



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

SELECT COMMITTEE ON THE COVID-19 PANDEMIC RESPONSE

(Reference: [COVID-19 pandemic response](#))

Members:

MR A COE (Chair)
MS T CHEYNE (Deputy Chair)
MRS V DUNNE
MS C LE COUTEUR
MR M PETTERSSON

TRANSCRIPT OF EVIDENCE

CANBERRA

FRIDAY, 3 JULY 2020

Secretary to the committee:

Ms Annemieke Jongsma (Ph: 620 51253)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

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Privilege statement

The Assembly has authorised the recording, broadcasting and re-broadcasting of these proceedings.

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While the committee prefers to hear all evidence in public, it may take evidence in-camera if requested. Confidential evidence will be recorded and kept securely. It is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly; but any decision to publish or present in-camera evidence will not be taken without consulting with the person who gave the evidence.

Amended 20 May 2013

The committee met at 10.32 am.

STEPHEN-SMITH, MS RACHEL, Minister for Aboriginal and Torres Strait Islander Affairs, Minister for Children, Youth and Families, Minister for Health

COLEMAN, DR KERRY, Chief Health Officer, ACT Health

McDONALD, MS BERNADETTE, Chief Executive Officer, Canberra Health Services

PEFFER, MR DAVE, Deputy Chief Executive Officer, Canberra Health Services

GEORGE, MS JACINTA, Executive Group Manager, Health System Planning and Evaluation, ACT Health Directorate

THE CHAIR: Good morning, and welcome to this Select Committee on the COVID-19 pandemic response. I would like to welcome the Chief Health Officer, the Minister for Health and other officials. As usual, I understand the privilege statement has been sent through. Can you please say your name and confirm that you understand the implications of that document?

Ms Stephen-Smith: Rachel Stephen-Smith; I acknowledge the privilege statement.

Dr Coleman: Dr Kerryn Coleman; I acknowledge the privilege statement.

Ms McDonald: Bernadette McDonald, Chief Executive Officer, Canberra Health Services; I acknowledge the privilege statement.

Mr Pepper: Dave Pepper, Deputy Chief Executive, CHS; I acknowledge the privilege statement.

Ms George: Jacinta George, EGM for the Health Directorate; I acknowledge the privilege statement.

THE CHAIR: Thank you very much. We have 30 minutes allocated for this hearing this morning. My first question is: what conditions will clubs in the ACT be operating under, once they are allowed to have gaming machines operational from 10 July?

Ms Stephen-Smith: Dr Coleman is probably best placed to talk about that.

Dr Coleman: I am not sure, I am sorry, what you mean by what conditions they would be operating under. We certainly are working towards opening gaming and gambling venues for 10 July. If you are after the specific conditions with regard to regulations, we might need to direct those to Access Canberra, the regulator in this instance.

THE CHAIR: What are you planning to do with regard to social distancing, hygiene, cleanliness et cetera?

Dr Coleman: There will be similar requirements around physical distancing. It is intended that the one per four-square-metres physical distancing per useable floor space will apply. There will be a requirement for the COVID safety plan to extend to those areas of gambling and gaming floor spaces. And those aspects which you

mentioned, such as hygiene and cleaning of frequently touched surfaces, will need to be included in there.

THE CHAIR: When you say “useable floor space”, does that apply to all venues in the ACT?

Dr Coleman: In terms of the hospitality venues, yes, it does for useable floor space. The reason for that is that the one in four physical distancing is intended to allow the amount of distance required for every person to have at least that 1.5 metres between each other that they need. Therefore, it can only be the useable floor space that is taken into that calculation.

THE CHAIR: Right. So for a restaurant, that pretty much excludes the table area, is that correct?

Dr Coleman: I think we also try to be a little pragmatic here. It excludes the fixed things such as the bars, the kitchens and the office spaces. Clearly, we cannot ask for all the tables that people are sitting at to be excluded, so it would be the zoning in which people are allowed to congregate and sit.

THE CHAIR: Okay. Are there any particular thresholds that have been achieved that have led to this relaxation of restrictions, or is it really just the passage of time?

Dr Coleman: Are you referring to the checkpoints at which we conduct and take a check-in?

THE CHAIR: Well, stage 3 in general, but also other restrictions as they are being eased. Is there a particular milestone that we have met or is it, as I said, the passage of time that gives everyone more comfort?

Dr Coleman: I think there are quite a few aspects to that. It is about monitoring the risk from the disease itself. Today I will receive the weekly report to consider, with the final report coming next week, prior to the signing-off on the next stage of restrictions and public health directions. The first thing that we consider is the number of cases and the risk of transmission. At the moment, as everyone is aware, there is increasing risk in several Melbourne postcodes. While this does not pose a direct risk to Canberra, there is certainly an increasing risk of importation. So that is a consideration.

The second one I consider is the results of testing. We still have very high testing rates. We have had 31,500 tests overall, and those rates continue to be high, so that is very pleasing. It is also good for us to look at compliance and enforcement there, and to ensure that the community and businesses continue to understand the importance of the physical distancing or hygiene measures and are continuing to get more comfortable in using those. Last weekend this was greatly improved, and it gives me a lot of comfort that we can continue to move forward with those things.

THE CHAIR: Great; thank you.

Ms Stephen-Smith: Mr Coe, could I just add to that? I think, Kerry, the reason for

the staging of the expansion of easing of restrictions over time is that, obviously, we are increasing the level of risk associated with each stage and we do not want to be in a position where we have to go backwards. That is why we need to test and make sure that, at that stage, we are okay. So it is in some ways the passage of time, but it is the passage of time at a particular level of risk to assess that that has been okay.

THE CHAIR: Yes, sure. This is my final question. With regard to the clubs in particular—obviously a major employer in Canberra—from 10 July do you expect that the restrictions that they will be operating under will be the same as New South Wales, and Queensland and South Australia for that matter?

Dr Coleman: I am not sure what you mean by the staff and the restrictions that they are under.

THE CHAIR: Sorry, the question was not about staff; it was just about the general notion that they are a significant employer and the importance of them being operational. That was the preface to the question. The actual question is: will they be operating under the same conditions as New South Wales?

Dr Coleman: I cannot confirm that they will be. New South Wales is a separate jurisdiction and has its own considerations. However, at the moment the conditions are quite similarly aligned to what we are going to be implementing in stage 3.

THE CHAIR: Right, but you have been looking at New South Wales as evidence for best practice and safe practice?

Dr Coleman: I think I have been looking at all jurisdictions in terms of taking lessons learned and best practice. The relevance of New South Wales to us is due to the fact that it is so close but also because it has open borders. So this is a particular risk for ACT which is not shared by any other jurisdictions apart from New South Wales and Victoria, hence the closeness and the relevance of the New South Wales experience is very useful.

THE CHAIR: Great.

