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**PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON MONDAY 26 OCTOBER 2020.**

## **INQUIRY INTO THE TASMANIAN GOVERNMENT'S RESPONSE TO COVID-19**

**The Honourable SARAH COURTNEY MP**, MINISTER FOR SMALL BUSINESS, HOSPITALITY AND EVENTS WAS CALLED AND EXAMINED. **Mr KIM EVANS**, SECRETARY, DEPARTMENT OF STATE GROWTH WAS CALLED, MADE THE STATUTORY DECLARATION AND EXAMINED.

**CHAIR (Mr Dean)** - Welcome. In opening the meeting, we are all known to one another. I don't think we need to have introductions.

It's a public meeting. It's online and will be transcribed by Hansard in due course, as well.

Kim, I don't need to explain to you all the privileges that go with this committee. You have been here many times, so I can dispense of that as well.

Minister, we thought this time that we would address, in the first instance, the issue concerning the small grants and the lists that this committee has been seeking. You are well aware of that, over a period of time.

At this stage I ask you for a reason, or the explanations, as to why those lists cannot be provided to the Public Accounts Committee.

**Ms COURTNEY** - Thank you for that, Chair. I appreciate your question. Obviously there has been some correspondence between us on them. I will provide a response and then I am going to ask Kim Evans to further that.

I understand, that in a letter from the Premier to the Chair, this request has been carefully considered with advice from the secretary of the Department of State Growth. As a Minister for the Crown, I completely understand that the grant funds are drawn from taxpayer's money, and I take management and disbursement of public funds very seriously, as does the secretary.

In ordinary circumstances, it is common practice for government to disclose grant recipients in acknowledgment of the fact that providing a grant is expenditure of public money for which the government is reasonably accountable.

But, in this particular circumstance, there is a significant point of difference. Businesses have been under enormous pressure because of the impact of COVID-19-related restrictions on their usual business operations, not to mention individual concerns about their own health and wellbeing, and future livelihood of that of their family, friends, and employees.

All of this has led to an unprecedented level of stress and anxiety, which is why we are rolling out a further mental health support package in small business.

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As we all appreciate, small businesses form a significant and essential part of the Tasmanian economy. Their ongoing viability continues to be a critical factor in the Government's strategies for maintaining the Tasmanian economy in the current crisis, and supporting it to recover rapidly and successfully as restrictions ease. We need to do everything we can to protect jobs and create opportunities for business growth and job creation in the future.

It is the department's strong advice that there is a real potential to cause undue harm through publicly identifying individual grant recipients. I understand, Chair, from conversations with key representative bodies, including the TCCI, that they share that view. This is because publicising the names of applicants and recipients could seriously exacerbate the already high levels of personal stress suffered by business owners and often by their employees and families.

Disclosure of applicant business names could also provide information to each businesses' competitors regarding its likely financial position and this could expose businesses to disadvantage.

The public release of the relevant information would also be likely to expose the identified businesses to public debate as to whether specific businesses deserved the outcome they achieved. Such discussion will be made on limited information and not necessarily be conducted in an objective, impartial or empathetic manner and has the potential to be extremely damaging to business reputations as well as significantly exacerbate the distress being experienced by individuals associated with those businesses.

Conceivably the employees and families of some of the grant program business recipients may not be aware of how much pressure the business is under, or what they found themselves in a position to need a business grant. I think we would all agree that in the circumstances hearing about it for the first time through the media would be highly distressing.

For all of these reasons this information could be expected to have an immediate impact in terms of the individual businesses' current viability, and on the health and wellbeing of the people concerned. It also may have an effect of deterring applicants in respect of future support programs which may be able to assist. I'm sure the secretary would be happy to provide some comments on this.

**CHAIR** - We will go to questions at the end of your comments, Kim.

**Mr EVANS** - Thanks, minister. I reiterate the minister's comments that we do take openness and transparency very seriously. We regularly make public details of grants, but highlight the difference between our normal grant programs whereby people are competing to do something very positive to these hardship and emergency grants whereby people are under absolute distress, they were in an enormous amount of uncertainty, and many of them are still feeling that today.

For the reasons that the minister outlined, we took the view that it was inappropriate to be publicly publicising details of who is in distress and emergency in an emergency. We don't see that that serves the public interest at all.

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To that extent, and I think we've provided you with a copy, the RTI officer in my department who undertook assessments on these same questions came to that considered view having taken account of all of the facts. Her assessment was that it's not in the public interest and also it could be detrimental to the economy of the state to have details of impacted businesses publicised.

**CHAIR** - Thank you. I will go to questions from the committee.

**Ms FORREST** - Thanks, Chair. I hear what you're saying about some of the companies. A couple of things I'd like to ask you to respond to in determining my thoughts on the appropriateness or otherwise of publishing. I would say that the majority of small businesses in the state have had a pretty shared experience in this period. There would be only a small number, or relatively small number, that haven't struggled in some way. Some of the agricultural businesses and things like that have kept going.

We're talking about retail, tourism and those sort of businesses and their experience has been pretty shared. I know things like the vouchers helped the travel, and once we had our outbreak under control in Tassie people started travelling around the state. There were some changes there.

