T R A N S C R I P T

LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

Inquiry into the closure of the Hazelwood and Yallourn Power Stations

Melbourne—Wednesday, 16 March 2022

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Mr Gordon Rich-Phillips

Ms Harriet Shing

Ms Kaushaliya Vaghela

Ms Sheena Watt

WITNESS *(via videoconference)*

Ms Nicola Pero, Chief Executive Officer, Food & Fibre Gippsland.

The CHAIR: The Economy and Infrastructure Committee public hearing for the Inquiry into the Closure of the Hazelwood and Yallourn Power Stations continues.

I wish to begin by acknowledging the traditional owners of the land, and I pay my respects to their elders past, present and emerging.

My name is Enver Erdogan, and I am the Chair of the committee. I am joined by my fellow committee member Ms Melina Bath also.

To 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 this hearing is protected by law for defamation. 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, and you will be provided with a proof version of the transcript following today's hearing. Ultimately transcripts will be made public and put on the committee website.

We welcome your opening comments but ask that they be kept to a maximum of 10 minutes to ensure we have plenty of time for discussion. We are joined by Ms Nicola Pero from Food & Fibre Gippsland; she is the CEO of that organisation. Over to you, Nicola.

Ms PERO: Thank you, Chair. If I also might say in advance: I have stacked treats for my dog, but the person who was going to look after my dog today has gone COVID positive. I have a young puppy with me, but I am hoping that she will be quiet.

As you said, I am the CEO of Food & Fibre Gippsland. Food & Fibre Gippsland was amalgamated at the beginning of 2019 from two other bodies. One was called Agribusiness Gippsland; that had been operating for about 20 years. The other was called East Gippsland Food Cluster, and that had been operating for about 10 years. The reason for the amalgamation was to bring together unified voices in representing the food and fibre sector.

If I could just clarify to you, because a lot of people, when you say, 'food and fibre', tend to go, 'Yes, farming'—if I could just quickly cover the value chain, there is a difference in how we look at it. Food & Fibre Gippsland, our engagement and our reach is from seeds and soils through to makers, growers and producers through to manufacturing and processing, markets—both wholesale farmers and export markets—agritourism and hospitality. And then you need to wrap around that aspects such as workforce, the circular economy, climate impact and technology. So hopefully that gives you just a little bit more of an idea. We speak very much about value chains. I do understand that government-tracked data, so the Australian Bureau of Statistics, looks at it somewhat differently. They tend to look more at pre farm gate, so you will hear a lot of labour statistics around agriculture, forestry and fishing. That is a very vertical view versus a value-chain view, which industry tend to engage in more.

The CHAIR: I appreciate that clarification, because that is right, when I looked at Food & Fibre Gippsland and what you do. That is a nice explanation of the value chain, the work that your organisation does.

Ms PERO: Great. The value chain, if you like, in Gippsland, the gross regional product contribution—and most of the data I have access to is pre COVID, so there is a considerable amount of work, probably in all industries, to be fair, that needs to be done post COVID as to what that now looks like—contributes, or was contributing, around $7 billion within that value chain, so it is significant.

Our organisation is also what is called a cluster, so we are well supported by FIAL, which is the Food Innovation Australia Ltd. It is the commonwealth growth program for food and agribusiness. That means that 'incorporated' is sitting in our DNA; it is very much around collaboration, innovation and systems thinking. So we think very much whole of region, we work very much whole of region and we understand the LGAs and the component to operate in and engage in as part of that whole-of-chain view.

You will be well aware of course that Gippsland is the size of the Netherlands. One of the other reasons why we need to look at whole of region is we have a significant workforce mobility in the region, where people will travel across shires to do work. What are we not? We are not a political lobby group; we are an industry representative group. Some of the programs—just to give you a little bit more insight, and please stop me if all of you have had a good look at our website and I am kind of telling you what you already know. We are the Gippsland node leader for the Victoria drought hub. There was federal funding for about eight drought resilience adoption and innovation hubs around the country. We lead the Gippsland node engagement, delivery and consultation. We deliver three export programs, both federally and state funded. We do one of those in collaboration—it is just starting—with Regional Development Victoria. One of the others is federally funded only, and one of the others is matched funding between state and federal in collaboration.

