

# TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

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

Melbourne—Wednesday, 12 August 2020

*(via videoconference)*

#### 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, MP, Minister for the Coordination of Jobs, Precincts and Regions: COVID-19,

Mr Simon Phemister, Secretary,

Ms Penelope McKay, Associate Secretary and Deputy Secretary, Corporate Services,

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

Mr Andrew Abbott, Deputy Secretary, Creative, Sport and Visitor Economy, Department of Jobs, Precincts and Regions.

**The CHAIR:** Good morning. We welcome Minister Pakula and his officials to the second series of 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. Members are attending these hearings remotely from home or from their electorate offices. We ask that people note that members are not required to wear a face covering if they are working by themselves in an office under the stay-at-home directions, 6 August, part 2, section (7)(i). We advise that all evidence taken by this committee is protected by parliamentary privilege. Therefore you are protected against any actions 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. As a witness 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.

Minister, we invite you to make a brief opening statement of 8 minutes. We ask that you state your name, position and the organisation you represent for broadcasting purposes. This will be followed by questions from the committee. Thank you.

**Mr PAKULA:** Thank you, Chair. Martin Pakula, Minister for Industry Support and Recovery; Minister for Business Precincts; Minister for Trade; Minister for Tourism, Sport and Major Events; and Minister for Racing. We will start with the slides.

**Visual presentation.**

**Mr PAKULA:** We will start with the economic impacts. Now, those impacts on the screen in front of you have actually been updated by the Treasurer this morning. As the Treasurer indicated at his hearing this morning, apart from GSP falling by 9 per cent in 2020–21, the unemployment rate is now expected to increase from 7.5 per cent in the June quarter to 11 per cent in the September quarter, so ignore the slide that was produced before the Treasurer's comments today. Job losses are now forecast to reach 325 000 from March to September, and the figures were calculated on the basis of the restrictions that are in place at the moment.

If we go to the effects on trade and international education, you will see that exports are forecast to fall by \$16.4 billion in 2020 and air freight costs have risen sixfold since March. The trading partners that we have are of course recovering from COVID-19 at different rates and trajectories, so that will continue to affect international trade. Modelling by the group of eight universities forecasts 6700 research-related jobs that will be cut across member universities because of lost revenue from international students.

If you look at aviation, for the month of June international passengers were down 98.3 per cent, domestic passengers down 93.7 per cent compared to June last year. Qantas has stood down the majority of its 30 000 employees; Virgin Australia has stood down 8000 of its 10 000 employees.

Of course the tourism and visitor economy has been severely affected by COVID-19, as it has been across the world. The associated infection control measures, like travel bans, mass-gathering restrictions, and of course the ongoing impact of bushfires in December and January means that there has been a substantial impact on tourism, and that is estimated to continue for a considerable period of time.

In regard to the creative industries, it is estimated that at least \$330 million in revenue has been lost from cancelled or forgone live performances. The visual arts peak body estimates almost \$50 million of loss for visual artists and organisations. Screen Producers Australia estimates a \$77 million loss in export revenue, and state institutions like the arts centre and the NGV will lose over \$112 million in ticket sales and other self-earned revenue over the next six months.

Many professional sporting teams, as members know, have relocated interstate due to uncertainty over border restrictions. Many community sport competitions and organised active recreation activities have cancelled their 2020 season due to the closure of community sports facilities in accordance with public health directions. And whilst thoroughbred, harness and greyhound racing continue as authorised activities, the economic impact of COVID-19 on the industry remains significant.

If we look at the work of the Department in regard to medical equipment and PPE, we have supported Health Purchasing Victoria to meet its sourcing and purchasing needs for medical equipment and PPE. That includes masks and gloves and gowns, face shields and ventilators. We have established an emergency stockpile of single-use masks for industry but also for government departments and agencies. We have purchased re-usable masks, which I am sure will be the subject of some discussion during this hearing. We have also worked closely with local industry to scale up domestic manufacturing of PPE and medical equipment, and supply directories to promote local manufacturers of PPE and to connect industries have also been developed.

If we look to the Business Support Fund, applications for the BSF1 opened in late March, providing \$10 000 grants. That first round of the BSF supported over 77 000 employing businesses, 61 000 of them in metro Melbourne and just under 16 000 in the regions. On 10 July, in response to the stage 3 metro Melbourne and Mitchell shire restrictions, that fund was extended to provide additional \$5000 grants to impacted employing businesses in the restricted locations. And then on 3 August it was further expanded, with \$5000 grants to businesses in regional Victoria who have moved to stage 3 and an additional \$5000 for eligible businesses in metropolitan Melbourne and Mitchell shire.

I should mention the business hotline. We have advised almost 78 500 people through the business hotline.

Just to go to the next slide, the Working for Victoria Fund, the government has partnered with businesses, local governments, community service organisations and the public sector to identify employment opportunities that can be taken up by Victorians, and it has created over 9000 jobs.

The International Student Emergency Relief Fund, which provides a single cash payment of up to \$1100 to approximately 40 000 international students who are experiencing lost or reduced employment and financial hardship as a result of the coronavirus has been established, and as at 6 August over 21 000 students had been supported with emergency relief.

If we go to the commercial tenancy relief scheme, and I will not go through this in great detail, but that was implemented according to the principles that were announced by the National Cabinet on 29 March to give relief to commercial tenants affected by COVID-19 through legislation and making regulations. It provides landlords and tenants in Victoria with a clear set of principles to guide them as they make agreements to share the impact of COVID-19. The Small Business Commission plays an important role with free mediation services, and a six-month moratorium on commercial tenancy evictions was implemented from 29 March along with over \$420 million of land tax relief to encourage landlords to do the right thing by their tenants. Landlords that provide tenants with rent relief will be eligible for a 25 per cent discount on their land tax and a deferral of the remaining land tax until 21 March. We have also allocated funds from the Business Support Fund to assist licensed venues with an annual turnover of up to \$50 million that are not eligible for the commercial tenancy relief scheme, and there is a night-time business economy support initiative that is also very important.

On the next slide, I will just talk briefly about the sustainability of the Experience Economy's \$150 million package. I think we went through this at the last hearing, so I will not go to that in great detail, but there is support there for community sport and rec, for national sporting organisations, for racing, for the creative agencies and the arts community and for the tourism sector as well.

If we just go to the next slide—we are almost done—there has been a very welcome program for regional tourism support which provides a refund of up to \$225 per cancelled booking per night capped at \$1125 per bookable offering. That was announced in response to stage 3 restrictions in metropolitan Melbourne and

Mitchell shire, and to date over \$300 000 has been dispersed to regional accommodation providers. We are also administering the \$300 test isolation payment for supporting workers to self-isolate while they are awaiting the results of their COVID-19 test. The administration—

**The CHAIR:** Thank you, Minister. I am sorry to have to interrupt you there, but the time for the presentation has expired.

**Mr PAKULA:** No problem Chair.

**The CHAIR:** I will pass to the Deputy Chair, Mr Richard Riordan, MP

**Mr RIORDAN:** Thank you, Chair, and thank you, Minister. Minister, you have a vast portfolio interest there: industry support and recovery; business precincts; Minister for Trade; tourism, sport and major events; racing; and coordinating jobs, precinct and regions. Out of those portfolios, your massive inbound super trade mission, otherwise known as hotel quarantine, or known by other departments as Operation Soteria, which one was responsible and how much did it cost the budget?

**Mr PAKULA:** Well, when you say ‘responsible’, Mr Riordan, there is a role that our department had, and I suppose it is through my portfolio as Minister for the Coordination of Jobs, Precincts and Regions, which is the most relevant. The hotel quarantine program or the budget for hotels more generally was in the vicinity of \$80 million.

**Mr RIORDAN:** Right, and that has come out of funding for regions, has it?

**Mr PAKULA:** No, it was a budget allocation that was made specifically for the purpose of booking hotels. It did not come out of any other budget, Mr Riordan; it came out of consolidated revenue as a specific allocation for the purposes of primarily booking hotels.

**Mr RIORDAN:** And were you also responsible for organising the security and coordination of the security of the hotel precinct and infection control and virus management at the hotels?

**Mr PAKULA:** No. Let me go to that in some detail. I am assuming that you would like facts in regard to that, and there has been—

**Mr RIORDAN:** In a timely fashion, Minister.

**Mr PAKULA:** Yes, indeed I will provide them a timely fashion. The Department of Jobs, Precincts and Regions had a role in the hotel quarantine program, but it did not have operational command of the hotel quarantine program, and it was not responsible for infection control. There has been some effort gone to from some quarters to create that impression, and I have seen reportage in the last couple of days to that effect, but it is not correct. The fact is that the people from my department, whether it be from the Global Victoria team or elsewhere, were primarily responsible for things like logistics, so that would be the booking of rooms, the organising of meals and laundry and things of that nature and not—

**Mr RIORDAN:** They operated in a concierge capacity?

**Mr PAKULA:** Well, you can describe it as you wish, Mr Riordan. They were responsible for logistics. They were responsible for, as I say, the provision of meals. I had a number of bits of correspondence from members of your side of politics about some guests who were unhappy with the choice of meals, and we tried to deal with them as best we could. But if your point is that it would not be sensible for people from Global Victoria to be responsible for things like infection control, I would agree—and they were not.

**Mr RIORDAN:** Okay. So the people that you were coordinating, the concierge, when they had emails—and we know you received emails—and concerns about infection control, who would they have referred those to?

**Mr PAKULA:** Well, I am not sure which emails you are referring to, but in regard to matters of infection control, the control agency was the Department of Health and Human Services.

**Mr RIORDAN:** So the health minister was responsible for the infection control in the hotels?

**Mr PAKULA:** Well, I am not speaking in regard to responsibility of individuals or ministers. I am saying that under the operational plan, the operational control and the responsibility for infection control and health matters lay with the Department of Health and Human Services—

**Mr RIORDAN:** Okay. So just to be clear—

**Mr PAKULA:** in their role as having operational control—as you would expect.

**Mr RIORDAN:** Yes. So despite the fact that the health minister could not tell us anything about hotel quarantine, you can actually confirm that you were responsible for the concierge facilities—we have seen the glossy video, so I think most Victorians now know everything from chilli flakes to hygiene products were provided by your group—but when it came to infection control, keeping Victorians safe, that was the role of the health minister.

**Mr PAKULA:** Well, look, I am not particularly keen to be verbally by you, Mr Riordan. I am simply making the point that in a multi-agency operation various departments and various authorities have responsibilities for different parts of a system, and the Department of Jobs, Precincts and Regions, apart from procurement, had responsibility on the ground for the provision of certain logistical supports, which I have referenced—I have not used the term ‘concierge service’, but you are welcome to use that term if you wish—and the Department of Health and Human Services had operational control and responsibility for infection control and things of that nature.

