

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Budget estimates 2020–21 (D’Ambrosio)

Melbourne—Wednesday, 16 December 2020

MEMBERS

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr Danny O’Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Nina Taylor

Ms Bridget Vallenge

WITNESSES

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

Mr John Bradley, Secretary,

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

Ms Anthea Harris, Deputy Secretary, Energy,

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

Mr Chris Hardman, Chief Fire Officer,

Ms Kate Gavens, Chief Conservation Regulator,

Mr Xavier Hinckson, Executive Director, Finance,

Mr Tim Eaton, Acting Chief Executive Officer, Environment Protection Authority Victoria,

Dr Cathy Wilkinson, Chief Executive Officer, Environment Protection Authority Victoria,

Mr Matthew Jackson, Chief Executive Officer, Parks Victoria,

Ms Claire Ferres Miles, Chief Executive Officer, Sustainability Victoria,

Ms Sarah Stephen, Executive Director, Energy Demand, Programs and Safety,

Ms Vanya Kumar, Executive Director, Commercial and Investment Attraction,

Mr David Moo, Director, Major Energy Projects,

Ms Alex Badham, Director, Renewable Energy Roadmap, and

Mr Ralph Griffiths, Executive Director, Energy Strategy, Department of Environment, Land, Water and Planning.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

I would like to begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting. We pay our respects to them, their culture, their elders past, present and future and elders from other communities who may be here today.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2020–21 Budget Estimates. Its aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

Note that witnesses and members may remove their masks when speaking to the committee but should replace them afterwards.

All mobile telephones should now be turned to silent.

All evidence taken by this committee is protected by parliamentary privilege. 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, and verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

We welcome Minister D'AMBROSIO in the first instance for the energy, environment and climate change portfolio. We invite you to make an opening statement of 10 minutes, and this will be followed by questions from the committee. Thank you.

Ms D'AMBROSIO: Thank you very much, Chair. I do have some slides, and perhaps if I can just talk to those by way of presentation. I will try not to linger too much on them because they are quite heavy with some detail.

Visual presentation.

Ms D'AMBROSIO: I think one of the key things that needs to be said in terms of this budget and what it means for the energy, environment and climate change portfolio is that it is an unprecedented investment in the portfolio, with more than \$2.4 billion in new funding that is approved—unprecedented, but every single dollar is going to be well spent helping to support a transition of the energy system, of course doing more on climate change, helping out with environmental outcomes and all the while being fair right across the community.

I will move to the next slide if I can. That is the cumulative investment from the Sustainability Fund. We have been absolutely deliberate in drawing down moneys that are accumulated in the Sustainability Fund—more than \$1.2 billion since the 2015–16 budget. You can see that we are putting that absolutely to the best use, as it is intended to be used.

If we can move further, in this budget the highlights are \$310.6 million to manage public land and the environment, \$101.8 million for fire and emergency management, \$398.2 million to manage waste and recycling, \$141.6 million for environment protection and climate change and \$1.6 billion to improve energy services and support renewable energy.

We can go to the next slide definitely, thank you, Xavier. These are some of the highlights in terms of specific programs or initiatives that will be in receipt of funds from this budget. The Werribee Open Range Zoo, Australia's leading open-range zoo, is receiving \$83.8 million to transform it. It is going to be a world-class visitation point, attracting visitors like no other open-range zoo in the country, and I am really delighted that all of their hard work is going to now be rewarded by the necessary funds to get that project done.

Parks Victoria will be receiving \$52.4 million to deliver the safer, better public parks initiative to upgrade sites across the state. Parks Victoria came through a very awful period a number of years ago where they were gutted and a lot of people were sacked and so a lot of assets were left to basically lay as they were, untouched, and there is a lot of catching up to do. We have delivered increased funding over the years, and this is a significant boost to their capability to upgrade those sites.

There is \$47.9 million to deliver core environmental programs and to support the implementation of traditional owner settlement agreements, taking them to their absolute next level and interpreting in a meaningful and tangible way what it is for traditional owners to actually own and have the relationship with their land and what it means to be in true partnership with a government that supports them.

The \$29 million to continue the critical work of the Bushfire Biodiversity Response and Recovery builds on the \$17.5 million that we provided in the immediate aftermath of the fires, and \$18.2 million will go towards deer control in priority locations across Victoria.

Next slide, please. I might skip over some of these because they are just some of the highlights, as people can see. They are: the Great Ocean Road management reforms, immediate support for wildlife and biodiversity, Yellingbo conservation area, improve Gippsland tourism, kids free Zoos Victoria policy, wild dog program and more.

We can continue. Then of course in fire and emergency management, significant figures for our advanced bushfire management program; strategic fuel breaks, which really just takes to the next level the preparations and mitigation of rampant bushfires that are becoming more and more prone, especially in the light of climate change; and of course significant upgrades for fencing to help landowners recover from fire. And then we have got fuel management. I mentioned earlier the strategic fuel break here. We have got even more resources to take further the actions and activities on the ground to reduce residual risk to communities and keep us well below our 70 per cent residual risk target. I would be happy to unpack any of those in detail later.

Our waste and recycling agenda, a very, very strong agenda: we announced more than \$300 million of funding a few months ago. We are adding additional resources to that to ensure that we can get our recycling facilities up and running in time for the export bans that will be coming into place in the short while and of course

keeping up massive effort in terms of hazardous waste and high-risk sites and really getting on top and cracking down on those sites that present the biggest challenge for community safety and environmental safety. And of course environment protection and climate change, \$141.6 million, further boosting the EPA's regulatory functions, getting ready for new legislation and regulations that will take effect from 1 July next year; further dollars for community action on climate change; and also of course a significant amount of money for carbon sequestration on public and private land—really thinking across all of the sectors where we need to increase our decarbonisation efforts, and this is a really big investment that does that when it comes to carbon sequestration on lands.

Then we have got a \$1.6 billion investment to absolutely deliver on the single biggest reform in our energy system in Victoria ever and, I would say to you, the single biggest investment of any state in this transformation. It includes of course nearly \$800 million for the energy efficiency package, more than half a billion dollars to establish six renewable energy zones, money for innovation projects, hydrogen, and of course to run our next VRET auction, VRET2—very, very successful—that really helps develop up our supply chain to ensure that we have got a really strong ecosystem when it comes to the renewable energy sector. In terms of our VRET targets, I will not repeat those other than to say that we have certainly met our 2020 targets and we are well on the track to growing the amount of new capacity from renewable energy resources in Victoria so that we are well and truly on our way to meeting our next targets for 2025 and 2030. Effectively Victoria is well ahead of any other state when it comes to the renewable energy jobs that have been created—one-third of those have been created in Victoria. That is not by accident; it is because of ambition and really strong public policy and a real ambition from this government.

Of course, there are other major projects that will help with our energy transition—the VNI West interconnector and a number of other initiatives that are contained within that that go to hardship support packages and the like. I will not go through those at this point, though, because of time. That is it, so I probably did have time for that one, but I am happy to pick up on any of that at the right time.

The CHAIR: Thank you very much, Minister. Deputy Chair.

Mr RIORDAN: Thank you very much, Chair, and thanks for coming, Minister. We will start off with some energy questions. Budget paper 3, page 53, references transmission network upgrades. However, it combines spending for that aspect with all other renewables funding. How much is the Victorian government spending specifically on transmission upgrades in the 2020–21 year and over the forward estimates?

Ms D'AMBROSIO: Well, look, that was a big highlight of the presentation that I made, and certainly I can say to you that we are spending at least \$540 million on transmission upgrades. It is there to activate our six renewable energy zones. The design of it will be finalised very shortly, but we have certainly been in discussions with the Australian Energy Market Operator, AusNet Services, that—

Mr RIORDAN: Yes. So they are the providers.

Ms D'AMBROSIO: Yes.

Mr RIORDAN: So of that \$540 million can you tell the committee what transmission lines that money is going towards?

Ms D'AMBROSIO: Sure. Well, look, certainly we know, and we are taking advice from many proponents of renewable energy projects that have had difficulties with connections, and also the market operator, that has actually done quite a bit of significant work. I will be in a position in the coming weeks to be able to share further details on that, but the point is there are certain parts of our grid that were not built around the new energy resources that are current now compared to, you know, 30, 40 years ago.

Mr RIORDAN: Yes, I understand that. So, Minister, understanding that you do not quite know which transmission lines, can—

Ms D'AMBROSIO: Well, they are under development. There are six.

Mr RIORDAN: Yes. So can you tell us as of today how many large-scale renewable energy projects that you have perhaps been involved in are currently not connected to the grid?

Ms D'AMBROSIO: Look, I can attempt to get that information for you. Just—

Mr RIORDAN: I am happy to take it on notice, but if you have got it handy there—

Ms D'AMBROSIO: Yes. Well, look, I mean some of that information is basically held by industry, because they build the projects together with the market operator. But certainly I will see if I can shed some light—

Mr RIORDAN: Because we have had a bit of a habit of building big projects that we cannot connect to the grid, so I think it is important to know how many—

Ms D'AMBROSIO: I do not know what you mean by that, frankly, because I am very clear to you that we have got by far the biggest number of projects that have been connected and are producing energy compared to any other state.

Mr RIORDAN: Yes. But I am interested in how many big projects we have got that are not connected.

Ms D'AMBROSIO: That are not connected?

Mr RIORDAN: That are not connected. That cannot be connected, in fact.

Ms D'AMBROSIO: Well, look, I mean that is something that is probably unknown for your benefit, but what I can say to you, because there are a number of issues, and it depends on what it is related to, there are some projects that have been COVID impacted. For example, there may be—

Mr RIORDAN: I am not talking about those, Minister. We are talking about transmission lines—

The CHAIR: Mr Riordan, could you give the minister an opportunity.

Mr RIORDAN: The minister has mistaken my question. We are talking about transmission lines—

Ms D'AMBROSIO: No. Your question is going everywhere though. I am just trying to understand the question.

Mr RIORDAN: No. No, my question is—

The CHAIR: Mr Riordan!

Mr RIORDAN: how many of our large-scale projects have we got sitting there at the moment that cannot be connected until we build new transmission lines?

