

PUBLIC

PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON MONDAY, 29 JUNE 2020

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

THE HONOURABLE **PETER GUTWEIN**, PREMIER AND TREASURER, WAS CALLED, **Mr TONY FERRALL**, SECRETARY, DEPARTMENT OF TREASURY AND FINANCE, AND **Mr ANDREW FINCH**, PREMIER'S CHIEF OF STAFF, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - I do not think we need introductions around the table to members. We are all well-known to one another.

Today's process is being broadcast. We are on the air now. It is a public hearing. Parliamentary privilege applies to these hearings while you are here. I believe you are aware of that. Outside of here, it is a different thing. Hansard will be recording.

This is the beginning of our hearings in relation to COVID-19 and the terms of reference are clear. I believe you all will have seen our terms of reference and we will stick to that as best we can. We are programmed until 10.30 a.m. We were hoping to get a longer period, but I think you are okay until 10.30 a.m, Premier. Is that right?

Mr GUTWEIN - Yes.

CHAIR - I thank you very much for that. I now go to you, Premier, for an opening statement to the committee in relation to this matter and the terms of reference.

Mr GUTWEIN - Chair, thank you. Whilst both Mr Ferrall and Mr Finch have taken the oath, I indicate for Hansard that Tony Ferrall is the Secretary of Treasury, and Andrew Finch is my Chief of Staff.

CHAIR - Before we start, I thought we might take questions on your way through, if you don't mind? I think you will get the opening statement. It might be wise to get that through, but if there are any interruptions during that, would that impact on you in any way, Premier?

Mr GUTWEIN - Through the opening statement?

CHAIR - Yes. If there are any critical issues, but we will try to let you get through the opening statement.

Mr GUTWEIN - If there are matters that bear further inspection during the brief opening statement I am going to make, I am happy to answer questions.

Chair, as I have indicated publicly, I welcome the PAC inquiry into the Government's economic and health expenditure responses to the COVID-19 pandemic, and the opportunity to discuss with the committee my Government's actions to deal with this pandemic.

I understand today that you are interested in knowing more about the \$150 million appropriation into Finance General to meet the costs associated with the Government's response; that was included in the Appropriation (Supplementary Appropriation for 2019-20) Bill 2020.

PUBLIC

The Tasmanian Government responded to the COVID-19 pandemic quickly and decisively, putting the health and wellbeing of Tasmanians as its first priority. I want to say that Tasmanians have done a fantastic job in helping to stop the spread of coronavirus, helping the state to become COVID-free, as it was on 12 June 2020, and enabling the early easing of restrictions.

I want to make the point very clearly to all Tasmanians that this isn't over yet. Anybody that is keeping an eye on what is happening around the world would understand that the challenges are still in front of us. Victoria has some significant matters to deal with at the moment.

The Government's social and economic support measures announced during the response plans are of a scale that haven't been seen before in the history of this state. This included two comprehensive social and economic support packages totalling around \$1 billion in value aimed at health-related services and support, as well as business assistance, loans, programs and support for individuals and households.

There is no doubt that COVID-19 has been hard on the economy, hard on businesses, hard on jobs, and hard on individuals and families. As the focus now moves from response to recovery it is important the Government provides clear directions and support for Tasmanian businesses and employees to assist in rebuilding our economy. As a state we will overcome the economic impact of coronavirus by focusing on the strengths that exist within industries that underpin our economy.

As announced on 4 June 2020, the Tasmanian Government will support the economy with a record construction blitz over two years, underpinning an estimated 15 000 jobs. The 2019-20 revised Estimates reports show that the Government already had a record \$3.7 billion infrastructure investment program over four years. The newly announced package builds on the Government's existing investment funding of \$1.8 billion over the 2020-21 and 2021-22 years, to support an estimated construction value of \$3.1 billion over the next two years. The centrepiece of the package will see delivery of approximately 2300 new dwellings, including social and affordable houses, across the state.

The package brings forward Government expenditure, stimulates investment in the private sector, and is expected to strengthen and underpin the economy, as well as create thousands of jobs. It also secures and fast-tracks projects across community infrastructure, roads, irrigation and other essential infrastructure, as well as supporting local government. The package is broadly disbursed around the state and will see construction activity occurring in every local government area.

This effort will also be supported by the important work of the Premier's Economic and Social Recovery Advisory Council, which will provide advice to the Government on strategies and initiatives in the short-, medium- and longer-term recovery from the COVID-19 pandemic. I expect its first report in the coming weeks.

While we are here today to focus on economic- and health-related expenditure and response to the COVID-19 pandemic, I would like to take the opportunity to also outline the public reporting over the remainder of the year. These reports will provide further information relating to actions the Government is taking and the associated financial impacts.

On 14 August, the Government will publish the preliminary outcomes report, providing another economic and fiscal update. By 31 October, the Treasurer's annual financial report for 2019-20 will be published. On 12 November, I will bring down the 2020-21 Budget, which will contain the usual

PUBLIC

budget and forward Estimates and associated budget papers. The Budget will also consider and respond to the recommendations at that time from PESRAC.

We will keep the community informed of the Government's actions. These reports will continue to provide transparency and accountability that the Government has already shown, and will ensure that information is available for public review. The Government is constantly working to identify and support appropriate initiatives to get our economy back on track and help businesses to recover from the pandemic.

With that, I am happy to take your questions.

CHAIR - On the reports coming in from the chair, Mr Challen, will they be tabled and in the parliament process?

Mr GUTWEIN - I intend to make those reports public.

Ms FORREST - The first one is only the first step, though.

CHAIR - If I could ask you to speak into the microphone. Joan finds it a bit tough to pick up on what is being said. If you could do that I would appreciate it.

Mr GUTWEIN - You are absolutely right. There will be three reports that I am expecting. One will be some early initiatives and their initial thinking, which I expect could be available later this week, but I would expect probably next week. There will be a second report. I think the timing of that will be towards the end of September. That will be their interim report. Obviously that will enable us to begin the framing of the Budget in November. Then a final report, which will be released early next year.

Ms FORREST - On that, Chair, I have been looking at the information available on the website about the process. There will be opportunity for public input in stage 2 and stage 3, that is correct?

Mr GUTWEIN - Absolutely.

Ms FORREST - Once the first report that you are expecting soon is out, then we will see opportunities for the public to have an input?

Mr GUTWEIN - Absolutely. I have not been back to their website since the early announcement, but I thought that they had outlined there that in stage 2 and stage 3 public input would be available.

Ms FORREST - I just wanted to clarify it for here.

Mr GUTWEIN - Absolutely.

CHAIR - Is there anything else on the report? Nothing else on that? You will receive the report. You will obviously need time to look at it. What is the time of tabling?

Ms FORREST - Public release that needs to be on. We are not sitting until August.

CHAIR - From the time you receive the reports?

PUBLIC

Mr GUTWEIN - Obviously it will depend on how much detail is in the reports. I would like at least 24 hours to be able to get my mind around it.

CHAIR - Just a reasonable time.

Mr GUTWEIN - My expectation would be as soon as I can reasonably release those reports, I will.