MS CHEYNE: My questions relate to Victoria and, firstly, to the new direction that has been released this morning. I want to commend you and the minister for putting that out and for how clear it is. Are you able to talk through, though, what it means for people who are coming in on an inbound flight from Melbourne to Canberra? When they enter that period of quarantine at a designated place, I understand that they have to provide identification. What does that mean in real terms for a layperson, and how is this going to be policed and enforced? I think that is where there is some heightened community anxiety out of Victoria. If people had done the right thing, we would not be in the situation we are in now, so how are we going to ensure that people will do the right thing under this new direction?

Dr Coleman: Minister, would you like me to take that one?

Ms Stephen-Smith: Yes, please, Kerryn.

Dr Coleman: Just checking. Thank you. The intention of the public health direction is to support the Victorian stay-at-home orders to reduce the risk of the importation of the virus into the ACT. What we will be monitoring from the enforcement perspective is meeting every aeroplane that comes into Canberra Airport. We are investigating trains, as a hub, and also buses. We believe that there is one bus that arrives directly from Melbourne early every morning. When people arrive we will have public health officers as well as police greet them in a friendly, welcoming way. We will ask them if they have been in a Melbourne hot zone in the last 14 days, and if they reside in the Melbourne hot zone. We will ask them for proof of residential status and a document that has an invoice, their drivers licence, their Qantas card or whatever they have on them that proves their residential status.

If they deny being in a hotspot and their residence does not fit within that postcode then they will be free to go on their way. If they do identify, we discuss the risks further and inform them that they will be required to go into a 14-day quarantine under the public health order here in the ACT if they choose to stay. Their best option is to turn around and go back home on a return flight. We have discussed with the airport and the airlines and learned that there is general availability, on the returning flight, for them to return. But we really do not want that to need to happen. So we worked very hard last night, with Qantas in particular, to get messages out to those travellers who were booked on the plane this morning, and we will continue to do that to make sure that people understand.

In the case of ACT residents returning home, we will work with them about looking at their home environment, and our aim would be to have home quarantine, with support from ACT Health and appropriate compliance checks. If necessary, we have hotel quarantine available, and we would arrange that for individuals as a last resort. My honest opinion is that there will be very few, if any, people that require this, apart from ACT residents returning home from Melbourne.

MS CHEYNE: And with the motel, if that had to be arranged, is the ACT government paying for that or would that be at the person's own expense?

Dr Coleman: At the person's own expense.

MS CHEYNE: I appreciate that you now think there are going to be very few people coming from those hotspots, with the directions in force in both Victoria and the ACT, but the Prime Minister was saying this morning that what we are seeing in Victoria is concerning but it is not strange when you consider how outbreaks are occurring globally. Is that the view that you take, and should we be at a heightened level of alert in the ACT? Do you think this is something that we are likely to see here?

Dr Coleman: There are two things on that. We have all been saying that it is not unlikely, or it is likely, that we will see cases appearing as time moves on. We know that the easing of restrictions and reduced lockdown has meant that the conditions are much more conducive to transmission of the virus. So if we do see cases of the virus appearing, it is much more likely now that it can transmit or spread from person to person. At every step of easing, every stage, everything loosens up and it is much more likely that spread will occur quickly and between more people. So that is where the balancing act comes in, and it is where the considerations need to happen.

The aim of what we are trying to do is to develop our response to be able to identify and deal with cases, when they appear, very quickly, and to try to prevent that broader spread and outbreak. It is what we would be expecting; however, I think we are all concerned that it is continuing at such high levels. Our preference and certain hope would be that those numbers stabilise and we start to see a reduction in numbers due to the effort that is going into community engagement, testing, quarantine and isolation but also the additional restrictions that have been put in place as almost a last resort. But we might not see any significant changes for another week.

THE CHAIR: I have a supplementary question. In the event that you have to send somebody back on a return flight right away, are there some issues with that? If they are not safe to enter the ACT, are they safe to go on a plane? How do you balance that?

Dr Coleman: There will be a risk assessment done at the point of time, and there is a source of masks available. Clearly, if someone is symptomatic we would use our normal mechanisms of popping a mask on them, managing them appropriately and doing what we need to do. We would never put a planeload of people at risk if someone had symptoms. If someone does not have symptoms and we believe the risk is relatively low at this point in time, we would put a mask on them and return them home. The duration of the flight is quite small and the risk of transmission on the flight from someone who does not have symptoms is almost negligible.

MRS DUNNE: Just a quick follow-up on that one: what are we doing about people who might drive from Victoria to the ACT?

Dr Coleman: We have identified that driving into the ACT is probably a lower risk for us, given the significant efforts going into New South Wales. We will monitor the New South Wales situation and see how much they pick up and then review our situation about whether we need to do anything in the ACT. Our focus in the preliminary stage is going to be around those three travel hubs.

MRS DUNNE: Okay, great. To my substantive question: could I ask about the \$30 million announcement this week in relation to elective surgery and others. Firstly, can we have a breakdown, please—and I do not mind whether this is on notice—about how much of the announced \$30 million is going to elective surgery, how much is going to outpatients et cetera, and how much is going to dental or any other element of the program?

Ms Stephen-Smith: Yes. Mr Peffer is probably best placed to answer questions about this issue.

MRS DUNNE: Okay, great. Thanks, Mr Peffer.

Mr Peffer: Mrs Dunne, we can provide the committee with a total and with the breakdown. In terms of elective surgery, that does constitute the majority of the funding. At the moment we have that costed at around \$22.3 million. However—and this is a big however—it does require us to go to market to actually transact all these services. So that is our anticipated cost at this stage, but that could be up or down,

depending on the prices that we receive.

MRS DUNNE: So \$22 million for—

Mr Peffer: Elective surgery.

MRS DUNNE: For 2,000 extra procedures?

Mr Peffer: Correct.

MRS DUNNE: Okay. In relation to the extra procedures—and I note that you have said that you will be going out to market—who will you be going out to market to? How much of it do you think will be provided by the private sector and who are you talking to in the private sector?

Mr Peffer: There are a range of facilities that we will use to address the backlog. It will include the majority of the larger privates: Calvary Bruce Private Hospital, Calvary John James Hospital, National Capital Private Hospital. We have also been in discussion with Calvary Bruce Public Hospital about capacity there, and Canberra Microsurgery, as well, for ophthalmology.

MRS DUNNE: Okay. I noticed that there were discussions with the minister, in a radio interview and elsewhere the other day, about getting access to surgical teams and particularly anaesthetists. What is the process for accessing extra surgical staff? What are we talking about beyond anaesthetists, if anything?

Mr Peffer: I will begin with surgeons, Mrs Dunne. The responses from the teams have been very positive about the additional work. In terms of the plan that we have settled, we have a full breakdown of the patients by the procedures. We have aligned that to the surgeons who will undertake the work and we are in negotiations with those surgeons at the moment. That is looking very positive across nearly all of the specialties. There may be some specialties where we will rely on additional locums to support them getting that work done, if we do not have surgeons who are able to take on those additional lists. But at this stage it is not looking like the surgical workforce will be a constraint on getting the work done.