I want you to talk to me a little bit, minister, about whether you believe there is a shared experience, or whether there is a real point of difference here that some businesses within a setting location or an industry have had mixed experiences. Say one tourism business has done well and another hasn't, or similar. Otherwise if everyone's had the same experience then you could argue that they should be public.

I am sure members are the same that it's been quite public in the streets where one company or business has got money and another hasn't. People around town know who the recipients are, but the ones who weren't recipients who felt they were equally as worthy as the business down the street have come to us to indicate their concern about them not being recipients. There is a lot of shared knowledge around who received money and who didn't through the grant process.

With that degree of local knowledge out there I am wondering how that stacks up with the comments that you've made acknowledging the hardship issue that you've identified.

**CHAIR** - I will ask members to keep their questions pretty well right on to questions and not statements, because we are going to run out of time. I can see that and I want to make sure we all get a fair go here.

**Ms COURTNEY** - Thanks for the question. It is a really interesting question. From a high level and from the engagement that we've had with businesses around the state, there has been a lot of diversity both within industries and also within different geographic settings.

It is obvious that some industries have been impacted more. Early on the fishing industry was impacted quite heavily and it still has pressure; and hospitality and tourism. But within each of those industries there was a diversity depending on the business model and then also what the business structure was beforehand. That became apparent with our small business roundtables. A good example might be a business that had only started relatively recently before COVID-19 and therefore wasn't eligible for a lot of federal government wage support

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programs. That would put them at a significantly different circumstance to maybe a similar business across the road. We had a lot of feedback that that also was dependent on what their staffing structures were. So there was an enormous amount of diversity in the impact and the ability of some businesses to be able to respond.

In terms of your question around businesses within a community, and I guess if I step back for a moment and where you are starting your question, there are some businesses that I think are potentially fine to be recognised. They would talk to people about having received a grant, and they have written to me to thank me, or written to a newspaper, or something, but it would be difficult to make that assumption about all of them. There is a great diversity in the hardship within those businesses.

Decisions were made and I am happy for Kim to talk about the decision-making process around grants - that's obviously done at arm's length from me - but decisions were made based on information that was provided by businesses. There might be two businesses in a similar community that may have arguably had similar impact but perhaps had provided different levels of information, or different types of information, that may have impacted outcomes. This is across all grants.

It is also difficult with the clarity of hindsight and full knowledge of a business, decisions were made with the information that was provided to the team within State Growth. I am not sure whether there is anything further you want to add to that, Kim.

**Mr EVANS** - No, not at this point.

**Mr O'BYRNE** - Minister, we are talking about taxpayer's money here. It's very clear in grant programs, both in a positive sense if there's an innovation investment round for example, but also in terms of industry difficulty or industry transition, that a whole range of grant programs are allocated with very clear guidelines of who is eligible and who is not. Ultimately, it is in the public interest, isn't it surely, to say that we have a grant program; we have very clear guidelines; it's taxpayer's money; if people apply for it they apply for it with the full knowledge that it's other people's money, it's taxpayer's money, and accountability must be delivered.

Regarding being transparent around which companies, we are not asking for commercial-in-confidence details. We are asking for the name of the company that received a public taxpayer grant under a grant program with very clear guidelines. Surely that's in the public interest. Regardless of whether people are in industry difficulty, and there are many examples of where there have been reporting and transparent processes around reporting on industry transition, why is this so very different to those?

**Ms COURTNEY** - Thank you for the question, Mr O'Byrne. First of all, I want to clearly state that I take very seriously, as does the department, the spending of the public money. I think, obviously, the Public Accounts Committee has an important role to play in making sure that public money is spent appropriately.

We are talking about a significant - if we look at the broader amount of support. The Premier has outlined on a number of occasions that ours has been one of the greatest - compared to other jurisdictions - social and economic package for our communities. Yes, it needs to be making sure that it is spent appropriately.

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You talk about the public interest. I read into *Hansard* my response. I also strongly believe, and I believe this is the view shared by the department but Kim can talk for himself, that the welfare of those Tasmanians who own those businesses is also in the public interest. I have heard that one of the things that was the most pertinent feedback from the roundtables I had around the state, was the impact on the mental health perspective that COVID-19 has had on businesses. Also, the stress and anxiety, particularly in those first acute couple of months. Anything that adds to that stress and anxiety is not in the public interest.

I also think that we need to ensure from some of the points I raised in terms of a business having, from a competition perspective, we are talking about businesses that were in difficult situations. I don't think that it is appropriate to do anything that would undermine their ability to be sustainable into the future. Kim?

**Mr EVANS** - I can only reiterate those points, minister, and -

**Mr O'BYRNE** - If you are just going to repeat them, I will go to the next question.

**Ms COURTNEY** - I would like the department to speak. This is a view that has been formed by the department.

**Mr EVANS** - We felt very strongly about this -

**CHAIR** - David's position is right. I don't want you to simply reiterate what has already been said. If that is the case, you can simply say that you accept what has been said. Any new information would be welcome.