CHAIR - Sure. If you were going to hold on to them for three or four months that might take a lot away from them.

Mr GUTWEIN - No, I won't be doing that. My intention would be to make them publicly available at the earliest opportunity.

CHAIR - Thank you for that. Are there any other questions on the reporting? I will open it up.

Mr O'BYRNE - Premier, the work the committee will be undertaking is of intense public interest. There have been a number of proposals for inquiries through the parliamentary process which you haven't supported. Clearly the powers of this committee and our ability to investigate a whole range of matters is crucially important for the Tasmanian community.

You've previously not produced documents for this committee that the committee has requested. Is that still your position that you will pick and choose which documents you'll allow this committee to see, or to be presented to this committee?

Mr GUTWEIN - I've always acted lawfully in front of this committee. Any documents that this committee has requested that I haven't provided has been because of the advice I've received in terms of those documents.

The one that you're asking about is obviously a letter which an RTI officer deemed was Cabinet-in-Confidence and on that basis I did not release that letter. As we work our way through this, if there are matters of Cabinet-in-Confidence and I am advised that those confidence should be kept then obviously I wouldn't release them. My intention would be to provide all information that I am lawfully required to do so.

Mr O'BYRNE - Is that a blanket rule? If there is any view that you form that it is Cabinet-in-Confidence we won't be able to get access to that information?

Mr GUTWEIN - I didn't form that view. An RTI officer formed that view under the law.

Mr O'BYRNE - But that is the line that you have drawn. If we seek information from you about this and you have advice that it is Cabinet-in-Confidence you won't have that presented to this committee?

Mr GUTWEIN - If there is information that the committee is seeking I will do my very best to ensure that I can provide the information that the committee is looking to receive, but if I am advised those matters should remain confidential then obviously I am bound to accept that advice.

PUBLIC

Mr O'BYRNE - Under the committee's powers there is a whole range of forms in which we can receive information and evidence. That's been clearly explained to you when the incident around - and it was before my time on this committee - but from what I've read surely if the committee has formed the view that this information is of importance to our deliberations, given the nature of this inquiry you would assist the committee in their work?

Mr GUTWEIN - I have just made the point that I will do my very best to assist the committee. I will be reasonable through this. As we take steps forward, should there be a matter that we need to discuss in the context of what you raise then let's discuss the circumstances around that then. I am not going to deal with hypotheticals now. My intention is to work with the committee and to provide what information I can to ensure that the committee is able to deliberate fully on these matters. If there are matters that I am advised that are Cabinet-in-Confidence then that will be a matter for discussion at that time.

Mr O'BYRNE - Just a point of clarification, is it a line you're drawing on that; if you have the advice that it's Cabinet-in-Confidence you won't present it or you will? Just to clarify.

Mr GUTWEIN - The position of the Government in the past has been clear: Cabinet-in-Confidence matters haven't been raised with committees. With this, depending on the circumstances, we will look at those matters as we move forward. My intention would be to follow the law as I have done in the past.

CHAIR - Thank you. I think we've covered that point.

Ms FORREST - I would like to go over the terms of reference if I might, Treasurer.

We received a briefing from you in May about where we are at. For this committee, could you go through the decision-making process regarding the economic stimulus that was provided, and there has been more than one. Can you give us an outline of how the decisions were made, how particular buckets of money, for want of a better word, were provided to different sectors? Is there any update since that briefing, including the expenditure of the \$150 million that was part of the supplementary appropriation that you mentioned in your opening statement?

Mr GUTWEIN - Regarding the \$150 million, there is a lot of information we can work through. I can provide some indicative numbers of outcomes and spending to date but tomorrow is the end of the financial year. It would be my intention to provide, in regard to all the line items we were spending prior to the public reporting, to this committee a line item analysis of where spending has occurred, if that suits.

Ms FORREST - In relation to the \$150 million?

Mr GUTWEIN - In regards to the \$150 million and each of the individual measures included in that. I am more than happy to do that. I have brought with me a draft today that gives some broad numbers in health spending. They will change a little bit as the updates at the end of the month of May have been updated weekly. Obviously as we get to the end of the year there will be some final movements of accounts in different line items. I'm happy to provide you with that.

Ms FORREST - It would be interesting to look at the health expenditure but I want to focus on the first term of reference initially and go back to my first question about the process and the

prioritisation and the decision-making process about the stimulus funding. Where it was to go and the intended outcome.

Mr GUTWEIN - I think it's clear to everybody around the country, most governments started with an initial, if I can call it, social and economic package. As matters progressed and it became more apparent that there was going to be significant impact on our broader economy and health system, there was a need for a second package. In some states and territories, they might have even moved to a third, depending on what they did in packages one and two.

The first package was developed earlier in the year prior to when the full extent of the economic impact was understood and before the necessary significant actions we had to take in closing down businesses and entire sections of the economy. There was a process within Cabinet undertaken for both package one and package two. The ministers considered those industry and community sector areas that required support. Suggestions and ideas in consultation with their departments were raised. Treasury and the Minister for Finance and myself then considered those matters and we provided a final update to the Cabinet of the package we would be bringing forward.

If you compare it to a normal budget process, this was a long way from what you would consider to be the normal process of putting together a budget. Time frames were much shorter; there was a need to act quickly. The packages that were brought forward, while on one hand some would argue that they were sufficient, others might argue they were not broad enough. What we did was based on the information we had at the time and our understanding of what was occurring in our economy and also our community. With advice we put the packages together.

Ms FORREST - At any point, Treasurer, did you engage with the Minister for Women and run a gendered lens over the consideration of any of these measures in terms of the gendered impact?

Mr GUTWEIN - The package brought significant funding in the community sector in relation to additional funding for family violence and sexual assault. The most recent response that we have made with the construction package is based on advice at a federal level and from our Treasury that construction tends to be one area that if you invest in it lifts aggregate demand. That therefore increases spending and demand across the broader economy and supports jobs in a range of sectors regardless of gender.

Those sorts of considerations were taken into account. As part of our discussions, the Minister for Health and the Minister for Women was front and centre in those discussions.

Ms FORREST - So if I ask the Minister for Women in budget Estimates this year about the role she played in this particular aspect, not in Health, but in the role of Minister for Women - you would have to accept would you not that the majority of unemployment that's been created through this is predominantly women and young people? Do you dispute that?

Mr GUTWEIN - I understand that women and young people have been impacted. I think the last two ABS reports we've received on unemployment though would indicate that it's about a 50-50 share between men and women.

Ms FORREST - In terms of participation as well as numbers? You have to look at the true picture.

Mr GUTWEIN - In terms of jobs lost, it's around a 50-50 share.

Ms FORREST - What about participation?

Mr GUTWEIN - With participation there has been impact. In many cases a number of industries, especially in the tourism and hospitality sector, where a lot of women work -

Ms FORREST - And retail.

Mr GUTWEIN - And retail, have been affected significantly. I will use retail as an example. To strengthen retail you need to strengthen the spend. One of the very strong messages we've received both through the National Cabinet and through the discussions I've had with Treasury is that if you invest in the construction sector, which has a long supply chain, that increases aggregate demand across a range of industry sectors and therefore will support additional spending in our community.

