

TRANSCRIPT

SELECT COMMITTEE ON THE 2026 COMMONWEALTH GAMES BID

Inquiry into the 2026 Commonwealth Games Bid

Traralgon – Thursday 14 March 2024

MEMBERS

David Limbrick – Chair

Joe McCracken – Deputy Chair

Melina Bath

David Davis

Jacinta Ermacora

Michael Galea

Sarah Mansfield

Tom McIntosh

Rikkie-Lee Tyrrell

WITNESS

Steven Piasente, Chief Executive Officer, Latrobe City Council.

The CHAIR: I declare open the committee's public hearings for the Inquiry into the 2026 Commonwealth Games Bid. Please ensure that mobile phones been switched to silent and that background noise is minimised.

I welcome any members of the public in the gallery and remind those in the room to be respectful of proceedings and to remain silent at all times. Thank you for appearing today.

All evidence taken today is protected by parliamentary privilege as provided by the *Constitution Act 1975* and provisions of the Legislative Council standing orders. Therefore the information you provide during the hearing is protected by law. You are protected against any action for what you say during this hearing, but if you go elsewhere and repeat the same things, those comments may not be protected by this privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded, and you will be provided with a proof version of the transcript following the hearing. Transcripts will ultimately be made public and posted on the committee's website.

For the Hansard record, can you please state your name and the organisation that you are appearing on behalf of.

Steven PIASENTE: Steven Piasente, Chief Executive Officer of Latrobe City Council.

The CHAIR: Thank you very much. Nice to meet you.

Steven PIASENTE: Nice to meet you too.

The CHAIR: For the record, I will also get the committee members to briefly introduce themselves. I am David Limbrick, committee Chair.

Michael GALEA: G'day. Michael Galea, Member for South-Eastern Metropolitan.

Tom McINTOSH: Tom McIntosh, Member for Eastern Victoria.

Melina BATH: Hello. Melina Bath, Eastern Victoria Region.

The CHAIR: I will go to Joe.

Joe McCRACKEN: Yes, Joe McCracken, Western Victoria Region.

The CHAIR: Jacinta.

Jacinta ERMACORA: Jacinta Ermacora, Western Victoria Region.

The CHAIR: Sarah.

Sarah MANSFIELD: Sarah Mansfield, Western Victoria Region.

The CHAIR: And David.

David DAVIS: David Davis.

The CHAIR: Thank you. I will invite you to make your opening comments and ask that they be kept to around about 10 minutes. Please proceed.

Steven PIASENTE: Good morning, and thank you for the opportunity to present at the hearing today. As you are probably aware, Latrobe city, being one of Victoria's four primary regional cities, and Gippsland's only regional city, which is east of Melbourne, was confirmed as being one of the host cities for the regional Commonwealth Games for 2026, which was broadly anticipated to provide Latrobe city with a range of positive outcomes for the community. It is important, though, that I emphasise at the outset of this statement

that as a local government authority Latrobe City Council was proposed to be a delivery partner for the Commonwealth Games and we did not play any part in the original business case for the games, the decision-making process for the cancellation, obviously, or take part in any proactive bidding processes. Though, as a willing delivery partner we were committed to working collaboratively with all of our games partners to achieve the maximum possible benefit from the games in Latrobe city.

As a city, we have a strong reputation for successfully hosting major sporting events. Being one of the hosts of a global sporting event such as the Commonwealth Games would have enabled Latrobe city to showcase our municipality, both nationally and internationally. At a time when, I might add, Latrobe city is undergoing significant transition, of which you may be aware, the Commonwealth Games was anticipated to provide a great sense of community pride as well. As the games were still in the planning phase, the anticipated benefits were still to be quantified for us totally. However, we had done some work categorising the four primary opportunities that we saw in Latrobe city. Obviously the economic benefits – we thought they would predominantly be achieved through construction employment, although we were anticipating significant benefits through tourism and visitation during and after the games. The second category was infrastructure improvements – we had identified some of those ourselves previously – through the delivery of venues and other civic uplift. In addition to that, social and affordable housing was one of the outcomes we were seeking to achieve, particularly through the village site. Community development was the other category that we identified, and that was proposed to be achieved through local sports participation and also volunteering, in addition to obviously having significant international events occurring. Importantly for us, reputation and civic pride – the benefits of hosting an international event – were significant for us and an opportunity to showcase the city to visitors through global television coverage and other media. This was seen as an opportunity.

As you would know, on 23 July, with the cancellation of the games, for us at Latrobe city that came as a significant disappointment. However, the corresponding announcement of the various funding commitments was welcomed by Latrobe city at the time. There was a media statement I think we put out at that time and discussions with the councils in relation to that. Since last July officers have worked closely with our counterparts at the state government to ensure that, as best as possible, some of the aforementioned benefits are still able to be achieved. As you would be well aware, the outcome being planned, as part of the \$550 million state infrastructure package, for Latrobe city includes four primary venues, one of which is a community association that I will talk about, but particularly for us, the redevelopment of the Gippsland sports and entertainment park in Morwell as a regional soccer centre of excellence and entertainment precinct, and this site had been previously identified by council and had an endorsed master plan for its development. We had been advocating for both state and federal government funding for the delivery of that particular project. Upgrades to the pavilion and playing field at the Ted Summerton Reserve in Moe – these improvements here will focus significantly on improving opportunities for female participation in sport. Upgrades to our Gippsland Regional Indoor Sports Stadium here in Traralgon would include enhancements to the venue for broadcasting of major events and the like but also some other improvements, and this site has hosted in the past national basketball events and a range of other significant state and regional events. And the development of the Morwell Gun Club – which is a community club, not a facility that council manages – but enhancements as you would probably be aware to shooting facilities. Car parking access is still being planned.

