual arrangements that should be able to tell us how many jobs are actually going to locals.

Ms D'AMBROSIO — I think you do not understand because you actually did not build many projects when you were in government —

Mr D. O'BRIEN — Is there a thing called womansplaining there?

Ms D'AMBROSIO — so you would not have a clue about contractual arrangements.

Mr D. O'BRIEN — I did not hear anything from you guys then. I do not understand.

Ms PENNICUIK — Minister, I refer to budget paper 3, page 60, which is 'Meeting the government's climate change obligations'. Your presentation also mentions this, and you reeled off a number of projects in answer to a question from the Chair. The 5.8 million is made up of the 4.8 million for the Barwon region and only 1 million over two years to meet the government's climate obligations, and that includes a whole lot of things such as pledges, which you mentioned, built environment, transport, agriculture and to ensure the interim emissions reduction target required under the act. There are two questions. One is: why such a small investment in this? And also, what emissions reductions have been achieved in 17–18, and what are expected under these two years of the 0.5 million per year?

Ms D'AMBROSIO — Thank you very much for the question. I realise that some people would look to one budget period as a measure of a government's commitment, in this case to climate change, but I would say to you that budgets are certainly an important but they are not the only way of achieving emissions reductions. Yes, they are important — absolutely — and I do not suggest otherwise. And I would really point to the fact that we have provided significant funds in previous budgets. There are many actions that have been taken that have not counted strictly within that budget item which continue to demonstrate very strong efforts from our government. And that of course is the significant growth in the renewable energy generation, which will displace significant amounts of carbon-intensive electricity generated into the market. So what I would say to you is that this budget actually helps to continue to build on the work that we have already got underway and certainly there will be a continuing need for effort over the longer term. This government will provide that if it certainly, but there are some new initiatives here that will add significantly to a whole range of programs, budgeted and otherwise, to what the government is actually doing right now.

Ms PENNICUIK — Thank you, Minister. Renewable energy — and Ms Patten asked some questions about that — is covered in other parts of the budget. I am more interested in what this \$1 million gets spent on — how it gets spent — and if you go to my other question about emissions achieved and expected.

Ms D'AMBROSIO — Thank you. Yes, certainly that million dollars over two years, we know of course that there are a number of sectors that are quite intensive in terms of the creation of greenhouse gas emissions. Our objective, as we are dealing with the energy sector, is to continue to be very ambitious, and we are being very ambitious there. Importantly of course we need to actually prepare, if you like, a way forward, a plan, for how we tackle some of the other sectors that create great emissions. Transport is one of those areas. Agriculture is one of those. And the work around this is very important to actually help to deliver on our interim emissions targets that we are working on right now. As you know of course, we do not just have that end outcome of net zero emissions by 2050. We want to actually put the markers in the ground in five-year increments — the trajectory to reduce the emissions.

Ms PENNICUIK — Okay, so perhaps you could go to my question, which is: what is the emissions reduction for the previous year to 17–18 and expected under the forward estimates? And also, how is this actual money being spent?

Ms D'AMBROSIO — Thank you for that. I do not have that detail to hand just yet, but if I am able to identify that before the end of this session I will definitely do that, but if not I will certainly be providing that to you as soon as possible.

Ms PENNICUIK — Yes, because I am very interested in the detail that underpins those headings that are in the budget paper, page 60 — built environment, industry, agriculture, land —

Ms D'AMBROSIO — Yes, of course.

Ms PENNICUIK — Okay. I probably will not ask the question a fourth time about the reductions that have been achieved and are expected, but I ask if they could be included in the information provided on notice.

If I could just move on to another question on the same issue, in your presentation you say this takes the total to over \$70 million over the past year invested in climate change. I would make the remark that is a very small amount of money, and it is the same amount of money that is spent in one year on the grand prix — \$70 million last year, and over the last five years \$70 million every year — so in comparison it is not a very large amount of money. But I would be interested to know the detail of what that \$70 million has been spent on.

Ms D'AMBROSIO — Thank you, and can I just say, and again I do not mean to be picky on this point, but one budget item that is called climate change needs to be considered with a lot of other budget spending in energy efficiency programs, for example, which should be added together.

Ms PENNICUIK — I understand that.

Ms D'AMBROSIO — Sorry, the second part of your question —

Ms PENNICUIK — The total amount. You say \$70 million was spent over the past four years. What was it spent on?

Ms D'AMBROSIO — There has been \$17 million on adaptation —

Ms PENNICUIK — Actually, if you would take that on notice and provide that to the committee on notice —

Ms D'AMBROSIO — Happy to, yes.

Ms PENNICUIK — because I wanted to squeeze one in with regard to the \$4.8 million to the Barwon region. Other regions of the state clearly are going to need some investment in this regard. Are there other regions in the plan?