Ms FORREST - Just going to the timeliness of the economic stimulus, we've had two packages to date. In your view, Treasurer, have they hit the mark in terms of being timely? How have you measured that, if you agree?

Mr GUTWEIN - In terms of the experience that we're having, we are still in the midst of that experience. The most significant impact on our broader economy I think has been the lifting of restrictions. That has brought people back to work sooner than what was originally expected.

Spare a thought for where we were at the start of this. The Prime Minister's statements are a very good guide for that. In March, a six-month period was being considered as the period our economy, or certain parts of our economy, would be locked down. That was the intention for JobSeeker and JobKeeper programs at that time.

We are actually in a vastly different position to what most people thought that we would be at this time of the cycle. I want to caution both our community and this committee, you only have to look at what's occurred in Victoria and some of the steps they are now being forced to take and also around the world and the impacts of second waves to understand that you shouldn't get too far ahead of yourself.

Ms FORREST - I agree.

CHAIR - I don't want to interrupt your train of thought and where you are going, but I have a number of other questions.

Ms FORREST - As long as we come back to the health expenditure the Treasurer spoke of. I am happy to go to David, but I want to come back to that.

CHAIR - I have one question. Was the decision-making process impacted by what was happening in the federal sphere? The State Controller, the Director of Health, the Treasury would all have been involved in that process, in the decisions you were making and having to make very quickly, and then going back to Cabinet and a roundtable discussion within Cabinet before those decisions were being implemented? Is that a fair summation of how the decision making process took place?

Mr GUTWEIN - We've been meeting, broadly speaking, with the State Emergency Controller and the Health Controller on a daily basis through this. When this became very challenging, which

PUBLIC

was late February and through into March, on a daily basis there would have been any number of meetings with both the relevant secretaries, the State Controller, Cath Morgan-Wicks, the head of Health.

Regarding the Government's response, you form a picture through those discussions and interactions on the type of support that you should be bringing forward in packages. The National Cabinet was taking a lead with the premiers and first ministers formulating and agreeing to the stages that we would work towards. Those matters were being taken at a national level. Where possible and in the early days, I was speaking to my Cabinet in the lead-up to those meetings, understanding what would be on the agenda and then discussing with them very quickly afterwards what had occurred. Then the Government was making decisions.

I do not think any premier or first minister, or any group of premiers and first ministers, have ever been asked to make decisions as quickly and in real time as we were at the start of this.

CHAIR - Included in that decision-making process, to take our first point, were the organisations and the people that would have been impacted by those decisions involved in that decision-making process as well, including your colleagues, other state premiers? Were you consulting closely with them as you were going through this?

Mr GUTWEIN - Early in the piece I was speaking with my national colleagues two to three times per week. The process of National Cabinet was usually being conducted on a Sunday late afternoon, following by Tuesday and Thursday, depending on what was in front of us. As we are beginning to move out of this process we have moved about a month ago into weekly, and we are on fortnightly meeting schedules.

In the last week I have spoken to the Premier of Western Australia privately on a couple of occasions. I have been in contact with and had discussions with the Premiers of Victoria and South Australia. These discussions are continuing, and so they should. Everyone is dealing with the same problem and has the same level of challenges, so we should be interacting and understanding how they are dealing with matters in their jurisdiction.

CHAIR - Thank you.

Mr WILLIE - I am keen to establish a time line of events, Premier, and go back to the early days. When were you first formally briefed on the COVID-19 situation? Who was involved in those briefings? I know you set up an interdepartmental committee. Could you talk us through some of the thinking of Government at that time and give us some of the dates around when those things happened?

Mr GUTWEIN - I won't pull dates out of my mind today. I will take it on notice and I am happy to provide you with a time line. In terms of the interdepartmental committee, my recollection is that it was the weekend of Festivale.

Mr Finch - Festivale weekend - 22 February? Does that sound right?

Ms Forrest - Usually the middle of February, Festivale.

Mr WILLIE - What about yourself, Premier? When were you first briefed?

PUBLIC

Mr GUTWEIN - Prior to that we understood there were some challenges. We understood the Chinese situation as that was unfolding. I will provide a time line as to how that rolls out. The first step was to establish the interdepartmental committee. That met for the first time, I think, on the Saturday night of that weekend. The interdepartmental committee then continued. We changed as we stepped into the framework of the State Emergency Act.

Mr WILLIE - Was the interdepartmental committee briefing Cabinet at that stage, or just yourself?

Mr GUTWEIN - They were briefing myself, then I was updating Cabinet. The secretary of DPAC was a key person in the interdepartmental committee.

Mr WILLIE - What were some of the key recommendations for preparation?

Mr GUTWEIN - There were a number of challenges. One was to ensure that we had the capacity to respond in our health system. The challenge that we faced became very apparent when we first had those couple of cases. I think there was one in Launceston and the supermarket case. The key thinking at that time was to ensure that we were prepared, and that we were taking the necessary steps to ensure that our agencies were well positioned should we need to take further action. When we determined that we needed the state emergency framework we were well positioned to move into that in an effective and official way.

Ms FORREST - Was there a trigger, or were there multiple triggers, that kicked the ball off on the state of emergency process?

Mr GUTWEIN - I would need to look back at the advice, other than to say that it was a very rapidly evolving situation. I think all of us became aware very quickly that this was incredibly serious for both the state and for the country, unlike any of us had ever seen before. So we stepped into that very quickly through the state emergency framework, then the development and establishment of the National Cabinet early in the piece.

Ms FORREST - Was the public health emergency declared before the state of emergency? I can't remember, it is a bit of a blur.

Mr GUTWEIN - It was. There was graduated step-in from both a state of alert in terms of the state of emergency legislation, but then also the public health alert, I think, was the right terminology. I will get those and provide a time line.

Ms FORREST - Including all those steps?

Mr GUTWEIN - In terms of the graduated steps that we took.

CHAIR - The matters you take on notice, the secretary will make a record of those. We will make contact with you in written form.

Mr GUTWEIN - I am very happy to provide a time line and the decision points as we worked our way through that. Today I have come prepared to speak about \$150 million-worth of expenditure, but I am happy to provide that information too.

PUBLIC

CHAIR - As long as it fits within the terms of reference, Premier, we will talk about it. Just to clear this point, before we get back to you, Josh, sorry.

Mr O'BYRNE - In terms of the decision-making infrastructure, for want of a better way to describe it, you have the interdepartmental committees, you have stood up the state emergency committee, then you have Cabinet. I understand the National Cabinet relationship. But could you talk through the areas of decision making at those three levels, and the relationship between those? Obviously, heading into the health response, which is a massive impact on the Budget, and the economic response, those three committees will obviously be working hand in hand. Could you just describe that decision-making process?

Mr GUTWEIN - There is a fourth committee process which you have not raised. That is the Ministerial Committee on Emergency Management, MCEN, which is stood up under the State Emergency Act. That has been -

Mr O'BYRNE - Who is on that?

