

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into the Victorian Government's Response to the COVID-19 Pandemic

Melbourne—Wednesday, 13 May 2020

#### Members

Ms Lizzie Blandthorn—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr David Limbrick

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Ingrid Stitt

Ms Bridget Vallenge



**WITNESSES**

Mr Martin Pakula, Minister for the Coordination of Jobs, Precincts and Regions: COVID-19,

Mr Simon Phemister, Secretary,

Mr David Latina, Deputy Secretary, Jobs, Innovation and Business Engagement,

Ms Penelope McKay, Deputy Secretary, Corporate Services, and

Mr Andrew Abbott, Deputy Secretary, Creative, Sport and Visitor Economy, Department of Jobs, Precincts and Regions (*all via videoconference*).

**The CHAIR:** Welcome, Minister Pakula and Secretary Phemister, to the public hearings for the Public Accounts and Estimates Committee's Inquiry into the Victorian Government's Response to the COVID-19 Pandemic. The Committee will be reviewing and reporting to the Parliament on the responses taken by the Victorian Government, including as part of the national cabinet, to manage the COVID-19 pandemic and any other matter related to the COVID-19 pandemic. All mobile telephones should now please be turned to silent. All evidence taken by this Committee is protected by parliamentary privilege, therefore you are protected against any action for what you say here today, but if you repeat the same things outside of this forum, including on social media, those comments may not be protected by this privilege. You will be provided with a proof version of the transcript for you to check. Verified transcripts, presentations and handouts will be placed on the Committee's website as soon as possible. The hearings may be rebroadcast in compliance with standing order 234. Photographers and camerapersons follow the established media guidelines and the instructions of the secretariat.

We invite you to make a brief opening statement, no more than 8 minutes—we will cut you off at the 8 minutes—and that will be followed by questions divided relatively between the Members of the Committee. For the Hansard record, please state your name, position and the organisation you represent for broadcasting purposes. And this will be followed by questions. Thank you.

**Mr PAKULA:** Thank you, Chair. I hope you can hear me. I hope we have no technical difficulties. I am Martin Pakula, Minister for Jobs, Innovation and Trade; Tourism, Sport and Major Events; Racing; and Coordination of DJPR: COVID-19. Thanks for having me.

**Visual presentation.**

**Mr PAKULA:** You will not need to cut me off. I will not spend long on the economic impacts of COVID-19, because I know you have had the Treasurer before you this morning. But DTF estimates are that GSP could be 14 per cent lower in the June and September quarters, and there could be a fall in real GSP of 6¾ per cent for calendar year 2020. Unemployment could rise to approximately 11 per cent, with job losses peaking at 270 000 in the September quarter, and property prices could decline by up to 9 per cent from March to December this year.

If we look at the impacts of COVID-19 on industry, we are forecasting exports to fall by something in advance of \$16 billion in 2020. And our trading partners are of course recovering at different rates and at different trajectories.

In terms of aviation, both of our international airports have experienced a significant decline in passenger and aircraft movements. Qantas has stood down the majority of its 30 000 employees and is currently only operating 164 domestic services across the country. Virgin have stood down 8000 of its 10 000 employees; as you know, it is currently in administration and is only operating 64 domestic services. There has been a severe impact on the visitor economy as a consequence of infection control measures, travel bans, mass gathering restrictions and the visitor expenditure numbers impact of both COVID-19 and the preceding bushfires over the December–January period.

In terms of creative industries, it is estimated that at least \$330 million in revenue has been lost from cancelled or forgone live performances. There have been something like 220 000 event cancellations to date that have

affected more than 400 000 people, and more than half of the creative sector, we would estimate, is no longer functioning, largely due to the closure of creative and cultural venues.

The cessation of basically all professional sport has been a consequence of COVID-19. It has caused severe impacts on the 45 professional sporting teams in Victoria that are not competing in national and international sporting competitions. Hopefully we will see some change to that in the coming months, but the impact has been severe. We have seen our reliance on digital services, including home internet and mobile, increase dramatically. We have seen the full closure of community sporting facilities and the suspension of community sport and active recreation activities across Victoria. Much of that changes, at least to some extent, from today. Even though the racing industry has continued to operate, there has been a substantial economic impact from COVID-19 on the industry.

We have moved very quickly as a government to have a coordinated approach to sourcing and facilitating local production of personal protective equipment and medical equipment. There was a task force created in early March to identify the essential products that we need and the shortages that we might have and to facilitate private-sector commencement or scale-up of domestic production, and we have been coordinating with our overseas network in that. We are financially supporting a number of projects exploring local ventilator manufacture to mitigate what are significant risks in the international supply chain of ventilators.

In terms of business support, we have provided substantial support to businesses that have been affected by shutdown, with grants of \$10 000. Applications for that fund opened on 30 March 2020, and I am sure that there will be some questions regarding that, which I am happy to go to.

In terms of the Working for Victoria Fund, which is about placing workers into paid work, we have had close to 50 000 people complete the registration process, and about 11 000 have applied for jobs. We have had 140 employers register on the platform, and 7000 job vacancies have been posted on the platform. As part of that there is an Agriculture Workforce Plan worth \$50 million to match workers who have lost their jobs with employers in the ag sector. Under Working for Victoria, we have had over 1350 jobseekers finding work in roles connected to the quarantine program. We have got another 600 working in call centres as part of the coronavirus contact tracing effort, and we have got hundreds more working in cleaning and sanitation roles—and a number of those jobs have been created in regional Victoria.

We have announced the International Student Emergency Relief Fund, with payments of up to \$1100 to approximately 40 000 international students experiencing lost or reduced employment and financial hardship as a result of coronavirus, and we have made up to 150 rooms available for them for crisis accommodation.

I will just talk briefly about the hotel package, which is supporting the national cabinet's decision about 14-day enforced quarantine for all overseas arrivals as well as the Hotels for Heroes and other priority cohorts. We undertook a rapid assessment of suitable hotel accommodation, alongside the AHA.

We have got the commercial tenancy relief scheme, which provides a six-month moratorium on evictions for non-payment of rent for small businesses with an annual turnover of under \$50 million and that are participating in JobKeeper, with the small business commissioner offering a free mediation service. I will talk later about the Victoria Together online portal.

I will finish by saying that, look, we know that the next tranche or the next phase of this is economic recovery. We want to have initiatives that support economic growth by kickstarting the economy, maintaining and creating jobs, driving investment and defending and maintaining our economic strength throughout the crisis, and today's announcement goes to that objective—seizing opportunities that might emerge from global economic disruption and different paces of recovery, building on our competitive advantages and the adaptive capacity of our economy, delivering opportunities to grow jobs and investment in regional Victoria and promoting economic inclusion. As part of that, we are supporting all 15 of our regional chambers of commerce, with \$450 000 to be split amongst them—\$50 000 for five larger ones and payments of up to \$20 000 for our smaller regional chambers of commerce. Today we have announced some ongoing support for our regional tourism boards.

I will stop the presentation there, Chair, and I am happy to take questions.

**Mr MAAS:** Thank you, Minister. Good morning, and thank you for your presentation. Thank you to the departmental officials, who I understand are also online. I thank them for their appearance this morning as well. Minister, I would like to take you to the Business Support Fund part of your presentation, and I was hoping that you would be able to outline for the Committee how the Business Support Fund is assisting businesses that have been impacted by closure and social distancing measures?

**Mr PAKULA:** Thanks, Gary. Look, that fund was a part of the announcement made by the Premier and Treasurer on 21 March of \$1.7 billion for economic survival and jobs. We cannot give businesses customers to the extent that we would like, of course, but we can support them with a cash payment. We had tens of thousands of Victorians who lost their jobs when industries were required to shut down to prevent the spread of the virus. The Business Support Fund is a \$500 million fund. It is targeted towards small businesses that have been highly impacted by shutdown restrictions. It provides them with a one-off grant of \$10 000. It is only for businesses with a turnover of over \$75 000 but with a payroll under \$650 000—so those businesses who have not been able to access payroll tax relief—and it can be used by businesses for a broad range of purposes to ensure survival during the pandemic. I know that it has been used by some to pay rent, to obtain financial or legal advice, to obtain finance and for other supporting activities to help keep them afloat.

Now, since the start of that fund and as at 12 May there were 53 000 small businesses that have applied for a grant. More than 24 000 grants have been paid to date, so \$240 million or more has gone out the door. They have supported businesses all over Victoria. We have got applicants like Kylie Trevaskis from the Wellsprings Day Spa in Shepparton and businesses like Crestway Music in Kinglake, so businesses all over the state have been supported for a range of different purposes.

We have had a couple of tranches that have been announced now. Of course, the initial tranche was primarily directed at those businesses which had been forced to close as a consequence of the directions of both the national cabinet and the Victorian Government, and then a broader set of criteria are in effect as we speak.

**Mr MAAS:** Thank you, Minister. Can you tell us why the Government has expanded the eligibility grounds of the Business Support Fund?

**Mr PAKULA:** Well, look, as I was saying, Gary, the initial tranche of the Business Support Fund was directed at those businesses who were most directly affected by the Government's announcement of the necessary closures of certain parts of the economy—for example, the hospitality sector, which had been very, very heavily impacted and remains impacted, those involved in the visitor economy and other parts of the economy that were directly affected by government mandate around closure. And that was based on consultation that we undertook with the Victorian Chamber of Commerce, with the AIG, with the AHA, and it was also designed to ensure that we could get that money out the door to where it was needed most efficiently and most effectively. It is also worth noting that the Business Support Fund was announced before JobKeeper had been announced—a few days in advance. So that was the first tranche.

Now we are into the second phase of support, which is now supporting those businesses which fall within those financial parameters that I spoke about previously—turnover of over \$75 000 and a payroll of under \$650 000—but now extended to those businesses who are participating in JobKeeper and have employees. That will undoubtedly make a range of additional businesses eligible and a range of additional businesses will benefit from the fund.