We also operate and deliver a large Jobs Victoria employment services program, and we are considered a specialist provider, so we deliver in the areas of tourism, hospitality, seafood, fishing, food manufacturing, food and fibre generally and forestry. Prior to that we did the previous program, which was called JVEN. We also deliver and work with a program called VegNET, which is all of the horticulture growers. That is about a $1 billion sector in Gippsland. This is the third iteration of that program. Again, that is federally funded and supported by HIAL, which is the growth centre Horticulture Innovation Australia Limited.

Through a fund called Workforce Training Innovation Fund we have worked with world-leading education software developers, and we now hold the IP for a technology platform called KEDI. That is a learning management system that drives innovation and collaboration. You can use it for students, business—there are all sorts of iterations that can be used for that. Natural resource management—we do a lot with water sensor projects and digital connectivity projects throughout the region. I mentioned before we are a supported cluster as part of FIAL. We do a lot of work on traceability. Food security has become not only very prevalent and important post COVID but traceability is what sets us up for our ability to export and not be penalised on the global platform. If we cannot prove the source and the traceability of our food, we will be penalised, and that is going through European legislation at the moment.

We do a lot of work in smart packaging and quite a bit of work in protein. Just to give you a quick insight into protein, global protein consumption has increased by 40 per cent just since the year 2000. By the year 2030 it is projected that traditional protein—so your meat and dairy et cetera—will still be the largest by value, plant protein will be the largest by volume and alternative proteins will be the fastest growing. By ‘alternative proteins’ I mean things like laboratory-grown meat; cell-structured meat; insect farming, which we are doing work around—those sorts of alternative protein developments.

Some of the aspects that have changed pre COVID, post COVID for our focus are around shorter supply chains, sovereign manufacturing, food security, workforce and climate risk and adaptation. I guess I could just quickly say to you that prior to COVID in the Gippsland region we had approximately $2 billion annual exports from the region; that was in agriculture and food production. The Gippsland region has about 32 per cent of Victoria’s milk production by volume, 25 per cent of Victoria’s beef by value, 28 per cent of Victoria’s land area for agricultural commodities and 27 per cent of Victoria’s vegetable growing areas, so we are a significant player not just in the region but also nationally when it comes to the food and fibre value chain. We engage with education boards, we sit as a member on One Gippsland as an industry member with the local government authorities and I am a board member with Destination Gippsland, so we do a lot of cross-pollination between the tourism and the food and fibre, hospitality and agritourism areas. I am a ministerial appointee to Federation University. I sit on the education and training board with TAFE Gippsland. I hope that gives you a little bit of insight into the connectivity across the region that we try to drive. And of course we partner with the LVA on smart specialisation. Food and fibre is one of the four pillars of work that have been undertaken there. Would you like to ask any questions, or would you like me to talk a little bit about the work that we do in the smart specialisation area?

The CHAIR: We might start off with some questions, but I would like to hear about the work that you do as well and your specialisation. Ms Bath, would you like to ask a few questions first?

Ms BATH: Certainly. Thank you. I can go to smart specialisation because, Ms Pero, it is in your submission and I am most interested in it, so thank you. I think we are all on a very large unity ticket about the importance of Gippsland in food and fibre literally from the soil to the plate, the construction industry as well and all the way through. Just paint the picture for this committee of who is on the board of Food & Fibre. You said you have amalgamated, but who is on the board and are there any observers?