Ms D'AMBROSIO: There are some that are working through with the market operator around issues to do with connections, and some of it is to do with voltage issues, for example. So it is not just about whether there is capacity in the grid; there are a number of other issues, because you cannot just introduce a new massive amount of power into a transmission network without actually understanding what its impact is in terms of voltage control, all of those systems that need to be managed in a very careful way. So that is what the market—

Mr RIORDAN: Yes, so that is why we are asking the question. Well aware of that, we do not need a lesson on it.

Ms D'AMBROSIO: Yes, so there is a combination of reasons for why there may be sometimes delays, further work that has to be done, but I can be—

Mr RIORDAN: I was not asking for any of the other reasons, it was just the transmission.

The CHAIR: Mr Riordan, could you allow the minister to complete her answer.

Mr RIORDAN: It was just the transmission question.

Ms D'AMBROSIO: Yes, well, there are a number of interrelated issues. It is not easy to—

Mr RIORDAN: Can we take that on notice?

The CHAIR: Mr Riordan!

Ms D'AMBROSIO: It is not easy to separate out a range of reasons as you are requesting, because they are not necessarily subject to being able to separate those out.

Mr RIORDAN: Okay. Last year, Minister, AEMO indicated \$370 million of network upgrades were needed to cope with the 6000 megawatts of new energy entering the grid. It is clear that we are nowhere near getting the generation capacity to where it needs to be due to inadequate transmission lines. Given this, what transmission projects is the Victorian government investing in and how much specifically is it investing in each transmission project into the forward estimates?

Ms D'AMBROSIO: Well, look, I have already answered some of that, but the point is, as I mentioned in the presentation, we have recently agreed to part of an MOU with the commonwealth government for the underwriting of the KerangLink, the VNI West interconnector, which is a massively important project that will actually help unlock further energy supply and especially the build of renewable energy right across Victoria and New South Wales. So that investment and that agreement were made at the request of our government, me, suggesting that it was important for us to get that project up and going as quickly as possible. So this agreement to underwrite that with matching dollars of \$100 million each will ensure that that project is able to come online earlier than otherwise, and of course we got more than half a billion dollars for the massive activation of the six renewable energy zones, which effectively are about improving the capacity and the capability of the grid at various areas. The six renewable energy zones will be able to take more capacity and of course ensure that projects can come forward, be built and be connected and sending power into the grid.

Mr RIORDAN: So, Minister, you would be well aware that the Western Victoria Transmission Network Project is a major part of what we have been talking about, the transmission network. On 15 November it was reported that eight local CFA captains sent a letter to the Premier and the acting CFA chief, Garry Cook, on the proposed route of the western Victoria transmission network. On the proposed route the CFA captains talked about the high fire risk. What are you as minister doing to address the concerns in the budget raised by these eight CFA captains with on-ground experience who say the current design that your government is supporting would stop them from responding to fires due to unnecessary danger to themselves and their crews?

Ms D'AMBROSIO: Well, look, any concerns regarding fire risk are always of concern and need to be dealt with and considered within the design elements of the project, and certainly the planning minister is requiring an EES to be undertaken for that project. The project is being brought forward by AusNet Services as a necessary part of augmentation of the grid. Certainly all opportunity will be available for the relative stakeholders, including the CFAs, to be able to make representations, as local communities are, to be able to bring forward any representational concerns regarding bushfire risk, and I am sure that they will all be considered within the EES process. And then of course that process will come forward with its recommendations and findings.

Mr RIORDAN: And as this western Victoria transmission network is currently just in the planning phase, when do you expect that to be completed and actually transmitting power for Victoria?

Ms D'AMBROSIO: Well, look, AusNet Services have got their time lines around that. My understanding is that they will be moving fairly quickly to have that project in place, and I believe that they would be starting, depending on of course the EES and that process, around about 2023. I think that they will be looking at having the bulk of that project commence in 2023 and completed around 2024 to 2025.

Mr RIORDAN: Okay. So can you tell us approximately how much of your planned renewable energy will not be able to come online until that line is complete?

Ms D'AMBROSIO: Look, there is no real answer to that, because there are a whole range of other things that we are doing that are not necessarily dependant on that line being brought forward. As I said, there is \$540 million from our budget for us to get on and undertake some significant works once our discussions with the market operator and AusNet Services are complete. Early in the new year we will be moving very swiftly to ensure that we are able to deliver significant upgrades to particular parts of the grid with particular technologies that are relevant to be able to ensure that there is more than sufficient capacity for any existing projects but also any new projects that want to be built.

Mr RIORDAN: So Minister, just changing topic in the last 2 minutes that we have got, I refer to budget paper 3, page 185, and it is about a discussion about reliable power. My question relates to the infamous REFCLs, the rapid earth fault current limiters, which are designed to allegedly reduce fire risk. Specifically I refer to the report which shows the cost of the program has ballooned from the original budget of \$150 million and is now surpassing \$1 billion. The public sector commissioner, Paul Grimes, has said the costs of the program are now outweighing the benefits. How much more money will Victorian taxpayers be required to invest in this technology?

Ms D'AMBROSIO: Well, I think what you need to be aware of, and certainly my department released a report a few months ago into the successes of the powerline bushfire safety program, and REFCLs were an integral part of the recommendations that were made by the expert panel going back to when the bushfire royal commission had made its recommendations. The previous Baillieu government had established an expert panel. That expert panel reported on the importance of REFCLs, and I think it might be important for you to understand what REFCLs—

Mr RIORDAN: But Minister, was that based on a cost-benefit analysis of \$150 million, not \$1 billion?

The CHAIR: Deputy Chair, could you allow the minister to finish her answer?

Ms D'AMBROSIO: I think if you understood the benefits of this in actually stopping and preventing potentially catastrophic—

Mr RIORDAN: No, I am talking about the cost-benefit—

The CHAIR: Deputy Chair.

Ms D'AMBROSIO: Okay. The cost-benefit, of course there are some additional costs that have come—

Mr RIORDAN: Because they recommended it when it was \$150 million—

The CHAIR: Mr Riordan, would you like to answer your own question or would you like the minister to answer the question for you?

Ms D'AMBROSIO: Do you want the answer?

Mr RIORDAN: I want to know now the benefit of the extra \$800-odd million.

The CHAIR: Okay, well, allow the minister the opportunity to answer you.

Ms D'AMBROSIO: Certainly we understand that there have been some slight additional increases in the cost of the REFCLs program when you talk about the pass-through cost to consumers, because you will remember that the previous government did establish that as a pass-through cost to consumers, and we know that at the time the REFCLs promised to deliver a reduction in bushfire risk by 70 per cent. That is actually being delivered, and this is the important fact here. What is really important is it saves—

Mr RIORDAN: What is that figure based on?

The CHAIR: Sorry, Deputy Chair.

Ms D'AMBROSIO: I will explain it if you want to.

The CHAIR: Sorry, Minister, to interrupt, but the member's time has expired, and I will pass the call to Mr Gary Maas, MP.

Mr MAAS: Thank you, Chair. Thank you, Minister. If I could take you to the topic of energy efficiency and affordability and refer you to a couple of things. Firstly, the announcement on 17 November this year in the government media release which was titled 'Helping Victorians pay their power bills', and also the same reference in budget paper 3, service delivery, page 49: could you inform the committee for what purpose funding has been provided for in that announcement?

Ms D'AMBROSIO: Look, energy efficiency has got a massive potential to deliver fairness for energy consumers small and large and especially those that are most vulnerable. It is also a way of actually delivering a significant boost in the creation of jobs. Energy efficiency can also of course deal with reducing power bills, decarbonising our energy system and providing a significant number of jobs very quickly, and all of those will be delivered by this program. This is the single largest investment in energy efficiency programs of any state government ever, and it will absolutely go to those most in need.

If we consider the breakdown of the program, of the large announcement that was made, about \$335 million will go towards a swapping out or a replacement of very costly inefficient heating systems within about 250 000 households, and they will be households that are most in need to be able to target them. What that will mean is that any old heaters—old wood heaters, electrical gas-fired heaters—that are inefficient, costly to run, can be replaced with new energy-efficient systems that are reverse cycle. So not only will people get the benefit of a much more energy-efficient, cheaper-to-run heating system but they will also get the benefits of cooling in the summer, and thermal comfort we know is something that can be very, very expensive for many Victorians to actually be able to obtain. This will absolutely drive a massive change in people's comfort, thermal comfort, amongst those that need it the most, it will drive significant jobs, of course it will improve air quality and it will drive down emissions and of course power bills. We can never forget that, because the savings will not just be about the comfort, the thermal comfort, of people in the home, but it will also be about ongoing bill savings—anywhere in the order of \$300 to \$900 each and every year on energy bills.

We are also providing funds to upgrade 35 000 social housing properties through energy efficiency upgrades. They can be small, they can be large, depending on the unit that is being treated. Again, it will make such a big difference to so many vulnerable Victorians, not just those who live in very hot climates but even those that live in cold climates, who will be able to benefit from upgrades to the built environment of their home, making them much more comfortable.

And certainly we are also investing really important money into doing the next iteration of energy standards for renters. We know that renters live in around 320 000 poor-quality accommodation properties. We know that they should be much better off in terms of their thermal comfort, and of course this will go a long way for us—working with all of the industry of course, and relevant stakeholders, consumer groups—to ensure that we have got much, much improved standards for rental properties.

And of course across the nation jurisdictions have signed up to 7-star efficiency standards for new homes by September in 2022 or 2023—I think it was 2023. Money has been put aside to ensure that we can get on with doing that really important policy work—regulatory changes, for example—that will have us more than ready to be able to move to that 7-star efficiency standard. There are many other things in that, but I think that probably goes to the heart of those initiatives.

Mr MAAS: That is great. Thanks, Minister. And in terms of the overall program benefits, how much will the package save consumers on their energy bills?