**Mr EVANS** - Thank you. In undertaking these assessments, it was a very difficult process, as you could possibly imagine. We have never, in the history of this state, rolled out support programs of this magnitude, affecting this number of businesses, in the time that we have. I know that we did an extraordinary job and am very proud of the officers of the department who really rolled their sleeves up and worked, in many cases, seven days a week to do these assessments. The goal here was to get money out the door. We could have stepped back and taken a more measured approach, and taken a lot of time to do the assessments at the end of the process, but it would not have got money out the door. The goal here -

**Ms FORREST** - Can we step through the process?

**Mr O'BYRNE** - I suppose the issue is, no one is underestimating the mental impact on businesses. No one is glossing over that. No one is criticising the Government at this stage, based on the evidence. What we are asking for is level transparency.

My question was, why is this program so different to all the other programs, which could have very similar outcomes, as you suggest, in terms of people, particularly with industry transition, and for some companies being exited out of industries.

The point you make around people being impacted, if they feel that they have been made public, because there is a lack of transparency. There is equally a number of businesses that didn't receive it, who are quite upset that they think people did say they received money from the Government. It is a double-edged sword. Surely, in terms of the guidelines you established,

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in terms of the criteria for this program, that is the defence of your process. It is about transparency, surely?

**Ms COURTNEY** - We are transparent, which is why we are here today. It is also why I have said that we could provide further information in camera, and that has been said by the Premier as well. We are very comfortable to provide that to the committee.

It is appropriate that we are continuing to support these small businesses. These are Tasmanian men and women who have been through the most horrific year in their businesses. I don't want to do anything at all to compound the distress that they've had emotionally and also the potential hardship on their businesses. It is a view that is shared by the secretary of the department. I know there has been an opinion of an RTI officer, but I'll leave that for the RTI officer's views. I believe in transparency, Mr O'Byrne, which is why we are here today to be able to talk about these grants. I think it's important.

**Mr O'BYRNE** - But why is this program different from other programs where, in similar distressing times for businesses, you've reported the Government over many iterations as reported information, why is this grant program so different that this is the exception to the rule?

**Ms COURTNEY** - I'm not going to comment on other grant programs that I was not the minister for. I mean if there are specific grant programs in particular, historically, I'm more than happy to take that on notice. I can't, Mr O'Byrne, provide comments on grant programs that were historic that I'm not involved in. I'm talking about this grant program.

**CHAIR** - The question being asked is why is this different from ones that have been employed previously. If you are not aware of any that's been employed previously in this area, I can understand your answer. If you are, then perhaps you might be able to answer the question.

**Ms COURTNEY** - I became Minister for Small Business, Hospitality and Events at the beginning of the year. Obviously, these are some of the first grants I have administered as that minister. In terms of what's changed, Mr O'Byrne, the speed and ferocity of COVID-19. There has never been a circumstance that has impacted small businesses or big businesses across Tasmania like this. It took many businesses by surprise. I would argue very strongly that the circumstances around when these grant programs were stood up and, indeed, subsequent grant programs this year, is in light of something that we couldn't have foreseen at the beginning of the year and I don't think any business could have foreseen. They're very different circumstances that are facing these businesses when they have come to Government seeking support.

**CHAIR** - David, I'll allow just one question then I need to go to Josh and the other members.

**Mr O'BYRNE** - No one's denying the enormity of the circumstances the Government, the parliament, the people of Tasmania, faced over the last nine months. The question is, there are other - and you are saying the justification for not releasing the names of people who have accessed taxpayer funds is that it may cause them harm. There are many other programs which governments have issued over many years which are in similar circumstances where the very

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justification you say for not providing this information was deemed irrelevant and the information was provided because it's taxpayer funds. Why is this different?

**Ms COURTNEY** - As I said, Mr O'Byrne, you're talking about specific grant programs in the past -

**Mr O'BYRNE** - It's a matter of principle, though.

**Ms COURTNEY** - But you are referencing specific grant programs. If you are generalising some grant programs, I am more than happy to take that on notice and provide a written response on that. Mr Evans might have further -

**Mr EVANS** - I'll go back to my earlier point. Typically, the sorts of grant programs that we run are about how we assist businesses to develop, innovate, and create jobs. Rarely do we run programs for businesses in distress and in emergency situations or hardship situations as is the case with hardship grants.

If there are examples where we have released that sort of information for previous grant programs, I would be happy to have a look at it but I'm not aware of any.

**Mr O'BYRNE** - Forest industry transition payouts.

**CHAIR** - I'll go to Josh, John, and get back to you. Sorry about this. I need to get it in line.

**Mr WILLIE** - I'll just make a comment before I ask a question. There's been several references to a decision of a Right to Information officer. The right to information decision is very different from a parliamentary committee. So referencing that as a standard that the committee should abide by is not valid, in my view.

**CHAIR** - Now we'll go to the question.

**Mr WILLIE** - What you're proposing, minister, to keep these successful grant applicants in secret is not best practice, is it?

**Ms COURTNEY** - I am working on the advice that I've been provided by the department.

**Mr WILLIE** - But it's not best practice, is it?

**Ms COURTNEY** - COVID-19 has been an unprecedented situation and the impact that it has had on businesses has been extraordinary, far-reaching and severe. The advice that I have from the department is that this would cause further hardship should these names be released. I concur with the advice that's been provided by the department.