In terms of anaesthetists, this was always going to be a challenge for us. However, the team has progressed with shoring up this workforce very well. We have engaged four sedationists, which will assist with the scoping procedures. We have secured six to seven new staff specialists who we are bringing on board as permanent specialists with us. We currently have two locums locked in, and we are working on securing an additional three. So at this stage, with the response that we have had from the private facilities in terms of being able to schedule the lists and do the work, the response that we have had from the surgeons and the response that we have had from the anaesthetic workforce is all very positive and it is looking as if we will be able to get this work done. Our goal is to get it done in 12 months. That could extend a little bit or perhaps we will get it done a bit quicker, but 12 months is our goal to get through the backlog.

MRS DUNNE: I notice that you said that you have scoped this out. Could that

scoping document be made available to the committee?

Mr Peffer: In the plan itself there is a lot of patient information, and surgeon and specialist information. We do have a summary document that identifies, at a high level, what we believe we will be transacting month to month. We could have a look at that, through the minister's office, if that would be useful. That breaks it down by specialty so that you can see what is going through and what we—

MRS DUNNE: We do not need to know patients' names or conditions, and we certainly do not need to know which surgeon is going to do what to whom.

Mr Peffer: No.

MRS DUNNE: Do we have enough surgical beds? How are we looking to maximise the use of surgical beds? Do we have enough theatre spaces, or where are we looking to augment theatre spaces? Is that why we are going to the private sector?

Mr Peffer: Yes, it is. The ACT is actually in one of the best positions across the nation for bringing surgical activity back online. We hit normal activity levels on 15 June, moving forward, so at that point in time we stopped generating a backlog. We were back to normal activity levels around 100 per cent, and so we could cut it off there.

MRS DUNNE: Sorry, what was that date again? I distracted myself.

Mr Peffer: From 15 June.

MRS DUNNE: Thanks.

Mr Peffer: On 15 June we were back to normal activity levels. This follows, of course, the decision of national cabinet and what we have done locally. I was advised that, a couple of weeks ago, New South Wales was still tracking at only around 50 per cent, so that jurisdiction is still generating a backlog. The team here has moved very, very quickly to get things back up and running to get patients back through the system. So we are in quite a good position. What that means, though, is that the Canberra Hospital, with its theatre capacity and surgical beds, is back to normal activity levels, so the capacity does not exist on this campus to transact that work. That is why—

MRS DUNNE: So are you saying, Mr Peffer, there is no spare capacity for surge activity on the Canberra Hospital site?

Mr Peffer: No, what I am saying is that our focus always at the Canberra Hospital is around category 1s, more complex category 2s and emergency. Right throughout this time we have continued to deliver emergency surgery and category 1s, with only the category 2s being impacted by the decisions of national cabinet.

MRS DUNNE: Presumably, category 3s, as well, who were not getting anything?

Mr Peffer: It is generally rare for us to do category 3s. We may do the occasional case for a particular reason, but cat 3s are not something that is generally undertaken

on the Canberra Hospital campus. It is the higher acuity—

MRS DUNNE: Yes, but the cat 3s were also impacted during the COVID closedown. So have we accumulated more cat 3s?

Mr Peffer: That is correct. But in terms of the backlog, it will primarily be done through the privates and through Calvary Bruce Public Hospital, which does have some capacity. The discussions with those institutions is not just on theatre capacity and willingness to carry the load there, but it is, of course, on recovery and the beds that are required to support that.

MRS DUNNE: And that is all laid out in this document?

Mr Peffer: It is.

MRS DUNNE: Okay.

Mr Peffer: I should say, Mrs Dunne, that for the job lots that we will go to market for there are, at times, one to two facilities and, depending on the specialty, there may be up to four facilities that can do that work. So it will depend on what those facilities are able to deliver within what time frame, and the price, as to where the work actually goes.

MRS DUNNE: Okay, thank you.

THE CHAIR: Minister, just a quick supplementary question. What percentage of surgeries will be outsourced to the private sector?

Mr Peffer: I guess we will know the answer to that question, Mr Coe, at the end of this financial year. I cannot tell you with certainty at this stage. That will depend on the pricing that comes back. For some of the specialties, Calvary Bruce Public Hospital is an option, so it may be that we look at the different pricing that we get back from that institution, as compared to a private, and make a call on the best value for money, where it is safest to do so, and the time frames in which we can proceed with that work.

THE CHAIR: And will you be using the health insurance schedule of rates?

Mr Peffer: No. I guess we are in a very fortunate position here in the ACT. Where other jurisdictions did not have pre-existing relationships and contracts with their private providers, there was a mad scramble to try and get those contracts in place. The ACT has had a long-running process where we have deeds of agreement—essentially, overarching agreements—with these private facilities. When we have some work to be done—if it is a hundred plastic cases, for instance—we can take that out to the facilities and say, “We’ve this many cases. Do you have the capacity? If you’ve got the capacity what would you price that work at?” And then we take it from there in terms of what is the best value for money and how we can get the work done.

THE CHAIR: But are you paying above the health insurance schedule of rates?

Mr Peffer: It would depend, case by case. Ultimately it is what the market determines is the price. That is what we pay.

MRS DUNNE: How does that relate to the national efficient price?

Mr Peffer: In some cases we would be paying above the national efficient price, in some cases it is at the national efficient price and in some cases it is actually below the national efficient price. It all depends on the pricing of these private providers in terms of the capacity within their system. At times we get very favourable pricing, closer to marginal costs than what may be the national efficient price, but at times when the system is particularly busy that is reflected in pricing as well.

MR PETTERSSON: I do note the time. What is the ACT government doing to assist Victoria in dealing with its current outbreak?

Ms Stephen-Smith: You would be aware, Mr Pettersson, that we have sent two senior epidemiologists and a senior case investigator to Victoria, at their request. Dr Coleman might be able to talk about the work that is going on with Victoria.

Dr Coleman: Thank you, minister. Our three senior staff have been assisting for the last week. We also have offers of our remote contact tracing, as well as remote case management teams, on standby, ready. I understand that Victoria has been onboarding some new local staff who understand the local context, so we are just looking at where we can assist that better. We discuss the situation at least daily on AHPPC with the Victorian Chief Health Officer and provide our support and expert input there in terms of analysis of the situation and providing some support for actions being taken. We are also open, as I think you have heard in the media, to flights coming into Canberra being deviated; however, nothing has been decided about that at this point in time.

MR PETTERSSON: I note that Victoria is undergoing a big testing blitz at the moment. Is the ACT involved in that?

Dr Coleman: There have not been any requests for the ACT to assist at this point in time.

MR PETTERSSON: Thanks.

THE CHAIR: I think that is all we have time for today. Thank you very much, minister, to you and your officials. As usual, a copy of the transcript will be sent through; please check it to make sure that it is accurate. Again, thanks. That concludes this morning's hearing.