Ms D'AMBROSIO: Well, we know that—depending on the state of the people's homes—you are looking at anywhere up to \$900 that people can save a year off energy bills. Now, for those that have got better thermal quality at the moment, they are still making big savings, particularly of \$300 a year. So this is each and every year—understanding that when bills come, especially around Christmas time when people have got other needs and things that they want to use their money for, it means less money in the pockets of energy retailers and more money in the pockets of families and those that could really do more with that money. Especially coming out of COVID, people are really very excited about the prospect of being able to have a little bit more money in their pocket to be able to go and just enjoy life, get out and do really important things that really go to, you know, quality-of-life issues. That is what this will help to deliver.

Mr MAAS: Thank you. Previously you mentioned jobs as well. How many jobs will the program support, and what impact will they have on emissions?

Ms D'AMBROSIO: Well, look, jobs are always at the heart of what we do, and jobs stand aside with many other values that we bring to the policies and the programs that we fund in government. The package will see a significant support of about 4500 jobs. About 1500 of those will be new jobs that will be created from these new programs—and also of course supporting existing jobs through, you know, the upgrades that we will be

making to the Victorian Energy Upgrades program. So these are real jobs, meaningful jobs—good jobs such as plumbing, electrical, energy assessors and the whole supply chain that really does do well when you are looking at improvements through energy efficiency means.

The multiplier effect of energy efficiency programs is quite significant compared to a lot of other programs that are out there. The programs together will also reduce our carbon emissions by about 22 million tonnes over 10 years, and that is the equivalent of taking about 6.8 million cars off the road for an entire year—6.8 million cars is more cars than what exist in Victoria today. So you can imagine if all those cars plus more actually stayed in the garage or somewhere else and were taken off the road, that is how much we would be cutting our emissions by, which is a massive, massive boost to our climate change ambition. We can see that good programs that are well designed can support the most vulnerable, can create great jobs and still cut emissions. It is about the will to do it, and that is what we are delivering through this budget.

Mr MAAS: Thank you, Minister. If I could take you to the powerline bushfire safety program and budget paper 3, ‘Service Delivery’. That is on page 197. The line item is ‘Relative reduction in state-wide powerline related bushfire risk’. Would you be able to explain what performance measures have been met through that program?

Ms D’AMBROSIO: Yes, thank you. The powerline bushfire safety program has been underway now for a number of years. It was a very innovative program at the start and continues to be a very innovative program, but I am really pleased that it is actually delivering real, real benefits when it comes to reducing bushfire risk for Victorians. When we have a look at the performance measures, I know that in reducing statewide powerline bushfire risk, I think there is a performance measure there of a target of 36.7 per cent. We are just 0.1 per cent below that, but we have effectively met that target, I would suggest to you very strongly. Into the future the target has been increased to 45 per cent, and this higher target reflects safety improvements that are expected following the major rollout of the new safety technology by electricity distribution businesses in line with their regulatory obligations. That is something that I am very committed that we will meet, absolutely.

I just reflect on the fact that I have needed to take a number of statutory steps to make sure that that program, once it was ticked off by the previous government, was actually going to be delivered by the distribution businesses, because for a time there they were actually taking money from consumers and not deploying the technology. That changed when we came into government. I introduced new legislation to make it an obligation on them to actually deliver on some of these technologies and to put in place a penalty regime to keep them honest and keep them on track. Despite the fact that there was a very big lag when we came to government, we are certainly making up for that, and, as I said, we are on track to meet our targets. By the end of June 2023 the installation of the new safety technologies will be complete, and this will provide a relative risk reduction of 48 per cent. The powerline safety program has also installed REFCLs, which can I say was the endorsed technology that was backed by the previous Baillieu government, which is now much maligned by the same people.

The CHAIR: Sorry to interrupt you, Minister, but the member’s time has expired. I will pass the call to Mr Sam Hibbins, MP.

Mr HIBBINS: Thanks, Chair. Thank you, Minister and your team, for appearing this afternoon. I would just like to first ask about the ‘Core environmental and Traditional Owner programs’ on budget paper 3, page 49. It is indicated that that is to deliver the government’s *Biodiversity 2037* commitments. Are there any other budget line items dedicated to supporting the biodiversity strategy?

Ms D’AMBROSIO: Just let me find that page.

Mr HIBBINS: This can be taken on notice as well.

Ms D’AMBROSIO: Thank you for that. Sorry for the little delay. Biodiversity impacts from bushfires, if I can perhaps start it in that context because I think that has been the real focal point of our impact—

Mr HIBBINS: I am really after just dedicated funding towards the biodiversity strategy.

Ms D’AMBROSIO: In terms of the initiatives that we are funding that go towards biodiversity improvements I do not think you can separate those out from a strategy which is much broader in terms of its

outcome now, and I think it is important for us to consider the budget in those terms. When we think about the biodiversity values that are supported by the budget, we are looking at effectively an investment that is worth more than \$200 million from this budget. When you take into account all of the different measures, they may not be tagged as biodiversity strategy but they certainly go to biodiversity improvements. I am happy to go through some of those.

Mr HIBBINS: I think that assists the committee. Thank you, Minister. If you could also provide on notice just a breakdown in funding for that core environmental and traditional owner program. There are various elements to it. If you are able to provide the committee on notice, if possible, just the breakdown in funding of those different elements.

Ms D'AMBROSIO: Okay, I am happy to do that. If you would like that on notice, I am happy to do that.

Mr HIBBINS: Great, thank you. With the carbon farming budget initiative there was a press release that indicated a \$92.3 million spend on restoring land and planting 4 million trees across more than 6000 hectares to store carbon in our landscapes and help tackle climate change. Is that the same initiative as the \$42.3 million growing jobs in land restoration and carbon storage initiative?

Ms D'AMBROSIO: The \$92.3 million is over a longer period of time than the forward estimates. I think the figure that you are referring to, the \$40-odd million, is over the forward estimates, so it is part of the same initiative.

Mr HIBBINS: Okay. So what is the time period for the \$92.3 million?

Ms D'AMBROSIO: I think it is over a nine- or 10-year period.

Mr HIBBINS: Sorry, how long?

Ms D'AMBROSIO: To 2035–36. The first four years is \$42 million, and then after that the life of the project is over to 2035–36.

Mr HIBBINS: Sorry, what is the actual date of the end of the program?

Ms D'AMBROSIO: It is 2035–36; it is a 16-year program.

Mr HIBBINS: A 16-year program. Great, thank you. And how will that program actually work? Can you provide the committee with some details?

Ms D'AMBROSIO: Yes. You mentioned yourself the 6000 hectares—there will be 4 million trees across 6000 hectares. From this \$77 million we will deliver nature restoration and carbon storage through revegetation and restoration of habitat on both public and private land, and some of it will go towards supporting traditional owners and Aboriginal Victorians to participate in carbon markets and land restoration projects to help country and deliver economic benefits.

Mr HIBBINS: So who will be eligible to receive funding?

Ms WHITE: If I could just answer that. The carbon initiatives will be applicable to public and private land, so there will be opportunities for private landholders to participate in this program.

Mr HIBBINS: Okay. And who is going to administer the program?

Ms D'AMBROSIO: The department will.

Mr HIBBINS: Yes, okay. Great, thank you. Now, I want to ask some questions about the energy efficiency announcements, which were really good to see. Can I just confirm that in the program to replace old gas and electricity heaters it will be only electricity heaters that will be used as the replacement heaters?

Ms D'AMBROSIO: The new systems will be electric.

Mr HIBBINS: They cannot be gas, not updated gas.

Ms D'AMBROSIO: Definitely.

Mr HIBBINS: And is adding insulation included in the energy efficiency upgrades for homes?

Ms D'AMBROSIO: It is not excluded, so there is that possibility, depending on the particular unit and what the needs are.

Mr HIBBINS: Yes. And will insulation be included as part of the energy upgrades program?

Ms D'AMBROSIO: Certainly I know that this has been a matter that has been an issue, where ceiling insulation has been outside of the VEU program. Last term my department did some considerable work with industry and stakeholders to understand what the requirements would be in terms of standards, to consider whether or not the insulation should be coming into the VEU program. No decision has been made yet on that, but it is certainly something that is still under consideration.

Mr HIBBINS: Okay—to be considered. Thank you.

Now, I just want to ask: there is funding available for deer control, but there is still an anomaly in that deer is not actually listed as a pest species. It is still protected wildlife under the *Wildlife Act*. Is that going to be changed?

Ms D'AMBROSIO: Look, there are no plans to change that. Having said that, I mean we absolutely recognise the many adverse impacts that the proliferation of deer has had, not just of course on the environment but also in terms of problems that it causes for farming communities, degradation generally of land and of course recovering biodiversity areas—but also of course safety impacts, especially on the periphery of the interface communities. So we are very committed; I am very, very committed to moving quickly on this program. It is a significant investment, and it will certainly go some way to managing better the populations of deer.

Mr HIBBINS: Why isn't it listed as a pest? Why isn't it classified as a pest?

Ms D'AMBROSIO: Well, look, I think at this point the investment dollars are what is really important in terms of getting the outcomes, and the outcomes are to try to mitigate against deer causing great destruction and great risk for communities—destruction to biodiversity of course and risk to communities. So that is our first priority—and I think really the action- and outcomes-driven approach is something that I have always put more effort into, because I think we do need to address this problem quite rapidly. That is not to say that it will never happen, but certainly it is not a priority at the moment.

Mr HIBBINS: Okay. Thank you. I have noticed that there is a budget line item for accelerating the adoption of zero-emissions vehicles. Now, you have released some emissions data for Victoria, the annual report showing transport is the highest growing, fastest growing source of emissions, but you are also putting a new tax on electric vehicles. If that was to come through, Victoria would be probably the only jurisdiction in the world that is actually making electric vehicles more expensive while around the world they are actually making them less expensive. Isn't that tax going to undermine the shift to zero-emissions vehicles?

Ms D'AMBROSIO: Look, there are few assumptions in that, if you do not mind me saying. A number of other states have also indicated a position on this; that is, a position to implement a similar scheme. I am not sure that we would be the only state in the whole world that does this. I do not think that is the case. But having said that, tackling transport emissions needs a multifaceted approach; there is not one single silver bullet to fix transport emissions and actually get the emissions reductions coming in rather than continuing upwards. Look, it is I think quite appropriate for governments to understand and plan for the future when it comes to what happens to revenues as we move away from internal combustion engines. Absolutely I think that is important, and it is not just the prerogative but I think it is the obligation of treasurers to really consider that and plan for that.