**Mr MAAS:** Thank you, Minister. We have of course seen many Victorian businesses struggling to pay their rent. What is the Government doing to help support these businesses?

**Mr PAKULA:** Gary, there are a number of things. The commercial tenancy relief scheme, which I mentioned during my presentation and is of course subject to the decision of national cabinet, is where you have an arrangement that we are asking businesses and landlords to enter into with the support of the small business commissioner to ensure that there can be rent waivers or deferrals, and that is under the purview of the Minister for Small Business. We are providing free mediation services through the small business commissioner under that commercial tenancy relief scheme. But there are also some businesses that have fallen through the cracks—those particularly in our night-time economy—where if you agglomerate all of the different businesses within a particular group they might be outside the remit of the commercial tenancy relief scheme but nevertheless have some significant problems in terms of paying rent. And there are some perverse

incentives on landlords in some of those circumstances to not negotiate because the liquor licence would revert to the landlord in the event of there being a default on the rent.

So we have made a \$40 million bucket available out of the Business Support Fund for the night-time economy to ensure that those businesses are also effectively on the same footing and able to pay their rent and not be in a position where their liquor licence reverts to their landlord. So we want to make sure that there is a proper incentive for landlords and tenants to negotiate in good faith, with the support of the small business commissioner if necessary, and we are obviously keeping a very watchful eye on that.

**Mr MAAS:** Thanks, Minister. I would like to go to support for workers. Would you be able to explain how the Working for Victoria initiative announced by the Government on 21 March is helping Victorian workers who have lost their jobs due to the economic impacts of the coronavirus?

**Mr PAKULA:** Well, look, I think Working for Victoria is an incredibly important part of the overall package that we have provided. It is a \$500 million fund. We have got already arrangements in place with dozens of local councils, but we are supporting workers into jobs in a range of different occupations. As I indicated during the presentation, we have got workers employed as part of the quarantine efforts at our hotels. We have got workers employed in call centres as part of the contact tracing effort that we are undertaking. We have got workers employed in LGAs right around Victoria as part of our cleaning and sanitation efforts to ensure that we can reduce the spread of the coronavirus.

But it is also working as a job matching service. In some industries there have been some labour shortages. You would have noted that certainly in food delivery and particularly when there was panic buying occurring in supermarkets there were some labour shortages, and there is also the risk of labour shortages if people at a particular workplace come down sick. So we have got this platform where over 140 businesses have signed up where there can be workers provided to employers in areas of labour shortage, and as part of it we have got the agricultural worker scheme because there are some labour shortages in regional Victoria in industries which are more exposed to the absence of workers from interstate and overseas. So I think it is a really wonderful thing. We have already put close to 3000 people into jobs, and as we roll out the cooperation with local government, many, many LGAs in regional Victoria will see many hundreds, if not thousands, more workers employed as part of this scheme.

**Mr MAAS:** Excellent. Thank you, Minister. I understand that the Government has partnership with local government as well. Could you inform the Committee what role local government plays in delivering the Working for Victoria initiative?

**Mr PAKULA:** I think we have spoken to pretty much every one of the 79 LGAs in Victoria now. We asked councils to take part in an expression of interest process. They submitted proposals to the department to support their ability to employ additional workers to undertake essential service roles, particularly roles that are directly supporting the community during this very, very difficult time. We know that councils are on the front line when it comes to delivering a range of community services. They have got a lot of networks and skill sets right across the state, so we wanted to leverage those to create opportunities. As I said, we have entered into agreements with about 28 councils across metro and regional Victoria. So, for instance, we have entered into a consortia agreement that has been led by the City of Melbourne and includes Yarra, Port Phillip, Maribyrnong and Stonnington. That has created about 500 job opportunities in the cleaning and maintenance of public infrastructure amongst other things. We are in active discussions with other councils across the state. We expect to generate thousands more jobs over the coming weeks, and we have also written to community organisations, inviting them to partner with the program.

**Mr MAAS:** In terms of regional Victoria, would you be able to inform the Committee what the breakdown is between regional and metropolitan job creation?

**Mr PAKULA:** Well, we have already partnered with 19 councils in regional and rural Victoria, including Yarra Ranges, Corangamite—which I am sure will make Mr Riordan happy—and Central Goldfields. Those partnerships will provide the opportunity to deliver some valuable community services in maintenance of public assets, community engagement, health support, relief delivery and the delivery of meals. Central Goldfields shire, for example, will employ eight people to provide outreach services for vulnerable older residents. That will include meal preparation and the delivery of food and medication. They are also going to

hire an additional nine people to prevent a spike in roadside weed, pest and animal infestation and undertake maintenance work. We have also partnered with nine metro councils, but the majority of councils that we have created partnerships with so far are in regional Victoria.

**Mr MAAS:** Just finally, in terms of the private sector, has there been interest from the private sector, and what private sector opportunities are there for jobseekers?

**Mr PAKULA:** There has been. As I have said, we have got over 140 who have registered, but we have got 200 workers with Wilson Security at the quarantine program. We have got 120 workers with Citywide on the cleaning and maintenance of public infrastructure. We have got 100 chefs and hospitality workers with FareShare and Foodbank, and we have got a number with Services Australia in the call centre area, so it is—

**The CHAIR:** Sorry to cut you off, Minister. The Member's time has expired.

**Mr RIORDAN:** Yes, Minister, Corangamite shire are indeed grateful to you, and I am sure that you will have seen come across your desk their next application to finish that grandstand that you so kindly helped them out with a little while ago. But we move on.

**Mr PAKULA:** I thought we had finished that.

**Mr RIORDAN:** No, you have still got more money to spend, don't you worry about that. Minister, I asked the Treasurer this morning and was disappointed to find out that he did not realise that there are thousands and thousands of small mum and dad businesses that fall through the cracks for any support. These businesses are on high streets throughout Victoria but particularly in rural and regional Victoria and operate boutique visitor experiences—specialty woollen mills, specialty food producers and the like. They do not have employees but often have high-cost set-ups such as a vineyard, land or high rents and are left with only being eligible for getting one JobSeeker payment. They are not eligible for JobKeeper—they do not get your Business Support Fund. What do you say to them, and will you review that small business support fund?

**Mr PAKULA:** Well, I would say in a general sense, Richard, we are constantly in an ongoing sense reviewing all of the support that we provide to business. But we are quite openly saying that the State Government's support is primarily directed towards those businesses which employ people. As your party has pointed out in Parliament in its discussion about the level of government spending, the support that we can provide is finite—it is not a bottomless well. So we have to tailor the support that we provide appropriately in terms of where we can make the most difference. We think we can make the most difference by providing Business Support Fund payments to those businesses which employ people, and that is what we have done. Now, I cannot answer for the Federal Government JobKeeper payment, which you say is not available to them either. That is a question you would have to direct to the Commonwealth.

**Mr RIORDAN:** At the moment, Minister, in a region like mine with the Great Ocean Road—and it is considered one of the busiest tourism areas—the vast bulk of visitor experiences and accommodation outlets fall into this category. I have email after email from people and families—people with three and four children—who are down to one \$1000 payment a fortnight to pay large mortgages and large rents and are trying to keep alive. These people are often on 3, 4 or 10 acres. They have got maintenance, they have got trees falling down—all sorts of ongoing issues. They are in dire straits. When you talk about the benefit for the state, if we have nowhere to stay on the Great Ocean Road, no visitor experiences and no niche businesses left at the end of this—because these businesses will not be back on their feet anytime soon—they will have to walk away from their businesses.

**Mr PAKULA:** Well, Mr Riordan, first of all let me say I am encouraged that you now seem to be supportive of tourists in your region, because it was not that long ago, as I recall, that you were on a unity ticket with Senator Henderson and Mrs McArthur effectively making the case that international tourists were nothing more than a menace on your roads. But nevertheless—

**Mr RIORDAN:** No. Your lack of regulation of tourists on our roads was what the problem was. We love having tourists on our roads. We just objected to people who cannot prove that they have ever driven a car before driving on the roads, is what our problem was. But we love having tourists and we love having visitors. What we do not love is you not doing anything to support these vital small businesses in regional Victoria.

**Mr PAKULA:** Well, as I said, Mr Riordan, I am pleased to see that you have changed your tune, and I noticed also that Senator Henderson, I think it was at Easter time, said—

**Mr RIORDAN:** So address the question. No, we are not here to talk about Senator Henderson. We are here to ask: will your Government review your support?

**Mr PAKULA:** I think at Easter time she was saying, ‘Stay away. Don’t come down’.

**Mr RIORDAN:** No. No-one is talking about that. The question to you is: will you be supporting these small businesses? Because you are not doing anything now.

**Mr PAKULA:** Well, Mr Riordan, I think I have already answered your question.

**Mr RIORDAN:** Right. Okay, we will take that as a no.

**Mr PAKULA:** We have got tens of thousands of businesses who will be supported by the Business Support Fund—

**Mr RIORDAN:** Yes, but all the ones that you are not supporting.

**Mr PAKULA:** many of them in your region—

**Mr RIORDAN:** We will take that as a no.

**Mr PAKULA:** many of them in regional Victoria, many of them in the sector that you describe. As I have said, we—

**Mr RIORDAN:** Yes, but many are not. Minister, I am talking about the ones that are not. Okay; we will move on.

**Mr PAKULA:** Mr Riordan, again—

**The CHAIR:** Mr Riordan, can you let the Minister answer the question, please?

**Mr RIORDAN:** No, because he is not answering. He is wasting time. Moving on to the next—

**The CHAIR:** Well, because you are talking over the top of him.

**Mr RIORDAN:** No, because he has not got an answer, so we will move on. The next question, Minister, is in this quest to try and keep businesses afloat we have the issue around commercial tenancies. And I have an email here, one of many, from small self-funded retirees who are property landlords. Now, this example, people in my constituency, is Elda and Vas. They earn a very modest income of \$52 000 a year from one rental property. They have a large land tax bill to come out of that income, and that is their only source of income. Now, the business that they have as the tenant is unable to pay rent. They have offered a 50 per cent reduction, but going forward they are completely unable to continue to offer rent reductions to that business because they have no other income. They outdo asset tests, so they cannot get the pension. So what is this Government going to do to help support small landlords who have once-valuable properties that just cannot help with rental assistance?

