

TRANSCRIPT

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the Closure of the Hazelwood and Yallourn Power Stations

Traralgon—Wednesday, 24 November 2021

MEMBERS

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Mr Bernie Finn—Deputy Chair

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Ms Wendy Lovell

Mr Andy Meddick

Mr Craig Ondarchie

Mr Gordon Rich-Phillips

Ms Harriet Shing

Ms Kaushaliya Vaghela

Ms Sheena Watt

WITNESS

Mr Steven Piasente, Chief Executive Officer, Latrobe City Council.

The CHAIR: I declare open the Economy and Infrastructure Committee public hearing for the Inquiry into the Closure of the Hazelwood and Yallourn Power Stations. Please ensure that mobile phones have been switched to silent.

I wish to begin by acknowledging the traditional owners of the land, and I pay my respects to their elders past, present and emerging. I wish to welcome any members of the public that are watching.

I wish to introduce my fellow committee members that are present with us here today: starting on my left, Mr Rod Barton; Ms Melina Bath, who is also one of the upper house MPs for this region; I am Enver Erdogan, the Chair; we will have Harriet Shing, who is a fellow Member for Eastern Victoria, joining us shortly; Mr Lee Tarlamis; and Mr Andy Meddick. We also have Mr Russell Northe, the Member for Morwell, here in the gallery. I thank him for his presence.

To all witnesses giving evidence, all evidence taken at this hearing is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law; however, any comment repeated outside the hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. Ultimately transcripts will be made public and put onto the committee website.

We welcome any opening comments but ask that they be kept to a maximum of 5 to 10 minutes to allow plenty of time for discussion and questions. Could you please begin by stating your full name for Hansard and then start your presentation. Over to you, Steven.

Mr PIASENTE: Thank you. My name is Steven Piasente. I am the Chief Executive Officer of Latrobe City Council. On behalf of the council, thanks for the opportunity to present today to this inquiry and act as a witness at this public hearing. Normally our mayor would attend, but we have just had a mayoral changeover. She has just stepped into the role, so I said I would take this one. So thank you. We welcomed the opportunity to make a submission to the inquiry, which you will have a copy of. I will just provide a bit of an opening in relation to that, if you like.

As you hopefully all know, Latrobe city is one of the four major regional cities in Victoria, with a population of around 75 000 people and growing. It is home to around 5000 businesses and has about 32 000 jobs at the moment and a significant gross regional product of around \$5.6 billion. Over many generations the power industry has been one of the major drivers of our economy. The closure of the Hazelwood power station and mine in 2017 commenced a significant social and economic transition for Latrobe city.

In relation to the terms of reference, I will just go through some of those points briefly in our response to that. In terms of the impact of the closure of the Hazelwood power station, the first point, on the economy and jobs in the Latrobe Valley and the success or otherwise of economic efforts, as you would know, the Hazelwood power station and mine closure resulted in around 750 direct jobs and around 300 indirect jobs—that is always a little bit hard to measure—being the impact in the region. And not just Latrobe city, I should say, but the broader region, as you would know. These impacts are deeply felt within this local community.

The government, in our submission we did note, has made a notable and immediate contribution to Latrobe city through a comprehensive package of funding around livability initiatives after the closure of the Hazelwood power station and also worker transition, and council acknowledges that support at that time. These projects were welcomed and brought about improvements in community livability. However, council does have some concerns about the limited consultation that occurred, particularly at that point, with the council and local community post the closure and the associated mine. I suppose also the lack of measured and structured inclusive transition planning has always been of concern to council—a plan for knowing that that was going to

occur and what would be put in place. With Yallourn power station we have that opportunity now, with a known date, to be able to plan effectively for that.

Unemployment rates, though, in Latrobe city have been rising. I think at the time of the closure of the Hazelwood power station they were around 10 per cent in Latrobe city. This is from the small area labour market data that is provided by the Australian government, which measures each council in Australia. At the moment our overall rate is 8 per cent. I think at the time of the closure it was around 10. But within that, within Latrobe city, Morwell had a much higher rate of 14.8, the Moe-Newborough area around 10.3 and Traralgon was lower, so there is I suppose a very different unemployment rate across the city.

Council has long recognised the need to focus on economy and job creation as part of the transition, and we did develop a strength-led transition plan that was adopted by council in December 2016. That was shortly after the Hazelwood closure announcement. That was developed, and that focused on four key areas: expanding Latrobe Regional Hospital—as key initiatives, I should say; relocating a Victorian government department; improving our rail and connection of community to jobs; and securing Victoria’s energy future. Council does welcome and has acknowledged obviously that the GovHub project is now complete and open, and we are looking forward to more workers coming back to that space, as we do, post COVID. The planned expansion of Latrobe Regional Hospital and improvements to rail, though, have been delayed and are yet to be realised, with a slight difference to some of the other regional cities, without a dedicated rail line into Melbourne itself. That has always been something that has been raised in the community as a concern.

