TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

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

Melbourne—Wednesday, 20 May 2020

Members

Ms Lizzie Blandthorn—Chair	Mr Danny O'Brien
Mr Richard Riordan—Deputy Chair	Ms Pauline Richards
Mr Sam Hibbins	Mr Tim Richardson
Mr David Limbrick	Ms Ingrid Stitt
Mr Gary Maas	Ms Bridget Vallence

WITNESS

Mr Adrian Dwyer, Chief Executive Officer, Infrastructure Partnerships Australia *(via videoconference)*.

The CHAIR: Thank you for joining us. Welcome to Infrastructure Partnerships Australia for the Public Accounts and Estimates Committee 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 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 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. I would ask photographers and camerapersons to follow the established media guidelines and the instructions of the secretariat.

We invite you to make a brief opening statement of no more than 5 minutes. We ask that you state your name, position and the organisation you represent for broadcasting purposes. This will be followed by questions from Committee members relative to the representation at the table. Thank you for joining us today.

Mr DWYER: Good morning, and thank you for having me. My name is Adrian Dwyer. I am the Chief Executive Officer of Infrastructure Partnerships Australia. Chair, I hope not to take the full 5 minutes, but I will just make a few brief remarks if I can, firstly, to explain who Infrastructure Partnerships Australia are, and then just to give a brief overview of our thoughts on the Government's response to COVID-19 thus far. Infrastructure Partnerships Australia is a public and private sector infrastructure think tank and member network. We have existed for 15 years, and we have members, as I say, from the public and private sectors right across the value chain of infrastructure and all cross Australia.

I wanted to just make some brief comments on what we have done in response to COVID-19 by providing advice to governments. We provided a letter to all Australian governments, including the Victorian Government, which we have tabled to the Committee, providing advice on what could be done to keep the infrastructure sector open and how the infrastructure sector could contribute to the stimulus effort to recover the economy post crisis. We have enjoyed very open and frank dialogue with ministers and senior bureaucrats on that letter and other issues. Minister Allan has appeared before a broad audience through IPA's virtual platforms, and I have met with Minister Allan directly. I have done the same with Treasurer Pallas, who has also appeared on a virtual event series to communicate with the sector, both on the letter and advice that we provided but on the broader COVID response as well.

The sector has welcomed support from the Government around continuity of the existing pipeline, flexibility around the way sites work and keeping sites open from a construction perspective and a focus on streamlining planning as well. The Government, as we know, announced earlier this week a $2.7 billion additional funding package for infrastructure investment. We were quite pleased by the symmetry between the way that that program was structured and the advice that we have given governments around smaller, high-velocity projects—things that can be delivered quickly into the market—but also that it was stated that this will be a first foundation of a future broader stimulus into infrastructure. It is pretty clear to us as an organisation that there will need to be government support for aggregate demand in the economy over the long term, and infrastructure is of course a prime candidate for that. We would like to see the role of private capital elevated in the discussion around stimulus. In the immediate term, of course, there has been a focus on high-velocity projects and moving money into the construction space quickly. But we do not want to discount the opportunities available through private finance, things such as PPPs, to get efficiency for taxpayer investment in infrastructure, and that is something I am sure we will talk about later on during the hearing.

We also need to be very aware of incidental decision delays on infrastructure and the impact they can have over the longer term. Even small delays on relatively small tenders when aggregated up can result in fairly substantial delays across an infrastructure program, and there are of course a fair amount of things right now to be distracted with as the bureaucracies and other parts of government look at dealing with the health crisis. We need to be aware of any minor delays which ultimately result in boots not being on the ground, and they need to be when the economy opens up over the coming months. I will probably leave it there in terms of opening comments, and I am happy to take the Committee's questions.

Mr RICHARDSON: Thank you, Mr Dwyer, for joining us today and for offering your perspectives. We might go into a bit more detail about the correspondence you have shared with the Committee as well. Obviously we have gone through the survival phase of the coronavirus pandemic. We are now looking towards the economic recovery and rebound that has been talked about and reflected on a lot. During that time in my neck of the woods out in the south-east we have seen hundreds and hundreds of workers continue on in level crossing removals and freeway upgrades on the Mordi freeway. Is it your belief that the continued construction work has been carried out broadly with safe practices, and what are your thoughts about how firms and workers have managed during this time?

