



**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, 21 AUGUST 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**

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*Amended 20 May 2013*

**The committee met at 3.42 pm.**

**BARKER, DR JUSTIN**, Executive Director, Youth Coalition of the ACT

**THE CHAIR:** Welcome to the Select Committee on the COVID-19 pandemic response. This is the 49th meeting of this committee. Today we are hearing from Dr Justin Barker, Executive Director of the Youth Coalition of the ACT, followed by the Chief Minister.

Dr Barker, thank you very much for joining us this afternoon. I understand that a copy of the privilege statement has been sent through to you. Could you please confirm for the record that you received that document and you are okay with the implications of it?

**Dr Barker:** I have received the document and I am more than okay with the implications.

**THE CHAIR:** We are being recorded today for transcription purposes and it is also being webstreamed live on the Assembly's website. A copy of the transcript will be sent through to you in the coming weeks. Before we go to questions, do you have an opening statement that you would like to give to the committee?

**Dr Barker:** I do have an opening statement. Should I start?

**THE CHAIR:** Please.

**Dr Barker:** The COVID-19 pandemic has clearly disrupted everyone's lives in an unprecedented way. While the impact of COVID-19 affects all of us in society, different age groups experience the impacts in different ways. While the primary efforts during the pandemic may have been focused on preserving our senior citizens, our vulnerable older people, the longer term challenge will be addressing the ongoing impact for young people.

The current evidence suggests that young people are at a significant and disproportionate risk in the following areas or domains: mental health, employment, education, income loss, family relationships and housing—areas clearly interrelated and interdependent. The impacts for young people are going to be short, medium and long term, but short-term solutions will not be enough. It cannot just be a crisis response; it needs to be a medium to long-term response for young people and the impacts that they are going to experience. Disruption across these areas as a result of COVID-19 leaves young people shouldering much of the economic and social consequences into the future.

The social and economic resilience of our community is dependent on how well we address the needs of these young people. We need to anticipate the impact on young people in the transition of the government response from immediate crisis management to recovery measures. To do this we need to really consider three things: we need to make sure that we apply a youth and generational lens to the response. We can do that by partnering with research and community and involving the voices of

young people.

The second thing we need to do is provide targeted policies and services for particularly vulnerable population groups. The evidence suggests that those population groups are young people not involved in education, employment and training; migrants; young men and young women.

Thirdly, we need to align our short-term responses with investments in long-term social and economic objectives to ensure community resilience. I cannot stress enough the importance that we anticipate and address the long-term impacts of COVID-19 on young people.

In some ways, the best way for me to talk about the impact of COVID-19 on young people, the sector and the systems is to say that there has been added weight and burden to the lives of young people and that has created some cracks in the foundations of some young people's lives. This has exacerbated some pre-existing cracks and challenges that young people have but it has really made them more prominent and more noticeable and widened those cracks and actually added some new ones.

Some young people that were doing quite fine have had some cracks appear in those foundations. That metaphor is not just useful for young people; that is actually what has happened in systems as well. We saw that there were some challenges in some systems, whether it was in mental health or education, and those challenges have been exacerbated and highlighted.

I think that now is our opportunity to make sure that we take note of those cracks and we do not just attend to the problems we have seen highlighted from COVID but we are aware of the facts that these cracks were there beforehand. The inequalities were there beforehand, and we need to make sure that we address them or there will be a disproportionate effect on young people.

At the risk of sounding trite, people in Canberra are the future of Canberra and we need to make sure that they are protected and looked after. I look forward to your questions.

**THE CHAIR:** The first question is with regard to volunteers and volunteers, in particular, who assist with either specifically targeted youth programs or broader programs that younger people participate in. How have changes in volunteering over the last few months impacted the welfare of young people and what are the projections for youth engagement with volunteers in the future?

**Dr Barker:** There have been some challenges for volunteers to continue to do work in the community that have seen some programs struggle to cope. There have been some barriers to volunteers working with population groups doing face-to-face work for insurance reasons. A lot of the volunteer population that work with young people are sometimes also vulnerable people themselves. That has limited the way that volunteers have been able to work with the community sector. Hopefully, that will not be a long-term impact when we start to see restrictions more sustainably pulled back.

Volunteering is a unique opportunity for young people to participate and gain experience in the economy and to feel like they are doing something of value. It is something that we have been talking to Volunteering ACT about—in this new period of economic struggle and transitioning into the labour market—how volunteering can be a pathway for young people to gain experience and to gain confidence in the workplace when there might not be as many paid job opportunities.

Again, there have been some structural barriers to volunteers being able to participate and that has restricted how well some programs work that rely on volunteers for transporting young people or even as mentors. The long-term impact is really yet to be seen. It depends on what happens with restrictions.

**MS CHEYNE:** I was very interested to hear you talk—and thank you for appearing—about the cracks that are either being exacerbated or are appearing for young people whose lives otherwise were going all right. I appreciate that there are so many factors that would influence this. We have got it pretty good here in the ACT in terms of restrictions and so on but, if things keep going the way they are, are there more cracks or more things that are going to become endemic to the situation for young people such that we need to really try and get ahead of the game before they appear?

**Dr Barker:** Yes; I think that the three key things are the domains that are having the most profound impact on young people that are interrelated, which gets back to that complexity about mental health issues, the increased stress and anxiety of mental health issues; the inability to participate in the labour market and the income impact that it is having on young people; and the interrelated disruptions to education. Those three things, I expect, even if things do not get worse, we will continue to see the negative impact in the lives of young people from the disruptions in those three domains.