**Mr WILLIE** - It's a very simple question. It's not best practice to keep these successful grant applicants in secret, is it?

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**Ms COURTNEY** - With regards to the practices that the department uses, I take my advice from the department on what is appropriate in any particular circumstance, and this is the advice that I have from the department.

**Mr WILLIE** - It's a simple question, minister.

**CHAIR** - I am just going to call order. The question has now been asked twice and we've had a similar answer. So, Josh, we need to move on if we can.

**Mr WILLIE** - I'll go to the next point. Minister, you'd be aware of the best practices guide for the administration of grants, the Treasury document?

**Ms COURTNEY** - Yes.

**Mr WILLIE** - Yes, so there's a cautionary tale in the conclusion of that. I'll read it to you. It says -

The critical factor to remember when administering grant schemes is that they are funded with public money and the minister and the head of agency are publicly accountable to parliament for the value of money achieved from the allocation of individual grants. Remember that procedures for decision making in agencies are open to public scrutiny. Therefore proper and complete documentation about grant schemes must be carefully retained.

Minister, I will go back to my previous question: it's not best practice to keep these grant applicants in secret, is it?

**Ms COURTNEY** - I don't have a copy of what you're reading from before me at the moment, but you said that the information should be retained. I feel confident that all the information around grants has been retained by the department. The decision around whether or not that should be disclosed publicly, the advice from the department that is not appropriate.

**Mr WILLIE** - So it's not best practice according to the guidelines?

**Ms COURTNEY** - No, it's not according to what you just read into *Hansard*, Mr Willie.

**Mr WILLIE** - Which is taken from a Treasury document around the guidelines of grant applicants.

**Ms COURTNEY** - And you referred to the retention of information within the department.

**Mr WILLIE** - You are happy to pick that part out and say that you're doing that, but you're not happy to address the point around public money and being accountable to parliament.

**Ms COURTNEY** - We are accountable to parliament. We are standing here before the Public Accounts Committee providing answers to questions. I've committed to be able to provide the detail in camera to the committee. So it's quite clear that when the information -

**Mr Willie** - Public scrutiny.



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**Ms COURTNEY** - is available to the committee in camera to scrutinise, it's more important for you, it seems, to try to score political points. This is very disappointing when people's livelihoods -

**Mr Willie** - No, I'm referring to a Treasury document.

**CHAIR** - Thank you. I'm going to rule. We have had sufficient questions on that point and we're getting the same answer. If you have a different question, a different matter, I will hear it.

**Mr TUCKER** - Minister, COVID-19 has been difficult for small and medium businesses. Can you outline how the Liberal Government has supported the sector?

**Ms COURTNEY** - Thank you, Mr Tucker. It is good to be able to talk about the support for small businesses. It's been quite broad and it's important to note -

**CHAIR** - I thought what we would do at this stage is finalise this issue. I can see where you're going to on this issue of the small grants being made public, and we'll come to your question later. Hopefully we'll get the time to do that as a part of the next session. This is to resolve the issue -

**Mr TUCKER** - It seems to me we're going round and round in circles, Chair, down that end of the table.

**CHAIR** - I accept that, but we need to resolve this issue first. I'll come to you first question when we move into the next session.

**Ms FORREST** - I wanted a bit more clarity around the process, minister, that the secretary has referred to a number of times. We need to have a really clear understanding of the process so that we can make some assessments about the effect of the application of the guidelines.

**Ms COURTNEY** - I am very happy for the secretary to provide an outline of that.

**Mr EVANS** - It's important to recognise which scheme we are talking about. There are a number of schemes within the small business support package.

Emergency grants - we opened immediately once an announcement of their availability was made. We had a very low bar to qualify for one of those. There was no hardship measure, for example, in the first round of those grants. I have to say -

**Ms FORREST** - How much were those ones?

**Mr EVANS** - Two and a half thousand. I think they opened at 3 p.m. and by the end of the day, when we had to reconcile the number of approved applicants and authorise the payment of funds, we were somewhere around 800 grants already in those few hours. By the next day 1000 businesses or 800 businesses, or whatever the number was, had received money in their bank accounts. They were genuinely in distress, and they highly valued those monies.

**Ms FORREST** - How did you assess that, if there was no hardship assessment?

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**Mr EVANS** - They had to be from the relevant sectors - the first round of emergency grants related to seafood, hospitality, tourism and accommodation, retail, arts and entertainment, and fitness businesses. If you, or a business, in one of those sectors, you had an ABN number, then we quickly assessed you as meeting the requirements of that grant, and we were able to quickly approve a whole range of grants.

**CHAIR** - Did any of these applicants, where they failed to meet some of the criteria, which is obviously simply an error on their part, asked to resubmit?

**Mr EVANS** - I couldn't tell you for certain, with the emergency grants. A number of businesses failed because they didn't have a valid ABN. We couldn't access through the system, whether you are a valid business or not. We undertook those checks routinely in processing applications.

**Ms FORREST** - Going to the \$4000 grants -

**Mr EVANS** - Just to finish up on the emergency grants. The average time from receipt of application to the payment of a cheque, of funds, was two days. It was a rapidly moving program. We got a lot of money out the door to distressed businesses. All in all, I think we had about 13 298 businesses funded through that program. That is a fairly significant proportion of small businesses in the state.

