



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL  
TERRITORY**

**SELECT COMMITTEE ON THE COVID-19 2021  
PANDEMIC RESPONSE**

(Reference: [Inquiry into the COVID-19 2021 pandemic response](#))

**Members:**

**MS E LEE (Chair)  
MS S ORR (Deputy Chair)  
MS J CLAY**

**TRANSCRIPT OF EVIDENCE**

**CANBERRA**

**THURSDAY, 14 OCTOBER 2021**

**Secretary to the committee:  
Dr D Monk (Ph: 620 50129)**

**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.

## **WITNESSES**

<b>ADAM, MR TOM</b> , President, Phillip Business Community .....	<b>68</b>
<b>BERRY, MS ASHLEE</b> , Member Services Director, Master Builders Association of the ACT .....	<b>62</b>
<b>BRIERLEY, MR ANTHONY</b> , General Manager, Australian Hotels Association (ACT Branch) .....	<b>49</b>
<b>EVANS, MR ROB</b> , President, Fyshwick Business Association .....	<b>68</b>
<b>HOPKINS, MR MICHAEL</b> , Chief Executive Officer, Master Builders Association of the ACT .....	<b>62</b>
<b>MARSHALL, DR DAVID</b> , Chair, Canberra Region Tourism Leaders Forum.....	<b>55</b>
<b>ROMANO, MR JOHN-PAUL</b> , Chairman, Inner-South Canberra Business Council.....	<b>68</b>
<b>SEABORN, MS JANE</b> , Fyshwick Business Association .....	<b>68</b>
<b>WATT, MR KEL</b> , Chair and Spokesperson, Braddon United Retailers and Traders.....	<b>68</b>

## **Privilege statement**

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

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Witnesses must tell the truth: giving false or misleading evidence will be treated as a serious matter, and may be considered a contempt of the Assembly.

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 1.31 pm.**

**BRIERLEY, MR ANTHONY**, General Manager, Australian Hotels Association  
(ACT Branch)

**THE CHAIR:** Welcome to the third public hearing of the Select Committee on the COVID-19 2021 Pandemic Response. The committee acknowledges the traditional custodians of the land on which we meet today, the Ngunnawal people, and acknowledges and respects their continuing culture and the contribution they make to the life of this city and this region. We also acknowledge and welcome any other Aboriginal and Torres Strait Islander people that may be joining us for today's event.

Today we will hear evidence from the Australian Hotels Association ACT, the Canberra Region Tourism Leaders Forum, the Master Builders Association of the ACT and a panel of local business associations, including Braddon United Retailers and Traders, the Fyshwick Business Association, the Inner-South Canberra Business Council and the Phillip Business Community.

We are, of course, conducting this public hearing on a video conference platform. Technical issues may arise during the hearing, so please be patient and our technical team will try and get those resolved as quickly as possible. Please be aware that the proceedings today are being recorded and will be transcribed and published by Hansard. The proceedings are also being broadcast and webstreamed live. When taking a question on notice, it would be useful if you could say, "I will take that on notice." This will help the committee and the witness to confirm questions taken on notice from the transcript.

Please be aware that today's proceedings are covered by parliamentary privilege, which provides protection to witnesses but also, of course, obliges them to tell the truth. The provision of false and misleading evidence is a serious matter and all participants today are reminded of this. Mr Brierley, can you confirm that you have read and understood the pink privilege statement that the secretariat sent to you?

**Mr Brierley:** Yes, I have read it. I acknowledge and understand the privilege statement.

**THE CHAIR:** Thank you. Would you like to make an opening statement?

**Mr Brierley:** I would.

**THE CHAIR:** Please proceed.

**Mr Brierley:** Thank you for the opportunity to provide evidence to this committee of the Legislative Assembly into the ACT government's financial response to the COVID-19 pandemic. On 12 August, the day the ACT went into lockdown, the ACT government constituted a group of industry representatives, including myself, on behalf of the hospitality and accommodation sectors, together with senior public servants, a government minister and ministerial representatives, including staff of the Chief Minister and Treasurer.

The purpose of this group was to provide a link between industry and government to advise on the financial impacts of the lockdown on the business community and appropriate governmental responses. It performed successfully in its initial weeks. The Business Support Grants program was implemented, the commercial tenancies arrangements were re-declared and advice was provided on what the business community would need to be able to survive the lockdown and to emerge on the other side.

As part of that advice, I articulated to the ACT government at considerable length and in great detail that, once the lockdown was over, the hospitality industry would not be viable if it was subject to a four square metre rule as part of any ongoing public health social measures. This is because the four square metre rule restricts hospitality businesses to approximately 25 per cent of their normal patronage. At this level of patronage, a hospitality business's revenue is significantly outweighed by its costs of being open. This rule forces hospitality businesses to make a financial loss.

I explained that the four square metre rule was viable in 2020 because of the commonwealth's JobKeeper program, which subsidised wage costs. This meant that the costs of being open under JobKeeper were artificially lower and a small profit could be eked out. JobKeeper has obviously not existed for this lockdown and will not exist again. So any comparisons with the public health restrictions during 2020 are flawed and misleading.

The business group constituted by the ACT government was assured that the ACT government was listening and that it comprehended and understood our concerns. It acknowledged that the four square metre rule was not viable. Nevertheless, when the ACT's pathway forward was released on 27 September it was announced that the hospitality industry would be subject to a four square metre rule until the start of December. The restrictions announced are not consistent with the national plan or with the Doherty institute modelling. I have been informed that there is a paper circulating amongst the ACT cabinet stating that the ACT has the same restrictions as New South Wales and Victoria. This is incorrect.

In response to questions from the media about why the hospitality industry was subject to the four square metre rule until the start of December, the Chief Minister in his press conference of 28 September said four things. One, "It is well understood that for some parts of the hospitality industry one per four square metres is not viable. That is why economic supports will continue in that sector." Two, "The choice was to let the safer end of the industry open up, acknowledging that we, the ACT government, would need to continue economic support." Three, "Some hospitality businesses will be trading water; some will be breaking even; some may need additional financial support." Four, "We recognise that there will be a need for ongoing financial support for a good part of the hospitality industry. A significant part will need that ongoing support."

Contrary to these public statements, the business group yesterday was advised that the previously announced one-off support for the lockdown until 15 October is actually the ongoing support and that economic support will not continue for the six weeks between mid-October and early December. Linguistic gymnastics aside, this is a

breach of faith by the ACT government and it damages businesses' trust in the executive government. We are less than one day away from a scenario where financial support stops but where public health restrictions leave many hospitality businesses unviable.

This has never occurred in any part of Australia throughout the pandemic. It will have devastating economic consequences for our industry. This is not a matter for which the commonwealth government has a shared responsibility. In line with the national plan for reopening, to which the Chief Minister agreed, the commonwealth ceases funding business support programs at 80 per cent full vaccination.

After 80 per cent full vaccination, it was agreed by the Chief Minister that it will be a matter for the ACT government to decide what additional targeted business support is needed as a result of the health restrictions that the ACT government chooses to impose. The Chief Minister acknowledged that targeted support for the hospitality industry would be needed because of his government's imposition of the four square metre rule.

There now seems to be no intention to make good on that public commitment to provide ongoing support. We understand that the health response and the importance of saving lives is the ACT government's primary concern but, as one business owner said to me yesterday, and I quote—sorry to be unparliamentary—“F me, they are killing us instead.” I am happy to take questions.

**THE CHAIR:** Thank you, Mr Brierley.

**MS ORR:** Mr Brierley, the statement was quite good but, for those of us who have not had the benefit of all the consultation that you have been going through and being party to, can you just run me through how often you have been meeting with the minister and government representatives? You referenced a few bits, but what has been the overall consultation?

**Mr Brierley:** My recollection is that for the first three or four weeks it was once every business day. Then after about four weeks it became three times a week.

**MS ORR:** You are still meeting three times a week? Where are you at now?

**Mr Brierley:** Yes, still three times a week. I do not believe a decision has been made on the frequency that meetings will be held next week.

**MS ORR:** You are expecting it still to be three times a week until you hear otherwise; is that fair to say?

**Mr Brierley:** I would certainly hope so.

**MS ORR:** You spoke a little about that consultation at different points, but can you run me through, over that whole period—so from once every day to three times a week—what the consultation has been like?

**Mr Brierley:** Generally, we received an update on the progress of the business

support grants and how they were tracking. Every stakeholder party to that meeting then provided an update on the pressures in their sector, the feedback that we were receiving from the people we represent and the solutions as part of a pathway forward to get us out of this economic crisis—because it is an economic crisis; it is not just a health crisis.

**MS ORR:** What has the consultation been since it has been three times a week? Does it follow the same format? Are you still giving inputs to the challenge—

**Mr Brierley:** Yes, it is the same format.

**MS ORR:** You mentioned that the ACT has been different to other jurisdictions. Can you elaborate on what that difference is? Obviously, we talk about New South Wales restrictions and the ACT and different areas. Can you give us an assessment of what the differences are?