**Mr RIORDAN:** Okay. So moving on, Premier—

**Mr PAKULA:** I am not the Premier, Mr Riordan.

**Mr RIORDAN:** Sorry, Mr Pakula—sorry, Minister. Moving on, I take it that you were aware of the Premier’s press release on 27 March 2020 announcing that hotel quarantine program for Victoria. He said:

It has also been agreed that the Australian Defence Force will be engaged to support the implementation of these arrangements. If the Premier announced this on 27 March—that the ADF would be engaged—can you explain to us why that did not occur? Was that your decision?

**Mr PAKULA:** No, it was not. Look, that media release that you reference—I saw that in a media report this morning I think. I do not recall it from the time, but I accept that it was a media release from the time. You would have seen, I assume, Mr Crisp’s statement this morning. I am not going to delve into the question of what was offered and what was asked for, because that is clearly not a matter within my control or responsibility. The question of what was or was not asked for, I think you can interpret from that statement, was a matter for the emergency management commissioner, and I would imagine that you would be able to put those questions to him at his hearing sometime later in the month.

**Mr RIORDAN:** Okay. So can I just ask, Secretary Phemister, please, can you confirm for us, Secretary, as obviously the person behind the scenes running the department for the minister, that you were not engaged with the ADF at all in terms of formulating a plan to keep Victorians safe in hotels?

**Mr PHEMISTER:** Mr Riordan, members from my team participated in State Control Centre meetings. We were instructed appropriately that any interface with uniforms go through the State Control Centre.

**Mr RIORDAN:** Right, so what plan did you put to the State Control Centre about how we would keep people in their hotels and make sure that people were adhering to quarantine? The minister has made it clear to us that you were in charge of the concierge services. I assume that is making sure that everyone is where they are supposed to be and doing the right thing, because you were not in charge of infection control, so I assume you were doing that. So tell us, if you can, what engagements you had with the State Control Centre about keeping people safe.

**Mr PHEMISTER:** Mr Riordan, with regard to concierge we had responsibility for non-health concierge, so any issues to do with somebody’s health, mental health, wellbeing or physical needs were referred to health and we did not have any powers for detaining passengers. Nobody in my department had powers or authority to detain, so we actually did not play a role in detention. As such, all of our services were ancillary. With regard to

your question about state control and our interface, we attended multiple state control meetings—a very pivotal meeting on the 27th at 4.30 where we, like other agencies as referenced by Secretary Peake yesterday, participated in a multi-agency meeting. We all put forward our views, deferred to the experts when it came to matters of security and when it came to matters of health protection and public health, and from that meeting an operational plan was struck. We did not offer any advice into that meeting in areas where we do not hold expertise, including security.

**Mr RIORDAN:** So at that meeting on the 27th at 4.30 was the safety and security of guests coming back to hotels discussed?

**Mr PHEMISTER:** My debrief from the meeting, Mr Riordan—I had two staff attend that meeting and so I received a debrief very soon thereafter because obviously the hours were precious; we had 36 hours to stand this up. We were directed through state control to perform particular duties out of that meeting, and yes, I believe that matters of security through all phases of the operation from border force right through to people's detention in hotels were discussed.

**Mr RIORDAN:** Now, Mr Phemister, you are at the most senior level of the Victorian public service. You clearly liaise with your other departments. Who would you have identified—which department did you identify as responsible for organising security?

**Mr PHEMISTER:** We do not have any expertise in security or—

**Mr RIORDAN:** No, I did not ask whether you did; you have already told me that. I am asking you: security was a big part of it—you cannot have quarantine without security—so who would you have referred to if I rang you up on the phone and said, 'Mr Phemister, who's in charge of security?', you would have sent me to whom?

**Mr PHEMISTER:** I checked in with the State Control Centre, which is our highest point of escalation, and I also double-checked with senior members of Victoria Police early in the process. The State Control Centre meeting at 4.30 on the 27th was pivotal, Mr Riordan. All conversations we had beforehand were matters of contingency planning, so my check-ins with multiple people all came to that state security centre meeting where that was all laid bare and then a plan was formulated thereafter.

**Mr RIORDAN:** Okay, so can you absolutely confirm that on the 27th, the 28th or the 29th no-one in your department declined the offer of ADF support?

**Mr PHEMISTER:** I can confirm that is true, Mr Riordan.

**Mr RIORDAN:** Thank you. So it was not your decision or your department's decision to hire private security guards?

**Mr PHEMISTER:** No.

**Mr RIORDAN:** Well, whose department was responsible for that?

**Mr PHEMISTER:** So the decision to use private security came from the 4.30 meeting on the 27th. We were directed through that meeting and indeed we volunteered to run the procurement for private security after that meeting. Our role was to assist. That was published in the plan, and that was very much our mindset, so we played the role of procuring private security that would be operationalised through the plan.

**Mr RIORDAN:** So there is a committee meeting that decides, 'We're not going to use the free offer of ADF from the federal government, but we're going to go down private security'. Your department was responsible then for finding the private security?

**Mr PHEMISTER:** Mr Riordan, I cannot attest to the decision-making that went into not using the ADF—

**Mr RIORDAN:** You did just say the State Control Centre made that decision at the 4.30 meeting.

**Mr PHEMISTER:** I do not know what went into the decision-making process of the experts in the State Control Centre. I can say that those experts then commissioned my department to go forth and procure private security, which we activated immediately after the meeting.

**Mr RIORDAN:** So—

**The CHAIR:** Thank you, Mr Riordan. I am sorry to interrupt you, but your time for questions has expired. The call is with Mr Gary Maas, MP.

**Mr MAAS:** Thank you, Chair, and thank you, Minister, for your time and also to your departmental officials as well. Minister, I would like to take you to that part of your presentation which discussed masks and the wearing of PPE. The Chief Health Officer has made face coverings mandatory for all Victorians when leaving their home, and I was hoping that you would be able to outline for the committee how the Department of Jobs, Precincts and Regions has helped procure masks to be used and distributed by the Victorian government.

**Mr PAKULA:** Yes. Look, thank you, Mr Maas. As you rightly identify, the Chief Health Officer has directed that face coverings be worn when leaving your home. It is an important part of stopping the spread of COVID-19. Our department, in response to those directives, were tasked with obtaining enough re-usable and disposable face masks to support government agencies to distribute those masks to the people that most require them. That includes the health sector, vulnerable Victorians, schools but also some for general industry requirements.

We were authorised by the crisis council to purchase a combination of re-usable and single-use masks. To date we have purchased 2 million re-usable masks, with another 1.5 million on order, and more than 23 million single-use masks. On 6 July, prior to the CHO's announcement, we did seek expressions of interest from Victorian companies. We want a dividend from the manufacturing point of view for this as well. They are a non-regulated product, so DHHS and WorkSafe have advised that the WHO advice on the use of masks in the context of COVID-19 are the endorsed standards to be provided to manufacturers as part of the quoting process.

Within a week we had completed orders for almost 1.4 million masks from Victorian manufacturers. Importantly, before any purchase, we provided physical samples of the masks to DHHS for review for their suitability, and the remainder of the orders were completed by August. We have sourced initially from five local companies—ECA-accredited companies—Nobody Denim in Fitzroy, the Ark in Carlton North as well as Styleprint, the Mask Project and New Model Beauty Queen. We worked really closely with the Industry Capability Network to reach out to local manufacturers to register their interest and their capability to make re-usable cloth face masks, with over 25 companies registering their interest. So that has been a really important part of the process.

Of course the manufacturing time for the cloth masks is longer because they are sewn; surgical masks are heat bonded with special machinery. I think the fact that our manufacturing sector was able to ramp up so quickly and tool up has been really very gratifying. We have in addition—to meet the immediate emergency demand in non-hospital or clinical environments—purchased 23 million disposable masks from both local manufacturers and international suppliers. We have exhausted the local supply as much as we possibly can. They include Med-Con in Shepparton and Care Essentials in Geelong. Med-Con, as I think members would know, is a well-established Victorian company known for face mask manufacturing, and they have been supported by both our Government and by the Commonwealth to increase productivity and the output of surgical masks. I understand also that Care Essentials are reporting that as a result of the order they are seeking to employ more staff as well.

The Health Minister indicated that some 2.1 million masks would be distributed to the most vulnerable Victorians. The education minister indicated that some 250 000 masks would be distributed to Victorian government schools. Regarding industry, we have agreed on an emergency industry face mask plan called the business access to mask service, or BAMS for short. We have been liaising with the Victorian Chamber of Commerce, with the AIG and with unions to assist in the delivery of face masks to companies that need them. If private sector businesses are unable to procure face masks, that stockpile is being allocated and distributed to different firms or industry sectors. The criteria for that distribution considers the mitigation of supply chain risks, the management of outbreaks in critical industries and the management of outbreaks in supply chains. So it has been a pretty complete process to try and help grow the stockpile of masks, and it has been well utilised by both government agencies and industry.

**Mr MAAS:** Thank you, Minister. I understand masks are not the only product that is being sourced locally, and I was hoping you would be able to tell me a bit more about what DJPR is doing to support companies who have offered to supply other crucial PPE and medical equipment, such as hand sanitiser and face shields.

**Mr PAKULA:** Well, hand sanitiser of course has become a very important product in the marketplace in the last few months. The response from companies willing to support that effort has been pretty remarkable. We are utilising all of the avenues that are available to government to ensure supply. We are facilitating freight, we are accrediting product, we are providing access to supply chains through organisations like the ICN, and coordinating across industry and market development activities like the EOI process. We are also ensuring products are certified by the TGA and are safe and suitable for their specified use. We have used tailored approaches in some circumstances. So while the financial support for Med-Con to manufacture 50 million surgical face masks has been widely reported, we are also focused on sourcing raw materials for the company, melt-blown fabric being one of them, to enable ongoing production in the very significantly increased volumes that are required.

In terms of hand sanitiser, there are a number of distilleries, Four Pillars in Healesville being one example, which have pivoted from spirits. We have helped those companies by facilitating supply for inputs like ethanol and also packaging across the industry. I have recently approved financial support for additional investment in hand sanitiser manufacturing to increase capacity in the industry. Sometimes we have taken an active role in identifying and facilitating local companies that have offered support. For example, Ford Australia contacted our office directly to volunteer assistance to the coronavirus response, and understanding the legacy automotive capability of that company's facility in Broadmeadows, my office was quick to identify that Ford could move quickly to pivot and to tool up and to support short-run hardware manufacturing. I understand since that time Ford has produced more than 100 000 face shields from locally sourced parts. They have been assessed through hospital user feedback, and we have assisted the company to obtain certification from the TGA.

**Mr MAAS:** Thanks, Minister. In terms of local manufacturing, what opportunities exist for sustainable manufacturing to ensure the sector can grow and that the state is well prepared for future requirements for PPE and medical equipment?

