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PUBLIC ACCOUNTS COMMITTEE

PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON TUESDAY 29 SEPTEMBER 2020.

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

Mr TOM WOOTTON, CEO, WEST BY NORTH WEST, WAS CALLED, MADE THE STATUTORY DECLARATION AND EXAMINED VIA TELECONFERENCE.

CHAIR (Mr Dean) - Welcome. I need to explain a few things to you. This is a public session, it is online, it will be recorded by Hansard and come online eventually as well. It is all a public matter.

Just a couple of other things. In giving evidence to this committee you have parliamentary privilege. However, once you have finished with this committee then it is not quite known where you stand. You are virtually on your own. In this session you do have that privilege. If at any stage through this process we get to a stage where you might want to give some evidence to the committee in confidence or in camera you can raise that and the committee would then make a decision, a determination, on that. You have that option as well. We do ask if there is any matter where you are not absolutely sure of the situation you can take it on notice. That is not a problem. We would write to you as a committee a little later on putting that in writing to you. That is also available. We sent out a form to you on witnesses. You would have read that as well.

You would be aware of our terms of reference to this committee so we will try to keep within those terms of reference, fairly wide in some respects but we need to focus on them.

Having said that, Tom, you have not made any submission so I will give you the option at this stage to lead in, to give some background of your position, where you sit, what has happened and the COVID-19 problems that might have been created for you in your area. If I can now leave it open. On your way through we just might interrupt for a question but we will try to keep questions to the end of your presentation if we can do it that way. It might be a better way. Your go, Tom.

Mr WOOTTON - To be frank I have not got a long presentation or anything organised. When I had a read through how these things operate I had planned that I would give you a bit of an overview of how things have been for us over the last few months and please feel free to jump in.

CHAIR - If you can give us your position, Tom, and a bit about the organisation first of all.

Mr WOOTTON - I am the Chief Executive of West by North West. We are the regional tourism organisation for Tasmania's west coast, north-west and King Island. Last Thursday we ticked over one year of operation. We are brand new, having taken over from the Cradle Coast Authority, which has managed tourism for this region over the last couple of decades.

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It has been a baptism of fire, as you can well imagine, with a lot of talk about how it has been being part of an industry that has fallen apart the way ours has, as a new organisation. Really it has been something of an opportunity, I guess, in that we are set up to support the industry - and the industry has never needed support quite as much as it does at the moment.

We have gone about connecting with as many people and operators as we can. That was our charter between, say, September and March, before COVID-19 hit. From that point forward, we have probably hung up the boots a bit, or at least we did to begin with on the marketing side of things, and focused very specifically on all things advocacy and product development, to some degree.

With that in mind, I should just tell you that there are four pillars of our strategy -

Advocacy - so, that is the way that we communicate, to industry, the activities and the intentions of the state Government, and also back the other way, making sure the state Government is clear on the needs and interests of our industry. We also advocate in the community sense by way of being a voice for our regional industry in local media, and also in presentations to public industry groups, making sure the community is across the value of tourism to the broader community and broader industries.

Industry development is all about our people and supporting our people, creating forums for them to communicate and network, as well as education.

Product development is the third pillar. That is about helping to enhance existing products, and helping new products to grow. So that is drawing on our past expertise to help people develop tourism products, but also connecting them with other people who are credentialed in this space to be able to help them grow, and lining them up with whatever support packages might be available.

The fourth pillar is marketing. We work very closely on that with Tourism Tasmania, so that is sort of indirect marketing. In the research phase it is about having our website and social media for the region.

Those are the four; that is a kind of lens of what we do. Through this period, as you can imagine, there has been a lot of work to do communicating to industry about - as the response has unfolded bit by bit, and very reactively - what that looks like, but feeding back into the response effort the real-time version of what our operators are dealing with. In the peak of the lockdown we had daily visitor economy stakeholder meetings, and that was fantastic and crucial, and a great way for us to feed that industry sentiment in straight away.

We have also created forums for our industry to connect and share what is going on. We have - and I know this is true of all of the regional tourism organisations around the state - held online forums, or 'virtual cafes' as we have called them. They have been really well attended, and presented at by the likes of Tourism Tasmania, TT-Line, Brand Tasmania, and various other specialists, including a mental health psychologist we have access to. For anything that came to light that we were concerned about for our industry, we have made sure there was somebody to present on those things in these online forums. As I said, they have been really well attended.

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Beyond that lockdown period, say from June through until now, we have probably swung a little further into the likes of product development. People seem to be using this time trying to rethink, reimagine, redevelop their products, and think about what the future market might look like, and enhancing their products ready. A number of people have sought to commence work on new developments as COVID-19 was hitting, and they have trooped on. It has been almost surprising to me how many people are in the throes of development right now.

We have been working really closely with those guys and also trying to make sure that any developments that are happening are strategically aligned so looking at what the opportunities are for our region and across the state and really trying to fan the flames of those developments that might be strategically aligned in that way. For the sake of example there, agritourism is being spoken about a lot and agritourism is an important one for our region, particularly for the north-west. We have a range of developments happening along the coast that we're trying to really support.

The one other thing worth mentioning is the pulling apart of what was the Visit Cradle Coast consumer brand for our region. We are now identifying - we are using geographical references being the west coast, north-west Tasmania and King Island. We tested the market in May. The market sees those regions distinctly so now we will be presenting those distinctly. We have been doing quite a bit of work around that as well and that's helping us to bring up exactly what those three regions stand for so that we have compelling propositions to take to market.

That's an overview of what we do and a very light touch on how this last period has looked for us. Of course, it's been a tremendously difficult time. A lot of our operators still aren't open. I don't have a great deal of hard stats; in fact, that's a project we have to have - better refined data on what is happening across our region. To date, it's still very anecdotal but anecdotally we know that there are a lot of businesses that remain closed; a lot of accommodation providers that have gone back into the long-term rental market so beds are not as available as they were, and a degree of caution, obviously, being the exercise by those operators who are looking to relaunch into this intrastate market.

However, to look at the flipside, I've also been surprised at the level of positivity and optimism shown by the industry at a time when they had every right to be completely defeated. Like I said, they're in throes of development. They're looking forward to Tasmania sitting at the forefront of the new world as a destiny/visitation point of view and very active wanting to understand what they can be doing to help at this time.

My overarching comment must be that I've been really buoyed by the level of optimism in the industry, despite the challenges and they're firing us up to want to take to this second year and the challenges of the next 12 months with vigour.

CHAIR - Thanks, Tom. Questioning is a fairly informal process we have. First name basis is not a problem so certainly feel comfortable in responding in that way. That's not an issue.

My first question is, the support that has been provided to your area, where would you see that? Has it been good? Could it be better?

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Mr WOOTTON - From the state Government specifically - yes, it has very much. In fact, you might say traditionally that it's not always free-flowing or perhaps fractured at the regional level through to state. Whereas, this time, this crisis has really created a real streamline and a lot of synergy. It's brought us all really close together. That would be true of the regional tourism network - us RTOs working together really closely but working closely with state Government as well.

The Department of State Growth has been fantastic. Tourism Tasmania and all our state-level partners have been incredibly responsive. I have umpteen examples of where we've gone through with issues that have been addressed really impressively, quickly. The support has been robust.

CHAIR - I will follow up with another question: those organisations that have been needing that support and the monies that have been provided, have there been any issues where organisations have missed out where you believe they should have been supported? Is there any evidence or issues around that at all?

Mr WOOTTON - As you can imagine, there are a lot of little organisations with local tourism associations, local councils and marketing groups that have been crying out for support and, of course, not all of them can be immediately supported. The likes of the events sector, they are being supported now. A grant was released last week, so that is fantastic, but that is one that we would like to see supported as much as we possibly can. Of course, that is not only about funding support. There are also many considerations about COVID-19 safety.

Mr DEAN - One more question, if you do not mind: regarding the monies that have been provided by the Government to improve tourism into these areas around the state during the week, are you seeing benefit from that at the present time?

Mr WOOTTON - Yes, it is. One in particular that we would have liked to have seen get off the ground as quickly as we could was the Regional Tourism Attraction loan scheme. That dried up at the beginning of COVID-19 for a good reason. That scheme has now been reinstated. I know there was a range of operators across our region waiting for that so that they could continue their developments. Other grant money has been available, including some small marketing grants, such as the Regional Tourism Project Program - funded under the former Destination Action Plan (DAP) - which is a straight grant of up to \$10 000. You may be familiar with that program. That has been fantastic. Quite a few groups have sourced that money and are using it now. That particular program has been a real winner.

Mr O'BYRNE - Tom, congratulations for holding in during these last six months. It must have been a very difficult time in a new role. Well done for getting this far.

My question relates to the importance of JobKeeper payments to the industry. We have heard from a number of other tourism peak bodies and tourism businesses that those payments have played a fundamental role in enabling them either to trade through, or to get to a point where they can hopefully prepare for a more successful summer.

My question is in two parts - how many of your members and businesses on the north-west coast have been beneficiaries of JobKeeper, and now that it is starting to wind back, what are the concerns moving forward? We are obviously very concerned about that. Could you comment on how important JobKeeper has been to this point and what the future looks like?

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Mr WOOTTON - Sure. As I said a moment ago, I do not have a lot of hard data on exactly how many have had JobKeeper, but suffice to say it has been widespread. Everybody seems to be availing themselves of it. There have been some concerns about eligibility; we have a lot of interstate owners of accommodation, for example, who have been in touch with us to say that they are not able to access the payments.

It has certainly propped up the industry. Some operators fear it going in March. It is a concern that not everyone seems to be aware of, or fully appreciate, what that the situation will look like when it goes.

We certainly can't expect to have a summer anything like we have seen in the last few years. With that context, and not being able to fill the coffers as much as they would like over summer, March is going to be very concerning. We are very concerned about it. I think there is probably good rationale behind ceasing it in its current form from March, but we would really like to see some level of support beyond March, maybe more specific to the tourism industry. I believe a hard withdrawal of it would be devastating.

Mr O'BYRNE - That echoes other sentiments as well. From this weekend there will be a number of changes to JobKeeper in terms of reductions and eligibility. Have you any insights into how many members of your association, or how many tourism businesses, will return to a level of activity which will mean that they will drop out of the scheme in the coming weeks, because of the change in eligibility?

Mr WOOTTON - I really don't, but I could take that question on notice and do some investigation for you.

CHAIR - Thanks, Tom. We will write to you confirming matters you take on notice.

Mr WOOTTON - Fantastic, thank you.

Ms FORREST - Thanks, Tom. I'd like to talk about your view of the timeliness of the economic response towards tourism and hospitality. I'd like you to reflect on the timeliness of the response for the north-west and west coast regions. For example, the voucher system - could that have been earlier or was it the right time? What has the uptake been like in the region?