In relation to securing Victoria’s energy future we think we are ideally placed to embrace emerging and new industries and leading-edge innovation to stabilise and grow the regions and Australia’s economy in the midst of that energy sector change, so we do think there is a great opportunity there. These opportunities are driven by obviously our existing strengths and competitive advantages in having had a number of long-term employees and industries that have been involved in power generation. We do think the state government’s recent renewable energy zone directions paper was a missed opportunity in terms of locally being able to capitalise on the existing electricity transmission infrastructure, as there were no immediate projects identified. There is one project identified to roll out in stage 2. I did note yesterday there was an announcement around wind farm investment, which I have not had the opportunity to review so I am not sure whether that is connected to or might have an impact in relation to the renewable energy zones. That is something we will have a bit of a look at.

The Victorian government delivered many direct worker support programs in the aftermath of Hazelwood. There is a bit of uncertainty around some of the data and community doubt about the effectiveness around some of those programs, and council believes the issue of long-term, sustainable, high-skilled employment is yet to be significantly addressed, and this we think needs to be a focus going forward.

In relation to part (b), which is the impacts of the proposed Yallourn power station and options the state government can pursue, as you would know, the Yallourn power station and mine has a target date of 2028 and is likely to result in around 500 permanent job losses and 200 contractor and supply chain temporary positions. The economic and supply chain impacts on the region again will be broader than just Latrobe city but more pointed to in Latrobe city itself. We obviously also know that in the future we have AGL Loy Yang with their mine and power station, and Alinta Loy Yang B. Their operations have licences until 2048, but they could close sooner than that, so that could result in further job losses in the order of around 1000 people. That could have a significant impact again on the economy. I suppose those figures highlight the imminent need for the region’s employment, economic stability and growth to continue to be planned.

Council has established a transition task force as a governance structure for bipartisan support from all levels of government primarily to look at and stimulate a diverse economy and create jobs in place of those that will be lost—or to plan for that, more importantly, which, as I touched on earlier, is around having the time to plan for that. We think that is something that should be considered. We have also established below that an industry group, a business and reference group. There are industry, government, unions, small businesses and other stakeholders to help support the taskforce. We have just started that process. So from our strength-led transition process, recently we have also adopted an investment road map—was it last year? No, the year before, sorry, with former mayor, Cr Clancey, at the end of that year—which is looking to support and embrace new and emerging industries and leading-edge innovation to stabilise and grow the region’s economy.

That road map identifies focus areas of industry-led skills, training, advanced manufacturing, regional and rural health, circular economy and the associated opportunities. I did attend a presentation last week from Regional Development Victoria. They are working on regional economic development plans, and we are just reviewing those. They are at draft at the moment; they provided those to us. And they are fairly well aligned, I did note, to some of those areas, which is also picked up on in the *Gippsland Regional Plan* as one of the key priority areas.

In terms of part (c) and the success of the Latrobe Valley Authority to help the region transition, in light of the decline of funding made available to the LVA over successive budgets, as I touched on earlier, the immediate response after the closure of Hazelwood was they established significant funding—\$266 million—to support the Latrobe Valley. And as part of that package, they established worker transition and provided support for small businesses in particular, which personally I think had a number of successes, particularly the business component where businesses probably had not previously thought about the need to be innovative or change how they did things. They had that reliance on the energy sector and they did not really need to think differently about their future. So I do know of a number of businesses who were supported through that process in the supply chain to think about doing things differently, and I know of a couple of businesses who are now looking at defence work and other work outside of the Latrobe Valley. So that work was good.

The worker transition has been beneficial in terms of looking at those opportunities. I do know some people who obviously were at the end of their careers and decided to retire from the power station. Others I do know moved interstate and want to continue their work in the power industry, but they might have moved interstate to continue that, and some moved obviously, in terms of that worker transition process, to other mines.

As you would know, economic transition seldom immediately has an immediate impact, so it is a long journey. The funding that was provided to the LVA supported a range of other community programs of which council was a beneficiary in terms of significant investment in new infrastructure in terms of livability, which council had plans around those to deliver—for example, a new aquatic centre, basketball stadium—into the future, and that all came as a big bang. And as the CEO taking that on, it was a bit of a challenge at the time I was in a different role, and then I became CEO to see the delivery of those in the end. There was also funding provided to a range of community groups, some through council and some direct. That has seen an increase in significant community infrastructure. That did create a bit of an expectation from others, in terms of those programs winding up, about their opportunities to access additional funding into the future. For us it has provided an additional burden in terms of maintenance and operations. It obviously has, though, increased employment in those sectors for those operations.

