

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2022-23 Budget Estimates

Melbourne—Thursday, 19 May 2022

MEMBERS

Ms Lizzie Blandthorn—Chair

Mr Danny O'Brien—Deputy Chair

Mr Rodney Barton

Mr Sam Hibbins

Mr Gary Maas

Mrs Beverley McArthur

Mr James Newbury

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor

WITNESSES

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

Mr John Bradley, Secretary,

Ms Christine Ferguson, Deputy Secretary, Forest, Fire and Regions,

Ms Anh Mai, Deputy Secretary, Energy,

Ms Carolyn Jackson, Deputy Secretary, Environment and Climate Change,

Mr Mark Briglia, Acting Chief Financial Officer,

Mr Chris Hardman, Chief Fire Officer, Forest Fire Management Victoria,

Ms Kate Gavens, Chief Conservation Regulator, and

Mr Graeme Emonson, Deputy Secretary, Corporate Services, Department of Environment, Land, Water and Planning;

Mr Lee Mieziš PSM, Chief Executive Officer, Environment Protection Authority Victoria;

Mr Matthew Jackson, Chief Executive Officer, Parks Victoria; and

Mr Matt Genever, Chief Executive Officer, Sustainability Victoria.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. I ask that mobile telephones please be turned to silent.

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting. We pay our respects to them, their elders past, present and emerging as well as elders from other communities who may be with us today.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2022–23 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside this hearing may not be protected by this privilege.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

We welcome Minister D'Ambrosio, in the first instance for the energy, environment and climate change portfolio. We invite you to make a presentation, and this will be followed by questions from the committee. Thank you.

Visual presentation.

Ms D'AMBROSIO: Thank you very much, Chair. I am very pleased to run through a presentation. If we go to the first slide, this budget handed down a couple of weeks ago has delivered additional investment, with \$599 million in new funding that has been approved. This results in an investment of more than \$6 billion since the 2015–16 budget, so that is a massive increase which really aligns with our priorities in government, and I will go through those shortly.

The highlights, if you like, if you go to slide 2, this slide provides a snapshot of the almost \$600 million that we have allocated in this budget. It includes \$303 million for a cleaner, cheaper and stronger energy system for all

Victorians. There is \$200 million for the environment and \$96 million for bushfire response and emergency management. I will go through those investments in more detail as we go through the slides.

If we go to the next slide, just focusing on the first of the three key areas that I identified previously, we are investing \$250 million for a one-off \$250 power saving bonus for all Victorian households that use the Victorian Energy Compare website. That website is very useful in terms of searching for the cheapest electricity deal, or indeed gas deal, for consumers. The program will operate for 12 months from 1 July until the end of June next year. We also have \$11.8 million for decarbonising freight with hydrogen and providing for a renewable hydrogen refuelling network demonstration project for freight vehicles between Melbourne and Sydney. \$10 million is allocated over two years for the energy resilience solutions and community microgrid program. That is for the design and deployment of energy resilience solutions, such as microgrids, to improve the supply of electricity at locations that are at high risk of bushfires and extreme weather events, and we have had a number of those of course in the last three years. \$9 million will also be allocated over two years towards cheaper electricity for Victorians, and that is to ensure that the Victorian Energy Compare website continues to assist consumers in searching for the cheapest energy deal. The energy assistance program will also be funded to support energy customers experiencing vulnerability, to help them navigate the energy market.

The next slide continues on with \$8 million over five years for improving energy safety and skills, funding mandatory skills maintenance training to ensure continuing professional development and improve safety skills for electrical workers. We need to understand that often they are the emergency workers when we have major problems out there or indeed even at a household level or a business level. \$6.7 million over two years for unlocking offshore wind, renewable hydrogen and new energy manufacturing to create jobs and support planning and policy development for Victoria's first offshore wind development, securing the state's position as a powerhouse for renewable energy innovation. Support will also be provided from this funding for further policy development to deliver renewable hydrogen projects. There is also \$4.2 million over the next year for Victoria's renewable energy target, and this is to maintain engagement in national energy market decision-making that supports the interests of Victorians and to deliver the second VRET auction that is underway right now. There is \$2.4 million over one year to continue the powerline bushfire safety program for the Victorian community, including critical risk-reduction modelling and consequence-mapping tools updates, and \$1.2 million over the next year for driving down gas bills for businesses and households and to support gas reliability and affordability while reducing carbon emissions through regulatory reform.

The next slide goes to our investments in the environment for this budget. As I said, \$200 million has been allocated, and this includes \$60 million over four years to the EPA to sustain its strengthened regulatory functions to ensure it can continue to protect Victoria's environment from pollution and waste and fulfil its obligations under the *Environment Protection Act 2017*. \$27.6 million over five years will go to strengthening the *Victorian Forestry Plan*, which will support eucalyptus seed collection, upgrades to storage facilities and seed viability testing. Funding is also provided to develop new procedures for forest coupe regeneration that will ensure compliance to the standards required in the Code of Practice for Timber Production 2014. There is \$16.9 million over one year for VicCoasts. This is to continue building a safe, healthier and more resilient marine and coastal environment for the community, to address critical erosion and flood risks, to protect marine and coastal assets and to support the adaptation and resilience of coastal communities. And there is \$16.5 million over four years for protecting Victoria's park heritage icons, for building repairs to improve safety and enhance public access to iconic Victorian heritage sites, including the Werribee Park Mansion, Point Nepean forts and lighthouses at Cape Otway, Cape Schanck, Point Hicks and Wilsons Promontory.

In the next slide we continue on some of the key features of the environmental investment. There is \$10 million over three years for the Great Ocean Road management reforms and erosion preparedness to continue the transfer of land management to the Great Ocean Road Coast and Parks Authority. Investments in heavy plant and equipment will also be made to build the authority's capacity to respond to erosion events. There is \$9.8 million over four years for new and improved suburban parks. I am happy to go through some of those details later, but I just have an eye on the clock, which is a bit hard to see, Chair—sorry about that. Thank you. And there is \$9.6 million over three years for safer public dams—public infrastructure works to improve public safety at the Expedition Pass dam near Castlemaine and to decommission the Upper Teddington dam in Kara Kara National Park. There is \$9.5 million over two years for community infrastructure accessibility and sustainability. It is really important that we keep improving our public estate through important projects that are really important for communities, including of course spaces and facilities out at Patterson River Launching Way and the Patterson River National Water Sports Centre. We have \$7.7 million over two years for

environment protection and air quality, establishing two air-quality precincts to implement actions to reduce localised air pollution and to support regulatory implementation of recent environment protection reforms. And there is \$6.6 million over three years for keeping the public safe through addressing public safety and environmental risks associated with abandoned and legacy mines and quarries on public land.

The next slide goes through funding. There is \$5.8 million over two years for enabling joint management in Barmah National Park in partnership with the Yorta Yorta people. There is \$5 million for securing Victoria's alpine future. We have a new structure that has been set up that was requested by communities and industry and the like, and that is a very exciting step forward. There is \$4.8 million over three years for safeguarding Victoria's critical seed and botanical collection to fund critical building works at the Royal Botanic Gardens. There is \$5.3 million for wildlife care—I will keep moving—and \$4 million over two years for Recycling Victoria, for important programs there.

The next slide talks about \$96 million for bushfire response and emergency management, and that is building on the record investment that we have made thus far to bushfire prevention and protection. That includes critical capital works, additional firefighting aviation resources and so on.

The next slide talks about more of that. We might just skip that one and go to the slide that starts 'Infrastructure, waste and recycling grants'. There are further funds there to assist with building on the massive overhauling and record investment that we have made in this sector—really important for what communities expect of us as a government.

The next slide talks about our interim targets and the establishment of an independent expert panel to advise us on what our 2035 interim measures targets will be, and lastly we know that there is so much to be done here. We are very much demonstrating strong leadership in this space. We have got legislation that gives us the obligation, not just on government but economy wide, to not just talk about climate change but to act on it and do that in a way that takes communities with us of course, and industry, businesses and all parts of the state.

So, Chair, I have concluded my remarks with 1 second left on the clock. Thank you.

The CHAIR: Thank you very much. Mr Newbury.

Mr NEWBURY: Thank you. Minister, in mid-April I saw you gazette an intention to ban plastic straws, plates, drink stirrers and cutlery, polystyrene cups and containers and cotton buds from 1 February. Is there a public awareness component to that gazettal?

Ms D'AMBROSIO: We have had significant consultations in the lead-up to that work, and certainly we are very confident that we will be providing the necessary support to consumers to know what the reforms are like. But I can say to you that there is a lot of excitement about this, and we know that Victorians will be wanting these changes. In the lead-up to the February changes there will certainly be a lot more communications and education campaigns that will be run through the various government channels.

Mr NEWBURY: So you will announce them with fanfare at some point?

Ms D'AMBROSIO: Certainly people know already, and we went through very, very extensive consultations, including a regulatory impact statement, over a long period of time. I announced this in February, indeed, as you said, 2021—well, you talked about the gazettal, but the announcement was in February 2021—and it was met with very significant support. Also we consulted with industry widely, because of course we wanted to make sure that the items that were viable for a ban had alternatives in place so that consumers were not left with no alternative. So industry were consulted significantly in the lead-up to the announcement, so they knew it was coming, plus there will have been two years for the actual bans to come into effect.

Mr NEWBURY: Thank you. Can I move to electric vehicles and the government's 50 per cent of all light vehicles by 2030 target. Can I ask for an update. Where are we at?

Ms D'AMBROSIO: Yes, certainly I will let you know how we are travelling. But it is a very good news story. As you know, that was part of our \$100 million announcement towards our ZEV road map, and some of the initiatives of course were about not just being able to increase the uptake or choice for Victorians to opt for electric vehicles but also the supporting infrastructure, the charging infrastructure, and also to work on

developing up a secondary market, if you like—a second-hand market. So to date, in terms of our subsidies—I will give you the exact number—4865 subsidies have been allocated, and the remaining subsidies—

Mr NEWBURY: That is the \$3000 subsidy?

Ms D'AMBROSIO: That is right, sorry. That is to take that amount off the ticket price to purchase a car. And we are travelling very well with this in term of the uptake. Certainly the uptake has increased significantly since we introduced the subsidies, and the remaining subsidies are likely to be exhausted within this next budget period, the next financial year.

Mr NEWBURY: When you say you are going well, there is a 50 per cent target. So in terms of new vehicles, what is the percentage that we are currently hitting?