Ms D'AMBROSIO — With that particular item, that was identified as a priority by communities in that region during the last regional partnership assembly, and so it is a response to a particular request from that region, but definitely there are many regions across —

Ms PENNICUIK — Yes, I know the CSIRO has identified particular areas of the state that will need this type of investment, and I wonder whether the government has any plans to invest further in that, further areas of the state, that you could provide.

Ms D'AMBROSIO — Certainly. We need to make sure that there is resilience right across the state. There is money that I know we have provided in past budgets that goes to that very question about climate adaptation and resilience.

Mr DIMOPOULOS — Minister, just before I ask you my question, I just want to confirm your understanding of that disclaimer. You said it is a standard disclaimer on websites. I was interested to find something similar on Mary Wooldridge's website. It says:

This web site is published by Mary Wooldridge MP; Mary makes every attempt to ensure accuracy and reliability of the data contained in these documents.

Mr D. O'BRIEN — On a point of order, Chair, how does this relate to the budget? We have just had 58 000 examples in the last three weeks of why we cannot ask questions about the Labor Party. I fail to see how Ms Wooldridge has anything to do with the budget papers, Mr Dimopoulos.

Mr DIMOPOULOS — Further on the point of order, I am actually picking up on a conversation and evidence given by the minister in response to a question about the exact same thing from the opposition.

Mr D. O'BRIEN — And the relevance to the budget papers of this is, sorry, what, Mr Dimopoulos?

Mr DIMOPOULOS — Whatever it was when Mr Smith pretended it was.

The CHAIR — I uphold Mr O'Brien's point of order. Mr Dimopoulos to continue.

Mr DIMOPOULOS — Minister, suffice to say the Leader of the Opposition in the Council agrees that her disclaimer is far more heavy than the one on the government's compare website, I can assure you. She claims no responsibility for anything.

Minister, just in relation to retail markets, there is a bit of confusion on the opposition side. I want in my last question to you on this just to clear up some of the confusion. Fundamentally the investment in this budget and the historical investment of this government in retail markets, if I can summarise it — and you can tell me if I am correct — is in terms of trying to basically provide, as you say, policy settings through legislation, through the targets, and a whole bunch of other investments including growing the base of renewables, growing energy supplies more generally, national advocacy for a national approach and informing consumers. Like Ms Ward said, the market only really works when consumers have knowledge and when they are encouraged to go and find that knowledge. Is there anything else? Is that essentially the government's investment, which is comprehensive, in retail markets?

Ms D'AMBROSIO — It is actually very comprehensive because you need to be very clear about all the components of the market. We have been very clear and we have offered and are providing policy architecture and certainty about what our expectations are from all elements of the market, whether it is the generation market or the retail market, or whether it is actually the distribution and transmission networks. All of these are privatised, and all of these need to improve their accountability and transparency to Victorian consumers. That is what motivates me and that is what motivates our government, because ultimately that is the test of whether the market is actually working in the interests of the consumers.

Can I also say that all of our efforts combined are designed to ensure that we get the best prices possible, the cheapest prices possible, in electricity and gas. To that point, can I just remind people that Victoria provides the lowest bills in both retail electricity and retail gas of all states.

Mr DIMOPOULOS — Is that right?

Ms D'AMBROSIO — That is the reality.

Mr DIMOPOULOS — So quite contradictory to what the opposition were just saying.

Ms D'AMBROSIO — Absolutely. Now, are prices too high? Prices are always too high, and it is our focus to make sure that we get the best prices, the lowest prices, possible. If that means we do more to achieve that, that is what we will do and we will continue to do that. Our efforts thus far have already delivered significant savings — massive rebates — to 280 000 Victorians who were on the most expensive standing offers and have just come off expired market offers. We demanded that of the large energy retailers. So that is significant savings of between \$250 and \$720 from 1 January this year. That is \$250 and \$720 less than they would have been paying without our government's intervention.

Mr DIMOPOULOS — Minister, before I hand over to Ms Shing on gas, could you repeat that statement. Victoria provides the lowest —

Ms D'AMBROSIO — Put it this way: Victorians are paying less retail for their gas and electricity than people in any other state, and that continues to be the case.

Mr DIMOPOULOS — I understand that you agree with me that they are too high, but that is a pretty good record going forward.

Ms D'AMBROSIO — That is right.

Mr D. O'BRIEN — The AEMC said this morning Victoria's gas prices are the highest.

Mr T. SMITH — There are fibs in Labor's questions this morning.

Ms D'AMBROSIO — They are not the facts that I have got; I do not know what facts you have got.