**Mr PAKULA:** Look, I have to describe what we have seen as an inundation in terms of offers of support. Companies have offered to assist, whether it has been ventilators, beds, face shields, gowns, masks, hand sanitiser—you name it. I think at last count there were something like 1400 offers of assistance that had come in to DJPR. We have still got a thriving manufacturing sector in this state, and the sector, prior to COVID-19, had contributed something like \$30 billion in economic activity to the state. So the manufacturers who have pivoted during coronavirus have really been applying advanced manufacturing techniques. They have toolled up really quickly. They have identified supply chains and raw materials. They have utilised the assistance and the knowledge of our department to produce certified and—importantly—very, very usable products. So they have shown great agility in what has been a very volatile and high-pressure environment, and there is a clear opportunity to capitalise on that.

Manufacturers who have stepped up during this time and have capitalised on those opportunities really have an opportunity to build up a manufacturing base for not just domestic markets but our export markets as well. So we will be continuing to support those companies to grow their business, whether that is through investment, through supply chain facilitation, through export market support or other sorts of assistance programs, and we will keep doing that well after COVID-19 ceases to be an issue.

**Mr MAAS:** Thanks, Minister. If I could take you to the topic of international students and government support for international students, we all know that international students are vital to our education system in the state as well as our economy and our community, but unfortunately many are unable to receive any assistance through federal government programs. What are the Victorian government's programs, or what is the Victorian government doing to support these young people during the pandemic?

**Mr PAKULA:** Well, as you rightly identify, Mr Maas, international students are very important, not just economically but they are very important to the vibrancy and the cultural life of Melbourne and Victoria. There was a dearth of assistance from the Commonwealth in regard to international students, so back in late April we announced a \$45 million Study Melbourne International Student Emergency Relief Fund. On 19 May we opened applications for that fund. It is a fund which is about supporting international students—to help them

buy the basics to get through to the other side of the crisis. There is a relief payment of up to \$1100 as part of a government emergency support package. And, as I say, they do not just contribute to our economy through the fees that they pay, but they generate enormous economic activity for other businesses and they make a very, very big contribution to our vibrant and inclusive society. In the marketplace that will exist when international student travel recommences, I think the way that jurisdictions have looked after international students will be very important as a marker of choice for where international students and their families choose to go.

They are required to demonstrate financial sustainability as a condition of their student visas, but a large number of international students engage in employment as a means of supplementing their income. During this pandemic, like so many other people, international students have been affected particularly by the loss of casual jobs in industries such as retail and hospitality. They have been significantly affected and they have fallen through the cracks of federal government programs. They have been unable to access the support they need to support themselves, and many countries discourage their students from returning home given the public health situation in those countries—for example, China and India, which are our two biggest international student markets. And many other international students, are unable to return home as a consequence of border closures. If you look at some of the nations in South America, they have completely closed their borders, including to international students seeking to return home.

**The CHAIR:** Thank you, Minister. I am sorry to interrupt you there, but the member's time has expired. I will hand over to Mr David Limbrick, MLC.

**Mr LIMBRICK:** Thank you, Chair, and thank you, Minister. I would like to continue the discussion about international students a little bit but from a totally different angle to what Mr Maas was talking about. As you have rightly stated, there are tens of thousands of international students still in Melbourne. We also know that our immigration has dropped through the floor at the moment. I have met with some of these international students and they put to me a very interesting idea. Apparently your ministry is able to issue 188 visas, which is a business innovation and investment visa. And yes, it is true that many of these international students were reliant on casual employment, but the proposition that was put to me is that many of these very intelligent and entrepreneurial students would be happy to start up businesses here, and their families would be willing to send across capital if they had the right visa that would ensure that they could stay. Have there been any of these visas issued, or it is something that is being considered by you and the government?

**Mr PAKULA:** Well, Mr Limbrick, I am going to confess to not being completely au fait with the particular visa that you reference. I am happy to investigate that and come back to you and provide some additional information. Of course in most regards the issuing of visas is a responsibility of the Commonwealth. I know that in regard to some visa categories the Victorian Government can provide advice or engagement with the Commonwealth about the issuance of particular visas. I have just received some advice, so I can provide it to you now. We cannot issue the visa; we can sponsor certain skills visas, but all of the visas are issued in fact by the Department of Home Affairs.

**Mr LIMBRICK:** Yes, yes. It was my understanding that you can extend an invitation or recommendation or something like that for this particular visa type. Anyway.

**Mr PAKULA:** We can make a recommendation or a sponsorship. I think that is probably an accurate reflection of the situation.

**Mr LIMBRICK:** Yes. Anyway, I am telling you that I have had representations from students that are willing to do exactly this, and maybe it is something to consider.

**Mr PAKULA:** Indeed.

**Mr LIMBRICK:** The other issue: I have had representations made to my office from business owners. Many of them have had their businesses shut for six months now. The stage 4 restrictions have put them in a very difficult place even if their business was shut, because many of them were going back to their business, even though they were not operating, to check on property security, check on stock. I had one person contact me, they were concerned about possible flooding and this sort of thing. They are concerned about the current situation. They do not want to get a fine for going into work and stuff like this. Is there some consideration of flexibility so that these business owners can go back and do this sort of basic checking? They are not operating their business, but they do need to check on stock and security and that sort of thing.

**Mr PAKULA:** I will say three things in regard to that, Mr Limbrick. I too have had many representations of that nature, in regard to whether it is the collection of mail, picking up cheques, picking up files—things of that nature. Ultimately the restrictions that relate to the movement of people, whether it is people being able to go to their business premises or otherwise, are a matter for the Chief Health Officer. I will say that we have a business advice line, which businesses are able to access. Thankfully the wait times on that have reduced significantly in the last few days, and if there are particular matters of advice that businesses want information on, that advice line can provide that advice to them.

**Mr LIMBRICK:** Okay. Thank you. I am going to ask a question about the quarantine—

**Mr PAKULA:** By all means.

**Mr LIMBRICK:** and security. So there were reports in the media that with some of the security that was bought or purchased by the government, rather than do what taxpayers would have expected and choose the best quality at the best price, there were some concerns that some of these security providers were chosen for social inclusion objectives and things like this. Do you have any comments on that?

**Mr PAKULA:** Yes. Those reports were incorrect.

**Mr LIMBRICK:** They were incorrect.

**Mr PAKULA:** Mr Phemister might seek to add to my comments, but there was an extrapolation made in a media report that because some people from that part of the department were engaged in that work on 27 and 28 March that therefore must have been the objective. It was not. The objective was security. It was not social inclusion. And, as Mr Phemister has already indicated, the reason that private security was used was that was the instruction that came to our department from the State Control Centre. I might ask Mr Phemister to add to those comments.

**Mr PHEMISTER:** Thank you, Minister. I cannot add much. I commissioned the procurement of private security on the evening of the 27th with a single objective of delivering the health imperatives of the mission, with a strict contract around security and public health. At no time did I commission any of my staff to achieve any other objective through that procurement.

**Mr LIMBRICK:** Okay. That is pretty clear. Thank you. Another question for you, Minister, is—this is not around quarantine: what engagement did your department have with small business owners and other various public health teams in establishing the worker permit scheme and deciding which businesses would be allowed to continue operating and which ones would have to shut down? So I suppose what I am getting to is: how does it balance between the epidemic control and the other impacts? What sort of involvement did you have in that and how were those balances determined?

**Mr PAKULA:** Well, ultimately they were determined on public health grounds, but they were determined with a huge amount of feed-in from our department and from other departments across government. I would describe it very much as an iterative process. There was a huge amount of engagement with industry peak bodies but also with specific industries themselves. You would, for instance, note that there was some tweaking of the rules around supermarket distribution centres, based on some feedback from the supermarket industry about the possibility of empty supermarket shelves. There was some feedback from the meat and livestock sector. We looked at the issue of not just the supply chain but animal welfare in regard to that to try and strike the right balance. There was a huge amount of engagement across various parts of industry that my department led. It is always difficult to strike the appropriate balance in these matters. There will always be an industry that feels that it is on the wrong side of any line that is drawn, or an individual employer that feels that they are on the wrong side of any that is drawn. But the ultimate objective here is to reduce movement as much as possible and obviously to reduce risk in those industries which have been shown to be higher risk than others.

It is a very difficult balancing act; I admit that, and there are some unhappy sectors and some unhappy individual businesses, but as the curve declines and as we are able to return to something like a COVID normal, I think business will find that ultimately we are better off for getting these numbers dramatically under control.

**Mr LIMBRICK:** What do you mean by ‘COVID normal’? We had discussion yesterday about the possibility of an extended period of suppression of the virus, assuming that a vaccine does not come in the short term. What do you mean by a COVID normal exactly?

**Mr PAKULA:** I think that will be established as we go, Mr Limbrick. When the Premier uses that expression, when I do, what I have in mind is that we are not going to see a situation where magically everything goes back to exactly the way it was prior to COVID-19, at least until a vaccine emerges. It might be about the ongoing use of masks, it might be about the ongoing use of social and physical distancing, it might be different rules around hygiene and sanitation in the hospitality sector than we have seen before. There will still be, I think for a significant period of time, reluctance of nations to open borders, so international travel will continue to be constrained. There might be an ongoing reluctance of people to be as prepared to use public transport as they were before. There are a whole range of things that I suspect will be different for quite a period of time. As I say, at least until a widely used vaccine is provided.

**Mr LIMBRICK:** But many of these things are done through emergency powers at the moment. Are you signalling that we are expecting an extended period of emergency powers, or is there some other new legislation being considered? Because my understanding is that these emergency powers have a limited time frame. So if these types of restrictions, like mask wearing for example, were going to go on further, there is no current legislation that I am aware of that can continue that for an extended period of time.

**Mr PAKULA:** I do not think you should take my comments as being a particular signal about anything in that regard. It is something that would have to be considered by government as we move through the different phases of this pandemic.

**Mr LIMBRICK:** Okay. Another thing that has happened, and quarantine was one example of this, but there have been lots of examples, where the government has made these job-creation programs because they need labour for particular things like quarantine or other industries, but many of these things are clearly not long-term-type propositions; they are clearly a short-term type thing. What are you doing in order to help the long-term prospects of these people that were employed for these temporary assignments that are government led? How are you going to help them get back into long-term employment in the private sector or something like that rather than these temporary government-funded things?

**Mr PAKULA:** I accept without qualification, Mr Limbrick, the fact that in the longer term government-created jobs can only bear a part of the load, and a vibrant private sector has to be an enormous part of economic recovery. Both myself and the Treasurer, along with a number of other ministers, are working very diligently on economic recovery programs. It is about identifying what might be the growth sectors in the future, whether there are other industries that we think can emerge strongly from this, whether that be online retailing or indeed renewable energy—there are a range of industries. The building up of our skills profile is very important, as well as getting people back into the jobs that they had immediately before the COVID crisis, whether they are jobs in retail and hospitality, where we would hope that there would be a reasonably short-term bounce back once restrictions are eased, or indeed in some other sectors like travel, where it will be probably longer—travel and accommodation—because that is something that is more subject to international effects. But right now we are still in a virus suppression part of the strategy. At an appropriate moment we are going to need to pivot to the economic recovery framework, and there is a lot of work going on to support that when the time is right.