**Mr PAKULA:** Well, Mr Riordan, it is an important question, and we have been very careful to try and craft a scheme which bears in mind the interests of both commercial tenants and commercial landlords. You would note that we did not adopt the position which was about mandatory waivers or mandatory deferrals, which at one point was coming from national cabinet. We instead created a more balanced system, which is about encouraging landlords and tenants to negotiate relief appropriate to the circumstances and to put in place the small business commissioner to mediate those disputes, to the extent that there would be disputes, and hopefully people are able to deal properly with one another and minimise those disputes. But we have also provided for those landlords who are providing rent relief \$420 million in land tax relief. So the landlords that do provide their tenants with rent relief will be eligible for a 25 per cent discount on their land tax and a deferral of any remaining land tax until March 2021. We are not underplaying the fact that having tenants in distress

also creates difficulty for landlords. It is a very difficult situation that we are in, and we have created a system which tries to find a balance between those competing interests.

**Mr RIORDAN:** For many people out there, Minister, there is a concern that this Government does not fully understand the nuances and finer points of the many, many different business relationships that are out there. We have seen it time and time again. For example, the Small Business Fund when you first introduced it used ABN numbers to determine whether someone was able to apply or not able to apply, and that was not made clear to small businesses. Many of them paid accountants and other people to put their submissions together, only to be knocked out because their ABN classification was not clear and it was not made obvious what those classifications should be.

The next question is around the decision to not allow restaurants and cafes in Victoria to open. What evidence was used for that, and why has the Victorian Government gone it alone in deciding what is viable and not viable for the cafe and restaurant industry?

**Mr PAKULA:** Well, I am quite sure, Mr Riordan, that the Premier would have addressed this matter yesterday. There are two things. First of all, in terms of what evidence you might seek, I mean, the decision fundamentally is a public health one, but I personally have had a range of conversations with organisations that represent many businesses in the hospitality sector, whether it is the AHA or the Victorian Chamber of Commerce and Industry. The constant feedback is that for the vast majority of enterprises it would simply be not viable for them to open other than the way they are already open. So if I take my local area as an example, many, many establishments are open for takeaway. They are able to continue to operate with minimal staffing and are able to do good business. To then go to the point where you seat eight or nine people inside and therefore require additional staffing, for the additional business that would be created the cost would be prohibitive. Your point, I think, is that there would be some businesses who would nevertheless want to open in those circumstances. I do not deny that, but as the Premier said yesterday, we do not believe it is consistent with the slow and steady approach to reopening that we have decided to adopt in Victoria.

**Mr RIORDAN:** Minister, my point is that I brought to your attention a whole cohort of small businesses that get no support at all. They are literally limping along trying to feed families and operate day to day. Many of those types of businesses are set up in high streets next to a large Safeway or a Coles or a Bunnings. They turn up to work to sell just their \$4 coffees and look next door at the largest retail companies in Australia who are open slather—no restrictions on what they do. They are going hell for leather selling, and meanwhile someone who has got to feed a family, pay rent and pay all their costs and charges is left with a measly \$1000 handout. Then you as a government have the audacity to tell them that you know what is economic for them. What should we as Members of Parliament say when people make that accusation and look us in the face and say, ‘What are you doing for us?’.

**Mr PAKULA:** All right. Mr Riordan, as I was in the middle of indicating before you decided that you wanted to have another go, many, many of those businesses are indeed open. I am not making assertions about what is happening in your community, but many businesses are open for takeaway. As the Premier indicated yesterday, based on our assessment of the risk in terms of transmission and the staged approach that we have decided to adopt here in Victoria, it is our judgement that having 10 people seated in hundreds and hundreds of locations around Victoria is a faster opening of the economy than we have decided to adopt. But that situation abides only for the next two and a half weeks, and we will reassess in the lead-up to 1 June, at which point it might be possible that those establishments will be able to seat people—and a greater number than 10—and in a way that will be more viable for more businesses but continues to maintain this slow and steady approach to reopening the economy safely.

**The CHAIR:** Sorry to cut you off, Minister. Mr Riordan’s time has expired. Ms Richards, MP.

**Ms RICHARDS:** Thank you, Minister. Thanks to you and your officials for appearing this morning and for your evidence. I would like to understand a little bit more about the Delivered Live initiative. I am interested in understanding and am wondering if you could explain how the initiative is connecting country communities and supporting musicians and live performers.

**Mr PAKULA:** Thank you, Pauline. I have been a great consumer of Delivered Live over the last few weeks and some of the other online appearances by our artists and musicians. I think it has been really wonderful. It

has been screening every weekend for about a month. It is bringing some of our best musicians and comedians together, broadcasting live entertainment in a time when we cannot go to venues to experience it. It is powered by Recharge Vic. It has been set up to help get country communities back on their feet after the drought and dry season conditions, then the summer bushfires and now COVID-19. It is streamed on YouTube. There is a purpose-built studio in Richmond. It is complying with all of the health requirements of social distancing, and each production provides about 3 hours of entertainment.

Those gigs are helping to highlight regional towns and businesses. They are hosting conversations about regional mental health. They are promoting regional producers, whether that is through the sale of wine packs or other things. Those performances are streamed for free if you want to, but the option exists for Victorians to buy a ticket, which I have done now on multiple occasions, and it means that beyond the very social outlet of attending a gig there is another side which has been very valuable for artists and for country Victoria, because we have been able to provide them with an income stream where all of their other avenues have pretty much been cut off.

So artists and their crew and a nominated venue can receive some much-needed income. The Bridge Hotel and Theatre Royal in Castlemaine, the Dart and Marlin in Warrnambool, the Eastern Hotel in Ballarat and the Barwon Club in Geelong have all benefited from the initiative so far, and we have seen some fantastic performers as part of Delivered Live: Bob Evans; my personal favourite, Mick Thomas; Tim Rogers; Alex Lahey; Ali Barter; Cal Wilson; Sami Shah; Claire Hooper. It has been hosted by Henry Wagons. Myf Warhurst has joined in. We have sold over 4000 tickets so far. There have been tens of thousands of people that have viewed it to date. It is stimulating the live economy in the absence of being able to do the real thing and it has put a quarter of a million dollars back into the gig economy and \$100 000 in ticket sales. So it has been really fantastic, I think. There have been four gigs, another six are planned, and I pay credit to my colleague Jac Symes, who has been instrumental in pulling it all together.

**Ms RICHARDS:** Minister, is the platform limited to supporting live performers?

**Mr PAKULA:** No, because if you have seen any of the Delivered Live shows, viewers are also given the opportunity to purchase produce from country retailers—beer and wine from the High Country, deliveries straight to people's door—and there has also been a real focus on promoting regional tourism so that they are able to bounce back quickly when that is possible. But as I said in the answer to the substantive question, it also helps promote discussions about the importance of mental health and community wellbeing. There have been lots of guest interviews, lots of discussion on important topics about social isolation and the impact of drought and bushfires and now COVID-19. I think it has been about more than just providing people with a bit of a musical diversion during their evenings.

**Ms RICHARDS:** Can you explain how Delivered Live interacts with Victoria Together, something you have already given some evidence about?

**Mr PAKULA:** Yeah, look, I think it was 1 May when the Premier and the Minister for Creative Industries announced the launch of Victoria Together. It is an online portal which becomes a one-stop shop for our existing online attractions. It is showcasing much of what Victoria has to offer in live music and comedy, but it is also the animals at Melbourne Zoo and virtual tours of exhibitions and galleries across the state. So Delivered Live is well positioned to be a provider of content for Victoria Together. Both of those initiatives when taken together are about promoting the unique and vibrant creative industries that we have in Victoria. Delivered Live was about providing an online gig for viewers, and Victoria Together is really about promoting a range of other bits of content, so they interplay extremely well with one another and they are very important in supporting local producers and local businesses.

**Ms RICHARDS:** And how many jobs in the creative industry has this initiative supported?

**Mr PAKULA:** Well look, over the course of the program I think we have engaged about 70 people in production, and that increases to well over 100 when you factor in the musicians and their crews. It does not create for those musicians a full-time a revenue stream by any means, but it does help them and their crews to perform. Artists have been challenged by high costs for equipment and an online presence to broadcast, so Delivered Live has made a platform which is really accessible and has directed money straight into artists and technicians. You know, look, I think nobody is suggesting that this is a panacea for all of the ills that we are

currently experiencing in the creative sector, but I think it has been a very important addition, and I know that a lot of people have got a lot of enjoyment out of it in their lounge rooms, particularly on a Saturday night.

**Ms RICHARDS:** Especially Mr Maas apparently. Just changing tack slightly, Minister, I think all Victorians are conscious that the Premier announced that all travellers returning from overseas to Victoria will be placed in enforced quarantine for a period of 14 days to slow the spread of coronavirus. Minister, can you explain in your evidence what your department has done to implement that decision?

**Mr PAKULA:** Yes, well, look, the Premier announced that all travellers returning to Victoria from overseas would be placed in quarantine for a period of 14 days. That was effective from 11.59 on 28 March. Most of the cases of coronavirus across Australia have been the result of travellers returning from overseas who then have been passing the virus on to their close contacts. On 5 April the Premier announced the Hotel for Heroes program. It provides free accommodation in hotels, or indeed in apartments, for frontline workers who have had exposure to coronavirus or who cannot safely self-isolate at home. The Department of Jobs, Precincts and Regions have worked closely with the AHA and with VTIC and indeed with other organisations. There has been a sharing of roles through that hotel and quarantine program between ourselves, the State Control Centre, DHHS and indeed Victoria Police.