There is also the local government support fund package, so council officers have been working to develop several projects and programs that will strategically fill some of the gaps that were left through the cancellation of the games. Some examples I can give in relation to that is: some economic development support, particularly as we are going through transition for Moe and Morwell – supporting local businesses is one of those areas we are looking at; innovative initiatives and programs to promote sports participation and volunteering still, so trying to capture that opportunity; some civic infrastructure upgrades proposed, including public space areas and access improvements as well as potentially public art; and upgrades to some of our other sporting facilities at a lower level for Morwell and Moe.

We understand the state government remains committed to the delivery of those proposed projects as well as the housing development at what was to be the athletes village in Morwell. We are still awaiting further details of this, however, we welcome the potential to increase housing stock of the right type and also include affordable and social housing. There are other funding streams you would be aware of. In terms of regional events and tourism, funds were announced as part of the cancellation. To date, I understand that there has not been a formal launch of that, but we do look forward to the opportunities that might exist there. And seeking clarification of the financial support necessary to deliver major events, particularly in activations of our newly

proposed, newly upgraded facilities, particularly the Gippsland Sports and Entertainment Park and the Gippsland Regional Indoor Sports Stadium. I think I will leave my opening statement at that point and give plenty of opportunities for questions.

The CHAIR: Thank you very much. One of the things that many of the other councils has been working on I believe is putting together costings to determine the amount of expenditure and things like this that were done in preparation for the games going ahead. I think many councils have been contacted by the Auditor-General to put together those costings. Have you put together those costings for the council?

Steven PIASENTE: The only costings we did capture directly were some of the employment costs. So you are probably aware we did, as part of the games initially, development. I was spending a lot of time, and a couple of other senior officers, being heavily involved in meetings and discussions about what was being proposed, so I actually went through the path of recruiting an individual to assist with that. So we captured those costs. We did not really capture the other costs associated with time and effort, and at the time I initially had another manager who took it on in addition to the role they were playing. So we did not really capture those costs and time and effort of lots of people in the organisation. It would be significant, though. I would hate to quantify what it is, but in terms of time and effort from other general managers, managers in the organisation and even coordinators and others who were involved in some of the proposals, there were ideas around, if I look at the Gippsland Sports and Entertainment Park, for example, we had a concept where there was lots of work happening about what that would look like. The athletes village – our planning team were heavily involved in that. So we did not capture it, but it would be quite significant. I do not think we did provide – I will take that question on notice to the Auditor-General – a quantified cost. We may have, but I will take that on notice and follow that up.

The CHAIR: Thank you. So just to clarify, then, it sounds like the only direct labour cost was one FTE. Is that correct?

Steven PIASENTE: Yes. Effectively, yes.

The CHAIR: Are they no longer employed by the council?

Steven PIASENTE: No, they are. That individual retained employment. I suppose I saw the opportunity, particularly through what we have done with other projects where we have had significant state government funding – we have been the beneficiary of state government funding for a whole range of other improvements associated with the closure of power stations, so a new performing arts centre or aquatics centre. What we did there was we actually added additional resources to deliver those projects. So with the Commonwealth Games change, we have transitioned the role titles to sporting legacy, redeployed in the organisation to deliver effectively these projects that will come onstream, because we needed that resource to deliver the new projects anyway. Given there was significant funding associated with them, then we would capture some of that funding from the state government to help deliver those projects in terms of project management. So we are still working through all that final detail, though, with the state in relation to that.

The CHAIR: Thank you. Some of the evidence we have heard from other councils is around there being a significant amount of work in the planning, but some of those councils have been able to re-use some of that work, because some of the work might have been for new infrastructure planning. Is any of the work that you said was a significant amount of effort able to be salvaged, or is that considered a waste?

Steven PIASENTE: I think in terms of the major infrastructure investments, obviously they are still being planned. They are very similar in style. There might have been some modifications to those in terms of slight changes, but those ones are definitely of benefit. The others, in terms of things like we were looking at activation of public spaces, some of that probably is not totally captured, but we are trying to seek some of that through the funding that is available to do some activation. It probably would not be at the scale that was proposed, but I know, for example, our economic development team were doing a whole lot of work about what the benefits could be to local businesses and how will we capture that. We are not going to capture all of that, but certainly some. So there are definitely some benefits still in some of that work, and that is being captured. There is probably some that has been lost, though, because it was going to be a much bigger event.

The CHAIR: Thank you. You mentioned one of the other potential benefits which we have heard in evidence from all councils – they were interested in the benefits to tourism. Are you aware of any operators that

made investments based on this proposed plan to have the games come, or was it just sort of in the excitement stage at this point?

Steven PIASENTE: I think that there is a permit that we have issued for new Quest apartments in Traralgon, as an example. I think they were already proceeding with their proposal; it was not because of the development of the Commonwealth Games. There certainly was some excitement around that, and if that project, which I think they are now working through in the tendering phases, had been delivered, it would have been of benefit for the games. But I think they were proceeding with it anyway. There might have been some other local businesses and organisations who were thinking about how they could potentially gear up. There certainly were conversations to help deliver the games, whether that is around security or venue management or the like. But I do not think there were any major investments made by anybody on that basis that I have seen.

The CHAIR: So those apartments that were approved by the council are still going ahead regardless?

Steven PIASENTE: Yes. I heard just after Christmas that they were out to tender and local subcontractors were bidding for the work, so I think that is proceeding anyway, which I think will be of benefit. We had a Mantra developed in Traralgon not long ago, and now a new Quest proposed. That shows a bit of buoyancy in the economy and people do want to invest, so we are keen to see that delivered. But I think that project was going ahead anyway. It was not going to be part of the Commonwealth Games, but they would have benefited from it, I expect.

The CHAIR: Of course.

Steven PIASENTE: And there is certainly an undersupply, from the analysis that was done, of accommodation venues within Latrobe city, so it would have been spread across the regions, what I understood was being planned.

The CHAIR: Thank you. I will pass to Mr McCracken.