Mr DWYER: I am not on the ground, so what I hear from the construction sector is from the senior executives of those businesses and then the broader infrastructure sector. The first thing I would say is there is an absolutely united view across the infrastructure sector that keeping construction open was an absolutely crucial move to keeping the economy moving. Very much the response from the construction sector was that this is a heavily controlled environment anyway, with a number of health and safety controls—controls about who can come onto site, who can leave site, when they are there, what they are doing when they are there—and this was considered to be an additional control mechanism put in. Despite there being a decline in productivity, and anecdotally we hear that is around 10 to 15 per cent lower productivity as a result of things like social distancing, there was a vast preference for diminished activity rather than no activity, so that has been heavily welcomed. The efforts of the Victorian Government, the New South Wales Government and the national Government in particular have been hailed across the sector on that.

As for whether that has been done safely, we have not heard of any systemic issues of it being done unsafely. In fact, we have heard lots of relatively innovative approaches coming out of the sector about the way of dealing with socially distanced activities that in the past had been done in a non-socially distanced way. Of course that has added some additional cost in places and some additional time imposts, but certainly the sector appears to be happy that that activity has been allowed to continue.

Mr RICHARDSON: It is an interesting point. The Mentone and Cheltenham level crossing removals will have 1700 workers on site during those times. A week was announced to extend that time. But the fact is that the Master Builders Association this morning talked about in construction only two cases, and they were managed very well and those people are back and healthy at work. It is an extraordinary effort from the infrastructure sector.

Obviously we have seen substantial impacts to Victorians and indeed Australians—127 000 jobs that have been lost, 730 000 across Australia—but construction has continued on. To what extent do you believe that the activity that has gone on in construction and infrastructure more broadly has saved jobs in the sector?

Mr DWYER: I think it is beyond doubt that it has saved jobs. I think that there is a legitimate longer term question about the support required to continue the existing infrastructure and construction activity. Of course not all of that is underpinned by public sector investment; there is a lot of private sector investment in infrastructure and building as well. So because we have managed to maintain construction for the moment does not mean of course that those jobs are preserved in the long term without additional actions and support. But it is beyond question that Australia's economic performance through the coronavirus has been supported by the decision to maintain the existing infrastructure construction activity and maintain the existing pipeline of future infrastructure opportunities—no question about that at all. And I think it is incumbent upon all of us to compliment governments where that has happened and applaud it, because Australia would be in a vastly worse economic circumstance today had those decisions not occurred.

Mr RICHARDSON: Certainly with getting governments through, obviously the Federal and State Governments have had to take on debt to get through this, but to have that tax revenue stream still coming through from infrastructure has been I think really important as well.

In terms of pivoting towards future orientation—survival—what does it look like in terms of the infrastructure pipeline and construction going forward, and what are your views on how the infrastructure sector can assist in that economic recovery and rebuild going forward? What are the things that you are wanting to see in this space?

Mr DWYER: I guess the first thing I would say is that we have done extensive consultation with the broader infrastructure sector across our 150 members. One of the strong messages we got was that there is capacity to deliver additional infrastructure as long as that is targeted in the right parts of the supply chain. For instance, there was a heavy focus in the people we spoke to about the smaller scale projects—so things between around $50 million and $500 million, although those margins will vary depending on the type of project. That actually sits quite well with what works from a stimulus perspective, because they are easier to mobilise and they are relatively lower risk than the very large capital city projects. Particularly where they are associated with vertical infrastructure—so, social housing, schools, hospitals—things with a heavy buildings focus are quite useful from a stimulus perspective because they employ a large diversity of trades. They are quite FTE heavy per dollar spent—you get about six FTEs per dollar spent for maintenance and buildings-type projects. And there is actually a transferability between any fall-off in commercial buildings and residential buildings, where those skills can be transferred to the social infrastructure space for things like social housing—which is one of the reasons why I welcomed the $2.7 billion fund that was announced earlier this week in Victoria, because there was a nice blend within that of different opportunities across the infrastructure sector and the right size and scale of projects.

So to summarise on that, the first point I made is that it was welcomed by the sector—that the sector's view is that there is capacity to deliver within that space with appropriate risk allocation and with a degree of velocity in getting that money into the market. I think where there is additional support required it will actually be in what shape of recovery we face. And should there need be a longer term support in the economy, it is actually about thinking about those projects that hit the ground in two, three, four or five years time and giving certainty to industry that the existing projects will be there and there will be additional projects to bid on as well.