So Latrobe city strongly believes that the worker and business support should continue in light of the planned closure of Yallourn, as I have touched, in terms of having a plan for the future. And we think the government's investment needs to be directed into industries and projects that have the potential to now contribute to our economy and generate larger numbers of skilled employment.

In our submission—I will not go through the recommendations again; you have got them in front of you.

The CHAIR: I think most of the committee would have seen the recommendations, and thank you for those, Steven. And I want to thank Latrobe City Council, because I really enjoyed reading the presentation. We might maybe get straight into it and get into questions. I might actually take the first question myself, then go to Melina Bath, then Ms Shing and Rod, and we will go around the committee.

You talked about opportunity, and economic opportunity is a really big focal point of this inquiry. And I notice that Latrobe City Council put in a budget submission to the Victorian government in relation to Morwell food manufacturing I guess capability and precinct and investment in that field. So that is an opportunity that you have identified for the area. And I realise that the Andrews government did respond. They provided \$10 million. Could you just tell us why you prioritised the food manufacturing capability and how many jobs you think that might create in the region?

Mr PIASENTE: Yes. If you look at Gippsland broadly, it does have a massive industry in terms of food and fibre. The ability to value-add, though, I suppose, is where that food precinct concept came from in terms of being able to continue to grow and use that product that is produced locally and turn that into something else and actually value-add. So if you look at it, we have got Lion—I will just look up the current name: is it still Lion?—the yoghurt factory just down the road here. It is now Bega foods, sorry; I forgot the name. So if you

look at that as an example where we actually take product and value add. There are other industries within Gippsland—dairy processors and the like. So that concept of taking what we actually produce locally, value-adding and creating new jobs—and they are very high-tech now in terms of Bega, so—

The CHAIR: Yes, automated lines et cetera.

Mr PIASENTE: Yes.

The CHAIR: So the government partnership investment with you will assist in setting up that precinct.

Mr PIASENTE: Yes, so the idea was, in terms of the food precinct, to be able to help support that. I did not touch on that in our submission at the time it was developed, but yes, certainly that is welcomed by council and there is work being done now as to what that would deliver in terms of investment on that site. Some of the challenges, for example, in terms of helping support that—I know it is difficult for government to provide direct funding support to businesses. We have seen in the past some that either have not come to fruition or have not quite worked. So support for, for example, a precinct to develop might help then stimulate that precinct to continue to grow. So businesses might be attracted to that precinct if there is support in terms of infrastructure investment, whether that is water they might need or power or infrastructure to get into the site, as an example. So they are some of the examples that could happen in terms of that support for business to establish in those locations.

The CHAIR: It sounds very exciting, and I like the idea, the concept you talked about—value-adding and creating jobs to flow on from that. Fantastic. I might pass over to Melina and then go to Harriet and then to Rod in that order of people—just a couple of questions each. I notice we have got a large attendance here today, so there is a lot of interest in this inquiry.

Ms BATH: Chair, I have a number of questions, so I am assuming that if we do not get time in this time we can put them on notice to all of our witnesses.

The CHAIR: Yes. Excellent.

Ms BATH: Thanks, Chair. Steven, you mentioned the unemployment rate. Usually the one that you see is for the Latrobe-Gippsland region, but you are talking about the LGA, so specifically the Latrobe Valley.

Mr PIASENTE: Yes. So there are the small area labour markets, which is published for each council in the country, basically. We have been mapping that for some time now.

Ms BATH: It is roughly at 8 or slightly over 8 per cent.

Mr PIASENTE: Yes. The September data is not out yet, but the June data was 8 per cent for Latrobe city.

Ms BATH: Okay. How does that stack up in relation other regions? So if we need to compare region by region, what about Ballarat, Bendigo, Shepparton or Geelong? How do we stack up against those?

Mr PIASENTE: A few years ago, I think it was pre pandemic, we were actually below Geelong, and I think they have actually dropped a little during the pandemic. The other regional cities of Ballarat and Bendigo have gone up slightly, but we have gone up a little bit more than they have in terms of the overall rate.

Ms BATH: Would you mind quantifying that, whether it be today or on notice? Would that be helpful?

Mr PIASENTE: Yes, we can certainly provide that chart.

Ms BATH: Thank you. That would be good. In relation to the submission, you did speak on a number of pages of your position or feeling that you felt that your communications with the Latrobe Valley Authority could have been better or that the Latrobe Valley Authority's communications with you could have been better and that there were failures to capitalise on the opportunity to work with the Latrobe Valley Authority. Can you give me some examples, or the committee some examples, of where you see that there was a gap and that there should have been better levels of communication for a better outcome for the region?