I think what is going to be important of course is that early into next year we will be releasing our emissions reduction targets for interim, for 2025 and 2030. We will also be releasing our sector pledges, which will include our transport sector pledge. I am confident we will have good ambition there to really move Victoria

towards a really concrete plan for reducing emissions. To the extent that states have the levers to deal with transport emissions—

The CHAIR: Sorry to interrupt.

Ms D'AMBROSIO: we are going to be certainly putting quite a bit of effort into that. One policy of its own does not deliver or cause to fail any ambition when it comes to reducing emissions—not for our government.

Mr HIBBINS: Thanks, Minister.

The CHAIR: Thank you, Minister. Ms Bridget Vallence, MP.

Ms VALLENCE: Thanks, Chair. Thanks, Minister and team, for appearing, and the big team over in the gallery there. Minister, budget paper 3, page 56—environmental protection and remediation in the budget and forward estimates: ultimately, how much is it going to cost taxpayers to remediate the millions of tonnes of toxic PFAS soil from the plagued Metro Tunnel and West Gate Tunnel projects?

Ms D'AMBROSIO: Well, look, I will say to you that that question about the cost of that is something that is not within my portfolio. I am not the minister responsible for overseeing any contracts in terms of the removal of any spoil—

Ms VALLENCE: Well, this is not about the infrastructure. I mean, this is about remediating the soil once it has been dumped somewhere. So that is going to cost Victorian taxpayers, isn't it?

Ms D'AMBROSIO: Well, no, because what I would suggest to you is that there would be very strict conditions that would apply before soil is deposited, wherever that may be deposited, and that the owners of the project and therefore those that have got the obligation to manage the spoil within regulations would have the obligation to ensure that certain levels of contamination are achieved so that when they eventually do reach their final destination point they can be managed safely at the cost of the proponents.

Ms VALLENCE: Are you suggesting that they would need to remediate that before they dump it?

The CHAIR: Ms Vallence, could you allow the minister to answer the question?

Ms D'AMBROSIO: Yes. Look, any approvals that the EPA would give to these types of spoil that may have levels of contamination—you mentioned PFAS—would have to be satisfied that any project proponent that has responsibility for managing the final place for that material only does so at a site that has the authorisation to be able to receive that. So, for example, if materials can achieve a certain very low level of PFAS, a particular site might be suitable to receive that without any cost to consumers—

Ms VALLENCE: I am not talking about the level of PFAS, I am talking about—

Ms D'AMBROSIO: Well, you are.

Ms VALLENCE: I am talking about the cost to remediate it, regardless of the level of PFAS.

Ms D'AMBROSIO: But I have explained to you that the cost is borne by the proponents—

The CHAIR: Ms Vallence, could you stop interrupting. You have only just started—

Ms VALLENCE: In terms of the budget—

The CHAIR: and you are already interrupting. Could you allow the minister to answer the question, please?

Ms VALLENCE: Well, perhaps I will rephrase it for you: in terms of budget paper 3, page 57, how much of the municipal and landfill levy will be used to fund remediation of toxic PFAS soil from the Metro and West Gate Tunnel projects?

Ms D'AMBROSIO: As I said, any project proponents under the modern regulations that we have in place, and laws, are required to meet the cost of any remediation—

Ms VALLENCE: So will any of the landfill levy be used—

Ms D'AMBROSIO: As I said, the proponents are required to through obligations to manage contamination—

Ms VALLENCE: Well, the land—

The CHAIR: Ms Vallence, you are not allowing the minister to answer the question.

Ms VALLENCE: They have been exempted from the landfill levy, which is usually attributed to remediation. So if they have been exempted from paying that landfill levy, will any of the levy—

Ms D'AMBROSIO: I have explained it.

Ms VALLENCE: Will any of the levy be used to remediate this soil?

Ms D'AMBROSIO: Well, I have explained it. Any remediation costs have to be met by the proponent—

Ms VALLENCE: So are you ruling out—

The CHAIR: Ms Vallence.

Ms VALLENCE: that that any of the landfill levy will be used to remediate this soil?

Ms D'AMBROSIO: What I said you clearly is that the obligations are on the proponent of the project to manage the spoil in a way that meets all of the statutory and regulatory requirements, and that means ultimately they are responsible for the costs of meeting those requirements.

Ms VALLENCE: Thank you. Just one more time: will you rule out any of the landfill levy going towards remediating this soil?

Ms D'AMBROSIO: Well, I think I have explained it to you that—

Ms VALLENCE: Just a yes or a no.

Ms D'AMBROSIO: the cost of it falls to the proponent, not to the landfill levy as you have described it.

Ms VALLENCE: At budget paper 3, page 56, the section 'Facilitating innovative remediation solutions', which notes:

Grants will be available to co-fund research and development and field trials to ... support Victoria's major projects ...

Can contractors on projects such as Melbourne Metro and the West Gate Tunnel apply for this \$10 million in taxpayer-funded grants to deal with toxic tunnel soil?

Ms D'AMBROSIO: Well, look, that is certainly money that is for innovative ideas—

Ms VALLENCE: Just a yes or no: could contractors like—

The CHAIR: Ms Vallence, the minister is entitled to answer the question however she sees fit.

Ms VALLENCE: Could contractors—

The CHAIR: Ms Vallence, could you stop interrupting both the Chair—

Ms VALLENCE: If you stop—

The CHAIR: I am chairing this meeting, Ms Vallence. If you ask your question and respectfully wait for the answer, then you will not be interrupted.

Ms VALLENCE: Just a yes or no.

Ms D'AMBROSIO: Well, with that innovation fund, that is a fund that will be administered by the EPA, and it will be a matter for them to determine how any grants that come from that fund are awarded. But the idea is to ensure that we incentivise, if you like, many innovative ideas that are out there that can actually help to provide new solutions for dealing with waste, and that is, I think, a positive thing.

Ms VALLENCE: So after you have exempted these companies from the landfill levy to dump toxic soil on government projects near communities like Bacchus Marsh, near a school, near homes, you are also enabling these companies to potentially access more taxpayer-funded grants to deal with toxic soil through these initiatives on budget paper 3, page 56?

Ms D'AMBROSIO: As I said, you are assuming a situation where there are extensive levels of contamination of whatever kind and that there are no regulations that stipulate minimum standards—very important, strict standards—and the obligation of course on proponents and managers of these spoils to comply with. We are not at a ground zero situation here. We have got an EPA that has been given record investments, that has been given greater powers to intervene, to hold polluters accountable, and we make no apologies for that. We would say to—

Ms VALLENCE: Well, on that, their record investment—

Ms D'AMBROSIO: I think what is also important—

The CHAIR: Ms Vallence, could you allow the minister to complete her answer.

Ms VALLENCE: Well, she is not answering the question. On that—

The CHAIR: Ms Vallence, she is not answering the question because you are not giving her an opportunity to do so.

Ms VALLENCE: In terms of—

The CHAIR: Minister, do you need to continue that answer?

Ms D'AMBROSIO: Yes. I think what is important to remember—

Ms VALLENCE: I think she mostly does not want to answer—

The CHAIR: Ms Vallence!

Ms D'AMBROSIO: No, I am happy to answer. Let me finish, though.

Ms VALLENCE: It was a yes or no question, Minister.

The CHAIR: Ms Vallence, it is not up to you to dictate the answer. You get to ask the questions; the minister answers them.

Ms D'AMBROSIO: So with these materials, if a proponent can demonstrate through testing and to the satisfaction of the EPA that they meet particular standards—very, very low contamination levels—they are able to then dispose of those materials at particular sites that have approval. In the event that they cannot achieve those, they would then be required to store the materials at an appropriate landfill. At those points of course landfill levies—

Ms VALLENCE: I am asking about access to the grants. In terms of that, you mentioned the record level of funding for the EPA, to the tune of almost \$273 million. How could your environmental regulator botch so badly, so wrongly, the approvals for the environment management plans to dump toxic soil in Bacchus Marsh, Ravenhall and Bulla?

Ms D'AMBROSIO: I think it is important to understand that these are new regulations that have been put in place for materials to be treated in a way that expects the highest of standards in terms of contamination treatment—

Ms VALLENCE: But it took a Supreme Court action for this to—

Ms D'AMBROSIO: No, it did not. I think you have misunderstood the steps that the EPA took—

Ms VALLENCE: Well, it took a Supreme Court action.

Ms D'AMBROSIO: No.

Ms VALLENCE: The fact is that it took a Supreme Court action—

Ms D'AMBROSIO: If you let me finish answering the question—

The CHAIR: Ms Vallence, we are discussing—

Ms D'AMBROSIO: The EPA—

Ms VALLENCE: from the community and a school, I might mention—a grammar school—to get—

The CHAIR: Ms Vallence, you cannot put a proposition to the minister, as we have discussed on numerous occasions with your participation in this inquiry, without allowing the minister the opportunity to answer it. If the minister would like to answer the proposition, that would be appreciated.

Ms D'AMBROSIO: Thank you. I think what is important here is that the EPA has taken all matters under consideration in terms of exacting the necessary safety standards and requirements in terms of the criteria for approvals. What the EPA had discovered at some point was that there was a technical issue, an administrative issue, which meant that they were not in a position to have authorised a secondary approval process. It has nothing to do with the quality of their assessment. It has nothing to do with them exacting the highest of standards in terms of consideration of any application. So that is—

Ms VALLENCE: Well, this all came about because of the legal action from a school and from a community group.

The CHAIR: Ms Vallence!

Ms D'AMBROSIO: No, that is not correct.

Ms VALLENCE: You yourself said in Parliament that you got strong legal advice that the EPA had no power to do what they do.

Ms D'AMBROSIO: Well, the EPA got their legal advice.

Ms VALLENCE: Will the EPA pay the legal costs of Bacchus Marsh Grammar and the Moorabool Environment Group after agreeing with their orders to revoke the approvals?

