



Office of the Hon Mary-Anne Thomas MP

Minister for Regional Development
Minister for Agriculture

121 Exhibition Street
Melbourne, Victoria 3000 Australia
Telephone: +61 3 8392 2261

Ref: BMIN-2-21-16543

Mr Chris Buckingham
Chief Executive Officer
Latrobe Valley Authority
131 Princes Drive
MORWELL VIC 3840

Dear Mr Buckingham

STATEMENT OF EXPECTATIONS FOR THE LATROBE VALLEY AUTHORITY

I am pleased to provide the Latrobe Valley Authority (LVA) with this Statement of Expectations for the period 1 January 2022 to 30 June 2023.

This statement outlines my expectations that the LVA will contribute to achieving Government's objectives of growing a strong economy that benefits all Victorians by creating more jobs, building thriving places and regions, and supporting inclusive communities.

The Victorian Government established the LVA in November 2016 as a dedicated authority to support workers and their families in anticipation of the Hazelwood Mine closure. Established as a place-based response, LVA is focused on sustainable regional change.

Regional development and industry and worker transition for the Latrobe Valley

I request that you present the Deputy Secretary Rural and Regional Victoria (RRV) with an outline of LVA's deliverables to 30 June 2022. Please provide the outline within one month of receiving this letter.

Please provide a scope of work that covers the financial period 2022-2023, noting that implementation is subject to 2022/23 budget consideration. This should include a workplan and deliverables. Please present this to the Deputy Secretary RRV, by 30 June 2022. This must include continuing collaboration between LVA and Regional Development Victoria Gippsland. I expect that the 2022-23 workplan will include a comprehensive regional development approach in the Latrobe Valley.

LVA's response should describe work beyond the response and direct intervention that followed the 2017 Hazelwood closure and include growing the capability of the region to support economic

diversification. The description should include LVA's implementation framework (regional development methodology) and focus on industry and worker transition.

This will require coordinated engagement and a collaborative approach to economic diversification and transition. I expect regional development in Gippsland will be a practical place-based approach that builds on current LVA work and includes the Gippsland Regional Economic Development Strategy currently being finalised.

Partnerships and collaboration

I expect that LVA will effectively and efficiently deliver the existing funded activities in line with appropriate financial management, risk management and accountability requirements. This should include identifying liabilities beyond 30 June 2022.

I expect LVA to work with delivery partners including: Commonwealth, state and local governments; businesses; higher education, training and research institutions; and community groups. Program development and delivery links to key portfolio areas including Agriculture, Forestry, Resources, and Environment and Climate Change are also important to demonstrate.

Latrobe Valley transition plan

As part of the Gippsland regional context, I expect LVA to have a Latrobe Valley transition plan that is widely understood across the community. The plan should include strategies and actions for economic diversification through new and expanded businesses. This must provide employment opportunities to support and mitigate changes in significant industries including coal-fired power generation, native timber harvesting, and fossil fuels.

LVA has a key role working with EnergyAustralia to support worker transition programs at Yallourn Power Station as part of DJPR's responsibilities for overseeing elements of the Victorian Government's agreement.

I request that LVA works with RRV to develop and deliver a Latrobe Valley worker transition plan as a key element of the Latrobe Valley transition plan. In addition to servicing Yallourn Power Station, the plan must consider the likely needs and trajectory of workers in the power generation, mining, fossil fuels, and pulp and paper industries to 2035.

Support for broader transition across the state including forestry

LVA has established expertise in practical implementation of place-based transition. I expect LVA to apply this expertise and capability to support transition planning and services in other parts of Victoria. This may include articulating LVA's role in developing worker transition programs and how this contributes to a broader statewide economic transition framework.

Reporting and resources

Consistent with the requirement under section 45(4) of the *Financial Management Act 1994* I expect that an annual report by LVA will be consolidated into that of the Department of Jobs, Precincts and Regions (DJPR). Administrative and financial reporting is to be consistent with requirements as requested by DJPR and RRV.

I expect that LVA's effective, efficient and economical management will support RRV functions including:

- planning and coordination
- communications
- policy and strategy
- administration and management of grants and programs in Gippsland and statewide.

Except for matters awaiting 2022-23 Budget decisions, please respond within one month of receipt of this letter, outlining how LVA will deliver on these expectations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M.A. Thomas', with a large, sweeping flourish extending to the right.

The Hon. Mary-Anne Thomas MP
Minister for Regional Development

29/03/22