Mr RICHARDSON: I think that is a good perspective. There have been some calls for the inverse of that approach with signature projects and large projects in Victoria—we have talked about the North East Link, the biggest road project, and then the Suburban Rail Loop, the biggest rail project—and to put them on the backburner during the pandemic and then into the foreseeable future. What are your thoughts on those opinions or views? And what is your perspective in terms of whether they should be delayed or deferred into the future?

Mr DWYER: I think deferral of the existing pipeline would be a very bad move in terms of confidence for the sector. If I could use a slightly stretched analogy: if you imagine going to the Olympics, you would not just take a team of sprinters that are all going to compete against each other; you would take sprinters, middle-distance runners and long-distance runners, and that is how we need to think about this stimulus. We need those short-term, high-velocity projects, we need the ones that are going to hit the ground in 18 months time to give confidence that there will be projects to bid on and then we need those long-distance runners—the things like North East Link, like Suburban Rail Loop, like Melbourne Airport rail link and all of those larger projects. The industry needs to know they will exist to bid on over time so that they can invest right now and retain people and retain skills in what will be a globally competitive marketplace for stimulus spend and make sure that they stay in Australia and are around to deliver those projects. That will underpin confidence and therefore support the economy.

Mr RICHARDSON: We will see states probably competing for their infrastructure stimulus as well going forward. Obviously the national cabinet process, with the Prime Minister and chief ministers and premiers, has been a really effective way to coordinate some of this focus and vision going forward, but do you believe that there is the capacity in the infrastructure construction industry to undertake that extra work—and what is their capacity—and the skills that are required going forward to shape that recovery plan?

Mr DWYER: Yes, so we have had very strong feedback from the tier 1 and tier 2 constructors that the capacity does exist at that sub-$500 million level with appropriate risk allocation. And of course there is a blend of different procurement types on that and certainly an appetite for private finance involvement as an efficiency and whole-of-life mechanism. When you think about those longer term investments, so things like road maintenance, the most efficient way to do those is over a long-term planning horizon, so five to 10 years or even longer. That is very hard to do if the Government's approach is, 'Well, here's six months worth of acceleration money'. It is actually much better to think longer term about those. But we certainly have not heard from industry about any concerns on the capacity to deliver.

There are some minor areas where we have heard about issues with supply chains and materials in very discrete areas. Also on some of the more complex projects—there are of course a smaller number of people, for instance, globally who are able to drive particular types of TBMs and that kind of technology; they cannot travel at the moment. That may have an impact over time, but there have been a number of innovations with people consulting over Zoom and various other mechanisms that have allowed us to overcome those in the short term. The short answer to your question is: as long as those stimulus projects in the immediate term, in a constrained environment and a socially distanced environment, are delivered at the right quantum of spend and are sufficiently diverse types of projects, then there is sufficient capacity within the sector.

Mr RICHARDSON: Obviously the private sector is going to have to do a significant amount of capital raising as we come out the other side of this crisis as well, and also governments have to shoulder some of the burden going forward with borrowings. What is your view on going into debt and investment through borrowings from the Fed and the State Governments, and indeed local governments, to try to undertake the levels in these infrastructure projects?

Mr DWYER: I think the first thing I would say is that, in a global sense, we entered this crisis in a very strong position—both at the Victorian level and at the national level—with sufficient headroom on balance sheets to be able to borrow to support the economy. We have seen, clearly, an enormous move from the Federal Government into a deficit position in order to support the economy. But still, even with that additional borrowing on a global scale we have a relatively healthy national balance sheet from a public sector perspective, with additional capacity to borrow, and that has been reaffirmed by ratings agencies over the past few weeks. I think it is an appropriate time to support the economy through borrowing, as long as that borrowing is going into well-selected, well-considered infrastructure projects that provide productivity boosts over the longer term, and of course there is a short-term need to support the economy through things like the JobKeeper and JobSeeker supplements. It is indeed a relatively cheap time to borrow money as well. That should not be the reason to borrow money, but it is a welcome factor of the borrowing that is being incurred right now.

Mr RICHARDSON: Is there anything that you have seen, obviously covering the sector more broadly through the national cabinet process and the engagement with Victoria and the Commonwealth, that could carry on into the future in terms of infrastructure and collaboration going forward?