We have seen that 18 to 29-year-olds have much higher levels of stress and anxiety than any other age group since the onset of the pandemic. We have seen this in referral numbers to mental health services. This is not likely to get any better. Early intervention in these issues is vital but we have got a limited amount of supports available. We also know that there are some young people not help-seeking yet.

That mental health response is something that we are going to need to really make sure we get on top of; and that is similarly related to the educational and labour market issues. The disruptions to people's participation in the labour market and the disruptions to their education, we know, can have a scarring effect that lasts up to 10 years and can slow down their income, their wage-earning capacity. We know that getting a rough start to your labour market involvement rarely can have a positive change to that trajectory. You need to start with a positive start. If you start with a bad start, it is very hard to get out of that rut. That scarring effect happens at an individual level. Individuals lose that self-esteem, they lack experience, which stops that career trajectory.

It happens at a market level too. The job market becomes more cautious, less likely to employ new people or invest in entrepreneurial endeavours. Even today we see that since the last financial crisis we have not returned to the same type of job market participation for young people at that point in time across the globe, including

Australia.

Disruption, even if things do not get worse, will continue to impact for the next 10 years. If it does continue to get worse and we wind back, we can expect that to be even further exacerbated.

**MS CHEYNE:** How do we get that kind of confidence in the market so that they are willing to take on new people and are willing to invest in new things, new ideas and entrepreneurial spirit?

**Dr Barker:** In the end, there is only a limited range of things that you can do to increase the job market. In some ways a good economy increases the likelihood of there being more employment opportunities, which means that there are more jobs. Anything that can stimulate the economy and create some more jobs has an impact on young people's employment opportunities.

Things like payroll tax exemptions encourage industry to employ young people, apprentices and trainees in times of economic struggle and can support the economy and also encourage people to employ and maintain employment of young people. We need to make sure that there is some type of skills matching so that the issues and needs of the marketplace are matched with the skills of young people that are entering the marketplace.

One of the things that we have seen in the research is that young people's employment has been less able to adapt to restrictions than older people's employment, that only 30 per cent of young people's employment could be done from home remotely, whereas over 50 per cent of older adults can still continue their employment remotely. That is due to the nature of the employment, in hospitality and retail, and the face-to-face work that a lot of young people do. Anything that allows the economy to continue to run and for these workplaces to continue to find ways to function will mean that you have more jobs available to young people.

**MS LE COUTEUR:** You were talking about the 18 to 29-year-olds who are under a lot more stress than other groups due to COVID-19 but you also talked a lot about the economic issues. Is that the major reason you feel that they are under more stress or is it more feelings about health issues or just the general situation?

**Dr Barker:** All the issues are clearly interrelated. Young people are not just worried about their own futures; they are often worried about their families as well. They are worried about health. It is actually interesting that one of the main things that young people seem to be concerned about is the mental health of their friends and the health of their family and older people and, along with them, their future. Their futures are incredibly uncertain.

We know that all humans subjectively aspire to what is objectively probable; and right now we do not know what is probable for young people. That uncertainty at an economic level, at an environmental level, at a health level is incredibly destabilising and increases stress and anxiety.

We also know that 18 to 29-year-olds are becoming independent and have less of an

economic safety net. They have less of a social safety net as they move into independence; and this leads to a great deal of precariousness. They are precarious in the housing market; they are precarious in the job market. Everything in their life is quite precarious.

What is unique about the 18 to 29-year-olds is their uncertain economic participation and social participation. They are not even able to see their friends. They are not even able to take part in social and group activities. All those factors interrelate, but I think that the unique economic and developmental stage socially is why we have seen heightened anxiety and distress in that age range.

**MS LE COUTEUR:** It is a very interesting point that I had not thought of. We had some evidence from Lifeline a couple of weeks ago, which was really concerning, that the amount of domestic violence had gone up considerably. Is that something that young people are experiencing?

**Dr Barker:** Yes; we are seeing an increase in family conflict. All those situational stresses increase the likelihood of conflict within the family unit. We are seeing increased family conflict and domestic and family violence. That clearly has a very gendered impact as well, to be very clear. We see that more young women are definitely victims of domestic and family violence. Again, that has a very ongoing impact. All these situational stresses are increasing the likelihood of intimate partner violence and domestic and family violence as well.

**MRS DUNNE:** Thank you for your attendance today. I want to ask whether you see that there are any bright spots. Are there, perhaps, increased opportunities for training and upskilling young people? You did talk about the high level of concern and mentoring that young people have shown towards their peers and other people who are doing it tough as well. Do you see that there are bright spots and that there are things that we can build on from those bright spots?

**Dr Barker:** Yes. That is a great question. I do see some bright spots. I think that one of the things that has been highlighted very often by the COVID pandemic is how interrelated we all are and how we are all key participants in this society in Canberra and how interdependent we are. I think that that is actually a bright spot. I think that it is very easy for us to ignore the economic contribution and the societal contribution of young people until we realise that they struggle to participate. It is very easy for us to ignore the impact on multicultural and migrant young people until we realise that they are not being supported and are struggling to participate. They are really a key part of our economy and a key part of our society.

I think at a structural level that is one of the bright points. We are seeing how much everyone relies on every other moving part of Canberra for us to be able to function as the kind of society and culture we want to be.

At a more nuanced level, I do think that this is an opportunity for us to make sure that we have new ways of upskilling and skill matching for young people, for making a more diverse way of participating in the economy and employment. I think that one of the things we have found is that we do not have to continue to work the same that way we did in the past, that there are new ways for people to work and be productive. I



think that is going to benefit a range of people with disabilities, a range of people with certain mental health issues.