Ms Stephen-Smith: Thank you.

Hearing suspended from 11.01 am to 2.01 pm.

BARR, MR ANDREW, Chief Minister, Treasurer, Minister for Social Inclusion and Equality, Minister for Tourism and Special Events, Minister for Trade, Industry and Investment

NICOL, MR DAVID, Under Treasurer, Treasury, Chief Minister, Treasury and Economic Development Directorate

SALISBURY, MR KIM, Commissioner for ACT Revenue, ACT Revenue Office, Chief Minister, Treasury and Economic Development Directorate

THE CHAIR: Good afternoon, and welcome to this public hearing on the ACT's response to the COVID-19 pandemic. It is good to have the Chief Minister and officials with us. As usual, this is being recorded and broadcast live. A copy of the privilege statement has been sent through. Could you please each confirm that you have seen that and that you understand the implications of that document?

Mr Barr: Yes.

Mr Nicol: Yes.

THE CHAIR: And, Mr Salisbury, you are all good for that as well?

Mr Salisbury: Yes.

THE CHAIR: Great. Chief Minister, do you have a brief opening statement that you would like to give?

Mr Barr: I do, thank you, chair. The committee may be aware that this morning the Chief Health Officer issued a new public health direction to complement the Victorian government's stay-at-home orders that were identified for COVID-19 hotspots. This new direction means that anyone identified as having been in one of those hotspots in Victoria will be required to quarantine in the ACT for 14 days at their own expense or return to their home jurisdiction at the earliest reasonable opportunity. So passengers on inbound flights from Melbourne will now be asked to provide identification when they arrive at Canberra Airport to support this new direction. This started with the flights from Melbourne this morning.

The Chief Health Officer is also asking anyone who is already in the ACT who has been in one of those hotspots to quarantine for 14 days from the date that they left the hotspot, even if they do not have symptoms. And anyone coming into the ACT from the greater Melbourne metropolitan area is being asked to closely monitor themselves for symptoms of COVID-19.

Canberrans should not be planning to visit any of the affected postcodes, and all non-essential travel to Melbourne should be reconsidered for the foreseeable future. We have issued a warning ahead of the school holidays—which, of course, start this coming weekend—that no-one from the ACT should be visiting friends or family in Melbourne. No-one from the ACT should be inviting family or friends from Melbourne to come and visit. The only reasons for travel to Melbourne are for compassionate reasons or essential work purposes, and there is a requirement for people to self-quarantine for 14 days upon return from any such travel.

These measures are in place until the end of July—29 July—and they complement the measures that the Victorian government has announced. Obviously for road transport there are police roadblocks within the particular areas in Victoria, and the New South Wales government is putting in place a range of measures around advice to their police for travellers from Victoria coming into New South Wales—which travellers would clearly need to do if they were driving to get to the ACT. These rules equally apply for people who are coming into the ACT on a train, on a bus, on a plane, or driving themselves. I will wrap up there; thank you.

THE CHAIR: Thank you, Chief Minister. With regard to the recent health direction which is reducing the social distancing to one per two square metres for smaller venues, can you please shed some light on why the 80-square-metre threshold was chosen?

Mr Barr: That relates to an AHPPC recommendation to national cabinet. Each state and territory has the option, effectively, in its next round of restriction easing, to consider small venues. The general advice was that the one-size-fits-all approach in relation to smaller venues was not working sufficiently from an economic perspective, so where jurisdictions felt that their epidemiology would allow for some further relaxation for smaller venues, the AHPPC advice was that that would be appropriate. Dr Coleman and the team are looking at that right now, and I announced this morning that we will make announcements in relation to the next round of restriction easing in the ACT on Monday of next week, once that advice from our Chief Health Officer has been provided to government.

THE CHAIR: Did the AHPPC make the recommendation for 80 or was that an ACT government threshold?

Mr Barr: From memory, the AHPPC did talk about 80 square metres as being a sort of guideline for what was a small venue, but there is a degree of flexibility within the statement that they have issued, recognising that the epidemiology in some jurisdictions, particularly those that still have closed borders, is much less risky than is the case, for example, now in Victoria.

THE CHAIR: Will that apply to just hospitality venues or will it also apply across the board for dance groups and any other impacted sector?

Mr Barr: I cannot pre-empt the advice of the Chief Health Officer this afternoon, but all of those issues are being examined. There are, of course, a couple of risk frameworks that are looked at, and the type of activity as well as the size of the space. But we would anticipate that the advice coming from the Chief Health Officer, in time for an announcement on Monday, would come into effect in a week's time from today.

THE CHAIR: Okay, thank you.

MS CHEYNE: My questions are for the ACT Revenue Office, regarding the various tax relief measures that are available. Is there an update on the level of advice that is being sought? What has been the nature of the advice that is being sought, and has there been any increase or decrease? There seems to have been quite a bit of

commentary about what the economy is going to look like, as a whole, post-September, and I am curious about whether that has had any impact, as well as the new financial year.

Mr Barr: Sure. In a minute I will get Mr Salisbury and Mr Nicol to go to the specifics of that. More broadly, clearly the issues at the moment are ones of processing various applications under the programs that have a requirement for people, either businesses or individuals, to apply. We have had the greatest success in delivering support quickly to businesses and individuals when that is just automatically applied and either rebated or credited, rather than having to go through an application process.

But we still continue to receive applications for the range of programs—the various landlord-tenant arrangements and the like. They are still coming in. The conflict resolution process that the COVID-19 commissioner has been involved in has dealt with, I think, around 100 cases, and they have all pretty well been resolved amicably. There are still a few that remain challenging, but the mechanisms that have been in place have certainly supported mediation and outcomes. I will now ask Mr Salisbury or Mr Nicol to provide some numbers and details on what is coming across their desks.

Mr Salisbury: We are implementing 14 revenue measures that are related to COVID. The first of those measures was the deferral of the issuing of the fourth quarter rates notices by four weeks. That has happened for sector 1 and sector 2, and mid this month the third sector of quarter 4 notices will go out. Part of that was the delivery of the commercial rates rebate of \$2,622 which accompanied those notices. We are also preparing for a freeze of the FESL to take effect for this financial year in rates notices. Also, there is a residential rates rebate this financial year of \$150, which we are preparing to issue with notices when they go out for next financial year.

In terms of residential rates hardship deferrals, we have received 266 applications and we have approved, at this stage, 218 of those, with a value of \$450,000. Regarding commercial rates hardship deferrals—that is, deferrals that we are providing up until October 2020—we have received and approved 102 of those, with a value of \$1.93 million. There is also residential land tax relief, where landlords provide tenant rent relief. We have received 642 applications and approved 410 to date. Obviously, we are still working through a number of those. That is to a value of \$448,000.