Ms D'AMBROSIO: Look, that is a matter for the EPA; that is not a matter for me to intervene with an independent regulator. But can I just say to you though that with any area of regulation it is not uncommon for court actions to be taken by a variety of stakeholders, whoever they may be, and people are entitled to do that and they should continue to do that if they feel aggrieved by any action of a regulator. So it is not uncommon—

Ms VALLENCE: But if the regulator—

The CHAIR: Ms Vallence, can you allow the minister to answer the proposition you put to her?

Ms D'AMBROSIO: for that to occur. But in terms of compensation matters, they are a matter for the EPA.

Ms VALLENCE: But if I guess if the regulator had such confidence to provide those approvals—

The CHAIR: Ms Vallence!

Ms D'AMBROSIO: They are the regulator. They are the ones who make decisions about how they are represented in courts and whether matters go to court or not. They are an independent regulator, so that is a matter for them.

Ms VALLENCE: Have they briefed you at all on these matters in terms of the legal costs and also, on that matter, any compensation that might be paid to Maddingley Brown Coal, Hi-Quality or Cleanaway as a result of the approvals being revoked by the EPA?

Ms D'AMBROSIO: No.

The CHAIR: Sorry, Ms Vallenge, your time has expired. I will pass the call to Ms Pauline Richards, MP.

Ms RICHARDS: Thank you, Minister, and thank you, officials, for your time this afternoon. I would like to take you back to those new safety technologies as they relate to the powerline bushfire safety program, and I am interested in having an understanding of other countries using this technology and a little bit more about whether Victoria is the only place using this technology to prevent bushfires.

Ms D'AMBROSIO: Thank you. REFCL technology has actually existed for many, many years—a proven technology. Its application in terms of powerline bushfire safety was unique, and as I said, it was a technology that was recommended by an expert panel initiated and accepted by the Baillieu government at the time. The number of times that REFCLs have been activated to stop fire starts from faults on powerlines has actually caused international interest. California have recently visited Victoria to inquire and inspect and learn more about how REFCLs have actually been deployed in the way that we have to mitigate bushfire starts, and everyone knows that California is up there with Victoria as one of the highest risk areas for bushfire across the globe. They have now made that decision in California to deploy their first REFCLs, and I think it is in the Napa Valley of California, which is very high risk. So it really shows you that when you strip away a lot of the talk, REFCLs are actually delivering really important life-saving benefits, and that is something that I think that we should all be very pleased with. We need more of those rather than not having them at all, because in a way if a fire does not start, then you do not necessarily know that it has not started and it is hard to celebrate that. But I can tell you that there have been a significant number of triggers of these REFCLs that have saved lives and have meant that we have actually had a situation where we have had a reduced number of fire starts with the activation of some of these, and of course that has meant that people's lives have been saved—and that is what it is about. That is what this is all about—saving lives.

Ms RICHARDS: Thank you, Minister. I am interested—again, the same budget paper reference, budget paper 3, page 197—in whether this resource allocation, this budget allocation, represents value for money.

Ms D'AMBROSIO: Yes, it does represent value for money. We know that when the powerline technologies were first canvassed—REFCLs were first canvassed—as always happens, surveys were done of consumers to gauge their appetite in terms of how much they may be prepared to pay in extra costs to meet safety standards, and certainly the cost of the REFCLs absolutely does provide value for money. So about 95 per cent of the REFCL installations have been costed, and the annual bill increase—and I think it is important just to describe this—for their installation is around \$30 for PowerCor and AusNet customers, and that only happens once. The REFCLs are actually in place. That is well below the \$100 annually that Victorians indicated they were willing to pay for reduced bushfire risk from powerlines. So the evidence is there. The number of fire preventions is there. The value for money is absolutely there, and it is something that I think is a no-regrets policy. It is one that is saving lives.

Ms RICHARDS: Just using the same budget paper reference, I am interested in understanding why the government is not undergrounding all powerlines?

Ms D'AMBROSIO: Right. Now, the royal commission into the Black Saturday bushfires made a number of recommendations—that is, with respect to electrical safety. They estimated at the time that if you were to underground all of the powerlines in high bushfire-risk areas, the cost at the time would be about \$20 billion. If you were to underground all of the powerlines in non-metropolitan areas, I think the figure was something like \$40 billion. Ultimately the recommendations from the royal commission were that powerlines—and they stepped through the types of powerlines—high-voltage, low-voltage, bare wire, single-wire earth—

Mr BRADLEY: Earth return.

Ms D'AMBROSIO: Earth return—thank you, John. All of those could potentially have different solutions apply. All of those recommendations were accepted by the government at the time. The subsequent government went ahead and established the program, and we are still rolling out some of those measures. And the

recommendations went to that very point—that you would not have to necessarily underground all of them, but if you undergrounded the ones that were the highest risk and then also looked at applying different technologies to others, then the combination of all of that would be about reducing risk to a particular level. Those recommendations were endorsed. We are continuing to deliver on those. We are actually also investing further on more innovative R and D, research, into new technologies that we announced not long ago—just a few months ago. So these things continue to evolve. New technologies, new opportunities, new solutions will continue to be made available. For a government to just keep incentivising the development of those new technologies is important so that we continue to grow the solutions and again continue to mitigate the risk of bushfire starts from powerlines—and saving lives.

Ms RICHARDS: Thank you, Minister. I am just interested in getting an understanding about whether REFCLs reduce the electricity network reliability?

Ms D'AMBROSIO: Yes. Now, REFCLs in the way that they have been deployed—there are adjustments that have been made by distribution businesses as more information comes to hand and sort of new thinking evolves—in the case where there is a permanent fault and a REFCL detects a permanent fault, it cuts the power to it, because the point is you do not want the permanent fault to continue to be live because it actually could start a bushfire. So the idea is that it cuts that, and then it would need to be reset when matters are safe. For a small minority of customers it does present a difficulty, of course, if you are losing power even for a short period of time.

Mr RIORDAN: Point of order, Chair. Can I just clarify for the minister, I am sure she is not referring to the constituents in my electorate as a minority of—

The CHAIR: There is no point of order, Deputy Chair.

Mr RIORDAN: Because her reference to the unreliability of REFCLs—

The CHAIR: Deputy Chair, there is no point order. A point of order is not an opportunity to grandstand.

Mr RIORDAN: clearly affects my electorate.

The CHAIR: Deputy Chair, you are out of order. Minister.

Ms D'AMBROSIO: I think you have misunderstood the question. The question went to reliability—

Mr RIORDAN: No, no. It was about reliability.

The CHAIR: Deputy Chair, you are out of order.

Mr RIORDAN: I am good on this question, Minister.

Ms D'AMBROSIO: Are you? You are really good on it, are you? Okay.

Mr RIORDAN: I know that my community in the middle of winter go without power for bushfire reasons.

The CHAIR: Deputy Chair, you are out order.

Ms D'AMBROSIO: Well, you have got to decide whether you want bushfires, catastrophic bushfires from faulty power lines, or if you want the fires to be stopped.

Mr RIORDAN: Well, we want good technology.

The CHAIR: Mr Riordan!

Ms D'AMBROSIO: So that is the choice. So now, with respect to temporary disturbances, like a branch flying onto a line, it picks it up. What the network operators are doing is investigating and developing—they have been able to keep the lines live but at a lower voltage so that it improves the reliability question. So these things continue to evolve. The first priority is to absolutely stop catastrophic bushfires that kill people, and we make no apologies for that. Absolutely we will continue to assist and work with the network operators to

improve reliability, because of course we want people—to the extent possible—to be able to have access to their power supply, and of course that is something that we will continue to pursue.

Ms RICHARDS: Thank you, Minister. I would like to take you to renewable energy and particularly budget paper 3, page 49, the service delivery element, and a release titled ‘Making Victoria a renewable energy powerhouse’. I am interested in getting an understanding of what funding has been provided in this announcement and what purpose that funding has.

Ms D’AMBROSIO: Thank you. Certainly in my presentation earlier I mentioned that we were investing \$540 million—the biggest investment, unprecedented—in transmission support and upgrades that will activate all of Victoria’s six renewable energy zones. This is activating all of them. Other states are activating some; we are doing all of them, and we know that by doing that we are going to be well equipped to be more than confident that we will meet our renewable energy targets of 50 per cent renewable energy generation in Victoria by 2030. We also know that this is being met with great support by industry and the sector and giving them the confidence to continue to invest in our state.

Victoria is Australia’s powerhouse when it comes to renewable energy. This investment, in achieving some of the things that I have just described, will absolutely make sure that we remain the powerhouse of the country. And what is important here is that there are going to be a lot of other local benefits. Now, not all renewable energy zones are at the same level of need for augmentation and support. There are some REZs that have got capacity to be to take more renewable energy connections, generation and power into their system. Others are very much struggling. So this will really work very quickly to get the best solutions in place and get some of those benefits for Victorians. The biggest beneficiaries of our renewable energy agenda are regional Victorians. That is where a lot of these jobs are going and they will continue to go, under us.

The CHAIR: Thank you, Minister, sorry to interrupt you. The member’s time has expired. Mr David Limbrick, MLC.

Mr LIMBRICK: Thank you, Chair, and thank you, Minister and team, for appearing today. I wanted to ask some questions about something in your presentation and something else on budget paper 3, page 49. You have spoken about it a lot already—the ‘Energy efficiency upgrades for homes’. Now, you mentioned things like replacing heaters and possibly insulation. What other types of things might be covered in these energy efficiency upgrades? The reason I ask about this is because a number of years ago, I think it was about nine years ago, there was another one of these energy efficiency programs and people would go out to visit your house and give you this gadget that you plug into your power point that was meant to reduce standby energy. They would give it to you for free—and of course everyone takes it because it is for free—they clocked up some carbon savings and then everyone promptly stopped using the gadget about a week later. How are we going to stop that actually happening and make sure that these energy efficiency savings that you are hoping to get will actually be realised?

Ms D’AMBROSIO: Look, thank you, and I know exactly the item that you are referring to.

Mr LIMBRICK: Yes, I got one too.