I think that, again, as I said at the beginning, we have really seen areas that we need to improve, areas of weakness in Canberra that we need to make sure that we move forward on. I think that actually presents us with a unique opportunity.

**THE CHAIR:** Unfortunately, due to our very limited time today we do have to leave it there. I am sorry that we have just 20 minutes. Thank you very much for giving us this very important perspective from a large cohort of our community that has been very severely adversely affected by decisions and by the impact of the virus. If there is any further information that you would like to pass on to the committee, please do so through the committee secretary.

**Dr Barker:** Thank you for the opportunity. Thank you very much.

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

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

**CROSS, MS REBECCA**, Coordinator General, Whole of Government (Non-Health) Response to COVID-19

**ARTHY, MS KAREENA**, Deputy Director-General, Chief Minister, Treasury and Economic Development Directorate

**MINERS, MR STEVEN**, Deputy Under Treasurer, Economic, Budget and Industrial Relations, Chief Minister, Treasury and Economic Development Directorate

**THE CHAIR:** Good afternoon, Chief Minister and officials. Thank you for joining us today. As is usual practice, we are being recorded for transcription purposes, as well as being webstreamed on the Assembly's website. Could I please ask your officials to confirm for the record that they each understand the privilege implications that have been sent to them in a document? Mr Nicol?

**Mr Nicol:** Yes, I do understand the privilege statement.

**THE CHAIR:** And your colleagues?

**Ms Cross:** I understand the privilege statement.

**Ms Arthy:** I understand the privilege statement.

**Mr Miners:** I understand the statement.

**THE CHAIR:** Chief Minister, before we go to questions, do you have an opening statement that you would like to give?

**Mr Barr:** I do. As the committee would be aware, the public health emergency declaration in the ACT has been extended by a further 90 days to 19 November 2020. We have now had five weeks since the last COVID-19 case was recorded in the territory and it has been three weeks since the last active case.

Testing continues at a very high level—nearly 700 tests in the last 24 hours, now up to nearly 67½ thousand negative tests. The Chief Health Officer undertook her COVID-safe checkpoint assessment yesterday, 20 August, and determined that there would not be further changes to restrictions in the ACT at this time. The next COVID-safe checkpoint will be conducted in two weeks time, two weeks from yesterday, now 13 days away.

I can advise that we were updated in national cabinet this morning that Victoria's daily case numbers are stabilising. There were fewer than 200 new cases there. From a national perspective, that is encouraging, and more pertinent to us in the local circumstance is that there were single-digit new cases in New South Wales. The view out of national cabinet from an epidemiological perspective is that the measures that have been in place to address both the significant outbreak in Victoria and localised

hotspots in other jurisdictions have been effective.

But it remains the case that there will continue to be hotspots into the future, and our effectiveness in controlling them is based around maintaining our social distancing, our hand hygiene and the like—all things that the committee is very familiar with.

As we are going to discuss economic matters, I will not provide a summary on that. We can do that in the question-and-answer session.

**THE CHAIR:** I will go straight there. With regard to revenue from the commonwealth, how does the 2020-21 year look compared to what was budgeted as of June last year?

**Mr Barr:** When you say revenue from the commonwealth, you mean national partnership and specific-purpose partnership payments?

**THE CHAIR:** Correct.

**Mr Barr:** But not GST?

**THE CHAIR:** Not GST at this stage.

**Mr Barr:** Those commonwealth payments would be largely in the same context, with some minor addition related to the COVID-19 partnership and the JobTrainer partnership. We are still negotiating the finer details of that element but there is about \$8 million additional that the commonwealth have on offer that we would need to match in relation to JobTrainer. The other national partnerships are largely in the middle of three or four-year runs and are not going to be different, in large part, from what has been the case previously.

**THE CHAIR:** Then what about GST?

**Mr Barr:** The national GST pool is down significantly and the ACT's share of that smaller GST pool is also down. That is to the tune of hundreds of millions of dollars.

**THE CHAIR:** In terms of the percentage that GST revenue has gone down across the country compared to what GST collection has been here in the ACT, are you able to give any insights into how consumption in the ACT has fared compared to the rest of the country?

**Mr Barr:** Possibly. Probably the best that I can give would be the data that comes on retail trade. That would capture most GST collections. Obviously, we do not collect the GST; the commonwealth does. Retail trade turnover in June 2020 was \$558 million. In the equivalent month in 2019 it was \$511 million. There has been an increase in the nominal amount of retail turnover in the territory from 2019 to 2020.

The sectors that that spending has occurred in have shifted quite dramatically. For example, food retailing was \$216 million in 2019 in June. In June 2020 it has risen to \$241 million but the counterbalance to that is that cafe, restaurant and takeaway food services in June 2019 was \$73 million. That has fallen to \$59 million. You are seeing

the impact of the pandemic there.

Household goods consumption has increased from \$95 million in June 2019 to \$122 million in June 2020. Clothing, footwear and personal accessories are largely the same at \$39 million in June 2019 and \$40 million in June 2020. Department store spending has gone down just \$1 million from \$31 million in June 2019 to \$30 million in June 2020.

Other retailing has increased. Other retailing includes, obviously, a whole range of other categories that are amalgamated. Amongst them are things like internet, home streaming services—all those sorts of things—and that section has increased from \$57 million in June 2019 to \$65 million in June 2020.

What we have seen is an overall increase in the nominal value of retail spending on a month-to-month comparison from June 2019 to June 2020 but it has shifted into food, household goods and other retailing and away from cafes, restaurants, department stores and clothing and footwear.