Joe McCracken: Thank you, Steven, for appearing today. I have got a couple of quick questions that I will go through. Firstly, I want to get an understanding of Latrobe city's involvement in the games. What role did you guys play in terms of preparing for the games, if any at all? I know you said before that you probably had limited involvement, but can you just give me an outline of your involvement in preparing for the games, please?

Steven PIASENTE: Lots and lots of meetings in terms of meeting with different government agencies and attending different forums. In terms of direct involvement around, particularly, sporting venues, because we were going to be obviously delivering some of those or discussing with the government whether they would be delivered by someone like Development Victoria with us, we had intimate involvement around some of that. Certainly the planning, providing feedback around some concepts – and they were very early concepts – and attending lots of meetings; we did have involvement at that level, particularly around our venues. I think that was probably the primary area.

We also had some of our managers involved in working groups, whether that is in economic development or whether that is an arts and events, around how we might undertake activation. So that was really in that planning phase coming up with some concepts I can think of around the business development. Obviously Regional Development Victoria played a key role in that. But my teams were involved in working groups thinking about and working on what this could mean for our local economy in terms of people's ability to, as I touched on earlier, gear up to provide services to the games, as an example, or in the arts and events space, what activation of our public spaces would be. We have got a large screen at our Gippsland Performing Arts Centre outdoor space, so how could we have live sites there, how could we have live sites elsewhere in the city, as some examples. But I think the two areas that we predominantly were involved in were around the venues – our own venues – and providing feedback around some concepts. They were very broad concepts. There were not detailed architectural plans. It was really some ideas about what the site could look like. I have used the Gippsland Sports and Entertainment Park. We already had a master plan for that site. That evolved into something different through the games, and what will actually now be delivered will be slightly different to our original master plan but will still deliver on the same concept of having an outdoor park there for a centre of excellence for sport and for the soccer, but also other entertainment. So that is probably one of the major areas. The other one was the village sites.

Our teams were regularly providing feedback, more so around the principles of what council would like to see, and we did do some work around what that would mean for us at Latrobe, so certainly heavy involvement in some of that but not moving to, as I said in my opening statement, the point of providing any details and costings or proposals to government. It was really that feedback loop in terms of 'Here's an idea. What do you think?' and providing feedback around those is what I saw.

Joe McCracken: Are you able to send us a copy, or perhaps you might take it on notice, of a list of when the meetings were that you had with government, just so we can sort of see a time line of when all of that happened?

Steven Piasente: I think generally pretty early on I was heavily involved and then, when I had a manager take on some of that, I had them transition to doing more of the work. I think I could probably quantify that in time blocks as to over these particular months I was heavily involved and then other staff became more involved in some of those meetings.

Joe McCracken: And also dates, just so we can get an idea of when it happened. Are you able to do that, please?

Steven Piasente: I think, yes, in a general sense in terms of the general dates. I think to go through all of our diaries it would be pretty difficult to find all of those, but in terms of general dates around when planning started for us and up until when the announcement was made. There were certain times when we were heavily involved and other times we were sitting back waiting for the government to come forward with the proposal we would actually be responding to.

Joe McCracken: Sure. Did you get a copy or did you see a copy of the business case that the government produced?

Steven Piasente: No.

Joe McCracken: Okay. Did you make a submission to the VAGO audit around the games?

Steven Piasente: I did not. I was not personally interviewed. I handed that to two of my senior managers, general managers, who were more intimately involved, and so they participated in that audit. They did provide a copy of it, I think.

Joe McCracken: Yes. Are you able to provide a copy to the committee of Latrobe city's submission?

Steven Piasente: I think so. It was pretty light on. I have not actually read the final version of the report. I do not think it has been released publicly. There was an early version that was provided back to us for commentary, and I think there were not many lines in it that actually referenced Latrobe city. It was heavily redacted. We provided some feedback in relation to that, so I think we will be able to provide what our feedback was.

Joe McCracken: The reason I ask is that we will probably see the final report, but we will not see what input that you or others might have had. That is why it is good to see what you have said so that we can get a full picture, that is all. If you are comfortable to do that, that would be fantastic.

Steven Piasente: I will take that on notice, yes.

Joe McCracken: Thank you. Also, it has been reported that local government CEOs were required to sign non-disclosure agreements when conversations first began about the Commonwealth Games. Were you in the position where you had to sign a non-disclosure agreement with the government?

Steven Piasente: Talking to my counterparts at other regional cities, I thought you might ask me that question. Interestingly, I did not actually sign a confidentiality agreement. I actually at the time had concerns that if I was to sign that confidentiality agreement, I would be restricted in my ability to provide certain information to councillors, and as a CEO that is a critical role for me to keep them informed of things that are going on. One was provided, but I never actually signed it. I provided some feedback. I was certainly asked.

David Davis: Good on you. Well done.

Joe McCracken: Yes. What were the concerns that you had about signing it, apart from not being able to reveal full information to councillors? What else really raised red flags for you?

Steven Piasente: Reflecting back, I think it was primarily around my ability to participate effectively and provide feedback to my organisation and councillors around what was proposed. That was the primary reason. We did provide some feedback and some suggested changes that would have allowed me to do that effectively, but that did not progress. I might add, the information that was actually provided to me in the end was not that confidential. It was pretty broad concepts. I think a lot of it was already known publicly, but I had a concern definitely that if things were provided to me, I would not be able to share them. That was the primary reason.

The Chair: Thank you, Mr McCracken. Mr Galea.

Michael Galea: Thank you, Chair. Thanks for joining us today, Mr Piasente. I just would like to start with: you made a few comments in your opening remarks around the general state of the visitor economy in the valley, and in particular you mentioned earlier the Quest apartments which are being built in Traralgon irrespective of the games, which is obviously a very encouraging sign for the region. Can you talk to me a little bit about the trends that you are seeing, particularly with tourism and the accommodation sector locally?