Mr DWYER: Yes, I think that the national cabinet, from my perspective, has worked really well. I think of course it has been supported by the existence of a common enemy, which of course is coronavirus. I do not know how long that goodwill will persist beyond the immediate health crisis and immediate economic crisis. But while it exists, I think it is a useful mechanism that should be used. We saw it in the decision around keeping construction open. My understanding is that was an intense area of discussion between the Prime Minister and chief ministers and the right outcome was arrived at, and that was a joint decision not just by one state but by national cabinet as a whole. We looked at the alternative option, which was taken in New Zealand, where construction was shut down and a vastly different economic outcome will exist because of that. So I think it has worked well. To the extent that we can preserve national cabinet and use it to tackle some of the immediate and structural challenges that we face over the next six to 12 months, that is great. I do not know whether it will persist beyond that, but let us make hay while the sun shines.

Mr HIBBINS: Thank you for appearing today. First, I just want to get some clarification on a figure you stated earlier. Was it six full-time—FTE—per million dollars spent on maintenance? Was that the figure that you gave?

Mr DWYER: Yes, depending on the specific type of maintenance. But things like road maintenance and social housing maintenance typically have a higher FT-equivalent than, say, for instance, a major infrastructure project where a lot of the cost is on plant and equipment like tunnel-boring machines and the like.

Mr HIBBINS: Terrific, thank you. I just wanted to get some clarification on that. Look, you have covered a lot of it in terms of what you have already said about the types of projects that you would like to see. But I am just interested in terms of funding for, I guess, consistent renewals, consistent maintenance of funding that you stated earlier. Is that something you would like to see from Government, a more consistent allocation of funds towards maintenance and renewal of public assets?

Mr DWYER: It is an area that we have done an amount of research on in the past and organisations like Infrastructure Australia and Infrastructure Victoria and others have done the same. One of the challenges with maintenance, if you have a one-year budget horizon, the incentive is to do short-term fixes. Whereas if you have certainty of capital over the longer term, so that might be 10 years, you can make a decision. To use an illustrative example, you can fill the potholes in once a year with the available funding or you can resheet the road and provide a better quality of road for 10 years if you know what your certainty of investment is over that time. They are better outcomes for users and more efficient outcomes for taxpayers as well.

One of the mechanisms to provide that certainty has been the suburban road upgrades that have been done in Victoria, which is being done through a privately financed mechanism—I think the term was 18 years—and that involves greenfield and maintenance within one package. That has clearly been a hugely successful outcome. Similar systems have existed in New South Wales with road maintenance stewardship contracts, which have 10-year time frames, and you get better and more efficient outcomes as a result.

Mr LIMBRICK: Thank you for appearing today. The way that the Government talks about infrastructure investment you could be forgiven for thinking that the whole point of it is to create construction jobs. But as you alluded to, the whole point of it really is to improve productivity over the long term. However, the productivity improvement can only happen if people are using that infrastructure, right? And with the current situation—we have got a drop-off in population, a huge drop-off in economic activity, we have got all sorts of changes that have happened to the economy—doesn't it make sense to stop and pause and think whether these infrastructure investments, the business cases, still stack up?

Mr DWYER: I will answer that question on two fronts. The first one I would say is that yes, the infrastructure having productivity benefits is the ultimate aim, but we should not ignore the fact that during a need for counter-cyclical investment and stimulus they also provide the additional benefit of stimulating the economy. So I do not think that factor should be discounted to zero. They do provide jobs in construction and operation as well. But I also think the infrastructure that we build is not for the next six months. These are 100-year-type investments, and if we fast-forward 15 or 20 years and consider, for instance, something like the Suburban Rail Loop or Melbourne Metro or other investments, and if we look at the great global cities in the world, they have these types of mass transit systems. If we are in 30 years time or 15 years time looking back, what would be the thing that we regretted? It would probably be cancelling or delaying those projects rather than persisting with them. I also think that whilst there have been temporary reductions in population, again these are 100-year investments, be they road or rail or social infrastructure or social housing. We should persist with those investments from a stimulus perspective because often they are to catch up with existing demand, not just to meet future demand. I mean, it would be a short-sighted move to delay those major investments, because we will need them.

Mr LIMBRICK: There are some things like the way that people work that have changed radically. We are not sure whether this is going to continue into the future so much. Working from home—people are talking about that happening longer term. Surely those sorts of things are going to have an effect on demand for infrastructure in the future?