Obviously, they are not the only things that are subject to the GST but that is a pretty good snapshot of not just consumer behaviour but real consumer behaviour in the territory. David Nicol, do you have anything else you might be able to add on that specific issue?

**Mr Nicol:** I think that the only thing I would add there is that some of the shifts we have seen to consumption are not GST-able. Much of the fresh food and food from supermarkets has not attracted GST, whereas if you dine out at a restaurant or a cafe or you consume services which have been restricted, they can be GST-able. That, I think, has affected the amount of GST paid in the territory.

We do not track GST paid in the territory by our citizens. We look at very much the pool of the country and it is equalised through the Grants Commission processes. A much more important indicator for us is consumption across the country and what is happening to consumption across the country. It is probably fair to say that consumption in the ACT has held up better than in many other places. Victoria is the most prominent example, but other parts of the country, for example, Western Australia and Tasmania, I think, are rebounding quite quickly as well.

**THE CHAIR:** Periodically, it is published how many cents in the dollar the ACT gets back through GST. Would it be fair to say that the ACT is faring better than the national average? We are going to get fewer cents in the dollar back to the territory?

**Mr Barr:** Not as a result of consumption, but the Grants Commission methodology for determining the relativities of the GST are such that the ACT has always got more than one dollar, if you like, than our per capita share because we are a small jurisdiction. Our volatility generally ranges between about a \$1.10 and \$1.23 or thereabouts, I think would be the upper end. We will find ourselves in the middle of that range, I think, for this coming fiscal year.

The Grants Commission will then do their annual evaluation. I would be speculating at this point other than to say the past experiences where the economies of the mining

states, the resource-based states, are performing more strongly, which I think is the case at the moment—WA and Queensland, for example, are better than Victoria and New South Wales and the like—would tend to lead to a potential increase in our relativity; but the system has changed. WA now has a cap under its relativities so that it cannot fall below a certain level.

I think that we are going to be in a position where our GST relativity—and GST is our single largest income source—will sit at around the middle of its range. I do not think that it will head to the higher end of that range in the next 12 to 18 months. Again, David Nicol may wish to add to that commentary but, obviously, we are guessing where the different state economies will go and what the Grants Commission will do. Given the economic updates coming out of the other states, it is clear that the resource-based economies are still exporting and still generating wealth for the nation and their economies are not as locked down as, for example, Victoria's.

**MS CHEYNE:** While we are on that theme of economic measures, Chief Minister, do you have the take-up rates so far for the occupier duty concession?

**Mr Barr:** Yes; we have now paid out 11 duty concessions for owner-occupier land and one duty concession for owner-occupier units between \$500,000 and \$750,000. Obviously, the process of buying takes a little while, so these were the people who moved almost straightaway when the initiative was announced.

**MS CHEYNE:** Can we have or do we collect any data on how people are finding out about this initiative?

**Mr Barr:** There is no shortage of real estate advertising of them; that would be fair to say. In terms of the land sales, I am aware that the private sector englobo developers, the joint venture Ginninderry development and the Suburban Land Agency are all promoting this as part of their sales efforts.

**MS CHEYNE:** Regarding the rates rebate and the delay in the issuing of the notices, I appreciate that households, this week and last, have started to receive those notices. Has the revenue office done any feedback about the \$150 rebate that has been automatically applied and/or the delay in the issuing of the notices? Have some people been surprised or confused? It has taken a few extra weeks to receive it than in the past.

**Mr Barr:** Certainly, those who eagerly await their rates notices will have noticed that they were delayed and that the time period to pay has been extended. This is the second delay and extension, to give people more time, and that program will continue for a period of time. It is gradually being caught up, but that catch-up takes place over at least a 12-month period, and possibly a little longer. Certainly, rates notices have been distributed in three groups for some time. They are all delayed, in terms of their issuance, and the extension of time to pay has been across all three sectors.

**Mr Nicol:** I was speaking to the commissioner earlier in the week and he said that they had received a number of calls from people who were expecting their rates notice and they had not yet arrived, because of the delay. That was some of the feedback they got—that those people who would ordinarily take notice of some of these things

had noticed that their rates bills were late.

**MS CHEYNE:** Had the commissioner received any feedback about the \$150 rebate being applied?

**Mr Nicol:** That was not raised. It is probably a bit early.

**MS LE COUTEUR:** Chief Minister, from your unique position at the top of the ACT government, do you have an idea of what groups in our community are being most affected by the COVID crisis emergency?

**Mr Barr:** Are you talking economically, socially or both?

**MS LE COUTEUR:** Any of the above.

**Mr Barr:** In the initial phases of the pandemic, as restrictions were quite speedily implemented, we saw a very significant impact on employment of women and young people, as those industry sectors that had restrictions put in place were predominantly employers of women and young people. There were some men employed there, too, but they were more heavily skewed towards women and young people. As restrictions have eased, unemployment for women has fallen significantly. Most of the jobs that were lost in the initial period that have now been recovered have been recovered by women, such that the female unemployment rate is significantly lower than the overall territory unemployment rate.

Youth unemployment continues to be higher than the ACT average, but unemployment in the ACT for men, women and young people, in the measured categories in the ABS, is lower than the national average. There still remains a challenge for young people, particularly 15 to 24-years of age who do not have a range of skills that would enable them to be employed in particular sectors, who have traditionally worked in hospitality, retail and other sectors that remain impacted by the economic downturn.

From a social perspective, there certainly has been an increase in community support services required for asylum seekers, temporary visa holders and others who have not been in receipt of commonwealth income support. That has had both an economic and a social impact for those people. We have also experienced and had feedback from people with disability and those who live alone, who have had less social interaction. That has certainly come through in both the feedback to government directly and what we have received through our community sector partners.