There is also a scheme of commercial rates relief. We have received 325 applications and we have approved 150 of those. There are also a range of payroll relief measures. There is a payroll tax hardship deferral until October 2020. We have received 79 applications for that, and we have approved 79. There is also a payroll tax waiver where venues were shut down, and we have approved 92 of those applications, at a value of \$2.6 million. There was a payroll tax deferral for the construction industry. We have approved 22 of those. There is also a payroll tax deferral for 12 months for businesses who have a payroll tax value of under \$10 million, and we have received 44 applications for those.

There is also a stamp duty concession that was announced, to take effect from 4 June, which applies to single residential dwelling blocks, also off-the-plan purchases. At this stage they will be provided when we have advice that the land transaction has settled. That will be a tick box, and that stamp duty concession will automatically

apply. The next measure is the commonwealth HomeBuilder grant of \$25,000. We are currently in the process of continuing to work with the commonwealth to establish the parameters of that scheme and how we will administer it. I think those are all the measures that are happening in the Revenue Office at the moment.

MS CHEYNE: I have just a few follow-ups on that. With the construction industry payroll tax waiver you said that there had been 22 approvals. That was out of how many applications?

Mr Salisbury: For the payroll tax waiver we have had 367 applications and 92 approvals to date.

MS CHEYNE: There was something you said about construction or building companies. The figure was 22 that had been approved, but I did not know how many had applied.

Mr Salisbury: That is for the construction industry payroll tax deferral. There were 25 applications and we have approved 22 to date.

MS CHEYNE: Very helpful. With respect to the HomeBuilder grant, it seems that it came out of nowhere, and that states and territories were not aware that it was coming so could not implement it just like that. But it has now been close to a month or so. Do you have a time frame for when that should be available? I have some constituents who are quite interested in it and are refreshing the revenue website daily to see if there is an update; so any time line you can offer would be appreciated.

Mr Salisbury: I am hoping that we will have the application form and some guidance up on our website from the week beginning 13 July on that one.

THE CHAIR: What is the cause of the delay?

Mr Salisbury: I think it was the finalisation of the parameters of the scheme with the commonwealth. Now we have to come up with an application process that fits in with those parameters. Those parameters, in our case, were finalised only last Friday. We are giving ourselves at least two weeks to develop the guidance and the forms there.

In relation to HomeBuilder, the parameters of that scheme are such that payment is contingent upon commencement of building work. We will not be in a position to pay out that grant until the work is commenced. I know people are very interested to apply, but there is no possibility of them getting the grant until the work is actually commenced. Given that it relates to a contract that has to be signed after 4 June, it is unlikely that that work would be turned around within a couple of weeks.

Ms Cheyne: That is very helpful and makes a lot of sense. My final question is just following up from my long-winded first question. With the totals that we have received—and it does look like lots of things are being processed in addition to what is automatically being applied—are you, anecdotally even, seeing an uptick in the number of applications that you are receiving, and, if so, could it be due to people just becoming more aware or is it that the need perhaps is becoming greater?

Mr Salisbury: I think the applications are coming in on a fairly consistent basis. When people receive a payment I think the word gets around that payments are being made and then people look at whether they should lodge an application. So I think greater confidence comes with people receiving the payments or the relief.

MS CHEYNE: Great; thank you.

MRS DUNNE: Could I go back to the HomeBuilder scheme. I am not sure if the Chief Minister can answer this, or Mr Salisbury or Mr Nicol. The rough parameters are a \$25,000 grant for contracted work, up to the value of \$750,000 for new work. How many house and land packages et cetera are there available in the ACT that would meet the criteria of work up to \$750,000?

Mr Barr: A considerable number, but I would have to take on notice—

MRS DUNNE: Where would we source some sort of house and land package that would come in under \$750,000?

Mr Barr: In terms of new land?

MRS DUNNE: Well, yes, new land.

Mr Barr: In Gungahlin, in the suburbs that are currently for sale; in west Belconnen, in the suburbs that are current for sale, and there would be potential for the Molonglo Valley, most likely in Whitlam. There may be some blocks in the privately developed Denman Prospect estate that could fit within that threshold.

MRS DUNNE: Could you come back to the committee with some more definitive information on that?

Mr Barr: Yes, certainly.

MRS DUNNE: It just seems that, given the land price in the ACT, it may be difficult. Does this also cover unit developments, where people would be buying off the plan, as well?

Mr Barr: I think there is a question of clarification that we need to seek from the commonwealth. It is their scheme. They have designed it, so they have picked a one-size-fits-all number for the nation, which is one of the difficulties with the way that they have designed the scheme. It does not work particularly well in Sydney or Melbourne, either. All state and territory treasurers have expressed their great dissatisfaction with the way this was announced with no detail.

They are national partnerships that needed a lot of work in terms of the fine detail, and they were not circulated for weeks after the public announcement. So it is a classic example—and I said this in the treasurers' meeting this morning—of how not to do a national partnership. Ironically, one of the things that we are discussing at a national cabinet level is having fewer of these highly guided processes where the commonwealth seeks to impose upon states and territories a one-size-fits-all approach.

We want fewer national partnership agreements, yet ironically in the months since we have been discussing the need to have fewer national partnerships we have added two more. In relation to off the plan, it has been raised with us. We are working through with the commonwealth how that will work. What you have highlighted is another problem with the way this scheme has been rolled out. But I want to assure you, Mrs Dunne, that, even though I disagree with how the scheme has been designed and the process through which we have got to that—and I even disagree with elements of the targeting of the scheme—we have, nonetheless, signed the national partnership and we will endeavour to implement this. Most of our challenges relate to the commonwealth because it has imposed all of these rules that do not necessarily work for us, as they do not for many other states or territories, or they just have not thought about these issues.

MRS DUNNE: Okay. Could you outline the rules that do not work for the ACT?

Mr Barr: Yes. I am happy to provide quite a detailed list of those but, in essence, the assumptions that the commonwealth had in relation to this scheme related to its ability to be delivered by state and territory revenue offices against a delivery mechanism that was associated with home owner grants, as opposed to the way we do things in the ACT, which is zero stamp duty. So we have had a difficulty in that regard. There have also been assumptions in relation to IT and other systems that would be in place to undertake compliance and monitoring. That is another fundamental challenge. So we are going to have to do this manually.

Then it relates to the criteria that they have set around the value of the grant, the types of projects, the minimum spends and the income thresholds, all of which are the same no matter where you are in the nation. In some parts of Australia it makes it very difficult—it narrows who is eligible. In others it narrows it even further because the people just do not have that capacity. They do not have \$150,000 to put into the program to qualify for the \$25,000 grant. I will ask Mr Nicol and Mr Salisbury to go through some of the other negotiation points that we have had with the commonwealth in recent weeks. And I will remember to turn off my mic so that you do not get feedback.

MRS DUNNE: Great; thank you.