Ms SHING — Minister, I will take you to budget paper 3, page 63, if I may, and the line item of supporting energy reform. I would like to move on to a discussion about gas pricing and availability within the supply and forecast context. We have heard previous evidence in relation to the availability of gas and export demands,

particularly for LNG from Gladstone, and the changing of the size and scope of the eastern Australian gas market, and exports, as they have interfered in gas pricing and availability. We have heard evidence from the Treasurer, also Minister for Resources, in the context of onshore conventional gas and the early survey work through the moratorium, indicating availability of about 110 petajoules, which is about six months supply, but also indicating that offshore supply is around the range of about 30 years availability.

What are we looking at in the context of shoring up availability within an export market framework for domestic consumers now and into the future, given this offshore reserve? To what extent will onshore conventional gas potentially play a role, given the limited availability of this 110 petajoules that has been indicated? And what are the programs that are in place to actually not just bring down the price of gas but assist with gas prices into the future?

Ms D'AMBROSIO — Thank you. This is an important point for us to be very clear about: what is potentially the amount of gas that may be available onshore that may be extracted through conventional means? From the evidence thus far — and no doubt the Minister for Resources is absolutely the holder of all of these key details, but similarly I am familiar with them — there is very little, from the evidence known to date, left onshore in Victoria. Let us also remember the fact that Victoria did have a much bigger onshore conventional gas when I was resources minister, so I have got a memory of this. But when Victoria did have a significant resource of onshore conventional gas, going back a number of decades, that reduced. As extraction occurred, the diminishing resource caused the significant investment offshore in the Bass Strait, and there was a bonanza that was —

Ms SHING — So Kipper Tuna Turrum and those sorts of operations?

Ms D'AMBROSIO — Yes, that is right. But in any case I know that there is work underway — studies and the rest — to deal with that issue. But importantly here the single most important thing that you can do to make the most significant impact on prices for domestic consumers is to put a cap on the two-thirds of gas that is being exported today and continues to be exported — keeping a cap on that — until prices return to what is fair. At the moment we do not have a fair price in the market. That means Victorian businesses and Victorian households are paying more than what they ought to for their gas supply, and that has an impact of course on electricity because, as we know, gas is also a fuel that creates electricity, so there is a compounding effect there.

Ms SHING — What are the other factors being taken into consideration for the management of long-term availability and pricing in the gas market, given the population increase that we are scheduled to see? The population growing at around about 2.2 per cent is something that is going to present challenges for the availability of these commodities.

Ms D'AMBROSIO — Certainly the Minister for Resources has a number of programs that are underway. We are all aware that in May he announced some offshore state exploration licensing, really to help incentivise the market to look within state borders, which is where the state has control, to see whether there are any additional resources that can be found there. That of course goes to the question potentially of diversity but also additional resources that can be made available. That is very important, but ultimately making sure that we got greater transparency in the gas market is what is going to help us. So there is a wealth of work that we are absolutely leading as a state, at a national level, to have greater transparency and accountability in the gas market and how it is traded.

Ms SHING — Including that downward pressure on prices.

Ms D'AMBROSIO — That is ultimately what drives our agenda.

Mr T. SMITH — Regarding budget paper 3, page 65, and your response to the recycling crisis, Minister, China advised the WTO on 18 July 2017 that they would restrict the import of certain types of plastics, paper and cardboard, and textiles at the end of 2017. When were you first informed of the import ban, and what was your response at that time?

Ms D'AMBROSIO — Thank you for the question. We have provided, not just this year through this budget but in previous budgets — when you take it together — record investment for waste, resource recovery and recycling. So we have been well and truly preparing —

Mr T. SMITH — But when?

Ms D'AMBROSIO — As I said to you, from the last budget at least we were aware of the decision of China to restrict imports.

Mr T. SMITH — Hang on. Unless you have got eyes and ears in Beijing that the rest of the world does not have, they did not announce it until 18 July.

Ms D'AMBROSIO — Well, we think ahead.

Members interjecting.

Ms D'AMBROSIO — Well, maybe you do not, but the fact is we know —

Members interjecting.

The CHAIR — Order! Mr Dimopoulos!

Mr T. SMITH — Minister, in your May budget last year are you suggesting to me that you were envisaging China preventing imports of plastics from this country? Is that what you are suggesting to me?

Ms D'AMBROSIO — No, you are suggesting that. What I have said to you is that it has been no secret over a period of time that there will be anticipated restrictions in terms of imports of particular recyclable products globally. So we were very clear that we wanted to ensure that we could best position our industry in Victoria in the event that the tightening, if you like, of restrictions was actually implemented. So we have done that. We are providing record investments across the last budget at least and into this budget.

Mr T. SMITH — If that is the case, which I severely doubt, but if it is, why did it take your government 54 days from the commencement of China's import ban on 1 January 2018 to act on the escalating crisis in kerbside waste collection and the recycling sector, which industry had been warning your government about since July?