Mr GUTWEIN - We have Darren Hine, State Health Commander, the Director of Public Health. The Cabinet receives a briefing, as a standing item, each day that Cabinet sits.

In terms of the decision making, all the key people are around the table. Obviously some decisions are the responsibility of the Director of Public Health. The Director of Public Health has a statutory role. The State Health Commander has a statutory role as well. Likewise does the State Emergency Management Controller, Darren Hine.

I have never been more comfortable with a group of people working together and being prepared to share information, their thinking on why a decision needed to be made and, importantly, their resolve in some of the more difficult decisions as to why those steps needed to be taken.

Regarding the process, all the key people were at the table for the key decisions as they were taken, and they were informed by the advice that was formulated within each of those individual areas. For example, with the public health response, Dr Veitch and the public health officials would prepare that advice. They would consult with the State Health Controller. Those matters would then be brought to the attention of the State Controller and decisions were ultimately made.

Mr O'BYRNE - Were all four of those committees working together? They were basically up and running by the end of February. Would that be right?

Mr GUTWEIN - I will provide you with a time line of when all of those committees were put in place and the staging of the steps into both the public health emergency and the state emergency, so that you have clarity.

Mr WILLIE - Regarding the time line, we are talking about health expenditure and that is where I was leading into, which is part of the terms of reference.

Mr GUTWEIN - I am more than happy to provide those necessary dates and stagings.

Mr WILLIE - I have more questions on some of those key issues in the public domain regarding health expenditure. I am happy for the Premier to take these on notice, if needed.

PUBLIC

Testing was restricted in the early days. I am keen to know when the first testing kits were ordered, and what quantity was ordered? What was the total funding?

When was the first COVID-19-related PPE order made? What was ordered, and how much funding was provided, and were subsequent orders made?

CHAIR - Are you able to answer those questions as we go through or not?

Mr GUTWEIN - Not to the level of detail, but I am happy to take those of notice if you place them on notice.

Mr WILLIE - I will keep going. What resources were provided to the three regional hospitals for COVID-19-related staff training? Who undertook the training?

Ms FORREST - You might need a time frame around that one? The front-end training as well as the back-end training.

Mr WILLIE - Yes. What did the training focus on? When did the training occur?

What date were additional ventilators ordered to prepare for COVID-19 patients? How many were ordered? What funding was provided, and are these currently being used in the hospital system for other patients?

If all of those can be taken on notice it would be appreciated.

Mr GUTWEIN - I am happy to take those questions on notice and provide a response.

Ms FORREST - I am not sure of the level of detail you can provide here, but when both North West Regional and North West Private hospitals were shut down, there were deep cleans done of both. I am interested in the costs associated with the cleans and the disposal of quite a bit of equipment, supplies and consumables, which I imagine ended up on the tip somewhere. So the cost of that and the cost of the deep clean of the North West Private hospital?

Mr GUTWEIN - Can I take those on notice? I don't have a breakdown of those matters to the level of detail that you are looking for here that I can find.

Ms FORREST - I will put that one on notice. What modelling has been done in relation to the forward-looking costs of health? We know that there is going to be, probably forever, but certainly in the more medium term, a greater awareness of the need for additional supplies. Things go out of date; drugs and even the packet of gauze goes out of date. What modelling has been done around the need and the impact on the health budget with those matters?

Mr GUTWEIN - That would be a better question for the State Health Controller to answer, as opposed to me. The Secretary of Treasury has just mentioned that modelling and understanding is being sought through the budget process now. The difficulty is this is a very dynamic situation, which you are well aware of. We are in a position that at the moment is a very good position and one that we've arrived at collectively as a country much sooner than what anybody first expected. I am more than happy to have the State Health Controller provide you with those details.

Ms FORREST - There will be other questions for her.

PUBLIC

Regarding the cost of the deep clean of the North West Private Hospital, not being a hospital normally controlled by the state, we'll get the figures later but who is responsible for meeting that cost?

Mr GUTWEIN - The Government signed a national partnership agreement with the federal government whereby all COVID-19 related expenditure outside the National Health Reform Agreement would be shared on a 50-50 basis. Some costs were met by the Commonwealth 100 per cent, depending on what their involvement might have been, but I think, and correct me if I'm wrong, the broad number would be about \$82 million spent in total -

Ms FORREST - On both?

Mr GUTWEIN - Sorry, about \$82 million for the health response outside of the National Health Reform Agreement. Broadly speaking \$78.6 million of that is eligible for funding under the NPA -

Ms FORREST - Which is 50 per cent?

Mr GUTWEIN - Which is 50-50, but there are some matters in that that the Commonwealth will take a higher level of funding responsibility for. For example, I think with nursing homes and any linkages there. Those matters are currently being worked through.

Ms FORREST - When the AUSMAT team came in, how were they funded?

Mr GUTWEIN - If necessary through the NPA. My understanding is they would be a standing item of the federal government so I am presuming they already had a budget. If there were any costs that needed to be met then my understanding is they would be captured under the NPA.

Ms FORREST - At 50 per cent of the additional cost.

Mr GUTWEIN - The AUSMAT team, as was understood at the time, is a standing item of the federal government's architecture, if that makes sense, and so regarding salaries and obviously defence salaries, those matters were already budgeted for. What additional costs if any fall under the NPA would be a matter for the state health fund.

Ms FORREST - So the 50 per cent of the cost of the North West Private Hospital deep clean will that be met by the North West Private Hospital or Healthe Care, or is the state stumping up for that?

Mr GUTWEIN - My understanding is that will be met under the NPA, 50-50 between the state -

Ms FORREST - But who pays the 50 that is not covered by the Commonwealth?

Mr GUTWEIN - I imagine it would be the state. But in terms of the National Partnership Agreement, the State Health Controller would be the applicable person to explain what is captured and what's not.

There may be some things that there is a responsibility for the private hospital to meet, there are others in the way that National Partnership Agreement was struck with private hospitals, or with

the private hospital sector across the country, that may see the federal government meeting some of those costs.

Ms FORREST - For the record, can you describe the decision making and rationale behind taking over the private hospital? We don't normally take over private hospitals, do we?

Mr GUTWEIN - No, we don't. Across the country under the NPA there was agreement reached with the private hospital sector that their capacity would be available to the public sector, should we require it. Those discussions were entered into at a national level, not just with the North West Private but with private hospitals around the country so their capacity could be utilised to assist.

Ms FORREST - Wasn't that to be on a contracted basis rather than taking over the whole site?

Mr GUTWEIN - The broader agreement was that private sector hospitals would be available to the public sector to support the COVID-19 response. That was dealt with at a national level and signed off with all the states and with the private hospital sector. Regarding the North West Private, that decision was made by the State Health Controller on advice, as I understand it, from Public Health at the time. I think it was Easter Saturday the decision was made to close the two hospitals and it was announced, from memory, Easter Sunday morning. The decision to take over the private hospital was made on the preceding Thursday. From recollection from Easter Friday we were managing the private hospital in the north.

The State Health Controller will be able to provide the committee with the necessary detail.