Ms D'AMBROSIO: Okay. Yes, I can give you that, for sure, if you just let me find that information for you. Now, in terms of the uptake of new sales of ZEVs, we have jumped in Victoria from 1.2 per cent to 2.1 per cent. Whilst we can say it has almost doubled, we know of course it is from a very low base, but that is the case right across the country. In fact that is very comparable to how the uptake has increased in other states, so we are very much on par with other states that have also introduced subsidies or rebates for the uptake of vehicles. I mean, it is important that you have ambition, and many states have taken very strong leadership in setting their own targets for 2030—not all states but most of the big population states. Everyone is no doubt, whether you are asking the energy minister in New South Wales or Queensland or anywhere else, that we need much bigger steps taken to be able to reach that target. We are very confident we will get to that target, and that is why I and the Minister for Public Transport commissioned a review panel to advise us on other initiatives and other programs that could be implemented to enable us to meet that target that we have set for ourselves.

Mr NEWBURY: Are you concerned that the current mix was not enough, in short?

Ms D'AMBROSIO: The current mix?

Mr NEWBURY: The current mix—that is, you have put together a panel to review what has been provided. Is that because you are concerned—

Ms D'AMBROSIO: No, not what has been provided, no. This is to inform us on the next steps of investment and programs that the state government needs to consider and take up to ensure that we can meet our targets, and we will do that. Every target we have set we have met.

Mr NEWBURY: Because getting from 2 per cent to 50 per cent in eight years, I mean, that is herculean.

Ms D'AMBROSIO: That is right. Well, look, no-one is in any doubt that that these are big step changes, but we need big step changes. But the other thing that is important here is that that is not the only thing we have invested in. There is also an investment, as I said, in replacing the Victorian government fleet, and the Assistant Treasurer is also looking at that. But what is important here of course is that this is about having the churn of vehicles, because as we know, when a private customer buys a car its life in the market could be 20 years, whereas when you are looking at a government fleet or indeed a commercial fleet there is turnover. If you are swapping out your old internal combustion engine cars with electric vehicles and you do that every three or four years, because financial advisers say that is what you should be doing, you are actually starting to get more and more of those vehicles in the market and put the downward pressure on prices.

Mr NEWBURY: Thank you. And if there is anything further in terms of data that the department wants to provide on notice, things like the rego discount numbers, please feel free to.

Ms D'AMBROSIO: Sure.

Mr NEWBURY: Can I take you to the container deposit scheme scheduled to begin next year?

Ms D'AMBROSIO: Sure.

Mr NEWBURY: When?

Ms D'AMBROSIO: Well, we have now gone out to market for the provider, if you like, or the operator of this scheme. We have always said that it will be early in 2023, and once the contract negotiations are complete and the contracts are awarded, we will be able to provide a more precise date for the commencement of that scheme.

Mr NEWBURY: When you say early, I take it you mean the first half of the year. Is that what you mean?

Ms D'AMBROSIO: Look, I am not going to put a date on it, but certainly we are very keen to move as quickly as possible, noting of course that we need to get this right. We have taken the time that we have needed because we know from experiences in other states that one or two states have rushed it and their experience has been not a great start, and we have learned from those experiences in other states. This will be ready to go from day one, and as I said, as soon as we have completed those negotiations and the contracts are locked away and we are clear about what can start when, we will ensure that every Victorian has the opportunity to understand that date so they can all be ready for what will be a very exciting set of opportunities for them.

Mr NEWBURY: And will an announcement of the date include a match of the number of machines that will be rolled out?

Ms D'AMBROSIO: A match? I am not sure what you mean by that.

Mr NEWBURY: That is, will you be announcing at the same time the number of machines to be rolled out?

Ms D'AMBROSIO: Oh, I see. Well, what we have done—you may have seen this in the information that we put out to market—is we have stipulated some conditions that we are very committed to, and that is very much about accessibility. No matter where you live, we want proponents to come forward with their proposals about how they are going to meet those conditions. That means that you need to provide machines within a certain distance to communities. Depending on whether you are in a regional city, it is one set of conditions. If you are in far-off rural settings, another set of conditions—and also in metro Melbourne. This scheme, once it is in place, will have the most accessible CDS scheme in the country for individuals and communities, and that means more money in their pocket when they have their fundraising efforts, whether it is for their local footy club in eastern Gippsland or whether it is someone in Cranbourne. So it is going to be very, very accessible. And we will be able to identify how those contracts will meet the criteria, the very strong and community-focused criteria, that we have put out there in the market.

Mr NEWBURY: Thank you. If I can take you to page 168 of BP3 and the 'Climate Change' line item—the revised funding reduction from \$46 million to \$27.6 million—what is that cut all about?

Ms D'AMBROSIO: What number did you say, sorry?

Mr NEWBURY: One hundred and sixty-eight.

Ms D'AMBROSIO: One hundred and sixty-eight.

Mr NEWBURY: The departmental output table. It is at the top of that table.

Ms D'AMBROSIO: What have we got there? Okay, let me just find that for you.

Mr BRADLEY interjected.

Ms D'AMBROSIO: There has certainly been a funding profile change in terms of the climate change community action and volunteering protecting coastal initiatives. So that goes to that very question that you have asked. That is attributable to phasing out programs, and that includes some of those that I have already mentioned.

Mr NEWBURY: Would you mind just taking on notice any further detail around that?

Ms D'AMBROSIO: Sure, happy to do that.

Mr NEWBURY: That would be great. And if you could also take on notice, because we are going to run out of time, I am interested in the tree planting. I know that there have been a number of commitments, like in

the west, to tree planting. If you would not mind taking on notice where that is up to in terms of the number of trees, because it is something that we are all very passionate about. So if you would not mind taking that notice.

Ms D'AMBROSIO: We certainly are happy to take it on notice, and it is going exceptionally well. The communities absolutely embrace this. Local governments have. And people are just loving getting out there and knowing that the tree they plant today will be a beautiful thing to look at and help green their environment and cool it down.

Mr NEWBURY: Thank you, Minister.

The CHAIR: Mr Maas.

Mr MAAS: Thanks, Chair. Thanks, Minister and officials from the department, for your attendance this morning. Minister, I would like to move to the opportunities for the state that come from offshore wind. And to that end I will take you to budget paper 3 at page 26, the output initiatives table. There is a line item there about 'Unlocking offshore wind, renewable hydrogen and new energy manufacturing to create jobs', and there is an allocation of \$6.8 million that has been allocated towards that work. Would you be able to explain for the committee how this funding will be used to help achieve that new ambitious offshore wind target.

Ms D'AMBROSIO: Thank you. You will certainly be aware that we made an Australian-leading announcement to set the first targets for the country for offshore wind, together with the Premier, back in March, and the ambition that we have set for ourselves is very, very strong. A lot of work has to be done to ensure that we are able to meet those targets and get the investments flowing and, importantly, engaging with communities, engaging with industry businesses, is a really critical part of this. So this money will be used to support us to do all of the necessary work to ensure that we are ready to go when it comes to having this policy put in place. So we will be doing planning and development work in terms of laying the foundations. We need to make sure that we have a thriving, competitive industry that provides meaningful employment opportunities across the value chain, and that means understanding how regions may be getting the benefits of meeting this. We will also be continuing to develop up our work on renewable hydrogen policy. We know that this is a sector that will eventually become very important in terms of continuing to decarbonise our economy, not just in energy and fuels and also, of course, transportation, for example, but also in terms of the way that industry produces its products and how carbon-intensive fuels and energy can be displaced. So we will, of course, continue to do that work.

But in terms of more explicitly on the offshore wind development, there will be studies conducted on technical, regulatory, market, economic and infrastructure matters that we all need to be really clear on and are ready to have in place, so that when we get to a point of going out to market formally, for the investors to come forward and present their proposals through a process, we have all of the necessary foundations in place to get the best value from the market, but also, of course, are ready to be able to capture as many jobs as we possibly can in the lead-up to those projects being built.

Mr MAAS: Great. Thanks, Minister. I will move to job creation through offshore wind as well. I guess this question is in two parts. Perhaps you could provide the committee some detail about how much offshore wind capacity has been identified through those processes, and how many jobs would be created if that resource is fully developed?

Ms D'AMBROSIO: Yes. Thank you. Look, we have had significant analysis undertaken by the department on this very point, and what I can tell you quite clearly from the outset is that Victoria has the best offshore wind energy resource in the country and probably in the top three globally. Why wouldn't you do something as groundbreaking as what we announced in March? This is very exciting. We have got the capacity to build about 13 gigawatts—that is 13 000 megawatts—of offshore wind capacity in this state, and that is five times the amount of renewable generation currently installed in Victoria. So, as I said, it is the best in Australia, definitely, and amongst the best in the world, and it will provide also 6100 jobs—so if you took the 13 gigawatts of capacity that we could build offshore, that would create 6100 jobs. They are all long-term jobs, and half of those are ongoing operational jobs—permanent jobs, 3000. So when you think of where we are at the moment in terms of our energy system, that is a just transition that is tangible and meaningful to people.

Mr MAAS: Absolutely. I am just wondering how the support in this budget builds on what has been delivered previously. Currently there are three offshore wind projects. How will the new funding support the progression of those three projects?

Ms D'AMBROSIO: We have awarded almost \$40 million to kickstart three proposals that have been out in the community for some time now, and that is to enable them to take their proposals to the next stage. The idea is to ensure that we can have a market that is very competitive, because ultimately that gives us the best prices, the best value for money on projects. When we say value for money, yes, it is about the cost of these things being built, but it is also about the supply chain that you can create and also the scale of the projects that can be delivered. So that is how much we have invested thus far, and that is really to kickstart those projects. We anticipate that there will be more projects coming forward. In fact since our announcement with the Premier we have had more global businesses and serious investors coming knocking on the door, so it is a very exciting time for the sector globally, and Victoria is due to be the beneficiary of being the first mover in the country for it.

Mr MAAS: Thank you, Minister. We know that in developing new industries there are a range of stakeholders that need to be engaged, whether they are investors, farmers, unions, workers, various community groups. I was wondering what tools and approaches have been used to engage Victorians in developing this new industry.

Ms D'AMBROSIO: Absolutely. In fact I think we have just kicked off a formal engagement process with anyone in Victoria and in the country and Australia to be involved in. That is about ensuring that we hear from those that may have a local interest in offshore wind, especially those off the shore of Gippsland and indeed potentially even off the shore around Portland and Warrnambool—there is no reason why perhaps that part of the state could not also look at offshore wind—understanding what their needs are, what their aspirations are, how they can be involved, understanding what the skills and the training requirements might be, understanding what type of supply chain may be needed here, what is already here in terms of the businesses that could upscale or diversify so that they are ready to go to really be ready to take advantage of projects and developing up and preparing the foundations for that. All communities, all industry will have input, will be considered and will be engaged. Traditional owners also will be too. This is a very serious economic development piece for our state, very serious, and that means that we will have a new model of engaging with traditional owners so that they are best placed to be able to see through their own aspirations for self-determination and economic independence. That is something that I am particularly strong on. There needs to be a share there for them too, as there will be for all parts of our state.