Mr Nicol: Thank you. I endorse the Treasurer's comments about some of the challenges we have had. One of the challenges is with compliance. Obviously, we are discussing with the commonwealth who bears the risk for compliance, should a payment go out that subsequently has to be recovered because an applicant does not meet the criteria. The commonwealth is very keen for applicants to apply as they are entering into their contract arrangements for their new build or their refurbishment. We do not have contact with clients, with taxpayers, at that stage of the home building process. As the Treasurer said, we have the contact once the building gets underway—at that point of the construction process—so we have to now manage and build a process to engage with ratepayers earlier on.

There is, we think, a risk in the scheme's design that if construction does not commence within the time frame specified by the commonwealth, a person is not eligible for a payment. So if a person has made substantial commercial arrangements

and has financial obligations, they may not get a payment that they might rely on to make sure that their construction, their new build or their refurbishment is financially viable for them. I might pass to Kim—

MRS DUNNE: The definition of “commence”; what does “commence” mean?

Mr Nicol: I will pass to Mr Salisbury to give the fine definition; that is another complex matter.

Mr Salisbury: On the issue of “commenced”, the commonwealth has not endorsed any particular definition of “commenced”. They have really left that issue to the states to determine. So we are currently working through that with colleagues from treasury and the government solicitor’s office so that we can come up with a workable definition in that space.

MRS DUNNE: Okay. Thanks.

THE CHAIR: Chief Minister, can you please advise what financial reporting you get on a regular basis from your directorate?

Mr Barr: We get quarterly GGS and PTE reports that I then table in the Assembly. I get a monthly report on territory own-source revenue, which is our own revenue lines, our tax lines—not our contributed assets, sales of goods and services and those sorts of things, but just the main tax lines in the monthly revenue report. I normally get those about three to four weeks after the end of each month. They are unaudited and provide an indicative sense of where territory own-source revenue is heading on a month-to-month basis. As I reported in the Assembly in the previous sitting, to the end of May the own-source revenues would be at about six per cent.

THE CHAIR: Perhaps Mr Nicol could advise what internal reporting is prepared on a monthly basis.

Mr Nicol: Yes. I get a similar monthly update of our own-source revenues. I get that slightly ahead of the Treasurer so that I can have a view on and discuss with my staff what might be driving changes in that. In the time available, we try to provide analysis of what might be driving an increase or a decrease in a particular revenue line. We then provide that report to the Treasurer.

I also get regular reports from the commonwealth, in confidence, on the GST pool and how that is tracking. My staff provide me with their estimates as to what that means for our GST revenues for the year. I can take on notice how often I get that and when I get that. I do not have that to hand right now. We provide that information to the Treasurer’s office if it is of merit, and we will have verbal conversations with the Treasurer on a regular basis as to how the pool is looking, what is happening to the pool and what it means for the ACT’s likely GST revenues.

As the Treasurer said, I get the quarterly financial statements. I will occasionally get more regular financial statements. For the month of May, my guys prepared an unaudited operating statement for that month to see if there were any significant developments from April. That showed it was very consistent with the revenue. The

revenue lines are driving the bottom line at the moment, with the additional measures that the government has announced in terms of spending. That did not particularly reveal anything that I did not expect. I will occasionally drill down into particular projects, directorates or programs if I get information that spending is either significantly behind budget or significantly ahead of budget. I keep an eye on an ad hoc basis.

THE CHAIR: You mentioned that you had an operating statement prepared for May to see what developments there had been since April. That suggests there was—

Mr Nicol: Sorry, can I correct that? It was an operating statement for April, not for May. It was the month after the March quarterly; sorry.

THE CHAIR: Okay. You did not provide that to the Chief Minister?

Mr Nicol: I will have to take that on notice. We may have since, but at the time—I will take on notice what we actually provided and in what form. It was an internal piece of analysis.

THE CHAIR: Okay; please do. You do not, as a matter of course, do a monthly operating statement?

Mr Nicol: No, we do not. In the usual course of events the variability from month to month is our revenue line. Spending is usually more predictable, in that we know how directorates behave in terms of spending on their projects generally, and it generally follows a pretty regular pattern. We do not see many surprises there. Obviously, we track the quarterly financial statements, which gives us a full quarterly picture. As the Treasurer said, we have the monthly detailed, line-by-line analysis of revenue receipts each month.

THE CHAIR: If you can get back to us on that end of April operating statement, whether it was provided to the Chief Minister and on what date, that would be good.

Mr Nicol: Will do.

MS CHEYNE: This was not in what was sent forward in terms of lines of inquiry, so if it cannot be answered, I am happy to be told so. I have noted some commentary in the *Canberra Times* letters today regarding ActewAGL's electricity prices going down. People were saying that, yes, that might be the case, but the discount that they were receiving has also gone from a 25 per cent discount to 20 per cent, so the change or the lowering of prices has been negated. Is that the case? Can that be answered today? If not, I am sure I can come up with another question.

Mr Barr: The ICRC regulates the maximum standing retail offer. That is what has been reduced by the 2.56 that the commission outlined. That is the maximum amount that a retailer can charge for electricity. Individual electricity customers are on a variety of different offers and arrangements, depending on which company they are with and which particular offer they are on. There are people who have taken advantage of energy offers outside ActewAGL and there are people who have taken advantage of energy offers, and the multitude of different offers, that ActewAGL

themselves have.

The regulated price has come down, but exactly what individual offer a household or business is on will depend on which of the retail offerings they have taken up. It may well be that a particular offer that was put into the market expired at the end of June, 30 June, and a new offer for the coming fiscal year is there. But many customers are just on a standing offer, and the standing offer has reduced in terms of the maximum price that is chargeable.

In some instances, in order to get various discounts, customers have to have multiple energy sources or multiple supply lines from a particular retailer. I am aware that ActewAGL has both a gas and electricity dual offer that you can take up, if you are a customer of theirs and have both gas and electricity use in your home. But the competition in the market is what drives the level of discounting beyond the maximum regulated price.

MS CHEYNE: That is my only question on that. Chair, if I may, could I sneak in another question before I have to go?

THE CHAIR: Of course.

MS CHEYNE: My other question relates to these regular treasurers' meetings that are being held. I appreciate that what can be revealed out of those meetings will be largely confidential, but I am curious to know whether there is a strong feeling among many or all states and territories about whether JobKeeper and JobSeeker should be continuing at the current rates, and whether that is a theme that is coming through discussions, if you are able to reveal that without betraying any confidences.

Mr Barr: We can go on the public statements of pretty well every state and territory Treasurer, and the commonwealth as well. There is recognition that the economy will fall off a cliff at the end of September if those programs cease without any new measures or changed measures being put in place. The commonwealth have indicated that they will make a major statement, effectively a mini-budget, on 23 July which will outline the way forward in relation to those commonwealth support payments.

They have also indicated that at that time they would update a number of very important parameters for the ACT in relation to the GST pool—with the end of the previous fiscal year, where they project that pool will go over the fiscal year that we are now in—updating various national partnership agreements, project partnership payments and the like.