You may not have this data, but it would be really interesting to see if you could obtain some data about occupancy levels over winter generally, when Tasmanians started realising that the only highlight they were going to have was in Tasmania and they might as well enjoy the state in winter - a time of year when we do not travel so much - and around school holidays. I am interested in the impact because I hear differing stories from around the region. Some appear to have had a comparatively good winter, and others not so much. I am interested in your thoughts on that.

Mr WOOTTON - Ruth, I can entirely attest to that. There is a mixed response. We are asking anybody that we speak to how their performance has been to date and their forward projections. It can be quite confusing, because some are citing the best August/September they have ever had, and others are seeing nothing.

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There is a lot of two-speed about it. The term is being used a lot at the moment. I guess we will probably still be trying to get to the bottom of the reasons for that. I think it is fair to say, again fairly anecdotally, that a lot of the higher end accommodation has done better, particularly across this region than perhaps three star. The people wanting to get out and travel are more aspirational market which, you might say, has been something of a surprise, but it seems to have revealed itself that way.

I would say broadly speaking, the occupancies have not been too bad. In fact we have been quite pleased at the occupancy. Obviously, we have Cradle in our region; Stanley and Sheffield have gone okay without being great, I think. The likes of Penguin are seeing a good custom through their eateries. They have not got a lot of beds. The west coast is particularly happy at the moment.

We might come back to King Island, but the west coast probably brings me to the part of your question around vouchers. Having spoken to those operators a little bit over the last fortnight or so, they are estimating somewhere around at 10-15 per cent increase thanks to the vouchers. It is hard to know of course because you do not know the people with whom you are transacting whether they are transacting with access to a voucher or not. But just from them speaking to their customers they believe it is somewhere there. The vouchers have been great really for industry. That is a general sentiment. It has not been a silver bullet. Nothing is likely to be, but it has been great.

Even the \$12.5 million now being circulated is not a great deal when spread over the breadth of this state and the sorts of numbers we are used to, but it is certainly far better than nothing. I think we consider it, as an organisation, a successful program.

Ms FORREST - Tom, I will just take you back to the two-speed effect you are seeing. You talked about the high-end businesses perhaps doing a bit better and that would be because people cannot go to Queensland. They don't have to spend money on air fares so they will spend it on a higher end experience. Are there any other factors besides that, do you think, or is it a bit hard to know at this stage?

Mr WOOTTON - It is a bit hard to know and it is not even true of the entire region. I know the east coast caravan parks have been full. You are seeing the likes of St Helens now with their mountain biking tracks, for example, that are stimulating visitation through those lower end or camp grounds and things as well. It is not an objective truth across the region. It is just an observation really for this end.

The marketing that Tourism Tasmania say has been done is probably pitched at that higher end. That is certainly some of the feedback we have had. Having said that, the marketing Tourism Tasmania has done has been part of what has become a very cluttered market anyway. We could not hang it on that, because there has been such an abundance of marketing being done by businesses at all levels because there is so much distressed stock, from newspaper advertising and so forth, that businesses at all ends of the scale are advertising.

I cannot give you a really hard answer. It is very much anecdotal.

Ms FORREST - A final one from me, and again you may not have this data. In terms of businesses that have had to put off staff during this period, and cut the hours of others, have you done any gender analysis of that?

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Mr WOOTTON - No, would be the answer. We haven't, and I am not aware of any that has been done either. No.

Ms FORREST - In terms of the employees in the sector, do you have an overall picture of the gender breakdown?

Mr WOOTTON - I don't. In fact, we have commenced a bit of a desktop audit to try to get a broader picture of what our region looks like - but, no, we do not have that sort of data at this stage.

Ms FORREST - It would be interesting to have, because it seems a lot of the people who work in that sector are female, on the lower pay bracket.

Mr WOOTTON - It is another one we can look at.

Mr TUCKER - Tom, coming back to your pillars. You mention the third pillar about growing and implementing new ideas and that sort of thing through the tourism industry. Do you want to expand a little more on that? Also, you mentioned agritourism was moving fairly fast in your area. You mentioned the things Break O'Day Council has done in their tourism areas, like their mountain bike tracks, where councils can drive some of these ideas.

Mr WOOTTON - You would like a bit more about type of projects we are looking at and working with?

Mr TUCKER - Yes.

Mr WOOTTON - Specifically on agritourism, I am working with a group called Off the Table at the moment. They work with agribusinesses - farms that are not traditionally working in the visitor economy at all - and help them develop these quite aspirational experiences. The best description or comparison I could provide would be like the Saffire oyster farm experience, where you are really getting immersed in the farm and having a really colourful experience - typically an F&B experience.

They have 10 agribusinesses in the far north-west signed on to take part in a six-month calendar of events, where there would be no fewer than two bookable events each weekend for 28 weekends. To my mind and understanding, there really is not anywhere else that I know of - probably in Australia - that is bringing to life agritourism in such a meaningful way, in such a cross-regional business way. If we can get that up, it will be fantastic. We are seeking some support on that and are in discussions about it with State Growth.

It has perhaps highlighted an issue that there is quite a bit of strategy around on agrigrowth, agrifood, agritourism, but not a lot of supporting funding. That is one thing perhaps to consider.

We are working closely with the West Coast Council, which is developing their mountain bike trails at the moment. We have done up a marketing strategy for them, and helping their council staff navigate the next steps through the development and post. My one and only colleague, Georgie, has worked on the Blue Derby marketing for the last four years, so that is handy to have.

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We are working with King Island on what is basically a new web presence for them - a booking engine for their website. Obviously, they are a standalone destination now, as I alluded to before, and not being considered as part of the Cradle Coast. We worked hard with them and the state Government on securing direct flights to King Island, and now it's trying to make that hum as best we possibly can. So, it is not presenting one operation here or there on the island, but trying to create that unity and collaborative approach so that when you visit the island, here is the itinerary, this is how you could spend three or four days.

As much as anything, it is corralling the product that is already there, and trying to present it in a way that is digestible to the market. As Ruth will attest, it is a beautiful part of the state up here, and a lot of people just don't know about it. There is a real awareness problem. So, it is taking the product that is already there and trying to make it digestible for the market.

Ms FORREST - They get very jealous of our roads when they get up there, Tom, because they have never seen them.

Mr WOOTTON - They will learn. Another one we are working on, in the fairly early stages at the moment, is the Don River Railway. Again, that is a genuinely regional proposition - it would not be just for Devonport. We are looking at whether we can take that along the coast, and what that would mean. That requires a bit of demand testing in the early stages, so we have been speaking about that with the state Government, and probably getting to the slightly pointier end of what submission might look like now, which is good.

Dismal Swamp is another one. I don't like to talk about Dismal Swamp in isolation as being 'the thing' for the far north-west, or the answer by any stretch, but the fact is the far north-west probably still needs something. It needs a hook. Perhaps two decades ago Dismal Swamp was intended to be that, but it hasn't been, for a variety of reasons. It is quite complex, and there is a dearth of data on that as well, unfortunately, but we now have this asset sitting there, what do we do with it --

Ms FORREST - It's not in good condition, Tom, at the moment. It needs a lot of money spent on it to make it even usable. It has been let go terribly.

Mr WOOTTON - It is not in great condition at all, and the question is whether it is reinstated in its previous form, which the consensus seems to be not yet, because it would cost a lot of money to get it back to that.

Parks are currently in the process of getting it to a point where it can at least be visited and assessed. I am managing a process where we want to get some concepts developed, get some blue-sky thinkers through to develop some concepts which we will then market test.

But is that the thing for that part for the state? We are not sure. We have just gone through the reimagining our regions process. We had a great session with stakeholders in the far north-west two weeks ago, where we took that report and expanded on it to try to identify what the opportunities might be for that part of the state. The far north-west has Stanley, but it needs more by way of experience. It is undernourished at the moment.

Mr STREET - Tom, you just touched on King Island. I live 30 minutes south of Hobart, so it is about as far away from me as anywhere in Tasmania, but -

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Ms FORREST - That's the way we like it!

Mr STREET - That's a disgraceful slur!

But I do have a personal interest in King Island. I have spoken to some people familiar with the island who said that there has been a significant amount of investment into facilities over there, but the businesses that actually own them are struggling. Are direct flights the panacea that's needed, or is there more needed?

Mr WOOTTON - More needed, definitely. It is a complex problem, but it has been difficult to discuss without access being taken care of, because anything we tried to do there seems futile while people couldn't get there anyway.

Now that we have this 19-week trial period with direct flights from Hobart - which, by the way, holds water outside of the pandemic context as well, and has been able to get southern Tasmanians, and even people who are flying into the south of the state - to be able to connect up a King Island chapter of their Tasmanian experience makes good sense. So getting those flights established was really critical but, yes, there is a lot more to do.

There has been investment, there are currently projects under way. There is a brewery being built - a beautiful brewery, by the way. A number of the businesses there, some of which were in the agritourism space, are currently redeveloping and reinvesting in their businesses. Awareness is a big thing over there, making sure that we can get it presented in a way that is compelling for people to want to get over there. Since the direct flights to the Bass Strait islands were launched we are really pleased with the numbers going to King Island. The only downer is that we are seeing that Flinders is almost doubling the numbers. Why is that happening?

Mr TUCKER - Does the chicken still cross the road in Flinders!

Mr WOOTTON - I think there has been some really good work done by the tourism industry on Flinders Island over the last few years so it has probably planted the seed a little earlier. In that regard, perhaps King Island is a touch behind the eight ball in generating that awareness. Yes, they have some of the best golf courses in Australia and the world but that is one niche market. We have to broaden the appeal there a bit, I think. It is complex.

Getting the industry on board, we could talk about this for a while, I think. Getting the industry to understand how to run sustainable tourism businesses from a sales distribution point of view. It is all direct sales basically over there, you have to call up to make a booking and they will get back to you in time and all those sorts of things. It is lovely and authentic, and it is part of the experience you might say but it has got to be easy to transact.

Mr STREET - Is there a conflict on King Island between people who want it to stay the way it was and people who want to take it to the next level tourism-wise? I know there is on Bruny Island, which is in my electorate. There is a definite conflict down there between people who like it the way it is and people who want to take the island forward as a tourism destination.

Mr WOOTTON - I cannot answer that with complete conviction because I have not spoken to enough people outside the industry. Those I have spoken to, including the council over there, and asked that question say that the tourism industry is well supported by the

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community more broadly over there. During the lockdown period you might understand there was division then. You had some people who said they wanted to be part of the intrastate campaign and intrastate market, but others saying, no let's keep our little island pristine and lock down. There was a bit of division at that time but generally speaking it seems the tourism industry, for the most part, is supported by the community over there.

Ms FORREST - One of the big challenges for the tourism industry and any industry basically on King Island is the freight. The *John Duigan* is back in dry dock or still there. There is no passenger transport to the island by sea; the costs of freight are extraordinary compared to Flinders Island even. Are they barriers that need to be considered in the big picture here?

Mr WOOTTON - Yes, I would say so. I am trying to give you a meaningful answer from discussions that we have had. We haven't probably gone into freight a great deal. There has been some talk about sea passage over there and I think they might even be looking at that at the moment.