**Mr Brierley:** In New South Wales, from Monday this week—so earlier—they have one person per four square metres inside, one person per two square metres outside and there is no cap. In the ACT, for the next two weeks we will have a cap of either 25 people inside or 50 people outside. We will then move, from 29 October, to one person per four square metres inside and one person per two square metres outside, but subject to very stringent caps of 100 inside and 150 outside.

That does not exist in New South Wales at all. In Victoria, in the coming days when they start changing some of their restrictions, their caps will be much higher. When they get to 80 per cent of the 12-plus population vaccinated, which is a threshold the ACT will reach in about four days time, they do not have those caps at all.

**MS CLAY:** Mr Brierley, can you tell us whether the al fresco recovery plan is helping with any of this?

**Mr Brierley:** We do not expect it to make a meaningful difference. It was something that I thought would help if we had ongoing financial support. I thought the approach should be for government to identify areas, to deregulate those areas and then allow businesses to use them. The approach the government task force seems to be taking is to wait for suggestions from individual businesses. I think that is the wrong way to do it, but it is not going to be meaningful without the economic support. There are not too many businesses who have outdoor space who are not already utilising it. Canberra has a pretty fickle and harsh climate. If outdoor dining was such a good idea, people would already be doing it and they would not be paying the rents for their indoor space.

**MS CLAY:** Your opening statement was really clear; thank you for that. The alfresco recovery plan would only help with the economic supports. You have been quite clear on that. If government decided to close certain areas and close certain streets, rather than having individual applications, do you think that would help or would it just not assist given we do not have the support that goes with it?

**Mr Brierley:** I think that, from a process point of view, it would assist; it would be a lot easier. I am doubtful, even if we had that process in place, how meaningful that

would be when we do not have the economic supports to bridge the gap.

**MS CLAY:** We heard earlier in these hearings that it would be a good guide for government to look at how restrictions were eased after the last lockdown and then apply them to this lockdown, but your opening statement actually says that it needs to be different because this time round we do not have JobKeeper. Do you think that perhaps it is not a good guide to look at what happened last time?

**Mr Brierley:** Not for the hospitality industry, no; it is not appropriate to look at lockdown. Public health restrictions need to work hand in glove with the financial support. A pretty significant part of that financial support is not around this time and that is why we have been consistent in saying to government that viable public health restrictions look different.

**MS CASTLEY:** Mr Brierley, you said that this is having devastating economic consequences for the industry. By that, do I assume that we are talking about business closures? If so, how many are you hearing about that will not open during this time period because it is not viable? Or be permanent closures?

**Mr Brierley:** There are quite a few that are not bothering to open at all until at least the 29th. Their decision on the 29th will probably be subject to the quarantine rules that apply at that point in time. I know of some iconic Canberra hospitality businesses—I am not going to say who they are, out of respect to them—who do not intend, under the current road map, to be doing business by December. They will close in the next six weeks under the road map.

In terms of the broader economic impacts, we have 7,000 employees in our sector who have lost their job over the past two months. It is not viable for a business to re-employ them, because the business cannot make money as it is. So there are now 7,000 people who, because of the public health restrictions, do not have a job. The solution that has been put to them is that they should go and seek the unemployment benefit, a rate which the Chief Minister has been very forthcoming that he feels is insufficient. I do not know why it is apparently sufficient for workers in the hospitality industry.

**MS CASTLEY:** Just to clarify—obviously there is no need to name names—are we talking tens or hundreds? Obviously there are 7,000 jobs and I imagine there are a lot of hospitality businesses in town. Can you give me a ballpark percentage?

**Mr Brierley:** Across the AHA ACT's membership of a bit over 100, we are in the tens. So we are looking at 10 to 20 per cent of them being gone. We have got membership of 100. There are about 500 hospitality businesses in total when you include small cafes and small BYO restaurants. If that 10 to 20 per cent rate was extrapolated across the whole industry, it would be a massive number.

**DR PATERSON:** Thank you for your opening statement. Did you, as the ACT branch of the AHA, as well as nationally, lobby the federal government to instate JobKeeper this time about?

**Mr Brierley:** Yes, those conversations have happened.

**DR PATERSON:** What was the response given to you about that?

**THE CHAIR:** Dr Paterson, I note that the terms of reference for this committee are about the pandemic response and the ACT government's response. We will allow the question, but we just might need to stop there.

**Mr Brierley:** The commonwealth government has a reluctance to bring back JobKeeper. I think that is pretty well-known. I think we have to acknowledge that a lot of that pressure has come from Andrew Leigh in his shadow ministerial role, who is a Canberra representative. I understand there were rules with the JobKeeper program. But the amount of political pressure on that program made it impossible to be revived, even for businesses that really needed it.

**MS ORR:** It has been clear in the comments you have made that not having JobKeeper has had a very big impact on the operating conditions that businesses have found themselves in this time. Putting aside the decision to bring back JobKeeper or to not bring it back, the fact that it was not there has made this experience of the pandemic different to 2020. I think that is fair to say. What have you noticed have been the biggest impacts and the challenges that have come from not having that support of the JobKeeper program?

**Mr Brierley:** It has made this lockdown a lot more painful because, without that subsidising of wages, businesses have been unable to pivot. When you get no subsidy, it is too expensive to take risks. A lot of businesses were not able to try takeaway and they were not able to do other innovative approaches, which has meant there has been no cash flow for the past 10 weeks. There is going to be negligible cash flow for businesses that do reopen, because the number of patrons that come in over the next two weeks is so low. To top that off, there is no financial support from the ACT government to help with that either.

**THE CHAIR:** We are over time, so I will need to close this now. Mr Brierley, on behalf of the committee, thank you very much for the time that you have taken to give evidence today. The secretary will provide you with a copy of the proof transcript of today's hearing and you can check that for accuracy. You did not take any questions on notice.

**Mr Brierley:** Thank you.

**MARSHALL, DR DAVID**, Chair, Canberra Region Tourism Leaders Forum

**THE CHAIR:** Welcome, Dr Marshall. Please be aware that today's proceedings are covered by parliamentary privilege, which provides protection to witnesses but also, of course, obliges them to tell the truth. The provision of false or misleading evidence is a serious matter and all participants today are reminded of this. Can you please confirm that you have read and understood the pink privilege statement that the secretariat emailed through to you?

**Dr Marshall:** Yes, I have read and understood it.

**THE CHAIR:** Thank you very much. Do you wish to make an opening statement?

**Dr Marshall:** Yes, if I may.

**THE CHAIR:** Of course.

**Dr Marshall:** I would just like to make a few opening comments and then obviously take questions. Thank you for the opportunity to appear before this hearing. I think the ACT government overall has handled its responsibilities very well during COVID-19. Again, we have been well served, out of any lockdowns or restrictions for 14 months. The overall support for the tourism industry, all the sectors, has been very welcome. The ACT budget, which was handed down only a couple of weeks back, again proved the significant support that the ACT government is actually driving with regard to the recovery of the tourism event sectors, as well as the arts.

Anthony Brierley from the AHA just mentioned that we have been meeting regularly with the Economic Development Directorate under Kareena Arthy. That has been very effective. We have had also Minister Cheyne on that call, as well as representatives from the Chief Minister's office. They have given us very good access to those decision-makers. It has proved to be very beneficial from a communication point of view between our sectors and also the business sectors and government. I would also like to say that when we have been dealing with the Chief Minister's office it has always been very speedy. They have been very receptive to comments. I think that in itself has helped us.

I would also like to talk about the quarantining of people coming into the ACT. Unlike other jurisdictions, I think the ACT has done this particularly well. Pacific Suites have balconies and kitchens. I think the inhumane way in which people were treated in quarantine in other states is appalling. The ACT needs to be held in high esteem for the way it has handled that.

Finally, a psychologist said last week that she felt that, for the last 18 months, the media conferences have caused a lot of distress and anxiety amongst the Australian population. The ACT's approach to those media conferences has probably been the best we have seen. I am glad, by the way, that they are finishing. We do not want to be gathered around the television consistently like that.

The government's business support grants were very welcome. In fact, they have had

11,000 applications. The \$40,000 that went into people's bank accounts and the \$15,000 to those who do not employ people have been very welcome, but the dilemma we have faced is that it has been slow. I know that the platform they were using was perhaps not fit-for-purpose in that respect. That is the terminology that was used. Waiting 30 days, when industry is living day to day, has caused a great deal of distress. We put that forward to the government, and the government are well aware of that obviously.

I think that the healthcare controls have been handled well and have been well executed, but the imposition of restrictions is confusing. Restrictions have been and still are confusing. I believe the decisions surrounding some of these would have been enhanced if business had had direct input into how the restrictions could have been rolled out. That is probably one of the biggest dilemmas we face, and we can see it highlighted with the cross-border issues that we are now confronting. I am happy to leave it there and take questions.

**THE CHAIR:** Thank you, Dr Marshall.

**MS CLAY:** Thank you for that opening statement. It is actually good to hear some of the things that are working well as well as some of the things that are not working well. I will ask you a general question about the difference between lockdown this time and last time and perhaps the difference in financial supports. What is your biggest observation there and do you think that lack of federal government support this time round is having a big impact?