Steven Piasente: From a Latrobe perspective, a localised perspective – and I am also one of the board members of Destination Gippsland, so we do work as a collective. I will go broader, sorry. If you look at Gippsland, there are a lot of natural assets in Gippsland that are very attractive, whether that is Wilsons Promontory or the penguin parade or Lakes Entrance and the like, and then the hills – so a lot of people would go to visit those – but for Latrobe city, a lot of our tourism is friends and family as well as people coming to events and activities, and so for us that real focus on events and activities is critically important. At Gippsland Regional Indoor Sports Stadium, for example, last weekend we held a junior basketball tournament for people from across Gippsland, and we have a junior tennis tournament in Traralgon, which is an international, which is a lead-in to the Australian Open Juniors event. We have a lot of those events that happen. So in terms of the local tourism market, it is predominantly I think focused on that family and friends and visitors to events and activities. There are some good local assets here and from a natural perspective around that people do come and visit as well. There is nearby Tarra-Bulga National Park and the likes. There are lots of great assets here. But for Latrobe city, in terms of the city itself, we are probably focused on that.

In terms of the accommodation providers, during the week they get a lot of activation from people who might be working in other power stations, or a paper mill or the like, or other businesses, who are travelling through. On weekends we try to have that balance where you do get a bit of that activation, and in places like Traralgon, I might add, for example, have a really good night life as well as restaurants and the like, so you do get a lot of people coming and visiting, and the performing arts centre, so those sorts of things are a real attractor. I think the economy could always do better, as we know, in terms of it being a little bit tougher at times and particularly at the moment. But our focus has been on trying to attract events and activities to help boost the local economy and particularly outside of those peak times as well as weekends.

Michael Galea: It is quite interesting with your perspective as well as the broader regional work that you do in that space, and obviously you mentioned Tarra-Bulga and places like the Prom, the lakes and everything else too that draws people in. Are you seeing an increase in the relative number of people coming to Gippsland who are actually coming to the valley? You mentioned, like Traralgon in particular, you mentioned the night-life. I am not sure if it is still there, but I seem to recall that there was a light-up dance floor last time I was out in Traralgon at night. It was quite funky, quite cool. I am not sure if that is still there, but are you seeing much more of that – and with events such as the Traralgon International, that lead-up event to the Australian Open – are you seeing more people coming to the valley specifically out of that wider Gippsland market?

Steven Piasente: Yes, definitely. Family and friends do play, as I said earlier, a significant part in visitation, but events and activities that we have – so we have got things at our regional indoor sports stadium like the Victorian Teachers Games. We have got table tennis events, we have got bowls events that are across Victoria and we have national basketball events. We have had things like the Harlem Globetrotters come and fill out our stadium. The current Gippsland Regional Indoor Sports Stadium has 3000 seats and for those major events it can fill up and be quite noisy when you attend those events, particularly basketball. But we have lots of other sporting activation and events that happen, as well as there was the Boolarra Folk Festival a couple of

weekends ago. So those sorts of things we do get significant visitation from and attraction from outside of the region.

Things like our Gippsland regional performing arts centre, we have people come from the regions. We are just doing some analysis at the moment about – and from outside of the region – people who are coming to see people like Missy Higgins play at a venue like that. That was built a few years ago. I touched on earlier, we had significant state government investment as well as council investment in some of these new facilities to try to attract people to come locally. We have got both the benefit of locals accessing those great facilities but also attracting people from within Gippsland and, we are finding, from outside of Gippsland as well, as an attractor. Partly our strategy at Latrobe is also if people are coming to the region, if we can try and capture them to stay here for a night and come and visit some of those facilities and spend their money locally, boost the economy, they might then go on to the lakes or somewhere else and stay. That is what we are seeking to achieve in that space.

Michael GALEA: Terrific – and I would also note the Gippsland Regional Aquatic Centre. I think Geelong – but it might have been other councils as well – and sporting groups out west of the state were quite envious of your facilities there, and I note that you are hosting the short course championships for the Victorian country swim meet later this year in August. Has that had an impact too, similarly, on being able to draw people into the region?

Steven PIASENTE: Yes, definitely. They had the country swim championships I think in late January, early February. I think it was actually at the same time we had the international junior tennis, so that was a significant attractor. People were coming from outside the region, and one of the things they find when they come here is they stay and they spend their money locally. They are actually very surprised at the quality of the assets that we have and the places that we do have around the city. If you look at some of our gardens and, as I said, restaurants and places to visit, they are quite good – very good, actually. So they are very surprised at the standard that we have in Latrobe city. We had significant visitation through those events and lots of people spending their money locally, which is great. It is part of trying to support the local economy as best we can.

Michael GALEA: And are you hearing concerns from local accommodation providers about not being able to meet that demand in some cases?

Steven PIASENTE: I think there are certainly different levels of accommodation providers in every location, and we are no different. So you have some of the lower cost – entry-level if you like – up through to the higher cost facilities. Not the 4- and 5-star, but certainly Mantra and Quest will add to that quality as well as our other providers. I think from what I hear – even when we had the proposal for the Quest as an example to develop, we might have had some objections from local providers saying the market was already saturated. But we had that same proposition put forward when the Mantra was being built, but I have not seen closures of any. Part of our strategy is to boost visitation and events and activities so that they are well supported, so it is not an investment that is wasted. From what I am seeing and what I am hearing, I have not received many complaints myself around that particular issue that there are any problems. I am keen to see further investments in quality accommodation, which would be a benefit for not just us but the region.

Michael GALEA: Excellent. Thank you.

The CHAIR: Thank you. Ms Bath.

Melina BATH: Thank you. I will call you Mr Piasente today. Thank you for your fearless advocacy for your region and for your council and for not signing a non-disclosure form even though it was put under your nose. You have mentioned a number of things, and there is a lot I want to talk about, but infrastructure improvements, social and affordable housing. I am aware that in 2020 the government as part of the big build had \$60 million allocated for social and private rental increases for low-income earners. You may need to take this on notice. How many of those new dwellings have been delivered in the Latrobe City Council area, and what is the net housing stock increase?