Mr PIASENTE: If I go back to when the government made the decision, obviously the closure was being announced and Engie were working towards that. The community sort of knew that that was likely to occur. The government then responded and established the LVA. I think that the announcements that came at that time were things that council had desires to see delivered, but there was not a lot of time, in the government's defence, to actually have lots of conversations about the things that council would like to see delivered. So those announcements were made.

In terms of things that since then we have had discussions on around the LVA, one example is our unlocking infrastructure barriers. Council had an idea about, particularly in the economic growth zone, stimulating the economy, unlocking some of those infrastructure barriers and the establishment of a fund. I know they did some work around this, and a report was developed that we asked to see and has not been released. That is probably one example of some of the work that we have actually now embarked on doing ourselves. I think it was mentioned in our submission, to identify 'Is that a possibility?'. There have been some conversations around that, but we have not seen the detail about whether that fund could actually work. This would be a fund that would be established and would then be replenished—so the developers would pay back as development was to occur—to unlock some of those precincts. So that is probably one of the examples that I can think of that we did not get—

Ms BATH: So there was a duplication of work, in effect, if the Latrobe Valley Authority had a report that was due out quite a few years ago—a couple of years ago—and you have worked with that or seen that report, so you are doing your next one along parallel lines?

Mr PIASENTE: Yes, ourselves. So we had asked to see that. That was not provided. I think we wrote to the Treasurer through a council motion, or to the government itself, and it was not provided. So that was probably one of the ones that council had some frustration around. So we have done some work on that ourselves in terms of, 'Well, what would a fund look like and how would that be established? Is it something that we can continue to pursue?'. I think it does form part of a budget submission as well that we made, which was touched on, to government.

The CHAIR: Thank you, Ms Bath. We might continue going around to other committee members and hopefully we will get back around as well to give people a second opportunity. Ms Shing.

Ms SHING: Thank you. Thanks, Mr Piasente. It is great to be here on Gunaikurnai Country. I would like to begin by acknowledging the traditional owners of the land upon which we meet today and to pay my respects to elders past and present, and to acknowledge any and all Aboriginal or Torres Strait Islander leaders or indeed emerging leaders who have joined us here today or who are participating in this inquiry. It is great to also see local member Russell Northe and others are in attendance here today.

Mr Piasente, going back to the transition task force and draft terms of reference, the LVA is not included as a party to that transition task force. Why is that?

Mr PIASENTE: At the higher level, the council wanted us to have parliamentarians as part of that, a bipartisan approach. In terms of the level below that, we did invite the LVA to participate in our first meeting, which happened three or four weeks ago now. We also invited RDV, the government agencies, and they declined to attend. So they were going to be part of that, but regardless of that we will continue working with them. I have got some meetings set up with the LVA and RDV to continue that conversation about what economic transition support might be available and what we would need to look at into the future.

Ms SHING: I just take you back to a number of statements made by the mayor at that time around specifically not including the LVA on the basis that the work was intended to operate between state and federal levels and to involve departments and agencies as necessary to resource the work of the transition task force. I would invite you to provide, perhaps on notice, a response to that and why it was that the LVA, according to statements made to me by the then mayor, was specifically not included in that workaround transition.

Mr PIASENTE: I am happy to take that on notice.

Ms SHING: Thank you. That would be great. Just moving to the \$2 billion that has been invested across the Latrobe Valley region, being the Baw Baw and Latrobe shires and Wellington Shire Council, since the Andrews government was elected in 2014, I would like to talk with you about the way in which council has

been part of delivering on its strategic objectives, its long-term plans and the pace at which that has happened in comparison to previous expenditure or indeed lack of expenditure in the region, and then I would like to turn to the commonwealth after that. So if you can just answer that first bit, that will be great.

Mr PIASENTE: So in terms of the investment that has happened, the \$2 billion across the region, the \$266 million—I suppose \$100 million or so of that came to Latrobe city for investment in those projects. I touched on the aquatic centre, the basketball stadium and the like, which have been able to deliver some significant community projects that council had desires for for a very long period of time. The other investments: obviously the GovHub is now complete; the other one is the rail—I did touch on that in the opening statement—and obviously the hospital.

Ms SHING: The hospital, yes.

Mr PIASENTE: Planning is underway—

Ms SHING: TAFE campus, roads, rail. We could be here all day.

Mr PIASENTE: Yes. So some of those are now starting to be delivered. The rail investments are now starting to happen in a more significant way in terms of works underway. The hospital upgrade is still—there is a little bit more work to be done around some of that.