**Mr LIMBRICK:** We heard yesterday that—

**The CHAIR:** Sorry to interrupt you, Mr Limbrick. Your time has expired. I will pass the call to Mr Danny O’Brien, MP.

**Mr D O’BRIEN:** Thank you, Chair. Good morning, Minister.

**Mr PAKULA:** Good morning, Mr O’Brien.

**Mr D O’BRIEN:** Minister, you said to Mr Riordan that DJTR did not have operational control despite efforts ‘from some quarters’ to suggest otherwise. Who were you referring to there?

**Mr PAKULA:** I am not entirely sure, Mr O'Brien. I was simply making the point that there have been a range of suggestions that have been in the media and elsewhere that appear to have been pushing that line, and I thought it was an appropriate opportunity to correct the record.

**Mr D O'BRIEN:** Are you suggesting that DHHS or Minister Mikakos are trying to finger you for the blame?

**Mr PAKULA:** I am suggesting nothing of the sort, Mr O'Brien. I am simply making the point that I have heard it said and I have read it in the media.

**Mr D O'BRIEN:** Well, you said it, Minister. You said that from some quarters there was an effort. You have said it now. What are you trying to get at?

**Mr PAKULA:** I am not trying to get at anything, Mr O'Brien. It was a comment that I made, and anyone who has seen reportage in recent days would know it to be accurate.

**Mr D O'BRIEN:** The meeting we just heard of from the Secretary, on the 27th at 4.30, that made the decision to use private security guards—were you briefed on the outcomes of that meeting or indeed on the agenda before it occurred?

**Mr PAKULA:** No.

**Mr D O'BRIEN:** Can I ask the Secretary then, perhaps: what was the chain of command at that meeting—well, firstly, can you tell us who was at that meeting?

**Mr PHEMISTER:** Mr O'Brien, I can tell you the staff members from my department who were at the meeting. I have a COVID coordination office as part of my department, and that is headed by executive director Rob Holland. I asked my priority projects unit to take control of the project establishment, and the executive director, Claire Febey, attended the meeting as well from our department.

**Mr D O'BRIEN:** Okay. Can you tell us who else was there?

**Mr PHEMISTER:** I can tell you who chaired the meeting, Mr O'Brien. I cannot talk to the members from other departments who attended.

**Mr D O'BRIEN:** Who chaired the meeting?

**Mr PHEMISTER:** Andrew Crisp chaired the meeting, as is appropriate at a State Control Centre meeting.

**Mr D O'BRIEN:** Did that committee then become the governance group that was set up to manage the hotel quarantine?

**Mr PHEMISTER:** The State Control Centre, Mr O'Brien, appointed a deputy controller that Ms Peake referred to yesterday. That deputy controlled—

**Mr D O'BRIEN:** That was the person from DELWP?

**Mr PHEMISTER:** Correct; yes—actually it is a 24-hour operation, so there were multiple people. Obviously one individual could not cover the 24-hour span, so there were multiple people who were given that delegation. Ultimately the State Control Centre continued to meet and iterate the plan. The first plan was issued on the afternoon of the 28th, as appropriate, before inbound flights arrived. That plan was continually refined, and escalation for issues was put through a daily meeting that was convened and chaired by the appointed deputy controller.

**Mr D O'BRIEN:** And that governance group, was it Mr Holland and Ms Febey, I think you said—were they your representatives on that?

**Mr PHEMISTER:** In the beginning, Mr O'Brien. So there are various phases of the operation. In the beginning—in the establishment phase, which was 36 hours—Ms Febey and Mr Holland were. Eventually that role transitioned to my emergency management team, and my attendee at that meeting was my head of emergency management.

**Mr D O'BRIEN:** And did that attendee change throughout the process?

**Mr PHEMISTER:** It did, Mr O'Brien. It was a very intensive period, so we had to be mindful of rotating staff through with appropriate prebriefing and debriefing. So over the time that we were involved in quarantine—up until 30 June—we did have multiple people representing our department in that meeting.

**Mr D O'BRIEN:** Okay. So going back to where I started with this, Secretary, what was the ministerial oversight? Who did that meeting ultimately report to in the cabinet?

**Mr PHEMISTER:** Mr O'Brien, I am not overly familiar with the processes at state control. That is a question for Andrew Crisp, I am afraid.

**Mr D O'BRIEN:** So both that meeting on the 27th, which made a pretty fundamental decision in the management of hotel quarantine—certainly it is easy to say that with the benefit of hindsight—but even at the time when we know there was ADF support on offer, we know other states were using police, that was a pretty fundamental decision to use private security guards. Where was the government oversight to the elected officials of the cabinet?

**Mr PHEMISTER:** Mr O'Brien, it was made clear that we were to report in to the State Control Centre. We did report in to the State Control Centre. We contributed our thoughts and we were commissioned to perform certain functions, and the State Control Centre delivered us the operational plan that drove our actions. Therefore I cannot tell you who the State Control Centre reported through to by way of minister. That is a question for Justice.

**Mr D O'BRIEN:** Would that normally be the Minister for Police and Emergency Services?

**Mr PHEMISTER:** Mr O'Brien, I am sorry; I cannot comment.

**Mr D O'BRIEN:** Mr Pakula, then, when were you told of this decision from the outcomes of that meeting, given particularly that your department was going to have a very big role in procuring the security guards?

**Mr PAKULA:** Well, Mr O'Brien, on 28 March I received an email from Mr Phemister that went to the question of the procuring of hotels, which I authorised because that was the biggest budget line item. There was not a particular report to me in regard to the conduct or the outcomes of meetings at the State Control Centre.

**Mr D O'BRIEN:** Did you get a report at any stage?

**Mr PAKULA:** No. Well, I received—not specifically in regard to meetings at the State Control Centre.

**Mr D O'BRIEN:** Can I put to you, then, Minister, yesterday the Premier said, in response to the question of why was the decision to engage private security guards used—he actually said it was an existing program, the Hotels for Heroes program, and to accommodate some people fleeing domestic violence, for example. There had been private security guards used in that and it was effectively an extension of that program. That is totally different to now, what we are hearing today. And I might add the Premier said that that initial program was a decision of the crisis council of cabinet. Surely that must have come to you at some point?

**Mr PAKULA:** No. Well, what the crisis council—look, I am going to be, as you would expect, judicious about talking about decisions of cabinet or a cabinet committee. My recollection is that what crisis council authorised or what ERC authorised was a budget allocation for the procurement of hotels. It did not go to the question—the level of detail that you are asserting in regard to staffing profiles or things of that nature.

**Mr D O'BRIEN:** But hang on. Minister, sorry, but we know that the Premier put out a statement on 27 March which included a line that the ADF would be used to assist with this program. So it was known then by the Premier that the ADF would be involved. Suddenly somewhere a group of bureaucrats have made a decision that they were going to engage private security guards. How can that be?

**Mr PAKULA:** Well, again, Mr O'Brien, I can only take you back to the statement put out by Mr Crisp this morning where he indicates that—as I paraphrase his statement—it was not offered or requested. That was not a decision for the Department of Jobs, Precincts and Regions. We are not the agency that we engage with the ADF.

**Mr D O'BRIEN:** I understand that—

**Mr PAKULA:** I know that Mr Crisp will be appearing before this committee later in the month, and I think you will need to put that question to him.

**Mr D O'BRIEN:** On 27 March, Minister, the Premier announced the enforced quarantine of returned travellers, and in his press release it literally says:

It has also been agreed that the Australian Defence Force will be engaged to support the implementation of these arrangements. How is it that on the same day a group of bureaucrats, who we still do not know who they reported to from an elected ministerial perspective, how is that they have apparently overruled that decision?

**Mr PAKULA:** Well, I think it depends on the way you interpret 'assist'. I think what you might find is—

**Mr D O'BRIEN:** They did not assist at all, Minister.

**Mr PAKULA:** Well, Mr O'Brien, do you want to ask the question or answer it?

**Mr D O'BRIEN:** Well, I am putting it to you that the ADF did not assist at all, even though the Premier said they would.

**Mr PAKULA:** Well, I am not sure that is correct. It might well be, for example, that they were involved in that initial planning for the operation but not with boots on the ground, as they say.

**Mr D O'BRIEN:** Minister or Secretary, could the committee please be provided with a copy of that operational plan from 28 March that you referenced earlier?

**Mr PHEMISTER:** Mr O'Brien, it is not my plan. I am privy to the plan, and I have responsibilities under the plan, but the plan is actually held by the department of justice.

**Mr D O'BRIEN:** Right, so we wait for them? Because the Department of Health and Human Services which is responsible for—let me refresh—infection control is also not responsible, but you are responsible for the security guards; they are responsible for infection control, which is pretty much the bulk of the hotel quarantine, and yet it is EMV that is responsible for the overall, is that right?

**Mr PHEMISTER:** Mr O'Brien, we are responsible for the procurement of security guards. The operationalisation of the security force was a multi-agency endeavour and the planning for the operationalisation of those security guards is a different matter to procurement. On the 27th we were commissioned to go forth and procure security forces. What happened by way of security detail is a different matter. The document that I am referring to, that I continually reference, is the operational plan published by the state security control centre, and it is not a plan that I own.

**Mr D O'BRIEN:** Mr Phemister, I appreciate that you were not at that meeting, but you did say that your two officers reported back to you after it. Did they report to you at any stage or did any other information come to you that ADF support was literally already on its way from Puckapunyal and Simpson Barracks to be engaged for a period in the hotel quarantine plan?

**Mr PHEMISTER:** No, Mr O'Brien, I was not aware of that.

**Mr D O'BRIEN:** Minister, have you been told that at any stage?

**Mr PAKULA:** I have never heard that suggestion until you just made it, Mr O'Brien.

**Mr D O'BRIEN:** Okay. Minister, the first positive case was in the Rydges hotel and on 27 May it was made public. When did you first hear about it?

**Mr PAKULA:** I think it was in fact the 26th—on or around that day or the next day, Mr O'Brien.

**Mr D O'BRIEN:** Did you, as the minister ultimately responsible for the procurement of security guards, at any stage raise with your colleagues the concern that this was going to be a leaking sieve and that you did need

to look at alternative arrangements in terms of making sure returned travellers did stay where they were meant to?

**Mr PAKULA:** Look, Mr O'Brien, I certainly would not have used that terminology. I would make the point—and Mr Phemister might be able to add to this—that in regard to the Rydges hotel, which I think was the first positive case in hotel quarantine, it was not a hotel that DJPR staff were present at. Obviously there was concern that there would be any positives in hotel quarantine, and that was something that, I think, was shared broadly.