Mr DWYER: Yes, they may, although I have heard over the last few weeks a number of very smart people give directly opposing views on whether this will increase demand for infrastructure or decrease demand for infrastructure or simply change the profiles of that demand. The one piece of evidence we have right now is the use of the NBN, where previous peak demand was at 9 o'clock in the evening. Now demand is more spread throughout the day, but still peak demand is at 9 o'clock in the evening when people are watching Netflix. There is a higher broad demand during the day, but the infrastructure demand is no higher because you build this infrastructure for the peaks.

We may well see over the next couple of years a decline in peak patronage on rail systems. That may persist over time, but when you are building infrastructure for a 100-year demand profile, not for a two-year demand profile, it stands to reason that those peak demand levels will be required. We may need to see changes in operation—we may need to see more services over a longer peak period. But if we think about just transport infrastructure, for instance, if you need to move millions of people around the city every day, that cannot be done sustainably without things like mass transit investment, and if we need to move people, for instance, with the Suburban Rail Loop proposal from places that do not currently have mass transit, that will need to be done there. They are sort of lumpy projects in a sense; they provide big capacity boosts in a one-off. There might be a change at the margins of demand but the need for those one-off boosts will still persist.

Mr D O'BRIEN: Apologies, Mr Dwyer, but I just want to start by congratulating Mr Richardson on that question on borrowing for infrastructure. That was a really good question, and I might have to feed mine through him in the future.

Mr Dwyer, can I just start. In your media release welcoming the $2.7 billion infrastructure Building Works program on Monday you mentioned that some of these smaller projects, the smaller programs, should be considered:

> … as candidates for private capital, as a mechanism to increase the efficiency and velocity of investment.

Can you perhaps expand just a little bit on that? You mentioned before the suburban roads package. Is that the sort of thing you are talking about?

Mr DWYER: Yes, those kinds of mechanisms are useful. There is a misnomer that the use of private capital will necessarily delay the process, but as was mentioned earlier around borrowing, there are a number of different mechanisms that government can use private capital. It can either borrow at the budget level through general issuing of government bonds or it can do that at the project level and thereby transfer risks within a project to private capital but also get the benefits of the discipline of private capital for investment, and that can include the velocity and speed with which money is deployed by bringing that forward through the use of private capital but also whole-of-life considerations and other disciplines that can be applied at the project level.

Now, it is the case that very small investments will not be worth the additional capital required and the effort from a private sector perspective, but by aggregating up programs and things like suburban road upgrade-type approaches, and previously hospitals and schools in Victoria as well, delivered under similar mechanisms, can have a huge impact on the efficiency of investment and indeed the innovation. If one thinks about the VCCC in Melbourne, a number of the innovations that were delivered in that were delivered because of the use of private finance and global expertise. It would be a shame if we missed out on that type of innovation and whole-of-life focus because we were not thinking about the role that private capital could play at the project level rather than at budget level.

Mr D O'BRIEN: Is there a figure at budget level where it is not worthwhile going out to the private sector in partnership, so $50 million, $100 million, more?

Mr DWYER: I would not want to offer a specific number. Certainly there has been a focus in the recent past in Australia for private finance to be used for high-risk, high-value projects, and that has tended to be economic infrastructure or large hospital-type builds. There have just been two schools in South Australia at a much lower level, and indeed in places like Canada private finance is used for much, much smaller projects in the tens of millions rather than the hundreds of millions of dollars. They are really just decisions for Government about how it wants to best deploy the use of private finance in the delivery of projects.

There are of course other procurement mechanisms available, and we should not just say that this is the only one. There are appropriate roles for things like alliancing, like fixed-price D&C contracts as well. The important thing here is we do not knock out one procurement type on the misnomer that it cannot be used to deploy infrastructure quickly, because that is untrue and misses out on the other benefits of that. You have to select the right procurement type for the right project. It would be wrong if we did not consider all of the available suite of tools to get a stimulus into the economy fast and doing the right things efficiently for taxpayers.

Mr D O'BRIEN: Is there a case in the view of IPA for breaking up some of those big megaprojects into smaller projects to help stimulate local businesses in particular that will be better able to compete for a $200 million chunk of the project rather than a $3 billion one and help us develop those industry supply chains in the wake of the coronavirus crisis?