The underlying challenge now is around further economic intervention to create jobs and stimulate aggregate demand, so that we can see a recovery on employment for young people in particular. We also need to extend our focus to men in certain industry sectors that remain impacted, as the male unemployment rate is higher now than the territory average. There is still, obviously, a need to focus on employment opportunities in certain industry sectors that have a slightly heavier skew towards female-dominated employment. A pleasing thing in the last few months, since we last gathered as a group, is that there has been a strong recovery in employment for women.

On the social side, investment in mental health and demand for mental health services has been necessary and important. Both the commonwealth and ACT governments have increased resources for a wide variety of organisations who are providing direct support to the community, as well as some of our own government client-facing services.

**MS LE COUTEUR:** Chief Minister, you mentioned that the women's unemployment rate had gone down a lot. Has the participation rate also gone down? I am particularly interested in the fact that we had major changes in childcare arrangements. We had a couple of months when child care became free; now it is back to a paid proposition. Have those influenced the female employment and participation rates, or don't you yet have the figures to know?

**Mr Barr:** It is early days. We only have a few months of data. Certainly, initially during the more significant period of restrictions, where more industries were closed or operating on a very restricted basis, the participation rate did fall, as part of the jobs recovery and participation rate. We can get the data to you, tracking it month by month, noting that it is a relatively small sample size; so it is probably better to observe trends rather than take one month's data in isolation. Intuitive to the relaxing of restrictions and certain industries being able to operate again, employment came back with that easing of restrictions.

**MS LE COUTEUR:** You mentioned that at this stage male unemployment was the concerning area for employment. Are there any things that you are specifically doing to target those areas?

**Mr Barr:** Yes, there are a number of different cohorts that we need to focus on. Our jobs for Canberrans program has targeted particular groups, both in its first, initial phases and in its subsequent ones. There is a certain lag in terms of pipelines of activity in certain industry sectors that have a greater prevalence of male employment, where there were full order books through to the middle of the year or even until the end of the year. What is necessary in this next period is some certainty about what 2021 and 2022 will look like. That will make it easier for employers to make certain decisions about their workforce.

We are able to provide a degree of certainty in relation to, for example, our own infrastructure program. I cannot provide the same level of certainty as to what the coronavirus will do and how it might impact on the territory in the future or on particular industry sectors. The one that has suffered the greatest impact has been tourism and hospitality, but arts and entertainment are not far behind in that regard. They still remain industry sectors that are both big employers, and employers of a diverse range of people. They are still, obviously, subject to either border controls that are impacting on the movement of people or physical distancing requirements that make capacity at venues challenging in terms of operating events, arts and cultural events, on an economic basis.

**MRS DUNNE:** Chief Minister, looking at the economic impacts of COVID on sectors of the economy, would you like to comment on the impact that this has had on the housing market? It seems that in the ACT we have moved a bit counter-cyclically.

Also, what are the future prospects for the impact on housing?

**Mr Barr:** The broader macroeconomic commentary would be that, with interest rates as low as they are, that is certainly pushing up asset values. The Reserve Bank Governor has been clear in his public statements that interest rates will remain low for at least the next three years, if they are all-time historic lows. There has been some commentary from various real estate market commentators that there will be a combination of forces impacting on the housing market. When the banks' mortgage payment holidays end, there might be some householders who will be in quite extreme financial difficulty who may not be able to meet their mortgage payments.

The likelihood of that in the ACT is much lower than all of the other states and territories, given our lower unemployment rate and our greater level of public sector employment, our higher wages and our higher level of full-time employment and secure employment than other jurisdictions. There is also an intangible factor around the virus itself. It has been observed that the Melbourne market has suffered some of the greatest falls, and that would appear to be very much linked to the health impact of the virus and the flow-on economic impacts.

I think that our housing market will be amongst the strongest in the nation because of the fundamentals of our economy. We have relatively higher levels of home ownership than most other parts of the country and we have more secure full-time employment. The demand side in the ACT will not be as severely impacted as other jurisdictions.

The one caveat on that, obviously, is that about 55 per cent of our population growth in the last five years has been driven by international migration. That will not be a contributing factor to our population growth in the near term because there is no travel; you are not allowed in, in large part. The expectations of population growth in the territory are effectively halved for the foreseeable future. The only thing that will change that, obviously, is a lifting of international travel bans and a decision of the commonwealth in relation to what future migration programs will look like.

On the supply side of our market, again, there is a variety of views. Some people believe that there is too much new housing construction underway in the territory. The data certainly shows that, in terms of building approvals, we are leading the nation on the supply side and have been for some time. My sense is that, with one or two exceptions that have been pretty high profile—for example, the Morris Property Group development between City Hill and London Circuit that was shelved—most of the dwelling construction in the pipeline appears to be continuing.

I have also heard, and there have been public statements, that some of the proposed hotel accommodation is being shifted from hotel to residential. Meriton have made that announcement in relation to their proposal not too far from the Assembly building. There are a couple of large movements from what was anticipated to be the case previously.

Out of the Suburban Land Agency, with the Ginninderry joint venture and what I heard from the Capital Airport Group in relation to Denman Prospect, the combination of the stamp duty concessions and the HomeBuilder commonwealth



program has seen an increase in demand for more land and off-the-plan units—at least inquiries. Of course, the transactions will take a little bit of time before they would flow through.

That is a broad snapshot. I will ask David Nicol if there is anything else he would like to add to that or any other direct market observations that ACT Treasury has seen.