Ms FORREST - Perhaps the task force is looking at it, hopefully.

Mr WOOTTON - We are really pleased with the win of the direct flights from Hobart; that has been the most critical one. I guess the discussion will now naturally progress to what other ways do we need to facilitate travel to the island?

Mr WILLIE - The Premier has talked about bringing forward the date for opening the borders to some safe states. I am interested to know whether the Government is communicating to you the thresholds for that to get the green light, and what the expectation will be on businesses in that environment?

Mr WOOTTON - Are we being communicated the opening dates and are we being given direction on how our businesses can prepare for that reopening you mean?

Mr WILLIE - Do you have an understanding on what scenario that will be given the green light, where people will be able to travel from South Australia as in the conditions in those states required for the borders to become open?

Mr WOOTTON - I think no is the best answer; we don't really know. We are in the same bucket as everybody else there: it is on Public Health advice and we will be told when we are told, I guess. They are being very open with their communication. We have a strong line of communication in the Premier's office so they keep us updated as best they can. The best answer to your question, are we being given clarity on the scenarios that would trigger the green light? Not really, not at a regional level.

Mr WILLIE - What about the planning in terms of the expectations on business in that environment if there is an outbreak, how the industry will have to respond to that in terms of people movement, tracking that?

Mr WOOTTON - Yes, so there has not been a great deal of scenario planning post borders opening necessarily with second waves or second outbreaks. Of course, there's been a great deal of consultation with industry on remaining COVID-19 safe, adhering to the current guidelines and everything they not just can but should be doing, must be doing to adhere to

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those. We would like to think that our businesses are toeing the line there and doing everything they can to remain safe, and that will continue once interstate - and maybe international with New Zealand - borders reopen.

Mr WILLIE - Would you like to see a bit more information coming forward from Government in how this will work?

Mr WOOTTON - Yes, we would; of course, we would. It would be great to get as much detail as we could. We are understanding of the fact that this is still fairly active around the country as to what this planning will look like. To put it another way: I don't feel that there's been a dearth of detail. We don't feel completely in the dark necessarily as to what we need to be doing to try to prepare. Yes there's a bit of guesswork to it but I think everybody is doing a bit of guesswork.

Mr WILLIE - I am interested too in how you see that market. I think potentially the mainland states that have been discussed, South Australia, Western Australia, Queensland, people flying in from those states, would be very different from people coming in on the *Spirit* for the north-west. So how is that market going to work for the north-west and west?

Mr WOOTTON - It's a challenge inherent in being remote as we are, I guess, and it's always been the case. Until the *Spirits* - we are really eager for the *Spirits* to get up and going again in a meaningful way. That's critical for our region but the same as any other context as I say over the past years, it is about our region drawing people. You can't send them here and drop them on our doorstep necessarily. We have to draw them up there by communicating a really compelling proposition. Hopefully we can draw enough up there. I guess it's the same as it's always been. We just want to draw them out of the city centres out into the regions. It's a challenge that faces every regional tourism industry.

Those particular states coming in, they are not necessarily our target states. Victoria and New South Wales are but, much like the intrastate market, when they can't go anywhere else and they want to come to Tasmania we believe that Tasmania will be at the forefront of their thinking. We're told that even from Tourism Australia suggesting that Tasmania is in a really good position for those who want to pursue a really authentic style of travel now and getting out into the regions, getting away from city centres. It's an opportunity for us to grab and it's just at a more concentrated level, I suppose, with the north-west coast.

Mr WILLIE - Will you be working with those states intensively if the borders do become open and making people in those states aware of the opportunities that exist in the west and the north-west of Tasmania?

Mr WOOTTON - Absolutely we will. To that end that is where we work with Tourism Tasmania and I think it is where RTOs should be working with Tourism Tasmania because we're not resourced to adequately market interstate. Tourism Tasmania is, so it's about working with Tourism Tasmania to make sure that any interstate marketing that happens shines a light on our region. That is our job there, to work really closely with Tourism Tasmania.

Of course, we have the drive journeys being launched and with that a real focus on self-drive touring. I know Tourism Tas is going to be hitting that really hard so we'll just need to get right behind that and make sure that our region is presented beautifully within that.

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Mr O'BYRNE - Tom, you referenced the *Spirit of Tasmania* vessels. Obviously, there was a Government commitment to lift the capacity on the run for the new vessels in late 2021-22. They've announced a delay in that. Question one is, how important is the TT-Line in terms of your market? How concerned are your members, given that the uplift in capacity is delayed potentially a number of years?

Mr WOOTTON - Yes, it's concerning and it's broadly concerning. There's been a lot of talk about this in our region, as you can imagine, and everybody is really eager to get clarity. I don't think anyone's really throwing stones yet. There's a lot of talk about whether it's realistic, whether it's likely; a lot of conjecture. It's hard to know what's true within that. We just want clarity. We want to know and we certainly don't want to see the delay out to current expiry on the current boats of 2028.

I would love to see the figures of the economic benefit to keeping the build here in Australia versus the economic detriment of that kind of delay. That would be a really bad outcome for the industry if we had to see a lengthy delay.

Of course, if it can be pulled off, if the boats can be delivered in a timely fashion and built or even partly built within Australia it would be a fantastic outcome but we just want clarity. We want to know what's happening and we certainly don't want to see long delays.

CHAIR - Thanks, Tom. We're out of time, so thank you very much. We appreciate the way you've responded to our questions and the information you've brought forward.

We will write to you on those couple of issues that you took on notice so that will come through shortly. It's not to say at some stage this committee might want to come back to you because we're looking at the recovery process as part of this as well. We intend to put in an interim report before Christmas, that's what we're aiming for. Hopefully, we can do that.

Thank you very much, Tom.

Mr WOOTTON - Thanks for having me; I hope it was of some help. We'll chat again soon.

THE WITNESS WITHDREW.

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Ms EMILY SHEPHERD, BRANCH SECRETARY, AUSTRALIAN NURSING AND MIDWIFERY FEDERATION, WAS CALLED VIA VIDEOCONFERENCE, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Emily, welcome to our hearing. Sorry for the little bit of a hiccup we have had in making the connection but hopefully we can have sufficient time to get through and hear from you on a number of issues.

Have you given evidence to these committees before?

Ms SHEPHERD - Yes.

CHAIR - So you are fairly familiar with it. This is a public session. It is streamed online. The evidence or the information will be transcribed and online as well and will be available.

Having said that, one or two other things I need once again to raise with you. You are aware of parliamentary privilege applying. Once you leave this position here it may not apply so you just need to be careful about that. I think you understand the rest of it. If you get into a position where you would like to give some evidence in camera then please raise that and the committee can talk about that and we would make a determination from there.

You have not made a submission, Emily. I will give you an opportunity at this stage to talk about some issues, including your position, a bit about the organisation and then just give us some further information, evidence that you might have. Then we will go into a number of questions from that. I will leave it open to you, Emily, at this stage.

Ms SHEPHERD - Certainly, thank you. By way of introduction, I am the State Secretary of the ANMF (Tasmanian Branch), and we represent almost 9000 nurses, midwives and care workers across Tasmania. Our members are working in all sectors. We have a significant number of those members working within the public sector. We also have members working in the private sector, in private hospitals, and also in our aged care sector. Across those sectors we have a number of members working out in the community in GP practices, district hospitals and on our islands as well. It is a very far reaching, broad membership and I work to represent their views in terms of the inquiry regarding the Tasmanian Government's response to the COVID-19 pandemic.

Our core business is very much the industrial and professional aspects of nursing, midwifery practice and also representing care workers in their roles as well. The economic aspect is not something that we delve deeply into but where it does have impacts on our members that will be very much the focus of the evidence I provide today.

CHAIR - Thank you. This is fairly informal, Emily, and Christian names are not a problem at all if you are comfortable in doing that. Nothing more you wanted to provide at this stage or just go to questions?

Ms SHEPHERD - Regarding the terms of reference, let me just provide a brief overview in terms of response as I have not made a written submission and then I am happy to take any questions that you may have.

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Regarding the first term of reference, the timeliness and efficacy of the Government's economic response, clearly from the perspective of the ANMF and COVID-19, one of the key challenges for us, in particular, was the outbreak in the North West Regional Hospital, the North West Private and, of course, more broadly the pandemic across the north-west coast.

The JobKeeper and JobSeeker payments that were put into place by the federal government were very much welcomed by the ANMF, the broader union movement and particularly our members. Certainly, in the early days some challenges arose for us with regard to a number of our members who were working on a casual or part-time basis and had regularly picked up additional shifts which, given the staffing constraints on the north-west coast, that was certainly something that occurred on a regular basis. That became a regular income for a number of our members but in the early days of the COVID-19 outbreak, a number of members were suffering significant financial hardship due to the decrease in hours that they were able to pick up in addition to their contracted part-time hours. Certainly, for a number of our casual members they were unable to seek or attain any casual shifts, even though they'd been used regularly on an ongoing basis. That was particularly difficult.

The JobKeeper and JobSeeker came into effect and resolved some of those concerns but certainly being the first state in Australia that had a significant outbreak of COVID-19, the financial support for our members in those early days was quite lacking. It was quite difficult for our members in that regard.

That's probably the key matter in relation to the timeliness and efficacy of the economic response. Clearly, we have concerns about the impact of the reduced JobKeeper and JobSeeker payments for our members now. The concern that poses if there is second wave of COVID-19 in Tasmania because we know that previously our private hospitals essentially suspended or stopped elective surgery all together. Many of our members working in the private sector relied upon those JobKeeper payments, in terms of their employment in the private sector, to meet their financial commitments and support their families. Clearly, from a financial perspective there is an ongoing concern about what that does mean for nurses, midwives and care workers with the borders opening and a potential increase in COVID-19 cases in Tasmania.

I am happy to take questions now, or would you prefer I work through the rest?

CHAIR - Emily, we'll go to questions if you like because we need to make sure we get through. I will go to David with the first question.

Mr O'BYRNE - Hi Emily, on behalf of the committee I'm sure all of us here wanted to congratulate your members in terms of their response over the last six months. It's been an extraordinary period of time and a lot of your members no doubt would have been under extraordinary amounts of pressure. I think they've done an amazing job.

The question that I want to start with relates to the preparedness. We heard some evidence from the Health minister and members of her team and the secretary of the department that they started preparing for COVID-19 in late January and are of the view that they were well prepared, and members of the health service across the state were essentially well prepared for the COVID-19 impact.

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We obviously had a fairly significant outbreak on the north-west coast in late March. What were your members' experience during that preparation period? Do you believe that they were well prepared for what occurred?

Ms SHEPHERD - I will start by saying that it was fairly unprecedented. I'm not sure how sufficiently anyone would be prepared in terms of a pandemic, which we haven't experienced in over 100 years, and nobody in those sorts of positions have experienced a pandemic to that extent.