**Mr D O'BRIEN:** Was it at any stage brought to your attention or recommended to you that the police or the ADF should be involved in the oversight of this program?

**Mr PAKULA:** Well, I would go back, Mr O'Brien, to the fact that there were on a couple of occasions, early in the program, entreaties from officers of my department that it was our view that police should be on site at hotels. That was a recommendation made by DJPR early in the process.

**Mr D O'BRIEN:** So what occurred with that recommendation—

**The CHAIR:** Sorry to interrupt you there, Mr O'Brien, but your time for questions has expired, and I will hand to Ms Pauline Richards, MP.

**Ms RICHARDS:** Thank you, Minister, and to your officials for appearing here today. I am going to return you to an area of interest of both Mr Limbrick and Mr Maas earlier to get some more understanding of the way that the government has supported international students. I know you gave evidence about the emergency support package, but I am interested in gaining some sort of insight into other ways that the Victorian government has supported our very precious international students.

**Mr PAKULA:** Thanks, Ms Richards. Look, we have provided a number of different types of support for international students. Anyone who is engaged with the Study Melbourne Student Centre would know that it is a wonderful sort of safe and welcoming hub for international students. It provides free and confidential multilingual and face-to-face support, and it provides a range of programs and events to connect international students to the Victorian community and to industry. We have significantly expanded the capacity at the centre. There has been an expansion to the International Students Accommodation Legal Service. There has been increased support for partner organisations delivering frontline support. There has been increased resourcing for the provision of short-term material aid, whether that be emergency food vouchers, rent relief, crisis accommodation. We have seen more than a doubling of the inquiries at the Study Melbourne centre from a range of different nationalities. The top issues relate to of course the impacts of COVID-19, the financial hardship associated with that, but juggling food, juggling the rental burden, juggling the burden of tuition fees. They are also providing casework for high-risk vulnerable students; there is the provision of material aid.

There is a Study Melbourne website that contains a dedicated COVID-19 information hub. It shares current and accurate information and connects international students to relevant resources and assistance. They are also working to continue to disseminate advice from DHHS—but beyond DHHS, travel restriction advice, student support information. They are using its media channels in many different languages. They are also providing pastoral care and student support services through Victorian education providers. We have provided one-off rent relief grants to people in rental hardship. We have been helping them to find some work opportunities through Working for Victoria. There is a dedicated online hub for COVID-19 support that connects students to a range of support programs and services. There has been access to accommodation, access to the employment legal service, and we have provided \$1 million to the City of Melbourne to support them with their 'Our Shout' food voucher program. That has been a really important program, where I think they have been providing \$200 vouchers to students to use at the Victoria Market. That was very welcome by the Lord Mayor and the City of Melbourne more generally.

International students that are in forced isolation can access emergency relief packages by contacting the COVID-19 hotline. The Parliament has passed new laws to protect tenants in residential properties from eviction and to allow for rent relief. So there is a huge amount that we are doing, including advocating to the Commonwealth for visa flexibility but also to facilitate flights with relevant consulates and embassies for those students who do wish to return home.

**Ms RICHARDS:** Thank you, Minister. It might be important for the committee to have an understanding of exactly why international students are so important to the education sector in Victoria.

**Mr PAKULA:** Ms Richards, there was I think some querying about the support for international students. Last year we had over a quarter of a million international students studying here in Victoria. They came from over 170 countries. It has been a real success story for our state. We think it is something to be celebrated. International education was our largest services export in 2018–19, and international education has been our largest single export for over a decade. It generated something like \$12.5 billion in export revenue in 2018–19. It accounted for almost a quarter of our total export. So the value of the sector from a purely economic point of view has doubled over the last four, five years, and it supported maybe 80 000 jobs back in 2018. And what is important is that those jobs are not just in the education sector.

The amount of revenue spent or the amount of money spent by international students on the Victorian economy, on goods and services, makes a significant impact on demand in retail, in accommodation, in food services, and it makes a significant contribution to international tourism, particularly with the families of international students coming out to visit their children or their brothers and sisters. The visiting friends and relatives of international students spent something like \$1.1 billion here in Victoria in 2018. So on any measure—economic, cultural, tourism, retail, hospitality—it is an incredibly important sector, and it is something that we have to guard very precious. As I said in a response to an earlier question, I think the way that we treat our international students becomes a really important part of our overall offering as we come out of COVID-19. Every six-monthly intake that we miss has an economic impact of about \$5 billion on the national economy—it is enormous.

The universities around the country are indicating that there are more than 20 000 jobs at risk over the next six months. So we have got to maintain our reputation for quality education and training, but we also need to maintain our reputation as a safe and welcoming environment for students coming from all parts of the world, and we need to be positioned, to go back to the question that Mr Limbrick asked, we need to be positioned to capitalise on economic recovery, and part of that is about the way that we treat international students now, because there will be massive competition for the international student dollar at the appropriate moment in global affairs and we need to be at the front of that queue.

**Ms RICHARDS:** Thank you for that evidence. It is fascinating. I am going to move you to something that is incredibly important to everyone—it is certainly important to businesses in my community—and ask that you provide an update on the Business Support Fund. I am interested in understanding how this has assisted businesses that have been impacted by closure and obviously that have been impacted by social-distancing measures.

**Mr PAKULA:** Thank you, Ms Richards. The Business Support Fund has been an incredibly important part of supporting businesses over the last, what, four and a half months now. On 21 March the Premier and the Treasurer announced the initial half-billion-dollar Business Support Fund, that was part of an overall \$1.7 billion economic survival and jobs package. We did acknowledge at the time that it is difficult for government to give businesses customers, but we are able to give them cash and survival support. We recognised that tens of thousands of Victorians lost their jobs when whole industries were required to shut down. It was designed to support businesses that have been highly impacted through what was initially a one-off grant of \$10 000. That was a fund that opened in March; it closed on 1 June. In the end we provided over 77 500 grants. So it was not a \$500 million program; it was a \$776 million program, and those grants have supported impacted businesses all over the state. There may well be questions about those businesses that have not been provided with support, but there were 77 500 businesses in that first tranche alone.

Then last month the Treasurer and I announced an additional \$534 million to further support Victorian businesses impacted by the economic impact of the pandemic. That is obviously because some of the restrictions that had been relaxed went back on. So that expanded package provided \$5000 grants to eligible businesses in regional Victoria and \$10 000 grants to eligible businesses in metropolitan Melbourne and Mitchell shire to reflect the extended period of restrictions in those locations. So there have actually been two additional announcements: one when Melbourne and Mitchell went to stage 3 and then another one when Melbourne went to stage 4 and the rest of the state went to stage 3. That has been on top of payroll tax refunds and the initial \$10 000 business support grants that have already been received.

There are also packages for larger restaurants, pubs and hospitality venues, of \$30 million; and there is \$20 million to provide targeted support to the Melbourne CBD, because apart from the fact that the CBD is incredibly important to Melbourne's vibrancy and our overall tourism offering, it has been specifically impacted by decisions of government to ask people to work from home if possible. Then there has been, which my colleague Minister Pulford is responsible for, a fund to assist small and medium businesses across Victoria with access to business mentoring and mental health advice—that is \$36 million—and the fund that I referenced earlier in regard to regional accommodation businesses to enable them to cover the cost of refunds on accommodation.

**Ms RICHARDS:** Thank you, Minister. In the short time I have got left it would be helpful for us to have an understanding of the Business Support Fund expansion program that has been introduced by the government.

**Mr PAKULA:** Look, I touched on that, Ms Richards, in my last answer. The return to stage 3 and stage 4 means that a whole range of businesses—restaurants, cafes, pubs, gyms, you name it—are either restricted or can no longer operate, so the expansion program adds \$5000 for businesses in regional Victoria and \$10 000 in metropolitan Melbourne where stage 4 is in effect. It builds on that previous announcement that we made back in March. Look, it is not designed to replace lost income. I think that is pretty obvious when you are talking about grants of \$5000 and \$10 000. It is about helping to cover some business costs, whether that be rent or salaries. It is about allowing them to seek financial, legal or other advice to support their business continuity planning. Some have used it to support marketing and communications activities. It is really a lifeline through what is an incredibly difficult period. Cash flow is paramount to keeping the lights on. It, along with Commonwealth programs like JobKeeper, are helping to keep people employed during this very difficult period.

The applications to that fund are made through Business Victoria. They are open until 14 September, which is the current end date of the stage 4 lockdowns. So far we have received more than 60 000 applications, and we have approved almost 25 000 of those for payment. So we have paid out more than—

**The CHAIR:** Sorry to interrupt you there, Minister, but the member's time has expired, and I will hand the floor back to Mr David Limbrick, MLC. Sorry, I will hand the floor to Mr Sam Hibbins, MLC.

**Mr HIBBINS:** That is all right. Thanks, Chair.

**Mr PAKULA:** I was wondering why Mr Limbrick got another go.

**Mr LIMBRICK:** I will have another go!

**The CHAIR:** Apologies.

**Mr HIBBINS:** Minister, you have indicated I think, from what the Treasurer's update was, that unemployment would hit around 11 per cent. Do you have a forecast for youth unemployment and what level that will hit—and what it currently is now?

**Mr PAKULA:** Look, I do not have that in front of me, Mr Hibbins. It might well be that there are some Treasury estimates that go to that question. Given that the Treasurer, as I understand it, only released the updated estimates this morning, they are not in my current possession.

**Mr HIBBINS:** Are you able to provide that on notice to the committee?

**Mr PAKULA:** Indeed.

**Mr HIBBINS:** Thank you. There is unemployment, but there is also participation in the workforce. Do you anticipate major changes to workforce participation, particularly, for example, from women who may simply just opt out of the workforce?

**Mr PAKULA:** Well, again, Mr Hibbins, I have been doing my level best during this hearing to assist the Committee. That modelling will be modelling that is done by Treasury, and if the committee has a desire for me to provide that information on notice, I will seek that information and provide it. I would say that normally when there is an economic event of this nature it does change the profile of the workforce in some respects, in terms of the sorts of industries people engage in. We know that during the pandemic there has been, I think, a

disproportionate impact on women and young people, particularly as a consequence of the industries that have been most affected—whether that be hospitality or tourism accommodation—and so there is a strong emphasis, in terms of the work that we are doing, to redress some of those inequalities.

**Mr HIBBINS:** Terrific. If that information could be provided on notice, I think that would greatly assist the committee. I want to ask about the worker support payment, and it was reported that your department took over the provision of that payment from DHHS. My understanding is that payment has now been superseded by a federal payment, but you are also in charge of another \$300 payment. Given that it was reported there were issues with getting that payment actually into people's hands, with a very low number of payments when it was under DHHS, and then a larger set of payments when it was under control of your department, what did your department do differently when it was under your control than when it was under DHHS?