**Mr Nicol:** Treasurer, you were counting off all of the points I would have made. There are two other points that I would make. The actions of the banks in deferring home loan repayments across the country has taken a big weight off, a negative factor off, the market in the short term. There are very few forced sellers, which would be a very negative prospect for the market.

I think that the housing market is driven as much by sentiment as by fundamentals, and the sentiment seems to be holding up in the ACT housing market. A few of the things like lower interest rates, HomeBuilder, stamp duty concessions et cetera are spurring segments of the market, which is keeping the market more buoyant than I thought that it would be at this point three months ago. I am more positive about the market than I was at the start of the crisis.

**Mr Barr:** There has been very strong first homebuyer activity as well. That is the other point that I would make.

**MRS DUNNE:** The HomeBuilder proposal is not as big a dud as you first said, Chief Minister?

**Mr Barr:** It has generated about 150 requests. The question is about whether, ultimately, it will result in projects going ahead. I could counter, Mrs Dunne, that you suggested that there would be no blocks available for it to occur. Perhaps we were both pessimistic?

**MRS DUNNE:** I have noticed that there has been some work by the Land Development Agency in reducing land prices, so that is welcomed.

**Mr Barr:** The Suburban Land Agency, yes.

**MRS DUNNE:** Okay, the Suburban Land Agency; I apologise.

**THE CHAIR:** Chief Minister, I have some questions regarding the code of conduct for commercial tenancies. What is the status of that national cabinet document here in the ACT?

**Mr Barr:** Like in all states and territories, it acted as a guide for the implementation of the policy framework. The code is an important piece of work that was developed over many painstaking sessions, involving treasurers and first ministers, various industry stakeholders and the like. The Prime Minister was very clear around his desire for there to be such a code. Noting, of course, the differences in the legal frameworks across the states and territories, each jurisdiction would undertake its best endeavours to implement that code. Mr Nicol might be able to add something further on that, but I think that broadly categorises the situation.

**Mr Nicol:** Yes, I think so. The only thing I would add is that each jurisdiction is now considering the future of the code in their jurisdictions. Each jurisdiction is slightly different as to where they are in both the COVID emergency and the impact they are having on their sector. Each jurisdiction is applying their own needs to that decision. I expect those decisions to be made across the country in the future.

**THE CHAIR:** I have heard from many people that they have had a wonderful experience with their landlord or their tenant and there has been a very collaborative approach demonstrated on many occasions. Quite frankly, on probably the majority of occasions that I have raised this, I have heard of good interactions happening between landlords and tenants. However, there are, of course, some that have not been as collegiate. I know of some businesses that have had significant write-downs in revenue but have not been given any concessions from their landlord. Obviously, the landlords could well be in a tough financial situation themselves. What is the policy and what is the implementation plan of the government for helping in such situations?

**Mr Barr:** The first port of call for a tenant in that—

**THE CHAIR:** Is the commissioner.

**Mr Barr:** Yes, in that context, would be to go to our COVID-19 small business commissioner to seek mediation. I understand that that process has involved dozens of cases to date, with most ending up in an amicable agreement, thanks to the work of the commissioner. I am not aware of any that have needed litigation, but I have not had an update on that for today, so I will check that.

**THE CHAIR:** I am not after specific stats. I know of people that are really at peak frustration and financially are really doing it tough. The idea of going to court is not possible because they do not have the money to go to court. They do not have the money to engage a solicitor and a barrister and actually pursue this. What are their options? It is all very well to have a mediation process, but if the mediation process does not resolve the issue, the tenant is in a very tough position.

**Mr Barr:** Yes. Under the legal arrangements that are in place, there would then be the capacity for further action. Presumably, you make an assumption as to whether the distressed tenant was, in fact, making either no or a reduced amount of rent payment—or are the circumstances you are referring to where, effectively, they continue to pay their pre-COVID levels of rent?

**THE CHAIR:** The particular business that I have been speaking to is in retail. They are down significantly and they have had no concessions whatsoever from this particular landlord. As I mentioned earlier, this is not common, but there have been no concessions whatsoever. They have not been able to pay the rent. They are accumulating a lot of debt at the moment, the relationship is getting more and more hostile and the business is on the verge of collapse. This is a business that has been in Canberra for many decades.

**Mr Barr:** Do you know if they have made contact with the commissioner?

**THE CHAIR:** Yes, they have, and it has not resolved the issue yet.

**Mr Barr:** The commissioner would be aware of the case?

**THE CHAIR:** Yes.

**Mr Barr:** If it is okay with you, I will take that up with the commissioner. I am meeting with the commissioner shortly. I will take a briefing from him and we will examine—

**THE CHAIR:** I will get my office to give your office a buzz and pass on the details.

**Mr Barr:** Terrific.

**THE CHAIR:** I have a final question on this. With regard to assessments of the financial position of tenants, should a landlord require or request JobKeeper payments and other COVID support payments as part of their assessment of the hardship of a tenant?

**Mr Barr:** Certainly, qualifying for those payments would mean that the business had met a reduction in turnover. That would be a useful piece of unambiguous information that would certainly—

**THE CHAIR:** That is right. Obviously, they are down 30 per cent; therefore, they qualified. It has been put to me that some people have been saying, “You’re actually doing much better because you’re getting this additional revenue; therefore, you don’t need any support.” With regard to the assessment for commercial rates concessions and passing on deductions, is there any requirement whatsoever for the landlord to have to present the tenant’s financial situation in order to get the commercial rates concessions?