Ms SHING: But it is a record level of investment, isn't it?

Mr PIASENTE: Yes, a very significant investment, and that is acknowledged in terms of adding to particularly jobs growth in those sectors as well as livability in terms of creating the right conditions. I suppose I would talk about that as being a fantastic foundation for the city in terms of having those assets to attract people. COVID has obviously seen people also wanting to relocate, and some of those factors probably helped in that as well as obviously the value of land but also just people being able to work remotely and maybe go to Melbourne on occasion. Hopefully we can trap them here, keep them here forever, and create some more jobs for them.

Ms SHING: Forty-minute services on the trains really do help. Just on the expenditure and the investment that has been provided to date, this \$2 billion and indeed the \$266 million that was announced to be delivered and I suppose managed under the auspices of the Latrobe Valley Authority, which I note is staffed by Gippslanders for Gippslanders as an extension of the state government here in the valley, compares pretty favourably against the \$43 million from the commonwealth announced at the same time, and I would like to know what it is that council is doing to seek either equal funding from the commonwealth or for the commonwealth to increase the proportion of funding that it is delivering as part of meeting transition obligations and responsibilities within the region.

Mr PIASENTE: Yes, so I suppose there are two things. Each year council develops up budget submissions, so we have a set for both the state and the federal governments in terms of what it would like to see, though the main focus of those budget submissions is around job creation. So if you look at some of those examples that we put forward as part of our budget submission, they have also gone to the federal government, and so that is about continuing that transition support. I suppose the other element is to get them at the table, and at a federal level in terms of the transition task force there have been members from both sides of Parliament in that who have actually been participating in some of those conversations with us. So I suppose—

Ms SHING: That has not translated into any money though, has it, to date?

Mr PIASENTE: No, not at this stage. I suppose I was going to add that as part of the lead-up to the federal election.

Ms SHING: But from now until then, post the \$43 million, just under \$44 million, there has not been anything further, has there?

Mr PIASENTE: Not necessarily, not as specific transition funding. There has certainly been funding through other avenues, but not—

Ms SHING: And finally—thanks, Chair, with your indulgence—would you accept and acknowledge that the Latrobe Valley Authority as the local arm of the state government has been available and accessible to businesses, industry, the community and individuals as far as assistance to develop an understanding of transition and the resources that are being provided by the state government?

Mr PIASENTE: Yes, it is certainly available. We meet with them as officers quite regularly.

Ms SHING: So you have a regular exchange with the LVA and good access to them?

Mr PIASENTE: Yes, I do personally in terms of Karen Cain and others in the organisation.

Ms SHING: Excellent. Thank you very much, Mr Piasente.

Mr PIASENTE: Pleasure.

The CHAIR: Thank you very much. I might pass over to—

Ms SHING: Sorry, just one more thing: when you provide the data to Ms Bath or what you have taken on notice to the committee in response to Ms Bath's question, if you could perhaps include a trend from the establishment of the LVA to now in relation to unemployment data and what those subsets look like, that would be appreciated.

The CHAIR: We had Karen Cain as a witness actually for today's hearings, but unfortunately something has come up so she is actually not able to attend today. It would have been good to be able to—

Ms SHING: We will have time, we will have time.

The CHAIR: We will have time. But we are going to be back in the region anyway in the new year.

Ms SHING: Thanks, Mr Piasente. I appreciate it.

The CHAIR: I might pass over to Mr Barton, then Mr Meddick.

Mr BARTON: Thank you, Chair. G'day, Steven.

Mr PIASENTE: G'day.

Mr BARTON: When we think back to Hazelwood there is obviously lots of work being done for the transition, but what have we learned from the closing of Hazelwood in terms of what we did well and what can be done better? I am interested about, for instance: have we lost tradies down here and they have had to move away? Do you have any evidence around that sort of stuff or families moving out of the area? How do we keep them here?

Mr PIASENTE: I suppose from the council's perspective, the key opportunity was to actually have more of a plan about the future. Everybody—I have touched on it—knew that there was likely to be a closure by Engie of the power station at Hazelwood. There were lots of conversations about the place being run into the ground, lack of maintenance and so on from people fairly close to the source, and so that was known, and then obviously Engie made their call and decision to vacate. I think certainly from Yallourn's perspective one of the things that they did learn is being clear about when that would likely occur, so that announcement around 2028 I think provides certainty for workers, for people in that industry and for the community to understand that is the date that they will close. So I think that was certainly a positive in terms of understanding when that would be. There is certainly uncertainty around the future of power stations, about when they might close, although their licences, as I said, go to 2048. With changes in the energy sector that could occur much sooner. So I think the key thing that has already been learned, certainly from Yallourn's perspective, is to say, 'Well, this is what our time frame is for that to occur'. I think that is certainly a positive signal, although it does create uncertainty and anxiety for workers and people in the community. So I certainly see that as a positive, understanding that.