Ms D'AMBROSIO — That is not correct. I have pointed to the fact that the previous budget had a record amount of funds made available to the sector; that money is being rolled out right now and it was rolled out before now. We responded very quickly to councils. Nearly every council has taken up the offer of support to allow them —

Mr T. SMITH — That is not correct.

Ms D'AMBROSIO — Almost every council has taken up the offer of support from our government to allow them, to give them the breathing space to renegotiate their contracts with kerbside recyclers —

Mr T. SMITH — Minister, that is not correct.

Ms D'AMBROSIO — and we have got funds that are being rolled out right now and before now to —

Mr T. SMITH — It took you until late February.

Ms D'AMBROSIO — I am talking about the previous budget, because we do things in anticipation and we plan ahead. That is the hallmark of our government. Those funds are already out there and being used. I have made announcements over the months to that effect.

Mr T. SMITH — Minister, it took you 221 days post the import ban coming into effect for you to establish a recycling industry task force, 'to develop a strategic plan for industry transition', when these plans should have been in place before 1 January 2018 — that is the commencement of China's import ban. So you are claiming you knew about this in May last year, and it was not announced publicly until July. You did not do anything —

Members interjecting.

Mr T. SMITH — That is what she said.

Ms WARD — No, it is not.

Mr T. SMITH — You said at the outset, ‘We planned for this in the 2017 budget’.

The CHAIR — Order, Ms Ward!

Mr T. SMITH — Please, can we not have this constant backbiting about a reasonable question around your inability to plan for a significant downturn in the recycling industry in Victoria that you got told about by the Chinese in July, to come into effect on 1 January. Your argument is that you planned for this in May — the Chinese did not announce it until July — and your industry task force was not announced until 221 days post the import ban coming into effect. Why did it take so long? Why didn’t you start doing that work in the second half of 2017?

Ms D’AMBROSIO — That is where you are wrong because we did. Last year’s budget, as I said, provided record amounts of funds, never before put aside, for waste and resource recovery programs to assist the industry — it is a healthy industry — to actually get itself in a robust position. There had been rumours circulated for some time, or concerns, globally that some countries would be potentially putting restrictions in place. That is why we acted very soon, very early on, and the money is being rolled out and being utilised right now by industry thanks to our investments.

The other thing in terms of the task force — the task force’s role is to look at and explore all options to ensure that the waste and resource recovery industry in this state is as robust as it can possibly be and ultimately self-sustaining. That is where we need to get to after years of underinvestment or no investment whatsoever in the sector. We are turning that around, and we started very early on to turn that around with record investments. We will continue to provide advice, and certainly once the task force’s work is finished, we will have more to say in terms of assistance for that longer term planning to get this industry on a strong and stable footing.

Mr T. SMITH — Minister, if I could move on, why are charities being forced to beg for funding, which has for more than six years helped them to deal with tonnes of illegally dumped rubbish each year at 290 sites across Victoria? I am referring to you not renewing the \$800 000 per annum landfill levy relief fund, which is due to finish on 30 June 2018.

Ms D’AMBROSIO — Certainly the NACRO, the charities, do a fantastic job — absolutely. We have certainly provided support to them. I am certainly working through this issue, and we will have more to say in that regard to ensure that they are able to continue to do the terrific work that they are doing.

Mr T. SMITH — So are you going to renew the program?

Ms D’AMBROSIO — I am not saying anything that pre-empts any decisions or consideration the government makes, but certainly we want to make sure that NACRO continues to be able to provide the services that they have. They do a fantastic job; they are very, very valued. As I said, we will have more to say on this very soon.

Mr T. SMITH — When did you first become aware that funding through the three-year landfill levy relief program would expire on 30 June 2018, and are you aware that since last year the National Association of Charitable Recycling Organisations have made repeated representations to your office notifying you that funding was to expire and that they were hoping to have it renewed?

Ms D’AMBROSIO — As I said, we are very aware of the funding that we have made available to NACRO. As you mentioned, there had been funds available to them for a number of years. Those funds have been provided through internal means, I understand. As I said, we are working through all of the steps that we need to take to ensure that they are able to continue to do the fantastic work that they do.

Mr T. SMITH — So you are happy to give \$225 million to the AFL but not 800 grand to charities to help them pick up recyclables around the various sites in Victoria?

Ms D’AMBROSIO — Look, as I have said, I am very clear about the value that we place on NACRO — they do a fantastic job. As I said, we want to do everything that we can to fully equip them to continue to do the great job that they are doing, and we will have more to say about this shortly.

Mr T. SMITH — Minister, you met with NACRO on 30 May. That is some 29 days after the state budget was delivered. Is it possible that you have overlooked them in your budget?