We would otherwise have a commonwealth budget from which to draw all of that information. This statement is, I understand, the proxy for that, ahead of the actual commonwealth budget, which is proposed to be delivered in early October. We need all of that information from the commonwealth to feed in to our updated economic statement which is coming in August. Traditionally, we need a few weeks to pull together everything out of the commonwealth statement. There are normally two or three weeks between a commonwealth budget and an ACT one. With the timing of our announcement, it will be three to four weeks after the commonwealth announcement, and that will then have the update on our own projections for the fiscal

year that we are now in, and we will also have unaudited financial statements on the end of the fiscal year that concluded earlier this week.

There will be a comprehensive update on all of that in August; then, of course, the Under Treasurer provides the pre-election budget update in September. There will be two detailed fiscal updates for the community and the Assembly in August and September, prior to the territory election in October.

MS CHEYNE: Finally, Chief Minister, is it your view that 23 July, for the commonwealth government to make a statement, is the cut-off date in terms of not only business confidence about JobKeeper but also community confidence about JobSeeker? It already seems, from the commentary, that it is a bit wobbly, and that September feels very soon, suddenly. If it was any later than 23 July, would that be quite a problem?

Mr Barr: Yes, I think it would, and that is starting to show up in the consumer sentiment weekly reporting. I think that the commonwealth are aware of this and they are signalling to the community, the states and territories that they recognise that these programs will need to continue in some form or another. It is appropriate for them to review—which is what they have done—the programs because, let us be fair, they had to be put together very quickly at the beginning of the pandemic.

The wage subsidy schemes had been called for for about a month, leading up to when they were finally announced; nevertheless, they have been a really important economic intervention and the commonwealth deserve credit for getting there in the end on putting them in place. There have been anomalies and issues that have come up, because of the nature of the programs, the sheer scale of them and the decisions they had to make. It is appropriate to review them, but they do need to continue. There are some industry sectors that will be impacted by health restrictions, international border closures and the like for a period well beyond September.

With the way that the virus is spreading around the world, the last week has seen the highest ever consecutive days of new infections. I think a realistic assessment is that, although, Victoria aside, we have done very well in Australia so far to suppress the virus, it is escalating in its spread around the world, and the impacts on the global economy will be even more significant than was first envisaged. The prospect of Australia's border reopening any time soon seems fanciful at the moment, given what we are seeing unfold in our region and around the world at the moment.

MRS DUNNE: I would like to drill down a little into the costs of COVID-19. Many of the initiatives that we have been dealing with have a cost-sharing arrangement between the commonwealth and the ACT. I asked this question six or so weeks ago, and I would like an update on how we are tracking in terms of the amount of money that the territory has spent in the health space or anywhere else and how we are tracking in relation to the dollar-for-dollar contributions for some of those initiatives we are getting from the commonwealth; and how is that monitored? Is that essentially coming in through Health or other directorates or is it coming in to the treasury?

Mr Barr: There is information-sharing across government. As we came to the end of the previous financial year, moneys that were allocated to Health that were unspent

were returned to budget, and new allocations made under the supply provisions that the Assembly authorised. We announced, as I am sure you would be aware, a \$30 million package around elective surgeries, specialist appointments, public dental and the like that goes to catching up on some of the activity that was—

MRS DUNNE: That is not really what I was asking about. I was asking about the commonwealth contribution for the cost of the COVID pandemic.

Mr Barr: The national partnership agreement?

MRS DUNNE: Yes. How are we tracking in that regard? How much have we spent in that agreement and how much have we been reimbursed by the commonwealth? Is that on track, and the like? Also, presumably we have spent a lot less than we anticipated, so how much were we anticipating and where are we in relation to that anticipation?

Mr Barr: The national partnership is to some extent open-ended in terms of what costs would be, but the principles were that the cost-sharing would be fifty-fifty. Rather than barrelling out a hundred figures at you at a hundred miles an hour, it might be easier to provide some more detail. Is it specifically on health and the commonwealth payments—

MRS DUNNE: In relation to health.

Mr Barr: on our health expenditure?

MRS DUNNE: Were there any other elements of the national partnership or was it mainly aimed at health expenditure?

Mr Barr: Principally, but what could be included as COVID-response-related activity has been the subject of some interesting discussions between states and territories and the commonwealth. Let me put it this way: never underestimate the ingenuity of states and territories in putting forward things to the commonwealth.

MRS DUNNE: Any attempt to cost-shift to the commonwealth is deeply appreciated!

Mr Barr: Some of our colleagues interstate have come up with some particularly exceptional and interesting examples.

MRS DUNNE: I hope you have been taking notes!

Mr Barr: The commonwealth has rejected some of them. We were, for example, able to get some of our additional cleaning activity included as part of the national partnership, which is a good outcome. Perhaps the most useful thing to get would be a reconciled amount up to the end of June, 30 June.

MRS DUNNE: Yes, that would be great.

Mr Barr: The end of the financial year. We will take that—what the commonwealth paid us, what we believe they owe us under the national partnership—and I will

provide that to the committee. That might be the easiest way.

MRS DUNNE: How does it actually work on a day-to-day basis? Is there a monthly or a quarterly reconciliation?

Mr Barr: I believe it is monthly. David Nicol may be able to confirm that for me.

Mr Nicol: Yes, my understanding is that it is monthly, in arrears. As the Treasurer said, the agreement was signed relatively quickly, so it did not detail every cost that was in and out. The agreement does have some flexibility to continue to negotiate what costs are genuinely COVID related and should be covered under the agreement. That is an ongoing activity that we are undertaking. Yes, it is monthly, in arrears, and we can take on notice to give you the latest data that we have.

Mr Barr: Suffice to say, Mrs Dunne, that where a state or territory achieves an outcome, it does set a precedent then for everyone. It would appear to date that there have not been situations where activity X in New South Wales has been funded under the national partnership but not funded in other states and territories. The commonwealth, to their credit, are, it would appear, providing a nationally consistent approach to what they will consider is in the partnership. Having said that, the downside is where, if a state and territory approach to the commonwealth gets ruled out, it rules it out for everyone else as well.

MRS DUNNE: Also, it would be useful to have not just a reconciliation of the amount but the sorts of payments that are part of the package. Thanks.

THE CHAIR: Chief Minister, could you please advise what impact COVID-19 has had on expected revenue for lease variation charges?

Mr Barr: To the end of May, LVC was down about five per cent, and there was an amount that was under the LVC deferral program. That was down a little bit more, by about 40 per cent. We have two streams now under LVC—what is paid and what is deferred under the arrangements that are available.

The amounts that have been deferred are smaller than what was initially anticipated. We have put in place a measure designed to bring forward the 90 or so DAs that have approval with an LVC associated with them, to provide a further 50 per cent remission on those DAs, provided construction commences by, I think, 31 March next year. The view is that projects that are through the DA process and could commence construction will get that further remission if they do commence construction over the next nine months.