In terms of what the future might look like, I think the things that are spoken about with us at council and between the councillors is about: what is that plan in terms of where job creation would occur? So things like having support for a food precinct or a logistics precinct—we have ideas, but we do not have all the ideas as a

council. I think the sorts of investments that have occurred are around the government sector, whether that is in hospital or rail. So that is adding jobs in terms of that sector. But where real jobs growth will come is in the private sector, so support for businesses and industry. And I do not have all the answers; that is where I think the work needs to happen. I know the LVA have been doing a lot of work around smart specialisation, but what does that translate into? Which of the specific sectors need support in terms of job growth, in terms of funding? And whether that is also investments or changes to legislation that would allow for things that did occur with the LVA—tax incentives or tax breaks for businesses to establish. So what is the plan around that that would actually help businesses relocate or support new businesses to grow? There is a theory that around one in six jobs is created by the public sector. The rest is all private sector investment, and so that is where the real jobs are.

For worker transitions, for those people who work in the power sector, who are fairly well paid, they are probably not going to get the equivalent level of job in another industry without retraining and support and having those pathways. So also in terms of industry-led skills development—which I touched as well—what are those opportunities to support those people? I think they are some of the things that council is looking for in the future. There are certainly some things that have already been picked up that we have learned from the closure of Hazelwood. As I said, from a private perspective, in terms of Yallourn, as an example, saying when they would close, the latest date, provides that certainty. There is probably some more work around that. What are the things that also could be done into the future to support industry development? So food processing is probably a good example. There are certainly others that we have ideas around that could help grow jobs from a local perspective. Defence manufacturing is one of those that we have been working on; certainly we have been working hard with the federal government. There was one business—I think they were looking at the French submarines, though, in terms of supporting that one.

Ms SHING: Let us not talk about the French submarines today if we can.

Mr PIASENTE: They might need to rethink the work they have been doing. But they certainly came from a place of supporting the energy sector in terms of pumps and the like, and they were working towards defence. We have been doing a lot of work in that area as well with our team around what are the opportunities in defence, as an example. That is one of the areas we will continue to pursue to help support those businesses transition, if that helps answer that.

Mr BARTON: Excellent. Thank you.

The CHAIR: Thank you. Mr Meddick.

Mr MEDDICK: Thank you, Chair. I just want to start out by recognising that I am a visitor here today from the south-west, which is Wadawurrung country, and I recognise all elders past, present and emerging and any Torres Strait Islanders and Aboriginal people who may be watching proceedings today. I also pay tribute to the ongoing work of the local member, Mr Northe, who has been a tireless advocate for this region.

Look, thank you, Mr Piasente, for your presentation and your submission. I want to come back to, if I can, something that Ms Bath touched on, which is the unemployment rate. I have been for many years a strident critic of how this is reported. I do not believe that an overall unemployment rate actually reflects what is actually going on in the community. I think it should always be broken down into full-time, part-time and casual jobs, because there is this evil that presents itself that there is a percentage of people employed in a community based upon a single percentage figure that are not, and it does not speak to underemployment, which has become sort of a bit of a catchphrase.

So I am wondering: do you have any of the figures that might represent previously, so prior to closure, what the full-time employment rate was versus casual and part time across the board, not just from the power stations but right through the community, and what it might be right now? And the reason I ask is that the socio-economic status of a community determines in part what I would call community optimism: how they feel about themselves and how they go going forward, so the mental and emotional status of that community. That also helps drive how the government can look at investment, how to lift that community up. I fully expected after the closure of Hazelwood, for instance, that there would be a bit of a downturn in that community optimism. But I am wondering what that is like now with all of these announcements of investment by the government—

how that community is looking at how well they are turning things around and what you expect the uptick in full-time employment might be.

Mr PIASENTE: So we do not have specific data around whether people are employed full time, part time or casual. We did touch on, I think in our submission, that potential for underemployment. It is a key area of concern. So it is not something I have data on at hand. I can certainly ask the team to do some research on whether any of that is available. But that is of concern. I suppose the other issue of concern in Latrobe city is the participation rate. We do have, I think, one of the lowest participation rates in the state, if not more broadly, and so that is of significant concern.