Ms D'AMBROSIO — No, that is not a fair characterisation at all. As I have said, in recent times — certainly under my time — funds to NACRO have been made available through internal reprioritisations rather than off budget. I am just looking at my officials to confirm that, but that has certainly been my understanding. So as I said you would not need to necessarily look at the budget to understand what the government's intentions are with respect to NACRO.

Mr T. SMITH — Heaven forbid we look at the budget to work out what the government's intentions are, Minister.

Mr DIMOPOULOS — You don't seem to have done that yet.

Mr T. SMITH — Why would we ever do that? What is the point of this process, Minister, if you are thinking that the budget is such a worthless document that you are not putting your initiatives in it? You cannot possibly be telling me that you are going to fund this program at all, are you?

Ms D'AMBROSIO — If that is a question, as I have said, it is being funded in our turn through reprioritisations and we will have more to say —

The CHAIR — Order! Ms Patten until 11.30 a.m.

Ms PATTEN — Minister, turning to budget paper 3, page 201, which is looking at the performance measures for the department, and I note obviously the objective indicators after 'reduction in emissions from government operations' — 'percentage reduction in Victoria's greenhouse gas emissions relative to 2005'. I am just wondering why we do not use those reductions as performance measures. We talk about stakeholder satisfaction and there are a number of other performance measures, but why not?

Ms D'AMBROSIO — I am not sure that it is something I can have the authority of determining ultimately, but it is a fair question. I perhaps would ask John Bradley if he has any comments on that.

Ms PATTEN — And in addition to that just asking the question about where we were in reaching our renewable energy targets? Again I would have thought that that would make sense to have as a performance measure within the budget.

Mr BRADLEY — The starting point would be that we certainly see the budget output performance measures as being really important guidance for the agency in terms of how it is accountable for its delivery against the expenditure that is provided from government for the agency's services. However, it is probably not the only form of transparency that we use to assess performance. In relation to the output-based measures that we tend to report on in the budget, they tend to be things where we have control over the expenditure of the government funds to achieve particular programs. The outcomes we are talking about here in relation to emissions reduction in the economy more generally are things where there are broader effects and external parties that we need to bring into our processes and work through external parties to be able to achieve those effects, whether it is reductions in the energy sector, transport sector or other parts of the economy. So they are more outcomes than outputs.

Ms PATTEN — Do you as a department have an annual figure? If we are putting spending on the budget to reduce those emissions, wouldn't you have targets?

Mr BRADLEY — Absolutely, and as the minister said earlier we have got an explicit program of not only having those targets but as part of a legislated requirement, creating new transparency for sector-specific targets. So that is absolutely the discipline that we have put into that process for emission reductions generally in the economy. It is probably not reported here as much in financial transparency as part of the budget process in that way, but it is something that through our programs within the agency we are seeking to make more transparent in terms of the overall performance in emissions reductions across the economy, including within government, but it is probably just not reflected in the budget papers themselves.

Ms PATTEN — Is that information available anywhere?

Mr BRADLEY — Absolutely, and we can come back to you on notice if you like, with some guidance around the forms in which we report on emissions outcomes across the community.

Ms TRAM — If I could just add to what the secretary has mentioned: where available, information on the department's objective indicators is reported in the department's annual report at the end of the year. So if that information is there, we can certainly provide it.

Ms PATTEN — That would be great. It just seems that if we have got the objective of zero gas emissions, then that would be a performance measure over the forward estimates. I will take that point that it is not but it could be in the report. That is it for me.

The CHAIR — We will have government questions now until 11.37 a.m.

Mr DIMOPOULOS — I might just kick off quickly. Minister, I was surprised to learn that Mr Smith on his own website has the mother of all disclaimers, where he virtually takes no responsibility for anything said. If you look at his website, Minister, you can see his earlier question in that context. Ms Ward?

Ms WARD — No disclaimers needed, Minister. Let us move away from energy if you do not mind, and let us have a chat about biodiversity. If I can get you to go to budget paper 3, the output 'Caring for our environment — Faunal emblems', how does this funding connect to the government's biodiversity plan and the biodiversity investment to date?

Ms D'AMBROSIO — Thank you for the question. We released our biodiversity plan, Biodiversity 2037, and the funding that we have allotted last year but also of course this year — further investment for protection of our faunal emblems in Victoria — really go to meeting some of the clear strategies and goals that were articulated in that plan. So considering the biodiversity plan, which is a 20-year document, it has a number of goals in there.

It was really well received by everyone in the environment sector if you like as being such a seminal bible for where we need to go in terms of protecting our biodiversity. So what you will see is that investments from this budget build on the significant investments — and I think I am right in saying a record investment last financial year — for biodiversity. We know how important the helmeted honeyeater and the Leadbeater's possum are of course, being our emblems for Victoria, but also as an investment and really signalling to the broader community how serious we are to ensure that we implement this plan. We provide good solid funding each year to be able to meet all of the goals that we have set for ourselves, which have been endorsed by the broad environment sector.