Having said that, there were varied levels of preparation. Certainly, at the Royal Hobart Hospital we saw early preparation and consultation with us in terms of plans around the hot/cold areas and how COVID-positive patients would be managed. Similarly at the Launceston General Hospital.

There was a general feeling among our members, particularly on the north-west coast that they were somewhat behind the eight ball in terms of preparation. We also raised concerns in the preparation phase before we had cases of COVID-19 in Tasmania in relation to staffing levels and what additional resources would be put in to support nurses and midwives, particularly in the public sector. We advocated across the private sector and HQO as well. Certainly, we had concerns about the availability of a replacement workforce in terms of casual pool and permanent pool staff across the state, noting that the north-west coast at that time didn't have a replacement workforce in terms of that permanent pool which we'd been advocating for some time.

We also have concerns about the workloads and the stress and strain that a COVID-19 outbreak would place upon members as in terms of use of PPE - the donning and doffing and additional time that that takes - and then the increased acuity of patients with COVID-19 and the health complications that we've seen across the world.

Unfortunately, some of those calls for additional resources weren't always met with an immediate response. One of our key concerns was that it was obvious that our members were struggling during the pandemic. Obviously, the north-west coast was one instance, but when the North West Regional Hospital closed we saw additional presentations from the North West Regional and also from the Mersey Community hospital emergency department with decreased opening hours. We saw significant additional presentations and work priorities transfer to the Launceston General Hospital ED. Our members from that department have indicated they didn't see a concurrent increase in staffing and resourcing both from a nursing and a medical perspective, and support staff.

Mr O'BYRNE - Thanks Emily. Let's look closely on access to PPE and stock levels and communication around use. What was your members' experience during that time in the lead up to COVID-19 hitting Tasmania?

Ms SHEPHERD - I think there were significant levels of concern around personal protective equipment and the availability of it, as well as the recommendations around guidelines on use of personal protective equipment. There was also generalised fear and anxiety around whether there would be sufficient supplies.

In the early days of the outbreak, particularly at the North West Regional Hospital, we were continually advocating on behalf of members and trying to understand what the stockpile

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was like. Our members were reporting instances where they were being directed to use the same mask for four hours and to be conscious of how they were using them because there was limited supply. Particularly at the LGH, we had members report being told to keep the used PPE in a plastic bag potentially for recycling purposes. Obviously that was a proposed strategy in the event that PPE became difficult to obtain, or wasn't able to be obtained at all. That caused significant concern for our members.

We welcomed the appointment of the state-wide coordinator of personal protective equipment to ensure that PPE was being delivered to sites based on use. Previous to the appointment of that position we understood PPE was being delivered to the clinical areas based on retrospective average usage, which obviously didn't correlate to the areas which were high users of PPE during the COVID-19 response.

Certainly, we felt more comfortable and were able to allay our members' anxiety around PPE when we started to see the levels of PPE stockpile being communicated to members, including levels of PPE on order and what the national stockpile levels were as well. That was very welcome. Certainly there's a much more general feeling of satisfaction that there will be appropriate PPE for our members when they need it in the clinical environment. If there is another wave of COVID-19.

Mr O'BYRNE - Once that role was facilitated, things started to improve in terms of PPE and access to it. However, we're hearing anecdotally of issues at the peak of the response in early April about some PPE stocks being locked in cupboards and not circulated and not being able to get access. Did that happen?

Ms SHEPHERD - Yes, that is correct. That certainly occurred, to the best of my knowledge, at Mersey Community Hospital. We put that example into our submission into the independent inquiry into the outbreak of COVID-19 on the north-west. There was a stockpile of PPE locked in an office. One of the reasons for that, we understand, is because unfortunately PPE was being stolen from clinical environments and there was a need to protect that stockpile for clinical staff.

Unfortunately, when the North West Regional Hospital was closed and patients were transferred to the Mersey Community Hospital, at that time they experienced an increased use of PPE and the PPE that was available within the area wasn't sufficient. They were also concerned that the type of gowns provided perhaps didn't meet recommended guidelines. They had difficulty contacting the in-charge nurse despite repeated attempts. They did know that there was PPE available but they didn't have access to the locked office to access that additional stockpile.

Ms FORREST - On that point, Mr Chairman, this is a practical question.

CHAIR - Sorry, Josh had the call first, Ruth.

Mr WILLIE - Emily, the Premier provided some information to the committee around when the first PPE order was made. The first order, other than hand sanitizer, was made on 15 April 2020. Does that surprise you?

Ms SHEPHERD - Yes, it does surprise me because we were advocating in February in terms of the stockpile, when we started to see COVID-19 spreading across the world. We had

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been advocating and requesting information throughout the pandemic about what the stockpiles of PPE were, because we were anxious to be able to provide our members with reassurance. It is alarming to hear that it was 15 April.

Certainly, as I say, the appointment of the state-wide coordinator of PPE and our calls to improve transparency around the stockpiles of PPE has very much assisted in that regard. It is quite alarming and concerning that 15 April was the first order, particularly given what was happening around the world. It would have been common sense to expect that being able to obtain PPE in the usual time frame would have been greatly reduced.

Ms FORREST - Going back to the point you were making, Emily, about having someone who had the key to the cupboard or the office where the PPE was stored. Wouldn't it have been the usual practice for the nurse in charge of the unit or the after-hours supervisor - I am not sure how the staffing arrangements work in the Mersey at the moment - to hand over the red keys at the beginning of a shift?

Ms SHEPHERD - Yes. The red keys and the process around the drug cupboard certainly occurred but this was actually a management-type of office. The keys were held by the after-hours in charge as you have indicated, and that was over the Easter break so they were operating along the lines of outside business hours staffing. It was the after-hours in charge who had access to the cupboard we had difficulty accessing. I suppose that goes to some of our concerns as well in terms of resourcing. When patients transferred from the North West Regional Hospital, there weren't additional staff at the Mersey to support the staff there and to ensure they were safe, had access to PPE, and were fluent in infection control guidelines. Obviously there were concerns there too. Certainly, additional support from an infection control prospective on the floor at the coal face with nurses would have improved that situation for them.

Ms FORREST - Maybe in a future setting you would expect that a key to a locked store would be handed over with the red keys at the beginning of the shift, whether the store was in an office or a cupboard or a compactus or the like.

Ms SHEPHERD - Yes, absolutely. I think we were able to resolve that issue at the time over the Easter break, with recourse to the emergency operation's centre, and we were able to get our members the PPE at that time. We also followed up with management in terms of processes to be sure that they had appropriate access. At the time, our members didn't have time to take away from patients and the clinical environment to be on the phone calling an afterhours in charge and having these around and whether it is adequate at the time. Having somebody with that infection control training on the ground to support them going forward would be very welcome.

Mr O'BYRNE - Emily, you have raised a number of issues of concern in the preparation and in the environment in that period of February to March, and obviously during the effective shutdown of the north-west coast. Given that experience, how do your members feel about the level of preparedness now if a second outbreak occurred in the state? You talk about the overflow issue of one part of the system closing down and having a massive impact on the LGH compared to the north-west, but that could equally apply to the LGH and the RHH, or the RHH to the LGH. How do your members feel about the preparedness now, given the experience of the last few months? Do you think the concerns you had back in February and March have been addressed?

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Ms SHEPHERD - I think some of those concerns have been addressed - obviously, in terms of PPE, as you said, the statewide coordinator, transparency around PPE, and the ever-increasing stockpile gives our members confidence around PPE.

Clearly, the reopening of the North West Regional Hospital saw a roll-out of face-to-face education, support and training around donning and doffing of PPE, and refresher training - and not just online training; it was actually a simulated use of that, which is really welcomed, not just for nursing staff, but all staff. Those aspects are a great improvement and from that perspective, there certainly has been better preparation. But I think probably what we now see, particularly in the north-west, is a concern about the impacts the first wave of COVID-19 had, and that has greatly reduced our members' confidence to be able to deal with a second wave.

Unfortunately, the transfer of the most recent COVID-19 patients from Victoria - which was a very controlled medical transfer - did increase anxiety and stress amongst many of our members at that time. We understand a number of people resigned from the North West Regional Hospital when that additional COVID-19 patient was transferred.

I would like to say that all of our members feel more confident but, unfortunately, that isn't the case. Just last week, we were hearing from a member who works at the NWRH emergency department who has indicated he believes that if there is a second wave on the north-west, many of our members will probably end up going on stress leave because of the unresolved anxiety and trauma from the first wave, and that many of them may also resign.

Mr O'BYRNE - In a previous answer, you mentioned a submission into the review into the north-west outbreak. Are you able to provide that submission to the committee?

Ms SHEPHERD - Certainly.

Mr O'BYRNE - Thank you.

CHAIR - Emily, just before we go on, are you able to continue through to midday, rather than finish at 11.45 a.m.? We had a late start. That's not an inconvenience to members, if they would be happy with that as well, to pick up a bit more time.

Ms SHEPHERD - Certainly.

Ms FORREST - I will just go back to PPE before I go to a couple of other areas, Emily. You may not know the answer to this, but are you aware whether or not the Department of Health holds a pandemic-style stock of PPE under normal - did they have them last year when we hadn't experienced any COVID-19 cases anywhere?

Ms SHEPHERD - Yes, I understand there is a pandemic supply available at all times. At the time of the outbreak, as I say, we were unable to actually determine exactly what that stockpile was. We understood there was a stockpile of pandemic supply of PPE in reserve, but it was obviously acknowledged that it would be insufficient to meet the proportions of the COVID-19 pandemic. Clearly, once the extent of the outbreak became apparent, there were obviously significant resources and energy put into securing an additional supply of PPE.

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I have to say that it was an incredibly difficult time for our members - that uncertainty and anxiety, to the point where the ANMF were making inquiries to suppliers to try to secure personal protective equipment to provide to our own members.

CHAIR - Can I just ask a question on that? Emily, were you aware, at the time when the PPE was hard to get, that there were private suppliers out there prepared to provide, to the Government, personal protection equipment?

Ms SHEPHERD - Yes, I was aware, and certainly ANMF received some of that personal protection equipment and we did get that out to some of our members on the north-west coast, which was very much appreciated at the time. Certainly, it was generously donated by private providers in the community. The difficulty that we faced was obviously the regulation around personal protective equipment and the TGA approvals. At the time, the regular supply chains were obviously TGA approved, but a lot of the alternate PPE that we were looking at only had EU certification and not TGA certification. Obviously, we were not of the view that members should be receiving PPE that had not been TGA approved.

Ms FORREST - Emily, I want to go back to a point you were talking about in terms of the psychological impact and trauma experienced by a lot of the staff in the north-west. Can you give the committee some information about the support those workers have been given, particularly post? During the actual shutdown the staff were all paid what they would have normally been paid, and there were mechanisms put in place to support them. I am interested in what support they have been given since, in terms of the psychological impact, and if you have any information about the number of health professionals in the north-west, like the North West Regional and the North West Private, who contracted COVID.