Ms D’AMBROSIO: And I think they did not survive very long and I think they were removed from the program. The Essential Services Commission does a really good job to make sure that it gets on top of those. I think that was probably one of the very few sort of items that did not quite meet the cut. But can I just say that the Victorian Energy Upgrades program is a really robust, resilient program that has really driven proven outcomes in terms of, you know, improvements to bills and of course emissions reduction. And the Essential Services Commission are all across measuring that, reporting on that, which is important.

Now, in terms of the different ways the upgrades can occur, obviously the bigger one, which is about heating and cooling, is self-explanatory, but the important thing there is that we are going to be requiring that the energy efficiency rating of those reverse-cycle systems are four stars or above, so they need to be good quality. In terms of the other energy efficiency program that will support 35 000 social housing units, there will be a variety of different technologies that will be available for activities. They could be thermal proofing—you know, sealing draughty doors and windows. I mean, sometimes just the cheapest items can actually make a big difference, but it is not just the cheapest items of course. So it can be the sealing of doors and windows. In some

instances it may be—what else could be there?—sometimes your fridge might have a faulty seal, and that loses a lot of power. So the idea is that there will be testing done of particular properties that will be deemed eligible.

So it will have a rigorous approach, and certainly as we designed the scheme—and this is important too—we will be working with welfare organisations and the sector to make sure that it is robust, resilient, and that we have all of the appropriate checks and balances, because ultimately we want this to work. Ultimately we want people to get the best value from the spend, and the best value will deliver them cost savings, fuel savings, reduced emissions and improved thermal comfort. So I think you can have confidence that I am a very fastidious person in terms of wanting to be assured of all of those measures, and they will all be definitely in place.

Mr LIMBRICK: Thank you, Minister. On that, you mentioned targeting this towards people that need it and you talked about air conditioning upgrades, for example, to get a reverse-cycle air conditioner, but that presumes that they are a home owner of course, so they have got money, but there are a lot of people that are renters. I think you mentioned renting. How is that going to work? Why is a landlord going to take part in this program for one of these upgrades?

Ms D'AMBROSIO: Yes, well, look, the 35 000 upgrades will be for social housing, so that will be a combination of housing that is publicly owned but managed by not-for-profits and then others that are owned by the social housing operators. So there is a special relationship there anyway, I would suggest to you. I am not saying it is a better relationship; all I am saying is it is a special relationship where there is a greater focus on improving the entire lives of the people that sometimes occupy social housing. I do not want to sort of just take a blanket approach to this, but I think you understand what I am saying. So dealing with energy bill shock, dealing with thermal comfort often sit there alongside a lot of other needs. A number of services target particular people in social housing. So I am very confident that those people who do rent those social housing premises are the ones who will get the benefit of this, and it will be done in consultation with welfare organisations. They know what it is like. They have really strong views about how to make sure that the investment gets the best outcome for the tenants, and of course the social housing providers, the not-for-profits—we will be working very closely with them. So there is something here that is for a lot of people, especially those that are most vulnerable.

Mr LIMBRICK: Thank you, Minister. How are you going to ensure that these upgrades do not crowd out innovation in the private sector? So I know that there was some criticism by some people about the government rollout a number of years ago of the compact fluorescent globes—very shortly after that LED lighting came out and was pretty cheap and then people voluntarily did it themselves and did not need any government help, because it was going to save them money and they were quite cheap. How are you going to ensure that these government programs do not actually interfere with people taking their own decisions to upgrade efficiency for their own economic reasons or because they want to save power or whatever?

Ms D'AMBROSIO: Sure. Look, can I just say to you that the program that we have got—and I will repeat it—is unprecedented, the biggest rollout of any state jurisdiction ever. It is still not all of them. There is still plenty of scope for the private sector, and this is open to the private sector. We are not going to have a bunch of people employed by the state as public servants going around doing these retrofits. That is not the way this will work. It will be done with the private sector's involvement, and it actually will I think catalyse a lot of other improvements throughout the broader housing market. I think that is going to be a really important thing. You know, if you think about the improvements to minimum standards for rental properties, together with this massive investment, I think you will start to find that there will be a new normal set in terms of improvements, and industry are going to be in the hot seat. The private sector will be there benefiting from that. These programs are supporting 4500 jobs.

Mr LIMBRICK: Thank you, Minister. But if these initiatives are going to save people money on their bills—and we have seen this with some of the renewable energy systems where rather than provide it or subsidise it you give a loan because you will be able to pay for the loan with the savings that you make—why have we gone this way for this rather than, say, give a loan to someone to purchase their own energy efficiency upgrade and to then pay it off with the savings, for example.

Ms D'AMBROSIO: Look, I understand that, and I know that probably in the past there have been some jurisdictions that have done things like that. If you compare it with Solar Homes, for example, where there is a

big outlay in terms of solar PV or a battery, that alone is something that makes a lot of sense because it is about incentivising people to really not worry about having the money up-front to be able to get the benefits of that. And so it is about what we are trying to achieve and trying to then design the scheme to be able to deliver that, so that is how we have done that. I mean, if you have a look at the Solar Homes program, of the people that have gone into that, about 70 per cent of them are actually opting for the loan. It is not a requirement, but they are opting for it, which just tells you that it is really hitting the mark.

Now, with the energy efficiency upgrades for the 35 000 social housing units, the value of the upgrades will vary from unit to unit depending on the condition of the unit. Whether it makes more sense in an administrative sense to set up a loan scheme for the payback of something that might just be a few hundred dollars, you have just got to work out if that is the most cost-effective use of setting up an administration. This is the type of thinking that goes into whether you actually just have this as a grant or whether you build in a loan component to it. We have opted of course for it to be effectively a grant component rather than a payback system. I think it just helps to drive the dollar further to actually have more money in the system and the market to get better improvements rather than dealing with a lot of administration, with that balance between what you put into that and the outcomes not necessarily being well matched.

Mr LIMBRICK: Thank you, Minister. Another question on another line item on this page, ‘Accelerating adoption of zero emission vehicles’—that might make sense if we had low-emissions electricity production, but most of our electricity is produced by brown coal. So why would we want to accelerate that now when our electricity sector is still quite carbon intensive?

Ms D’AMBROSIO: Now, you are talking about the levy, is that right? Or is this something else?

Mr LIMBRICK: There is a line item in there called ‘Accelerating adoption of zero emission vehicles’ on budget paper 3, page 49.

Ms D’AMBROSIO: Oh, yes. Thank you. Now, what is critical for us is that we know what is coming. We know that at some point in time internal combustion engines will not be with us. In some countries it will be sooner rather than later. We do not know when exactly it will be in Victoria, or Australia I should say. But what is really important here is that we actually need to do the planning and have that in place, because waiting to understand how we are actually going to optimise and facilitate the uptake of electric vehicles and waiting for that to happen only at the point when we are pretty much nearly completed in terms of our decarbonisation of the energy system is going to mean that we are going to miss a lot of opportunities, a lot of opportunities for R and D and a lot of opportunities for supply chain development, but also making sure—

The CHAIR: Thank you, Minister. Sorry to interrupt you there, but the member’s time has expired. I will pass the call to Mr Tim Richardson, MP.

Mr RICHARDSON: Thank you, Chair. Thank you, Minister and department representatives, for joining us this afternoon. Minister, I want to take you back to budget paper 3, service delivery, on page 49, and where you finished off with Ms Richards to outline a bit more about why that funding is needed.

Ms D’AMBROSIO: Budget paper—what number was that, sorry?

Mr RICHARDSON: That was budget paper 3, service delivery—the section talking about the Victorian renewable energy powerhouse.

Ms D’AMBROSIO: Anything in particular or just any of those?

Mr RICHARDSON: I think you were going through with Ms Richards where that funding was needed. If you could elaborate for the committee’s benefit a bit further on that.

Ms D’AMBROSIO: Yes, thank you. Look, certainly we are at the point where Victoria has a great reputation when it comes to global investors knowing that we have got a government that has got fantastic policy and ambition to give them a good investment environment—absolutely. We want to make sure that we stay that way, and that means that we have got to really just go to that next level in terms of getting our renewable energy zones developed up, getting them activated and getting them ready to be able to take more of the energy supply that is going to be created through clean energy right across the state in those zones. Whether

it is offshore wind, whether it is the rest of the Gippsland region, whether it is north-west Victoria and so on, there are a variety of opportunities there in the technologies—wind and solar predominantly, but they are not the only ones available. So this will certainly unlock billions of dollars of investment and more technology, and it is really vital for us to deliver on what we believe we can achieve through a 50 per cent renewable energy target in terms of jobs—24 000 jobs will be created over this 10-year period to 2030 just by having that 50 per cent renewable energy target and making sure that we have got the grid of the future that can actually help us out now. That means of course being ready for that and having it ready.

There are a number of technologies that could be deployed to get those REZs ready. I will not go into too much detail, but there are different technologies for different problems needing solutions. Some of them can be synchronous condensers, dynamic reactive power plants, improved communication infrastructure for real-time high-capacity monitoring of network performance and so on. But what is critical here is that there are thousands of projects that want to be built here, that investors are wanting to build, and we are going to be driving through this investment of \$5.8 billion in economic activity by 2030—and, as I said, 20 000 jobs just to meet our renewable energy target. Most of the benefits will go to regional Victoria—you know, that is blind politically. Wherever those renewable energy zones are, they are there because of where the natural resource is best for our state. That is the only thing that determines the renewable energy zones and where the projects will be built. I am absolutely excited by this, and whenever I go out into those communities they want more. They are really red hot, and they are the biggest advocates for our renewable energy ambitions.

Mr RIORDAN: On a point of order, heavens above, Minister, you are laying it on with a trowel on that one. Heavens above, that is possibly the most misleading Parliament load of waffle I have ever heard.

The CHAIR: Deputy Chair, a point of order is not an opportunity to—

Mr RIORDAN: Can we have a copy of the *Hansard* to put on the front page of the *Warrnambool Standard*, that everyone is falling over themselves—

The CHAIR: Deputy Chair, you are out of order. There is no point of order. Minister.