Ms WARD — So can you unpack this funding then please and let us know how it is going to protect the species?

Ms D'AMBROSIO — Yes, sure. In terms of the funds, we will be supporting Leadbeater's possum in the Yarra Valley. For example, the Yellingbo reserve is being protected there after a VEAC inquiry that was established under a previous Labor government. This money will assist in the necessary measures that need to be put in place, together with volunteer groups, to give added protection for the habitat that is relied upon by helmeted honeyeaters.

In terms of the Leadbeater's possum, that will be directed to work in mountain forests of the Central Highlands. It is actions for lowland populations of Leadbeater's possum. So it will focus on the threat management, habitat enhancement and captive management. Some of the actions for the Leadbeater's possum, for example, will focus on population monitoring, nest boxes, artificial hollows and habitat assessment. Artificial hollows are an absolutely necessary part of the habitat that is needed for the survival of these possums.

In terms of other actions, there are other threatened species. It is not just the helmeted honeyeater and the Leadbeater's possum. We have the weedy sea dragon. If anyone has ever seen any fantastic images of our underwater marine life in Port Phillip Bay, you see some really terrific, beautiful, very —

Ms SHING — Or you do not see them, given how good they are at camouflage.

Ms D'AMBROSIO — Yes, that is true. What we will be doing is improving the condition of marine waters where the weedy sea dragon is found. The *Port Phillip Bay Environmental Management Plan* provides the

framework for that. In addition, surveys of the sea dragon are being completed as part of the holistic reef fish community monitoring program through the Victorian National Parks Association's ReefWatch program. And I have mentioned, of course, these threatened species in our forests.

Ms WARD — Thank you, Minister. Now, I have to put in a plug for the Diamond Creek Men's Shed. They make possum boxes. They are for sale if you would ever like to come my way and pick some up and help with some more habitat for possums. I think they would be very grateful.

Ms D'AMBROSIO — I will take you up on that. Thank you.

Ms WARD — Thank you. We have given one to the Premier — he was pretty happy with it — Danielle and I. Minister, you mentioned Port Phillip Bay. Can you please talk us through how the funding that is in the budget — budget paper 3, page 59 — improves the protection of coastal and marine environments?

Ms D'AMBROSIO — We have got some very strong funding here to continue on-ground works to protect Port Phillip Bay and its features. If I can just break that down a little bit, \$8 million is available over four years to continue the renourishment program, maintaining the iconic beaches. As we know, of course the impacts of climate change and extreme weather events all very seriously impact these wonderful beaches that we have all grown to love, so that will go to the renourishment program. There is \$300 000 for the 30-year Port Phillip Bay improvement plan. This will support the department, Melbourne Water, the EPA and other partners to implement the *Port Phillip Bay Environmental Management Plan 2017–2027* to improve the stewardship of the bay — so how do we all work together to get the best outcomes for the bay — including water quality and marine biodiversity. That builds on funding over the last two budgets, which go to implementing the marine coastal reforms. I am happy to expand on those, but of course they have been features of previous budgets.

Ms WARD — Thank you. Now, you and I both know how important volunteers are to helping government and helping community conserve the environment. I had a meeting with one of my constituents recently where he was concerned about the match-up, if you like, between volunteers and the public service and how we have rangers and so on go out and how that works with volunteers. What he was particularly concerned about, though, is how volunteers are being supported by the government to do this work and whether there is enough support there. Could you please talk us through that?

Ms D'AMBROSIO — Absolutely. In terms of all of the objectives that we want to achieve in the environment space, without volunteers we could but achieve probably 0.0 per cent of the effort.

Ms WARD — And part of that is clearly because of the size of our state, the amount of vegetation, of landscape that we have. You just could not physically help it just with people employed by the state.

Ms D'AMBROSIO — You could not physically help it, that is right, and so it is so vital that we actually demonstrate our support for volunteers and the fantastic work they do by actually equipping them as best we can to give them the resources to keep doing what they are doing and build on that and also grow their volunteer base. So many people really want to make a big difference in this area, and giving them —

Ms WARD — So there is an element of enhancing personal satisfaction, if you like, in terms of the support the state gives.

Ms D'AMBROSIO — That is absolutely right. For example, we have got \$10 million that is available to support community groups with coastal action, and that is out of the Port Phillip Bay fund. That delivers projects including water quality, improvement works, foreshore and amenity upgrades and improved wetlands, and really supports that whole notion of citizen science, equipping them with the technology so that, when they go out there and observe changes in an environmental aspect that they are interested in, they can actually record that — giving them the equipment to do that, the means to do that, in partnership with research institutes, Melbourne University, a whole range of universities out there, and of course the fantastic people from the department, to actually register and collect that really important data which is a really important input into decisions that we make about where we put vital investment dollars. Where do we get the best outcomes? Where are the problems? Where are the weaknesses? Where are the challenges? And how do we optimise our investment dollars? Obviously we have got significant investment dollars going.