Ms PERO: Okay. Our chair is Barry Rogers. Barry Rogers is retired but contributes a great deal across many different areas in Gippsland. Kate Wallis, who holds a role at the CBA, is on our board. Kylie Holmes, who was recently appointed as our treasurer, is the executive officer for the Rural Financial Counselling Service. I am just going around in my head all the board directors: Brian Davey, who is the CEO of Australian Carbon Innovation; Simon Johnson, who is the owner of Tinamba Hotel; Michael Grogan, who owns FGM Consultants—they do training and consulting in the meat and meat processing areas; and Stephen Angus. Stephen is located in East Gippsland and does a lot of work in strategy but also in food and fibre development. He has worked interstate. He does work on airports and that sort of thing. He brings a lot of governance to the board. I am desperately hoping I am not missing anybody—Sallie Jones. Sallie is the owner of Gippsland Jersey. I hope I have just about covered everybody.

The CHAIR: Pretty good milk.

Ms BATH: Thank you. You have a very good memory. Also in terms of observers, can we have Karen Cain, the former LVA CEO, as an observer?

Ms PERO: Yes. Last year we started to invite observers onto the board. We had a representative from One Gippsland to keep the continuity with the local government authorities; Karen Cain; and Leigh Kennedy from Federation University. Grant Radford, the CEO of TAFE Gippsland, has recently come on. Bruce Weston has just joined. Bruce is one of the regional leaders from Agriculture Victoria. Chris Buckingham will replace Karen on the board. And also Sara Rhodes-Ward from RDV is now coming on board. We are about to have our first board meeting so some of those are new.

Ms BATH: So there is a mix of industry, and I will say true industry, government representatives and government departments.

Ms PERO: Yes.

Ms BATH: Thank you. The other thing is in relation to funding. In your submission you speak about funding through the LVA. Can we understand that and how many employees—so just paint the picture for the committee. How is Food & Fibre funded—I guess, separate from the board? How many full-time equivalents are there, please, and what is your budget—that has come from LVA?

Ms PERO: Yes. Like all not-for-profits, we have very stretched resources. We have got about 12 or 13 people that work for the organisation, but out of all of those they are directly funded and engaged on particular program areas. For instance, four of those are engaged as mentors for the Jobs Victoria employment service, so there are only three full time that are not directly focused 100 per cent on a single grant-funded program—that is me, a business operations manager and a marketing, communications and membership manager.

Ms BATH: Thank you. It might be helpful—and you may need to take it on notice—your funding through the LVA. I guess I will go to your submission and will just ask a question on smart specialisation. How much is that funding? And noting that LVA funding at the moment finishes at the end of June this year, it just would give us some context.

Ms PERO: Yes. All of the funding, including the funding from LVA, does not fund Food & Fibre Gippsland itself. It funds the project resource that delivers that program work. Depending on the program we will sometimes take anywhere between 3 per cent and 7 per cent to cover things like insurances or our financial costs, because all of those are external, but they do not fund any direct monies into Food & Fibre Gippsland. It is only funded for the program stream work that is being delivered, and there are two people that do that: Ben Gebert is the project manager and Elena Nauta is a university graduate who works part-time with Ben.

Ms BATH: And one of those programs is smart specialisation?

Ms PERO: No. There are multiple projects within smart specialisation, so Ben and Elena work entirely on smart specialisation projects. I can talk to you a little bit about the projects that are operating in there currently. The first engagement in smart specialisation was in the last half of 2019—so we have been operating now quite a while with smart specialisation—in an advanced vegetable processing facility. I am not quite sure how much has been shared with you about the methodology of working with smart specialisation, so I will keep it very brief, but please feel welcome to ask me more questions. It is really for us about quadruple helix engagement. I mentioned before that we think whole of region, whole of systems and integrated supply chains.

An example would be that we could do all of the manufacturing and processing development that we like in Latrobe Valley, for instance, but not if we do not have the appropriate in-feeding streams from growers and producers from a food and fibre perspective to support that manufacturing and processing. So part of our role in smart specialisation is to take that umbrella view and look for those competitive regional advantages, look for those opportunities, consider the workforce, consider the skills availability, consider transference of skills and consider a whole supply chain. Where is the supply coming from? Where is the demand? Is there export potential? Then look at things like where the best location is for that, should it prove to be feasible. That is the same model that the European Union uses when it is funding EU countries for major development work.