Mr MAAS: I would like to explore that a little more deeply, the traditional owner partnerships. Would you be able to outline how the engagement funded through the budget will help deliver self-determination and economic independence?

Ms D'AMBROSIO: Well, we will be having those conversations with the traditional owners. For example, one of the things that traditional owners have raised with me when we announced the offshore wind energy targets and also of course the recipients of the \$40 million that we set aside was that they were really keen for us to understand what it meant for them in terms of their traditional ownership of not just land but also sea and where they could potentially have an early input into how these project proposals are developed up so that there is good consideration, appropriate consideration, of cultural heritage, however it is identified by them. But importantly, of course—and that is no different from other parts of the community because everyone needs to understand what can be optimised in terms of local benefits for communities, no matter where they live. But we also of course need to understand what are the employment opportunities, cultural heritage opportunities, impacts on environment, impacts on country, as I said, and there is no reason why such a significant commitment by our government should not present fantastic opportunities for all communities, including traditional owners.

Mr MAAS: Great. Thanks, Minister. I will now move to the power saving bonus. There are a few references in budget paper 3 to that, at pages 26 and 28. In the brief time we have left, could you explain how the power saving bonus will provide cost-of-living relief for Victorians?

Ms D'AMBROSIO: This will be the third iteration, if you like, of the power saving bonus. We know—and at the heart of everything that we have done in government, going back to when the first power saving bonus

was made available to all Victorians when we started off with a \$50 bonus, that was for all Victorians—that a role of government is also to make it easier for people to be able to manage their bills and their cost of living. This third iteration, if you like, continues on that example that our government set a number of years ago, making the energy system fairer for them. We know of course that Victorians, households, are finding it increasingly difficult to manage their bills, and we want to make it that much easier for them, and to make this money available at the time when it is most needed is the most appropriate thing for us to do, I believe.

It is an exciting space—a \$250 power saving bonus from 1 July for every household. That is also of course on top of the concession card holders, who may as yet not have taken advantage of the existing bonus. If they have not, they can jump online before the end of June and get a \$250 bonus, and then on 1 July they can jump on and get another \$250 bonus. This is going to make a big difference to communities, using that money in a way that makes a difference for them and helping them better manage what are very significant costs at a time of course of COVID, which has presented unique challenges and is nevertheless still presenting difficulties for many families out there.

Mr MAAS: Terrific. Thanks, Minister.

The CHAIR: Thank you, Minister. Mr Hibbins.

Mr HIBBINS: Thank you, Chair. And thank you, Minister, and your team for appearing today. One of the departmental objectives is management of public land and forests, and in June last year you responded to the VEAC central west investigation commitment to create a new Wombat-Lerderderg national park along with other areas of regional parks and conservation reserves. But now you have allowed logging in 80 new areas of that national park. Why aren't you managing it in a way that is consistent with its proposed status?

Ms D'AMBROSIO: Thank you for the question. Look, I was very pleased and proud to have given a reference to VEAC, going back three or four years ago—or five years ago now—to do this really important investigation into central west. Certainly our response to that last year will deliver 65 000 hectares of new national parks, including conservation parks and nature reserves. Right now we have the surveyor-general undertaking the necessary work to get, if you like, the points on the map right in terms of the perimeters, the boundaries of these areas, and then we will be in a position to, as quickly as we can, once that work is complete, bring forward legislation to protect those by legislation.

Mr HIBBINS: What is the time line for that legislation? Do you have a time line for the committee?

Ms D'AMBROSIO: Well, we are very much in the hands of the surveyor-general, so as quickly as they can move on that. The work is underway right now, so as quickly as they can complete their work, then we will be in a position to take that next step to embed these areas, these commitments in legislation. In terms of some of the works that are underway at the moment in Wombat park, you will be very familiar with the fact that we have had some massive storm events that have caused some significant damage and wind throw to a lot of our public lands, if you like, across those storm-impacted areas, and no less so in Wombat. Now, Wombat is going through a process, including other public land estates where there is debris, of that debris, for bushfire management purposes, being managed. That means, regardless of who the contractor is that is dealing with that, the work has to be done on the basis of bushfire risk. Now, people may argue about how much of that should be done, how much we should worry about materials that have been wind thrown being left on the ground or removed to reduce bushfire risk; that is an argument that some people will make. But we are absolutely committed to the approach that we take to bushfire risk management, and that is why you will see that the activities within Wombat Forest right now are very much about reducing that bushfire risk.

Mr HIBBINS: Why isn't there any funding committed in this budget to actually implement the government's response to the central west investigation?

Ms D'AMBROSIO: Well, as I said, the surveyor is undertaking that work, and as soon as that work is completed we will be able to move to the next step. We have not made this announcement lightly. We have made that with the full intention of legislating national parks. But we have to absolutely know what it is that we are legislating with all of the necessary mappings completed so that it is actually meaningful and tangible in terms of the areas that we are actually setting aside for protection.

Mr HIBBINS: Now, you accepted in principle, or the government accepted in principle, the recommendation to immediately commence to manage the land covered by the recommendation in a manner that is consistent with its proposed status as a national park and a regional park. Surely you are not accepting that recommendation—you are not following through with that—by opening up areas for logging?

Ms D'AMBROSIO: We have not opened them up for logging. As I said to you, there is a significant amount of debris caused by some of the most significant storm and weather events that we have seen in decades, if ever. There were two of those, and that has caused significant devastation to a lot of public land. The choice is to either leave it all sitting there on the ground—they are not alive, they are dead, they are on the ground; they have been wind thrown—and creating greater hazard in terms of bushfire or having a well-managed approach, notwithstanding the need to keep some materials potentially on the ground for habitat and ecosystem support. But most of that needs to be removed, and it would otherwise be removed regardless of what would happen. So I think categorising it or describing it as you have is not correct.

Mr HIBBINS: Can I ask now about the deer controls available to you. Now, my understanding is that a lot of detail within that is left up to the development of the three regional deer control plans. You have had one plan that has been released in March, the peri-urban deer control plan. What is the progress in developing the next two plans, and when will they be released?

Ms D'AMBROSIO: I think I am correct to say that the money that we did put aside—not in this budget, but it is continuing in this budget—in previous years is probably the biggest investment in a properly structured plan to control deer. Now, this needs to be done in a way that is planned. So of course, as you identified, we are first targeting the peri-urban area, and that is about ensuring that we have got the right strategy, the right details around what types of controls are best to be utilised in particular peri-urban parts. So as you would appreciate, you cannot just have one approach to deer control management. You need to have community safety in mind, accessibility questions, options of rehoming potentially, although not so much with deer, but certainly that is really important. So the plans for the east and west of Victoria—that certainly is the next step that we will be doing, and we will have those plans, which are being developed right now. We developed peri-urban first. We are out there doing that job, and now that work for the east and west of the state is underway. We intend to have those completed by around October this year.

Mr HIBBINS: Okay. And how much has been expended of that \$18.25 million allocated for the deer control strategy? How much has been expended so far?

Ms D'AMBROSIO: Thus far? I will get that detail for you. What we have allocated thus far of the total \$18.249 million is we have got almost \$2.6 million in the first year. So at the moment in this financial year there is \$3.047 million, and the next financial year there will be a big step up to just over \$8 million.

Mr HIBBINS: Okay. All right. Thank you. Obviously there has been the parliamentary inquiry into ecosystem decline, and that raised and really exposed some significant deficiencies in the level of funding going towards species and extinction. We are still lacking in the significant investment in biodiversity initiatives. When can the Parliament expect a response to that particular inquiry?

Ms D'AMBROSIO: Well, in terms of the response, we will prepare that and have that ready to go when the government makes a decision. We will, I am imagining, have that available to align with the normal times that can be expected with these types of reports, and we are working on that. But biodiversity decline certainly, as everyone knows, is a global challenge; so is climate change. And of course we know that a significant amount of work is needed, and we are investing a record amount. We have invested the biggest amount of money that this state has ever had in biodiversity. Now, a lot of that is about ecosystem deterioration and species decline, and certainly since *Biodiversity 2037* was released—that strategy—we have committed more than \$400 million. But also since when we first came to government that figure is more in the area of \$550 million. So it is a significant amount of money, but it is a challenge that is very, very difficult to crack, and there is no one single response to it. We are tackling climate change in the way that I have described, which is about having our environment and the population having a sustainable planet as quickly as possible, and biodiversity decline of course is a particular challenge that we have invested a lot of money in and will continue to support.

Mr HIBBINS: Just a quick question about the \$108 million energy innovation initiative: has any funding been allocated to Viva Energy through that program?

Ms D'AMBROSIO: To Viva Energy? Let me find out for you. Let me check. No.

Mr HIBBINS: Okay. Thank you. I want to now ask about the air quality precincts. Where will these precincts be, when will they start and what actual action will happen in those precincts?

Ms D'AMBROSIO: Sorry?

Mr HIBBINS: The air quality precincts.

Ms D'AMBROSIO: Yes. Now, that has not been decided yet.

Mr HIBBINS: Where? What? When?

Ms D'AMBROSIO: It has not been decided yet, but we aim to move on this as quickly as possible once the new financial year starts. But can I say to you that this has been made possible because of the massive overhaul—in fact the rewriting—of the Environment Protection Authority legislation. Within that, we have enabled the EPA to target particular areas and to have environment protection plans—I am not sure if that is the exact title, but certainly equivalent to that—whereby they can work with local communities, whether it is households or indeed businesses, to develop up these plans. We will work on identifying those two precincts, and we will be wanting to do that as soon as possible of course and will make the necessary announcements. But we want to make sure that communities are there ready to go and of course industry businesses.

Mr HIBBINS: Thanks, Minister. Thanks, Chair.

The CHAIR: Ms Richards.

Ms RICHARDS: Thanks, Minister and officials, for your time this morning. I might like to continue the discussion that Mr Maas initiated earlier about the power saving bonus and ask for a little bit more detail that takes us a bit deeper and a bit further. In particular I will refer you to budget paper 3 and page 28, and I would like to explore the success of the current phase. How many payments have been made under the current phase of the power saving bonus, which I know has targeted vulnerable Victorians of course, including many right across Victoria?