Ms D'AMBROSIO: This investment will unlock about 9500 megawatts of new-build renewable energy projects. That is massive, and the transformation will be something like we would never have ever imagined. I really just want to also pause on the fact that Victoria has the best offshore wind resource of the country and in fact amongst the best in the world. Why wouldn't you want to do something about that? Why wouldn't you want to try to help to facilitate the next steps in the development of our offshore wind resources? There are jobs there. There is deep skills development. There is transference of skills from existing industries to these new ones.

As I said, you know, regional Victorians are in the box seat when it comes to the benefits, and we want to see more of that happening. We know also of course that renewable energy is the cheapest form of new-build energy supply anywhere in the world, and no less so in Victoria. Everything stacks up for it, and it is an absolutely vital part of our climate change agenda to decarbonise the economy. Our effort from this budget demonstrates that we are prepared to put our money where our mouth is and to show strong leadership on it, and that leadership has been met with great support from industry and the sector and regional Victoria.

Mr RICHARDSON: You got some of the members of the committee very excited about that, Minister. I want to take you to—

Mr Riordan interjected.

The CHAIR: Mr Riordan!

Mr RICHARDSON: I refer to the announcement on 29 November 2020 in the media release titled 'Backing New Energy Breakthroughs and Victorian Jobs' and budget paper 3 under service delivery at page 49. I wonder for the committee's benefit if you could outline for what purpose has funding been provided for this announcement?

Ms D'AMBROSIO: Yes. Thank you. There are two components, if you like, or three components of that total amount. There is about \$108 million that you could generally say is about energy innovation. There is

\$98 million for energy innovation initiatives and within that there is \$5 million that will go towards the development of an offshore wind strategy, for the reasons I just articulated. There is also separate to this a \$10 million amount for accelerating Victoria's hydrogen industry. These need investment together because they are related in terms of innovation. It is vital for Victoria to take full advantage of the growth in our renewable energy supply. If I can explain it in this way: the more renewable energy we create we can also have added benefits of coming up with new ways of being able to manage that supply, so for example increased storage. When you think about hydrogen, hydrogen itself is a fuel but it can also be used as a storage device in terms of any surplus renewable energy that you might have. So, for example, you could have a massive supply of renewable energy, say from wind, that might generate power at a time that you might not always necessarily find it useful. So rather than have that wasted, you could store that. You can store it in a number of ways. You can store it in a large battery, you can store it in hydrogen. And then of course hydrogen is something that you can transport and use in different ways. So this is about the innovation that comes from all of that.

We also as a state are part of the National Hydrogen Strategy that all states and the commonwealth agreed to last year. So certainly this is an area we want to make some very big steps in, and we were confident that these funds would be available to a number of different innovative ideas. I mentioned a few but it is not exclusive to those, not at all. It is just about making sure that we also understand that in Victoria, for example, we have got the availability of gas in terms of, you know, household use, manufacturing use. We have got the biggest network of all the states because gas was a natural advantage for us, going back a number of decades, in terms of its availability from the Bass Strait and the reserves. So that means that you have got more dual-fuel households in Victoria than in any other state. You have got a greater reliance on heavy manufacturing that is in Victoria because of the availability of gas. So we have already got pipelines there. One important consideration could be if there could be some innovative ways of being able to still utilise that distribution network for hydrogen, to be able to carry hydrogen—carbon-neutral, zero-carbon hydrogen. So we are in a really strong position in terms of some natural advantages for us to really take the hydrogen innovation side of energy into some really lucrative areas that would spawn a lot of jobs and which would certainly benefit Victorians in the first instance.

Mr RICHARDSON: And in the remaining time that we have got: you mentioned the offshore wind development support as well; I am wondering if you could provide any further details on that for the committee's benefit.

Ms D'AMBROSIO: Yes, so over the last handful of years, four or five years, a number of offshore wind proponents have visited the department. They have had conversations with me and they all agreed on one thing, and that is that Victoria's offshore resource is just the best in the country. So it makes a lot of sense to invest. If you are going to invest big dollars in the big infrastructure—and it costs a lot to develop up offshore wind—then the better your wind resource, it effectively makes the financials much stronger.

The CHAIR: Thank you, Minister. Sorry to interrupt you again, but the call is now with Ms Bridget Vallence, MP.

Ms VALLENCE: Thank you, Chair. Thank you, Minister. I will just ask you: at budget paper 3 on page 49, table 1.1, it has got \$10 million for the climate change community action to assist meeting the target of net zero emissions by 2050. Why is there a cut to this program of over \$4 million in year two, a further cut of \$1 million in year three and nothing provisioned for 2023–24?

Ms D'AMBROSIO: Well, it is not a cut if you are actually putting money into it.

Ms VALLENCE: In the estimates—in the forwards.

Ms D'AMBROSIO: Yes, it is a total budget.

Ms VALLENCE: So you are not cutting—you are cutting it in the forward estimates. Why are you cutting that program to community groups, which is about—I think it says in the budget—putting in solar panels and other objectives?

Ms D'AMBROSIO: We are not cutting. It is money that is in the forward estimates. It is money that would not have been there if we had not made a decision to put money there.

Ms VALLENCE: Okay. At budget paper 3, page 184, and you were discussing this earlier, the ‘Net zero emission, climate-ready economy and community’: why have you failed to comply with the *Climate Change Act*, your own law, to set interim emission reduction targets for 2025 and 2030?

Ms D’AMBROSIO: Yes, that is the legislation that some people opposed in the Parliament, so—

Ms VALLENCE: It is your legislation—

Ms D’AMBROSIO: Yes, I am very proud of the legislation, so I will explain—

Ms VALLENCE: and you have failed to comply, so just wanting to know—

The CHAIR: Ms Vallence—

Ms D’AMBROSIO: I am happy to give you the answer. Absolutely, we will be releasing our interim emissions targets decision shortly. Together we will also be releasing our climate change sector pledges and our climate change strategy.

Ms VALLENCE: But, Minister, why did you fail to comply—

The CHAIR: Ms Vallence, you are not allowing the minister to answer the question.

Ms VALLENCE: You failed to comply—

The CHAIR: Ms Vallence, could you allow the minister to answer the question.

Ms VALLENCE: Well, she has not answered the question yet, Chair, with respect.

The CHAIR: Because you are not giving her the opportunity to answer the question, Ms Vallence. I do not know why we have to have this dance every single time it becomes your turn. If you could allow the minister to answer the question, you might actually get the answer.

Ms VALLENCE: I will rephrase the question: why haven’t you—

The CHAIR: I think the minister understood the question, Ms Vallence. You just did not give her an opportunity to answer it.

Ms D’AMBROSIO: Now, in terms of the work that was underway to meet our targets to deal with those matters, as you have indicated, they have been COVID impacted in a variety—

Ms VALLENCE: Well, New South Wales has not had—

The CHAIR: Ms Vallence, again, you have not—

Ms VALLENCE: a problem with setting their targets, and we have been—

The CHAIR: Ms Vallence, if you would like to answer your own questions, then perhaps there is no point in asking them. If you could allow the minister to answer the question—

Ms VALLENCE: I am just having a discussion with the minister and helping the minister because she is suggesting that COVID—

The CHAIR: Well, I am not sure that the minister requires your assistance in answering the question. It is your job—

Ms VALLENCE: New South Wales has not had a problem with setting their targets.

The CHAIR: to ask the question. It is the minister’s job to answer it.

Ms D’AMBROSIO: So the COVID impacts have meant that our own internal considerations and assessments of what our interim targets could look like and what the measures that we would need to have in place to achieve those targets have been under reconsideration because of COVID. I will not have to point out

the fact that COVID certainly has impacted Victoria for a longer period and in a deeper way than some other states. However, that has not stopped us at all from actually taking action. This budget speaks volumes when it comes to climate change and cutting our emissions. We are not waiting for us to set our interim targets—

Ms VALLENCE: Well, you waited over 18 months. You have been sitting on the—

The CHAIR: Ms Vallence!

Ms D'AMBROSIO: or to release our climate change sector pledges.

Ms VALLENCE: You have been sitting on the expert panel report for over 18 months, and COVID was not around then. The targets were due in March.

Ms D'AMBROSIO: Well, I think you misunderstand the fact—

Ms VALLENCE: The targets were due in March. We had not even had the second wave then, and you had been sitting—

The CHAIR: Ms Vallence!

Ms VALLENCE: on the expert panel report for over 18 months, so why did you not comply with the law that you introduced?

Ms D'AMBROSIO: Well, I have explained it to you. Now, that is all I can do—explain it to you and point to the fact that this budget is the hardest hitting budget that any state has had in dealing with and reducing carbon emissions in our environment, doing it every single day.

Ms VALLENCE: You mentioned you will announce targets next year. If you could let the committee know on what date you intend to set those targets for 2025 and 2030 and what budget implications over the forward estimates you anticipate.

Ms D'AMBROSIO: Well, that will be known when I release the materials, but I have indicated that it will be soon—in the coming weeks.

Ms VALLENCE: A couple of weeks to—

Ms D'AMBROSIO: No. I said, 'in the coming weeks'.

Ms VALLENCE: In the coming weeks, to set the date?

Ms D'AMBROSIO: Well, to do what we are committed to doing, and that is releasing what our interim emissions targets are, our climate change sector pledges, and of course we will also have the climate change strategy.

Ms VALLENCE: And will that come with budget implications, then? Will that form part of the announcement?

Ms D'AMBROSIO: Look, I am not going to make comments that are budget related, but I will say to you you only have to look at our budget now that we are discussing to show the extent of our ambition and our tangible commitment to achieving significant cuts in emissions.

Ms VALLENCE: Okay. Under section 29 of the *Climate Change Act* you were required to have prepared a climate change strategy by 31 October this year. Have you prepared the strategy?

Ms D'AMBROSIO: I answered that earlier, in fact. As I said, in the coming weeks—

Ms VALLENCE: Are you able to make that available?

Ms D'AMBROSIO: we will be making available our climate change strategy.

Ms VALLENCE: When will you make that available, Minister?

Ms D'AMBROSIO: In a few weeks.