One of the projects that we have been doing work on is an advanced vegetable processing facility. That has involved government and industry. Growers have been involved in the whole journey, and it has involved people like CSIRO throughout that development. That project has now had complete feasibility done on it and investment logic mapping done on it. It is now ready and we are starting to now go out and enter into discussions about potential investment for that being located in the region. It addresses circular economy; it addresses up to 40 per cent of waste that is left on growers' farms. Our focus has been that we would ideally like to see it delivering to the more premium market of things like nutraceuticals, so capitalising on the clean, green image of Gippsland produce into nutraceuticals rather than, as an example, lower-value juice products.

In the malting industry we have been doing a lot of work. The majority of malt in the craft brewing industry in Australia—there is some produced in Australia, but the majority of quality malt is actually imported from places like New Zealand. The research is currently showing that Gippsland malt will be very valued, and certainly in Gippsland alone more than 70 per cent of the craft brewers have said that they would transition to using, and desire to utilise, Gippsland malt in their brewing facilities.

The work that we are doing on insect farming has two focuses. In the dairy processing sector that we have been talking to insect farming is used to consume organic waste. It is also used for human consumption of protein. I appreciate that in Australia we are still in that icky place with insect protein. Many countries abroad have been eating them for centuries, and I always say to people prawns are nothing but insects in the ocean, so we will get there.

Ms BATH: You are giving us a lot of detail about the projects, and I appreciate that. I am interested to understand why this model was chosen from Europe. The Australian ag industry, the food and fibre industry, have been innovators for decades. You talked about a fantastic plant, about processing. Prior to this operation there has been some amazing food production coming out of Bairnsdale—from paddock through to state-of-the-art vacuum-sealed food, for example. What is smart specialisation doing that is not already being done on the ground, and what are the demonstrable deliverables? If you are, you know, going around for funding again in three years time or whatever it is, how are you going to say, 'This is how we have made a measurable difference'? At the end of the day we need value for money, and we need to see what are actually the tangible deliverables that you have been able to provide. Can you unpack that, please?

Ms PERO: Look, a few views on that—first of all, smart specialisation and most methodologies of that type are not overnight processes. They do take time. They are a journey. They require multiple voices at the table if you are going to achieve success long term. Government policy levers are not always considered by individual businesses. I am not saying they are never considered, but most businesses will run feasibility according to what works for their business in their patch without looking at a broader supply chain. How are we going to attract investment into the region on an integrated supply chain basis unless somebody is doing that umbrella work so that investors can go, 'I can see the feasibility that this shows. I can see where my spot in that chain might fit in'? Most individual businesses will not necessarily engage with government unless they go, 'Oh, something's going to happen that's going to impact my triple bottom line come tax time'. Government policy levers are so important, just as social licence is from the community. So you need to bring all of those people to the table—and that is not just a 'Let's do one day on a whiteboard and everybody come along', it is a 'Do the work, assess it, review it. What are the gaps that are still missing? Then address those gaps'. You need to get to a really comprehensive feasibility perspective for other people to have the confidence to then come in as industry and make that investment. My view is that smart specialisation is able to do that.

I have been very fortunate to live and work in about 10 countries around the world, predominantly in economic development. I will say to you that this is one of the most successful models that I have been involved with in being able to take everybody on the journey.

Ms BATH: I definitely appreciate that. I guess I am just seeking to understand: how will we know that smart specialisation is working? So all of the comments that you have made—and you have talked about assess and review; who does that? If I could be devil's advocate, Ms Pero: say that everybody is going, 'Gee, that's a great report', how is it peer reviewed or reviewed externally so that there is actually value for money and outcomes? I guess the same goes for how we demonstrate that and what your time frame is for that, because these things, if worthwhile, need to have a measurable outcome.

