

RESPONSE TO QUESTIONS TAKEN ON NOTICE OR AGREEMENT TO PROVIDE FURTHER INFORMATION – PAEC Inquiry into the Victorian Government’s Response to the COVID-19 Pandemic Round 3

1. Would it be possible at some point that the Parliament can have some sort of vision or sight over the total cost to government for managing the COVID inquiry?

(Asked by Mr Riordan on page 3 of the transcript)

Transcript extract:

Mr RIORDAN: Okay. Thank you. Have you been advised of the whole-of-government legal costs for the Coate inquiry across all departments?

Mr MARTINE: No, I have not.

Mr RIORDAN: Right. Do you intend to collate that at some point?

Mr MARTINE: It is not something that we would normally have visibility of. Because it is coming out of existing departmental funding, departments are managing their own budgets. In our budget framework, it is part of their outputs, so each department is drawing on those outputs. So it is not normally information that we would routinely collect.

Mr RIORDAN: So as this inquiry is the Parliament’s inquiry into the state government’s response to COVID, would it be possible at some point that the Parliament can have some sort of vision or sight over the total cost to government for managing the Coate inquiry?

Mr MARTINE: I am more than happy to take that on notice, but we do not have that information at the moment.

Mr RIORDAN: I am sure your department is adept at seeking financial answers from other departments.

Mr MARTINE: We do that quite frequently and we try our best, but more than happy to take it on notice.

Response

DTF has reviewed the State’s financial accounts and it is not possible to extract actual expense data by department covering the total legal costs incurred for responding to the COVID-19 Hotel Quarantine Inquiry. Such costs were met through each relevant department’s base funding. As advised at the Hearing, legal costs incurred by DTF totalled \$446 000, all of which will be reimbursed through the department’s insurance arrangements.

2. Can you provide a line item breakdown of the expenditure DTF has incurred relating to any advertising expenditure that the government may have used through the COVID crisis? So you have not provided extra support?

(Asked by Mr Riordan on page 4 of the transcript)

Transcript extract:

Mr RIORDAN: Right, so that is just across those. Secretary, can you provide—and perhaps it may need to come on notice—a line item breakdown of the expenditure DTF has incurred relating to any advertising expenditure that the government may have used through the COVID crisis, or was that managed by—

Mr MARTINE: That is not DTF.

Mr RIORDAN: So you have not issued any extra support?

Mr MARTINE: I am happy to take it on notice to double-check, but I am very confident that we would not have incurred any advertising expenditure through this calendar year in relation to COVID.

Mr RIORDAN: And the previous calendar year?

Mr MARTINE: It would be the same answer.

Response

The Department of Treasury and Finance (DTF) did not incur any advertising expenditure in relation to COVID-19 in the previous calendar year.

In this calendar year (up to 1 October 2020), DTF has only incurred a very minor amount of \$102 in advertising expenditure relating to COVID-19, which is for a statutory notice placed in the Victoria Government Gazette:

The Assistant Treasurer directed the Victorian Managed Insurance Authority to provide medical indemnity insurance and other insurance as required to eligible entities as per the Victorian Private Hospital Funding - Heads of Agreement or Victorian Private Hospital Funding (COVID-19) Agreement (from April 2020 until the conclusion of all treatments of all public patients in private hospitals), pursuant to Section 25A of the *Victorian Managed Insurance Authority Act 1996*.

This item was included in DTF's response to the 2020-21 Budget Estimates General Questionnaire Question 21 (b) on page 77.

DTF has confirmed that its agencies (State Revenue Office, Essential Services Commission and Infrastructure Victoria) have not incurred any COVID-19 advertising expenditure.

The State Revenue Office (SRO) has had targeted communications directly with taxpayers in relation to Government relief initiatives in responses to COVID-19. SRO has also provided information in relation to initiatives to the broader community through existing platforms (e.g. website updates) utilising existing resources. In that regard there have been no COVID-19 advertising costs incurred by SRO.

3. In terms of projections for youth unemployment. The answer that I got back was that forecasts were not available for youth unemployment. When you say 'not available', is that because you do not do them or you do not provide them to the committee?

(Asked by Mr Hibbins on page 9 of the transcript)

Transcript extract

Mr HIBBINS: In previous hearings I actually directed a question to Minister Pakula, but it made its way back to you, in terms of projections for youth unemployment. The answer that I got back was that forecasts were not available for youth unemployment. When you say 'not available', is that because you do not do them or you do not provide them to the committee?

Mr PALLAS: Well, I do not know the answer to that. I will have to take it on notice in the sense you are referring back to a document that I provided to you previously and I will need necessarily to find out exactly why that information could not be forthcoming. Can I indicate to you that if there is a capacity for us to identify that information we will provide it. I could not see any reason why we would withhold it from this committee. I suspect the reason is we would lack certainty around what the projections in a disaggregated part of the labour market would look like.

Mr HIBBINS: Well, if you did have that information, it would be of benefit to the committee.

Mr PALLAS: Sure.

Response

The Department of Treasury and Finance produces a forecast for the headline unemployment rate but does not produce unemployment rate forecasts for youth or other specific cohorts of the labour market. Budget Paper 2, Chapter 3 (page 45) discusses recent conditions for young workers. As the budget paper notes, employment for young people aged under 30 declined by 13.7 per cent (130 000 persons) from the March to September quarters 2020, higher than the decline of 2.4 per cent (60 000 persons) for those over the age of 30. From the March to September quarters 2020, the unemployment rate for young workers under the age of 30 rose by 2.3 percentage points to 12.1 per cent.