**Dr Marshall:** Certainly JobKeeper; everyone has said that not having it has caused a great deal of concern. However, in countering that, the commonwealth support to employees and owners of businesses has been very rapid. It is only \$750; it is not a great deal if you were working full time.

Job saver, the business saver that the government introduced—the support grants—has been very welcome. When you are getting \$40,000 in your bank account and you are a small operator who was really struggling, that is an enormous relief. For some of the bigger operators, it is not nearly enough, but I think people are respectful of the fact that the government is never going to be able to control or support you through economic hard times like this. I think that is all I can say. I think they have done the best they possibly can under the circumstances.

**THE CHAIR:** Did you say “JobSaver”?

**Dr Marshall:** No. The terminology is very important. I am sorry; I am talking about the business support grants.

**THE CHAIR:** Thank you.

**MS CLAY:** You might have been here for Mr Brierley's testimony. He has painted a very different picture for us. In some ways you two are representing similar sectors. How do you see the position for hospo at the moment?

**Dr Marshall:** We are actually on the one page in many of the mentions that Anthony

has raised—in particular, the fact that there is no support from Saturday for the next four to six weeks for business. That was quite a shock to a lot of people who felt that the support had been great up till 15 October. But when you are still waiting to open and you have got no support from the commonwealth or the ACT government, it does put a lot of pressure on many businesses in the ACT.

**MS ORR:** Can you clarify: you say that supports are being removed. What supports are being removed, in your view?

**Dr Marshall:** The business support grants finish tomorrow.

**MS ORR:** The hardship grants will still continue and there is a commonwealth and ACT government scheme for really impacted industries such as tourism and hospitality; is that correct?

**Dr Marshall:** We do not know what the criteria are for the hardship grants at this stage. The dilemma we face is that, for a lot of businesses, they need cash. All the rebates and so forth are very much appreciated, but I think it gets down to cash flow. I think Mr Brierley made this comment.

**MS ORR:** Just to help my understanding: it is not so much that supports are ending; it is that there is uncertainty about supports going forward and how they will continue to support the sectors. Is that a fairer way of describing it?

**Dr Marshall:** As I said before, the budget has been very supportive of the tourism industry. There has been \$20 million allocated to a number of programs. What Mr Brierley and I are talking about is the fact that for the next four to six weeks there are businesses that will not survive.

**MS ORR:** Tourism is obviously reliant on a lot of people coming from interstate and, hopefully, one day, even internationally as well. How is the vaccination rate, and the fact that the ACT has been doing so well, going to help in the recovery of your sector?

**Dr Marshall:** Substantially. But we have got to get the borders open. Two-thirds of our visitors come from New South Wales. Without the borders open the tourism industry will still be in a great deal of difficulty. That is the biggest challenge we are facing at the moment.

**THE CHAIR:** Regarding the tourism market for the ACT, can you give us a breakdown; what percentage is international and what percentage is domestic?

**Dr Marshall:** We had 270,000 international visitors pre-COVID. It is about 85 per cent domestic and 10 to 15 per cent international.

**THE CHAIR:** Just going back to the issue that we were talking about with the hardship scheme, you said you do not know what the eligibility is. What impact is that having on the tourism and hospo organisations that are uncertain about what is going to come?

**Dr Marshall:** When that has unfolded, that will be fine. Again, it is about the

immediate cash flow that businesses are requiring. That is where the issue is, really. All the other elements that they put into place—and we know that there are, again, deferrals of various fees and charges—are very much appreciated.

The biggest impact—and this is where Mr Brierley from the AHA is right—is that hotels in this city are operating sometimes at between 10 and 15 per cent occupancy. They are not going to do any better until the borders open. That is a significant impact. Those hotels are receiving \$40,000, and of course there are opportunities now to receive more money as a result of that, but they have taken a massive hit. They will be millions of dollars in the red.

**THE CHAIR:** Thank you.

**DR PATERSON:** As we open up, the government has been quite clear that we are to expect case numbers to rise, and particularly as borders open up, given some of the numbers in New South Wales and Victoria. How do you think increasing case numbers will impact consumer confidence in the tourism and hospitality sector?

**Dr Marshall:** The biggest issue we face right across the country is hesitancy to travel. People are still nervous. Some regions in New South Wales have said, “Please don’t open the borders,” or “Don’t lift the Sydney restrictions until we have our vaccination rates as high as we possibly can get them.” That is an issue. It is also an issue internationally about people wanting to fly. Hesitancy, again, is a major problem, and the confidence of flying and travelling.

**DR PATERSON:** Do you think that the government’s hospitality and tourism grants will go some way in building confidence in the sector?

**Dr Marshall:** We have got to build confidence in the consumers.

**DR PATERSON:** Yes.

**Dr Marshall:** That is where the focus will be and that is where the focus will certainly start to roll out, as soon as the restrictions lift.

**MS ORR:** We did see consumer confidence and probably enthusiasm to get out and about skyrocket after the first lockdown. What do you see are the biggest challenges in making sure that we can capture whatever consumer confidence might be coming this time around?

**Dr Marshall:** Certainly, from a marketing point of view, Canberrans will be out there as quickly as possible, but also interstate. There is such a pent-up demand. I think that tourism right across the country—and this is what Tourism Australia have said—will really start to boom when we get confidence back. The tourism industry will be in a very strong position, which is why the longer we leave the restrictions in place the more desperate the industry is getting. Open up, because that is the only way we are going to recover—if borders are down, and we can start to trade again.

**MS CASTLEY:** Dr Marshall, you said that there are businesses that will not survive four to six weeks. Can you give us a bit more information about that?

**Dr Marshall:** Yes. The Australian chamber, tourism, and the Tourism and Transport Forum have both said that a third of tourism businesses right around Australia will not be here at Christmas time. The industry itself has suffered \$101 billion worth of losses. This is how serious it is. This is why the industry is saying, “Please open and let’s get the confidence back as soon as possible.”

**MS CASTLEY:** What does the Chief Minister say when you say this to him?

**Dr Marshall:** The Chief Minister has always been supportive and has provided us with a level of confidence over the years, and he has been tourism minister for all of that period. The dilemma—and this is one thing that I want to try and get across today—is that I believe that business should be part of the decision-making process when it comes to lockdowns.

This is what New South Wales have done very effectively. They had a group of people around the table, and this is not to take away anything from the excellent job that Dr Coleman has done. I think that the business input would certainly add a degree of expertise as to how restrictions can be imposed and lifted. The business input would avoid a lot of the confusion which has occurred. That is something which should be looked at as well, and also the legislative powers that go with that.

**THE CHAIR:** We heard earlier from Mr Brierley that there has been regular consultation. Is it your view that the consultation is happening, but it has not been effective? Or is it that there is a lot of information being passed on, but it is not being adopted or accepted by government?

**Dr Marshall:** The communication has been fine. The challenge is that when decisions are made, they are made. The difference is about being consulted whereas being at the table and having the discussions would be far more effective. I think the private sector could be used in all sorts of ways, particularly with scenario planning. We have experts in crisis management in the private sector in the ACT. It is about bringing those on board and helping the government and enhancing the decision-making process. The business community would be delighted to do that, I am sure.

**THE CHAIR:** So playing a bigger part in terms of the actual decision-making role?

**Dr Marshall:** Yes, I definitely think so. Government have done a good job but, again, they should be bringing in the expertise which can help them perhaps in those deliberations.

**THE CHAIR:** Thank you.

**MS CASTLEY:** Dr Marshall, can you give us an understanding of why that did not occur, why businesses were not brought in to consult?

**Dr Marshall:** That is a matter for government; I do not know. But there are certain legislative requirements. New South Wales has a different system. I notice Victoria have also said that they will be examining how they would manage any future pandemic. It is not to say that things were not done in a proper fashion. It is a matter

of what the system is and how business can contribute more to it. That is where we are coming from. We are not saying that we are not going to involve ourselves in the health decisions, which have been very well handled. It is the other logistics that I am talking about.

**MS CLAY:** At the moment, three times a week there are business consultation meetings, and earlier they were more frequent. Is that forum somehow not the appropriate place? If crisis planning had been done by the business sector, was that not able to be brought into that forum?

**Dr Marshall:** They are different concepts completely. Those particular meetings have been very well received and have been very good, and we are getting access to government. What I am saying is that, at a broader strategic level, business would be able to offer government the opportunity to look at some of the expertise we have and how we would manage situations, just as an input. Governments make the decisions. We are simply suggesting that a seat at the table might help their deliberations.

**MS CLAY:** Those meetings that have been happening, have they been information from government out to business but not information back from business to government? Is that the problem?

**Dr Marshall:** No, it is a two-way street. We are always asked for our opinion and any concerns we have. That particular committee had input into the business support package and how that was structured and so forth as well. We have no problems with that. I am just adding this other dimension—that when the decision is made or when something occurs again, there is another option where we can perhaps help the government.