Our role as the Department of Jobs, Precincts and Regions has been about sourcing accommodation and managing the industry and accommodation provider relationship. We have so far managed and responded to 155 offers of support from Victorian hotels and accommodation providers. As soon as we made the announcement, the department rapidly completed an assessment of suitable hotel accommodation before we secured those hotel rooms. As at a couple of days ago we had had almost 10 000 international arrivals that had been accommodated in contracted hotels for the quarantine program and about 100 healthcare workers.

To give you some sense of this, in a single day our department has had to manage something like 800 travellers into hotel accommodation in order for them to self-isolate upon their return from overseas. And we have still got people coming into quarantine and then people exiting quarantine after that mandatory 14-day period. By the end of today we would expect about 7350 travellers will have successfully completed their quarantine period. It is an incredibly important program for public health. I think it has been a major part of seeing the trend in numbers come steadily down, and it is something that the department has been working very cooperatively on with hotel providers but with other agencies right across government to ensure that this program can successfully protect the health of the Victorian community.

**Ms RICHARDS:** Great. Thank you, Minister. How has the implementation of this mandatory hotel quarantine and the Hotel for Heroes program supported the Victorian tourism industry?

**Mr PAKULA:** Look, as Members have already made clear, the tourism sector, particularly coming off the back of bushfires, has been incredibly hard hit by the coronavirus pandemic so this program has provided some relief for accommodation providers—obviously only a small cohort of those accommodation providers, but nevertheless important for them. Since the Premier's announcement something like 30 properties have been contracted through DJPR, so that provides an important boost for those accommodation providers, and the rooms are being used not just to accommodate our overseas arrivals for the quarantine period but also workers who are being accommodated under the Hotels for Heroes program.

We expect to see demand for the quarantine program rise due to repatriation flights. You would have seen a number of repatriation flights have been coming in from places such as India in recent days and weeks. But placement of healthcare workers in our hotel stock as part of the access for the Hotels for Heroes program is also expected to increase over the coming months. We as a department have had to manage and respond to over 150 expressions of interest from accommodation providers. We thank them for coming forward and offering to participate in this program, and it may well be that as the demand increases we may need further hotel rooms and further distinct providers to come forward to make rooms available so that these programs can continue to protect the safety of our healthcare workers and the community more generally.

**Ms RICHARDS:** Thank you, Minister. Thanks for your insights today.

**Mr LIMBRICK:** Thank you, Minister, for your presentation and evidence so far. I would like to start on the idea of what happens at the end of the JobKeeper period. We have seen that through the wonders of market capitalism some businesses have adapted, as you have mentioned. They have moved their businesses to

delivery or online or changed their products that they make and sell and this sort of thing, and they have managed to innovate. There will be a number of businesses however at the end of this JobKeeper period that unfortunately will fail, and after that there will be requirements for other people, for entrepreneurs, who want to start up new businesses in this new environment, which presumably will have some restrictions still. What I would like to know from you, Minister, is what sorts of efforts will you be making to remove some of the barriers to entry for these new entrepreneurs—things like business licensing and red tape and fees and planning and all these sorts of other things that would be a barrier to an entrepreneur starting up a new business under this new environment?

**Mr PAKULA:** Look, it is an insightful question, Mr Limbrick. I would say to you that first of all, I agree with your general assessment that not every business which has closed during this period will reopen. I think the Prime Minister has made a similar point. This is a seismic economic event and it will have long-term impacts. In terms of the JobKeeper program and what will happen at the end of that—and I got asked that this morning at a press conference—the Commonwealth needs to think through what happens after the end of September, whether it becomes a cliff or a more gradual reduction in support through the JobKeeper arrangement. I know that there is a lot of concern from industry about the consequences of what might be a very sharp reduction in support. We have already said that we are supporting a range of businesses through this survival process, and they are the packages which have been announced so far.

So if you think about the government response to COVID-19 as two different tranches at two different periods of time: a survival response, which is very much where both the Commonwealth and State Governments are at at the moment; and then an economic recovery approach at an appropriate time, and that will be a matter of judgement for the national cabinet and for the state cabinet about when it is time to move into that recovery phase. I can tell you in terms of our department we are already thinking through a range of supports about how we might, for instance, get first-mover advantage in terms of international flights, ensure that our overseas offices are absolutely up to scratch to ensure that we can benefit from international trade and investment and ensure that our regional tourism economy is able to reboot and Visit Victoria is appropriately supported.

Yes, as part of that thinking I am sure that both DJPR but also DTF will be thinking about what you would describe as red tape reduction: how we ensure, whether it is the planning regime, whether it is the ability to build visitor economy infrastructure in regional Victoria, that the balance there is right. We have announced already some support under a program called skill my business so that businesses, during this period where they might be less active in a commercial sense, can really build up their skill sets, their expertise, in a range of areas where they might want to move in new directions. I suppose the short answer at the end of my long answer is that there is a lot of thinking being done now about economic recovery, and it will be launched at the right moment when we think businesses are best able to capitalise on that kind of package.

**Mr LIMBRICK:** We have heard evidence this morning and yesterday that we do not expect international tourism to return for some period of time, and even interstate tourism looks like it might be affected for some period of time, so there is going to be a lot of a shift to domestic tourism. However, we are in a situation at the moment where parks are closed, camping is prohibited, all these sorts of other current restrictions, but we also heard evidence yesterday that some of these restrictions on activities are sort of not really based on scientific evidence, it is more arbitrary. Will you be pushing for things like parks to be reopened and camping to be restored as soon as possible so that there can be this sort of domestic tourism within the state?

**Mr PAKULA:** A couple of things on that, Mr Limbrick. Yes, in terms of international tourism, I agree it will be some time. I think the Commonwealth will be appropriately reluctant to reopen international flights until there is much more certainty about a vaccine being available and a range of other improvements in place. In terms of interstate tourism, I think if you have a look at the road map that has been set out by national cabinet, it is to be considered in tranche two, and it is much more likely to occur as part of tranche three. We have said that tranche one, which we are currently in, and the current state of emergency will be in place until the end of May. So that is effectively the next two and a half weeks.

The Premier has indicated, and certainly I have spoken to a lot of operators about this, that in the period between now and 31 May there will be a lot of tests done, there will be a lot of analysis of the data in terms of infection rates and particularly the rate of community transmission, and it would be my view that we should return gradually to normalisation—whether it is about domestic tourism, overnight accommodation—as quickly as we can subject to the health experts saying that it is safe to do so. Now, I am not going to

second-guess the Department of Health and Human Services or the Chief Health Officer, but you should rest assured that within Government we all do our jobs in support of our sectors and our parts of the economy. I would like to see as much activity resume as we can, subject to it being done safely and subject to it not leading to a spike in infection rates and community transmission such that would lead us to have to go in that yo-yo pattern that we are all desperately seeking to avoid where you relax and then have to re-impose restrictions. That would be the worst thing for the businesses that you refer to.

**Mr LIMBRICK:** On the topic of tourism and regional activities, prior to the pandemic there was a number of activities—and my colleague, Mr Quilty, and I have explored this in Parliament a number of times—that had actually been smothered by red tape before all this. I can give you some examples. There was the Mallee rally, which was a regional car racing event which had trouble with I think cultural heritage management plans. In the Grampians rock climbing—similar sorts of issues with cultural management. Trail rides in Warrnambool. There is a number of these activities that were shut down through red tape or inability to come to some sort of agreement on these plans and how they operate. Would you be willing to relook at some of these things that were shut down and maybe work towards helping these types of activities operate again post-pandemic or once the restrictions start easing?

**Mr PAKULA:** I think any issues that relate to things like horseriding at Warrnambool on dunes or the other activities that you refer to—rock climbing in the Grampians—I think any restrictions that have been imposed on them have not been by the Department of Jobs, Precincts and Regions; I think they have indeed come from DELWP. So it might be a question that is more appropriately directed to the coordinating minister for DELWP. But I would say in terms of regional events, I think our bona fides are clear. I mean, we have been massive supporters of regional events, whether it has been through the Regional Events Fund, my own work about trying to support the ability of trainers in the south-west to train their horses on the beaches or whether it has been the work that we did by creating specific Regional Events Fund rounds after the bushfires, which would have led to a whole range of regional events occurring were it not for COVID-19 coming over the top of them. We strongly advocate for community events, regional events to be supported, but like all things there needs to be a balance between those activities that people and organisers would like to undertake and other considerations, whether it is about the environmental impact, cultural heritage impact or things like noise and pollution, which sometimes are extremely deleterious to residents in some of those communities who might be not supportive of events for those sorts of reasons.

**Mr LIMBRICK:** Thank you, Minister. Just lastly, over the last year there have been a number of announcements—there was a gold tax announced and there was also an announcement with native timber harvesting being shut down over the long term. In hindsight, with the current situation, are any of these sorts of decisions that have been made over the last year worthy of review?

**Mr PAKULA:** Well, again, Mr Limbrick, I am not going to go trampling over the portfolio responsibilities of other Ministers, but can I say I have heard the Treasurer respond regularly on the question of the resource tax. The fact is those resources that reside in the Victorian ground are assets that belong to the entire Victorian community, and we take the view that those people who are able to profit from those resources that are the property of everyone ought to make a modest contribution to the wellbeing of the community more generally, and so that is not something that we resile from.

**Mr RICHARDSON:** Thank you, Minister, for your time today. I want to take you to the topic of personal protective equipment and medical equipment and how critically important this is to responding to the coronavirus pandemic. Minister, are you able to please outline how the department has helped procure PPE and medical equipment to ready our health system to deal with the coronavirus pandemic?

**Mr PAKULA:** Yes, thank you, Tim. Look, this has been a critical piece of work that our department has done. When one considers where we were and where we have come to in terms of what we have now in regard to protective personal equipment and medical equipment, it has been a stellar effort. We have supported our health agencies by sourcing, by ordering, by acquiring PPE and medical equipment. As a department we established the medical equipment and PPE supplies task force back in March. That commenced daily meetings on 19 March. It has got senior officials from our department. It is chaired by David Latina, who is a Deputy Secretary in this department. But it is also coordinating daily with Health Purchasing Victoria and with DHHS more generally. It is participating weekly in the DHHS PPE task force—that is a lot of acronyms.