That program related to businesses in genuine emergency. Highly successful, very well received, and a lot of grateful businesses as a consequence of that.

The Hardship Grant Program was announced at the same time but we needed to work through the guidelines, because for the \$15 000 grants, we knew that with \$20 million available, we could only fund 1353 grants of \$15 000. We had to establish a hardship test. They are in the program guidelines. I don't need to run through with you in great detail, but there was some eligibility criteria. You had to have employed 49 full-time FTEs, or less. You had to meet that hardship test, and provide documentary evidence to support a loss of revenue of greater than 30 percent. You had to have been operating on or before 31 January 2019, and of course, registered for tax purposes. Lastly, you were a majority Tasmanian-owned and operated business.

**Mr O'BYRNE** - Were they in those four sectors. That was broader than the sectors first identified in the two-and-a-half?

**Mr EVANS** - No, it was a broader hardship test. It was up to the applicant to demonstrate the hardship associated with COVID-19.

**CHAIR** - I am not sure if you mentioned it or not. Are we aware of the numbers that missed out, say, in the emergency grant?

**Ms FORREST** - We will go through the criteria of all of them first.

**CHAIR** - I thought you had finished the criteria.

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**Mr EVANS** - To quickly answer that question, what we did was encouraged every business to apply, first, for an emergency grant. Those for the quick roll out, get money in the bank, help distressed businesses -

**Mr O'BYRNE** - That was the \$2500?

**Mr EVANS** - That was the \$2500. With the hardship grants, we opened that program on, I think, about 8 April. We didn't have, at that point, a closing date for those applications. We encouraged everyone to contact Business Tasmania Hotline, or via email. We promoted it very broadly of course. Pretty simple application process for ASMARTI grants but a lot more information required than for the emergency grants.

In terms of the assessment process itself, we received 3995 applications. As I've said before, we could only, with the first \$20 million, fund 1333. So, roughly, two out of three businesses would have missed out on a hardship grant had we continued on that path.

As it's turned out -

**CHAIR** - So, it's fair to say that many applied in both areas.

**Mr EVANS** - Absolutely. Everyone who had a hardship grant also had applied for an emergency grant. Emergency grant was 'get money in their pockets quickly'.

**Ms COURTNEY** - The criteria and the application for the emergency grants was so that we could help those businesses that were in immediate distress and from having talked to some businesses that came an approached me after having received them it was really important. A lot of the working capital and things like that because it happened so quickly that they did not have the ability to make it through for another week. What that did was give them the ability to.

**CHAIR** - Thanks. Have you concluded, Kim?

**Mr EVANS** - Just very briefly. We had to quickly stand up an assessment team. That was very difficult under the circumstances because most people were required to be working from home at that point. We had to develop the assessment material and train the assessors and provide guides with them operating online. We originally stood up a team of 10 assessors. We subsequently had to augment that with another 15 given the unprecedented level of interest in the program.

**Ms FORREST** - Do you have a document that you could provide to the committee that steps through the assessment process?

**Ms COURTNEY** - We don't have one, but I'm happy to take that on notice and provide a written feedback because then the department can look at how they did that but also how additional resourcing was stepped up.

**Ms FORREST** - And the requirements that a company had to meet. How they were assessed. The criteria against which they were assessed.

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**Mr O'BYRNE** - Because those that weren't successful didn't receive information about why they weren't. I'm sure you would have that.

**Ms COURTNEY** - We can take that on notice.

**CHAIR** - Just from that question, if you didn't have a criteria for your staff to work to in the assessment of these grants, how could that have been done fairly and in exactly the same way right throughout these processes? If there was no clear guideline direction on all of these issues that would be considered and -

**Mr EVANS** - No, I think you misunderstood.

**Ms COURTNEY** - I might get Kim to answer that. They were assessed on a competitive as-needs basis. The way that that was used within the department, I am sure the secretary can take that on notice with response to Ruth's question and come back with a description of that. And in terms of also how the additional support within Business Tas was stood up to be able to support that. The team is usually around two-and-a-half FTE and that was bolstered almost 10 times during that period. We can provide the detail of the support that was provided in the department to support that.

**CHAIR** - Thank you. Are there any other issues on this very point that we are discussing at the present time about these grants being made available?

**Ms FORREST** - Can I just ask one question? If there were \$15 000 grants you talked about initially, Kim, but there was also the \$4000 grants, then there was the second round or third round. It depends which way you look at it, I guess, but there was another round sometime later to try to pick up some of those businesses that missed out because they weren't operating at the right time or whatever. Can you just talk about that process?

**Ms COURTNEY** - If it's helpful, because we then stood up after the small business round tables I delivered another \$20 million package that responded to some of the concerns of businesses that weren't eligible because of, say, when they had started their business. There are some elements of that that are continuing to be rolled out at the moment. It might be easiest because there are a range of grants and around business continuity where we've had round one and round two and are doing third rounds with all slightly different criteria to be able to capture the feedback that we have -

**Ms Forrest** - If you put that into a succinct document that would be helpful.

**Ms COURTNEY** - We might put that into a document that might be easier because otherwise it is easy to trip over the number of different rounds.