**DR PATERSON:** New South Wales has been in lockdown a lot longer than we have in the ACT, which would arguably have a much bigger impact on businesses and tourism in New South Wales. I understand your point about business having a seat at the table. There has been a lot of critique of the New South Wales government that they let the situation go way too long and that is why they had such high case numbers, a long lockdown and a high number of deaths.

In terms of the ACT, do you think it is appropriate that the government focused on the health response, getting through that and getting the population vaccinated, as well as engaging with you and having the consultation with the minister and the Chief Minister's office? Do you think that was the way to go in the ACT?

**Dr Marshall:** What I am saying is that both should happen. When you are talking about decisions, you are bouncing ideas off each other. I think there have been some decisions which have been made which have been confusing, like click and collect. There are a few of these examples, which may have been alleviated had business been there to talk through how we can implement the health directions most effectively. That is all we are suggesting. It is an additive, if you like, to the consideration of government. Ultimately, they have to make the decision.

**THE CHAIR:** Thank you. We have run out of time. On behalf of the committee, Dr Marshall, thank you very much for your time and for giving evidence at the

hearing today. The secretary will provide you with a copy of the proof transcript so you can check for accuracy. You did not take any questions on notice.

**Dr Marshall:** Thank you for the opportunity.

**HOPKINS, MR MICHAEL**, Chief Executive Officer, Master Builders Association of the ACT

**BERRY, MS ASHLEE**, Member Services Director, Master Builders Association of the ACT

*Evidence was taken via teleconference—*

**THE CHAIR:** I call representatives of the Master Builders Association of the ACT. Please be aware that today's proceedings are covered by parliamentary privilege, which provides protection to witnesses but also, of course, obliges them to tell the truth. The provision of false or misleading evidence is a serious matter and all participants today are reminded of this. Mr Hopkins and Ms Berry, could you one at a time please confirm that you have read and understood the pink privilege statement that was emailed to you?

**Mr Hopkins:** Yes, I have read and understand the statement.

**THE CHAIR:** Thank you.

**Ms Berry:** I also have read and understand the statement.

**THE CHAIR:** Thank you. Would you like to make an opening statement?

**Mr Hopkins:** No. We have made a written submission and are happy to just take questions from that.

**THE CHAIR:** Thank you for making the submission. I just wanted to go to the cross-border travel rules and how they impact the workers and the work that your members do.

**Mr Hopkins:** I might have to defer to Ashlee on this one. To be honest, Ms Lee, they are so confusing that, more often than not, I need to ask our lawyer Ashlee to interpret them for us. I cannot imagine what it would be like for a building contractor to try and understand these rules. They commonly come up against these rules because the building industry is one where we often move across the ACT-New South Wales boundary to conduct our work. I might ask Ashlee to try and explain them to the committee.

**Ms Berry:** Michael has touched on the first issue. There are probably three issues in total that are really impacting our industry. The first one is the complexity of the border rules between the ACT and New South Wales and just the minefield that a small business owner would need to go through in order to understand whether their workers can come in, say, from New South Wales to the ACT and, similarly, whether ACT workers can go and work on projects that may be in the border bubble or beyond. Some of our members might have projects in Goulburn, the ACT—actually, all around regional New South Wales—and they almost need to segment their workforce and have some working on regional New South Wales projects and some coming into the ACT, due to the complexities.

The changes that are proposed to come in from midnight tonight have created confusion amongst our members. The way this new 27-postcode bubble will work is that if anyone has been—as we understand it—outside that bubble at all since lockdown commenced, they still need to apply for an exemption to come into the ACT. At the moment, there is a situation where in regional New South Wales you can travel anywhere you want for any purpose, yet if you live inside that 27 postcode bubble, you are restricted if you need to come into the ACT for work.

**THE CHAIR:** What do you suggest would be the best way forward in terms of making sure that we get an explanation of the rules and what needs to happen with the border?

**Ms Berry:** In speaking with our members who have projects on both sides of the border and who have workers on both sides of the border, it would be to remove the border restrictions between ACT and regional New South Wales.

**THE CHAIR:** Thank you.

**MS ORR:** Can you just run me through, Mr Hopkins, the consultation that you have had with the ACT government in feeding back member concerns and the experience you have had through that consultation?

**Mr Hopkins:** Primarily, our consultation mechanism with government has been through a group called PACICERG, which is a group headed by the EPSDD Director-General and Major Projects Canberra. It includes a range of different construction industry associations, construction unions and relevant directorates of the ACT government. In the initial weeks, that was a daily meeting. It fairly quickly went to a three-times-a-week meeting and for the last probably—I am estimating here—four weeks it has been once a week. This afternoon, we understand, is the last meeting that we will have weekly and then it will move to monthly from hereon in.

The meeting has been primarily to discuss the reopening plan and the conditions. That is, essentially, the ACT building and construction requirements. We have not discussed generally the business support in that forum, although there has often been someone from Treasury there to take questions if we have them.

**MS ORR:** Have you had much consultation with the WorkSafe Commissioner? Obviously that is another important part of the sector.

**Mr Hopkins:** Yes. The WorkSafe Commissioner joins that forum that I mentioned. We have also had quite regular informal feedback with WorkSafe and Major Projects Canberra on the phone or via email throughout the lockdown period. WorkSafe has certainly been one agency which has engaged with us fairly closely, particularly around compliance with the ACT construction requirements.

**MS ORR:** Have you found those structures have helped in clarifying information and getting the sector back to being operational and to where it is and continuing to open up?

**Mr Hopkins:** Yes, it was an effective consultation forum.

**MS CLAY:** We got the construction industry back on site a lot earlier than other businesses, but then WorkSafe found quite a lot of health breaches and some of those breaches led to some harm. What is your take on that? If we find ourselves in another pandemic, how do you think we can make sure that we have more effective restrictions that are enforced on the ground and that actually get the results that we need from them?

**Mr Hopkins:** I would put two slight adjustments on your introduction to your question.

**MS CLAY:** Yes, please correct me.

**Mr Hopkins:** The construction industry in the ACT did return to work after many other industries but, compared to other states, our industry was shut down far longer. In the equivalent time in New South Wales, the industry was shut for two weeks; ours was shut for four. The industry is still shut today.

**MS CLAY:** Sorry, can I just correct the transcript? You said you returned later than other industries. I think you meant to say you returned earlier than other industries.

**Mr Hopkins:** You are right. The ACT construction industry returned earlier than other ACT industries. That is correct. The construction industry in New South Wales returned after two weeks. In Victoria it returned after three days, although it did have a second shutdown for a fortnight. I think in South Australia it shut down for a number of days as well. No other state or territory—possibly with the exception of the Northern Territory—has shut down at all. Four weeks was an incredibly long time for our industry to be shut. Part of the industry returned after three weeks, but it was four weeks.

In terms of the number of positive cases in the construction industry, I would not describe them as being particularly higher than in any other essential workplace. Our Chief Health Officer has made a number of comments in press conferences that workplaces generally are where cases have been seen. I cannot recall a comment where she has highlighted the construction industry to be at any greater risk than any other essential workplace.

I think that in the environment that we have worked in, when there has been a case it has been highlighted and reported very widely. The actual number of cases in the construction industry, I think, have been quite minimal. They have been very well handled. The feedback we have had from WorkSafe and ACT is that they have been very satisfied with how they have seen contractors handle positive cases on sites. I think that is positive feedback.

Going forward, if we are talking about a scenario where there might be another potential outbreak and the need for another lockdown, we now have these ACT construction requirements which have been in operation for a number of weeks. Instead of locking down the construction industry, what we could do is just enact these requirements and allow the industry to keep on working with these requirements that have been developed. I think part of the reason it took longer than other states for

the ACT construction industry to return is that we essentially had to develop these from scratch. There are certainly some learnings and improvements that we could get from this lockdown if we were unlucky enough to find ourselves in this situation down the track.

**MS CLAY:** What has been the compliance rate with the construction requirements that we have now?

**Mr Hopkins:** WorkSafe are probably better placed to give you some detailed numbers, but our observation is that the compliance has been very good across the construction industry. I would also point out that I think it has been very good uniformly across all sectors. I do not think you could highlight one sector, residential construction or commercial construction, being any better or worse than any other sector, from our observation.

**MS CASTLEY:** Mr Hopkins, I would like to chat about the support grants and the impact that the lockdowns have had. I believe that the extended grant for construction has been cut. Can you talk broadly about that and what the real-life impact to business has been?

**Mr Hopkins:** The first thing I would say about this decision from government to make the construction industry ineligible for these payments was never communicated to us. We discovered this by chance, from some of our members reporting to us that they applied for the grant. The ACT website says that all industries are eligible. Members have applied for these grants in good faith only to receive a written letter saying, “Your application is declined.”