Ms WARD — Thank you, Minister. Would you also please be able to take on notice and get back to the committee what overall volunteer support is given by the state to help people who do Landcare and a whole bunch of things that people are involved in? I know there are multiple groups across the state who do care about the environment and who are out there discovering species that we did not even realise were in parts of the state or had thought were extinct. So if you could, on notice, please advise with that information, that would be really helpful.

Ms D'AMBROSIO — Absolutely. There are many, many grants out there, Landcare and a whole range, that fulfil the full gamut of volunteers, so I am very pleased to be able to provide that.

Ms WARD — Thank you very much.

Mr T. SMITH — Regarding budget paper 3, page 59 — this is the recycling industry assistance package — Minister, on 23 February you announced a \$13 million package for councils and industry to support the ongoing kerbside collection of household recyclable waste until 30 June 2018. Does the initial 7.6 million cover the entire needs of councils and industry to provide a waste recovery service until 30 June this year?

Ms D'AMBROSIO — We determined the level of funding that would be available to councils, understanding the price difference that would be confronted by councils in terms of the difficulties of kerbside recycling.

As you know, of course, councils as a whole have gone from kerbside recycling as being a net financial benefit to councils to being a net positive for them, understanding that our price gap, if you like, was really important in helping to identify and determine the size of funding assistance. Let me be very clear. I think we have got to the point where almost every single council has accepted our offer: 77 councils have all submitted for that assistance — there are 79 councils and 77 of them have submitted, and all have been really grateful for the assistance that we have provided.

Mr T. SMITH — Can we get a breakdown of what each council has received? I am happy for it to be taken on notice.

Ms D'AMBROSIO — Yes, we do have that breakdown. I am happy to rattle off all of the councils. I have got a big long list here and the funds. I am happy to do that.

Mr T. SMITH — If you could provide it to the committee, that would be terrific.

Ms D'AMBROSIO — I can read it into *Hansard* if you like.

Mr T. SMITH — You do not need to read it. You can just provide it.

Ms D'AMBROSIO — No? Are you sure you do not want to hear the good news?

Mr T. SMITH — Absolutely. Was there a specific formula devised to assess the disbursements to —

Ms D'AMBROSIO — Yes, absolutely. There is a formula based on the amount of kerbside collection — the actual amount of tonnage, I think that is correct to say.

Mr BRADLEY — Yes.

Ms D'AMBROSIO — The funding support is based on a \$60 per tonne figure, with each council providing its most up-to-date figures on tonnage of commingled recyclables collected. It is absolutely a formula that councils have been very happy with, and it is one that is fair and ensures that the right amount of funding support goes to councils in a way that is fair.

Mr T. SMITH — Will councils need to increase their rates or waste charges in light of the China import ban?

Ms D'AMBROSIO — With councils, they are obviously making decisions right now about what this might mean for their waste collection levies. Most councils have separate levies of course and they are in the process. Whilst they are renegotiating contracts with their kerbside collectors, no doubt that will be a consideration in terms of how they manage the —

Mr T. SMITH — But that is a yes.

Ms D'AMBROSIO — No, that is a matter for councils. But let me say that I do not think it would be right to say that there would not be a potential impact on ratepayers. That is certainly a matter that councils are working through at the moment.

Mr T. SMITH — You have capped their rates. Will you be looking at an intervention with regards to waste charges now?

Ms D'AMBROSIO — No, as was contained in the answer that I just gave, nearly all councils have separate waste charges that are not subject to rate capping. I think there has been one municipality that is not in that category that has sought exemption from the Essential Services Commission. I think that determination came down a little while ago.

Mr T. SMITH — You have said you are not going to intervene in what councils can charge on the waste levy, so —

Ms D'AMBROSIO — That is not what I said. I said it is a matter that councils are actually determining right now in terms of their budgets.

Mr T. SMITH — No, I asked you whether or not you would intervene. You said you would not, therefore how can you guarantee that they will not increase their waste charges because of the import ban from China?

Ms D'AMBROSIO — I have not said that. What I have said to you is that the government has stepped in when it did not need to, because ultimately state government is not responsible for collection of waste. We have done it because it was the right thing to do and to give every opportunity to councils — the breathing space they needed — to renegotiate these contracts that they have that they are responsible for on behalf of their ratepayers with kerbside collection agencies. I will say to you every single council — almost every council — has sought that assistance and they are very grateful for it.

Mr D. O'BRIEN — Minister, last year in these hearings you said you would consider making available an audit by McGrath Nicholl on what you described as abnormal use of departmental credit cards. Will that audit report be made publicly available?