Ms VALLENCE: In a few weeks—a Christmas present, perhaps. I am not sure if perhaps Deputy Secretary Ferguson, for Forest, Fire and Regions, is available and/or our Chief Fire Officer. I know Chris is over there—sorry, Mr Hardman. You might be able to assist me with these. Deputy Secretary Ferguson, budget paper 3, page 3, states under 'Advanced bushfire management' that additional firefighters will be recruited. How many additional firefighters will be recruited under this budget item?

Ms FERGUSON: Hello. One hundred and fifty-four additional forest and fire operations officers will be recruited.

Ms VALLENCE: One hundred and fifty-four. Are those 154 firefighters all FFMV firefighters?

Ms FERGUSON: Yes; that is right.

Ms VALLENCE: Yes? So will there be any firefighters recruited into FRV?

Ms FERGUSON: Not from that fund.

Ms VALLENCE: Not from that fund. On that then, from another fund within DELWP?

Ms FERGUSON: Not from within DELWP, no.

Ms VALLENCE: Are you intending to recruit any firefighters or fund any firefighters for FRV?

Ms FERGUSON: No. They sit within the Department of Justice and Community Safety.

Ms VALLENCE: And how much of the more than \$24 million is allocated to the recruitment of these firefighters? Perhaps can I get a breakdown—and on notice if it is not available now—of the \$24 million to the recruitment of firefighters, more mechanical fuel treatments and the traditional owner-led fire practices? Do you have a breakdown of that available now? I am happy to take it on notice.

Ms FERGUSON: So, \$39.064 million of the \$45.9 million for advanced bushfire management is directly for the employment of the 154 additional forest and fire operations officers. There are other components that make up obviously the rest of that fund, and that includes \$815 000 to develop the strategy for transition and retention of forest contractors so that we can make use of their specific expertise and skills and also their plant and equipment, an additional \$1.258 million to implement the traditional owner-led cultural fire practices and furthermore, \$2.306 million to increase the amount of mechanical fuel management, as well as obviously the planned burn program. And there are some other elements that make up that \$45.8 million.

Ms VALLENCE: I was specifically asking about the \$24 million, and I think you have answered my question, so thank you. And will any of the funds, or any other funds in the budget, go to implementing recommendations from VAGO into their recommendations around documenting why planned burns are not undertaken or financial reporting on the management costs of planned burns?

Ms FERGUSON: Not out of the two elements that are funded, but we are currently working on funding proposals for the implementation of the remaining recommendations that government has approved for both the IGEM review of phase 1 and also the VAGO recommendations. There is an additional \$35.8 million, I think, for the implementation of strategic fuel breaks, and that is to create and to improve 1447 additional kilometres.

Ms VALLENCE: When do you expect that to be completed?

Ms FERGUSON: That is funding for this year and the next financial year.

Ms VALLENCE: So two years. And in terms of budget paper 3, page 211, planned burning outputs: can you advise how many kilometres of roadside vegetation is targeted for planned burns and mechanical treatments on a quarterly basis for the next financial year or for the 2020–21 year?

Ms FERGUSON: I am sorry; I would have to take that on notice and review joint field management plans to give you that.

Ms VALLENCE: Thank you. And you plan to cull brumbies in the High Country. Whereabouts is that in the budget and how much is that?

Ms FERGUSON: I might swap with my colleague, Matt Jackson.

Ms VALLENCE: If you can take it on notice: whereabouts does it feature in the budget and how much will it be to slaughter these brumbies?

Mr JACKSON: Thank you for the question. So in the current budget the strategic plan for the alpine feral horses: \$450 000 was approved in a previous budget, \$280 000 was spent last year and remaining, and the rest will be spent on the plan over the next 12 months.

Ms VALLENCE: Okay, so the remainder for the next—

The CHAIR: Thanks, Ms Vallence. Your time has expired.

Ms VALLENCE: Thank you.

The CHAIR: I will pass the call to Ms Nina Taylor, MLC.

Ms TAYLOR: Thank you. Yes. I was wanting to sort of explore some biodiversity issues. I am referring to the announcement on 18 November 2020 and the media release titled ‘Protecting and enhancing Wilsons Promontory’ and budget paper 3, service delivery, page 19. Could you explain how the \$6 million predator-proof fence will help support our precious biodiversity into the future?

Ms D’AMBROSIO: Thank you. This is a significant investment to protect a very, very special part of the state for every Victorian and indeed a very, very special part of the country. We know that the management of feral pests is an increasing challenge made worse by bushfires, made worse by climate change—a whole range of changes in the environment—and that puts of course our native species under great challenge and threat from a lot of feral pests, weeds, animals and the like. And so this is going to be fairly much a very innovative and state-of-the-art fence. It is a 10-kilometre fence that will go from coast to coast near the narrowest neck of Wilsons Prom, and it will be designed to effectively keep out a lot of these pests so that we can help to protect so many of the fantastic species that we have got in the area. In the Wilsons Prom there are a number of special animals that call the area their home, and some of them are threatened of course. There is the New Holland mouse, the long-nosed potoroo, the ground parrot, the white-bellied sea eagle and the swamp skink. And of course it is home to several biogeographically significant species, including a number of plant species which are threatened in other parts of Australia.

So establishing this predator-proof fence will give existing populations of threatened species the opportunity to not just survive but thrive and do better. It will also provide a haven. Once we actually declare the area feral free, over time it will become a haven where we can bring species that are threatened by, say, bushfires outside of the area to be able to recover and to survive—and almost have them like an insurance population, if you like, that can then hopefully be returned to their original place of habitat. This is going to make sure that we protect such a special part of Victoria for generations to come. Wilsons Prom is an area of outstanding conservation, recreation and wilderness values. It has been designated by UNESCO as a biosphere reserve, and that effectively means it is a place to test ideas, to manage interactions between social and ecological systems.

This comes together with other investments to support the Prom. The predator-proof fence will be one of the first things that we start to deliver next year. It will just make sure that we are able to really support this vital part of Victoria. This will end up being the best protected and largest sanctuary of its kind in Australia. That is not anything to sneeze at really in terms of the value of it. I am very excited by this. That part of Victoria can certainly do with a real effort to get rid of the predators, and this will go a long way to driving that outcome: putting up the predator-proof fence, 10 kilometres of very resilient fencing to be able to prevent a whole range of animals from getting in. And then of course there will be the follow-through in terms of managing the estate to actually remove those feral animals and vegetation.

Ms TAYLOR: Wonderful. Yes, I remember my heart skipping a beat seeing those little eastern bristlebirds as they were taken on the helicopter. You think, ‘Oh, my God. I hope they survive’, and it is great seeing some of them restored. I am not joking, and I am sorry—I am sure a lot of other people are the same. So I guess this

is what you are talking about with Wilsons Prom—that and some of the other species as well. Do you want to speak further to that?

Ms D'AMBROSIO: Yes. Well, I mean, it is 50 000 hectares. It is a really fantastic, large area. I really do want to take the opportunity to really thank and congratulate Zoos Victoria and all of the other support staff that did a fantastic job in rescuing some bristlebirds from the Mallacoota area—the eastern bristlebirds. This is a really important part of the recovery work that was underway, that we funded with \$17.5 million, and we need to really cherish these threatened species and give them as much protection as we can. Then hopefully, once the environment in East Gippsland comes back, these populations can get back into their natural environment. It is an important part of the critical biodiversity work that Parks Victoria and Zoos Victoria are renowned for.

Some of the other animals that we might be able to reintroduce, I think, that are not currently there, are the quolls—so reintroducing them. They used to be there. That is our native cat; that is what we refer to it as. Also of course, as I said earlier, we are bolstering the populations of potoroos and bandicoots and grand parrots and bristlebirds, which I mentioned earlier. This will be a haven, especially in a time of climate change. We know that Wilsons Prom is actually somewhat cooler than other parts of the mainland, which then just gives us that extra opportunity to really work against the threat of extinction of a lot of these special native creatures and plant varieties, because it is a cooler area surrounded by three parts of the Prom that are out to the winds. It is special for a lot of reasons, but that is an extra one in terms of the climate change impacts on the rest of mainland Australia and Victoria and in terms of the survival of some of these species. Wilsons Prom will be a really important haven to save some of these species.

Ms TAYLOR: Thank you. I can see that \$6 million predator-proof fence is going to be a really important investment in the future. What other funding has our government committed to protect biodiversity in the budget?

Ms D'AMBROSIO: Across a whole variety of measures the funding is over \$200 million, but perhaps staying on the theme that I have started with, in terms of the bushfire and how Wilsons Prom has been able to be a really important haven for some of these creatures, we are putting in a further \$29 million for biodiversity bushfire recovery, and that is in addition to the \$30.2 million for immediate biodiversity bushfire response and recovery following the fires earlier this year. That will go towards continuing to implement the recovery plan that we did in Victoria when the bushfires were still with us.

I really do want to highlight the fact that the level of expertise that we have got in Victoria amongst our scientists is really world class. We got together round tables, inviting other states—Queensland, New South Wales—that were impacted by fire, South Australia. All scientists came together during that period—many of them were on leave—to actually understand the impact of what was happening before our eyes. Then we moved very quickly as a state to get that understanding, that snapshot and assessment of the impacts. Then of course moving to the recovery phase, that is why we have got a significant plan in place that we are putting extra investments towards so that we can continue on that work—very, very vital work. Climate change mixed with bushfires really does call into question what recovery can look like, because it is hard for particular environments to necessarily recover to the same way that they looked beforehand. They are very challenging things to consider when we think about ‘What does recovery look like?’, ‘What does it need to look like?’. Nevertheless, we are led by a really world-class team and this additional money will continue to provide great value in terms of our biodiversity recovery.

Ms TAYLOR: Fantastic; sounds good. It is like 13 seconds, so I might leave it there.

The CHAIR: Thank you, Ms Taylor. That concludes the time we have available for consideration of the energy, environment and climate change portfolio. Thank you to you and your officials for appearing before us in consideration of this portfolio today. The committee will follow up on any questions taken on notice in writing, and responses will be required within 10 working days of the committee's request. The committee will now take a short break before resuming consideration, with you, of the Solar Homes portfolio. I declare this hearing adjourned.

Witnesses withdrew.