We have inquired, as you would expect, with the ACT government as to why this is. What we believe to be the case is that the construction industry is eligible for the initial payment, but not for the extension or the top-up payments on the basis that the construction industry has been reopened. Our response to that would be, first of all, the construction industry has not been fully reopened. There are still parts of the industry which are shut. Even for those parts of the industry which can operate, they are operating under significant constraints, which means that projects are taking longer and labour is harder to find. There are a number of factors. It means that construction might be open, but it is certainly not at 100 per cent productivity.

Given that the business support grants were initially to be available for any business that suffered a 30 per cent decline, we would have expected that any construction business that continued to have a 30 per cent turnover decline would still be eligible for the payments. Given that our industry has mostly reopened, we had hoped that the number of construction businesses accessing these payments would be a lot lower. But we know that there are still some. We are quite puzzled as to why government would unilaterally rule out a whole industry from being eligible for these very important payments, even though our industry—while it might not be doing it as tough as some parts of the business community—is certainly struggling through the lockdown and the recovery phase.

**MS CASTLEY:** What has been the government response when you have explained this to them?

**Mr Hopkins:** We have not got a satisfactory response as yet. We do have a PACICERG meeting this afternoon and we will be taking it up this afternoon to see if we can get an adequate response today.

**MS ORR:** You said you have not got a satisfactory response, but what has been the response—

**THE CHAIR:** One last question from Ms Castley and then Ms Orr.

**MS CASTLEY:** In relation to the businesses that are struggling without the grants, have you got a figure on whether some of these businesses will not be able to continue?

**Mr Hopkins:** Feedback from the members that have raised this with us is that this is causing them extreme concern. These payments are probably their only source of support at the moment, given that very small businesses—someone doing painting, maintenance work or something like that—are the part of the industry which at the moment cannot reopen. They have not said to us that they would be closing, but they have certainly expressed that they are very significantly impacted because of not being eligible for the payments any longer.

**MS ORR:** Mr Hopkins, you said that you had not received an adequate response. I was just interested to know what the response was that you have actually received.

**Mr Hopkins:** Essentially, “We’ve received your email and we’ll get back to you with a response as soon as we can.” That is what we understand we would be getting a response on this afternoon.

**DR PATERSON:** Similar to the line of questioning of other people giving evidence around JobKeeper: did that substantially help the building sector last lockdown? Did you lobby the federal government to reinstate JobKeeper this lockdown?

**Mr Hopkins:** The JobKeeper payment did provide significant support for our industry last year. Master Builders ACT did not necessarily lobby for that support this year. That is a role that would have been undertaken by our national body. We certainly engaged with the ACT government about the ACT government providing support. That support has been important. It has co-funded ACT and commonwealth government support, but it has not been to the same level as last year. Like we have just discussed, it has been withdrawn a lot sooner, it would seem, than last year. Certainly, the level of support that we received through JobKeeper last year was far superior to the support this time round.

**DR PATERSON:** You said that the level of support from the ACT government this time round has been important. Can you expand on that?

**Mr Hopkins:** One of the most significant costs to a construction business is its staff. With lockdown, businesses were faced with very significant payroll extensions and the ability to do no work. We saw in surveys that we undertook of our members, as we wrote in our submission, that businesses almost immediately stood down the

majority of their workforce. The COVID disaster payment was obviously very important for those employees that were stood down. The business support payments were important to help the business manage their cashflow through a period where their revenue was significantly impacted and delayed.

**THE CHAIR:** Do you have anything further to add, Mr Hopkins or Ms Berry?

**Mr Hopkins:** I think it would be important to learn out of this experience, like we touched on, I think, in Ms Clay's question—what we could learn from this experience. I have mentioned that the construction requirements give us a really good basis going forward if we have to do this again. We would hope that the construction industry would not need to be shut down at all if we face the same situation again.

Coming out of this current lockdown, we would also encourage government to move from applying those construction requirements to an ability where businesses could just deal with COVID safety issues as part of their normal WHS management practices. We would be keen for the construction requirements documents, as part of a health order, to be removed as quickly as possible and, instead, encourage businesses to adopt more long-term COVID safety management practices, and that that be done on a business-by-business, side-by-side, basis.

**THE CHAIR:** On behalf of the committee, thanks for your time and for making your written submission as well. That will be of great assistance to the committee. The secretary will provide you with a copy of the proof transcript so that you can check it for accuracy. You did not take any questions on notice.

**WATT, MR KEL**, Chair and Spokesperson, Braddon United Retailers and Traders  
**EVANS, MR ROB**, President, Fyshwick Business Association  
**SEABORN, MS JANE**, Fyshwick Business Association  
**ROMANO, MR JOHN-PAUL**, Chairman, Inner-South Canberra Business Council  
**ADAM, MR TOM**, President, Phillip Business Community

**THE CHAIR:** Good afternoon. In the final part of this third public hearing we will hear from a panel of local business associations. We have the Chair of the Braddon United Retailers and Traders, Mr Kel Watt; the Fyshwick Business Association, represented by Mr Rob Evans, President, and Ms Jane Seaborn; the Inner-South Canberra Business Council, represented by Mr John-Paul Romano; and Phillip Business Community, represented by Mr Tom Adam, President. They are all with us today.

Please be aware that today's proceedings are covered by parliamentary privilege, which not only provides protection to witnesses, but also obliges them to tell the truth. The provision of false and misleading evidence is a serious matter, and all participants today are reminded of this. Can you please confirm that you have read and understood the pink privilege statement that the secretary sent to you?

**Mr Watt:** I certainly have.

**Mr Evans:** Yes, I have.

**Ms Seaborn:** Yes, I have.

**Mr Romano:** Yes, I have.

**Mr Adam:** Yes, I have.

**THE CHAIR:** Thank you. I now invite opening statements, starting with Mr Watt.

**Mr Watt:** Thank you for the opportunity. I have put in a written submission. I know it was done quite recently, and no-one has had the time to look at it, I would imagine. As I peruse it right now, I notice that there are a couple of typos. As a professional writer, I feel a little bit ashamed. Anyway, we shall push on.

Firstly, I acknowledge the members of the other trader associations. They have been tireless representatives of their local business precincts. I know they have been working very hard. I wish to acknowledge that, from the Braddon perspective.

I would also like to extend thanks to you, as chair, and as the local member for Kurrajong, covering Braddon. I do not believe that Minister Cheyne is a member of this committee, but I know that the shadow minister, Leanne Castley, is involved. They have both been excellent in terms of giving us access and an opportunity to be heard and to take information on board.

I know that our time is brief, so I want to cover some main points. The great feeling at the moment of the Braddon traders is one of despair. There have been many business

closures over the last 12 months. Although we are a small business precinct compared to others, the burden that we seem to be suffering from is extremely high. That would be largely due to our large number of businesses in the hospitality sector. I refer also to those who work in beauty, retail to some degree, and the health and fitness sector as well. I believe we have had a disproportionate share of the burden.

Many of those businesses that are closing are doing so as a last resort. I would encourage all committee members to know that it is not just a job that they are leaving; it is also their dream. They have not taken it lightly. With respect to the members that I am representing today, they have done so because of their own personal financial suffering. Their mortgage is at risk; some of them have been unable to pay for basic things that they would have done previously.

There is no blame on the ACT government. There is no particular member, government bureaucrat or anyone else in the ACT to blame for what we are suffering from. But I think there are a number of things in the response to the pandemic that could certainly be reconsidered.

First and foremost, and in no particular order, is the recent experience with government grants. I know that my other trader association colleagues will also be talking about that. I refer to the length of time, and the fact that it does not really provide enough financial coverage—\$20,000 for an employing business sounds like a lot but it is not income. It barely covers overheads. If and when that money is delivered, it barely covers the costs of business operations. There are also some tax bills that that will go towards. If it was received today, people will wake up tomorrow with more headaches and heartaches around their financial situation. It has been treated as an ordinary grant process during an ordinary time for an ordinary experience, and it is anything but that. While we have raised this with the minister, as has been spoken about with some committee members before, it really needs emphasising here.

One of the things that we would recommend strongly is that there is a rollout ahead. I am a taxpayer; we are all ratepayers. We want our money looked after and accounted for. But given the high proportion of people that have been successful in achieving the grants and the urgency with which it is needed, we would like to see, going forward—I know that we cannot turn back the clock—pushing the money out first and acquitting and accounting for it later.

Any businessperson that has done the wrong thing should be found out, and prosecuted if need be. If it is a simple error made in good faith then that should also be dealt with proportionately. But given the high volume of people getting their grants, and the urgency, with respect to having delays of 30-plus days—I know that a three-person poll is hardly scientifically accurate—but two out of the three business owners I have spoken to just this morning still have not received their money from the first round.

With opening up, there is a sense of relief, but many of the regulations required to open up are still burdensome. We understand that there is a measure of public safety and there need to be some restrictions and regulations. But given the small business sector that Braddon is populated by, rather than big franchises and larger businesses—

I know that small business is technically defined as being up to 200 people, but I am talking about 90 per cent plus of businesses in Braddon being “Ma and Pa” set-ups with a small number of staff, and if there is a dozen staff, or more, on the books, that is a large business, for Braddon.