Ms SHEPHERD - I do not have the specific details around that, but I understand across the state around 80 worker's compensation claims were submitted for people or nursing staff who had contracted COVID-19. That is not just on the north-west, but obviously that was where the significant outbreak was. I would say a large proportion of those were from the north-west coast.

We advocated early on for on-the-ground psychological assistance for our members in the clinical areas where they were receiving COVID-19 patients, because we were hearing from members that they were working long hours - often double shifts - because of the number of staff who had been furloughed, and they did not have time or the inclination to go home in the limited time that they had to stand down and refresh and recuperate between shifts, to be rehashing and reliving it through an EAP process.

We did have some of that support put in place on the ground - particularly we understand at the LGH - but unfortunately, from reports from members post the pandemic in the north-west, they have not felt adequately supported from a psychological perspective in addressing that trauma.

In fact, one of our members last week indicated that he contacted the Employee Assistance Program and attended a counselling session, and felt the counsellor was unprepared or unqualified to assist him in terms of the trauma and the details that he was sharing with them. At the end of the session, he indicated to our member that perhaps he would be best just to not think about it - and that was the outcome of the counselling session.

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Clearly, from that perspective that is a real concern. We absolutely need to see that additional support put in to support members, particularly if we are relying upon that workforce to deal with any further cases of COVID-19 and a potential second wave. It needs to be a real priority.

Ms FORREST - We can ask this question of others, but are you aware how many psychologists are available through the EAP to assist the workers impacted by the outbreak? Do you know how many there are?

Ms SHEPHERD - I am not sure how many there are, but I do understand that there is a mixture of counsellors and psychologists. Our view would be that it does need to be somebody who is qualified to deal with significant trauma - people who potentially deal with returned service men and women. The trauma that our members experienced is not just a simple trauma. It is quite complex and needs to be dealt with by a trained professional.

CHAIR - Emily, if it would assist, are you able to take a question on notice if you feel that might help you?

Ms FORREST - I think we need to ask someone else about that, Chair. Would you have that information, Emily, accessible to you?

Ms SHEPHERD - We do not have that information accessible to the ANMF. We could certainly make some inquiries, but it would probably be better answered by somebody from the Department of Health.

Ms FORREST - You talked about the extra pressure, during the outbreak, on other hospitals like the Mersey Community Hospital, but also the LGH, which took over all the obstetric and maternity-based care. Can you talk a bit about how that occurred, and if the midwives were supported, or not, in picking up that significant extra case load - bearing in mind that there was a great fear for the staff in the LGH receiving women from the north-west.

Ms SHEPHERD - Look, I have to say that the response from WACs at the LGH was quite supportive and there are obviously additional supports put in place. Additional midwives were placed on each shift to support our midwives and our members working within WACs. We did engage with THS early on after members had raised concerns with us about those additional resources and they were put in place.

Probably one of the main concerns as well was in relation to the environment and the capacity of the environment within the LGH to actually accommodate those additional women. Certainly the space and the birthing suite has finite resources and obviously that was a concern and was quite difficult to manage during the outbreak but they did an amazing job and pleasingly they did gain the additional support that they needed.

Ms FORREST - Looking to the future then, I am hearing now - and you may be able to confirm or deny this - that there seems to be still a lot of double shifts and overtime worked at the LGH and at the North West Regional Hospital. I am not so much sure about the Royal or the Mersey. In terms of preparedness, do we have the workforce redundancy, if you like, and capacity there? If we haven't, what do you believe we need?

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Ms SHEPHERD - My answer would be no, I don't think we're in any better position now than we were prior to the initial outbreak on the north-west in terms of workforce capacity. We still don't have a permanent pool implemented on the north-west coast so there isn't that backup of permanent staff. In addition, I think that not just on the north-west coast but across the state, we do have significant numbers of double shifts and overtime worked on a regular basis.

We have numbers of workload grievances in terms of our members saying that currently their workloads are unmanageable. The LGH Emergency Department would be one of those examples where our members are saying their current workloads are unmanageable and they have real concerns about what that would look like if there was another outbreak of COVID-19 and that layer was added on top of their current workloads.

We know that there was a sub-register produced by [inaudible] and certainly we provided a number of retired members who were prepared to assist in response to COVID-19. There was around 70 of those members in some capacity. We believe that all those staff on the sub-register and those members who were provided who have retired and would be prepared to assist should be engaged by the THS now so that there is a replacement workforce ready and able to respond when, and if, required.

We've seen in Victoria, particularly in the aged care sector where public sector staff have been put into teams to respond in aged care facilities. Certainly, our view would be that there could be a similar proposal for the public sector response where those on a sub-register have undergone induction orientation and are skilled up in the areas where they would be needed to assist, particularly in Public Health. We know that there need to be additional resources in there of contact tracing. That is not something that can be learnt overnight, although that did happen during the pandemic. They were trying to train staff whilst contact tracing at the same time.

I think there needs to be an absolute priority to get as many nurses, midwives and care workers engaged and on the books, if you like, with THS and ready to respond if required.

Mr WILLIE - Emily, did I hear right before, you said two of your members resigned over the COVID-19 transfer, the medical transfer to the North West Private Hospital?

Ms SHEPHERD - No, sorry, members resigned over the transfer post the COVID-19 pandemic. There was one COVID-19 patient who was a medical transfer from Victoria back to the North West Regional Hospital. But the impact of receiving a COVID-19 positive patient post the pandemic at the North West Regional Hospital obviously generated, I guess, that trauma and anxiety that members felt. I understand that some nurses resigned because they couldn't continue to work in an environment where they were feeling that anxiety and concern around caring for a COVID-19 positive case.

Mr WILLIE - That's extraordinary. Were they directly involved with that patient, or is it just the trauma that they felt from their experiences?

Ms SHEPHERD - They were engaged on the medical ward I understand.

Mr WILLIE - So they were directly exposed to the patient?

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Ms SHEPHERD - Yes.

Mr WILLIE - What does that say about the confidence of staff, if staff are resigning over a COVID case - one single COVID case?

Ms SHEPHERD - I think it shows that they are not confident. As our member indicated from the emergency department last week, emergency department nurses are some of the most resilient in the nursing profession; they deal with trauma on a daily basis. But the trauma and fear that they endured during the COVID-19 outbreak was so significant that it's obvious that there is trauma, there's likely to be post-traumatic stress and vicarious trauma for those members because of the way in which it was an unprecedented situation. People didn't understand how long the pandemic would go on for; at times, they felt very unsupported; they felt victimised by the community, particularly with some of the comments that were going around that were inaccurate in terms of how the pandemic begun.

I think that that trauma can't be underestimated and the fact that there's a whole raft of outstanding recommendations that were highlighted in the interim report, for instance around the environment, the need to social distance in a clinical setting which is actually almost unachievable at the North West Regional Hospital, given the size of the facility. So there are all those ongoing concerns that have not yet been addressed and can't be addressed in a quick overnight way that are fuelling members' ongoing anxiety and concern. I am sure that if there were similar outbreaks in the north and south that there would likely be a similar level of anxiety and trauma there as well.

Mr WILLIE - Do you know if there's been any follow up since their resignation to check on their welfare or to provide any support?

Ms SHEPHERD - I'm unaware of a follow up but certainly we've received that information via our reps at the North West Regional Hospital so I haven't got specific details.

Mr TUCKER - I want to talk to you about opportunities going forward, Emily. Hindsight is a wonderful thing after things have happened but you've talked about a statewide coordinator with PPE. Are there any other opportunities that you see going forward that the Government could implement?

Ms SHEPHERD - Absolutely, and I'm not sure that I've got enough time through to 12 o'clock but I'll try to answer.

CHAIR - Emily, if you could keep your answers as short as you can, it would be pleasing. Thank you.

Ms SHEPHERD - I think there's a huge opportunity, one of which we've already covered in terms of staffing and recruiting as many nurses, midwives and care workers as possible and putting those into place.

We also really need to focus on the environment, which is a real concern, about the support staff in clinical facilities to make sure that they can, to the best of their ability, socially distance or use personal protective equipment to keep them safe.

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In Victoria, we have seen that hospitals have had to erect marquees and tents outside their facilities for staff to be able to go out and take a tea break away from their PPE so that they can appropriately social distance without the use of personal protective equipment.

Looking at our environments within our hospitals and those high-risk settings to make sure that staff can be safe. We've learnt from the outbreak at the North West and particularly in Victoria, is that a lot of the transmission from worker to worker is in those shared spaces - in tearooms, handover rooms, meeting rooms, et cetera. So looking at that environment as an absolute priority and making sure that that's included in the capital works as a key priority going forward, whereby looking at how this pandemic has evolved and what needs to be done to any current capital works planning to make sure that any future buildings will accommodate the need for social distancing. And in terms of the recovery and progress, looking at how the nursing and midwifery professions can be part of that recovery process, investing in mental health nursing, investing in our child health nurses to support those communities as well and again, increasing positions and jobs. There's a whole raft of opportunities but I'll leave it at that in an effort to try to keep my answers concise.

CHAIR - Thanks, Emily.

Mr O'BYRNE - Again, it is the lesson learnt. The state was effectively shut down to allow time for health systems and the Government to prepare for any outbreaks in the state.

I want to clarify one of your answers. You said that if there was a second outbreak there would be a significant amount of staff, particularly on the north-west coast, who would go on stress leave and reduce what, based on your evidence, is already a very thin level of capacity. Is that right?

Ms SHEPHERD - Yes. That is certainly the sentiment that we have heard from members in our workplace, that given the trauma they have experienced they would feel unlikely to be able to respond in a second wave of COVID-19.

In terms of preparedness, there is a need for training and education for all health care staff across all sectors, to make sure there is that hands on training for personal protective equipment use and not just online. It needs to be face to face in a simulated environment, making sure that people have access and support also in the clinical environment. If there is a COVID-19 case, we know that infection control nurses have faced significant cuts over many years, particularly in public health. We really need to focus on skilling-up staff to be in the clinical environment as spotters, if you like - making sure that people are donning and doffing personal protective equipment and supporting them to do that in the clinical space, rather than offering that sort of support from afar.

The other key issue is communication. We have raised this with the inquiry into the outbreak. Communication was really difficult at the time for members to get clear, concise answers. Information was coming from the Australian Government, Tasmanian Government, Public Health, THS and the Department of Health, and there was the difficulty for members hearing about positive cases via social media.

When Public Health announced the cases of positive health care workers, that was often how some of our members found out that there were cases at the North West Regional Hospital. Some of our members also found out about the hospital shutting down from patients in the

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emergency department who had been watching the Premier's address. However, our members were actually working in that clinical environment at that time, and had not received an email to say they needed to watch the Premier's address about the hospital shutting. Clearly there needs to be better communication processes, and an integrated IT system that doesn't just incorporate e-health records but also incorporates HR information, to make sure there are readily accessible avenues to reach all staff in a timely way. Certainly that added to the feeling of being devalued at the time.