Its role is to coordinate a whole-of-government response to medical equipment and PPE supply shortages, and it is also focused, though, on securing supply or local production of equipment in Victoria, because one of the things that this pandemic has demonstrated is that it is perilous to rely completely on international supply chains, particularly when you have got an event which is affecting every part of the globe. The task force has utilised our trade and investment network—that is our 22 international offices—sourcing products, really importantly verifying offers, coordinating freight. We have also had some support from the Commonwealth in that regard, and that is a very crucial service given the international demand for PPE and health items. I think it is difficult for people to appreciate just how competitive it has been globally in trying to secure some of these items around the world.

I have also been representing our Government at the Commonwealth Government, state and territory ministers meetings about the manufacture and supply of health equipment. Those very valuable meetings are chaired by the Honourable Karen Andrews, the Minister for Industry, Science and Technology. Mr Latina, who I referred to previously, is representing the department on the senior officials task force. It has undertaken to source supply for millions of PPE items, whether that is masks or gloves or gowns or face shields or indeed ventilators.

The health minister has already indicated that there is a warehouse in our south-east which is stocked with vital medical supplies. I say that in the context of reminding us all that we are not even at winter yet, and whilst many of those supplies have not been required just yet, we are well short of being able to say that this is over or that they will not be needed. So those supplies are ready to be distributed to our health workers. Our department has assisted in sourcing something like 10 million gloves, 16 million surgical masks, 2 million N95 masks, 5 million isolation gowns and more than 2 million face shields and eye protection items. So it has been a colossal effort.

We are also focused on the coordination of non-health PPE supplies through the establishment of a non-health whole-of-government task force with EMV, because it is not just our healthcare workers that need personal protective equipment. If you think about police and potentially educators, this is something that is going to be required right across government and right across the community. That task force is going to prioritise the requirements that agencies have, aggregate whole-of-government demand for PPE and will be driving both local and international sourcing of supplies. I hope that gives you a bit of a snapshot of some of the work that we have been doing, Tim.

**Mr RICHARDSON:** Yes, thanks, Minister. I just want to take you to the topic of ventilators. We have seen with the millions of coronavirus cases internationally as well how important ventilators are in trying to preserve life and the devastating consequences of people not being able to interact with ventilators in their critical time. I understand that your department has been responsible for sourcing ventilators for the Government. Can you give us a bit of detail about what you have been doing in space?

**Mr PAKULA:** I think it is difficult to overstate the criticality of ventilators as a part of the overall health response to COVID-19. I think there are probably many thousands of deaths around the world which can be attributed to health systems being overwhelmed and patients who would have otherwise survived not having access to a ventilator. That is why I think the race for ventilators, that have been in short supply relative to demand, has been so competitive around the world, and that is why the procurement of ventilators has been such a focus for DJPR.

We have utilised our jobs, innovation and business engagement team and our overseas network of 22 offices to identify companies here in Australia and worldwide to be able to produce ventilators for the state. We have facilitated orders with companies in Germany, China, Ireland, Switzerland, South Korea and the USA, but when you think about how perilous that is, you only need to look at the order that President Trump imposed about a month ago in regard to the export of ventilators and that not being able to occur until local domestic requirements had been satisfied. So it is very difficult to source ventilators. In a very globally competitive market where every other country in the world was seeking to ensure supply, we had to ensure that freight into Melbourne of ventilators also was not disrupted. I can tell you pleasingly that over 200 ventilators have already arrived in Victoria: 100 through RAPP Australia that are manufactured in Germany, 64 from Device Technologies Australia from Switzerland. But in order to mitigate supply risks we are also supporting projects which have the capacity to build our local manufacturing capability of ventilators as well. So back on 9 April I announced that with the backing of half a million dollars we would assess the feasibility of the local manufacture of a ventilator.

Grey Innovation is well advanced in establishing a local consortium. You may recall that the Commonwealth made a preliminary order of 2000 ventilators from Grey Innovation given that they were confident that that project would come to its fruition. At the time I wrote to a company called Smiths Medical in the UK to help secure a licensing agreement for the design of a ventilator. That agreement was procured. So the feasibility stage—and don't anyone believe that the manufacture of a ventilator with hundreds of moving parts is an easy thing for a company that has not manufactured them before—is nearing completion, and we would anticipate that the project will be deemed technically and commercially viable. Regardless of the trajectory of the coronavirus pandemic, I would suggest to the Committee that having local manufacturing capability of ventilators is something that is valuable for our community and the safety of our community into the future, regardless of its needs in this current pandemic.

Grey Innovation is being supported by a supply chain of more than 20 Victorian companies, including ANCA, Bosch Australia, Hosico, Marand, Planet Innovation, Fairmont Medical and Ormiston Rubber. We are not putting all of our eggs in one basket, though; we are also supporting other Victorian manufacturers. One worth mentioning is the Ballarat-based Gekko Systems. They are also advancing plans to produce a simple, locally designed ventilator. You might have seen some of the footage of the principal of that company making a rudimentary ventilator in his garage. Obviously for the purposes of our health system you would want something less rudimentary than that, but it has been very, very encouraging. Gekko is working with the Committee for Ballarat to facilitate and provide advice on local capability and access to networks.

Look, there is still quite a deal to be done in order to deliver a viable locally manufactured ventilator that is fit for purpose, but all of the participants in the work that the Government has procured are really bringing together some highly skilled teams and some supply chains that are able to address the design and manufacturing challenges very rapidly and very efficiently. I think it is a timely reminder of the technical capabilities of our specialised manufacturing businesses. They really are quite profound. I am confident that we will have at some point that local manufacturing capability of ventilators, which will serve our community extremely well moving forward. We would intend to order a range of those locally made ventilators ourselves once it has been proved up and once those machines are available—once they have been manufactured and are available for purchase.

**Mr RICHARDSON:** Well, that will come as a substantial comfort for Victorians, that capability. Minister, you mentioned some of the great work that companies are doing—stepping forward, like all Victorians and Australians, to try to do their bit during this coronavirus pandemic. What is the department doing to support companies who have offered to supply critical PPE and medical equipment, such as those face masks you mentioned and shields, scrubs and test kits?

**Mr PAKULA:** I would say first of all that the response that we have got from companies in Victoria and our supply chain has been absolutely remarkable. We have had so many companies step forward to offer support. We had to create a hotline so that we could send them through and ensure that all of their representations to Government could be properly assessed for viability. Our task force has been facilitating freight, the accreditation of product, access to supply chains—whether that is through the Industry Capability Network or other organisations—and coordination across industry, so market development activities such as our EOI processes. We are also working really closely with the Commonwealth so that we can ensure that products are rapidly certified by the Therapeutic Goods Administration and that they are—

**The CHAIR:** Sorry to cut you off, Minister. The call is now with Bridget Vallence, MP.

**Mr PAKULA:** No worries.

**Ms VALLENCE:** Is the Secretary there as well?

**Mr PAKULA:** The Secretary is here.

**Ms VALLENCE:** Thanks, Minister, for your appearance today and for your presentation so far. Minister, I would just like to ask about the \$150 million fund that has just been announced for sports, tourism, arts. This seems to support big corporates such as racing, as you have described, and also government agencies like museums and art galleries. Why was the decision made to further fund and prop-up government entities such as museums and galleries when so many small, local family businesses—and I know many in my electorate—are on their knees, closed, and may never open again due to a lack of State Government support?

**Mr PAKULA:** Okay. Well, there is quite a bit in that question, Ms Vallenge, so let me go to the different elements of it. Firstly, I think your critique might have some validity if we were only supporting government entities and were not providing support to the private sector. But, as I indicated previously, we have already announced over \$1.7 billion of support. We have provided payroll tax relief, we have provided land tax relief, we have provided support through the Business Support Fund and a range of other supports through government programs. So that is the first point. Secondly, a lot of those businesses that you referred to are also the recipients of Commonwealth support, whether it is through the JobKeeper payment or otherwise. In regard to our support for government institutions, if it is the coalition's position that institutions like the NGV, the museum or the arts centre should close down during COVID-19 never to reopen, I think you should come out and say that.

**Ms VALLENCE:** Minister, this is not about the coalition's position. It is a question to you about supporting and further funding government agencies when we know—and as my colleague Mr Riordan has said and I have too—so many emails and calls are from local family businesses that are on their knees, very worried that they will be closing forever, closing up shop forever. And these are local employers in our communities. When they have got insufficient support from the State Government, the question really is: why did you make the decision to further fund and prop up those government entities and not provide some further help to small family businesses that really, really need it?

**Mr PAKULA:** No, I understood the question. My point is that we have provided substantial support for businesses in the private sector, but I would suggest to you it is also important that at the end of the coronavirus pandemic the NGV still exists, that the museum still exists and that the arts centre is still available for Victorians to enjoy. It is not my view that we should allow those institutions to close down never to reopen either, and the support that has been provided is about—

**Ms VALLENCE:** What do you say then for small businesses that might close down never to reopen?

**Mr PAKULA:** Ms Vallenge, you have asked the question, and continuing to interject does not actually add anything new.

**Ms VALLENCE:** The question is about support for small businesses.

**Mr PAKULA:** No, it was not. The question was about why we are supporting the NGV and other cultural institutions, and I am trying to answer that question.

**Ms VALLENCE:** No—incorrect. And I am asking the questions, so I think I would know. The question is about supporting government museums in favour of additional extra support for small family businesses that may close never to reopen. That was the question.