Ms PERO: Well, that is part of the reason for having this quadruple-helix engagement. You do not just invite friends to the table. If I look at the advanced vegetable processing facility, you know, CSIRO were the ones that asked all the hard questions. The whole point of it is to bring the people that may not necessarily be supporters to the table. You need to invite those hard questions so that you are probing the challenges, looking to go, 'Are there challenges that can never be solved?'—because there is some work that you will do where you will get to the end and go, 'This actually isn't very feasible. There are some true blockers here that we think will be difficult to get through'.

There are some other examples, if I could just offer them to you, that do attract global interest already. The advanced vegetable processing facility—we had a very early inquiry from Simplot. Now we need to circle back to them, now that we have finished all of the work, to see: is their interest able to be taken further or not? That is one example. The insect farming: Bühler technology is a huge global player exceptionally interested in Gippsland. I cannot talk with too much detail around the commercial in confidence, but they are looking for significant levels of technology investment—that they want this feasibility work done first.

Ms BATH: Thank you. I think it sounds promising. How will Food & Fibre Gippsland, particularly through the smart specialisation, report to the community? Noting commercial in confidence, how will you report to us?

Ms PERO: To the general community there are number of ways. There are often updates on our website. We run public workshops. We have had two symposiums on seaweed. We are doing a lot of work at the moment. Seaweed is another project. Gippsland has more waterways and coastline than almost any other region in Australia. We have clean, green, trusted provenance—the image of our region. We need to be able to capitalise on that. Our focus was seaweed. I appreciate that seaweed has a position in energy, renewables, but our focus is on pharmacological use of seaweed and seaweed for human consumption. We are just starting to undertake discussions with traditional owner groups around their ownership and development around hatchery spaces. So that is a perfect example of an integrated supply chain. The hatcheries are required. It needs to be grown. It can be grown in inland waterways or it can be grown offshore. It needs to be processed and manufactured. Latrobe Valley is an absolute linchpin for integrated supply chains across Gippsland with the transport and logistics access and the access to a workforce and transferable skills around advanced manufacturing and processing and smart packaging and distribution and all of those components. And it is logistically placed within the Gippsland region just perfectly.

Hemp industrial fibre is another one that we are doing work on at the moment for exactly the same reason. Hemp industrial fibre has got enormous potential in the construction industry, the textile industry, insulation—all of those sorts of things—again with manufacturing and processing being based in the Latrobe Valley. But there is no point in us going out and going, 'We think that hemp industrial fibre is a great idea and we should set it up in the Latrobe Valley'. Can we grow it in the rest of the region? Can there be sufficient supply? What is the risk? How will it get transported in there? All of those sorts of things need to be able to be asked. We have got lots of people with a lot of interest in both hemp and seaweed.

One of the projects that we have recently just finished with funding through the Latrobe Valley Authority is Gippsland Trusted Provenance. This is a brand mark, and it is the branding, if you like, of a lot of traceability work that we are doing. Gippsland Trusted Provenance is now starting to be engaged. I think Gippsland Jersey are taking it up. Village Dairy are just about to take it up and utilise it. It is very much for domestic sales, but predominantly it is to drive our exports and to brand our region—'This product is from Gippsland and it falls under the Gippsland Trusted Provenance branding'. We collaborated with Destination Gippsland on that, so it has a not dissimilar look to the tourism branding of 'GIPPS all kinds of wonder LAND'. The reason was so that if people are visiting the area, they see products in the supermarket and there is a correlation between those. That is now completed, finished and starting to be rolled out into the marketplace.

Ms BATH: And finally—Chair, unless there is more time at the end—in your two-page submission you wrote, and I will quote it:

> In our view, Smart Specialisation and Latrobe Valley Authority's knowledge brokering is fundamental to guiding transition, nurturing innovation, and delivering measurable outcomes.

I am quite focused, as you have heard, on those measurements of deliverable outcomes, so if there is any way that you can provide any additional information, time lines or job anticipations through some of the projects that you are talking of, I think it would be helpful. At the end of the day we need our communities to grow rather than contract in a transitioning environment, and I think we also need to see value for money and value for thought. That is why I go back to delivering measurable outcomes.