**Mr PAKULA:** In terms of that sort of operationalisation, Mr Hibbins, in terms of our ability to get payments out the door, I think the Department of Jobs, Precincts and Regions, whether it is through the Business Support Fund or other grants programs, have a long history in terms of the making of grants payments, which may be part of the answer. But it is an operational matter. I might ask Mr Phemister or Mr Latina. I do not think we can make commentary on the way that any other government department has managed those payments, but we are able to make commentary about the way that we manage those payments, so I will ask the relevant official to do that.

**Mr HIBBINS:** Have you made any specific changes to how it was administered from how it was being administered? That would be helpful.

**Mr PHEMISTER:** Mr Hibbins, I can have a go first. David Latina, who is on the line, is responsible for the processing of the payments and has been responsible for the processing of the majority of our payments through DJPR. The one comment I will make is that with every new grant payment there is a learning curve, and we typically accelerate our payments through that learning curve and see days get knocked off payment times. We joined that process after health had been through the establishment phase. So effectively health went through the establishment phase of the work and encountered all of the processing problems. By the time we had taken it on, we were able to bring fresh resources, obviously, to the table; resources who have a professional background in processing financial transactions. But most importantly we were at that stage of that payment process where the learnings had already been undertaken, so we could take those and run with them. I am not sure whether Mr Latina wants to add anything to that.

**Mr LATINA:** All I would say is that I think the department, DJPR, has got the infrastructure in place now to process applications simply and quickly. I think that issues such as ensuring that we have got what they call a 'vendor profile', which is once an application has been processed to get the money into people's bank accounts as quickly as possible, is something that we have been able to streamline and simplify. Something that could take several days normally is actually something that we are able to do overnight through a simplified, automated process.

So they are some of the process improvements that we have been making because we have been delivering programs such as the Business Support Fund and other activities, and we have been able to apply that infrastructure and the software systems that we have in place to those programs that you are referring to.

**Mr HIBBINS:** Obviously it is concerning because the financial pressures on people who are losing income and are having to make tough choices between self-isolation and losing money and not being able to put food on the table has a direct impact on people's adherence to the rules.

I want to move on to the support provided to small businesses. You have indicated that the small business grants, and I think indeed the moratorium on commercial tenancy evictions, will finish around the same time as stage 4 restrictions are due to end, but that does mean that we will still most likely be in stage 3 restrictions? Are you considering extending the six-month moratorium on commercial tenancy evictions and extending further support to small businesses once we move back into stage 3?

**Mr PAKULA:** Mr Hibbins, let me answer it this way: it is not good practice, and it is certainly not my intention, to make announcements about what future supports might be available in a Public Accounts and Estimates Committee hearing. I would simply make the point to you that the Government has been agile all the way through in terms of business support. Where we have had to augment payments, that is what we have

done. Where we have had to introduce new arrangements, whether it has been a combination of support payments when regional Victoria lost part of its tourism market in the second half of the school holidays, we have done so, and we will continue to assess the situation over the next few weeks. If changes need to be made, then they will be considered.

**Mr HIBBINS:** Thanks, Minister. There was obviously a lot of concern around when the industry restrictions were put in place, and it was put out that greyhound racing and horseracing would continue because of animal welfare concerns. Can you just explain what those animal welfare concerns were?

**Mr PAKULA:** I did not expect to get a question on racing, Mr Hibbins, but I should have in hindsight.

**Mr HIBBINS:** Come on, you have done so many times though, Minister.

**Mr PAKULA:** Given that you are on this committee, Mr Hibbins, I should have probably expected it. Look, horseracing, greyhound racing and the like continued for a number of reasons. One was that it is an industry that employs tens of thousands of people, and secondly, that over the almost six months now that we have been in this situation it has not had a single positive case, so it has demonstrated through the application of strict biosecurity protocols that it is very safe.

In addition to that, there was reference made to animal welfare matters, and the reference relates to the fact that you have got thousands of horses in work where the bills are being paid by owners to trainers based on their ability to earn prize money. If you in one hit turn all of that off, you expect thousands and thousands to—just let me—

**Mr HIBBINS:** You are also supplementing prize money—about \$16 million worth, I think.

**Mr PAKULA:** No, no. No, that is not correct. There was a payment made to the racing industry as part of one of our earlier packages, which was not about supplementing prize money; it was about helping the industry get through COVID-19. But the fact is that if you have thousands of thoroughbreds, standardbreds and greyhounds who all have to go out of work at the one time in an environment where it is harder for owners to pay bills, there are potentially negative consequences as a result of that in terms of feed, work, grooming—you name it. So it is a factor; it is not the determinative factor, but it is a factor.

**Mr HIBBINS:** Okay. And finally, Minister, just on the hotel quarantine, just picking up that you have indicated that it was your advice that the police become involved in that program. Who did you actually make that recommendation to, and what was the response?

**Mr PAKULA:** No, no. I did not say it was my advice. I said that our department made representations that it was their view that—

**Mr HIBBINS:** To?

**Mr PAKULA:** To the control agency, to the operational control agency, that they thought a police presence would be desirable. I cannot speak to what the response was.

**Mr HIBBINS:** Can any of the secretaries speak to the response?

**Mr PHEMISTER:** I can, Mr Hibbins. So through the life of hotel quarantine if we observed something that we thought should be brought to the attention of the deputy state controller, we raised it. The deputy state controller—what he did with our concerns I am unsure, but the deputy state controller came back to us having been through a process of, we assumed, consulting with the experts and addressed our concerns. We do not have any expertise in security, we do not have any expertise in health controls, so my team were instructed if they saw anything that they thought should be brought to the attention of those experts, they brought it to their attention. We raised it through the appropriate escalation points. Those emails were directed to the deputy state controller, if they are the ones. I am assuming the deputy state controller consulted the experts—I am assuming—and addressed our concerns, and we continued under the direction of the expert agencies.

**Mr HIBBINS:** Okay. Thank you. Minister, I do not have a grand prix question for you, so no more further questions, Chair.

**The CHAIR:** Thank you, and I will call Ms Ingrid Stitt, MLC.

**Ms STITT:** Thank you, Chair. Good afternoon, Minister.

**Mr PAKULA:** Good afternoon.

**Ms STITT:** I wanted to ask, Minister, about our much-loved creative industries, and obviously that is a sector that has been particularly hard hit during this pandemic. The government has created a \$15 million live music venues program, and I wanted to get a bit more information from you about how that program is going to help our live music industry during the recovery phase.

**Mr PAKULA:** Thanks, Ms Stitt. Well, as you would know, this is an industry much beloved by all of us but particularly by Minister Foley, and he has been rigorous and diligent in terms of his seeking of support for that industry. It is a \$1.7 billion industry, the live music industry. We have the highest concentration of live music venues anywhere in the world, and with the sudden restrictions that were necessary due to the pandemic music venues closed. They have not yet reopened. It has been very difficult for the industry. There has been minimal income for artists. There has been some that has been able to be procured through some of the sort of live-streaming events that we have had, but there has been very little income for artists—but also for technicians, for managers, for people that book acts and for the small businesses that rely on live music venues like the hire companies and things of that nature.

They were amongst the first to shut down, and they may well be amongst the later ones to reopen given the proximity of people in live music venues. There was a \$15 million program that has been secured, which is about helping grassroots venues which are the heart and soul of the industry. We have got one venue for every 8900 residents. It is more concentrated than places like Berlin, New York and London, so they do play a really crucial role in the fostering of talent but also in our communities more generally. Live music venues attract over 17 million people each year, and I am sure Mr Maas knows that much better than me, as somebody who is a muso in his spare time. But the coronavirus has really brought that activity to a halt. There have been millions of dollars in lost revenue, thousands of lost jobs, so we are targeting venues with a capacity of between 50 and 1200. They are the venues that are targeted in this package. It is about supporting venues that have a solid reputation for presenting original live music that demonstrate best practice in business operations, including in staff and performer and patron management. There is an application process, as I am advised, and those the applications are now being assessed. I would expect that Minister Foley will make an announcement about the successful applicants in due course.

It is in addition to the \$4 million that was previously announced for the industry, which was focused on supporting musicians and industry workers who have lost gigs and lost income and employment as a consequence of the pandemic. It is also in addition to music projects which have been funded through the Sustaining Creative Workers initiative, which is about putting money directly into the pocket of creatives, and many of those are unemployed and have lost a year's worth of work.

**Ms STITT:** Thanks, Minister. Further to that, aside from live music, we know that many workers in the industry have fallen through the cracks and are not necessarily going to be eligible for some federal government support. Can you talk a little bit about what the Victorian government is doing to assist workers in the live music industry?

**Mr PAKULA:** Well, Ms Stitt, I just referenced the \$4 million that had been previously announced, which is focused on the support of the musicians and industry workers who have lost gigs and income employment as a consequence of COVID-19. It really is about supporting the development of new work which can be released now or which can be ready to launch or tour when restrictions are eased. So there will be training, professional and business development, mentoring for music industry workers—that includes those that are behind the scenes that are just as heavily impacted or almost as heavily impacted as the artist themselves. In addition a quarter of our \$4.7 million Sustaining Creative Workers initiative successful funding pool was for projects that were submitted by workers in the music industry. There are a range of artists—Adalita, The Merindas, Jess Ribeiro, Amos Roach—who have been supported to record, release and develop new music. Labels like Good Manners Music, Bad Apples Music and Milk! Records are among those artists that have secured funding for projects to help build audiences and opportunities for their artists.

We are also supporting a weekly online music festival, Isol-Aid. That has received \$200 000 to support its program in the coming months, and that includes six behind-the-scenes staff and covering performance fees for artists. There have been a huge range of supports that have been provided. The digital festival is one which also raises funds for music industry crisis support service Support Act. OK Motels, which runs music events in regional towns, has received \$50 000 to promote three events in 2021 and to plan those events. That support follows popular events in places like Charlton back in 2018 and 2019, which each attracted over 1500 music lovers to the region, and that generated hundreds of thousands of dollars for local business. It is not quite Katy Perry goes to Bright, which was an absolutely massive event up there right at the beginning of the COVID-19 pandemic. It was almost in fact the last really big live music event before restrictions came into effect, and that was an enormous boon to that community, which had been through difficulties as a result of bushfires. But there are a range, as you can see from that, of very important supports that are occurring right across the state.

**Ms STITT:** Thanks, Minister. In terms of our iconic cultural institutions and support for them, are you able to take us through a bit of detail in terms of what the government is doing to protect those venues and also the workers that rely on them?