Starting tomorrow, with people booking online to make an appointment to go in, it sounds well and good, but the IT setup is not necessarily there. The time which it takes is not necessarily there. There is also the type of shopping that could be done. The example I put in my submission is posted on the front door of a local homewares store: “Click online and make an appointment, and we will go from there.” But how many committee members are going to get online and organise to have a look at a lamp, or some other sort of homewares at a store? It is simply not going to be done.

Many businesses, despite the fact that they can reopen, simply will choose not to do so. The overheads will be greater than if they stayed closed. With the current restrictions being eased, and even with those going forward, there will still be many businesses that will continue to remain closed. Obviously, that imposes financial stress.

The thing that I would like to wrap up on here, before I pass over to my colleagues and we move to questions, is that this is not just about business owners. I think there is a perception that business owners are very wealthy people. We are not. We all wish we were, but most of us are not. As I said, it is a vocational aspect and a dream, rather than simply an employment opportunity. We also care greatly about our staff. If you look at the costs of putting staff on during 2020—we do not have the 2021 figures yet—business owners absorbed a lot of the costs and took a hit to their own income. There will be a skills shortage as people move forward. They will leave the sectors that Braddon represents heavily, particularly the hospitality sector. With respect to the mental health impact on both business owners and staff, I do not believe there is any infrastructure that has been prepared for us, going forward. Again, I am not laying any particular blame, but it is not too late for some fine-tuning or a radical remaking of some of the processes around support.

We were told that the ACT would be looking at the experience of New South Wales and the ACT experiences from 2020, and that things would be fine. But it simply has not been. So while there is no blame, and we are in unprecedented times, as we keep being told, I really believe that some lessons are not being learnt, and that frustration and anger are now spilling over into something that has gone from support for government—broader government; not just the Labor-Greens government but all bureaucrats et cetera—into a great deal of frustration now, and palpable anger.

I will finish on that note. I have the rest of the written submission. I will hand over to my colleagues. Thank you very much for the opportunity.

**THE CHAIR:** Thank you. We will go to Mr Evans and Ms Seaborn, from the Fyshwick Business Association.

**Mr Evans:** Thanks very much for the opportunity. I do have some opening remarks. Fyshwick has over 1,000 businesses, and 15,500 workers. It is the second biggest economy in the ACT, after the Canberra city. It is a pretty quiet place at the moment,

and we do not want to see that continue.

We have appreciated the ACT government's efforts to prioritise health and safety amongst the ACT community in its response. Fyshwick business have embodied the same approach in their own response, in terms of ensuring the health and safety of their staff, their customers and the wider community.

The Fyshwick Business Association has been at the forefront of promoting vaccination as the way out. We have organised three separate campaigns to encourage people to get vaccinated. Our vaccination rates are amongst the highest in the world. We should be using that to our advantage. We should be using that to ensure that our businesses can lead economic recovery, but for some reason we are not.

We wonder if there is any recognition by the government of the incredible efforts of all of the businesses in Canberra to keep the community safe. With respect to future scenarios, which we know will come, there are some key issues that our members have told us that they believe should be considered by the government, in terms of better management and more clarity around arrangements.

We feel that there should be, firstly, a better alignment with the New South Wales LGAs which are intrinsically tied to the ACT. The MBA covered that, so I will not go further into that. Secondly, a long, hard look needs to be taken at why it is necessary at all to define essential and non-essential business. We believe that all business should be deemed to be essential, provided that they can operate in a COVID-safe way.

We know that the spread of the virus has predominantly occurred from gatherings of people, and particularly within households, and not from transactions with businesses, yet retail businesses remain closed. We encourage the government to share the evidence which says that gyms, swimming pools, hairdressers and nail spas are safer activities than retail outlets.

Allegedly, the intent was to reduce the movement of people around the city, but millions of dollars have been spent by Canberrans on online shopping, which has inevitably generated significantly more traffic around the city, much of it from interstate, and from drivers potentially coming from COVID hotspots because the freight industry is deemed to be an essential industry.

Local businesses are losing millions of dollars in sales to interstate and overseas companies, simply because the ACT government will not let them trade. While some were able to pivot to online, and selling with contactless click and collect, many are not geared up for online sales. They do not have the digital platforms that support sales and the laborious task of remote sales and appointments without sufficient infrastructure. On top of this, they are unable to have more than two staff—or is it five, and now 10 staff—and sufficient infrastructure in their premises to help them. This has left a lot of businesses exhausted.

Click and collect, and now the limited appointments that we have spoken about briefly, will ultimately be a bandaid measure to stop the haemorrhaging. Retail has been utterly flogged throughout this lockdown, and for no evident reason. They are

continuing to be punished now.

We know that the key is to all be COVID-safe, but the government apparently does not trust business to be able to be responsible. Restrictions on worker numbers mean businesses cannot meet the demand that is being generated. It makes no sense to restrict larger businesses on staff numbers when they have much bigger premises in which to spread them out.

Since social distancing is a primary practice to resist COVID, capacity limits should be used instead of caps. Businesses cannot afford to be closed through contacts being isolated. People are going to visit businesses while they are sick, and workers are going to get sick. The businesses have to be allowed to stay open.

Earlier on in the lockdown, we suggested that businesses be allowed to operate using contactless trade. This was introduced sometime later. But, in the future as a starting point for any lockdown, all businesses should be able to continue to trade if they can do so in a COVID-safe manner.

As we face the hard task of economic recovery, the government has a further responsibility when considering government contracts, both small and large, to use local suppliers. The system that is supposed to drive this practice is in place, but it is just a tick-box exercise at the moment when it comes to getting quotations. It is not working on the ground, and it cannot work; small and local suppliers cannot hope to match the majors' buying power.

We would like to see the government building in stronger procurement requirements to use local suppliers who can deliver products and services more quickly, although at a slightly higher price, as well as being able to have a local provider available for any service or warranty issues.

The notional lifting of the lockdown tomorrow will mean very little to our businesses in Fyshwick because they still cannot operate properly. Ironically, that message has not got through to the public, and our members are being bombarded with inquiries. There is still an opportunity for easing between now and those dates, as we have spoken about. We would like to see the government allow business to fully reopen if they can do so in a COVID-safe way.

We would like the government to share some of their modelling, based on what they are seeing in terms of the spreads, and look at it through a business lens, as to how we can continue to operate, while minimising the public health risk.

We are not an island. We must not go into another lockdown planning to discriminate against ACT businesses and rolling out that welcome mat for interstate and overseas suppliers. We need to look at what others have done and try not to reinvent the wheel.

The government could give businesses a real post-lockdown kickstart by reducing commercial rates, which have been crippling for both landholders and commercial tenants that they lease to. The commercial rates in the ACT are now 5.64 per cent per annum. The government has a higher net return on commercial landowners' land than the owners themselves. In a post-lockdown environment, the government could easily

give the sector a real boost by reducing commercial rates.

In the immediate future we need to clarify what is going to happen around 29 October, when retail can finally open. The point is that, to manage COVID in the future, we cannot continue to pick winners and create losers from our public health decisions, as we have done in the latest COVID response. We must learn to manage COVID effectively and make it easier for businesses to be COVID-safe so that they can continue to keep their doors open. We need better education, better support, better materials and better communication. We will put up our hands and contribute to assisting the government to do that better in whatever way we can.

It is encouraging that our businesses have been invited to participate today in this inquiry. Last year's pandemic response inquiry failed to engage with business in any significant way. Perhaps if it had done so, this year's response to the Delta outbreak would not have lacked the insight and the understanding needed to help businesses to survive this lockdown. We recognise that those present were not on that committee, and we hope that this hearing will contribute to a much greater understanding of the challenges that businesses face and the range of options and solutions available next time.

I would like to mention that the minister for business, Tara Cheyne, in her efforts to prosecute our business case, was quite active. Clearly, she was not able to get anything through the cabinet. I would like to welcome any questions at the appropriate time.

**THE CHAIR:** Thank you, Mr Evans. We will go to Mr Romano.

**Mr Romano:** Thank you for having me here today, along with my fellow business colleagues. Fundamentally, with respect to where we are at in the ACT, there is a non-understanding of business by government. All of us business traders have met with the government, with Ms Cheyne and with bureaucrats, and most of us have been quite shocked by the way we have been treated, basically with the assumption of guilt and fraud before the assumption of innocence. We had multiple complaints from members, certainly in terms of grants, where they said that certain cases did not have enough information, then they were accepted anyway. So there is a fundamental misunderstanding there.

There are a few things that I want to mention briefly before I pass over to Mr Adam. Fundamentally, we have to get away from this concept that we are so reliant on the federal government to support our businesses. Our ACT government has its own budget of several billion dollars with which it can support business. That budget of several billion dollars is, in part, funded by the GST revenue from businesses. When those businesses do not trade, when those businesses do not have the turnover, that GST revenue does not exist. Certainly, our businesses are hoping for and expecting some more payments into the future, as New South Wales has done, because 15 October—tomorrow—is a cliff for business. All that the end of lockdown is doing is saying, “Hi. We’re the ACT government. We don’t need to support business anymore.” A few more payments and credits on our electricity bills really will not help us, to be honest.