Lastly, as I said, is the need to make sure there are sufficient numbers of staff in terms of infection control and in Public Health, because contact tracing was a very time-consuming process and incredibly important. It is important to make sure there are additional resources in Public Health, and particularly the way in which the interface between the community and Public Health occurs. We know a number of our members were accessing Public Health for information and they were calling the same number as people in the community who wanted some information about whether they needed to be tested. There is a need to ensure there are appropriate resources in place to be able to effectively triage those calls, so that people are getting the right information for the right context at the right time.

Mr O'BYRNE - Emily, that is quite shocking. I must admit there are many questions I would like to ask but I am really mindful of time. Perhaps we can get Emily back.

I have a question that relates to your members, not just in the public system but across the aged care sector as well. We hear publicly that that sector has plans in place and is prepared for any eventuality. Is that your member's experience?

Ms SHEPHERD - No, it is not. We have significant concerns about the aged care sector's ability to respond. What we hear from the sector is that they are adequately prepared, and that is great. They are prepared on paper, but our members do not feel that preparation in the aged care sector. We already know that staffing levels are at an all time low. There aren't sufficient numbers of clinical staff to be able to support current residents in residential aged care. We know as we have seen in Victoria, if there is a COVID-19 outbreak there will not be sufficient numbers of staff to care for residents in residential aged care which will mean an additional workload on our public sector hospitals. If there is a significant outbreak, we know there isn't a sufficient workforce within the public sector to go into aged care facilities to support those facilities in Tasmania either. We are very much of the view that the aged care sector urgently needs to increase their staffing levels.

They also need to look at increasing the skill mix, so there are more registered nurses in aged care facilities to provide the level of clinical care that would be required to support someone with COVID-19. Some of the reports we have heard from our ANMF Victorian branch comrades about the state of some of the residents in residential aged care in Victoria are shocking. We would hate to see a similar circumstance here in Tasmania.

Ms FORREST - Thanks, Emily. You have covered a few things I was going to ask about. Is there anything in terms of preparedness that you can think of? It would be good if you could send that through to the committee. You have talked about having this almost redundant workforce ready to go - until either the virus disappears or there is a vaccine that is more than 50 per cent effective, regardless of that, we are still going to face another pandemic in the future no doubt.

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How do you see this workforce being structured so it is not just sitting around waiting for something to happen that hopefully never does? How do you utilise those people in other areas and then have them ready to redeploy? I am interested in the model to ensure you can manage if you have to furlough all the staff in one facility or on one ward of the hospital, what do you do that without having people sitting around waiting?

Ms SHEPHERD - Yes, sure. First and foremost, we would be looking at the leave relief factor for nurses and midwives across Tasmanian Public Health Service. At the moment that leave relief factor only factors in leave for people who are taking sick leave and annual leave. Currently, any nurse or midwife across the state who takes long service leave or professional development leave is not backfilled, so there is already a significant gap in terms of people being able to take leave and the baseline staffing levels of nurses and midwives.

The critical issue is making sure that baseline staffing and leave relief factor is already built in to meet the current leave requirements provided in our industrial agreements for nurses, midwives and assistants in nursing - AINs. That would probably be the key foundation, making sure that our current baseline staffing levels are accurate. The second point relates to the permanent pools we have in the north and in the south. These pools are basically permanent staff - nurses and midwives who are recruited to the Tasmanian Health Service. They are called upon to backfill sick leave or carers leave, or whatever the case may be, at short notice.

We would say that increasing the permanent level of those staff would not be a significant risk given the level of double shifts and overtime that has been worked across the state. We know there aren't enough staff within those casual or permanent pools ready to meet the demand to address sick leave and carers leave. A significant increase in the permanent pool of staff would assist that.

However, as you said, Ruth, you do not want to have those people just sitting around doing nothing. We have retired members who have put their names forward and would potentially fall into the vulnerable age group and therefore wouldn't be able to work in the clinical space. These members could be trained to support the public health response in terms of contact tracing. They could be continually engaged to have refresher training. They do not necessarily have to be engaged on an ongoing basis with THS, but they certainly are ready, willing and able, and are educated and trained appropriately to respond if there is another outbreak.

Looking at how we use those teams flexibly and also looking at a structure where we can have key groups of health professionals, including infection control nurses, Public Health, and also senior management from a nursing and midwifery perspective, in already designated groups, to be able to respond if there is an outbreak, because what we have seen in the absence of appropriate communication and an integrated IT system - what we actually need is people on the ground getting the messages out, and being there physically to support members, which is one of the key issues that were lacking during the north-west outbreak.

Ms FORREST - People often don't see officers of Public Health doing their thing until something like this happens, and then it naturally exposes the gaps. What do you believe the gaps are in our Public Health, besides funding - because funding is always a problem in our preventive health space?

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Ms SHEPHERD - Absolutely. In terms of Public Health, we suggested that there needs to always be a call centre set-up for public health, whereby you call a Public Health call centre and you have somebody who is appropriately trained answering that 1800 number.

The person needs to be not just trained in public health, but someone who has a clinical background, so that they can appropriately triage that call and say, 'Well, actually, you're a clinician working in a clinical environment, and what you just told me is an incredibly high risk. You need to be put through to an epidemiologist, or another public health nurse can work through that process with you', as opposed to somebody who might ring up and say, 'I am wondering if I need to be tested, or I am wondering if my community event can go ahead, because I am not sure that I have the social distancing quite right?'

They are the sorts of calls going through Public Health, and trying to wade through all of those calls and making sure people get the critical clinical information at the right time is incredibly important. So I think that call-centre approach and triage approach.

Also, too, some of our members working in Public Health would call people following a contact tracing with a positive case, and not have the ability for that person to call them back, so they would leave a message on that person's phone and say that you have been identified as a close contact, and they would then have to back through the 1800 number. They would have to go right through that whole big, long process again.

So, making sure there are appropriate facilities in terms of phones and phone lines set up to support people.

CHAIR - Can I go to David for one question? We are out of time, Emily, but if you don't mind? Thank you.

Mr O'BYRNE - You talk about your members and their mental health and morale, et cetera. During the peak of the outbreak on the north-west coast, we had the Prime Minister talk disparagingly on commercial radio about the conduct of, I think it was an aged care worker at the time. You also had the chief medical officer making some references to some behaviour or alleged behaviour of staff. How did that make your members feel? What impact has that had on their mental health and their morale?

Ms SHEPHERD - At the time it was just the lowest blow. Our members were working incredibly hard, incredibly long hours, and they were just absolutely at their wits end. To have the Prime Minister and the chief medical officer going out making statements that weren't backed up by evidence is just absolutely shocking.

Certainly, we came out at the time on behalf of the members to say that any statement that is being made publicly needs to be backed by evidence, and it is not helpful in the midst of a pandemic, when our members and healthcare workers are working themselves to the bone, putting themselves last, and every patient in their care first. They need to be supported and have the full support of the community behind them. It was incredibly confronting, and it was very traumatic, and had a further huge impact on our members' mental health at the time.

We were trying to get some positive stories out, where our members would speak to the media about what they were doing and the challenges that they were facing - and after that, our members went to ground and didn't even want to come out. They were concerned about going

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out in their community, going to the supermarket, because they were regularly being abused for being in the supermarket when they worked at the hospital - because community members thought they were somehow going to contract COVID-19 from them in the supermarket.

It was really disappointing, and not the support that should have been given to our members at that time.

CHAIR - Emily, thank you very much for answering our questions in the way you have. We appreciate it very much. It is pretty obvious that we would want to recall you, if you don't mind, and that will probably happen not too far into the future, because the information you are providing the committee is very important to us. We appreciate you going over time as well. Thank you for that.

We are hoping to put out an interim report before Christmas, but this inquiry will go on for some time, because we are looking at the recovery process, very importantly, as a part of this, as we move forward.

Emily, thank you very much.

Ms SHEPHERD - I will forward the response into the independent inquiry to the north-west, which might answer some of the further questions you might have as well.

THE WITNESS WITHDREW.

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Mr JOHN FITZGERALD, CEO, TOURISM TASMANIA AND **Ms JACQUI ALLEN**, DEPUTY SECRETARY, CULTURAL AND TOURISM INDUSTRY DEVELOPMENT, DEPARTMENT OF STATE GROWTH; WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Welcome, to our meeting.

This is a public session it is online as well, broadcast online and Hansard is recording it and it will be transcribed. I think you understand all that and you know all the members, don't you? I don't think we need to go through that.

As I said, you've both given evidence to these committees many times so I don't need to go through all of the detail regarding these committees and the evidence and so on, other than to simply remind you that parliamentary privilege applies while you are here. Once you leave here it is a debatable issue. I am not too sure, but you are protected while you are here.

If we get to a stage where if you wanted to pass on to this committee evidence that you felt should be given in camera, then please simply raise that issue and the committee will make a determination and then we would move forward from there.

The terms of reference are well known to you; you have them in front of you as well so if we can stick to those that would be good.

We haven't received a submission, John, so I will give you the opportunity at this stage to outline to the committee any matters you want to and then we can go into questions. Before that, David O'Byrne is also a member of this committee. He will be a little late but he'll be in shortly, hopefully, not too far away. So if I can leave it open to you and see where we go.

Mr FITZGERALD - I will just open by saying, Jacqui and I are here today - obviously there's been a lot of interest in the travel voucher scheme in Tassie, unquestionably. The Department of State Growth is administering that scheme and the technical delivery of that but it does sit within the context of the whole intrastate marketing program.

As you are all acutely aware, the intrastate market is the only market available to Tasmania at the moment. Over and above the travel vouchers, our organisation is rolling out a program of intrastate marketing this year worth at least \$1.5 million and we're not normally in the intrastate market. I'm sure many of you are aware that our primary objective is to drive mainland Australian and international visitation demand to Tasmania, but without those markets available to us we've turned our attention to the intrastate market.

You're probably familiar with the Make Yourself At Home platform that's been rolling out pretty extensively through the Tasmanian media. Anecdotally, we've been very pleased with Tasmanians' responsiveness to get out and travel in Tasmania to support our sector and our communities. I think all the evidence is that regional Tasmania is a beneficiary of the travel that's occurring.

The travel voucher scheme was introduced by the Government to stimulate the movement of Tasmanians in the very short term. Whilst we're all looking forward to the opportunity of a market opportunity beyond Tasmania in the not too distant future, it was critical given the plight facing the economy and businesses, particularly in the visitor economy. As you are all

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aware, tourism and hospitality has been one of the most highly impacted sectors of the economy through the COVID-19 crisis.

Getting Tasmanians moving out and about as quickly as possible was a motivation but it doesn't begin and end with the travel voucher scheme. Our campaign will go right through this financial year and then we'll look beyond that as to the role for potentially keeping Tasmanians moving and who should play a role in that part going forward.

Overall, this is part of an integrated intrastate campaign to make sure we can extract as much value from the Tasmanian people in supporting the visitor economy in Tasmania's regions and communities.

CHAIR - Thank you, John.