Ms D'AMBROSIO: Yes. Thank you. Certainly in terms of the current phase of the power saving bonus program, understanding that the eligibility for that is concession card holders—and we launched that on 1 February 2021—thus far we have had more than 378 000 applications for the bonus submitted and more than 370 000 applications approved. You will probably want some of these. And 367 000 applications have already been paid, so that is a very successful number of Victorians that have come through that program. We are very, very pleased with that.

Ms RICHARDS: I am interested as well in the effect on the Victorian Energy Compare site. I am interested in understanding how successful that power saving bonus program has been in driving people to that VEC, Victorian Energy Compare, website.

Ms D'AMBROSIO: Well, the website is an innovation that this government introduced and really beefed up, and that website is the only truly independent energy comparator site in the country. It is supported by legislation. What I mean by that is that we, through changes that we made through our energy fairness plan in the last term, required all of the retail energy companies to disclose all of their market offers to government so that they could be uploaded to the website. So unlike other websites that have payments made for publicising some offers and not other offers, Victorians can trust this—knowing that. In fact seven out of 10 people who visit that site discover that if they switch, they can save money—that there are cheaper offers out there. So this makes a world of difference to many people, and some people are saving \$300 or \$500. That is out how much you could actually save by switching. Seven out of 10 could be saving, I think it is, more than \$500 on average simply by switching. So not only are you getting your power saving bonus, but you are also getting the opportunity to save \$330 on average.

Ms RICHARDS: That is really interesting. I am also interested in understanding something I know that you are also passionate about, which is how we support people without internet access or people with low online literacy. I know that is something that has been a great passion and interest of yours. What is government doing in that area?

Ms D'AMBROSIO: Thank you. One of the things that we were keen to avoid is that sometimes there is an overlap between those most vulnerable in our community and those who are least able to utilise technology to be able to access a benefit from it. That is why, whilst the power saving bonus is easily accessible on a website and most people who access it do it very easily and it is very straightforward, for a number of people out there we provide alternative access and ways to be able to get the bonus. So, for example, we have contracts with a number of trusted service providers out there, whether it is the Brotherhood of St Laurence or whether it is the neighbourhood house federation, because they have got, I think, more than 200 neighbourhood houses across the state. Also of course the Ethnic Communities Council of Victoria, Good Shepherd, the Consumer Policy Research Centre, Consumer Action Law Centre, and I think I have mentioned Brotherhood of St Laurence—they themselves have been able to support more than 30 000 Victorians access the bonus.

Now, sometimes it is just about them ringing up one of these agencies and they can help them just navigate the website. I actually went to the Consumer Action Law Centre last month and saw that in action. I saw a real call coming through and the way that they managed it in a really lovely way. It is fantastic the way they support people. For those, though, that would prefer not to do it that way, they really can ring up our call centre at the department, and we can send them out a manual form if that is what they really want. We do have some that choose that option.

Ms RICHARDS: Terrific. It has been really important that our community have that equity.

Ms D'AMBROSIO: Sorry; 41 000 Victorians have been helped by those outreach programs.

Ms RICHARDS: Right. Okay. That is great. I am also interested in understanding and perhaps having you explore for the committee what other measures have been implemented to make the energy market fairer and, along the same theme, easier to understand.

Ms D'AMBROSIO: The energy market was privatised by previous governments not of my colour—anyway This is about how we make the system work for Victorians. For too long it has not worked for Victorians, and so we have set about—and I was absolutely committed when we came into government to set about—injecting fairness in the way that the market operates. My mantra is that, you know, it is better to have your hand in your pocket than a retail business's hand in your pocket. That is what motivates me every day. Now, having said that, businesses need to make a profit, and we have got lots of them out there. So none of the reforms that we have made have actually caused any of them to collapse—like, the sky was going to fall in at some point, by some of them, but they are not. They are out there and doing their job.

But the things that we have introduced: obviously we have got the Victorian Energy Compare website. We have legislated for all of these retail businesses operating out in the state to provide all of their market offers so that there is full transparency on the website. I also commissioned an independent bipartisan review into the retail energy markets, and both previous ministers in fact of different governments have shared that job: Thwaites and Terry Mulder. Even though they were on different sides of the fence once upon a time, they were very united in what was wrong with the market, and they made 11 recommendations. We have introduced all of the recommendations—every single one of them.

We introduced the Victorian default offer, and that could not be resisted. The commonwealth government followed that very quickly with their own market offer. To this day Victorians are now paying less than are on standing offers, and it sets a benchmark for every other market offer. So there are benefits that have flowed through there. In fact the ACCC cites the Victorian default offer, not the commonwealth one, as a significant factor in reducing retail margins. That is the ACCC saying that about our scheme.

We have also banned certain uncompetitive and exploitative marketing practices through legislation last year, including door-to-door sales, cold-calling and win-back offers. We have increased penalties for energy companies that do the wrong thing—that is, disconnecting people. Those disconnections have trended down because of it. We have introduced the payment difficulty framework to ensure that energy companies offer necessary assistance that has to be meaningful to anyone, and they have to go through certain steps and demonstrate certain steps before they make the decision to disconnect someone. It is really important to give people the opportunity to stay on supply and have a well-managed, tailored way for them to be able to pay down any debt that they have—really important.

And of course there is rooftop solar. What better way to save money than to make your own power on your own roof? Again, money in your pocket is better than money in a retail company's pocket, an energy company's pocket. So people are saving on rooftop solar through our Solar Homes program, which I know is part of a different section—on average more than \$1000 every year off their power bills.

Ms RICHARDS: Thanks, Minister. I have still got a couple of minutes left, so I would actually like to move on to another topic, which is energy resilience, specifically around microgrids. I will just move you along in the budget papers just a smidge—it is a technical term—to budget paper 3, page 29, and ask if you can explain how funding for energy resilience solutions and the community microgrid program will increase energy resilience.

Ms D'AMBROSIO: Thank you. We know that in the time of climate change we have seen more frequent adverse weather events and bushfires. I do not have to describe the last three years, what that has meant not just for Victoria but in other states. So it is very clear what is happening out there. As we did a lot of work to build up resilience in terms of bushfire risk, we also need to understand that it is not just bushfire risk, it is also storm impacts, weather impacts, that can really make communities very vulnerable, especially in high-risk areas, to being off supply and also being off supply potentially for a considerable period of time. We saw that with the last two major storm events. They were the worst in decades in terms of impacts, but in terms of impacts on energy supply they were the worst ever seen in those areas by those businesses that have the poles and wires, if you like—the worst ever, one after the other. Sometimes the same community has been impacted twice. The second one, the October event, actually impacted people that had not otherwise been impacted. So this funding is really critical to support the very important work and listening exercise that we have applied to this to really understand how do we make it easier and how do we provide greater resilience for communities, especially in those high-risk areas. This money will go towards fulfilling some of those aspirations that we have and commitments that I have made personally to people. That resilience can take many forms, and there is no one solution that is going to fix everything, but we can make things better and easier for people, and that is what our aim is to do.

Ms RICHARDS: Thank you. I might leave it there. Thanks so much, Minister.

The CHAIR: Thank you, Ms Richards. Mr O'Brien.

Mr D O'BRIEN: Thank you, Chair. And good afternoon, Minister. Secretary, can I start with you? Just a quick question: how many job reductions across the department through redundancies, early retirement schemes or any other programs were there in 2021–22 and projected for next year?

Mr BRADLEY: Thank you. In terms of early retirement schemes, the department is conducting an early retirement scheme program at the moment which is currently on foot. We have recently provided offers to staff. There are approximately 122 staff—

Mr D O'BRIEN: 122?

Mr BRADLEY: 122 staff that would be voluntary participants if they wish to take up those offers. The scheme had something of an oversubscription, in terms of there was more interest than offers available, but it would be limited to about 122 staff.

Mr D O'BRIEN: And that is the only job reduction across the department?

Mr BRADLEY: That is the only job reduction in terms of an early retirement scheme. We have, as with all—

Mr D O'BRIEN: What about redundancies?

Mr BRADLEY: No, in terms of redundancies I would have to take that question on notice in terms of any precise figures around particular separations, but there has not been a specific program of redundancies and certainly no targeted separation payments during the years in question. What we do know, and we talked about this in previous hearings, is that the department tends to flex with temporary surge numbers coming on for project firefighters, and so—

Mr D O'BRIEN: Yes, I get that. I am just looking for the figures on permanent redundancies and job losses, so if you could take that—

Mr BRADLEY: Yes. So it is focused on the early retirement scheme, but I am happy to take it on notice to make sure there is not anything I have missed in terms of other matters.

Mr D O'BRIEN: Thank you. My next question is possibly for Ms Mai, an energy question. Just in relation to BP5, page 194, the Yallourn power station safety net, has any money been given to EnergyAustralia yet under this agreement? Whoever can answer?

Mr BRADLEY: The short answer is no.

Mr D O'BRIEN: No. Okay. Is there any expected to be in the next few years?

Mr BRADLEY: The nature of that agreement as you would expect, given it is an agreement related to the commercial operations of that power station and EnergyAustralia, is commercial in confidence, so we are not in a position to be able to speak to the extent of support, but certainly no payments have been made.

Mr D O'BRIEN: Given the nature of the agreement, are there any price caps on it or is it effectively an open cheque?

Mr BRADLEY: No, it is absolutely not an open cheque, but the details of the agreement are commercial in confidence.

Mr D O'BRIEN: Well, we have heard constantly from this government about the need to get out of coal and yet we have got a program that is actually supporting coal with taxpayers money. It would be, I think, in the interests of transparency to have some idea what the taxpayer is up against.

Mr BRADLEY: Yes. We certainly do reflect the accounting requirements in our annual report in relation to the EnergyAustralia agreement, and that reflects the support for the 350-megawatt battery that will come in prior to the closure of the Yallourn power station and ensure that there is an orderly transition. The agreement is focused around ensuring that the power station operates until 2028 and closes in 2028. That provides certainty for the market, that reduces the cost of capital for other entrants coming in and it lowers energy prices, and while we do not expect to provide support under that agreement, it is important that we have got the certainty of that power station continuing to operate. At the moment as you would know in the current wholesale electricity market conditions power stations have been seeing quite significant increases in wholesale prices in recent months. That is largely driven by the unreliability of coal-fired power stations. We have had about a third of Australia's coal-fired power stations not producing last week due to either planned or unplanned outages, including at Loy Yang, so you can see the need for the agreement to provide that certainty in terms of the operation of the power station until 2028.