**Mr PAKULA:** Ms Stitt, one of the things that all of us would agree on is that for those iconic events and venues that are suffering through COVID-19, we want them to all be there on the other side of this. We want them to all be there and to be able to support and accept Victorian visitors and international and interstate visitors when this is over. So our major cultural institutions—the NGV, the Arts Centre, Museums Victoria, the State Library—are amongst the best of their kind anywhere in the world, and they are icons of this state. They have been disproportionately affected by the coronavirus pandemic. They have temporarily closed their doors; they have not reopened. And they have been significant tourism attractors to our state for a long, long period of time.

Cultural tourism is worth something like \$2 billion to the state each year. Between them they employ over 3000 people. About 1500 or more are casual and fixed-term staff. They were able to keep on their casual workforce in the two- to four-week post-closure period initially with our support, but because they are state government entities they are not eligible for JobKeeper—the federal government JobKeeper program—so we had to step in to help the almost 3000-strong casual public sector workforce. So they are receiving a JobKeeper-type payment of \$1500 per fortnight before tax, and they will be offered the chance of re-employment to other areas of the public sector that need them. In addition we are providing \$50 million to assist our arts and creative agencies while their doors are closed so they will still be there on the other side of this pandemic and so that they are able to benefit from the recovery.

They are showing an enormous amount of resilience and dynamism. They are continuing to serve our community. They are all offering digital experiences to bring people together, learning environments particularly for young people but also for families, so there is still an opportunity for Victorians to enjoy our wonderful creative collections but in an online sense for the time being. There have been virtual tours of KAWS and Haring-Basquiat at the NGV. ACMI is having online movie nights. So that work is more important than ever in providing entertainment and some degree of comfort to people whilst in isolation, but it also continues to provide people with an opportunity to connect and not to forget about the great cultural assets that we have got in our state. So that financial support is really important to ensure that those assets are able to survive and that they will be here for Victorians on the other side of this pandemic.

**Ms STITT:** Indeed. Minister, in terms of small-to-medium creative sector organisations, there is the \$13 million strategic investment fund that the government announced in April. Are you able to take us through how that is going to assist people to get through the worst impacts of the coronavirus pandemic?

**Mr PAKULA:** Yes, sure, Ms Stitt. There were nearly 100 non-government arts and cultural organisations that got an immediate cash injection to help them out during the crisis in May. That support was automatic. They did not need to apply. That was in addition to assisting them to continue to operate while closed to the public, so it has given them, I suppose, the space to think and adapt, to invent, to behave differently in response to what is, and I think what will continue to be, a rapidly changing world. It is intended to support organisations and activities over this six-month period as organisations respond to this environment, and it will be reviewed at the end of the period. So, again, that is something within Minister Foley's purview, and I know he is giving that deep consideration. They have been able to use those funds to help retain their workers, in addition to the

JobKeeper payment, but it has also enabled them to continue to create work, to employ artists, to find new ways to connect with their communities, to play what will be a vital role in the broader recovery effort.

There has been a second round of that program, which recently closed. It asked for EOIs from that same cohort, and it looked at ways that they could collaborate and adapt and innovate during the period of lockdown. I am advised there is an independent peer group panel assessing those applications, and I would expect that Minister Foley will make an announcement on the successful applicants in the not-too-distant future. So all of this has been, I think, incredibly important in keeping those cultural institutions alive and ensuring that we have a deep reservoir of talent to go back to so that, you know, that creative part of our society is able to continue to thrive on the other side of the pandemic.

**The CHAIR:** Thank you, Minister. The member's time has expired, so I will hand the call to Ms Bridget Vallence, MP.

**Ms VALLENCE:** Thank you, Chair, and thank you, Minister and departmental staff. Minister, over the weekend Minister Mikakos tweeted that 'The truth will set you free'. Minister, in order to get to the truth, which minister is ultimately responsible for the hotel quarantine program?

**Mr PAKULA:** Ms Vallence, I am not going to engage with you on what can only be described as a sort of a gotcha-type question. Both I and the departmental staff in this meeting have been, I think, frank with the committee in regard to what our department's role was; to the extent that it is relevant to this hearing, the DHHS's role; and the role of the State Control Centre. Everybody had a different role in the operation, and government departments exercised those roles as required.

**Ms VALLENCE:** The question is not a gotcha one. Minister, you have been serving the public in your role for a very long time, and the public deserves to know. They are asking the question. You must know, as part of the crisis cabinet and in your role, which minister of your colleagues is ultimately responsible for hotel quarantine. Are you seriously telling this committee that you do not know which of your colleagues is ultimately responsible for the hotel quarantine program?

**Mr PAKULA:** Ms Vallence, you would probably note that I have not today referenced the judicial inquiry—

**Ms VALLENCE:** It is not a judicial inquiry, so please be—

**Mr PAKULA:** sorry—the inquiry overseen by former Judge Coate. But that inquiry has been set up to get to answers in regard to all of the elements of hotel quarantine, and I have no doubt that Judge Coate will do that. In regard to questions of accountability, both I and Mr Phemister have, I think, in some detail taken this committee to the chains of responsibility, whether through the State Control Centre or indeed as a consequence of the operational plan. In regard to operational command, who had responsibility for infection control, who had responsibility for procurement, who had responsibility for logistics—

**Ms VALLENCE:** Yes, you have—

**Mr PAKULA:** and I am not going to supplement that by making pronouncements about individuals or who I think is ultimately responsible for this, that or the other.

**Ms VALLENCE:** So to supplement, can you tell the committee who you know to be ultimately running Operation Soteria?

**Mr PAKULA:** Well, I might ask the Secretary to supplement that, but there have been, as you would be aware, some changes in the last couple of months. So, for example, the Department of Justice and Community Safety, I think now through Corrections Victoria staff, have a different role to the role that they had previously. But I might ask the Secretary to go to what he understands to be the current organisational arrangement.

**Mr PHEMISTER:** Thanks, Minister. Since 30 June we have not had a role, the Department of Jobs, Precincts and Regions. At the moment the general order is really clear about leadership of Operation Soteria. As of today that point is very clear.

**Ms VALLENCE:** Who is currently in charge of Operation Soteria, Mr Phemister?

**Mr PHEMISTER:** The former corrections commissioner is running Operation Soteria today.

**Ms VALLENCE:** And, Mr Phemister, while I have got you there, Mr Hibbins just referred to the request from one of your senior staff in your department to DHHS requesting Victoria Police be present at the hotels that you had engaged. So you knew straight from the start that police presence was necessary for this program. You mentioned a deputy state controller who rejected that request. Can you say who that deputy state controller is?

**Mr PHEMISTER:** Ms Vallence, can I just clarify a few things in your question. We do not have an expertise in security.

**Ms VALLENCE:** No.

**Mr PHEMISTER:** Our approach was that if we saw anything that we thought could assist the decision-makers with regard to various aspects of the plan—and in some cases that was us—we would raise it through the daily meetings convened by the deputy state controller. The deputy state controller acknowledged and heard at all times any concerns that were raised. What he did to consult the experts, to get a response back to us, I am unsure, but the response—

**Ms VALLENCE:** Minister, who is the deputy state controller?

**Mr PHEMISTER:** It was Chris Eagle.

**Ms VALLENCE:** Chris Eagle. Thank you.

**Mr PHEMISTER:** But as I said, it was a 24-hour operation over seven days a week, so multiple people played that role—it was impossible for one single person to. But Chris was appointed as the deputy state controller early on.

**Ms VALLENCE:** Thank you. Minister, you confirmed that it was your department's role to source accommodation, and it was also your department's role to source and procure security companies to ensure that travellers remained locked down. Can you please advise how many security guards in total worked in the hotel quarantine program?

**Mr PAKULA:** Again, that level of detail in terms of numbers, I will ask the Secretary to deal with it. You will get a more accurate assessment from Secretary Phemister.

**Mr PHEMISTER:** And I will start by apologising; I cannot give you that precise number today.

**Ms VALLENCE:** Can you take it on notice, Mr Phemister? Thank you. How many security guard companies were engaged then, Mr Phemister, by your department to provide hotel security?

**Mr PHEMISTER:** We engaged three firms.

**Ms VALLENCE:** Three? And how much taxpayers money so far has been spent on these security companies? What was the total value of the contract and how much has been spent so far?

**Mr PHEMISTER:** Ms Vallence, we procured in a particular way knowing that we would have to grow. On day one we could not predict how many passengers were going to come through and how many hotels would need to be stood up. We are in the final throes of wrapping up the contracts with the three companies, and those commercial-in-confidence conversations continue. So right now I do not actually know what the cost will be for hotel—

**Ms VALLENCE:** Commercial in confidence does not really apply. This is taxpayers money that we are talking about. Every cent needs to be accounted for. Can you please make those contracts available to the committee?

**Mr PHEMISTER:** Ms Vallence, once we have wrapped up the contracts and I can actually answer the question, the financials will be reported through the standard processes as soon as they are available.

**Ms VALLENCE:** Can you advise how much has been spent so far?

**Mr PHEMISTER:** I cannot, Ms Vallence.

**Ms VALLENCE:** Okay. Minister, you mentioned earlier in an answer \$80 million from consolidated revenue for the accommodation. Has that been spent so far or is that the total budget?

**Mr PAKULA:** Again, I cannot speak to how much has been spent to date, but what I—

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

**Mr PAKULA:** Indeed.

**Ms VALLENCE:** Thank you. Could you also provide copies of the contracts to the accommodation—make them available to the committee?

**Mr PAKULA:** I think that is one where I will defer to the Secretary.

**Ms VALLENCE:** Just take it on notice; that will be fine.

**Mr PAKULA:** We will provide that information which we can.

**Ms VALLENCE:** Sure; thank you. Minister, there have been a number of concerning reports that security guards were paid as little as \$18 an hour whilst performing work on the hotel quarantine program. Some alleged that they had their wages deducted through dubious contracting arrangements. Have you or your department investigated any of these reports?

**Mr PAKULA:** Again, I will ask the Secretary to respond to that. I have seen some of those reports, Ms Vallence.

**Mr PHEMISTER:** I can add to that, Ms Vallence. We are doing a forensic audit of the contracts. The contracts themselves did permit the use of registered and legal subcontracts with the express approval of the department, and given the scale of the operation that was a required clause in the contracts. We are now working through, with the cooperation of all three security firms, to investigate any allegation of misbehaviour during the life of the contracts.

**Ms VALLENCE:** Back to you, Minister. You are doing that investigation now, but what was set up pre-emptively to ensure that these workers did not get ripped off?

**Mr PAKULA:** I think, Ms Vallence, Mr Phemister has responded to the question in regard to the work that is being done in order to investigate any allegations of underpayment. It is always the government's intention, through the nature of the contract that is entered into, to seek to avoid any such outcome.