**Mr PAKULA:** Yes, and I am addressing that, and the point I am making is that we are doing both. We have provided a lot of support. We have got up 50 000 businesses—

**Ms VALLENCE:** Many small businesses—

**Mr PAKULA:** Ms Vallenge, I would ask you not to constantly interrupt because it makes it very difficult for me to answer your question if you continue to interrupt me. So if you could just let me get a sentence out. We have provided support through the Business Support Fund. There will be up to 50 000 businesses supported through that. There are thousands more through the payroll tax relief that has been provided. But it is also important to ensure that our key cultural institutions are supported. It is also important that the 12 000 community and sporting clubs that would be supported through today's package are supported. It is also important that our 132 state sports associations are supported. And when you talk about the racing industry and you talk about the 125 clubs around Victoria, this is not big corporates. We are talking about harness racing clubs around the State. We are talking about 34 000 people employed in that industry, and they are also worthy of government support. If we were supporting only those institutions and not private businesses, your criticism might have some validity, but that is not what we are doing.

**Ms VALLENCE:** Okay. So actually, just as a follow-on from that, you just mentioned about supporting community sporting clubs, and it is reported that the AFL will be eligible to apply—a big corporate, a tax-

exempt corporate will be eligible to apply. Will there be a cap on how much you will give to the AFL under this fund?

**Mr PAKULA:** Well, in terms of the fund that you are referring to, the \$40 million that I referenced for community sporting clubs, they are not eligible to apply under that stream. In regard to the other money in this package, where there is \$16 million for national sporting organisations and professional clubs, I indicated this morning at my press conference that it is likely that AFL clubs, whilst they would be eligible, would be unlikely to receive any funds out of that because one of—

**Ms VALLENCE:** So will it be capped? If they are eligible—

**The CHAIR:** Ms Vallence, would you let the Minister finish the answer to the question?

**Ms VALLENCE:** If they are eligible, it lends them to be able to apply. Will there be a cap?

**Mr PAKULA:** Yes, there will be a cap because it will be a grants-based program and organisations will be able to apply for a grant up to a capped amount. Now, the design of the program will be concluded between now and the end of May, but it would be our expectation that the type of grant that we would be referring to for a professional sporting club would be in the vicinity of a couple of hundred thousand dollars. Having said that, it would not be my expectation as we sit here today that AFL clubs would be anywhere near the front of the queue for that money, because one of the things that we are making clear is that if you have got access to other forms of funding—and the AFL, as we all know, have managed to secure a line of credit through their two banks; they are able to access other forms of funding—so it will be much more targeted at those clubs in those professional sporting codes which are much less able to support themselves through this process.

**Ms VALLENCE:** Okay. You mentioned a queue, so hopefully, on behalf of all of those local community organisations, community sporting clubs, the Government will commit to putting them at the top of the queue. I would just like to move—

**Mr PAKULA:** Well, as I say, it is a different bucket, Ms Vallence. It is a different bucket.

**Ms VALLENCE:** No, it is not a question. I will just move on to perhaps some questions to the Secretary, if I may. From 1 March to the beginning of May, Secretary, how many businesses has the department estimated to have closed permanently?

**Mr PHEMISTER:** No, I am sorry, Ms Vallence. I do not have that detail with me. We would have to look at—

**Ms VALLENCE:** Can you take that on notice?

**Mr PHEMISTER:** I will take that on notice.

**Ms VALLENCE:** Thank you. Well, do you have any estimated figures of businesses that have temporarily closed in that same period? If not, can you take that on notice?

**Mr PHEMISTER:** I have certainly got numbers of businesses who have applied for our Business Support Fund, and I have got numbers of businesses who are applying for the payroll tax relief, which tells us they are impacted businesses. I have those numbers. When it comes to businesses that have closed, I am going to have to pull together a range of different data points, Ms Vallence. Perhaps I can break it down and provide it to the Committee later.

**Ms VALLENCE:** Yes, if you could, and including those figures that you have just mentioned in terms of the number of businesses that have applied. If you could provide that in a package, thank you. So how many of the larger businesses, those that are above the Business Support Fund threshold, have sought government financial assistance? Is that something that you can describe now?

**Mr PHEMISTER:** I can. So there are businesses who do not fit the financial thresholds that qualify them for the Business Support Fund. For those in the night-time economy there is a separate fund that has been established. So for your \$50 million turnover limit effectively—and this goes to the Minister's point earlier about us continually refining eligibility criteria—there was a group of businesses that were ineligible because of

their large-scale turnover in what we are calling the night-time economy, so restaurants, pubs, clubs et cetera. Their turnover breached \$50 million because they were groups of businesses that had lots of single entities that made up the aggregate number that breached the \$50 million. So Government launched the additional \$40 million fund for that, and we are working through with different industry associations at the moment how to best allocate that number. For larger businesses that sit outside that cap, we have had different approaches to the department. I do not have the formal number here with me, Ms Vallence, but I can certainly go through our account managers and pull that together for you.

**Ms VALLENCE:** Okay. And in February this year, the bureau of statistics reported that the unemployment rate in Victoria will be 5.7. Is there any sort of forecasting or commitment that you can make that by the end of next year, the end of 20–21, we will be able to normalise and drop back to that similar amount, that 5.7 per cent unemployment rate?

**Mr PAKULA:** In Treasury forecasts?

**Mr PHEMISTER:** It is in the forecasts, the Treasury forecasts, Ms Vallence. With the next budget update there will be a new set of forecasts, but it is highly contingent on how the pandemic plays out. So as we continue to learn more about the pandemic and take into account DHHS's trajectory of the pandemic, then Treasury can better refine their unemployment forecast. They all flow out of the federal unemployment forecasts. I will refer to my colleague, David Martine, who you spoke to this morning, but I am more than happy to track David's forecasts down and share them with the Committee.

**Ms VALLENCE:** Okay, that would be good. Is the Victorian Government planning to play any particular role in securing Virgin Australia in Victoria?

**Mr PAKULA:** Who is the question directed to, Bridget?

**Ms VALLENCE:** Minister, you can take the question.

**Mr PAKULA:** Well, you would be aware that there is currently a process where the administrator is engaging in dialogue, I think, with a number of different consortia—

**The CHAIR:** I am sorry to interrupt and cut short the answer, Minister, but the Member's time has expired. I will call Ingrid Stitt, MLC.

**Ms STITT:** Good afternoon, Minister. Thank you for appearing today before PAEC. I wanted to ask you some questions about the Government's support for commercial landlords and tenants. I just wanted you to explain the Government's commercial leasing principles and the announcements that the Premier made on 15 April in terms of assisting commercial tenants and landlords to reach agreement so that they can maintain existing leases. Could you take the Committee through what has been done in that area?

**Mr PAKULA:** Yes, sure. Look, there is no question that the impact of coronavirus on the small business sector has been considerable. Nobody disputes that. The stage 3 lockdowns that the Government has put in place to protect the health and wellbeing of Victorians has led to some significant and widespread economic consequences. There has been a decline in revenue and cashflow for many small business owners, and it has impacted the ability of those small business owners to meet their usual outgoing costs, and that includes not just rent but wages as well.

So there has been a lot of cooperation at State and Federal levels and considerable work has been undertaken to assist small businesses to get through that crisis. So as part of that support for small businesses we have led the way on the implementation of the national cabinet's code of conduct for commercial leases through legislation that was passed through the Parliament on the sitting day that we had on 20 April. That legislation allows for considerable change to the usual way of doing business to ensure that the sector can hit the ground running when this crisis comes to an end. And in order to provide some security for commercial tenants there is the banning of eviction for non-payment of rents for commercial tenancies for a period of six months. We have placed a freeze on rental increases to ensure that commercial tenants are protected from a price hike in what are very, very difficult times.

We are wanting, of course, to ensure that the support reaches those who need it the most, so the businesses that are eligible for those measures are those that are participants in the JobKeeper scheme and have an annual turnover under \$50 million per year. So we are working very closely to the guidelines provided as part of that decision of the national cabinet, and it is absolutely consistent with those decisions of the national cabinet.

**Ms STITT:** Thanks, Minister. When you have got a circumstance where a landlord and a tenant cannot reach an agreement, can you talk us through what happens there and what role the small business commissioner can play in trying to assist?

**Mr PAKULA:** It was very important to come up with a balanced scheme, and we know that it will be very difficult in certain circumstances for tenants and landlords to reach a mutually acceptable compromise. These are difficult commercial discussions in many instances, so it was very important to empower an office with the ability to mediate some of those disputes, and we decided that the small business commissioner, Judy O'Connell, was the most appropriate office to play an active role in the mediation of those disputes. If tenants and landlords are unable to reach agreement, they will receive access to a fast-tracked mediation service provided by the Small Business Commission. The aim of that mediation will be to try to find an agreement between tenant and landlord that is in the best interests of both parties.

Going back to the point that Mr Riordan made earlier, we do not for a moment resile from the understanding that this is a difficult time for landlords as well; it is not just about difficulties for tenants. But the service has so far been extremely effective. In the last financial year there have been something like 2000 mediations conducted by the small business commissioner. The success rate is over 80 per cent, so we have got great confidence in the capacity of the small business commissioner to be an effective mediator in the circumstances of this agreement between landlord and tenant during COVID-19. I know that the task for COVID will be much larger. I think up to last week the commissioner's office had already received more than 2200 calls for assistance, so this is going to be a very concentrated bit of work that the small business commissioner will have to do. We are confident though that working with the Small Business Commission and their very dedicated team of mediators we will assist the vast majority of tenants and landlords to reach a mutually acceptable agreement.

**Ms STITT:** Thanks, Minister. What incentives have the Government tried to create in terms of providing incentives for landlords to offer some rent relief?