**Mr Barr:** Mr Nicol, do you want to assist on that one?

**Mr Nicol:** I might take that on notice. I think the information that we seek is to ensure that the tenants are financially disadvantaged in that process. If a tenant and a landlord agree to a rent reduction, my recollection was that we would pay up to the prescribed amounts or that we would remit up to the prescribed amounts on their rates, irrespective of the arrangements of the tenants. I will take that on notice and confirm, Mr Coe.

**THE CHAIR:** If you could; could you get back to me or to the committee as quickly as possible?

**Mr Nicol:** Certainly.

**THE CHAIR:** I think that this has caused some confusion, perhaps in this instance—and, who knows, maybe in others—about whether JobKeeper should inform that financial situation for the tenant.

**Mr Nicol:** We may seek, in terms of an individual assessment, whether tenants are

eligible for JobSeeker, because it indicates that the tenant has been assessed by the commonwealth as negatively affected, and that would be a very good indicator for us. We would not then add that to their financial capability as to whether they deserved a concession or not. The other point that I make about JobKeeper is that, by law, JobKeeper must be passed on to employees.

**THE CHAIR:** That is right.

**Mr Nicol:** It is not financially available, in that strict sense, to the employer. I would encourage any landlord to acknowledge that. An indication that an employer is receiving JobKeeper, in my view, is an indication that they have been significantly negatively impacted by COVID-19.

**THE CHAIR:** Thank you. I would like to emphasise that I am talking about commercial tenancies here.

**Mr Barr:** Yes; understood.

**Mr Nicol:** Yes, indeed.

**MS CHEYNE:** One of the topics that we have talked about is the relationship with New South Wales, the border and the region. Could I extend that a little bit to cover the federal parliament returning for a sitting next week? I think that there is a little bit of anxiety in the community about people coming from all over Australia to a bit of a federal parliament bubble. I know that the federal parliament has done an extraordinary amount of work in trying to make that as safe as possible.

Is it possible for us to get a bit of an insight regarding the interactions they have had with us, with our government, in making sure that it is as safe as possible? I refer, in particular, to the arrangements about how some Victorian politicians have been able to quarantine at home before coming here. Again, that seems quite unusual. I know that there was quite a lot of commentary about Victorian politicians coming over the border while Canberrans could not. Getting that full picture would be terribly useful, if possible.

**Mr Barr:** I will do my best. Dr Coleman, who I do not think is on the witness list, would probably be able to give a better summation. There were many meetings between the federal parliamentary working group that comprised presiding officers, whips, managers of government and opposition business and the like, the commonwealth Chief Health Officer and our health officials on the various protocols.

There have been three issues, principally. One that is wholly in the commonwealth's remit and that of the presiding officers of the federal parliament is how the parliament itself—the offices, the buildings as a workplace—can be COVID safe. Another related to the transit of members and the capacity of the federal parliament to undertake some form of remote access. They have ultimately decided that there can be participation but not voting, as I understand it. The other is our requirements as a jurisdiction, in relation to quarantine or self-isolation.

The update I had from the Chief Health Officer of the ACT, Dr Coleman, was that

around 50 MPs and staff have been part of the quarantine arrangements—some in the ACT and some doing it in Victoria. They have been checked regularly. Everyone has been treated equally, from Treasurer Frydenberg and health minister Hunt through to your average parliamentary staffer who is part of this process. I can say, without breaching the confidence of those federal politicians, that we have obviously had engagement with them through ministerial forums, and they have certainly reported to us in a positive way that ACT Health and ACT Policing have been in regular contact with them, often more than once a day.

I think that the public can be assured that not only are those individuals aware of their responsibilities around isolation and quarantine but that they are acutely aware of the political ramifications for their own careers of breaching any of those requirements. The general public can be assured that ACT Policing, ACT Health and commonwealth officials have been very diligent in their monitoring of these arrangements.

**MS CHEYNE:** Ms Cross, do you have something to add on this?

**Ms Cross:** No, nothing in particular. I think that the Chief Minister has covered it all thoroughly. I was present at some of the briefings, and we were given a lot of information on the arrangements in Parliament House to minimise any transmission risk.

**Mr Nicol:** I have an answer to Mr Coe's question. I will wait for an opportunity to give that.

**MS CHEYNE:** I will graciously give that opportunity.

**Mr Nicol:** Thank you very much. I want to confirm that we do not look at JobKeeper in assessing eligibility for the government's commercial rates relief. We do look at business income and business turnover. We have three categories. For those properties with an AUV of \$2 million or less, the first category is a 30 per cent reduction in business income and the second is an 80 per cent reduction in business income of the tenants affected. We apply the concessions depending on which tenants are in which category there. For AUVs above \$2 million, we do an individual assessment. Again, it is focused on business turnover and financial capacity and it does not take into account JobKeeper payments.

**THE CHAIR:** It does not?

**Mr Nicol:** It does not.

**THE CHAIR:** Chief Minister, I have sent your office an email.

**Mr Barr:** Thank you.

**MRS DUNNE:** While we are on the subject of people travelling from interstate, I think that all members this afternoon would have received representations from the family who are stuck in regional Victoria because of difficult family circumstances. Have you had discussions, Chief Minister, with the New South Wales government

about ACT residents who are in regional Victoria? The current modality is that, for them to return to the ACT, they have to go from regional Victoria, where there are no COVID cases, into a COVID hotspot and catch a plane. Have you had any discussions about some sort of leeway for moving people out of one COVID-free area into another COVID-free area?

**Mr Barr:** Yes—painstaking, over many days and at all levels of government, from myself directly to the Premier, health minister to health minister, Chief Health Officer to Chief Health Officer, Chief Police Officer to Chief Police Officer, through this process. I think that a solution to this issue, in terms of both ACT residents and more broadly, is imminent, having regard to the easing of the situation in Victoria in terms of case numbers, and the effectiveness of their arrangements. The lower case numbers in New South Wales also have the New South Wales Premier in a position to be able to make some changes to the public health directions that they put in place and that have been the cause of this issue.