So there is there is a gap there in terms of, I think, pathways for people who may have in the past had opportunities for apprenticeships. I even heard yesterday anecdotally—and it is something I need to review—that one of the group training entities in Latrobe city is just no longer able to operate. They only had three apprentices—so in the past you would have had a lot of those different pathways—which I do find very surprising, given the construction boom that is happening at the moment in housing and so on that is certainly an area of concern in terms of apprentices.

But, yes, having pathways for people might be one of those things around, certainly, that underemployment or lack of participation. It is a very diverse economy in Latrobe city. If you look at our SEIFA indexes, we have areas that have a very high level of advantage; then there are other areas of the city that have significant areas of disadvantage, and some of those areas of disadvantage may have examples of people who have been reliant on support from the government from an intergenerational perspective, so breaking that cycle is not something that I know changes overnight. Certainly it is probably not an area for this inquiry, but that is certainly something to think about in terms of how to actually tackle that as a community.

In terms of optimism, I suppose, moving to that point, there are jobs available for people. That is in some of the stats that have been quoted. I do not have the data, but it is around that there are a number of areas that people could take jobs up in in the community. Whether they are casual or not I am not quite sure, whether they are part time and people are not prepared to take those—or whether they are full time—I am not quite sure of the exact reasons. But there is, I suppose, a particular challenge around pathways for people to participate in the workforce locally that we need to tackle as a community, as I said.

So I think, moving to the point around optimism, there are certainly, I suppose, two parts of it. There is optimism around government investment that has happened and the changes that are occurring—obviously growth that is happening in the city at the moment; we have seen a number of developments that would have been marginal probably two years ago. During the pandemic, people, as I said, realised they do not need to be in the city; they can come and enjoy a fantastic lifestyle, live locally and maybe go to Melbourne for a couple of days a week to work. So we have seen some developments that have taken off. We think there is more that can happen in that space. On the converse side of that, obviously, are people thinking about potential closures and what that might mean for their employment. So you balance those two out.

Mr MEDDICK: So do you think there could be an uptake in those jobs that are there if there was, say, a role for government to play in communication of what they were providing, what that investment in the area means in terms of jobs? So people can have something visible that they can see and they go, 'All right. Well, this is available. I can move down that pathway'—training et cetera, whatever that might entail.

Mr PIASENTE: Yes, I think personally, for those areas that might have a high level of disadvantage and not necessarily have the aspiration might not have seen—they might have been in that situation of intergenerational disadvantage, and they may not have that aspiration. A lot of that comes from early years in education and people having aspiration. I think one of the things we are looking at as a council, as an example, is more promotion around the opportunities locally ourselves and marketing people within our city. It might have been somebody who had an apprenticeship and has gone and created their own business, as an example. Often you see places talk about the rising star that left the city or left the location—they promote them, whether it is Peter Siddle, for example, a cricketer—that had gone off to do something else and they might not be local, as compared to promoting—

Ms SHING: Petronas.

Mr PIASENTE: I said it was a cricketer, didn't I?

Ms SHING: A great racehorse.

Mr PIASENTE: As compared to promoting people locally who are actually amazing examples of people who have been able to do things locally. So there is some work I think we can do in that space. We would be looking for support in relation to that from other businesses and potentially from government to help support that program: how do we better promote what we have locally?

Mr MEDDICK: Great. Thanks so much. Thank you, Chair.

The CHAIR: Mr Lee Tarlamis has ceded his time to Ms Harriet Shing so Ms Shing can ask a couple more.

Ms SHING: There is such a thing as too much Harriet, and I am going to push the envelope a little bit on that. Just further to the point that you have talked about with the way in which we are dealing with disadvantage across the valley, and noting your comments around effectively a two-speed economy within the realms of people on a relatively high income and households with high incomes on the one hand, and then the intergenerational disadvantage and socio-economic disadvantage that has been a hallmark of this region, as indicated by the data, for a really, really long time, I would like to actually move that into a space where we can talk a little bit more about place-based initiatives and community facilities and the way in which that investment—as we note has been auspiced by the Latrobe Valley Authority—has translated to the community improvement and changes to livability as part of transition.

Mr PIASENTE: So I suppose the investments that we have seen that council have been the beneficiary of, whether it is an aquatic centre or basketball stadium, as an example, or even the other investments that we have helped facilitate for community groups, have been in that community space. So whether it is a sporting oval or an upgrade to a facility, that helps provide for some of those people in those communities aspirations to participate. One of the challenges in that again, particularly for those people that might be more disadvantaged, is how do they get access to those facilities, and so there is some work that council has been doing in that space to look at how do we provide that access. As an example, we have basketball stadiums that sit underutilised outside of normal operating hours on a weekend. Through COVID they were heavily underutilised. We could provide some opportunities for those people to access those facilities to then create a little bit more opportunity for them to participate in sport or other activities, as an example.