**CHAIR** - Well done. Thank you for that.

**Mr WILLIE** - Obviously this happened very quickly, as you said, minister, and it impacted business at the time. Now is a very different time. It would be a reasonable expectation, and assumption, that people who are applying for public money would expect that that would be publicly reported upon at a later date. Would you agree with that?

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**Ms COURTNEY** - It depends on the circumstances. I am not going to talk about hypotheticals of new grant rounds. We will always -

**Mr WILLIE** - I am talking about the previous grant round. People applying for those small business grants, at the time, applying for public money, would have a reasonable expectation that there would be some public reporting around that.

**Ms COURTNEY** - To be frank, on the feedback that I have from small businesses, at the time that they were applying for any of these Hardship Grants, the thing that was absolutely front of mind for them was the sheer sustainability of their business for another week. I think that was the most important thing for them at the time. I think that now, the most important thing for their business is making sure that it continues to be sustainable, and that they are looking after their own mental health.

**Mr WILLIE** - I don't disagree with that, but, at the time of applying for public money, you would expect that they would have a reasonable assumption that there would be some public reporting of the grants program.

**Ms COURTNEY** - I am not going to make assumptions about thousands and thousands of Tasmanians who applied for a grant. I am acting on the advice of the department and I think it is appropriate that we support these men and women around Tasmania who have these small businesses and have had the most extraordinarily trying year.

**CHAIR** - Any new questions? If there are no new questions, I will go to David. As long as it is on this point, David, and it relates to this issue of the grants and why they should be made public or not.

**Mr O'BYRNE** - So you've made a number of references and provided subjective opinion around the reasons why government taxpayer money shouldn't be publicly accounted for, and transparent, objectively. You have given some reasons why some people may be concerned about having their name printed. A whole range of businesses approached us, who believe, in terms of it is really important for the good name of business in Tasmania, that there is a transparency around taxpayer funds, transferred from government to the private sector, that that is transparent.

You have given some opinion, and subjective views about why some people may not like that, but we are not talking about what people like, we are talking about transparency. Can you give me one objective reason why this is not in the public interest, that taxpayers dollars are accounted for, where they go?

**Ms COURTNEY** - An objective reason is the engagement that we have had with the TCCI -

**Mr O'BYRNE** - So the Chamber of Commerce?

**Ms COURTNEY** - who represents small businesses. You are talking about engagement with small businesses. My understanding, also, is of the view that this would cause significant, undue hardship on these men and women. I take that very seriously. I have, as no doubt, I am sure many of you have sat down and spoken to businesses that have been through the most horrific year. The toll that is continuing to have on these businesses, I take very seriously.

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I am not going to proactively do something that further undermines their mental health or their potential business sustainability.

I have come to this meeting openly, and I am happy to provide the information in camera for the committee, so you can scrutinise it.

**CHAIR** - Thank you, minister. I think, unless it is new, we need to move on.

**Mr O'BYRNE** - I suppose the question is, then, are you creating a precedent for this Government that you will make a decision based on subjective views about whether you report on publicly funded and attributed grant programs? Is this now setting a precedent? Because this is the first time.

**Ms COURTNEY** - I reject the premise of the question, Mr O'Byrne. I have answered this question, and the question previous to it, with regards to the grant rounds that we have seen with COVID-19. COVID-19 has been an extraordinary event -

**Mr O'BYRNE** - No one is denying that. No one is saying that this is -

**CHAIR** - I will call order. We have been through this. I don't think we are going to go through it again, at this stage.

I just have the one question on this, and then we need to make a decision here.

Those that missed out in relation to the emergency grants, and then the hardship grants, minister, were they notified of the reasons as to why they missed out on their applications? Was there any conversation around that?

**Ms COURTNEY** - Yes, I am happy for Kim to provide the feedback. Any feedback to grant recipients was led by the department, not my office.

**Mr EVANS** - With the emergency grants, the only businesses that missed out were those that just genuinely didn't qualify because they weren't a registered business so there was no issue there with notifications.

My understanding with the hardship grants is that initially businesses were notified that they were successful or not. There were a number who were aggrieved at not receiving a grant, bearing in mind the percentage of people who were unhappy was a small percentage of those who had applied given -

**CHAIR** - Do you have those figures, or can you take that on notice?

**Mr EVANS** - I have all of those figures.

**CHAIR** - Just those of how many were in the aggrieved issue. How many received grants and how many didn't. If we could have those figures.

**Mr EVANS** - What I can say is that there were 3995 small business hardship grant applications. We funded 2870 with a total funding allocation of \$26.11 million, so 72 per cent of people who had applied for a hardship grant were successful. We issued within that -

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**Ms FORREST** - The unsuccessful ones weren't eligible, or did the money run out?