Ms D'AMBROSIO — I must have considered it.

Mr D. O'BRIEN — But that does not answer the question. Will it be made publicly available?

Ms D'AMBROSIO — Yes, I do remember that I said I would consider it. I considered it and there has been no report forthcoming.

Mr D. O'BRIEN — Okay. Will you make it publicly available?

Ms D'AMBROSIO — I have not up until now.

Mr D. O'BRIEN — I understand that, Minister. We know that. That is why we are asking the question.

Ms D'AMBROSIO — If you want I will consider it again and let you know.

Mr D. O'BRIEN — At the time you had not actually read the report — that was what you said last year — so you have had time presumably to read it.

Mr MORRIS — Yes, you had just received it.

Mr D. O'BRIEN — Yes.

Ms D'AMBROSIO — I said I would consider it, and I have considered it. I will consider it again if you want.

Mr D. O'BRIEN — Okay. Will you make it public is the question?

Ms D'AMBROSIO — I said I will consider it again.

Mr D. O'BRIEN — Okay. Minister, the Bowker family have successfully operated the Cape Otway Lightstation for over 20 years and employ up to 40 local residents. Can you explain why you opened up an expression of interest for the future management of the lightstation only to cancel it halfway through the process, in the middle of an expression of interest?

Ms D'AMBROSIO — Sure. Parks Victoria actually are responsible for the processing of these arrangements. I am aware from information provided to me by Parks Victoria that they had an approach they needed to respond to and consider from the traditional owners — one of the Indigenous communities there wished to propose some involvement in terms of the management of that broader area.

I am aware also that Parks Victoria have been very clear out of fairness to the current operators of the lightstation that they would have an extension of their tenancy for some time to come, to remain on site until at least 30 June 2020 so they are able to continue to provide the fantastic service that they are doing. I am happy to ask Parks Victoria to double-check the latest information about whether that offer has been accepted by the lightstation tenants. If in the event the operators are not prepared to accept those terms, Parks Victoria would temporarily manage the site, and then of course they would engage directly. But that may be a question that has probably now been resolved. If I can ask Matt Jackson —

Mr D. O'BRIEN — Perhaps as we head to Mr Jackson, could I also ask for an explanation. On 23 May Simon Talbot from Parks Victoria said on ABC Ballarat that the Bowker family could successfully operate the Cape Otway lightstation for a further 21 years. This is obviously very confusing information. Can I get an explanation for that?

Ms D'AMBROSIO — Absolutely. We have been very clear about this. What happened was that, as I said —

Mr D. O'BRIEN — Well, it doesn't appear so.

Ms D'AMBROSIO — the traditional owners settlement agreement needed to be worked through, and that is what caused the interruption, if you like, in the Parks Victoria process that they undertook. But I will ask Matt Jackson to fill in some of the details.

Mr JACKSON — Thank you, Minister. Matt Jackson, chief executive officer of Parks Victoria. Thank you for the question. On the first question, if I can respond to Mr Talbot saying they could handle that for another 21 years, first of all the lease came to an expiry of the 21-year lease. The lease then went out to EOI as per the normal process for leases. We have around 238 leases at any one time in Victoria to manage. The lease ceased at the time due, as the minister has said, to a registered Aboriginal party application. That tenant has now accepted an offer until June 2020 to make sure we have certainty of employment, economic development and regional [inaudible] the lighthouse, being an iconic asset, is to be maintained, and we will continue to work with the government to make sure that the registered Aboriginal party process is continued. In the event that the tenant did not want to accept an extension to that, Parks Victoria would have had to maintain that asset internally and run that until —

Mr D. O'BRIEN — But they have.

Mr JACKSON — They have. The tenant has accepted. Our intention was not to run that asset; it was in the event that the tenant did not want to seek the small extension.

Mr D. O'BRIEN — So has the lease been offered to another organisation?

Mr JACKSON — No. The lease has not been offered to anybody, other than to the current incumbent until June 2020.

Mr D. O'BRIEN — But how long is it going to take before we get to the finalisation of this EOI process?

Mr JACKSON — That will not continue until we have the finalisation of the registered Aboriginal party settlement. That is up to the state government. I cannot comment on those negotiations. The Attorney-General is the right direction for that.

The CHAIR — Order! I would like to thank the witnesses for their attendance: the Minister for Energy, Environment and Climate Change, the Honourable Lily D’Ambrosio, MP; and Mr Bradley, Ms White, Mr Miezis, Ms Tram, Mr Jackson, Dr Norman, Mr Krpan, Mr Finegan and Mr McKenzie. The committee will follow up on any questions taken on notice in writing. A written response should be provided within 10 business days of that request.

Witnesses withdrew.