Steven PIASENTE: I would definitely have to take that on notice. I had seen a number of permits come through and also announcements from government around that, but I would not have the detail of the actual numbers being delivered.

Melina BATH: Okay. Could you do some research and provide that?

Steven PIASENTE: I will see if we can find out. I will ask.

Melina BATH: To your knowledge, has there been new housing stock in the social and affordable housing?

Steven PIASENTE: I definitely have seen some, and I note through the planning processes there have been some proposals, I know some of which have been delivered, in terms of improving social and affordable housing.

Melina BATH: It would be great to take that on notice. Now, Latrobe City Council has its own social and affordable housing plan. Part of the reason for this inquiry is for there to be the legacy of what would have been the Commonwealth Games. There would have been a date in 2026. Those athletes villages would have been built in English Street, for example – no kitchens or garages I think at the time, but repurposed. You would have had something. I am asking you: what is your housing strategy? What do you want from the government in its non-delivery of the Commonwealth Games?

Steven PIASENTE: Council has done some significant work around what it believes would be appropriate in terms of housing strategies and particularly in relation to affordable and social housing, and a lot of that strategy is around making sure it is in the right place in the city. If I reflect on particularly the English Street proposal, I think council certainly had some concerns around what would have been delivered, and I think there is now an opportunity with a repurposing, a rethinking of that. What would be the right outcome in terms of delivering in that particular location? Our desire is to see particularly that style of housing delivered in areas where you have good public transport, close to activity centres – the sorts of things you would see in metropolitan Melbourne. We want to see that in a lot of good locations.

Melina BATH: So how are you communicating that to government, and what is your ask?

Steven PIASENTE: We have been certainly talking through Development Victoria primarily, and we have some contacts with them. We understand that they will be the delivery agency as well as other state government agencies that have been engaged. It has gone a bit quiet at the moment, to be frank, but what we are seeking to have delivered as part of the games is the appropriate style of housing for that location, acknowledging that probably some will be sold off, but also delivery of social and affordable housing. Council has a very strong position around where that should be delivered in the city – not just the English Street site but across the city. It needs to be appropriately located.

Melina BATH: Sure. In terms of ‘It has gone quiet’, can you – you may need to take this on notice – tell us when was the last time you had conversations in relation to that and what have you asked? What time line do you want to see?

Steven PIASENTE: I think the last contact I had was probably over a month ago, in terms of them providing a brief update, and they were going to come back to us and outline what was proposed. They have not told us exactly what that is, but what we would like to see, particularly if you look at the English Street site as a legacy, is a style of housing that is consistent with the neighbourhood character. I think what was originally proposed was something much denser, and in my personal opinion and I think from the principles of the council, if adopted it would not have fitted neatly in that precinct, what was originally proposed. Now we have got an opportunity to deliver something that is a better fit for that location and would incorporate social and affordable housing. In terms of a percentage of social and affordable housing, I think there were some numbers thrown around at the time. It might have been up around 20 per cent. That is certainly not what council would have liked to see delivered, from what I understand. It was probably lower than that.

Melina BATH: Sure. I think my time is about to go, but I just want to go to reputational and civic pride. You mentioned since your tenure the closure of Hazelwood, Carter Holt Harvey, the closure of native timber, loss of jobs at Opal and the slated Yallourn closure by 2028, and Morwell has got a current unemployment rate of 10.5 per cent. What do you want to see fed into the Latrobe Valley and the township of Morwell in terms of building up that reputation and civic pride?

Steven PIASENTE: I think good public places play a part in that, and activation of those places. There is no use just building something and then leaving it dormant, so good activation. If you think about the Gippsland

Sports and Entertainment Park as one of those, it is not just about building the facility. We actually would like to see funding that would be available to help us activate that. Having national or even state-level events and potentially international events does not come cheaply. We would need support to attract some of those, and we have done some of that in the past with the government.

Melina BATH: And in terms of the sports and entertainment, have you got a time line and a commitment of funding? What is your ask and what are you hearing, and what are you asking the government?

Steven PIASENTE: We do not have that commitment in terms of any signed funding agreements at this point. They are still being worked through, I understand. In terms of the total value of investment in that site, I would estimate it is somewhere around \$40 million to \$45 million. That is probably one of our major – that is definitely our most significant investment. It might be slightly higher. In terms of time lines, we have been waiting for a while to see that delivered in terms of a funding agreement, so we would like to have that sorted as soon as we can so that can be delivered within the next couple of years – acknowledging that there will be people and community groups who will be displaced from that site, so we will need to plan through that, but equally there will be demolition works and delivery of that would probably be over a 24-month period, I would estimate. But I would get the team to work through that with the delivery partners as to what the exact timing is. But that is something we would like to see.

The CHAIR: Thank you. Thank you, Ms Bath. Ms Ermacora.

Jacinta ERMACORA: Good morning. Thank you for appearing this morning. Nice to meet you. I am quite distracted by the reference to a light-up dance floor by Mr Galea. It reminds me of the Croxton Park Hotel when I was at university, which did have a light-up dance floor. I wanted to ask about the \$25 million council support package which you referenced earlier, and just a little bit more information on whether or not you can elaborate on the projects that will reflect the priorities of Latrobe City Council.

Steven PIASENTE: Yes. Thank you. I think what we are trying to align with those is still funding for issues and programs that promote sport participation and volunteering. As one example, what we were working on previously with some of the other agencies was what a pathway would look like for increasing sports activation around rugby sevens, which was proposed. That might now change. It might be funding that we utilise to help promote sports participation in other areas, particularly female sport participation. If you look at Ted Summerton, as an example, that could be one area that we would concentrate on. At this point we have not gone down to the detailed work, but that is the sort of concept around how we might best utilise that funding now to increase participation at the venues we are going to develop, as well as potentially some of the other ones. So that is one example.