Mr DWYER: I think there is a need for governments to be focused on how you can give different opportunities to different parts of the construction and infrastructure sector. I would caution against an immediate jump to splitting up projects into chunks because one of the issues with that is that it then places interface risk back onto the taxpayer. By going to a larger project and taking an integrated package from the deliverers of those projects Government is therefore able to transfer the interface risks associated with different components of the design and build, for which there is a substantial benefit to the taxpayer.

Mr D O'BRIEN: Is that because we are then engaging much bigger, multinational companies that can bear some of that risk?

Mr DWYER: Well, they can give an integrated solution where they bear the risk of making sure that you have got the right parts of the supply chain delivering at the right points and in an integrated way. One of the challenges with taking an approach where you chunk things up is that of course the responsibility for making sure those things fit together and work together and deliver together then sits with the public sector and therefore the taxpayer. But I do not think that asking for an integrated package automatically means that there are not opportunities for different parts of the supply chain. We have seen in Victoria, for instance, on very substantial rolling stock procurements Bombardier in Dandenong has a very sophisticated local supply chain of SMEs providing componentry for rolling stock where there has been one central procurement of trams and trains but that has delivered an economic stimulus out to a high-value manufacturing supply chain in regional Victoria.

Mr D O'BRIEN: Speaking of supply chains, we have got some tension obviously between Australia and China at the moment. Are there any risks to the construction supply chain, do you think, because of that that the industry is worried about?

Mr DWYER: Well, I would not like to comment on the geopolitical component of that. We have heard some commentary over the last few weeks about particular components being delayed in supply chains as a result of coronavirus-related delays rather than geopolitical issues, but I have not heard those in a broad, systematic sense yet; it is something that we are monitoring closely. We have not heard about any major constraints of building supply and materials from a logistics and supply chain perspective, but it is something we are monitoring closely.

Mr D O'BRIEN: The components you talk about, what sort of areas were they in and what components are we having trouble with because of coronavirus?

Mr DWYER: The one notable example I have is around supply of some window components for vertical buildings. They were known where they were in the supply chain but they were on a quayside somewhere outside of Australia because of delays getting through the supply chain. I think in the initial phase there was sufficient depth within the supply chain to overcome any short-term delays, but of course one of the challenges that arises is once you stretch that onboard capacity or onshore capacity and reorder to the extent you can, then at some stage that one key component that is missing and coming from a global supply chain becomes critical and can cause delays.

Mr D O'BRIEN: Yes. You have also called for a longer term response for governments to consider potential reforms to stamp duty and GST. Could you perhaps elaborate a little on those—

The CHAIR: Mr O'Brien, can you relate the question back to the terms of reference of the Inquiry.

Mr D O'BRIEN: This is in response to the IPA potential actions in response to coronavirus, Chair.

The CHAIR: Thank you.

Mr DWYER: We provided advice to all Australian governments across three timeframes. The first timeframe was the immediate response phase, then the initial stimulus and recovery, and then longer term opportunities that arise, and this question falls into that longer term category. We have had a lot of discussion about the certainty that governments will emerge from this crisis in a much more heavily indebted position than they entered it, albeit they entered it from a position of strength. We think that that will mean the need for reform to make sure that we have efficient spend on the operational side of the budget but also we have got the right resilient and reliable revenue streams for governments on the other side of the crisis and also that we have got the right models of balance sheets, so the right assets in government hands and the right assets in private, well-regulated, well structured ownership as well.

So things like asset recycling 2.0 should be seen as future opportunities to recycle capital into infrastructure. Things like stamp duty and land tax reform are potential opportunities to have more stable revenue streams for State Government into the future. There may also be a need at a national level to look at reforms like industrial relations and other areas, including the GST. We think that there are opportunities that emerge from a crisis to look at reform opportunities that have been spoken about for decades, but now there is the opportunity to do them. One of the ones that we speak about regularly is distance-based charging for vehicles, road-user charging. There may be an opportunity that emerges from this crisis to look at some of those reforms that are agreed by commerce but are often quite difficult to deliver on a political level.

Mr D O'BRIEN: Indeed. I would love to discuss it further, but we are out of time. Thank you.

The CHAIR: Thank you very much. We thank you for appearing before the Committee today. The Committee will follow up on any questions which may have been taken on notice in writing and requires responses within five working days of the Committee's request. We thank you very much for your time and the work you are doing at this important time. The Committee will now take a short break before consideration of the next witness and declare this hearing adjourned. Thank you for your time.

Mr DWYER: Thank you.

Witness withdrew.