Ms FORREST - I should have looked this up myself, Treasurer, but is the National Partnership Agreement public?

Mr GUTWEIN - Yes, it is.

Mr O'BYRNE - On the north-west, obviously having the military roll into town was a big deal. Could you talk us through how that decision was made, why that decision was made? You may have touched on it in terms of the funding, but I am not sure if you were specific about it, but what is the funding arrangement between the state and the federal government in relation to the use of the military for the deep clean and taking over of the hospitals?

Mr GUTWEIN - As I have indicated, we have the National Partnership Agreement which meets COVID-19-related costs on a 50-50 basis. The salaries and the costs of the established military personnel is already part of the federal budget. We will not be reimbursing military salaries, I would not expect.

It was made perfectly clear early on at National Cabinet that should a state require additional assistance, the ADF would be available. At the time the ADF response for the north-west occurred, we already had around 30, possibly 40, ADF members provided to the state, as they were to every state, working with us tracing and tracking, and at our telecentre. We already had boots on the ground at that time in Tasmania. The ADF response was a tailored response in terms of the AUSMAT response. I had a discussion with the Prime Minister about our need for that assistance, which he willingly gave.

Mr O'BYRNE - You mentioned you are not paying salaries, but are there any costs - logistics, transport, accommodation?

Mr GUTWEIN - As I have just indicated to Ms Forrest, I will have the State Health Controller provide the committee with that detail, where the NPA fits or doesn't fit.

Mr O'BYRNE - There are a couple of questions on the north-west outbreak, which was the biggest source of not only concern but ongoing costs for the Government.

The interim report on the outbreak exposed a series of issues with our preparedness. Factors that enhanced person-to-person transmission in the setting; there were staff attending and continuing to work while experiencing respiratory symptoms; workplace activities such as regular staff gatherings with people in confined spaces; shortcomings in infection-control practices; incomplete or delayed identification of close contacts of confirmed COVID-19 cases for immediate isolation; high levels of staff mobility between different healthcare facilities; transfer of undiagnosed infectious or incubating patients.

It opened up a range of issues with the north-west outbreak and that occurred over the last week of March and through the first two weeks of April.

Given we heard earlier about all the briefings and the establishment of the various committees and the risk preparedness, that report opens up a series of questions about the work done in the previous six to eight weeks in preparing for COVID-19?

Mr GUTWEIN - In terms of providing a detailed response to that, I would refer the committee to the State Health Controller. They are best placed to provide the necessary detail that the committee is seeking.

As Premier, I received ongoing briefings on our preparedness. To say that I was surprised at the outbreak in the north-west and the challenges that then occurred and were highlighted through that report, would not be an understatement.

I make this point, and Daniel Andrews made it very well yesterday: the nature of this disease is that it is extraordinarily contagious. He made the point yesterday that one of the root causes of the outbreak in Victoria at the moment is that a guest at one of the government facilities may have shared a cigarette lighter with a security guard. That might be one of the key starting points. This is an insidious, highly infectious disease.

As I made the point when the interim report was raised, we have to look for learnings, but I don't believe that we should be looking for blame here. My view would be that every health worker in the north-west was going to work wanting to do the right thing. Unfortunately this got away from us.

Mr O'BYRNE - Two more questions on this. The first case of COVID-19 at the North West Regional Hospital was on 26 March. The first staff contractions were on 3 April. The decision to escalate to level 4 did not occur until 10 April. That is some time after that. Why was that decision not made earlier, given the level of expected spread at that time? Can you talk me through the briefings that you received?

Mr GUTWEIN - Those decisions regarding escalation are made on the best health advice that we have at that time. They are questions that you should probably rightly put to the health experts, both the Director of Public Health and the State Health Controller. I have taken the view through this that we would always follow health advice. Regarding their thinking and considerations around these matters, they are questions that more rightly should be put to the people who were providing that advice.

Mr O'BYRNE - You are right. I did take on point your comment about not blaming anyone. Obviously this is a complex environment that we are all working in. Workers were working in a really hard environment. They were working hard, and quite rightly they have been acknowledged around the state and around the country as doing amazing work in the toughest of circumstances. I notice on record you said we are not blaming. But the Prime Minister, on the radio, accused -

Mr GUTWEIN - It is interesting that you would go there.

Mr O'BYRNE - It is a legitimate issue. This issue has been raised by health workers on the north-west coast as a matter of concern. They are working at the front, doing an amazing job and responding to what is a massive risk. The Prime Minister went on radio and accused a north-west coast health worker of lying. How did he get that information? How did he form that view when everyone else was saying we are not blaming anyone?

Mr GUTWEIN - As I said at the time, I am not going to engage in the politics of that. The Prime Minister said what he said. It is unfortunate. As I said at the time, I am not going to engage in those sorts of political machinations.

We got on with the job. Quite rightly, while it was a very difficult set of circumstances on the north-west coast for individuals, patients, and for those who were managing the health system at the time, it has been acknowledged that the response from the Government, and the actions that we took at that time provided for an exemplary outcome.

Regarding comments that were made, I would even go as far, because you might even ask about Brendan Murphy's comments -

Mr O'BYRNE - No, I was not going to touch on that.

Mr GUTWEIN - He commented on a rumour, which, at the time, likewise, caused some public discourse.

Ms Forrest - It caused a lot of pain for the staff up there.

Mr GUTWEIN - Public discourse and discontent. As I said at the time, I was not going to engage in those matters. We were getting on with the job, and that is what we did.

Mr O'BYRNE - I suppose the challenge is, Premier, and this is not playing politics; this is just understanding how the Prime Minister of the country could go on radio in Hobart and accuse a Tasmanian worker of lying. That's a very serious accusation. That's not about politics. That's either a breach of trust or it's a breach of information. How did he form that view? How did he get that information to say on radio that a health care worker in Tasmania lied and therefore that created a massive spread of COVID-19 in the cluster? That's a serious issue.

PUBLIC

Mr GUTWEIN - I have said what I have said publicly on that and that's what I'm going to say.

Mr Willie - You did speak to him the night before though, didn't you?

Mr GUTWEIN - I am not going to go into the Prime Minister's thought processes on why he said what he said. Ultimately it was said and we moved on. We got on with the job.

Mr O'BYRNE - Did you talk to him about this issue?

Mr GUTWEIN - I am not going into the circumstances. Why the Prime Minister said what he said is a matter for him.

Mr O'BYRNE - Well, Mark Veitch has been on record saying that he and his office did not brief the Prime Minister on these matters. How did the PM get this information?

Mr GUTWEIN - As I have said, I'm not going to go into the circumstances. It was unfortunate that what was said was said but we've got on with matters since then.

Mr O'BYRNE - Unfortunately, the perception is, Premier, that the information came from the Tasmanian Government. Is that the reality? Did you inform the Prime Minister of this?

Mr GUTWEIN - I am not going to go into the matter of what the Prime Minister said or didn't say on radio -

Mr O'BYRNE - No, he did say it. He didn't not say it; he absolutely said it.