**MS LE COUTEUR:** I will continue on this theme. The ACT is obviously contained within New South Wales. I appreciate that we have had a little bit of a discussion in the press, but have we had more discussions about what could happen in terms of a Canberra region bubble, given that we have a very low COVID case load here—zero?

**Mr Barr:** Yes, we certainly have, Ms Le Couteur, with the surrounding New South Wales local government areas, with the New South Wales Cross-Border Commissioner and with the New South Wales government. The scenario planning work has looked at a number of different options for a region bubble. That makes more sense and is less socially and economically disruptive than a hard border between the ACT and New South Wales, which is diabolically difficult. Sixty-six different crossing points would lead to massive social and economic dislocation and would not achieve a quarantine seal that would keep the virus out. It is really a solution of absolute last resort if we were also having to go into a Victorian-style lockdown.

I think that a more reasonable proposition, if things were to escalate again in a subsequent way with the virus, and if we had to have a bubble—I hope we do not have to but if we did—then it would make much more sense for it to be a Canberra region bubble, simply because of the movement across the territory border. There are something like 47,000 vehicle movements a day and 25,000 people going back and forth. A significant proportion of the workforce in the ACT—in the order of about 15 per cent in some industry sectors—are resident on the other side of the border. About 5,000 ACT residents work in New South Wales. It would be disruptive to health, education and the public services. It would be massively economically disadvantageous, and it would not stop the virus.

I do not think that it is a viable public policy option for the ACT. I will invite Rebecca Cross, who has been involved in some of that coordination discussion and work, to provide a brief overview of that.

**Ms Cross:** The key point that the Chief Health Officer made was that if we got to a border closure, it would really be because we were trying to stop additional cases coming in to the ACT. At that point, we would really have gone into quite a hard

lockdown.

We would need an extensive system of permits and exemptions. We would need a huge workforce to police all of the entry points. Based on the modelling in Albury-Wodonga, with the number of roads where we would need a police presence, it would have a huge impact on our police force as well.

If we moved to a regional bubble, we could only do that with the cooperation of the New South Wales government, and the New South Wales government, so far, has not really been interested in places like Tweed Heads having regional bubbles. I think the conclusion is that it would be extremely difficult, it could only be done with the New South Wales government and it would only be done as a very last resort.

**Mr Barr:** The other obvious discussion point is how big a regional bubble is. Certainly, the size of that would be somewhat contingent upon what the purpose of the bubble was in terms of hotspots that you were wanting to keep out, keep in and the like.

In terms of the movement of people, it would make most sense, clearly, to include Queanbeyan, Jerrabomberra, Googong, Murrumbateman and Bungendore. Whether it would extend as far as, for example, Goulburn, Braidwood, Cooma and Yass is another order of magnitude. There could be circumstances in which both would work, but, as Rebecca said, it certainly needs the New South Wales government's cooperation.

The preliminary discussions on these sorts of cross-border issues have taken place within national cabinet and have been successful or not between certain jurisdictions to varying degrees, let us be frank. There have been problems up in the Tweed, quite a bit of disruption and chaos in Albury-Wodonga and perhaps a little bit more pragmatism around the South Australia-Victoria border. That is what I heard today in national cabinet. It appears to be most complex and challenging when the number of people gets into the thousands or tens of thousands. When you are talking about border communities of dozens or hundreds, it is a bit easier to manage.

**THE CHAIR:** Of course, you may say that Queanbeyan and Canberra are together, but Bungendore needs Queanbeyan, just as Braidwood needs Bungendore.

**Mr Barr:** Exactly, yes. That is correct. It is not without its complexities.

**THE CHAIR:** There are overlapping regions all the way through.

**Mr Barr:** Yes.

**MRS DUNNE:** I want to preface this question, Chief Minister, by saying that I do not in any way imply any criticism of anyone about this issue; I would just like some clarity. It is about a governance issue which I raised briefly in the Assembly yesterday. We have a situation where, with the declaration of the COVID emergency, the Chief Health Officer advises the minister to extend the powers of the Chief Health Officer, and we have a very closed loop of governance. With any of those decisions, are they overseen anywhere outside that closed loop?

**Mr Barr:** As in between the minister and the Chief Health Officer?

**MRS DUNNE:** Yes. Do any of those decisions go to cabinet for sign-off or at least acknowledgement that those decisions are being made?

**Mr Barr:** Yes; the Chief Health Officer provides regular reports to cabinet and to the cabinet security and emergency management subcommittee, a meeting of which was held immediately before this hearing, and cabinet has met twice this week. I also have briefings with the Chief Health Officer prior to each national cabinet and there are other briefings that are held—

**MRS DUNNE:** No, I am not talking about briefings; I am talking about oversight of the decisions. The decisions are being made by a statutory office holder, not an elected official, and the decision to extend that statutory office holder's powers are being made on advice from that statutory office holder. I do not see that there is any oversight of that decision-making process.

**Mr Barr:** Certainly, there is cabinet oversight and the opportunity for members of the executive to interrogate the decision around extensions. Certainly, the legislation needs to be followed in accordance with what the Assembly has passed in relation to how these matters are handled.

**THE CHAIR:** Chief Minister, that concludes our hearing today. As I mentioned at the beginning, you will, of course, receive a copy of the transcript. Thank you very much.

**Mr Barr:** Thank you.

**The committee adjourned at 5.04 pm.**