I think the economic development – there was obviously lots of talk about the benefits of the games from an economic perspective. We would still like to tap into that funding to drive some economic outcomes, whether that is supporting local businesses – and for a city that is in transition, there are a number of businesses locally who have historically had the benefit of good supply chains and good, strong work that has come through from the power sector or Australian Paper, and so those businesses are going to need to rethink their future in some ways. How we support those businesses to think a bit differently was one of the concepts, as well as just supporting the local business chambers and activating public spaces. They are certainly some examples, as well as activation of places that would attract some visitation, picking up on what would have occurred through the games, and would there be funding available to attract some sporting events and the like as part of that – some broad concepts there. There was also some funding set aside for, I think, some upgrades to some other minor facilities in some of our townships.

Jacinta ERMACORA: Thank you. I am not sure if you know, but I live in Warrnambool, which is almost the other end of the state from where we are today, and there is a challenge in the south-west region around worker housing and key worker accommodation. The challenge is that, unlike in most parts of, say, Melbourne where you could change jobs – or attract a new worker – and still stay in the same home that you are currently living in and perhaps adapt your travel time, in outer regional communities like the south-west, and I guess this is my question for your region too, I presume the challenge is that attracting key workers often involves moving house and moving an entire family and that dynamic between child care and housing being available. So with the \$150 million Regional Worker Accommodation Fund, firstly, is that an issue for you, and secondly, is that fund going to help you?

Steven PIASENTE: It is in some sectors. We have had a recent upgrade to Latrobe Regional Hospital just near where we are today, and they have had to go on a recruitment drive to increase the number of staff they need. They actually have tapped into the UK market and New Zealand and international workers. I know the CEO there. I was chatting to him recently. He had been over to the UK and was quizzed even on one of their national TV programs about how he is coming to the UK to take their workers when they are in need as well. But we have a shortage in that sector, as an example, so there is a challenge around accommodation. We saw significantly, like the rest of regional Victoria, high demand for accommodation throughout the pandemic. There still is high demand and a limited number of places available, so that is a challenge. So I think there is an opportunity around worker accommodation. I think that issue is probably of more significant impact in some of the predominantly tourist-based locations like Bass Coast and I think even East Gippsland to some extent, talking to my counterparts, than it is here, particularly in terms of hospitality. But we are seeing some challenges around key worker accommodation in Latrobe, as I said, around the health sector with the expansion of some of our services. That has been a challenge. So to your question, I think there is an opportunity to try and tap into that funding that has been made available to try and address some of that issue in some way.

Jacinta ERMACORA: And just to follow up on something you said earlier about the English Street site: it sounds like that is actually going to be a better and perhaps more considered housing outcome than if the games had gone ahead. Could you explain a bit more about what that better outcome might be and the neighbourhood character of that area?

Steven PIASENTE: That particular site is sort of on the fringe, if you like, of where the current Morwell residential precinct is. There are plans certainly to expand Morwell beyond that, and what was originally proposed was a very high density development in that precinct. Beyond that you have a number of larger properties – rural residential lifestyle lots, probably people would refer to them as – so to fit right next to that a high-density development probably was not going to be the right fit. It was definitely not from the council's perspective. So I think there is now an opportunity to reimagine that in terms of a better style of accommodation on that site that would be in better keeping with the neighbourhood character – in terms of lot sizes, when I say neighbourhood character, predominantly. That is probably the thing that can change significantly from what was originally proposed.

Jacinta ERMACORA: Terrific. Thank you.

The CHAIR: Thank you, Ms Ermacora. Dr Mansfield.

Sarah MANSFIELD: Thank you. And thank you for appearing today. I just want to follow up on a response to Ms Bath's questions about social housing. You mentioned that there were not details yet about the village site and what proportion of that will end up being social housing. You said some figures have been put out there, 20 per cent or maybe lower. I just want to clarify whether it was the council's preference for a lower amount or was it the council's preference for around 20 per cent. What has the council been advocating for?

Steven PIASENTE: I do not think the council endorsed a figure, but there has certainly been speculation about a higher rate of social and affordable housing in that location. Some local community members certainly have raised concerns about having a much higher density of social and affordable housing. From a policy or principle perspective around social and affordable housing, I personally believe that it should be dispersed throughout the community; it should not be all located in one location. We have seen some challenges within Latrobe city in the past. We do have a higher rate of social housing than a lot of other locations, and a lot of those have been located in particular precincts. They have not been spread across the municipality. So I think from a personal perspective my view is that a diversification of social and affordable housing across the city would be a better outcome, in the right locations. It is always hard to say what the right number is. For example, if it was a higher number and was spread across the city, I think that is a better outcome than a higher number in a very concentrated location. We have seen some challenges in the past around some of these locations, where there has been that high density in particular locations in the city.

Sarah MANSFIELD: Is that something that you included in discussions around low-density funding for housing?

Steven PIASENTE: Yes, my team have, and council has had some broad discussions around what our housing policy is, as I said earlier, putting that lens over where social and affordable housing should be

provided. We have certainly fed that back to government agencies, our views regarding that. As I touched on earlier, it is having good access to public transport, having good access to activity centres. Accessibility is key, so making sure that we meet some of those criteria, and we certainly have fed that back to government.

Sarah MANSFIELD: Do you know what the current need is for housing in general and social/public housing in particular in the area?

Steven PIASENTE: It is speculated quite often or regularly in the city about what the demand is for housing. We have a number of constraints around our city, such as mines and flight overlays, and there are also coal overlays that prevent particular land from being developed or expanded into. We certainly have seen very strong growth in a number of our townships, Traralgon in particular but also around Newborough and some in Morwell, so there is demand. It has probably tapered a little bit, obviously as it has in another areas post pandemic and with the economic outlook. That will change, though. We have a number of greenfield sites. But I think there is certainly an opportunity around social and affordable housing from my perspective. We do have a number of Crown parcels that are in close proximity to CBDs, former school sites, that would be I think ideal for redevelopment in the future in terms of new housing, both that would be sold on the market and also social and affordable housing. So there is demand. It has probably tapered a little bit. I think that will take off again into the future. I would like to see repurposing of some of those older sites that have not been developed in the past, that have been left to some extent. Some have been repurposed to some extent for other purposes, education and the like, but they could be repurposed and reimagined in the future in terms of revitalising and redeveloping the CBDs, particularly around some of our townships. I think there is the opportunity to grow those towns more significantly into the future.