**Ms VALLENCE:** Minister, would you consider referring these matters to the Victorian wage inspectorate to investigate?

**Mr PAKULA:** I think it would first be appropriate for the forensic audit that Mr Phemister has referenced to be concluded to come to an answer in regard to what has actually gone on from a wages and conditions point of view, and I think all options would be available—

**Ms VALLENCE:** Reports have been all over the media. There have been many security guards who have made this known. You surely have seen that. You surely agree that it is totally unacceptable that there is underpayment of any workers, let alone on Victorian government worksites?

**Mr PAKULA:** I think all workers should always be paid all of their legal entitlements, absolutely, Ms Vallence. That is my view. And if that has not occurred, then there should be a consequence to that.

**Ms VALLENCE:** There have also been some reports about ghost workers being used in the hotel quarantine program, where time sheets would obviously be submitted for workers who never turned up. Has your department investigated this? Is that going to be part of the investigation?

**Mr PAKULA:** Unless Mr Phemister suggests otherwise, I would absolutely expect that that is part of the investigation that is occurring as we speak.

**Ms VALLENCE:** Secretary Phemister, has the department engaged any legal representation for the purposes of responding to the Coate inquiry?

**Mr PHEMISTER:** We have, Ms Vallenge.

**Ms VALLENCE:** You have? Can you advise how much money has been spent so far and what is your expected total budget?

**Mr PHEMISTER:** I cannot, Ms Vallenge. As Ms Peake indicated yesterday, it will be funded through our internal legal—

**Ms VALLENCE:** Can you make that available to the committee, please?

**Mr PHEMISTER:** As soon as it becomes available.

**Ms VALLENCE:** Thank you. Just to sole traders also, Minister, you have said publicly that the state budget cannot extend far enough to support sole traders. Has there been any consideration for sole traders, or have they just been simply forgotten in the deliberations in terms of financial support?

**Mr PAKULA:** They absolutely have not been forgotten. I think the comment of mine that you reference was in an interview I did last week. I was making the point that whilst there were 76 000 or 77 000 businesses, for instance, that received the first tranche of the Business Support Fund, there are more than 400 000 sole traders, so logic would suggest—

**Ms VALLENCE:** They are screaming out for support—

**The CHAIR:** Ms Vallenge, your time for questions has expired. I will pass the call to Mr Richardson, MP.

**Mr RICHARDSON:** Thank you, Minister, for joining us today. I want to take you to the issue of commercial tenancy relief. Could you please explain how the commercial tenancy relief scheme announced by the Victorian government is helping small businesses through the coronavirus pandemic?

**Mr PAKULA:** Yes, Mr Richardson. Is that your little one we can hear in the background?

**Mr RICHARDSON:** Yes. She has been quiet the whole time.

**Mr PAKULA:** It is about ensuring that small businesses and landlords are able to maintain their business and their income during this incredibly difficult time. It is a scheme which is consistent with the national cabinet's agreement to implement a mandatory code of conduct for commercial tenancies, so we legislated quite urgently earlier in the year so that eligible small- and medium-sized businesses could be granted rental waivers or deferrals. Tenants are entitled to rent relief under the scheme if they occupy premises under an eligible lease, if they are an SME with an annual turnover under \$50 million and they are an employer participating in the JobKeeper scheme.

For commercial tenants and landlords, the following support is provided. There is a six-month moratorium on commercial tenancy evictions that runs from 29 March for the non-payment of rent to small and medium enterprises with an annual turnover under \$50 million that have experienced a minimum 30 per cent reduction in turnover as a result of coronavirus. There is a freeze on any rent increases during that moratorium. There is a rental payment waiver or deferral proportionate to commercial tenants' income reduction due to COVID-19, to be negotiated between the tenant and the landlord; and there is a free mediation service for commercial tenants and landlords to support fair tenancy negotiations, which has had a pretty substantial take-up. It is operating from 29 March until 29 September. The agreements that are struck as part of that mediation can extend beyond that period. We are also providing land tax relief to those commercial landlords that provide rent relief to their tenants. That land tax relief sits in the Treasurer's portfolio, and you would have had an opportunity to ask him about that this morning.

**Mr RICHARDSON:** Just going to rental relief factors, under the Victorian government's commercial tenancy relief scheme how is the government ensuring that landlords are providing adequate rent relief to their tenants, given how significant the challenges are for small businesses and others at the moment?

**Mr PAKULA:** Well, Mr Richardson, the model that has been created is one about, in the first instance, agreement and cooperation, so we are asking tenants and landlords to work cooperatively and to negotiate in good faith to reach agreement on rent relief. The landlord has to take into account several factors when offering rent relief, including reduction in turnover; any waiver of outgoings or other expenses from the premises; the capacity of the business to pay rent under the lease and whether that would be compromised by not being offered sufficient relief; the financial ability of the landlord to offer rent relief, including any support that they might have access to—for example, mortgage relief schemes that they might be eligible for; and any reduction in outgoings for the premises. So under the scheme, after receiving a written request from a tenant, the landlord has to offer rent relief within 14 days unless a different time frame has been agreed in writing. And that mediation service that I referenced, which we are providing, is a free service, and we are asking where agreement cannot be reached for landlords and tenants to undertake that process through the Victorian Small Business Commission.

**Mr RICHARDSON:** And just going to other supports the Victorian government is providing to commercial tenants and small businesses, could you take the committee through that during this difficult phase.

**Mr PAKULA:** Yes, Mr Richardson. We made a number of announcements in previous times, including the \$40 million program, which was for the night-time economy businesses. That is about supporting commercial tenants that particularly operate pubs, clubs and restaurants that are experiencing rental payment hardship due to COVID-19 but who do not qualify for the commercial tenancy relief scheme as a consequence of the size of their business. It is made available through the Business Support Fund to licensed venues with an annual turnover of up to \$50 million but that operate as a group.

And I referenced, I think, during the presentation the business advisory and wellbeing program, which is a \$36 million program which was part of that support package we announced on 10 July. It is about providing key support to small and medium businesses across the state—including sole traders, I should say. There is a \$26 million investment in mental health support to ensure that Victorians dealing with the compounding challenges of running a small business can get the support they need as they navigate their way through the crisis but also a \$10 million business mentoring program, pairing small business owners with experienced professionals who can help them to navigate their way through the crisis, and I think that further information on that program is being announced by Minister Pulford in the very near future.

**Mr RICHARDSON:** Can I take you now to the support for professional sport and racing. Obviously the restrictions on spectators at events has had a massive impact on the industry, and high-performance and professional sport and racing has felt the brunt of that. Can you please provide our committee with an update on what the government is doing to support these sports and racing during this time.

**Mr PAKULA:** Yes. Well, with the very brief time I have left, Mr Richardson and Chair, I just want to make this comment about what we broadly describe as the experience economy. This is what it is worth to the economy: \$31 billion from the creative sector, over \$4 billion per annum from racing, over \$9 billion per annum from sport and rec, and over \$23 billion per annum from tourism. It is an enormous part of the state's economic and cultural life. The experience economy employs 600 000 Victorians. It was amongst the first and the hardest hit. Professional and high-performance sport training has been permitted to continue, but as I indicated, most of the sporting codes have decamped to other locations.

In terms of the ability of the racing industry to continue, as I have indicated, as a very large employer in the state, with an exceptionally good record in terms of biosecurity and infection control, we think that is incredibly important. What it also means is that we still have the opportunity to run a successful spring carnival on the other side of these restrictions, which would have been incredibly difficult, if not impossible, in an environment where horses went out of work for six to eight weeks at a time. That is, as I say, a very important part of our social, cultural and economic life.

We have also got an allocation of \$16 million for national sporting organisations and their associated teams. That funding will support approximately 45 professional sporting teams in national competitions—teams like the Melbourne Boomers, like the Vixens, like the Melbourne Rebels and like the Bendigo Spirit. We have also got 30 national sporting organisations which have their headquarters here in Victoria—organisations like Hockey Australia, Basketball Australia, Golf Australia, Swimming Australia and Athletics Australia—and they are the pre-eminent bodies in the nation for the development of those particular sports. They support many of

our Olympic and Paralympic athletes. We have in addition to that funding provided them with rental relief totalling over \$13 million. We are not going to be charging rent for tenants in those government buildings like AAMI or Melbourne Park between 1 January and 31 December, so there is a huge amount of support that has been provided—cultural, sporting, racing and creative—right across the state.

**Mr RICHARDSON:** Can I just go a little bit further into racing? I know that the racing industry has continued in Victoria under the COVID guidelines. What are some of the other specific supports, and why has it been important to keep that going along?

**Mr PAKULA:** As particularly regional MPs would know, Mr Richardson, whether it is harness racing, greyhound racing or thoroughbred racing, it is the heart and soul and the lifeblood of many regional communities. We had to provide significant support, for example, to the harness racing sector, and it made up a large part of the support to racing more generally. That is a sector that has been badly impacted and which has been undergoing financial pressure for quite some time, so there has been a substantial support payment made to the harness racing industry in the vicinity of \$24 million—or certainly that is the amount that has been allocated. The balance of the package, which is for thoroughbred racing and for greyhound racing, goes to compensate for the fact that there have been of course no crowds for a substantial period of time now, so there is no ability to make any revenue from food and beverage and no ability to make any revenue from the gate. And there has been a significant impact, at least for a period of time, on wagering and therefore on revenue to the sector as a consequence of a number of national sporting codes and international sporting codes shutting down. We have a strong desire to maintain a vibrant industry, not just for the spring and not just for Melbourne but for all of those regional communities for which racing is a very, very important part.

**Mr RICHARDSON:** I might just take you in the final couple of minutes to regional Victoria. Following the droughts and dry seasonal conditions, this summer's bushfires and now the COVID-19 pandemic, many regional communities have been significantly impacted. How is the Victorian government responding to the specific needs of country communities?

**Mr PAKULA:** Well, this is within the ministerial responsibility of my friend and colleague, Minister Symes. We have announced a range of initiatives and projects to invest in regional Victoria's recovery on top of the tailored support which is offered by RDV. Back in May we announced the \$2.7 billion building works package. The scope of works is already helping people right across the state. We are investing in upgrades, in maintenance and in new experiences at tourism destinations right across the state, so that when people are able to travel freely again there will have been some infrastructure created and some new experiences created. We want visitors to regional Victoria to get the very best experience when they head there.

We are also investing in a range of big and small shovel-ready projects that will invest in local communities in the regional development portfolio, with 21 projects worth \$46 million, and that is on top of the initiatives announced as part of the economic survival package. They are all about investing in local livability and community upgrades, and they will be really important to attracting people to live and work in those regional communities.

**The CHAIR:** Thank you. The member's time is expiring right now, which concludes the time we have for questioning. Thank you very much Minister and Secretary Phemister and your officials for appearing before our committee today. The committee will follow up on any questions that were taken on notice in writing. Responses will be required within five working days of the committee's request. The committee will now take a short lunchbreak before beginning consideration of its next witness. I declare this hearing adjourned.

**Witnesses withdrew.**