**Mr EVANS** - Some weren't eligible, also the money did run out. It was a finite pool.

**Ms FORREST** - Do you have a breakdown of that? How many of the 28 per cent were not eligible? Do we know how many?

**Mr EVANS** - I don't have that here, but we can get that.

**Ms FORREST** - Can we get that?

**Ms COURTNEY** - We can get that on notice.

**CHAIR** - That is, would have received the money had it been there.

**Ms FORREST** - Either those who were ineligible, or those who missed out.

**Ms COURTNEY** - Also, the various grants that we've had including the hardship and, correct me if I'm wrong, Kim, were assessed competitively. That was outlined in the guidelines, that they were competitive grants.

**CHAIR** - We will write to you on these questions and make it fairly clear as well from the *Hansard* and the way the questions were asked.

**Ms FORREST** - Just another thing on that, Mr Chair.

**CHAIR** - Just another point on this and then we need to move in and to make a decision.

**Ms FORREST** - With the percentage of the 28 per cent who missed out because the money ran out, there was another round after that, wasn't there, for \$4000? I thought there was a \$5000 round because there were some businesses that came to me about that.

**Mr EVANS** - I'm happy to explain. We had -

**Ms COURTNEY** - That was a separate thing more recently that I can go to in a moment.

**Mr EVANS** - We had the \$15 000 grants. They would have supported 1333 or 1330. The Government supplemented that with the second \$20 million package; \$6.11 million of that went towards the hardship grants. Other parts went to the emergency grants.

What we did was we took stock at that point. We had funded \$20 million worth of \$15 000 grants. We had a whole series of mostly micro, smaller businesses with FTE's of less than four that were eligible. So rather than a small number of those getting \$15 000, we decided that we would allocate all of them \$4000. So that's the way it worked.

**Ms FORREST** - So the \$5000 ones, because some of these weren't eligible because of their period of operation or whatever, so what -

**Ms COURTNEY** - That was the next round that we did based on the feedback from the small business round tables and they're the ones -

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**Ms FORREST** - We don't have the details of the \$5000 grant recipients. Not even the summary detail, I don't believe.

**Ms COURTNEY** - How long ago did we provide that information to you? They're relatively recent.

**Ms FORREST** - It was 5 August 2020.

**Ms COURTNEY** - No, they've been in the market relatively recently, so we can provide an update.

**Ms FORREST** - Can we get an update for the \$5000 grants.

**Ms COURTNEY** - Yes, and on that we can also the package the additional \$20 million package that we did around sustainability and recovery post the round tables. We can provide a summary of how that's been acquitted so far, because that money is still being provided to businesses in a range of different areas.

**Ms FORREST** - We need some updated figures.

**Ms COURTNEY** - Yes, I can provide an update, so that's just out of date.

**Mr EVANS** - I can give you a very high-level summary of that.

**CHAIR** - You can provide it to us, if you don't mind, in written form.

**Mr O'BYRNE** - Minister, you referred to competitive, as needed basis. How can it be that? Surely it's either a competitive round where all applicants are compared against each other in terms of their need, or is it as needed, or when they first come in? First come first served sort of principle. How can it be both? It really can't be because you are not comparing them fairly, are you?

**Ms COURTNEY** - With regards to what I said before it's from the guidelines: applications will be competitively assessed on an as-needs basis at the discretion of the Department of State Growth. With regards to the mechanism of how that happened, I think we've already taken that on notice from Ms Forrest. The department can describe that more fully about that process.

**Mr O'BYRNE** - Can you explain, and it's been in the public domain in the media, some people are aware of going through the expense of getting accountants to get their documents together, getting in before the close of the grant round only to be told that it's already fully expended and some companies already being paid the money prior to the close of the grant round. You can understand the internal contradiction there, can't you, between being competitive? You either assess them equally or you don't.

**Ms COURTNEY** - With regards to that question, and I will preface the answer with the comments by the Premier at the time and I believe me as well, was around the fact that we wanted to provide these hardship grants into those businesses as quickly as possible because there was a significant amount of need.



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At the time that the applications closed, it was only a small under that had already been paid. The small number that had been paid had been paid according to, and I'm sure Kim can speak to this, my understanding the view of the department that those businesses had a particularly high threshold of need and eligibility. So a small proportion was paid early in line with our expectations both in the guidelines as I read before and that was how it was determined by the department. It was only a small proportion.

**CHAIR** - Thank you. At this stage we do need to quickly go in camera just to discuss our position -

**Ms FORREST** - Can I make a point, Mr Chairman. The committee will need to discuss whether we are happy to accept the meeting in camera or not, but that's not a matter for these people.

**CHAIR** - That is right and that's why I was going to ask if I could ask you just to leave the room if you don't mind for a very short period because John has a question and I need to get that question before we get to two o'clock, minister.

**Mr O'BYRNE** - Can I suggest an alternative path forward here? We have until two o'clock. We can defer our consideration until after the two o'clock. I understand you have a meeting to go to. Can we finish this line of questioning and then park that for a discussion after two o'clock?

**CHAIR** - I think it's a very wise suggestion, David. We'll certainly progress in that way. So if we can push that to the side, minister, and we'll now move into your area of small business, hospitality and events. I am going to go to John at the end of the table.

**Mr TUCKER** - Thank you, Chair. Minister, COVID-19 has been difficult for some small businesses. Can you outline how the Liberal Government has supported the sector considering that you've already discussed a few of those support mechanisms following on from that question with Ruth earlier.