Ms FORREST - I have a few questions. I've done my best to help out. I've had a couple of holidays around the state, mind you I do get around the state quite a bit already but it's interesting getting around talking to a lot of the businesses engaged in the tourism and hospitality sectors. We spoke to Tom Wootton this morning and there seems to be a two-speed thing happening here, some are doing better than others.

I am wondering what data you have in terms of Tasmania about the impact and what factors you think may have contributed to some businesses doing better than others? It seems there is a bit of disconnect sometimes here, and that's within regions as well as within the different levels of offerings.

Mr FITZGERALD - Of course, not everyone's winning out of this. We're filling a pretty big gap with not having the interstate market available to Tasmanians so we appreciate that everyone is not performing optimally. We do not have any explicit data because most of our data is retrospective. It arrives after the fact. Our data comes through our connection to those organisations - you have heard from Tom Wootton from West by North West this morning - so by being connected into our Tourism Industry Council of Tasmania, the Tasmanian Hospitality Association, the four regional tourism organisations, some of the accommodation outlets, including organisations like Airbnb et cetera.

Our evidence is largely anecdotal at this stage. It is fair to say what is happening is that regional tourism is mostly going reasonably well. In fact, it is the urban situation that is struggling if anything. Occupancy in Hobart is at quite low levels. Unsurprisingly, our population base, of course, is based in our cities largely, so particularly people based in Hobart are getting out and about into regional Tasmania.

Ms FORREST - They do not holiday in Hobart, do they?

Mr FITZGERALD - No, they do not holiday in Hobart. I think the other important thing is for people coming into Hobart is that, yes, they can come in. Some of our events have been impacted so without that sort of event stimulus, it does not provide as much reason for people to come into the city. They might come in to restaurants - normally restaurants and the theatre and events and the markets. They are all at a lower scale.

Mr WILLIE - MONA is closed as well.

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Mr FITZGERALD - Exactly. The experiences available at the moment to Tasmanians are largely in the regions. I think that is what we are seeing.

The other thing is the regional accommodation sector does quite well because it is small scale, but it is the experiences and the tour operators that do not do as well because Tasmanians are more likely to get in their own cars and travel around the regions. It is the interstate and international market that is more likely to take touring product.

Can I say I am plugged in to the national market pretty well? I talk to my colleagues regularly and, in fact, we meet formally every couple of weeks, and this is a national phenomenon. You can imagine what might be happening in some regions around the country like far north Queensland where they have a really heavy touring component. We are a little bit lucky in Tassie in that it is much more of a self-touring destination, but I do not underestimate what is happening with those who have tour operations. Whilst we can do what we can to stimulate that, we are fighting against the natural stream of things with Tasmanians largely wanting to get in their cars and explore Tasmania themselves.

We appreciate it is lumpy. Probably that will not really change in any great detail until we have access to our mainstream markets. At the moment we are doing everything we can.

One of the things we are going to do, for instance, as part of the Make Yourself at Home campaign is we run spring activities with a regional areas focus. We are also going to run a city breaks - Hobart and Launceston - component. We are trying to be agile about where the need is at any given time. We appreciate that maybe Hobart and Launceston are not doing as well, notwithstanding I have had a nice long weekend in Launceston in the last six weeks or so, but they are not doing as well in the city. We are going to turn our attention to try to stimulate that a bit more.

Ms FORREST - Do you think the momentum, if you like, that has built up with the campaigns being run - 'because you cannot holiday anywhere else, you may as well do it here' sort of stuff - will flatten out with the changes to JobKeeper and JobSeeker payments? Have you given that any thought at all?

Mr FITZGERALD - I am not sure. I think at the end of the day Tasmanians who have the capability of travelling around the state are out and about doing that. We are likely in the next month or two potentially to have interstate visitors back. I think we are going to see a lot more stimulation generally.

Tasmanians are actually good travellers in Tassie. It has been growing in the last few years at more than double digits. Tasmanians have grown in the last three or four years at about 11 per cent in terms of their travel within Tasmania. Tasmanians are appreciating the wonder of this place and the experiences that have developed over the last five to 10 years just like anyone else. We are better travellers than we ever have been.

Ms FORREST - Has that been more related in the past - not now, obviously - to events and things like festivals in regional areas?

Mr FITZGERALD - Of course that helps; they are all part of our brand. If you look at the flights we have supported now and introduced from Hobart to King Island and Flinders Island, which commence tomorrow, as we sit here, and we have only been in the market for a

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little over a week, 1000 flights have been sold - 600-odd to Flinders Island and about 325 to King Island.

Think about the conversations you have had yourselves. I live in Hobart - how many conversations have I had over time? I have travelled pretty extensively in Tasmania, as you might expect, and I have only lived in Tassie for seven and a half years - but I talk to long-term Tasmanians, many of whom have never been to our islands. What is happening is that people do not have the choice at the moment, so they are going, 'You know what? I haven't been to Flinders Island?'

It is almost a bit embarrassing for some Tasmanians. For example, people who have retained their jobs and their income are legitimately thinking, 'This is my chance to get to our islands.'

Mr STREET - A 41-year-old here, John, who has not been to either.

Mr FITZGERALD - There you go.

Mr WILLIE - Don't turn this into a confessional because I will have to come clean, too.

Ms FORREST - I've never been down to the Franklin area.

Mr FITZGERALD - I had a weekend up on the east coast two weekends ago with a dozen of our friends - that is an example of what is happening. People who have maintained their employment, who have largely been at home in Tasmania, feeding their kids or going to work et cetera - some people, almost embarrassingly, have saved money and have more disposable income to spend at the moment. We need to capitalise on that in Tasmania.

They will have itchy feet to go to other places, but the data we have received shows that Tasmanians are wanting to travel more in Tasmania, anyway.

Ms FORREST - Social media that follows that - whether it be Facebook, Instagram, whatever - actually helps. I think it has its own momentum because it is, 'Oh where's that? Where did you stay?' You know it has to be in Tasmania because it can't be anywhere else because Tasmanians are sharing it.

Mr FITZGERALD - Yes, that is right. I think about a third of our followers on social media are Tasmanians. They are our foot soldiers, if you like; there is no better time at the moment for Tasmanians to be sharing those experiences because it will all go towards rebuilding our market when we can.

Ms FORREST - Have you any data at all on the number of people who have lost their jobs or had their hours reduced in the tourism/hospitality sector?

Mr FITZGERALD - I think that is available, but I don't have it with me here. It is not insubstantial; it would be in the thousands.

Ms FORREST - It would be helpful to have that.

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Mr FITZGERALD - I think the industry council and ourselves can supply that data but it is in the many thousands. This has been one of the most heavily impacted sectors.

Ms FORREST - That is why I mentioned the data. Is there a gender analysis of that within it? Can that be done?

Mr FITZGERALD - I would need to check that. I am not sure whether it goes down to that level.

CHAIR - As is normal process, John, we will write to you with these issues.

Mr FITZGERALD - I am happy to provide any data we can as a follow-up, that we may not have in our heads today. We are happy to provide that.

CHAIR - What is the long-term position we are going to see regarding tourism with the B&Bs? Evidence has been given that many of the B&Bs have gone back to rental properties. What is this going to do for accommodation in the regional areas? Have you looked at that as far as tourism is concerned? Is there going to be an impact?

Mr FITZGERALD - I am not sitting here with any great concern about that. I think the market tends to sort itself out and we will take time to build back. At the end of the day, we are not going to return to the visitation levels we saw in 2019 anytime in the near future.

The market balances itself out based on demand. We are connected into the Airbnb people and they are still saying there are lots of Airbnb properties in Tasmania, so we might have seen some - 'leakage' is the wrong word, because it is supporting our rental accommodation - but I think we are definitely seeing some shifts in that as people have had to respond to the market that is in front of them. The thing about B'n'Bs is that it enables people to loop more deeply in our communities, and that is what a lot of people visiting Tassie like.

We are going to have a pretty broad suite of accommodation across the state to reactivate the market, so I think the market will sort itself out over the next couple of years.

CHAIR - The other point I was going to make: you said you have always concentrated on interstate and international. That has been your major concentration for tourism -

Mr FITZGERALD - Yes.

CHAIR - But they are now, of course, intrastate. What does that look like in the future? It is going to be some time, I guess, before the world borders open up, but hopefully our colleagues on the mainland will be opening up shortly. How do you see that, moving forward, as to your position in Tourism Tasmania, as to where you would be concentrating what you are doing?

Mr FITZGERALD - We'll certainly continue to concentrate on interstate and international, but a nice by-product of what we are doing at the moment is that people get to see the flavour of things we do in those markets. Tasmanians are seeing the way that we represent Tasmania's brand in the market. That has been a beneficiary of being able to do the intrastate marketing campaign.

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We want to have a look at the roles and responsibilities of all the organisations as we look into recovery - so we will work, for instance, with the regional tourism organisations to ask, do we want to keep the intrastate marketing campaign going beyond this year and, if so, who is best placed to do what? But we will very much be focused on mainland Australia.

We haven't really done anything of significance in the New Zealand market for a number of years. We were planning a market re-entry into New Zealand prior to COVID-19. We still think that is really relevant - in fact, probably more relevant than ever - so we are working on a market re-entry in early 2021 into the New Zealand market. Obviously, that is based on whether or not that market is accessible to Australia at that time. We think New Zealand is an opportunity for us - and it will be an even more fertile opportunity should it be the only international market available to Australian in 2021.

CHAIR - I take it, then, that all the preparatory work is already undertaken in relation to New Zealand, if the borders open up, for New Zealand travel to here direct?

Mr FITZGERALD - That's right. All our campaign stuff is well advanced, so we are ready for interstate. In fact, our plan is to start interstate marketing again - when I say, 'start it again', we have never gone dark, if you like, in the interstate market. We use our channels - particularly with things like our social media channels - to keep the market connected to us, but we have backed away from significant expenditure in those markets, as you might imagine.

But we are ready to go, in the next couple of weeks, in starting to stimulate that demand - and, should the borders be open, we will have a pretty substantial campaign right into the Christmas period.

CHAIR - With what you have done now, can you give us an idea what the take-up is likely to be? I would have thought there would have been - looking back where we were, previously, a long time ago.

Mr FITZGERALD - It is difficult to be absolute about that, but we have maintained our research around our brand health, and that tells us that Tasmania is incredibly strong. People still have a desire to come to Tasmania.

The second piece of the puzzle is the access piece - how do they get here? Again, I can tell you that we are in daily contact with the airlines, and the reception we are getting from the carriers is very good. They are keen to get back into the Tasmanian market at reasonable levels.

Mr FITZGERALD - I don't know what that will look like, but it might be on commencement, say, 40 per cent of what we would normally would have, which isn't bad - but they are keen to ramp up as quickly as possible. What is pleasing is that it's not just all Hobart - the north is going to be well served as well, from pretty much day one of borders opening.

Our conversations with the carriers are going extremely well and they're very positive, so I can't be more definitive than that at this point.