Mr D O'BRIEN: Given that uncertainty and the uncertainty over the closure time frames, has the government entered into discussions with AGL, Loy Yang or Alinta Loy Yang B for a similar deal?

Mr BRADLEY: Sorry to correct the statement, but that agreement is actually providing certainty—certainty of operation of the Yallourn power station until 2028 and its closure on that date. What that means is that we can plan the transition that is occurring in the energy system knowing that that power station will continue to operate until that time. This is in the context of a national market where there is not sufficient regulatory provision to ensure orderly transition of coal-fired power stations. Yallourn was the earliest power station proposed to close, as you would know—the others are scheduled for the 2040s—so with the Yallourn power station that is why that was an agreement that the state focused on and made sure we had certainty about its time.

Mr D O'BRIEN: So there is no discussion with AGL or Alinta?

Mr BRADLEY: We continue to talk to both renewable—

Mr D O'BRIEN: No, specifically about a safety net.

Mr BRADLEY: We continue to talk to energy companies across the market, and we have not got any announcements or developments in relation to those issues.

Mr D O'BRIEN: Can I move to renewable energy zones announced in the 2020–21 budget. I think \$540 million was announced for that. How much of that has been spent on the project to date?

Ms MAI: Just under \$20 million has been allocated from that fund, Mr O'Brien. These projects are very complex. They are long-lived projects. The assets that we are looking to invest in have a life of over 40 years. And so what we are doing with the allocation of funds is working through where those investments should be, what they should do and how Victoria gets value for money out of those projects.

Mr D O'BRIEN: So where has the \$20 million gone to? Is that to do the department or is it to private companies?

Ms MAI: That has been invested in a procurement process that encompasses a whole bunch of due diligence, legal advice, consulting advice, engineering advice. It has largely gone to partners and in that procurement AEMO, which is our Victorian system planner. So those funds are in project development and procurement processes.

Mr D O'BRIEN: Okay. Can I ask: is any of the funding allocated to deal with social licence dispute resolution and legal fees in that respect, given it is going to entail a whole lot of new transmission lines that cause significant issues across country Victoria?

Ms D'AMBROSIO: That is not where that money is going.

Mr D O'BRIEN: Okay.

Ms D'AMBROSIO: The \$540 million is part of a procurement process. It is to identify projects that will provide in the short term an uplift to improve capacity and access to the grid by generators. This can be synchronous condensers, for example. It could be—

Mr D O'BRIEN: I get that, but a lot of it—

Ms D'AMBROSIO: This is not about major transmission lines.

Mr D O'BRIEN: A lot of it is, Minister.

Ms D'AMBROSIO: It is not. I am telling you the \$540 million is not about building new transmission lines.

Mr D O'BRIEN: Have you seen your own network development paper from February last year? It has transmission lines right across the state.

Ms D'AMBROSIO: I am talking about the \$550 million investment. There are stages that are underway. Stage 1 is looking at a variety of projects that are currently under consideration through a tender process, a market process, and the best options that are coming forward will be selected to give us the best value for money. That is what we are doing.

Mr D O'BRIEN: Can you tell me, does AusNet have a transmission licence and therefore compulsory acquisition powers for an easement for its proposed private Gippsland renewable energy zone project? I appreciate it is not part of the AEMO process. They are doing this privately. But will they have compulsory acquisition powers under their existing licence?

Ms MAI: AusNet has an operational transmission licence in Victoria. However, in relation to the project that you are referring to, that is an exploratory project, a private project, we understand, so no discussions have been had about compulsory acquisition with AusNet.

Mr D O'BRIEN: I guess my question is that they have got an existing licence and that allows them, as I understand it, within the AEMO framework to compulsorily acquire easements. This is outside that, and I just want to know whether they have—

Ms D'AMBROSIO: I think you are jumping ahead of a few things, for a start.

Mr D O'BRIEN: No, no. Sorry, Minister—

Ms D'AMBROSIO: You are.

Mr D O'BRIEN: No, no. I am not jumping ahead.

Ms D'AMBROSIO: No, you are.

Mr D O'BRIEN: AusNet has been knocking on doors in my community in the last couple of weeks saying, 'We've got this line'. I am not jumping ahead. I am just wanting to know whether their transmission licence—and I am happy for you to take it on notice—gives them the power to compulsorily acquire.

Ms D'AMBROSIO: No.

Mr D O'BRIEN: It does not?

Ms D'AMBROSIO: No.

Mr D O'BRIEN: At all?

Ms D'AMBROSIO: It does not, no.

Mr D O'BRIEN: Okay. Can I ask the same question for Marinus Link, which I have asked you about before. At the time the proposed Marinus Link did not have a transmission licence. Has that changed?

Ms D'AMBROSIO: Whether they have a transmission licence from Victoria?

Mr D O'BRIEN: Yes, and therefore—

Ms D'AMBROSIO: I do not think they have applied for one.

Ms MAI: No, they do not have one.

Mr D O'BRIEN: They do not. Okay, thank you. Can I move on to a different issue? Budget paper 3, pages 26 and 34, has the VicCoasts funding. There is \$17 million there for addressing erosion. Can I ask: is the Loch Sport erosion that I have raised with you numerous times, Minister, going to be funded? Is there a solution being funded for that?

Ms D'AMBROSIO: I thought you would ask that.

Mr D O'BRIEN: Hopefully you give me a good answer.

Ms D'AMBROSIO: Okay. And you have asked me about this before.

Mr D O'BRIEN: I am aware, Minister, that a report has been received and is being socialised now in the community.

Ms D'AMBROSIO: Oh, yes, so your question is when is it going to be released; is that right?

Mr D O'BRIEN: No, the question is whether the \$17 million will actually go towards addressing the erosion issues at Loch Sport.

Ms D'AMBROSIO: Look, I think it is probably fair to say that that \$17 million has not been determined in terms of its allocation. I think I would be correct to say that. So it is not excluded from it, and certainly I will be awaiting advice from the department in terms of priority areas and considerations for how that money may be spent.

Mr D O'BRIEN: Okay. I will give you advice: it is desperately needed at Loch Sport, and I would love some of that money.

Ms D'AMBROSIO: Yes, okay.

Mr D O'BRIEN: You talked before about the \$250 power saving bonus, Minister, which you have said is open for all Victorian households. There is \$250 million as a one-off in the budget for \$250 per household—\$250 million for \$250?

Ms D'AMBROSIO: Yes.

Mr D O'BRIEN: That is 1 million households.

Ms D'AMBROSIO: Yes, I understand.

Mr D O'BRIEN: You are literally planning not to give this to about 60 per cent of Victorian households.

Ms D'AMBROSIO: No, it is not true.

Mr D O'BRIEN: Is it uncapped, then?

Ms D'AMBROSIO: No, what I am saying to you—and I think it is the same question that I was asked last time or the time before with the first iteration—is that if demand exceeds what is there I think that would be a good problem to have, and we would be looking after it. So—

Mr D O'BRIEN: So you will provide additional money if needed.

Ms D'AMBROSIO: Well, if the demand is there for it. The estimate that is in here, the allocation here, is based on the uptake of the existing phase and indeed informed also by the first phase of the PSB. It makes good sense to do that, to have that approach, to base it on—

Mr D O'BRIEN: You cannot say it is for all Victorian households but only budget for 40—

The CHAIR: Mr O'Brien, your time has expired.

Ms D'AMBROSIO: No, it is. I am saying to you it is. Any Victorian that wants the money and applies for it will get \$250.

The CHAIR: Ms Taylor.

Ms TAYLOR: Good afternoon, Minister and officials. I would like to just pursue the microgrids a little further because—well, it is really exciting, but I also want to understand why it is necessary for the government to support the development of microgrids.

Ms D'AMBROSIO: Look, I can give you a long answer or I can give you a short answer, and I will not give you a long answer, Nina. Look, the reality is that we are absolutely committed to making the energy system work, as we did with some of our interventions which were necessary to get fairness back into the retail market. We also understand that we need to bring almost a community perspective as an elected government to how we can improve the distribution side of the delivery of power, especially in the time of climate change and extreme weather events, and that is why we make no apologies for trying to make things better for Victorians no matter where they live across the state. So that is the reason for it.

We have already done some good things in terms of post the Black Summer bushfires, where we invested in microgrids or standalone power systems in Mallacoota, for example. I am not sure if it was the last budget or the one before that, but certainly after Black Summer we put out to tender the establishment of standalone power systems or microgrids in particular high-risk areas that had been impacted by those bushfires. There was one installed at Mallacoota, for example, and also Omeo and Corryong. You will remember that Black Summer really impacted them in terms of energy supply at the time.

So there are significant potential community benefits in government supporting the development of those and most notably improving the ability of communities to respond to and recover from bushfires. It is really critical for us to do that. It is succeeding—it is working—and that is why it is important that we just keep improving our response to that and making sure that we can keep improving the resilience of communities and their ability to respond to those extreme weather events.

Ms TAYLOR: What other measures has the government implemented in response to the mass outages that occurred because of the storms in June and October of last year?

Ms D'AMBROSIO: Look, the June event certainly was awful, only to be surpassed by a more awful October event. But certainly once the June storm events had occurred—apart from taking actions during that period with the owners of the poles and wires, the distribution businesses, and responding with support and the like—what I moved to do through the department was instigate a review in two phases.

Phase 1 of that was to focus on some of the short-term improvements that could be made—streamlining and standardising data collection and intelligence information reporting. Some of the reports also looked at measures like coordinating improvements to the power-dependent customer support process; refining guidelines for the generator loan program and prolonged power outage payment; supporting critical infrastructure, including telecommunications, that relies on power supply and community asset owners to update their business continuity planning; and improving public messaging to support community preparedness and decision-making.

The measures were largely implemented prior to the October storms, and whilst the second phase of that was underway we had the October storms. There is work underway right now. We have a team out there that have been commissioned to go out and consult qualitatively with particular communities that were impacted so we can hear firsthand the variety of experiences and impacts so that we can have a well-informed set of recommendations coming forward for the next steps of decisions that we may need to take to be better prepared and improve in terms of responsiveness to prolonged outages as a result of these extreme weather events.

Ms TAYLOR: Thank you. Now, what about the benefits of microgrids? What benefits do they have over, say, undergrounding?

Ms D'AMBROSIO: Well, these are complex matters, aren't they?

Ms TAYLOR: Yes.