**Mr PAKULA:** We do know that the pressure on tenants and landlords is substantial. We know that there are a lot of landlords who will want to do everything they can to support their tenants, but they will find the financial cost of doing so very difficult for them to endure, so we have provided financial support to landlords so that they can pass on rent relief to their tenants. The Treasurer announced \$420 million in dedicated land tax relief for that purpose, so if a landlord provides tenants that are impacted by coronavirus with rent relief, they will be eligible for a 25 per cent discount on their land tax, and any remaining land tax can be deferred until March of next year. That is all about ensuring that we are helping landlords to help their tenants to get through this period of time. We have also established a new coronavirus relief deputy commissioner who will oversee the issuance of those land tax relief claims via the SRO. I am advised that as of last week, 7 May, there were 1300 landlords who had already accessed that concession, and I am sure that that information will be updated from time to time by the Treasurer.

**Ms STITT:** Minister, how does the commercial tenancy relief scheme actually work? How would a tenant need to approach the Government to get access to lower rent or other provisions in that scheme?

**Mr PAKULA:** This scheme works best when tenants and landlords are able to come to a mutually acceptable arrangement. In the first instance, a tenant who is having difficulty paying rent as a consequence of COVID-19 should continue to pay what they can afford to pay. It is important for them to work out their broader financial situation, contact their landlord in writing about their situation and find out what support can be offered. We are really encouraging landlords and tenants to have those conversations; they need to engage with one another. But if there is any lack of clarity on behalf of either the landlord or the tenant, then they should contact the Small Business Commission for guidance. If they are able to reach agreement—and there is a guidance note on the Small Business Commission website about this—then that should be made in writing to ensure transparency for all parties, to ensure enforceability, and once that agreement has been reached then landlords at that point can contact the SRO for their 25 per cent land tax discount and their deferral of future

land tax payments. As I indicated, if that agreement cannot be reached, then they should contact the Small Business Commission. A case officer will then be appointed, will contact both of the parties and will arrange for that free mediation session either via videoconference or via telephone. Then if agreement is reached as a consequence of that mediation session, they will be able to enter into binding terms of settlement.

**Ms STITT:** I wanted to now move onto the support package that the Government has announced for the creative industries—and we have had a little bit of evidence around this already today—because obviously that is an industry that has been heavily impacted by the coronavirus. On 26 April there was an announcement around a \$13 million Strategic Investment Fund. Can you explain to the Committee how that fund is going to be able to assist that industry get through the worst of the pandemic and the impacts on their ability to be viable?

**Mr PAKULA:** Yes, sure. Look, Ingrid, the creative sector has taken a massive hit. They are not alone, as many, many sectors of the economy have taken a substantial hit as a result of COVID-19. So the Government has announced nearly \$50 million in dedicated funding for our creative sector. That goes right across organisations small and medium, independent practitioners, our cultural institutions, the music industry. It is about maintaining creative jobs, it is about ensuring that we have ongoing activity. It is about individuals and organisations being able to regenerate income to continue to develop their work. I talked about Delivered Live, about allowing the creative community to keep participating and some of them to keep earning, even at a much lower level, during the current shutdown. And we have got iconic creative and cultural institutions that I should say are not just enjoyed by Victorians but are a massive part of our overall visitor economy offering. When you talk about creating jobs in the sector, many, many hundreds of jobs are created because people want to come to Melbourne to sample our creative and cultural institutions. It is not all about natural assets, it is not all about beaches and harbours; it is about Melbourne's place in the world as a creative and cultural hub, and it is what draws people here.

The support includes, as was announced today, \$26.35 million to help alleviate the financial pressures on the arts centre, the NGV, Museums Victoria, the Melbourne Recital Centre and the Geelong Arts Centre while they are closed to the public; a Strategic Investment Fund that you referred to in your question, Ingrid, which is open to Creative Victoria-funded non-government arts and cultural organisations—that spans almost 100 festivals, performing arts companies, museums and galleries, and First Peoples, youth and culture-diverse art organisations across the state; a \$4.2 million sustaining creative practice fund, which is about quick response grants to impacted Victorian independent artists, our micro-organisations that have a number of years of professional experience; some support for musicians, industry workers, businesses to upskill and adapt and develop new—

**The CHAIR:** Sorry to cut you off, Minister. Apologies.

**Mr HIBBINS:** Thank you, Minister and Secretary, for appearing today. I want to ask about temporary visa holders. Now, temporary visa holders have I guess fallen through the cracks or have not been offered support in terms of Federal Government schemes. Now, I understand the Government has offered payments and some housing support to international students, but is the Government offering any direct support to other temporary visa holders in Victoria?

**Mr PAKULA:** As you indicated, Mr Hibbins, there has been no support from the Commonwealth for temporary visa holders and indeed none for international students either. So we have to fill the gap in regard to international students with the package that we announced last week—or a couple of weeks ago, I think it is now—with many international students starting to suffer from housing problems, accommodation issues and an inability to feed themselves as a consequence of some of the problems that are being felt by communities all across the state and across the country. We have been grateful for the participation of the university sector in some of that support as well. We have not at this stage announced any particular support for TPV holders outside the support that we have announced for international students, but it is something that is under consideration.

**Mr HIBBINS:** Why is that? Because obviously the same issues that are facing international students would be facing temporary protection visa holders.

**Mr PAKULA:** Well, because, Mr Hibbins, when a government is responding to the impacts of a pandemic and the economic consequences of something of this magnitude, you do not deal with everything all at once. So our priority in the first instance has been about things like the business support grants and Working for Victoria, which, by the way, those visa holders that you referred to are able to work on—under Working for Victoria. Then it has been about supporting and maintaining some of our key institutions, whether it has been the Melbourne convention centre or some of those institutions that we announced today. And we have announced support for international students. So as I said, support for temporary visa holders who are not international students is something that is under consideration, but it is not something that we have announced to this point and not something that we have made a decision on to this point.

**Mr HIBBINS:** Well, I am glad it is under consideration, because the Tasmanian Government has managed to announce support for temporary protection visa holders and international students at the same time. And I think you would be aware it is not just an economic issue but a health issue as well. If people are suffering financial strain, it is a lot harder for them to practice safe social distancing.

But we will move on to local government workers. Now, you have spoken a lot about the jobs scheme, but obviously there are only a limited number of jobs that you can reallocate workers to. Why hasn't the Victorian Government, like the New South Wales Government, provided direct financial support to local government workers that have lost their jobs?

**Mr PAKULA:** Well, that is not entirely true. First of all, the Working for Victoria scheme, as I indicated, has been something that we have worked very closely with the local government sector on. It is a decision of the Commonwealth to not support local government employees under the JobKeeper program. That is something that we advocated to the Commonwealth quite vigorously on, but they made the decision to not support local government workers under JobKeeper in the same way that they decided they would not support workers who are employed by the State Government or state instrumentality.

The Minister for Local Government and I wrote to all of the 79 LGAs in Victoria encouraging them to keep as many of their workers employed as possible, but we have, as I indicated, partnered with 28 councils across metro and regional Victoria. It has led to the creation of something like 2500 jobs, and I can indicate that a number of those local government areas who have partnered with us on Working for Victoria have been able to re-engage some workers who would have otherwise been unemployed as a consequence of COVID-19, as a consequence of the support that we have provided through Working for Victoria.

**Mr HIBBINS:** That is great. I saw them out in my local community just the other day, so it is a good scheme, but I was really referring to support for those workers who cannot be employed. That is obviously something the Government is not looking at—support for unemployed council workers. But I will move on. Look, I think you would be disappointed if you did not get a question from the Greens MP about the grand prix, so what I would like to—

**Mr PAKULA:** Particularly from you, Mr Hibbins.

**Mr HIBBINS:** Yes. The grand prix has been cancelled this year. How much has the state ended up having to pay for the grand prix? I understand it is usually about \$60 million a year. What have we ended up paying this year?

**Mr PAKULA:** Well, can I say the payment that was required by the Government—well, by the Australian Grand Prix Corporation, was effectively the refund of tickets to all of those people who had purchased tickets but were obviously not provided with contractual satisfaction because they were unable to attend an event that was cancelled. In regard to Formula One management and the Australian Grand Prix Corporation, we have reached an arrangement which is acceptable to both parties following the cancellation of the 2020 Formula One Australian Grand Prix, and so that is something that—

**Mr HIBBINS:** And that figure is?

**Mr PAKULA:** I beg your pardon?

**Mr HIBBINS:** And that figure is?

**Mr PAKULA:** Well, as you know, Mr Hibbins, the figures are always made available to you when the Grand Prix Corporation annual report is released, but I can tell you—

**Mr HIBBINS:** Well, you have got an opportunity now.

**Mr PAKULA:** I can tell you that the AGPC and Formula One have reached an acceptable arrangement and I can say to you, moreover, that the Australian Grand Prix Corporation was not required to pay the race promotion fee to Formula One for the Formula One Australian Grand Prix 2020. So that is the figure that you are generally referring to, and as the race did not proceed the overwhelming impost has been the refund of tickets.

**Mr HIBBINS:** Which costs how much money?

**Mr PAKULA:** Well, the actual dollar amount I do not have with me—it will be in the annual report—but the refund of tickets, the ticket sales run into the many millions of dollars and that was all refunded.

**Mr HIBBINS:** Thank you, Minister. I will move on to the small business support funding and ask: in terms of the eligibility requirements, the stage 1, what was the eligibility based on? Was it based on what type of business it was or was it based on just how much revenue a business has actually lost?

**Mr PAKULA:** No. Well, the sort of financial parameters have not changed. So the financial parameters have been about businesses which have a turnover of \$75 000 or more and a payroll of under \$650 000. The first tranche was primarily directed at businesses that had been required to close as a consequence of the decisions of government, whether they be the national cabinet or the decisions of the Victorian State Government. So you would imagine that, you know, businesses in the hospitality sector, businesses in the visitor economy sector, it was those businesses that were the primary beneficiaries of that first tranche of support.

**Mr HIBBINS:** And now it has been expanded to other businesses, my understanding is.

**Mr PAKULA:** Now it has been expanded to any business that fits within those financial parameters—that is, that employs people and is a participant in JobKeeper. And one of the things that I should mention is that those businesses who were initially denied support under tranche 1—who applied but were denied support—the department is contacting those businesses, and that is occurring as we speak.