Sarah MANSFIELD: You also mentioned that the funding agreements were yet to be confirmed for some of the infrastructure spending. Do you have any indication whether there will be an expectation that there will be co-contributions from the council for some of this legacy infrastructure?

Steven PIASENTE: I believe not, and we have certainly made it known well and clear to the government that our ability to provide additional funding into these projects is zero. I touched on it earlier – we have been very fortunate in terms of having had a number of major projects delivered in Latrobe city, some of which we provided funding for ourselves and some of which came from low-interest loans from the government. However, the operating costs of those new facilities are quite significant, so things like the performing arts centre and the regional aquatic centre have soaked up our capacity and, I might add, combined with the closure of power stations, had an impact on the outcome of Latrobe city financially. We lose revenue when those power stations close. I use the example of Hazelwood – they were paying \$2 million in a rating agreement; they are now paying zero because they are valued at nothing, they tell us, so we have actually lost that revenue. So we have got no ability to provide funding, but I understand we have made it very clear to the government that we are not making a contribution or will be required to.

The CHAIR: Thank you, Dr Mansfield. Mr McIntosh.

Tom McINTOSH: Thanks, Steven. Just following on from that conversation, obviously I want to start by acknowledging the massive transition we are making in Victoria. Latrobe City Council are at the front of that. Hearing you talk about the investments, I suppose, that have been made in the last decade into the region, that sort of \$1 billion, \$2 billion you spoke earlier about – people are surprised by the quality of the facilities. I am understanding you talk about the running costs, but as my colleague Mr Galea talked about, say, in Geelong, they were very envious of the aquatic centre, the ingenuity that went on in the design and construction of that to lower running costs and whatnot. So I suppose just to touch on that side of things briefly, do you think that that investment over time has helped when you talk about people being surprised and the ability to bring people in? Do you think that investment has helped to be able to set you up for what is currently being delivered at the moment?

Steven PIASENTE: Definitely. I think the investments that have been made are great. A lot of those are around livability. There has been \$1 billion invested in the region. Half a billion dollars is going to rail – that project still is not completed in terms of regional rail revival. Hospital upgrade, \$300-odd million. \$100 million in sporting infrastructure that we delivered as well as a performing arts centre, so we ourselves spent probably around \$160 million, predominantly from federal and state government funding but also our contributions over the last four or five years. They have been great investments in the city. They do have the ability to attract

people, but they also benefit locals in terms of their utilisation. I personally use the aquatic centre, so that is a great asset to see and be able to use, as well as having state events and others come and use that and spend, then people come and stay and spend money locally. It is quite significant.

I think from a transition perspective, going to that point, council is very keen to see support for future investments around job creation, and there is some work happening in that area, but the investments that have happened have been good. They have set us up well for the future, I think. We want to capitalise on all those investments, so the ability to utilise funds that might be available through the Commonwealth Games not being delivered to attract events and the like, particularly multiday events. I think we have seen in the past when the Latrobe Valley Authority was established – they provided funding over a number of years around having AFL football matches, for example, practice matches. We had T20 played, as an example. They are a good one-day event. They help create civic pride. They have people come and stay for the day, but they do not spend their money locally and stay overnight. So the things we want to see as part of that future investment are around those multiday events in that area but also investments in jobs and the economy. We have got some ideas around that, and we are working with the state government on it as well, but I think going back to the Commonwealth Games is an opportunity to tap into some of those funds to continue that activation, promotion as well as utilisation of these assets over the longer term.

Capital investments are great. If I use the aquatic centre as an example, it is a \$60-odd million investment, and it will cost us over its lifetime another \$60 million to \$100 million to operate. It is more than \$1 million a year to operate that centre. We did introduce some efficiencies in that. We use geothermal heating and the like. That does save us significantly, but there is still a big investment, and it is a big cost. There is a big benefit to the community, and we want to capitalise on that investment, I suppose, is what I am saying. If we can continue to work with the state government around support for funding, providing funding to help us attract multiday events and the like as well as our own ability to use it locally, that is where we get the benefit from those. I know people locally who have come into the region, and part of that is we have a good local regional hospital. We have great assets. The rail upgrades will be good in terms of an attractor – people will be able to move backwards and forwards. But through COVID everybody knows people moved to regions. I have seen people move back to our organisation who have come from overseas. They have come back to the region. They have had family and friends. They have relocated back here, and they get to use all these great assets. They have settled locally, and they will continue to be employed with us locally, hopefully, for a long period of time. But having that ability to attract people through events and activities as part of that funding particularly will be a benefit to us, we hope.

Tom McINTOSH: Yes. You made some comments before about the energy sector. Obviously change is happening there – you have had the privately operated generator exit the market. You talked about local suppliers and their work going forward. The program of work with the sort of \$40 billion to \$60 billion of investment in offshore wind – granted your council is not as close to it as perhaps South Gipps or Wellington, but do you see that supply chain opportunity there for businesses within your council? Is that something you are supportive of and wanting to be a part of?

Steven PIASENTE: Yes. So we have done some work around a transition document called *Our Transition*. I can provide a copy. That sets out a new energy future and what our role might be in that. Obviously with that – you touched on then the change in the energy sector, new wind and even potentially some solar farms locally – there will be some local providers that we hope will be able to bid into that work particularly around construction, which is where the majority of those jobs are. I think, as you touched on, South Gippsland and Wellington and even others more remote might get some advantage out of that as well, significant advantage, particularly through the operation and maintenance if you have another port, for example, to help those people access those facilities. I think during construction is where we see the opportunity locally, but also potentially for some ongoing jobs, whether that is in more technical side of how those things are managed as compared to the construction. So that is one of the areas that we are working on with our teams – how do we support businesses to potentially participate in those changes?