Ms PERO: If it is acceptable, I am very happy to put a one- or two-pager together with some of that information and data and send it across to you.

The CHAIR: That would be very helpful.

Ms PERO: One of the questions I would like to raise, I guess, and perhaps leave with you for consideration is: if this sort of work from systems and ecosystems, whole of region, is not done by a body like the LVA, who is going to do it?

The CHAIR: I think it is a good question. People have different perspectives, but I think it is exciting—that there needs to be some sort of central coordination or facilitation initiative taken, and I think that is the role of the LVA. I guess it even goes on to the questions that I was going to ask, Melina. I will ask a few, and I am sure we will have time to go to a few more.

So thank you very much. I have enjoyed the robust discussion so far, and thank you for outlining the way you operate, the criteria based on the EU model and exactly the provenance branding. It is quite common now in the global marketplace. So I think it is very important work, because that is that added value of having a good reputation and branding—that recognition. I was impressed by the collaboration between different sectors—the LVA and all the work you are doing. How would you describe the engagement with Regional Development Victoria, and is it the same or similar work to the Latrobe Valley Authority, that you are doing with them, or is it different?

Ms PERO: There has been a recent change at RDV, and I want to share with you that I am so excited about a future moving forward. It was not that way before. We felt—whether we were or we were not, that is conjecture; I appreciate that—very much outside the tent. Now we feel very much inside the tent. For instance, I have a very regular meeting now in place; that is with Chris Buckingham, Sara Rhodes-Ward and Bruce Weston from Agriculture Victoria. There has been a fabulous coalition of the willing coming together, and that is not to infer that it was not there before; it is more to say that we are linked arm in arm.

I very much push all the time. The focus, the benefit, the outcomes, the jobs—everything we do—must be about industry. It must drive back to industry. It must provide opportunities. It must support their expansion. Gippsland is—and I am not born and bred in Gippsland, but certainly in my time here—very, very good at primary production and sending goods off outside of the region to be value-added elsewhere and then bringing them back. The 2030 national agenda—one of the focuses is to move value-add from $65 billion to $125 billion, or $62 billion, I think it is, to $125 billion. Gippsland has the opportunity to be a significant major player in this value-add opportunity. So in my view we need to be focussing—and I am sorry to harp on about it, but post-farm gate is all about that whole-of-systems thinking, that whole-of-region supply chain thinking—so much more so than pre farm gate. Did I answer your question, or did I get a bit lost?

The CHAIR: No, I think you answered it. I got the answer out of it. It sounds like you are working quite collaboratively now, or better than what you did before. It is not to say you were not working collaboratively before; it is just that stronger relationship now, and you are working well together.

Ms PERO: Very much so.

The CHAIR: And I do concur with your view about value-adds. I think what we are seeing is the disruption to global supply chains means there is greater importance on being able to be sustainable—have our own kind of capacity to value-add. That is just a symptom, I guess, of not just the Gippsland region but broadly the Australian supply chain, where we are very good at the initial, primary products, but it seems the value-add is sometimes in other parts of the country, sometimes abroad. I think that is being challenged, though. Those ideas are being challenged, and the need to do that here has been identified.

Ms PERO: If I could just give you perhaps one example—and agreed, it is not completed yet, but that is just because of where we are at—we did all of this work as part of the partnering with the Latrobe Valley on food and fibre around the advanced vegetable processing. That was a huge piece of work and a really important piece of work. In fact CSIRO have gone off and done some of this themselves, I might say. But now that is packaged up and the investment logic mapping has been done. Late last year we had an initial discussion with Sustainability Victoria and one with Development Victoria, so now I see that as transitioning across to us working with RDV on investment attraction. So our work with both RDV and LVA is not the same. We do the development work and the feasibility over here with LVA, and then we move across to looking at the investment engagement and what are the things that are required once we have got someone interested—we do that work with Invest Gippsland and RDV.