Mr GUTWEIN - And I've been quite clear on that matter. I am not going to get involved in the politics of that.

Mr O'BYRNE - It's not about politics. The perception is, Premier -

Mr GUTWEIN - Well, I've just said it was unfortunate what was said. It shouldn't have been said, but it was. That is unfortunate.

Mr O'BYRNE - So the perception is, Premier -

CHAIR - We have gone down that path. I'm not sure that it fits into our terms of reference either. I will allow you to ask one further question to clear your point if you can.

Mr O'BYRNE - The issue is that until this question is answered the perception is, reality or not, truth or not, that the State Government briefed the Prime Minister on this, and he felt comfortable in the knowledge that he could publicly disparage health care workers on the north-west coast. Unless the Premier wants to clear that up, I think that's a live issue.

Mr GUTWEIN - I've said all I want to say on that matter.

Mr WILLIE - Premier, you confirmed previously that you spoke to the Prime Minister the night before that interview. Is that correct?

Mr GUTWEIN - Are talking about what I've said today?

PUBLIC

Mr WILLIE - No, previously you said that you spoke to the Prime Minister the night before he went on radio to make those statements.

Mr GUTWEIN - I honestly can't recall if I said that. I'm regularly in touch with the Prime Minister.

CHAIR - Joan, did you have any questions? I don't want to leave you out.

Mrs RYLAH - One of the challenges we face, Premier - I want to move away from the issues of time lines - is the ability to get people back into work. The challenge with that, as I'm hearing in the community and from businesses, is that many people are not applying for jobs when they are advertised because these people are remaining on JobKeeper and JobSeeker at this time. It's a serious issue for gearing up our economy, and getting the jobs and money moving, and getting people back into work. Can you provide any advice as to what the issue is and what the time line is from the federal government's point of view to readjusting their package?

Mr GUTWEIN - My understanding is that the federal government, as it was legislatively required to do so under JobKeeper, is finalising its review of the JobKeeper arrangements. I think the federal Treasurer is due to provide an economic update later in July. I don't know whether or not that is when they will announce their view on JobKeeper or JobSeeker. There has been some public discourse on that over the weekend.

Regarding JobKeeper, I have heard from some employers that they are finding it difficult to encourage people back to work, especially casuals who would normally have worked fewer hours than the JobKeeper payment is currently providing them. Those matters will be discussed by the federal government through its review and they will look to take steps. The other premiers and first ministers and I have made it clear that, in our view, the circumstances of those industry sectors that have been most affected, the tourism and hospitality sector, would be one that stands out especially in relation to our international borders, should be taken into account with any changes to JobKeeper and an extension of that scheme for some period of time would be sensible.

Mrs RYLAH - Could I clarify that the feedback I was getting was in retail and in hairdressing that are often gender heavy in the female workforce. That's where they were having great difficulty. I also had feedback from real estate agents being unable to fill roles. It is broad but it is very much in our retail sector and [inaudible].

CHAIR - The Premier has noted that, Joan, thank you.

Mr TUCKER - Tasmania has a very vulnerable population. Our aged Tasmanians have one of the older age groups throughout Australia. How was this taken into account with decisions? Was this taken into account with the decisions that have been made?

Mr GUTWEIN - Yes, it certainly was. I have said publicly on many occasions that front and foremost in our thinking was the fact that we did have an older and more vulnerable population. As I've said, one that is older but also one that has underlying health risks. With decision making, that was always part of our thinking. In fact, it was one of the reasons why in the way we managed our aged care facilities we stayed with relatively stricter rules longer than other states and territories did. We thought that was important.

PUBLIC

It was also why decisions, which I know that community found difficult, for example, not being able to go to a shack, were made. Many of our regional and rural locations, especially our seaside locations, generally have older populations. The view was taken that we should try to limit the amount of movement to those communities. I know that was difficult for a lot of people, especially over the Easter period. I believe, on balance, it was the right decision to make.

I have taken a fair bit over this one - the restrictions on not being able to launch boats outside the municipality that you lived in -

Ms Forrest - National parks and reserves, a fair smack there too.

Mr GUTWEIN - One of the things that is important, it is something that I have said on many occasions, is that the virus does not travel by itself. The virus travels with people. Difficult as they were, the decisions to limit the movement of people were important.

I thank Tasmanians for taking the steps they did. While it certainly impinged on their personal freedoms and their liberties, and in many cases activities which they have enjoyed for generations, Tasmanians, in the main, followed the rules and we ended up with a good outcome.

Mr TUCKER - In regard to those areas where you made those decisions, were economic factors taken into account, or just the vulnerability of the population?

Mr GUTWEIN - Regarding shacks and fishing, decisions were made primarily on the basis of limiting movement. Many small, especially seaside, villages suffered economic loss in their shops by limiting the movement to shacks. There are those businesses that were open. Our first and foremost thought was to protect the most vulnerable in our society. That is why those decisions were made.

Mr TUCKER - Thank you, Premier.

Ms FORREST - I want to go back to looking at the expenditure on health, the preliminary figures you have there and go through those. You said you would provide an update once we get past 30 June with the complete figures. I am interested in where we are at.

Mr GUTWEIN - In terms where we are at, I thought at a headline level I had provided that -

CHAIR - We will direct all questions to you, Premier. If you want to pass them off to your team -

Mr GUTWEIN - The advice is that the Department of Health is currently forecasting COVID-19 related expenditure of \$82.5 million for 2019-20, of which \$78.6 million is eligible for funding under the National Partnership Agreement; \$39.3 million is expected to be reimbursed by the Australian Government, and there was an upfront payment of \$2.1 million.

Ms FORREST - That was in the MPI, I just had a look at that online. When did that funding actually come in?

Mr GUTWEIN - We would have to check on that. In terms of -

Ms FORREST - That \$2.1 million is not much out of \$79 million, is it?

PUBLIC

Mr GUTWEIN - No. My recollection of what occurred at the time was that the Prime Minister announced that up to \$1 billion would be available for health-related expenditure relating to COVID-19. The federal government provided an initial \$100 million down payment, of which we received \$2.1 million, broadly based on our per capita share.

Ms FORREST - In relation to the \$150 million in the supplementary appropriation, are you able to provide a breakdown of what that has been used for, accepting we are not quite to 30 June yet, it is 29 June? There will be some movement, I guess.

Mr GUTWEIN - Do you want me to run through these, or just provide -

Ms FORREST - Yes please. Or, if it's easier to table? I'm not sure which is -

CHAIR - Can we get a tabling of that document?

Mr GUTWEIN - We'll provide a table if that suits?

Ms FORREST - Can we have it now so that I can actually reference it?

Mr GUTWEIN - Other than providing headline numbers, Ruth, and a breakdown of where matters are at, I can see no reason why I wouldn't table it.

CHAIR - If we can table those documents? Premier, it is clear that we are going to have to recall you throughout this inquiry.

Ms FORREST - I accept that they are not necessarily complete because we are not quite at the end of the financial year. I am happy for that to be the caveat.

Mr GUTWEIN - This will provide the approved and pending payments.