Tom McINTOSH: I was going to go further into construction, but I am out of time. I will leave it there. Thank you.

Steven PIASENTE: You heard the bell.

The CHAIR: Thank you, Mr McIntosh. Mr Davis.

David DAVIS: Can I thank you, Mr Piasente, for your presentation today and your lucid approach in particular for resisting signing that non-disclosure agreement. We think you are a poster person for CEOs around the land who all too easily cave in to a bullying state government. But I just want to follow on from Ms Bath. With the public housing issues and the affordable housing issues and the potential legacy public housing, it would be very helpful for us if there was a sort of a stocktake document that you had that looked at public and social housing and affordable housing in your municipality and that perhaps even tracked that. What we are interested to see is that the state government is held to account here and that there is a significant increase in the availability. Do you have such a stocktake document? I guess that is what I would say.

Steven PIASENTE: I would have to take that on notice. I know a couple of senior members of my team are very passionate around this issue, and they have done some work previously around what social and affordable housing might mean in terms of our policies, so I am happy to provide that detail where I can. I do recall, I think it was some time ago, the state government had proposed some changes to how funding might be provided for social and affordable housing into the future. And when that was being proposed I did see some data around where Latrobe sat particularly in terms of social housing. It was very high as a percentage in comparison to most other municipalities. And as I touched on earlier, a lot of that is concentrating in particular areas. So I think the policy position the council has developed would assist the state government to deliver a different outcome in the future, which may be beneficial to this local community. So I can provide that detail where I can. I am happy to take that on notice.

David DAVIS: That would be very helpful. There was another document that my colleague just mentioned, or you mentioned in response to him, a transitional document on some of the new energy matters. Is that document available in some format?

Steven PIASENTE: Yes. It is readily available. I think it is on our website, so that transition –

David DAVIS: It is on your website. It is the one you are referring to there, is it?

Steven PIASENTE: Yes, titled *Our Transition*. That document does not just focus on the energy sector. There are a whole range of other transition opportunities. One of those is right nearby where we are today in Latrobe at our airport, which is around advanced air mobility. So it is a whole range – and advanced air mobility, I might add, is about large drones. We are doing some testing around how they might be able to be used in the future, with Swinburne and Textron and some other industries. They are just a couple of examples of some of the things that we are seeking to support in terms of transition. We are happy to provide that.

David DAVIS: And the Latrobe Valley Authority: has it contributed much in recent times?

Steven PIASENTE: We do work fairly closely with the Latrobe Valley Authority. They are still operating and working with us around particularly the new energy sector. So that discussion earlier – they are doing some work around that. They have developed up a Gippsland transition plan. Council has supported that and provided feedback around the things that we would like to see, which is linked to our transition plan. So there is still work happening that they are doing, and we work closely with them in their delivery of those things where we can.

David DAVIS: Yes. Thank you.

The CHAIR: Mr Davis has finished, has he? I will pass quickly back to Ms Bath.

Melina BATH: Thanks, Chair. The new energy future, or the transition plan, did that include any statements about the hydrogen project?

Steven PIASENTE: Yes, it does.

Melina BATH: Can you expand on that and the importance of what hydrogen could look like in the economy and specifically job creation?

Steven PIASENTE: The *Our Transition* document does include that as part of a new energy future. A pilot project in Latrobe city around the hydrogen energy supply chain, which was successfully delivered – council's

view is the next phase of that should be delivered and it is supported in terms of a transition pathway to hydrogen of the future.

Melina BATH: To renewables potentially being hydrogen?

Steven PIASENTE: I was just going to add that. That can potentially be a pathway to renewable hydrogen. I understand the state government and talking to the federal government, they have had some funding available for renewable hydrogen. So we see that as a pathway opportunity. You could develop an industry locally through carbon capture and storage and hydrogen production that could then transition to full renewable hydrogen into the future in terms of other sources as that becomes more economical. The experts we have spoken to and had presentations from are supportive of that. I attended a forum even last week where that was spoken about again as a potential pathway opportunity in terms of creating that local hub of innovative businesses who would assist to deliver new jobs in that sector around hydrogen production of the future.

Melina BATH: And at the time when the HESC was undergoing the shovel in the ground, the then and still current Victorian Treasurer came down, Tim Pallas, and spoke very glowingly of it. Have you had any further conversations with him about it?

Steven PIASENTE: Not the Treasurer directly, but we have been in liaison with the state government agencies as well as some members of Parliament indicating our support for the project and advocating strongly that it is a project that should be delivered – or supported. As I understand it, the funding will come from the Japanese government –

Melina BATH: The consortium.

Steven PIASENTE: for this particular – the consortium. It is not seeking state government funding, but it is about the approvals processes and support for the project to be delivered locally. That is what we have been advocating for.

Melina BATH: Thank you very much.

The CHAIR: Mr Galea.

Michael GALEA: Thank you, Chair. Just briefly, we have talked a lot about obviously the big towns in the valley as well a bit today. There are also some smaller communities that you have as well, from Yinnar and Boolarra in the south to Toongabbie and Glengarry in the north. The Tiny Towns grant program has been underway quite recently. Is council supporting any of its communities for a grant as part of that program?

Steven PIASENTE: I cannot recall. I might have to take that one on notice, but yes, we do have a diversity of townships in Latrobe city that would be keen to seek some of those funding opportunities. But I will take that question on notice as to whether we have supported any through that program.

Michael GALEA: Great. Thank you.

The CHAIR: Thank you. Thank you very much for appearing today. You will receive a copy of the transcript for review in about a week, and after that it will be published on the website. Thank you very much again. The committee will now take a short break to reset for the next witness.

Witness withdrew.