The CHAIR: Thank you for that. I know Ms Bath is keen to ask a couple more questions. And if we have got time, I will ask a couple more. Ms Bath.

Ms BATH: Thanks very much. Tremendous. Noting the importance of communicating with other peak industry bodies, such as the VFF and the horticultural sector within that and, for example, you mentioned milk production and beef as well, what sort of dialogue do you have with those peak body industry representative groups?

Ms PERO: We work at both ends of the scale. We engage and work with people like Gippsland Agricultural Group, who are based in East Gippsland. They run a research farm and have got a number of producers that are connected with them. We work with them on the drought hub and a couple of other programs. The VFF we are certainly not out of dialogue with. You might have seen in the media not that long ago I got a bit frustrated around RATs, so I rang their CEO up and said, 'I'm going to find a solution. Let's do this'. We collaborated very strongly with the VFF on sourcing and procuring rapid antigen tests and distributing them out statewide. VFF is a state body. Our focus is absolutely on the Gippsland region, obviously. We work with bodies like Ausveg. The VegNET program we used to do directly with HIAL, Horticulture Innovation Australia Limited. They moved from having eight or nine different contracts to just wanting one national contract. They did that with Ausveg, so we partner and work with Ausveg on multiple different programs, including our technology platform for training, but specifically on VegNET 3.0, which is the one we are doing now.

Like I said to you, we are not a political body. We play nice in the sandpit, and we seek collaboration with everybody that we feel can multiply the outcome and the results. We do not try to compete with anyone. And if we do, I am not a wallflower; I will generally pick up the phone and go, 'How are we going to work through this?'. Our focus is to grow a larger pie and stop people from trying to grow a larger slice. Everyone's slice gets bigger if we just collaborate and grow a bigger pie.

Ms BATH: It sounds utopian. It sounds ideal.

Ms PERO: It is a culture shift. I will use the Netherlands as an example. There are many European countries, and they understand deeply what can be gained by sharing knowledge and learnings and practices without kind of going, 'Oh, no, that's a really good idea; I'm not going to share it, I'll just grow my slice bigger'. I can tell you: even in my time with Food & Fibre, that is starting to shift in Gippsland.

Ms BATH: Noting the conversation around Europe, Europe by nature fits into Gippsland, or certain sectors of it—we have a larger area and smaller population. If I want to grow something in South Gippsland and similarly somebody else might want to grow the same thing in East Gippsland, there cannot be a kumbaya effect that there will be a choice made that individuals and organisations and businesses may want to grow and flourish together, separately. To say that it is going to be holistic across the board, I think, is the ideal, potentially—or not?

Ms PERO: I think both work. I think competition works just as much as collaboration works. You can be competitive, but you can still collaborate on certain components of your business, or you might collaborate on particular pieces of technology. Or we might bring some learning and want to test and pilot equipment out of the Netherlands, and we will often go to, say, three or four horticultural growers and go, 'Will you do a pilot on this?'. And they will collaborate on those, and they will share the learnings on those. But they still have their own clients and their own markets and that sort of thing. And East Gippsland is very different to South Gippsland by way of climate and topography and those sorts of things, so you do not get a huge amount of competition necessarily. You know, South Gippsland does a lot in snow peas.

Ms BATH: Indeed, right near my house. Just for a challenge back, you made a comment about LVA. In a practical sense, is there anything that LVA does that cannot be replicated or contained within RDV?

Ms PERO: I am not sure that I am the right person to ask that. I could give you a general view, and I tend to approach everything to go, ‘Nothing’s impossible’. So if you were saying to me, ‘Would that be possible?’, I would say, ‘Of course it’s possible’. Would it give the same outcome? I am not sure it would, because I think potentially you get some independence and some rigour around looking at that feasibility and then separately going after the investment and the attraction and that sort of thing. You have to be very careful sometimes that one does not sway and lead the other so that you get not a false result, but—if you have an investor that says, ‘I want to invest in something’, it can be very easy to be attracted to wanting to make that feasibility fit, because you have got someone there hanging it out. Maybe that is great for two years, but is it long-term sustainable?