**Ms COURTNEY** - Thank you. I appreciate the question and I am conscious of time so I'll keep it very brief.

We have talked a lot today about some of the big grant schemes that have been stood up but the important thing in terms of support for small business was the breadth of the type of support that was provided and it was provided across a lot of different ministers.

We provided funding to the regional chambers of commerce to be able to help them help their small communities. We know that the regional chambers of commerce have a very strong relationship with their small businesses and often know which businesses are in the greatest need. So that was provided to those small businesses and we did a lot of engagement with those small businesses.

We have also seen a step up in engagement with the enterprise centres around Tasmania. We have provided support through our critical airfreight industry, which was important particularly for some of our sensitive seafoods. I know how it is important that they get to market on time.

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We had taxi licence fee waivers; support for the cultural and creative arts industries; waiver of road component of motor tax and vehicle registration fees; targeted small business grant programs for apprenticeships; rapid response skills initiatives for individuals to gain skills or licences; rapid response skills matching service; funding to the TCCI, the small business council, the THA, Rural Financial Counselling Services; primary health care grant programs to support our GPs and our pharmacists; licence fee relief for fisheries; waiver of rent for private commercial tenants of some government properties; and waivers on water and electricity bills, and some freezes.

There was a range of support, and I think the breadth of it shows how responsive the Government was trying to be. We knew that any single initiative did not necessarily help all businesses within a sector, or all businesses that are impacted. We tried to work with broadly different businesses and their specific needs. It is important to also, in closing, because I am conscious of time -

**CHAIR** - Answer his question fully, minister. We have to call you back.

**Ms COURTNEY** - That's fine. Is also the fact that we are continuing to engage with these businesses. There were some that were impacted very acutely at the beginning, that were in need of some of these emergency and hardship supports. Some of those businesses are now back to trading at similar levels to COVID-19. There are also businesses that continue to be severely impacted, and we saw, I think it was only last week, or the week before, that we announced the support for those critical businesses that support the events industry, as well. We know that they have been particularly impacted as we come into this summer period.

I want to assure you and the local members around this table, that we stay very engaged with these businesses because we know that the recovery from COVID-19 is going to be uneven across the economy. I am really pleased that some businesses have been able to get into a position where they can be sustainable. For those businesses and sectors that are impacted, we will continue to work with them.

**Mr TUCKER** - You talked about engagement with the business sector. What sort of engagement has occurred with those businesses?

**Ms COURTNEY** - We've done a lot of business engagement. It was 11 March that we did our first industry round table. I remember the meeting. It was upstairs in this building. It was probably the last face-to-face meeting that we had with industry for many, many months. From that very first round table about how we would all work together with COVID-19, there has been extensive engagement. Personally, I have had a number of meetings with all the regional chambers of commerce, particularly during those acute phases, to make sure they were kept abreast of what the Government was doing, so that they could inform their members.

I have had engagement with my federal colleagues about it, to make sure that we have federal policies that support our businesses here. I have also hosted a range of regional business forums around the state. They were particularly insightful into how we framed up the next support package for those businesses, and how we could make sure that we were continuing to listen to businesses, because it is a challenging time.

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Since those forums, I have also continued with extensive engagement with the regional chambers of commerce. Obviously, many individual businesses, but I won't go into those, because they were often one-on-one meetings.

Also, a lot of engagement with local government as well, because for many communities, particularly ones without a chamber of commerce, the local government plays a really strong role in supporting businesses and disseminating information. That is part of the most recent support package, specifically making sure that we are providing information to regional areas, and those areas that don't have access to the Internet.

Chair, I am just conscious that the secretary has quite a hard deadline of 2 o'clock.

**CHAIR** - If that is the case, then we should draw this to an end at this stage, rather than proceed. It would seem, minister, we will certainly need you back in your role as the Minister for Small Business, Hospitality and Events. There are a lot of questions that we would like to ask you in relation to this matter.

**Ms COURTNEY** - May I ask, in that portfolio area because it has small business, hospitality and events and we have different areas of department and my office supporting that, and happy to come back across all three, but I just want to make sure that I have the right support people here because they are quite different staff beneath Kim Evans.

**CHAIR** - We will notify you of that, minister, and that will be a matter for the committee. I envisage that perhaps it might be across all three areas but we will notify you of that when we make contact and determine where we're going to go.

Thank you very much for your attendance today. I know you're on that very busy time line. We appreciate it very much. Thank you for the way you've answered your questions and we will make a determination on the other issue. No doubt we'll come back to you on that in due course.

**Ms COURTNEY** - Absolutely fine and thank you. Before we very quickly finish I place on the record my thanks to the Business Tasmania team. I didn't have the opportunity for an opening statement and they worked incredibly hard in a really difficult position at a time supporting businesses that were under an enormous amount of stress. I place on the public record my thanks to their team.

**CHAIR** - Thank you and we will give you the opportunity to do that when you come back next time, an opening statement on those areas.

**Ms COURTNEY** - No, that's fine and we'll do those ones on notice as well if they can be written to us.

**CHAIR** - Thank you and we'll write to you on those as I said.

**THE WITNESSES WITHDREW.**