We have been told by ACT government bureaucrats that payments to support businesses from prior to the ACT's lockdown for certain industries will not be paid until late November. Late November is too late. What will happen is that businesses are going to trade, and they are going to trade broke, basically. This is a terrible thing to say, but businesses will be in a situation where they will not pay their rent for as long as they can; they will not pay their suppliers for as long as they can; they will sell as much of their stock as they can; then they will go broke. They will leave a huge debt with their landlord; they will leave a huge debt with the government; and they will leave a huge debt with their suppliers. That is not good for our community, and that will probably happen around February.

Fundamentally, all of this comes from a lack of understanding of business from the government and from the Assembly, as far as I am aware. Basically, we need an understanding that all of the people giving evidence here today have invested their life in a business. In Canberra, it is pretty easy to get a well-paying job. Instead, we have chosen to take a risk, and most of us are taking below the median income in Canberra. We are not driving Ferraris, although Rob may sell Ferraris at some stage; I do not know.

We are at breaking point. I have had several business owners come to me over this period who are suicidal, upset and frustrated with government. The fact is that the government have said that they do not matter, their business does not matter, they are not listening to them and they are calling them fraudsters. Frankly, I was frustrated that the program was called a grants program, because it was a business welfare payment. The ACT government did not ask people who were in bad situations to prove that they were in a bad situation before they provided food or accommodation, so why should they have asked businesses, "Are you in a bad position?" The government knew that businesses were closed.

There was also another failure within the government to collate information from businesses. Businesses have had to provide the ACT government with the same information probably 70 or 80 times, not through this process but in every interaction with government. The government has not once collated that information, put it together and said, "We're going to keep this to make this as easy as possible for you."

The government has now had a push regarding outdoor dining, but tomorrow we will open up and none of that will really be in place. We have been going through some stuff in Manuka, and none of that is in place because of the red tape that is there. Most of that outdoor dining stuff will not be in place until after 30 October, because of the red tape. That is not good enough, because businesses want to open tomorrow. Instead, they can't because it is not viable for them to open tomorrow.

We have some of the highest wages in the world and, because of that, you can't just open the doors, lose money and bleed money. Businesses do not have cash in the bank. Most of the 40 grand that was received in ACT government business support is long gone by now.

The other thing that we have had some complaints about from businesses is that we have now seen a new little trend in online businesses appearing—mainly people working from home who have a primary income and who are now opening new

businesses online. Most of them do not understand requirements. Certainly, in the food sector, they are setting up food businesses without permits and things like that. It is a real spit in the face to businesses with fixed costs which cannot operate out of their fixed premises because they have to pay rates, rent et cetera.

On Rob's point about rates, it is also crazy that the ACT government charges nine per cent interest on late rates. The RBA cash rate is 0.1 per cent, and the ACT government is charging nine per cent interest. That is nuts.

Finally, business is so essential to our community. Forty per cent of people in the ACT are employed by small businesses. It is not something that we can forget. If we want to be a vibrant city and if we want to attract investment, we need nightclubs, bars and restaurants. We need parliament to sit, because parliament provides a lot of income into our economy. We need Canberra to come back to its full capacity. We need it to open up. We are at 98 per cent vaccination. Our casual staff who are university students are begging to come back to work, because next week they will have no income.

**THE CHAIR:** Thank you, Mr Romano. We will go to Mr Adam.

**Mr Adam:** Thanks for the opportunity to speak today, and thanks to my colleagues that have spoken before. You have actually taken up some of the stuff that I need to say, which is great. I am representing the Phillip Business Community, and I am also representing the fitness, martial arts and movement industries, and people have asked me to speak on their behalf as well.

I do not believe that we should be discussing JobKeeper or any federal matters in this committee hearing, and I was a bit affronted that that was raised. Going back to the lockdown last year, after the 2020 election I approached government. I have personally spoken to government many times since the last election, particularly to the business minister, about the need for support for last year's lockdown and any future lockdown that would occur.

In late 2020 I was advised, "Business grants will never happen, Tom." In early 2020 I met with the business minister again to discuss the matter. In June 2020 I wrote an email to the minister outlining my concerns that something needed to be in place if a lockdown should happen again, and I did not get any decent response.

In August, the week of the lockdown being called, the Chief Minister was specifically asked at the state of the territory address about what actions would be taken to support business during the lockdown. The question was not answered.

In March 2020 there were 285 businesses in Phillip. As of today, I could not give you an exact figure, but there are a lot more empty businesses around.

During the current lockdown, which we are still in—and we will still be in it until the end of November, regardless of what is being said—with the exception of one comment from the Chief Health Officer, all of the Chief Minister's comments about business have focused on noncompliance, and issues with grant payments being slowed down were dismissed as "incomplete applications". The members that I have

spoken to within our own community, and within the fitness and martial arts businesses, have supplied everything that has been required, but there has been a lack of understanding by the grants team. The grants team have acknowledged how difficult it was. They have also acknowledged that they had not engaged with business groups such as ours to discuss how these particular requests would be made.

In fact, today I spoke to another business who applied on 15 September, and late yesterday received an email asking for further information for their application, but it was not detailed what that information was. When they followed the steps regarding how to do it, there was no information requiring them to do it. A phone call was received on a blocked number and a message left, with no way for them to be contacted; they would call back. The person is quite distressed. Even in 2020 they were kicked out of their building by their landlord—and I will come back to that.

What I want to raise here, for the members here, and for the public servants, is that you have all received full wages through the entire lockdown, both last year and this year. You have been able to access leave, sick leave and other support payments within your own organisation—COVID leave and such. None of the small business owners that are here today have access to those funds.

I have been on 50 per cent income since March 2020. I have focused all of the additional funds that I have made in my business on employing additional staff. All of the growth that I made in the months between the two lockdowns has been completely wiped out in this lockdown. Currently, in a business that usually generates half a million dollars, I am 60 per cent down on revenue for this month. That does not even cover overheads. Even with the \$20,000 that we received the other day, two-thirds of that has gone on paying PAYG and BAS payments back to the federal government.

What is not considered in this is the chicken-and-egg approach to us having to move out of lockdown. One of the concerns is that I need staff to prepare to open up, but I cannot afford to pay my staff, who are either not connected to the business at the moment or they are on reduced hours. I have the burden of working additional hours, unpaid, to make sure that my business is able to open tomorrow—in a completely different capacity to what I am able to do, because the only way that I can survive in my business for the next weeks is to completely change my business model. That is something that I would never be able to ask government to do—to completely change what you do for six months, six weeks or any short period. It would simply not be done, and it would be dragged out.

I cannot afford to do that. Tomorrow, instead of being a martial arts business, I will be a gym, for two weeks. That is unacceptable for a small business. There is undue stress for me. As of 3 o'clock, which is right now, I have already worked 50 hours since 8 am on Monday, to make sure that my business is ready for tomorrow. That takes a toll on my family and my wife.

I would like to finish by saying that it is not really an end to the lockdown. We are calling it “lockdown lite”. Businesses will still have to generate income, but we cannot generate new income. Particularly in the fitness and martial arts businesses, we cannot generate the new income, which is generally about 25 per cent of our income, and that pays a lot of things like owners’ wages. It will be difficult to do.

The hardship grants will not substantially help our businesses, anyway. Most of the grants, I repeat, have gone to paying PAYG, BAS and super payments for our staff, because we have a legal requirement to pay those bills. We have no objection to doing that, and we have no objection to the health requirements, but it leaves us with very little at the end of this program to be able even to sustain keeping the businesses going and to fight through until the end of the year.

I will not go into the details of the two letters that I have sent. I sent a letter to the Chief Minister on 17 September and another letter on Monday. I have submitted those to the committee for review. They talk about the need, particularly for businesses in our industry, to continue to get support right through to the end of the year, as the economic conditions will not bounce back, as some members here have mentioned, because our businesses typically slow down during the Christmas period.

One thing that is not mentioned anywhere, with respect to comparing with other states, is that no capacity has been provided from the ACT government for microbusinesses and businesses that did not quite hit the 30 per cent, who are desperately in need of additional funding.

One thing that I raised after the last lockdown has been raised again during this lockdown, and it will need to be raised again. Regardless of the fact that there is a business commissioner in place, and the issues that people have faced in dealing with that commissioner, there are many landlords within the ACT who are not acting in good faith to make sure that small businesses continue to trade and that their rents are reduced.

I have heard many stories of landlords threatening to sue tenants, commercial tenants, if they fail to pay all of the rent back in full. They have provided no discount. They have threatened to lock them out of their businesses and all of their livelihoods. There is one particular court case in situ right now where a landlord is trying to sue a previous tenant for \$250,000 of end-of-lease payments, even though he kicked them out during the last lockdown. How is it conscionable that the commissioner said that the business had to negotiate with him in good faith if he is refusing to do so? As I am under privilege, this is the gentleman who owns the shopping centre in the new suburbs to the west, and who is still fighting with the ACT government about not having a tenant after all these years.