Ms FORREST - Yes, that would be helpful to see, if I could get a copy of it. I will give it to Nat, if she wouldn't mind copying it.

Mr GUTWEIN - As at about 16 June, I understand.

Mr FERRALL - Just for clarification, that is not the final figures; those figures are from approximately 16 June.

Mr GUTWEIN - Regarding a breakdown of health expenditure by line items, I am happy to provide that when that's finalised.

Ms FORREST - I want to wrap that bit up because we have been trying to since we arrived.

CHAIR - No, that is good. Thanks, Ruth.

Mr O'BYRNE - One of the biggest decisions made, while not exactly unanimous but with majority support, was for closing the borders. I want to understand the reasons or the advice that you received.

PUBLIC

On 18 March, in Question Time, we asked you will you close the borders when making decisions regarding Tasmanians' health? You said that you couldn't close the borders because under the Constitution you couldn't. Then the next day you effectively did. That has obviously had a massive impact on the economy. No one is arguing the reasons for the decision. There was broad support for it. But it is a big call. One day you said you can't do it, the next day you did. If you could talk us through that decision-making process.

Mr GUTWEIN - I received advice from the Solicitor-General that it was lawful to do so. The free movement between the states is something that the Constitution very precious guards. When making that decision, based on public health advice to limit the risk to Tasmanians, we arrived at a point where I felt that I could confidently close those borders.

Anybody can fly into Tasmania. It is the quarantining that provides the protection. We were able to confidently put in place those border restrictions, believing very firmly that we were not in conflict with the Constitution.

Mr O'BYRNE - We only have a small amount of time, and no doubt this will be covered in subsequent hearings, but there was, at times, a level of confusion between the instructions from government. There is federal advice. Whether you believe it is confused, people are confused about it. Different states are moving at different points. You have the federal government advice, and you have the state government advice. They do not always line up.

One of the examples of confusion people have raised with us is on 18 May you announced that stage 1 of the road map to recovery had commenced, allowing up to five visitors to homes, gatherings of up to 10 people, restaurants, cafes. You started to open up. However, the stay-at-home order was not revoked until 5 June. How did you base the advice on 18 May?

Mr GUTWEIN - The stay-at-home order allowed for a range of reasons that you could lawfully be outside of your home. Under the restrictions that we introduced, you could lawfully be outside of your home as long as you abided by the stage 1 restrictions. At that time it was important that we had people limiting, where they could, their movement. I do not believe there was any conflict between the stay-at-home order and the stage 1 restrictions. For example, under the stay-at-home order you were able to visit someone at their home if you were providing support, compassionate or otherwise.

In terms of increasing the limit in the first stage, as long as you did not extend over and above the limit that was in the stage 1 restrictions, you were not in conflict with the stay-at-home order.

A response of this scale, both here in Tasmania and around the country, has never been attempted. Did we get it right all of the time? Probably not. Did we get it right most of the time, as evidenced by the fact that we have arrived at a very good position? I think you could argue that we did.

Mr O'BYRNE - Was the advice from the Health department that the stay-at-home order - I think there is an inherent conflict between the stay-at-home order and the stage 1 liftings - needs to be in place until 5 June? Did you make the decision to go to stage 1 earlier ahead of the stay-at-home order?

Mr GUTWEIN - Regarding movement on stage 1, stage 2 and the stay-at-home order, all those decisions were made based on public health advice.

Mr O'BYRNE - So they were your decisions based on that advice?

Mr GUTWEIN - The Director of Public Health signs off on those public health orders and directions. Darren Hines signs off on those orders and directions that he is responsible for. I was part of the discussions in these matters but ultimately the decision is made by the Director of Public Health or the State Controller.

Mr O'BYRNE - That's the stay-at-home order. But stage 1, when you announced the roadmap to recovery, was that the Government's decision based on their advice? They don't ride veto over that do they?

Mr GUTWEIN - Based on public health advice. When moving to stage 1, stage 2 or stage 3, or to any other stage, that is based on public health advice. I've accepted that advice and have not argued against it.

Mr O'BYRNE - I have one question on the Government grants.

CHAIR - Ask that then I'll go to Ruth.

Mr O'BYRNE - We've raised with you a number of times in parliament a number of questions on the small business emergency grants where there are, on the face of it based on the evidence provided to us, significant inconsistencies.

All the businesses that we raised were deemed eligible to receive money from that grant program, but the delivery and rollout of that seems to be inconsistent and inequitable.

I think it was on 3 June after a question from Labor, you said that you would announce a review into the program. What is the scope of the review? Who is conducting the review? Given we are now nearly a month down the track those businesses have not heard back from your Government. Could you talk us through given the urgency of it because a lot of businesses are struggling? Where is that review at?

Mr GUTWEIN - As I indicated last week in parliament, the results of that review will be announced shortly by the relevant minister.

As I indicated in parliament I would discuss it with Treasury, which I did. I spoke to the Secretary of Treasury about the best way to conduct that review. He spoke with the Secretary of the Department of State Growth. There was, I understand it, an independent audit process that was part of the process. State Growth has subsequently been reviewing those matters that were brought to its attention but also looking at a range of other matters

There are a couple of things that need to be noted here. First, while along the way there are some businesses that believe they should have received funding, or are unhappy with the process, I thought State Growth did a particularly good job across the board through this. They put a lot of money out the door very quickly when it was required. The second point, which has been raised publicly, was that every business if they've had any sort of an impact should be able to receive one of these grants.

We have 38 000 businesses in Tasmania. Many of them would argue that they have been affected in some way, shape or form. The funding was finite. We initially started with \$40 million

PUBLIC

- \$20 million across two programs. We then subsequently increased that by 50 per cent to \$60 million. Unfortunately, not every business will be able to receive a grant out of those programs, but every attempt is being made to ensure that there is a fair, balanced and reasonable approach to the way that the grants were dealt with in the framework of the grant program. As I've said, we'll provide an update shortly on that.

Mr O'BYRNE - We'll probably beg to differ on some of that; I'm not going to get into an argument about it now. Who is conducting the independent audit?

Mr GUTWEIN - It was one of the major accounting firms. I will get you that detail. I have the name on the tip of my tongue -

Mr O'BYRNE - You will upset the other three.

Mr GUTWEIN - It may annoy some people. That audit process, as I understand it, was not about an independent audit at this stage of the process, but about ensuring that it was a probity process that was run through that grant process.

Mr O'BYRNE - So there is no independent review, it is just an internal review?

Mr GUTWEIN - An internal review is what will be released.

Mr O'BYRNE - When are you releasing that?

Mr GUTWEIN - As I said, shortly.

Mr O'BYRNE - How long is a piece of string? It is an urgency. I will stress on you that there are a lot of companies that are going to the wall -

Mr GUTWEIN - You think I don't know that?

Mr O'BYRNE - Well, we raised this on 3 June, it is now a month later. Almost every business that has raised this issue with us is eligible. We have raised it with you. They have not heard back, not a cracker. This is serious for them. We urge you to move.

Mr GUTWEIN - As I said, we will release those details shortly.