Ms D'AMBROSIO: And they are similar to what happened in that devastation of Black Saturday, where a lot of debate occurred and a lot of discussion occurred across communities about, 'Should we underground powerlines? Should we have other technologies? What can we do to make us safer and to not have a repeat of the devastation that was wreaked on many communities then?'. Of course many lives were lost. Similarly when we had these big weather events last year that conversation started again, where communities were thinking, 'Well, should we underground some of these high-risk weather event areas?'. They may not be high-risk bushfire areas; some of them may be, but others may be just prone to storm damage and lines going down.

But, look, microgrids can often be a cheaper, more palatable solution for some communities. Undergrounding can come with significant price tags, but it also can come with significant environmental impacts, notwithstanding of course that with those considerations it is important for communities to have a say so that they understand. If there was some undergrounding—just putting aside the question of who pays for it; just putting that aside—the issue is: what does that actually look like, and what would you need to do to actually create an underground situation? For some communities it may be that it is not palatable to have swathes of environment and trees knocked down. For some communities that is why they live where they live. But the point is it gives us another option.

There are a variety of options that we are looking at through this review, and I anticipate that the report will come back with a number of views from communities about some of these options. Microgrids could be one of those options that could more readily be deployed and may be more acceptable to some communities. It is important that we have a variety of options available to us so that we can make the right choices for communities depending on the communities' needs and aspirations.

Ms TAYLOR: Very good. I was just wanting to shift to community infrastructure accessibility and sustainability, if I can refer you to budget paper 3, page 34, table 1.7, noting that we have a \$9.5 million investment in this—that is, community infrastructure accessibility and sustainability—and on page 36 I note that this includes many worthy initiatives, such as Point Lonsdale Lighthouse Reserve, Farm Vigano, Patterson River launching way and the national water sports centre. You will not be surprised that one of the initiatives I

am most interested in is the energy efficiency infrastructure at Albert Park Reserve in the Southern Metro Region. Could you please provide some insight to this investment?

Ms D'AMBROSIO: Yes. It is very popular—I can hear from your voice the popularity with one person in this room, anyway, but certainly thousands in the community—

Ms TAYLOR: That is right, thousands in the community—exactly.

Ms D'AMBROSIO: Look, our approach to, I suppose, the energy transformation of course is about a number of things. One is saving people on their bills, whether it is at home, in the workplace or indeed in a community setting; giving them the means to be able to do things that are good for the environment, because there is a lot of pride in that too and communities are always looking for ways to do that; and also creating jobs. This one here delivers on all of those. Certainly Albert Park Reserve is a much-loved reserve. It is not just about servicing the local community because it is very much a central point of community engagement—that is, a broad community engagement from across metro Melbourne. Here they obviously support many different clubs, sporting fields, buildings and pavilions utilised by many sporting groups and clubs from around the metro area. The support here will enable the reserve to have the installation of solar panels and energy-efficient lighting to drive down carbon emissions and deliver cost savings to community sporting groups. Now, when a community group, a not-for-profit, is saving money on their power bills, they are putting that back in the community. It means maybe one less sausage sizzle or 10 fewer sausage sizzles to hold, and you are talking about potentially savings of thousands of dollars every year. Energy efficiency is really critical. It can be not as sexy as solar panels, but I can tell you, it can drive down power bills significantly, and gas bills too. That is why we are really pleased that we can support this. So that was about Albert Park. Was it just about Albert Park, the question?

Ms TAYLOR: You do not fully have to just zone in there, noting that people travel from all over, but there were some other ones there. I think there was Point Lonsdale Lighthouse Reserve, Farm Vigano, Patterson River launching way—there were some other ones there as well.

Ms D'AMBROSIO: Yes. Community infrastructure accessibility and sustainability is really important. And as you indicated, \$9.5 million is going towards some very worthy initiatives, and some of them are listed—Point Lonsdale Lighthouse Reserve, Farm Vigano, Patterson River launching way and the national water sports centre. Look, we know that people love these locations. There are many of them, and these are very worthy projects. We want to make sure that when people make choices to go out and meet up with people and undertake various recreational activities, we give them really good quality amenity for these areas. These are public spaces, and there is a lot of pride in them. We want to make sure that we keep investing in these spaces so that Victorians can enjoy more the amenity that these spaces give them.

Ms TAYLOR: Very good.

The CHAIR: Thank you, Ms Taylor. Thank you, Minister. We might have a break in proceedings now for lunch and resume at 1.50. I declare the hearing momentarily adjourned.

I declare back open this hearing of the Public Accounts and Estimates Committee for the energy, environment and climate change portfolio, and the call is with Mrs McArthur.

Mrs McARTHUR: Thank you, Chair. I would like to ask a question of Matt Jackson, the CEO of Parks Victoria. Is he in the audience? Mr Jackson, could you please provide the results of the count of brumby numbers in the Alpine National Park and Barmah, and could you confirm the specific method used to arrive at these estimates?

Mr JACKSON: Thank you for the question. Are you talking about the 2019 results or the current program we are doing?

Mrs McARTHUR: Current.

Mr JACKSON: In November last year, building on the 2019 results, we actually completed aerial imagery of Barmah National Park. That process is currently being completed and is getting nationally peer reviewed. The Alpine National Park is also being completed. Again, it has been done through surveying and is going

through a national process. We anticipate it will be another two months, and then we will publicly release those numbers.

Mrs McARTHUR: So they would be the distance software surveys or on-the-ground counts?

Mr JACKSON: Aerial transects, as per the Australian Alps, which is done every five years by the federal government as well, so it is a consistent process and a consistent survey, building on the previous surveys from 2019, as result of the 2019–20 bushfires.

Mrs McARTHUR: Thank you. Minister, could you confirm that there has been trapping of horses during the foaling season, and do you think that is appropriate?

Ms D'AMBROSIO: Well, look, whether any trapping activities have overlapped with foaling season, I do not know, but I am certainly happy for Parks Victoria to talk about that. But certainly there has been trapping, so that stands, that part of it. Matt.

Mr JACKSON: Yes. Mrs McArthur, to answer your question there are two things. In both plans in Barmah, in line with the aerial surveying in the Alpine National Park, the commitment from both plans was to do rehoming. I can confirm that we have gone through and rehomed 10 horses in the Barmah National Park, consistent with ethics, animal equine vets' oversight and principles. Every one of those oversights has been done. We did rehome 10 horses, which was a great outcome, but unfortunately the traps have been tampered with in Barmah National Park, so we have consistently stopped that program. Likewise, in the Alpine National Park, we went to tender, had contractors put in place and started the trapping for the programs in the Alpine National Park, and unfortunately again some members of the community—it is our advice—have pulled those traps down and tampered with them, so they have been closed.

Mrs McARTHUR: So have you confirmed you have never done trapping during the foaling season?

Mr JACKSON: I am not going to confirm that. What I will confirm is we have expert advice when we do our trapping to make sure that (1) the welfare of the horses is looked after and (2) any foals or any mares that are with foals are released, and then the horses obviously go to prequalified homing, which we have done, and we have done 10 recently.

Mrs McARTHUR: Okay. Minister, are any contracts currently in place or due to be offered in this financial year for aerial or ground-based shooting of brumbies?

Ms D'AMBROSIO: Well, as you would appreciate, we do not go into the details, the particulars or the dates or what have you of particular actions on the ground, but in terms of contracts that may be out there, I believe that that is underway.

Mr JACKSON: That is correct.

Mrs McARTHUR: So you have issued contracts for aerial or ground shooting?

Mr JACKSON: Would you like me to answer, Minister?

Ms D'AMBROSIO: Yes, please.

Mr JACKSON: Okay. Are you referring to the tender process that was released last week? Again, in line with the Barmah National Park plan that was released, that does include ground shooting of horses and rehoming. Also the Alpine National Park program, which was released in November last year, does include aerial shooting, rehoming and ground shooting. Just to be really clear, there has been no aerial shooting of horses in any programs to date. That is a fact. We are going to market—

Mrs McARTHUR: But there could be.

Mr JACKSON: There could possibly be because of remote areas, but I can confirm that none have been done by air. Our shooting programs will be done by, again, professional shooters—rehoming first—and we are going through a tender process now for a three-year period to implement the horse programs.

Mrs McARTHUR: How many do you envisage that you will need to shoot?

Mr JACKSON: Well, there is no number. I can go back to Barmah if you would like to start with Barmah. The estimated numbers in Barmah are around 500 horses. The plan that is set out there is to reduce the horses down to 100 with a view of eradication over the forward years.

Mrs McARTHUR: So you are going to shoot 400 horses?

Mr JACKSON: If the numbers are there. We would have to make sure, subject to the aerial photography. In the Alpine National Park in 2019, prior to the fires, there were up to 5000 horses. So again the numbers—we are flying now—will confirm what we believe are still there, but I can confirm that there are well over 2000 horses in the Alpine National Park.

Mrs McARTHUR: How many do you plan to shoot there?

Mr JACKSON: That will be subject to the operational plans, seasonality, tourism and safety of our staff and contractors. So we will continue to work with the successful contractor to make it safe and to make sure those programs are ethical and we implement them over the period of the plan.

Mrs McARTHUR: Well, Minister, or Mr Jackson, do you think agree that shooting a horse, a moving target, from a moving platform, like a helicopter, is humane?

Ms D'AMBROSIO: I will be really clear that any actions that are undertaken as part of the removal of feral horses in these precious ecosystems are absolutely guided by science and humanitarian considerations and advice from important agencies, including the RSPCA and other veterinary scientists.

Mr JACKSON: That is correct.

Mrs McARTHUR: Well, I do not think anybody in the horse world thinks shooting a horse from a moving object as they are moving is humane.

Ms D'AMBROSIO: We follow the science, and Parks Victoria is absolutely committed to always and only ever undertaking its activities on the ground with the best advice and following that advice.

Mrs McARTHUR: Moving on to another subject, Minister, can you confirm your continued support for onshore and offshore gas exploration in Victoria and the increased energy security and reduced energy bills that gas exploration and supply in this state provide?

Ms D'AMBROSIO: The government has very clear policies and programs in place to ensure that we have sufficient gas supplies available to us. There are a number of approaches to that, including energy efficiency measures, electrification and of course exploration of other supplies of natural gas. So yes, absolutely, we always have been supportive, have the government, and I am very proud of our record in this regard.

Mrs McARTHUR: Supporting of gas—great. Maybe the Deputy Secretary, Energy—Ms Mai, is it?

Ms MAI: Yes.

Mrs McARTHUR: Thank you. Sorry about the pronunciation. The presentation we saw before boasted \$303 million for a cleaner, cheaper and stronger energy system. Renewable energy may be clean, but it is catastrophic for many communities blighted by new overhead powerlines. How much of this \$303 million package will support residents and landowners along the 190-kilometre western Victoria transmission project line who are threatened by the 500-kV powerlines carried by 80-metre towers?