MRS DUNNE: Again, Chief Minister, they will have had to have paid the LVC, then they get the LVC back if they commence?

Mr Barr: No, the amount of the LVC that they would need to pay would be reduced by the remission, provided they commenced their construction.

MRS DUNNE: At what point of the process do you pay LVC? Forgive my ignorance.

Mr Barr: You have a couple of options. You have a deferral option or you can pay up-front. Normally, you need a DA and a determination of the value of the varied lease. With the exact timing and the mechanism around what constitutes construction commencement, we wanted to make sure it was not just about putting up a fence or a sign; you actually have to get underway. There is a mechanism that is required for that. I forget exactly what that is, but David Nicol may be able to tell me.

Mr Nicol: I might pass this one to Kim.

MRS DUNNE: Is this another definitional question as to what “commencement” means?

Mr Nicol: Yes.

Mr Barr: Yes, there are important issues in that regard.

Mr Salisbury: On the EPSDD website I understand there is some guidance on what commencement will look like. The final details of that have not been settled at this point. Again we are working with treasury and the Government Solicitor’s office to finalise that definition. There is some guidance on the general approach on the EPSDD website. We continue to work on that.

MRS DUNNE: We have not hitherto needed a definition of “commence”? Is that what we are learning?

Mr Barr: The issue has been that previously commencement has involved putting a fence around a building site or putting appropriate signs up. I think this experience, in terms of when the policy objective is fast-tracking and actually getting construction underway, shows that a more robust definition is required. This issue arises, obviously, in the context of HomeBuilder, as it does in a number of these obviously well-intentioned policy interventions to try and bring forward activity. Obviously, the compliance questions and ensuring that activity is genuinely brought forward are of equal public policy importance.

All of these stimulus measures, like HomeBuilder and the LVC, have really short time frames, although we extended ours to the end of March because we thought that just going to December, like HomeBuilder, was not quite long enough. I asked the commonwealth to extend HomeBuilder to 31 March as well, but I did not have any luck on that one. You never know; once it gets towards the end of the year, they might keep it going for a bit longer. David, do you have something to add?

Mr Nicol: On commencement, it is quite challenging from different points of view. There is a notion of commencement from a planning point of view and from a contract construction point of view. You also might think of something slightly different in terms of a policy objective of a scheme like the ones we are talking about.

With commencement, the objective for these schemes is to ensure that we have economic activity underway in a relatively short period of time. So we are very keen not to set up a scheme where someone, as the Treasurer said, sticks a fence around a block and says, “We’ve commenced,” then does not do any work for another two

years. That would defeat the purpose of an economic stimulus package.

We are, in a sense, trying to develop, using, as much as we can, existing definitions and existing requirements so that we do not invent a new regulatory exercise. We are trying to pick the best measure to say that commencement has started, for the purposes of actually getting economic activity underway.

THE CHAIR: When did you start this work?

Mr Nicol: I am thinking back. It has certainly been post COVID. The work on the definition of “commencement” for the HomeBuilder was post the announcement of the commonwealth’s HomeBuilder scheme, in the last few weeks.

THE CHAIR: I am talking about the LVC.

Mr Nicol: With the LVC, I can take on notice the exact dates. It has probably been over the last three to four weeks that we have been developing this definition, alongside the other work that the government has commissioned us to do on developing the LVC proposal for them to consider.

THE CHAIR: Unlike HomeBuilder, which is obviously a commonwealth initiative, this is an ACT initiative that was announced by the Chief Minister a few weeks ago, or a couple of weeks ago. Did you not have this ironed out before making the commitment?

Mr Nicol: As Mr Salisbury said, it is part of the proposal that we are working on to get right.

THE CHAIR: It is not a new policy. It is already a policy. It has already been announced by the Chief Minister.

Mr Nicol: I think the government was very keen to announce it so that the market knew what was happening, and so that they can get their plans underway and work on taking this up. We could have delayed the announcement to get every detail settled. The government chose to go out with an earlier announcement.

THE CHAIR: With regard to the crux of Mrs Dunne’s question about the LVC payments, if you seek to vary your lease and you are doing that before submitting a DA for the new purpose, in order to get that new lease you have to have either made the payment or signed up to the deferral. If you have made the payment, are you then going to be issuing \$250,000 refunds if they are otherwise eligible?

Mr Nicol: I will ask Kim to comment on that. We would have to look at the exact circumstances of the case.

THE CHAIR: Whilst there are some options to do some concurrent DAs—a DA for the LVC and a DA for the actual construction—they are not necessarily done concurrently. They could be consequential, in which case the payment would have already gone through before you could actually verify that construction had commenced. I do not know how you are going to charge less if the earlier payment is

dependent upon a downstream activity.

MRS DUNNE: Also, it seems that the idea is to promote economic activity. Even if somebody has paid the LVC but now uses this initiative to perhaps get a building underway, that would raise the question of whether or not there would be a refund on the LVC. Does this scheme envisage a refund on the LVC?

Mr Nicol: I can try and answer that question. If a developer is entitled to the 50 per cent remission, according to the DA process and the commencement of construction, and that construction has to commence after the announcement, and if they have paid their LVC—which I think would be in a minority of cases because most developers now take advantage of the deferral option—then their obligation would be the 50 per cent of the LVC.

If that required a refund then I can envisage that a refund would be provided. I would have to look at the exact case. I am very wary about talking about generalities of particular entitlements without knowing exactly what the situation is and when the DA was approved, when the LVC payment was made and when construction—

THE CHAIR: In terms of the commencement date of the scheme, is it from the date that the Chief Minister made the announcement?

Mr Nicol: Yes.

THE CHAIR: You are saying that it could be for a lease variation that had been approved before that date—

Mr Nicol: Yes.

THE CHAIR: but commencement had not yet occurred?

Mr Nicol: That is correct. So the purpose of—

THE CHAIR: Especially if they were in the old scheme, the old scheme being before you had the deferral option, and that could well be a lease variation that was made years ago—

MRS DUNNE: Years ago.

THE CHAIR: they could well be eligible for a \$250,000 refund if they start now?

Mr Nicol: Potentially, yes. The purpose of this proposal is to bring forward activity of construction. It was quite challenging to design because there will obviously be developments that would have occurred, anyway; they would not have been delayed by COVID. We will not be able to tell which developments that occurred would be in that category and which ones would have been otherwise deferred for longer because of COVID. The government took the decision to apply it to all of those developments where construction occurred before 31 March next year. [*The Under Treasurer subsequently provided [a letter of clarification](#) to the committee.*]

THE CHAIR: I think that is all that we have time for today. There might have been one or two questions taken on notice. If you are able to supply that information as quickly as possible, that would be very much appreciated. Again, Chief Minister, thank you, and thanks to Mr Nicol and Mr Salisbury as well. That concludes our hearing today.

The committee adjourned at 3.02 pm.