4. Can you advise what proportion of eligible businesses have applied for a payroll tax refund and what the total cost of this initiative will be?

(Asked by Mr O'Brien on page 12 of the transcript)

Transcript extract

Mr D O'BRIEN: Okay. Can I just perhaps move on to some of the grants. Can you advise what proportion of eligible businesses have applied for a payroll tax refund and what the total cost of this initiative will be?

Mr MARTINE: Sorry, which initiative?

Mr D O'BRIEN: The payroll tax refund.

Mr MARTINE: I am just trying to find—So I do not take up too much of your time, I may have to take that one on notice, unless Ms Hart can find it for me as we are talking.

Mr D O'BRIEN: That is fine. If you had the data on notice, that would be fine. I wonder too what proportion of commercial landlords have applied for land tax relief under the commercial tenancy relief scheme and how many were successful.

Mr MARTINE: I might have to take that one on notice as well. We do have that data, because I have seen it.

Mr D O'BRIEN: Yes. That would be great.

Response

As at 30 November 2020, the State Revenue Office has received applications for payroll tax refunds and waivers from 87 per cent of eligible businesses, being those with Victorian payrolls of less than \$3 million in 2019-20, that had lodged completed annual reconciliations.

The total cost of this initiative — Support for households and businesses: Payroll tax relief for small and medium businesses — is estimated to be \$1 000.4 million (\$672.6 million in 2019-20, and \$327.8 million in 2020-21).

5. What proportion of commercial landlords have applied for land tax relief under the commercial tenancy relief scheme and how many were successful?

(Asked by Mr O'Brien on page 12 of the transcript)

Transcript extract

Mr D O'BRIEN: That is fine. If you had the data on notice, that would be fine. I wonder too what proportion of commercial landlords have applied for land tax relief under the commercial tenancy relief scheme and how many were successful.

Mr MARTINE: I might have to take that one on notice as well. We do have that data, because I have seen it.

Mr D O'BRIEN: Yes. That would be great.

Response

As at 2 December 2020, the State Revenue Office has received 16 647 applications from taxpayers for land tax relief associated with commercial properties. This includes untenanted and owner occupier commercial properties.

Of the applications by taxpayers who own a commercial property, 15 037 have been processed and 12 267 approved. The actual outcome of successful applications for commercial landlords for 2020 land tax is still unfolding as claims can be made until 31 December 2020.

6. Did the state also provide rent relief to the commercial tenants with Crown land leases? Are you able to quantify what that might have been?

(Asked by Mr O'Brien on page 12 of the transcript)

Transcript extract

Mr D O'BRIEN: This may be on notice too but it is sort of more of a general question: did the state also provide rent relief to the commercial tenants with Crown land leases?

Mr MARTINE: Yes.

Mr D O'BRIEN: Are you able to quantify what that might have been?

Mr MARTINE: Once again, I will take that on notice. That was one of the announcements the government made: to provide rent relief for commercial tenants in government-owned buildings.

Mr D O'BRIEN: Yes. Okay. On notice would be good.

Response

On 21 March 2020, the Victorian Government announced that commercial tenants of Victorian government properties could apply to their relevant government landlords for rent relief for up to 12 months, commencing 1 January 2020.

The State provided rent relief to non-government tenants of government land, including both Crown land and Freehold land held in the name of ministers, departments and other State government entities.

Consolidated reporting provided by departments identifies that rent relief was provided to tenants of 910 Crown land properties, and total rent relief of \$38.5 million was provided for those tenants.

7. Are you in a position to advise the committee how much of the \$1.9 billion that was announced to fund the 4000 new ICU beds was actually spent and how many beds were funded?

(Asked by Ms Vallence on page 19 of the transcript)

Transcript extract

Ms VALLENCE: Thank you, Chair. First up, to you, Secretary: Secretary, I refer to an answer from the previous hearings, an answer that you provided on notice to the committee when we last met, relating to expenditure on ICU beds. Are you in a position to advise the committee how much of the \$1.9 billion that was announced to fund the 4000 new ICU beds was actually spent and how many beds were funded?

Mr MARTINE: I think I will probably need to take that on notice.

Response

In early 2020, the Government allocated \$1.9 billion in 2019 20 to expand Victoria's ICU capacity. This investment provided the required funding for over 4 000 additional ICU beds, based on modelling of bed numbers potentially required at the peak of the pandemic.

Due to the success of the Government's response to the coronavirus (COVID-19) pandemic, the modelled number of beds expected to be required reduced considerably over the course of 2020. In light of this, a portion of this funding was redirected to other COVID-19 response activities, including the purchase of Personal Protective Equipment. As of 30 October 2020, there were more 1 500 ICU bed places available in Victoria.

8. So in making that announcement of the new Quarantine Victoria, is there any allocation or cost estimation of what that body will cost?

(Asked by Ms Vallence on page 20 of the transcript)

Transcript extract

Ms VALLENCE: So in making that announcement of the new Quarantine Victoria, is there any allocation or cost estimation of what that body will cost?

Mr PALLAS: I will need, necessarily, to take that on notice.

Response

An estimated funding allocation to the new COVID-19 Quarantine Victoria is not yet available.