Ms D'AMBROSIO: I think the program, or the project, that you referring to is a matter that has been undertaken by the private owners and the contractors for that project. It is a matter for them to decide how they choose to deliver that, and it is going through an ES process too.

Mrs McARTHUR: So, Minister, is it acceptable that the RIT-T process which initiated this project considers only infrastructure costs, ignoring hugely important agricultural, social, environmental and health costs?

Ms D'AMBROSIO: Well, what I would say to you is that the RIT-T, as it is typically referred to, is a mechanism that is set at a national level. All projects that are required to go through that process go through that process. Now, in terms of matters to do with community amenity or impacts, I understand that this proposal is going through a thorough and independent EES process, and I would encourage everybody who has a view or concerns about this proposal to utilise that EES process, which is of course robust, thorough, independent and will consider all considerations and all views of communities.

Mrs McARTHUR: Minister, when will the EES process be exhibited, and do you acknowledge the ongoing mental stress the threat of this calamitous project is causing to thousands of good people across that line area?

Ms D'AMBROSIO: Well, the process of the EES is a matter for the Minister for Planning, so I really cannot comment on the time lines around that. It has its own independent process, quite rightly, at arms length from government. And the EES process will deal with this project proposal, which is fairly much a project that is—

Mrs McARTHUR: Do you accept the mental strain it is causing people?

Ms D'AMBROSIO: Well, you raise those issues. What I would say to you is that there are really important opportunities available to communities, whether it is this type of infrastructure project or any other infrastructure project that requires planning approval and that may go through EESs. I always encourage Victorians to utilise their democratic right and to channel all of their concerns through that EES process. It is the most robust and transparent process available to them, so I would encourage that.

Mrs McARTHUR: So, Minister, you talked earlier—waxed lyrical, in fact—about the number of trees you were involved in in the government planting, so would you consider the loss of 150 000 mature trees a price worth paying for this transmission line?

Ms D'AMBROSIO: Well, as I said, you might wish to refer that matter to the proponents of the project.

Mrs McARTHUR: No, but what do you think? You are the minister for the environment—a whole biolink being wiped out.

Ms D'AMBROSIO: Well, I deal with the facts, and you suggest that or you state that.

Mrs McARTHUR: Well, you just have a look at the proposal.

Ms D'AMBROSIO: Well, I would say to you respectfully that for any people who have got concerns or may have concerns around this, there is an EES process available to any member of the community, including yourself, to present their views and concerns to that process, and I would encourage every Victorian to utilise that. There are lots of projects out there that go through EESs, and it does not mean the environment minister always has an engagement on those. In fact I should not.

Mrs McARTHUR: Minister, can you confirm that there will be no introduction of dingoes on DELWP-managed land adjacent to farmland in Victoria?

Ms D'AMBROSIO: Well, certainly there have been a number of matters raised around this issue, and we very much take seriously community views on this. It is certainly a point in question, if you like, where some issues galvanised around the review into the Grampians-Gariwerd National Park, the management plan—

Mrs McARTHUR: So—

Ms D'AMBROSIO: No, let me finish. I am happy to answer your question. I have been very clear that there has been a lot of community feedback and issues raised. There are a lot of complexities in that, and we are very clear that the plan acknowledges the concerns raised by the community and that there are no plans to reintroduce dingoes.

Mrs McARTHUR: In the Grampians?

Ms D'AMBROSIO: Full stop.

Mrs McARTHUR: In Victoria?

The CHAIR: Mrs McArthur, your time has expired.

Ms D'AMBROSIO: Well, if your question was about Gariwerd. I do not go about reintroducing dingoes in someone's backyard, so let us be, you know, sensible about the question. But it is very clear what your question was based on.

Mrs McARTHUR: Was it adjacent to farmland in Victoria?

The CHAIR: Mrs McArthur, your time has expired and your question has been answered.

Ms D'AMBROSIO: We have no plans to reintroduce dingoes.

Mrs McARTHUR: Thank you.

The CHAIR: Mr Richardson.

Mr RICHARDSON: Thank you, Chair. Thank you, Minister and department officials, for joining us for this afternoon's hearings. I want to take you to the topic of electrical worker training, Minister, and I refer to the state budget papers released on 3 May 2022, specifically 'Improving Energy Safety and Skills' in budget paper 3, 'Service Delivery', page 29. For the committee's overview and benefit, can you explain how funding training for electrical workers will improve safety and skills across the industry?

Ms D'AMBROSIO: Thank you for the question. This is an important reform. We know that, with the transformation of the energy system, safety should always be paramount and we always need to make sure that we have got the best systems in place possible not just for the workforce but for broader communities, but the workforce are an important element of that. In terms of this particular program, the budget does allocate funding to support improving energy safety and skills, and this is about providing funding to support, rather than electrical work, electrical workers, including electricians, to undertake a customised skills maintenance course, so it is about ongoing professional development. Energy Safe Victoria, which is an independent agency of government, as you are aware, is very keen to ensure, with the reforms that we introduced at Energy Safe Victoria, that we have a very clear eye to the future needs in terms of skills and training of the electrical workforce, and that is because there are lots of changes happening in the energy sector, as I mentioned. We have got an increase in the uptake of solar panel installations, which require A-grade electricians, so it is important that that ongoing professional development and training is maintained.

The regulator, Energy Safe Victoria, has designed a course with the industry. The course renews foundational skills that keep workers safe when working with electricity. They are basic safety skills such as properly insulating circuits. We know that those skills can save a person's life and avoid serious injury, so the initiative, as I said, is part of our government's continued commitment to electrical worker safety. You will also be aware that, with the significant uptake in solar panels on roofs, we are very attuned to the need for safety to be a part of that. It is about also an uptake in interest from younger people in entering into these trades because they want to be part of that energy transition piece, so it is also about having a clear eye to being ready and primed to deliver training to get continuous improvement from not just the existing workforce but the new workforce that will come. This initiative is part of that broad approach that we are taking to the energy transition, which is a vital element of that, because with this we have got to make sure that worker safety is always at the forefront of everything we do.

Mr RICHARDSON: I know that has been a dedicated focus from when you first announced it and were being questioned in Parliament as well. I want to get a little bit deeper into the skills that workers will gain through that training and some of the details of the course that has been supported and funded on this occasion.

Ms D'AMBROSIO: Certainly. I did touch on the fact that this is very much linked to the transformation of the energy system and all of the very big steps that we have taken in the move towards how electricity is created, where it is created, the engagement with the workforce and what that means for their own skills. We know that we are also looking at the move towards using more electricity as a substitute for other energy supplies, so electrification will increase as an option and a desirable option for communities, whether it is in their home, whether it is in transport—transport, of course, as we move to electric vehicles or zero-emissions

vehicles. A lot of that will be about electrical vehicles and appliances and how electric vehicles, for example, are charged. They could be charged at home, they could be charged in a public place or they could be charged at work or along a highway. So you can start to understand where electricity will be and how the engagement with the workforce is just going to keep growing. Industrial processes also is another area that will become more electrified as electricity continues to grow in terms of its supply from clean sources and of course the downward pressure on prices. It will be a favourable source of fuel or energy supply. Over the next decade we need to increase the pool of skilled workforce in this field massively. We also need to ensure that the current workforce build upon their existing skills base, because working with electricity assets can be very dangerous, as we know. That is why this budget item builds on our commitments.

Now, in terms of the *Electricity Safety (Registration and Licensing) Regulations 2020*, which of course we brought forward, that requires licensed electrical workers to undergo ongoing professional development training specified by Energy Safe Victoria. We have beefed up Energy Safe Victoria. They are now a modern regulator with a clear eye to the future and making sure that we have a clear pathway. They have identified this as an important matter, and I am really pleased that we can deliver the funding to support this professional development. What is important here too of course is that before applying to renew a licence—so with licensed electrical workers that is required once every five years—the licensed electrical worker will need to undertake any training specified by a notice issued by Energy Safe Victoria. Energy Safe Victoria approved its first notice on 26 April 2022.

Any family out there who have got kids that want to really get into this space should take a lot of comfort from this, because it is about the safety of their family, their kids, going into a profession that is increasing in desirability. Everyone wants be part of the future in terms of decarbonising our economy, and the energy system is really one that is going ahead in leaps and bounds in Victoria. We want to make sure the workforce is safe while we do that.

Mr RICHARDSON: Digging a little bit deeper into that—because I think it is so critical to have safety and that trust and confidence, and we know if that does not go well how detrimental that can be for an industry—how will improving those skills of the electrical workforce benefit the industry and the broader economy more widely?

Ms D'AMBROSIO: Yes. Look, that is a really good question, because I would say to you that in Victoria we have got a really rigorous system and a very proud workforce. This is about helping to provide a financial incentive to undertake a course for these electrical workers and reduce the burden on them and the industry of additional costs during what is a challenging economic recovery period. How will it help? It will do that—it will deliver that improved training with this important financial support. Workers will require one day or 8 hours equivalent off-tools time to participate in the training. Funding this training course sends a really strong signal to the industry that the government is absolutely supportive of safety outcomes and improvements. It provides an incentive for workers of course to be more likely to attend and thereby more quickly normalise continuing professional development as good practice in the industry.

Skills maintenance training really does have a very positive social and economic impact because it aims to reduce the risk of harm to workers, the public and their property from the supply and use of electricity. I did mention our *Electricity Safety (Registration and Licensing) Regulations 2020* and the regulatory impact statement that was undertaken that led to those regulations. That RIS found introducing continuing professional development has had a positive economic benefit overall. Ongoing professional development will help to secure a reliable reserve of electrical workers here in Victoria with up-to-date safety skills to support key government infrastructure projects. So it is not confined to what happens in someone's home or a business down the road; it is also about all those major infrastructure projects under the Big Build and our transition to renewable energy.

Mr RICHARDSON: I want to take you to a different topic, and that is some of the infrastructure investment under your portfolio, and particularly the National Water Sports Centre, a key asset in the south-eastern suburbs of Melbourne. In the final time that I have got, at budget paper 3, page 34, table 1.7, it notes a \$9.5 million investment in community infrastructure accessibility and sustainability. On page 36 one of the initiatives mentioned is the Patterson River National Water Sports Centre upgrade. Minister, are you able to provide for the committee's benefit further insight into this investment?