Ms SHING: And that has an economic knock-on effect, doesn't it?

Mr PIASENTE: Yes, people participating in society, health and wellbeing outcomes as well as the use of those facilities outside of when we would normally have them operating. One of my general managers always bemoans the fact that we lose money. I say, 'Well, no-one would buy a council. What we do is support the community in terms of the services we provide'. So having those facilities open is a cost to council, but there is a benefit in terms of social and economic outcomes for people who participate in them. The biggest driver of health and wellbeing outcomes is, though, I suppose economic advantage for people. Having those facilities is fantastic, but having pathways for people to get into employment and jobs—and some of that is a long journey, I understand—is a real key in terms of how you change that impact locally for people who might be disadvantaged. It is really through employment. So how do we create those opportunities and pathways? Things like TAFE you touched on there, Ms Shing, in terms of investments that are happening there—in terms of expanding those—I think are good. Pathways in terms of younger people even at secondary school or in primary school even, doing work in that space to actually support those people to identify that there is an alternative future for them, that they can participate in society in terms of employment. That is where the real change will happen in my view.

Ms SHING: And that is, on the TAFE question, something that goes directly to the pathways to employment and to apprenticeships. You referred to a couple of apprenticeships in a local training organisation that are not able to continue. But the data that we have from TAFE Gippsland is that there is a huge uptake, not only of the free TAFE initiatives and the courses on offer in the priority sectors that you identified earlier in your evidence today but that we are also seeing increased numbers of apprenticeships being made available not just through government projects but through private investments. In light of that and looking at the example you have said of three apprentices no longer having work, what would you say the link is and the correlation is between statewide initiatives, including those delivered through the LVA, and changes to employment prospects and to pathways for people who live and work in the valley?

Mr PIASENTE: I think having significant investment in the valley. I think some of those programs required that a certain number of apprentices were employed as well as people of an Indigenous background and the like. As part of those programs it is good to have that, I suppose, support for those pathways. That example was an anecdotal one that was passed to me yesterday so I do not have any details around that, but I do know in terms of TAFE some of the work they are doing in that area. But it would be good to hear from them themselves as to what they are doing locally and as to how that is changing in terms of numbers of apprentices. I have heard stories in the past about the number of apprentices, particularly what the energy sector would have employed as compared to what they still do. I think Yallourn has 15; that was one of the figures that was quoted recently. They still do, probably not to the same extent, but those trainees, traineeships, opportunities in apprenticeships in other sectors I think we need to support locally to continue to grow skills and provide those pathways for people in future employment in their own businesses potentially.

Ms SHING: Now, do you have cause for optimism across the Latrobe Valley since the closure of Hazelwood and the work that has been undertaken in earnest across the board?

Mr PIASENTE: Yes, as I said, I am typically an optimistic person and so the investments that have been made, I have always said, are a great foundation for support for this community in terms of all the infrastructure that has been delivered. So having a regional hospital of the size that we do have is amazing. Having investments in our regional aquatic centre, regional indoor sports stadium in terms of basketball plus all the other sporting investments, as well as our soon-to-be-opened regional performing arts centre—we will welcome you back for a visit when it is finished early next year.

Ms SHING: It is going to be amazing.

Mr PIASENTE: Our projects, as I said, are a great foundation and provide that support for livability in the community—great attractors—but I do think, as I said earlier, the investments in the private sector to help support them to grow jobs into the future is something that will continue to grow jobs beyond what government investment might put into those spaces.

Ms SHING: And finally, would you say that the Latrobe Valley Authority's work has contributed to the sense of optimism that you have just expressed?

Mr PIASENTE: Certainly in the funding that has been provided, yes.

Ms SHING: And process?

Mr PIASENTE: Yes, generally, from my perspective.

Ms SHING: Great. Thank you very much.

The CHAIR: Thank you for that, Steven. I just want to thank you, but before I do I notice there are a number of committee members that still have questions. So what we might do—it might be easier for Melina and Rod and anyone else that has a question—is just send our questions to the secretariat. So we will send them all in one group, and if Harriet or anyone else has additional questions—

Ms SHING: I do not think Harriet is allowed to ask any more questions!

The CHAIR: then we will send them in, I guess, one bulk email correspondence to you and the council, and if you could respond promptly, that would be of assistance. We are planning to be back out in the region in the new year anyway, so there is still some time. Steven Piasente, CEO of Latrobe City Council, I wish to thank you for your presentation today to the committee and your submission to the inquiry. It will assist us in our deliberations going forward. It was great to hear from Latrobe City Council first.

Mr PIASENTE: Thank you, Chair. Thank you, all.

Witness withdrew.