I look forward to some of the questions, but I will not be answering any questions about JobKeeper; I can tell you that.

**THE CHAIR:** Thank you, Mr Adam. Ms Orr will ask the first question.

**MS ORR:** I would like to note the staying power of Mr Evans and Mr Adam. I think they were here before most of the committee members, and have participated in quite a few hearings. I would like to acknowledge that for the record; it is quite a good effort. It is great to hear from you. As you said, you did not appear before the last committee. I was not on the committee, so I was not aware of that. It is good to hear your voices today.

I have a number of questions. Can you clarify for me what input you have had to date? Also, how can we better approach the feedback and the experience that you have as business managers, and small and medium business managers, and interpret the health requirements to meet those?

**Mr Watt:** A big duck egg. There has certainly been some interest from the media, who have spoken to a couple of members. But in terms of putting processes in place, in terms of grants and other things, absolutely zero. One of the things that we were very hopeful about this year was that we were assured that, based on the experience of last year, and looking at the experience across the border in New South Wales, who are a few weeks ahead of us in terms of problems, things would be right to go. We should probably not have made any assumptions that they would be. Anyway, to make a long story short, it is nil.

**MS ORR:** You have all said that this still has to be ongoing—that there will be a longer tail here for business, and that the reopening is not just going to happen on 15 October. I am looking for that constructive bit that we can do so that we do not end up in this continuous, circular thing where we are all unhappy. I do not think anyone wants to—

**Mr Watt:** I will not pretend to speak for everybody. I think it is a bit of a Venn diagram. Every business precinct has its own particular interests. We are a bit more hospitality heavy. Again, there is a mixed view. Some business owners would like to operate at full capacity with only vaccinated people. There has been pushback from others saying, “We don’t want to be the police.” The fact is that businesspeople have been the police throughout the last 18 months, with respect to asking people to check in. Officials are very quick to jump on them if they have not. That is something I would like to consider. It is not going to receive 100 per cent support. I do not think there is anything I could push forward today that would receive 100 per cent support.

Looking at the short term, that would be a consideration: easing the regulation around appointments only. That is ridiculous. Most of the small businesses—homeware, retail et cetera—rely on foot traffic. If there is a restriction around the number of people per square metre in the venue, that is one thing, but to prevent people from even being able to enter the doorway because they have not made an appointment is ridiculous.

Moving forward, longer term, there is something that is important to Braddon. Even when we were more open earlier in the year—it was across the board—the ACT government still had a large number of people working remotely. That meant that all of that foot traffic—people grabbing coffees and doing those other things that they would normally be doing—was missing, even though they were operating under minimal restrictions. I think the ACT government can also play an immediate role in that regard.

Rob Evans is absolutely right. One of the things we were told was that 100 people were brought in from KPMG, or KPMG helped 100 ACT staff members—whatever the figure was. Why wasn’t a local small business with the same skills engaged to help go through those applications, instead of one of the big four? They are not bleeding for dollars. Local small business people have the skills and the experience. Often they have had that government and bureaucratic experience anyway.

That is an example of things that can be done, going forward, immediately. It is about getting people back to work while operating in a safe way. If we are at 98 per cent plus first vaccination, to use that cliché, it is a pandemic of the unvaccinated. It is going to be reduced significantly.

I will finish on this particular note, with respect to some of the inconsistencies in the health industry. Four mates and I can get together, cough over each other in the park, do a bit of boxing to keep fit, and it is deemed to be safe. But one personal trainer with one client, who has a registered business and a COVID-safe plan, simply because money exchanges hands, has been deemed to be unsafe. Iron out some of those inconsistencies.

The other thing is the gym. Again, I can go in there and sweat all over it. Maybe I will wipe my machine down and maybe I will not. If you come along and use it, that has to be less safe than a yoga or Pilates studio. They operate in their bubble for time; they operate in their bubble for equipment. They have pretty stringent cleaning processes. Tom, I am sure that you operate in a very similar fashion.

I know that no government official or member of the Assembly can think of every possible case and every possible inconsistency. But as they emerge, be more responsive. It is no good saying, “Here’s the plan; we’re rolling it out,” and as people come forward with more information, simply say, “Sorry, too late; maybe next time.” Address them as they arise. There are at least a dozen good things that you can walk away with today, knock on the appropriate door and say, “Make this change. It’s not burdensome. It can help to solve some problems and make life for a few people a bit easier.”

**MS CLAY:** I was running a business during the last lockdown. It was stressful, and this one was worse. So I know you have had a bad run. The only useful question that I can ask is: clearly, the consultation with business did not get to where it needed to go. We spoke to the AHA and Canberra tourism, and they told us there were daily meetings, three-times weekly meetings and monthly meetings that involved the peak industry bodies. What consultation should happen, if this situation ever arises again, to make sure that other people are involved and that information is getting through?

**Mr Romano:** Ms Clay, thank you for the question. I am a member of another government advisory council; although I do not appear in any capacity for that, I do think that it is a good concept. We have been meeting together—these groups. We represent predominantly small businesses. Frankly, Rob’s is probably one of the biggest businesses that would be within these groups.

The reality is that the Canberra Business Chamber, the Hotels Association and the tourism forum do not necessarily represent small businesses. Most of the businesses that you will visit are small businesses. We represent those businesses. When we asked the minister who was consulted about these things, she said, “These associations meet with the Chief Minister.” Those associations represent Canberra Airport, KPMG and the multinational banks. They do not represent Grease Monkey, Belluci’s or businesses that we would all know well. It just does not happen.

With consultation, there needs to be a forum where peak small business groups, such as us, have a direct voice in to government. At the end of the day, while the Business Chamber may represent 1,000 big businesses in Canberra, no small business is paying \$350, \$500 or \$1,000 a year to be a member of the Canberra Business Chamber.

I want to raise two small points as well. Something that this committee could look at and advise government on is the current square metreage rules. If any of you came with a partner and a child to my small business, you could not sit at the same table because of the square metreage rules.

I have also had some complaints from contractors about the grants. There is a misunderstanding in the bureaucracy about employment. A business is a legal entity, and individuals themselves are separate from that business. With the definition of an employing business, if you are an employee of that business taking a wage, other than a dividend as a shareholder or a director's fee, you are an employee. I think that is something that needs to be communicated to government. The business has an ABN within itself. Legally, it is its own entity.

Finally, I will leave you with this answer. The job of a politician is to make decisions. Something that was raised in a meeting with the minister really concerned me, as someone who fundamentally understands politics quite well. The job of a politician is to make a decision. The job of a politician is to sit at the desk you are sitting at, take all the information in front of you and make a decision. That is what the minister should be doing.

The job of the Chief Health Officer, in my opinion, is not to be making the decisions. The job of the Chief Health Officer is to be passing the information on to government, along with information provided by us, other business groups, other community associations and other experts in their field. The politicians are the ones who should be making the decisions. A comment made by the minister was that the Chief Health Officer has decided this. In my opinion, that is not what we elect you for.

**THE CHAIR:** Thank you. I am really conscious of the time. I want to make sure that Mr Adam and Mr Evans get the chance for a final wrap-up.

**Mr Adam:** The two questions that were raised by Ms Orr and Ms Clay essentially were: what level of consultation has happened and what should happen in the future? I want to point out that the Canberra Business Chamber has a local traders meeting every three months where we raised that. I have actually invited ministers to that.

In my opening statement I outlined the repeated attempts to communicate with ministers and members of the government that I have made from April 2020 to date. Three times this year, I outlined the need. Also, do not forget that we have been trolling you guys via media.

**THE CHAIR:** Thank you; I appreciate that. Mr Evans, do you have a closing statement?

**Mr Evans:** I will keep it very brief. I believe that we have been able to be heard, but there has been no cut-through because there has simply been no trust in this

community. If there had been trust in the business community, you would allow us to get on with our business, you would allow us to trade, and help us through economic recovery. We can do that in a COVID-safe way. No-one wants to do anything that will put us in danger. Not one business would do that. We want to be trusted, and we should be trusted. That cut-through is the main thing that is lacking.

**THE CHAIR:** Mr Watt, do you have one final thing to say?

**Mr Watt:** In my submission I have included survey results from the Braddon precinct for 2020 and 2021. I think all members will find those very useful. They address loss of revenue, staffing numbers and a range of thoughts around responses to COVID. I hope that also informs your work.

**THE CHAIR:** Thank you very much. Apologies to Ms Castley and Dr Paterson. I did not get to ask a question either, but I am conscious of the time. On behalf of the committee, thank you very much, Mr Watt, Mr Evans, Mr Romano, Ms Seaborn and Mr Adam, for coming along today to give evidence. It will be very helpful to the committee. The secretary will provide you with a copy of the proof transcript, and you can check it for accuracy. No-one took a question on notice.

On behalf of the committee, I would like to thank all witnesses that have given evidence today, at the third public hearing of this select committee. The hearing is adjourned.

**The committee adjourned at 3.17 pm.**