Ms D'AMBROSIO: Yes. Certainly we did talk about Albert Park Reserve earlier, and that was part of that same allocation of funding for community infrastructure accessibility and sustainability. The National Water Sports Centre is a massive, massive facility, and it does not just serve a local need; it is one of those facilities that people come from far and wide to be able to enjoy. And you well know that; we have been there together a number of times over the years, and I really marvel at how impressive and professional the state of the facility is. From my understanding you have got the 2000-metre boating channel and rowing course. It was originally developed in 1998, and that was in preparation for the Summer Olympic Games bid, which of course did not go ahead. But nevertheless it was built to that standard, and that is what the community has been able to enjoy all these years. Parks Victoria do do a good job in that—a nod to them. So it has got that boating channel and a rowing course. I know that it is used by many, many sport clubs and associations for water-based activities: rowing, waterskiing, canoeing, kayaking, paddleboarding, coarse angling, jetskiing, radio-controlled yachting—all of my favourite things that I do on a weekend. A lot of people love this stuff. I am not very good on water, but anyway. There are boat shows, boat testing. And I know that the high-quality facilities there need to be improved on, of course, because we want to make sure that this facility not only continues to be a much-loved and utilised facility in a very special part of Melbourne but it grows in high-quality spaces and facilities. I know there are lots of aspirations of the community, and we are going to be, I think, putting \$3 million aside for that to create a detailed master plan and implementing operational improvements for high-quality spaces and facilities for community use. So it is very exciting, and you are lucky to be the local member for that area, so well done.

Mr RICHARDSON: Thank you, Minister.

The CHAIR: Thank you. Mr Barton.

Mr BARTON: Thank you, Chair. Thank you, Minister. If we accept most people want action on climate change but there is a very real concern about the cost-of-living issues at the moment, so we keep that in our minds, my understanding is—you have spoken a bit about solar panels, and I think Victoria has been pretty successful at rolling that out—if I remember correctly, about 30 per cent of properties now have solar on the roof. I see this as a stepping stone, and I think the next stage is clearly batteries. Are there any plans in the budget, moving forward, where we can assist those people who have gone out and paid for this themselves to get the battery set-up, thinking in the longer term where we can have bidirectional and those batteries then can feed back into the grid and have community—

Ms D'AMBROSIO: Thank you very much. There is a lot in there that you have raised which is all really important, and yes, we are very committed to building on the success of the solar panels on roofs. You mentioned 30 per cent, and I do not think you are far off frankly; I think that is probably the right figure for new-build homes. And you would be aware that we hit, I think, 200 000 solar PV rebates and hot-water systems going out the door, which we achieved last month. You talked about of course what the growth will be in terms of demand, so you talked about bidirectional charging. If I may just be indulged, that would be about charging up your car but making sure that your electricity can go both ways, so you are not just charging up an appliance but you are actually utilising that appliance to potentially put energy back into the grid. We have got an orchestration trial with part of the battery program that we are currently funding, and that goes to that question of: how can we better utilise the electricity that we generate from, say, renewable energy? That is what its focus is. And how do we enable these appliances to be orchestrated—that is why we call it an orchestration trial—through virtual power plants, which can really be a very dynamic space? And we want to make sure that we capture all of the learnings from that so we can understand where future investments might need to go to keep promoting the uptake of these technologies.

Mr BARTON: If I can just go to EVs now, we are certainly seeing EVs coming out now which can be bidirectional; we can actually run our house for a number of days off the car. It seems to me that it makes a lot of sense that we would be encouraging people to move in that direction as well. That also then can work bidirectionally back into the grid through that whole system. Is there any proposal to find more incentives to help people get into bidirectional cars? I am heading on a track here, Minister. You probably know where I am heading.

Ms D'AMBROSIO: I can see where you are going here, yes. Look, thank you. And I am sure that if we had a lazy 2 hours, we could really chew up that time really quickly on all of this, because we are very passionate about these technologies.

But look, certainly part of our orchestration trial is to understand better how we can encourage more bidirectional charging infrastructure. What does that mean for the grid? Because that is a challenge, of course. We have had solar panels that have caused some changes, if you like, to the grid. Because for the first time ever, when solar panels came in, you were actually getting power fed into the grid from distributed areas, not just from your central pool of supply, say, at the Latrobe Valley. So energy moving in and out of the grid at thousands or tens of thousands or hundreds of thousands of points is really important.

Certainly bidirectional vehicles will be an important way of giving us flexibility, and the other important thing here is that you can start to see a situation where people have their solar panels. They could have their own standalone battery, but they could use their car as a battery. They could charge up their car battery or their home battery when power is cheapest and then of course use the power when normally getting power from the grid is at a higher cost. So you can start to see really significant benefits for consumers in having greater choice and control over their management of power and then costs—and running costs of cars.

Now, the key for government is how do we make sure that those types of technologies are more broadly accessible. Because sometimes with new technologies you can have higher up-front costs, and we have been very committed up until now, from the evidence of our programs; we have been very keen to ensure that no communities are left behind in terms of enjoying the benefits of the energy transformation, and that will be notably so when we come to electric vehicles.

Mr BARTON: Minister, I do not think it is any secret that I have made it clear that I think the entire taxi and rideshare fleet should be electric vehicles by 2030, and that is absolutely achievable. If we flip our cars every five to seven years, we will be setting ourselves up.

One of the challenges for the industry is charging stations, and I think the government has got a role there to help spread the availability of charging, because many drivers live in apartment buildings, and it is just not practical if you are on the 23rd floor to run a lead down the side of the building.

I saw a number in the UK. There are more charging stations than petrol stations in the UK, which is a fantastic thing, and that is something that—

Mrs McARTHUR: More people, too.

Mr BARTON: Yes, it is not a very big area, either. That is something that we want to be looking at here to make sure we are able to service the range.

Ms D'AMBROSIO: Absolutely spot on. You know, there are a number of things that have to sort of be implemented simultaneously to give people confidence that if they make a purchase they have got support to help make that purchase if it is a new vehicle, and we have got the rebates for that, but also the confidence that they are not going to be left stranded in between two charging points and eventually run out of power. Well, in effect run out of power. So part of our \$100 million ZEV package I share with Mr Carroll, who has got some responsibilities in these areas too, and also of course with the Assistant Treasurer. But in terms of the charging network, we are creating from some of that investment an EV fast-charging network at key tourist destinations and high-use locations. This will allow EVs to be charged while EV drivers go about their business, whether they are stopping for a break between going from one regional city to another or doing their shopping. The chargers will provide EVs with 100 kilometres worth of battery power in 10 to 100 minutes. Now, it depends of course—you have got the rapid fast chargers and then you have got the ones that are slower. That will give flexibility to drivers to be able to choose the one that best suits them, and then of course you are paying at the pump—the virtual pump, if you like—depending on how rapidly you want the charging or you need the charging.

We went out, of course, to market for that program. We announced the successful applicants in 2021, and this program will fund about 141 chargers across 116 sites by July next year. That builds on some charging infrastructure that we did prior to this recent funding coming through. The installation of the first two public EV chargers was completed in April this year. They were located in the regional Victorian towns of Tatura and Killarney, and then we have got the program continuing to be rolled out. We are certainly continuing to look at this for future investment ideas. There is the expert panel that has been requested by me and Minister Carroll to do work on this, and they have certainly come back with more recommendations that we are looking at.

But you were touching on the turnover of vehicles, especially in the taxi industry. That is a really critical point, because we know that when you buy an ICE, an internal combustion engine car, that it is going to be on the road for 20 years probably, and we need to think of new, different ways to be able to get more churn of electric vehicles. Doing that goes to those issues of fleet in industries such as the taxi industry, where if you can promote the uptake of EVs there, there is a quicker turnover of those cars and they enter the second-hand market.

Mr BARTON: And create that second-hand market.

Ms D'AMBROSIO: That is absolutely right. And there are some funds there I think that have been supported by Minister Carroll.

Mr BARTON: Another subject that we have spoken about previously is as we are getting weaned off coal and we move to renewables I have always been concerned about that transition. Are the renewables going to come on stream quick enough? I will use the Star of the South as an example. That is not due to start producing until 2035 or something. There is always this danger, and I know we have got some regs around the closing down of the power stations, but if I was a power station owner, I would not want to be last man standing.

Ms D'AMBROSIO: Sorry, what was the last bit of the question?

Mr BARTON: I would not want to be the last power station standing.

Ms D'AMBROSIO: Yes. Look, you raise a really important question that sometimes people do not really want to think about, because these are the realities of managing a transition well—to have ambition but to be able to deliver it whilst having enough power in the system and keeping your power prices down. Okay? Those things, sometimes people just like to look at one element of it and say, 'We've all got to do this tomorrow'. Well, you know, I wish I could do it tomorrow, but there are a lot of consequences here, and it is about getting it right, okay—so absolutely.

We set renewable energy targets to achieve a number of things. One is to really signal to the market in Victoria and the market outside of Victoria to come invest in our state, because we have got ambition and we want to transform our energy supply and decarbonise it over a period of time. We have got that 50 per cent renewable energy target by 2030. I am very confident we will overshoot it. We had a 2020 target of 25 per cent, and we met that in 2019 and we achieved, like, 32.5 per cent in 2020. So it is there.

Also it is about making sure that we have the ready supply of new energy sitting there, producing and providing supply so that we are ready in case there are exits of coal-powered stations, which are becoming less and less reliable each and every year—so that we are ready. We do not want a situation where you have interruptions of supply, quite dramatic ones, and you just do not have the ready supply of new power to replace it, because that is when you get massive price spikes, and no-one benefits from that, and also where you do not actually have a proper plan for transitioning of a workforce and creating those new jobs. We do not want localised impacts that are awful. I mean, we know what happened with Hazelwood. No-one ever wants to see a replacement of that.

That is why having those really strong targets, backing it with our VRET auctions—again, we sort of put our resources where our mouth is on this, and we hold those auctions because that gives that really strong signal to the market to: 'Come and invest and you will have a government that is favourable to those investments in this state'. So we are making good progress on that front, as I said earlier, in terms of what we have been able to achieve.

When we first were elected, Rod, we were generating in Victoria only about 11 per cent of our power from renewable energy—11 per cent to 32.5 per cent in 2020. It is bigger now. So, you know, that has gone up three times. That is big. That is a big jump.

Mr BARTON: Thank you, Minister.

The CHAIR: Thank you, Minister. That concludes the time we have available for consideration of the energy, environment and climate change portfolio with you today. We thank you for appearing in this capacity. The committee will follow up on any questions taken on notice in writing, and responses will be required within five working days of the committee's request.

The committee will take a short break before resuming consideration with you of the solar homes portfolio at 2.35 pm. Thank you.

Witnesses withdrew.