Ms BATH: It is a great point. I guess the comment is that they are both state government bodies and they are working very collaboratively together, as you have said, so it is a little bit like they could be in the same room or they could be separate. We will leave that as a point of contention.

Ms PERO: Then I guess I would raise to you that RDV would need to—and I am not saying they do not, but my awareness is they deal with what is already existing. Would they undertake a lot of work around looking at the potential of seaweed for Gippsland? At this stage, no.

The CHAIR: I think the benefits of Latrobe Valley Authority are that it is a specific regional focus, and because they have got that regional focus they can delve in a bit deeper and do a bit of that initial groundwork that you are describing, it seems. But obviously there are a lot of other examples as well. RDV is looking after the whole state; it is a bigger picture.

Ms BATH: Thank you, Chair. I guess the other thing is, if I have got my parochial hat on and the jobs are all over time leaving Yallourn—we are shutting down the power station by 2028—there is an argument, and a fair one, to say, ‘Well, okay, this is the Latrobe Valley Authority, but now we’re supporting funding jobs’—and I am just saying this as a devil’s advocate—‘in far East Gippsland, when the epicentre of the job losses is here’. So there is that if I am being parochial on behalf of the people that live in Latrobe City Council.

Ms PERO: Whereas the work that we do in the partnering with LVA, as I said before, is whole of region. I mean, if you look at something like seaweed, that is not going to be all in East Gippsland.

Ms BATH: Correct, but I am just making the point that LVA was set up to establish jobs in the valley.

Ms PERO: I understand. I will come back to what I said before: the focus has still always been about that. We have been very much involved in the development work of looking at a food precinct in Morwell et cetera, but if you do not look whole of region, I would position to you that something may not be sustainable, because you have to look broader. Unless the Latrobe Valley is going to stand up and go, ‘We’re going to grow everything and produce everything and make everything and manufacture it and process it and then send it out, and we’re going to have all the workers here’, then we have to take into consideration and assessment the rest of the region and how that is going to drive into those manufacturing and processing outcomes and deliverables.

Ms BATH: At the end of the day the interest is: how do we measure those deliverables? That will be something that I am sure we will all be watching with interest.

Ms PERO: I agree. The whole idea is to ensure that the feasibility creates the environment and provides the data packs necessary for large global and national investors to go, ‘We will choose Gippsland, we will choose Latrobe Valley and we will set up our manufacturing here. You’ve given us all of the data for the in-feed streams, whether it is spinach or broccoli or meat or seaweed or hemp or whatever. You’ve given us the data from an export perspective’. So now those investors can see that whole supply chain, and go, ‘Yep, that’s actually stronger feasibility for me to set up my piece manufacturing and processing right here’.

The CHAIR: Thank you. On that note, Ms Pero, I realise that we will need to conclude today’s hearings, but it is very exciting. I think Melina referred to some of it felt very idealistic or utopian, but I am very hopeful that many of the projects—it seems quite well thought out and quite a big plan—can get implemented in a timely fashion. We want to see people excited, but we also want to see results. I think that is what Melina was trying to express there.

Ms PERO: I could not agree with you more, and I think if you asked some of the LVA employees, they would be the first ones to tell you that I can be somewhat of a steamroller in so far as I am all about driving to an outcome and a result. Talkfests are lovely and fluffy and do not do a lot.

The CHAIR: Thank you. On that, Ms Pero, I want to thank you as CEO of Food & Fibre Gippsland for all your work and thank you for your submission and presentation today. It has been a pleasure to have you.

Ms PERO: Do not hesitate to reach out if I can provide anything more.

The CHAIR: Will do. Some of our committee members could not make it today, so if they have any questions on notice we will reach out to you. Thank you.

Ms PERO: No problem.

Committee adjourned.