**Mr HIBBINS:** Can I get some information around just how many businesses have actually accessed or applied for land tax relief? Do you have those figures, and what is the amount expended so far?

**Mr PAKULA:** Land tax relief, Mr Hibbins, is organised through the State Revenue Office, which sits within the Department of Treasury and Finance. So I do not have DTF figures at hand, but I would be disappointed if you had not put that to the Treasurer this morning.

**Mr HIBBINS:** Well then, you mentioned around 2000 times that the small business mediation service has been accessed. Is that correct; was that the figure? Was that since the support has been announced?

**Mr PAKULA:** I think the comment that I made was that there had been something like 2200 approaches made to the small business commissioner in recent times, since we announced the commercial tenancy relief scheme.

**Mr HIBBINS:** And so do you have figures on how many agreements have been reached?

**Mr PAKULA:** No, I do not have those figures. I do not think that would be a large number to date, given that the scheme has only been in place for a relatively short period of time, but we will see what further information we can provide to you about that.

**Mr HIBBINS:** If you could take that on notice and other information in terms of just how long it is taking—the average time for a resolution—and the average reduction and how many have actually not been reached and gone to VCAT or the courts.

**Mr PAKULA:** I am happy to take that on notice, Mr Hibbins, and provide to you whatever information we can.

**Mr HIBBINS:** Thank you. No further questions.

**Mr D O'BRIEN:** Minister, you would be aware, of course, that Victoria produces about a third of Australia's barley and that China is proposing an 80 per cent import tariff on our barley. We have heard the Treasurer this morning talk up what a great relationship the Victorian Government has with China and with the Chinese Government, so could you advise what representations you or the Government have made to China opposing that tariff?

**Mr PAKULA:** I have to say that the principal representations in regards to our trade relationship with China have been made by Minister Birmingham as the Federal Minister for Trade, but I can indicate to you that, whilst in the very short period of time since the decision on barley was conveyed by representatives of the Chinese Government in recent days I have not spoken to representatives of the Chinese Government myself, I have spoken to Senator Birmingham about it.

**Mr D O'BRIEN:** Minister, I do not want to labour this, but the Government has taken a very strong stand on its relationship with the Chinese Government so far as to go above and beyond what the Australian Government's foreign policy is with respect to the Belt and Road Initiative. Will the Government take any action to express its displeasure at this proposal?

**Mr PAKULA:** The Government will continue to do what we believe is in the best interests of the agricultural sector, Mr O'Brien, and all of the other trade-exposed parts of our economy. We believe that the relationship with China is a very important economic and cultural relationship to our economy and to our community—but not exclusively. It is also correct to say that we have a range of many other valuable and deep relationships, whether it is with Japan, the United States or many European economies. We will continue to deal with those relationships dexterously and sensitively, and I will not be engaging in sabre-rattling about them.

**Mr D O'BRIEN:** Minister, we heard earlier about the impact on jobs from the Premier, the Treasurer and yourself in Victoria, and obviously it is a dire situation. Given that dire situation and the importance of the timber industry particularly to regional Victoria but also to the manufacturing sector throughout Melbourne, will the Government reconsider its decision to axe the Victorian native hardwood timber industry?

**Mr PAKULA:** As has been indicated on many occasions by the Premier and by the Minister for Resources and others, there have already been significant losses to the resource as a consequence of bushfire, and COVID-19 has now come along and has led to a drop in demand for native timber products. Bushfires have had a significant impact on supply, so the Government—through the Minister for Resources, who is also the Minister for Agriculture, of course—is continuing to assess the impact of the fires on the timber supply. We know that has been significant. We are assessing how the fires have impacted ash and mixed species volumes. We do know that there has been a significant impact on the timber harvesting operations in East Gippsland and the Tambo area and also private plantations—

**Mr D O'BRIEN:** Minister, with respect, we understand those impacts. I am just asking whether you will revise the decision to axe the industry altogether, given that we are going to need every job we can get.

**Mr PAKULA:** As I was in the process of saying, first of all, Mr O'Brien, I think you know that this sits within the responsibilities of other Ministers. But the fact is that we said at the time that the plan was about a step-down. It is important, as part of your narrative, that you do not ignore the fact that this is not an immediate thing. There is a step-down process up to 2024 and then out to 2030. But as part of that step-down process one of the things that we were concerned about would be a fire event that would have led to the destruction of the resource in any case. Now, there has been a significant fire event, and it is important that we assess the impact of that before saying anything further. But it is exactly why the Government indicated at the time that it made its announcement that we would not simply allow ourselves to float along and become takers of whatever impact a significant fire event might create. It is important in those circumstances that there be a plan in place, and that is what there is.

**Mr D O'BRIEN:** Okay. Minister, with respect to the Pig Services Centre in Bendigo, the VFF wrote to Minister Symes on 2 April about the closure of the Pig Services Centre and said:

The suspension of the service is extremely short-sighted and will be devastating for Victorian pig producers.

Can you outline when that particular facility will be reinstated and reopened?

**Mr PAKULA:** You are referring to the Pig Services Centre?

**Mr D O'BRIEN:** That is it. It supports 500 pig producers and nearly half a billion dollars of production in the Victorian economy.

**Mr PAKULA:** I can provide you with this information, Mr O'Brien: I am advised that AgVic has temporarily suspended taking new orders at the Pig Services Centre in Bendigo to protect some of its high-risk staff members from potential exposure to COVID-19 and to ensure continuity of the services in the future. If there is any suggestion that the centre has been closed for good, let me put your mind at ease: that is not correct. There has been I think some unnecessary concern created amongst staff and industry in what is already a difficult time. It has not been permanently closed. Vaccine orders which were placed before the suspension will continue to be met, and full operation will resume when it is deemed safe to do so. So during the temporary suspension period—

**Mr D O'BRIEN:** Can you give me a ballpark on when that will be?

**Mr PAKULA:** Well, when it is safe to do so. When it is deemed safe to do so by health authorities, Mr O'Brien. I am not going to put an arbitrary date down when we are talking about public health, but I can say that during that temporary suspension there have been arrangements made with a local commercial provider to provide new vaccine orders and other diagnostic services which are normally provided by the Pig Services Centre. So we know that it is an important part of the food supply chain. We know that continuity of service is very, very important, and the agreements that I have referred to will ensure that that continuity of service exists.

**Mr D O'BRIEN:** Thank you. Can I move to another issue? Just ahead of the last election the Government committed to funding support for SEA Electric to establish an electric vehicle plant in the Latrobe Valley and create 500 jobs there, allegedly. Due to coronavirus the company has actually started laying off its existing staff, so I would like to know: has the Government honoured all of its funding commitments with respect to SEA?

**Mr PAKULA:** Well, Mr O'Brien, I am going to answer this question simply: Government is absolutely confident that it has honoured all of its financial commitments with that organisation. I understand you are probably in receipt of some correspondence. I would suggest to you that given that there has been some talk by that organisation of them taking legal recourse, I am not going to prejudice the State's position by going into any details about that. But suffice to say it is the State's position that it has honoured all agreements with that organisation.

**Mr D O'BRIEN:** Has the State stood in the way of any other capital-raising attempts by the organisation that without them having been achieved has led to the organisation having to cut jobs?

**Mr PAKULA:** Well, as I said, Mr O'Brien, there has been correspondence that has been flying around from a representative of that organisation. I do not intend in any way to prejudice the State's position in what might become some kind of legal contest about a grant proposition by ventilating those matters in a public forum.

**Mr D O'BRIEN:** Well, going back to the commitment made by the Premier, then, has a site been identified in the Latrobe Valley, and how many jobs have actually been created, given that the budget papers last year included that there had been 500 jobs created when not one had?

**Mr PAKULA:** Yes, a site has been identified. I am advised that we have been in negotiations with the company over that matter for more than a year.

**Mr D O'BRIEN:** And the number of jobs?

**Mr PAKULA:** In the period whilst that site has been sought to be identified, we have been effectively bussing people from the Latrobe Valley to the Dandenong plant, which was part of the agreement about what would occur in the initial stage of operations.

**Mr D O'BRIEN:** How many, Minister?

**Mr PAKULA:** I will get the number for you on notice, but I think it is in the many, many—

**Mr D O'BRIEN:** Happy to take it on notice.

**The CHAIR:** I will also just remind the Member that the Minister, I am sure, and the Secretary have come prepared to answer questions relating to the terms of reference of this Inquiry.

**Mr D O'BRIEN:** It was, Chair. But can I move on. Minister, with your racing hat on at the moment you will be aware that greyhound trainers and breeders have been hit by reductions in prize money as a result of coronavirus. Have you asked GRV to undertake an audit and to reduce their administrative costs to ensure that the losses to the industry in the greyhound sector have not been borne disproportionately just by breeders and trainers?

**Mr PAKULA:** Well, they have, Mr O'Brien. Part of the response by the racing industry to COVID-19 is that there have been reductions in administrative costs at the head offices of all of the principal racing administrations—so Harness Racing Victoria, Racing Victoria and GRV—as well of course as many of the racing clubs, including the metropolitan racing clubs. And in regard to—

**Mr D O'BRIEN:** Do you know the extent of those savings? Sorry, I have got 20 seconds left. I am just wondering if you can tell me a percentage of—

**Mr PAKULA:** Well, in the last 20 seconds I would say that as part of the package that was announced this morning that Ms Vallence seemed critical of there is a significant support package for greyhound racing, and I am sure the industry will benefit from that support.

**Ms VALLENCE:** That is an inaccurate reflection.

**The CHAIR:** The Member's time has expired.

**Mr D O'BRIEN:** Can I get on notice, Minister, a breakdown of the three sectors?

**The CHAIR:** Excuse me, Mr O'Brien, your time has expired. Can we thank very much the Minister and Secretary Phemister for their appearance here this morning. The Committee will follow up on any questions that were taken on notice in writing, and responses will be required within five working days of the Committee's request.

**Witnesses withdrew.**