Mr WILLIE - Before we move off, Chair, could you take this on notice? Could we have a list of the successful applicants, the unsuccessful applicants, and the dollar amount that they were awarded?

Mr GUTWEIN - I cannot see any reason why we could not provide that. I need to check back to the program as to whether or not indications were provided by people that they wanted their funding to be kept confidential, and what those arrangements were. I will have a look at that. If we can, we will provide those.

CHAIR - We will include that in our questions on notice to you, Premier.

Ms FORREST - I'm interested in what modelling has been done by Treasury to date, looking at the overall economic impact as far as you know, when you are looking forward to preparing a

budget. I still believe you do not know what the federal government is doing yet, maybe you do, in terms of what monies might be coming our way to assist from their grants. Also modelling on the overall unemployment rate, but then broken down to gender and youth unemployment. I will come to the next question after you talk about those two. Hopefully there has been some modelling done.

Mr GUTWEIN - There has been some consideration, but from week to week and month to month you would agree that the circumstances that we operate in have changed dramatically. They have certainly taken a more positive view in recent weeks, regarding both our progress with the virus and the economy. Through the budget process, as we frame the November budget, we will look very closely again where matters are at regarding the economy. That will be an ongoing process over the next three to four months. Tony can correct me if I am wrong, but we would not be able to categorically say that is the definitive modelling for the next six months, because the circumstances are so flexible. We are updating matters on a week by week basis.

Ms FORREST - At this point, if you are updating them weekly - I mean you expect to have a high unemployment rate - but what do you believe will be the case with our unemployment rate, particularly the gender breakdown and the youth breakdown?

Mr GUTWEIN - The last formal modelling we have released publicly was included in the economic and fiscal update that we provided.

Ms FORREST - That is the most recent, is it?

Mr GUTWEIN - That is the most recent. We will obviously update that, as has been indicated. I will provide an update in August. The numbers change dramatically, and will change dramatically again, depending on what occurs with the federal government's update on JobKeeper, what it does with JobSeeker as well, but also the appetite that businesses have to rehire. The stage 1, stage 2 restrictions were expected to bring 4500 to 5000 people back to work based on the THA's own modelling in the hospitality sector. Whether that has occurred, we will not know until the end of stage 2. That sort of information will be utilised as we consider the supports that we might include in the state budget.

Regarding the federal budget, the next line of sight on that that we will receive would be from Josh Frydenberg when he provides his economic update in late July. We will receive a view then fiscally what they see their impact being as well as the economy.

The broad view at a national level is that our economy will do much better than other economies around the world -

Ms FORREST - The Australian economy?

Mr GUTWEIN - The Australian economy will do much better than other economies around the world. Whether there is any improvement at a federal level on the impact they think will occur on GDP will be a matter for the federal Treasurer to announce later this month. The reason for the lateness of our state budget was so that we would have the opportunity to have a five-week look at the federal budget and ensure that we took into account any significant changes they might make.

Ms FORREST - I accept that. Are you telling me then that the preliminary outcomes will include updated modelling and an expectation from the federal government update in framing your budget?

Mr GUTWEIN - Obviously the federal government update will be important for us to understand the federal budget and also the national economy. In terms of the update that I provide in August, I will take into account all available information at that time, as will Treasury, so as to provide the Government's view and Treasury's view of what the way forward looks like.

Ms FORREST - In relation to a question on notice I had answered just recently regarding the borrowings expected for this coming year, I understand \$2 billion to \$2.5 billion is likely to be borrowed. What's the plan for dealing with that? We know we need to manage that.

Mr GUTWEIN - The circumstances in 12 months from now would, I expect, be different to what was originally forecast back in May when we brought down the economic and fiscal update. I would expect that the end-of-year position is going to be quite different for this financial year compared to what we were originally forecasting.

Tony, pull me up if I stray, the early indication, for example, is that stamp duty, which we had written down considerably, while real estate agents haven't seen the number of listings, they have been able to basically sell anything they've had. I expect that we will be writing stamp duty -

Ms Forrest - You get rid of all the tyre-kickers. That is what it did.

Mr GUTWEIN - We will be writing stamp duty up considerably. I think the impact we first foresaw on payroll tax may not be as deep as what we'd initially expected.

There will also be for this financial year, and I stress that this is under construction at the moment and so it may change, the federal government's treatment of GST. There is no doubt that the pool has shrunk and that our GST receipts will fall. How they deal with it this year and next financial year could be one matter. It might be that we see little fall in our GST this financial year, but then see a deeper fall next financial year depending on how they account for it.

My expectation would be that our fiscal position at the end of this financial year will look dramatically different from what was in our original update. Therefore, that will obviously play into the financial outlook and the forecast over 12 months as well.

Mr O'BYRNE - I think the most recent economic and fiscal update did heavily qualify any of the predictions. One of the things you said was the position of the Budget was in a good spot going in. The mid-year financial report had the net operating balance at around \$10 million in surplus. The March quarterly report had you at \$100 million in deficit. That's before any of the COVID-19 expenditure was taken into account. How has that happened so quickly?

Mr GUTWEIN - That's a trap for young players. If you go back and review the quarterly updates -

Mr O'BYRNE - The March quarterly update?

Mr GUTWEIN - The quarterly updates that are provided over any number of years, you will note that timing issues always come into play. There can be quite wide variations in both the operating statement and also where matters are at regarding infrastructure, for example.

Mr O'BYRNE - To that extent, that's not right. To go from \$10 million in surplus - you've always said the net operating balance is in surplus so we're in good nick. You've gone from

PUBLIC

\$10 million plus, so it's wafer-thin anyway, to \$100 million in deficit before you even get to the issues relating to COVID-19.

CHAIR - You are going to have to be quick in answering, Premier.

Mr GUTWEIN - Timing issues of the quarterly reports would normally provide for a variation on what people might expect. It's usually timing.

CHAIR - Thank you, Premier. Thank you, Tony. Thank you, Andrew. We are out of time. We understand very much the pressure you have been under and what's been happening in the state and the world and the country over these past months. It has not been an easy time for anybody, but we appreciate the pressure on you and how you have come up and stood up under that pressure.

Premier, there is no doubt that we will have a need to recall you.

Ms Forrest - In August.

CHAIR - I would think maybe August. That's what we're thinking at this stage. We will do that at a time that is convenient for all of us so we can work around your busy schedule. We are anticipating going away for a winter break. You are probably deserving it, but maybe you will still be about because of what's happening.

Mr GUTWEIN - There is a range of different matters that can be discussed at this committee, which has a wide-ranging purview. Obviously, I have come prepared today to speak largely about the \$150 million that was set aside in the appropriation act. If there is a wider range of subjects, I'd much rather come prepared to speak on those, as opposed to taking matters on notice.

CHAIR - We will do our best, Premier, when recalling you to give you an understanding or idea of the areas that we want to go down. We will do our best to be able to identify that to you. Clearly there will be times when we stray outside of that.

Mr GUTWEIN - I don't want to remove the opportunity for surprise.

CHAIR - Sure. Thank you all very much.

THE WITNESSES WITHDREW