Our brand is strong. The access piece I think will be strong. We'll have probably our largest campaign ever over the next two and a half months, leading into Christmas. If we can give the markets connectivity to Tasmania, I am pretty confident we'll do quite well.

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The reality around that, of course, is that it's not going to be a normal summer - so even if we're really successful we are not going to get to the levels of a normal summer. That's the fact of the matter, and we have to do the best we can. But from all the indicators we have, access will be strong, and demand should be strong. So it's a matter of us putting our best foot forward, and building back what we can this summer and beyond.

Mr O'BYRNE - Obviously, it is the toughest of times to be in this industry. We've received a number of submissions from tourism industry peaks and individuals about the obvious impact this year. One of the bits of information we heard, particularly in evidence from a tourism body, was the issue around events. Obviously, once the borders were closed, a whole range of events were cancelled. This year's been a bit of a wasteland for that sector - but it is a very important part of our offering, both intra and interstate. What we are hearing is that there's good engagement at your level in terms of what you know, and the work and support that you're providing the industry. One of the questions they're finding hard to answer is getting contextualised advice from Public Health.

Mr FITZGERALD - Yes.

Mr O'BYRNE - So, under what circumstances will this occur? You have experts who know how to run events, and you have experts who understand the risk, but there's a lack of communication between those, therefore creating issues.

The lead-in for events is six, nine, 12 months. There are people making decisions now for summer and for the middle of next year. We're hearing that they're saying because it's so uncertain - we don't know what the health advice will be, we are getting confused - so now we're making some calls to cancel things.

I think you've launched some funding to support events, but doesn't it seem sensible to get that bit sorted prior to getting the funds?

Mr FITZGERALD - I'll let Jacqui answer this; she manages the events portfolio. She and I were at a forum with about 60 or 70 people, event managers, in Hobart the other day, talking about these very issues.

Ms ALLEN - I can speak to some of the issues. Obviously, the challenge is the overarching health principles that we're trying to manage. We have provided some advice to event organisers, looking at both outdoor and indoor events about how people can work within the current framework that we have. The information that event organisers are most needing is around the capacity constraints and the gathering limits.

As John said, we attended a forum with event organisers on Friday, and that was a very open and frank discussion about some of the challenges. I can say that we are in the process of working across Government to provide a framework that gives a little bit more guidance around what some of the principles are, and what those considerations are, and how that flows through to decisions about how people might organise their events.

As we've been working with different industry segments around the COVID-19 requirements, there's reasonable clarity around the sort of five things that we all need to do. But then when you get into particular industry contexts. For example, in the hospitality industry, there has been a lot of discussion on the issues of queuing and standing and consuming

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alcohol, and things like that. Those are some of the issues the events sector is concerned about as well, and wants to understand.

The framework that is currently being developed is intended to provide some guidance, but I think we would have to acknowledge that none of us really know what the trajectory of COVID-19 within the community is going to be and what it's going to look like. Certainly, we work very closely with the events that we have a relationship with and we have a funding relationship with, and we've worked with them through this six-month period to support them in making their decisions.

Without question, it's going to be a challenge for us going forward. From a community perspective, people are keen to get back to events and festivals as well. We're keen to provide people with advice around what is possible, and then they will need to make some economic decisions around that. There are some very encouraging evidence of festivals thinking about how they might do things differently, and how instead of trying to get a massive number of people together at one time, they might try to satellite with smaller levels of gatherings. Obviously, that's a different model and it's a different economic model for them, but we continue to work with them; we continue to provide advice through to Public Health and through to Government around what some of the specific questions are from the events sector.

Mr O'BYRNE - If there is another outbreak or a second wave, I think people accept that is something that they can't counter, apart from making a decision at the time when it becomes apparent that is an issue. Some of the issues are pretty basic though. I think they get the maximum numbers, but it's how you manage that within service of alcohol, standing, sitting, dancing with alcohol, dancing without alcohol. For example, if there's an outdoor event, are people allowed to, say, sit on a picnic rug and drink, or do they need to have a chair, and does the event manager need to provide chairs? And what's the difference between sitting on a chair or sitting on a rug?

They're the questions that people are getting. The evidence we have heard is that there is a lack of opportunity to have a contextualised conversation with Public Health about those questions.

For example, if someone asked you that question, what would be your answer to that?

Ms ALLEN - We were literally having that conversation this morning in the office and that is the conversation that we're taking through our current event framework discussion: what is sitting at an event and what does that look like? We're aware of the issue. I don't have an answer for that today but I can tell you that it's actively being considered.

Mr O'BYRNE - That illustrates my point. You have people who are making decisions now for New Year's Eve events, or Festivale which has been cancelled. That's a big intra-state event. The evidence was pretty clear that the summer is going to be tough. We'll have intra-state travel and potentially some interstate travel. It does seem a bit ridiculous that we can't answer a question about being on a chair or on a rug and drinking at an open-air event.

With those questions unable to be answered, you can understand the industry's concern that they're not getting that evidence or that information in a timely way to make decisions for what is already going to be a tough summer.

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Ms ALLEN - We absolutely appreciate that. The issue is around the context of taking the advice through Public Health. You would be aware that's the context we're operating under. We have a series of directions. Those directions are pretty high-level and there is a range of questions about how does that work, to be able to provide the event organisers with certainty around what that looks like. That's what we're actively engaged in at the moment.

Mr O'BYRNE - The criticism we're receiving is that there is best intent and a lot of goodwill for the work you're doing, but people who are experts in event management want to have a have a nuanced and open discussion with experts in Public Health, so they can present different scenarios and get direct advice about risk. Why isn't Public Health having a conversation directly with event managers to manage that risk?

Ms ALLEN - Through Events Tasmania we receive this feedback many times a day. It probably relates to the number of events we're potentially talking about. Public Health has some resources to do that. The proposal we're working on at the moment is to gather up all those issues and take them to Public Health and provide people with high-level guidance.

We are able to facilitate specific discussions. What we are trying to manage is the situation where there are not potentially a thousand events out there - because we are talking about events of very large scale through to small scale events that are having to wait to get a deliberation and a consideration from Public Health to make that decision. To that end, we are trying to get on the front foot a bit and push some of that information out there to help people make their own decisions in what is a fairly rapidly evolving situation.

Mr O'BYRNE - It is in terms of the borders. You can understand their frustration.

Ms ALLEN - Absolutely.

Mr O'BYRNE - Essentially it is already going to be a tough summer.

Is it a matter of resources in Public Health to be able to facilitate this? We are not talking about a thousand events. There is a number, and you can name the key people who have events and run them. You can understand their frustration at not being able to get answers now for this summer. Effectively we will lose this summer if they cannot have those questions answered, or at least have a conversation with Public Health because, while you are expert in what you do, it would be great to get the two people together who need to consider the risk.

The question may change depending on the advice they get from Public Health. For example, they may say, we will manage the risk this way. The advice from Public Health directly could be, 'that would not work because of X and Y'. They would then in a conversation respond and say, 'how about this?'. Public Health may say, 'yes that manages that risk'.

It seems to me that there is a massive disconnect because you are being asked questions, you are going back to Public Health, you are getting answers without context, and you are almost in the middle as a ping pong ball. Surely it would be better to get people together?

Ms ALLEN - In part that was the purpose and the outcome of the gathering that John and I were at on Friday. It is also the intention of the work that we are currently, actively engaged with and it continues this week, and it is about providing people with enough advice to make their own decisions. It is about providing some of the context. But some of the

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questions are not so much about how to interpret the rules as they stand but how far could people push them. That is where there is a little friction: we do not know what the trajectory of the gathering limits will be. For event organisers, making the decision comes down to an economic consideration in many instances, of how many people can I get in the space or in the room and what can I do with them.

As I said we are currently actively working to push that information out to event organisers.

Mr O'BYRNE - The point needs to be made if they cannot answer that with any sort of reasonable management of risk the decision will be not to have events.

Ms ALLEN - We understand that and that is why we are working as we are.

Ms FORREST - You talked about possible different models of delivery of events or festivals or the like. Do you think in terms of enabling those to occur - because there is a huge community benefit from engaging in those activities - that the Government should look at funding or providing financial support to enable those different models of delivery that may be sub-economic on their own to go ahead?

Ms ALLEN - We have certainly - I think it was last week - launched the Event Ready grant program. That is a small grant program for event organisers to assist them with putting place COVID-safe events.

Ms FORREST - Is one of the criteria that you can run it as a sub-economic position if you do not limit your numbers?

Ms ALLEN - It is about working with them to help them work in a COVID environment. In terms of the events that we already have funding relationships with, we work in a way that is understanding of the restrictions that they are working to now. It is a conversation that we are taking forward as we work with the events sector.

Ms FORREST - The grant is not limited to purchasing of hand sanitiser and signage, and things like that. It could be used to facilitate delivery?

Ms ALLEN - I am happy to provide you with the details of the program. I don't have them with me today.

Ms FORREST - That would be good.

Mr STREET - One of the issues that has been talked about is housing affordability, John, and where I see it intersecting with tourism is the conversation around Airbnb. There are people who are proponents of regulating Airbnb to try to lessen its influence in the market. Are there not enough hotel rooms in Tasmania? I know, right this very minute, there are, but pre-COVID-19, was there a shortage of supply in the market that increased Airbnb profitability for property owners?

Mr FITZGERALD - No doubt. It is fair to say that we could not have experienced the growth we had, had we not had access to that additional market beyond the traditional hotel

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network - which is not a position I am saying I am advocating on their behalf - but the fact remains, we could not have had the growth we had without the Airbnbs of the world.

The thing is that consumers decide the experience they want to have and the market generally responds to that. I guess the bed and breakfast experience, which I was referring to, whether they are Airbnb or just a general B&B, people are getting more immersed in local communities as they travel. Tasmania, as you know, we are connected to this place, so people who come here want to mix in the community, so there will be some who take that model over a hotel, for example.

What we probably don't have, we don't have that many apartments compared to other destinations as well. I guess it's a matter of we need a mix of all those solutions so the customer gets to choose. That is largely what drives the market. It is what the customer wants to experience that the private sector market tends to respond to. That's why we have seen the Airbnbs of the world grow because that is how customers want to experience destinations, or at least a component of them.

Mr WILLIE - Back to events, if that's all right, Jacqui? How long can the industry sustain this? Obviously, there are some short-term impacts of events being cancelled, but it has to be detrimental to business models. We have JobKeeper being withdrawn in part from yesterday, and then finishing in March. How long can the industry survive in this environment?

Ms ALLEN - I guess that's a conversation that is actively being considered nationally. We don't have a forecast of what that looks like. Our approach is to work with our event's organisers to do what we can do and to start to activate. It is related to gathering limits, whether that is indoors or outdoors, in terms of the economic model of the events.

We are seeing people starting to think about how they will do things again. That is the approach we are taking, to work with people to support them to do what they can, to understand what those bigger issues are around the gathering limits, some of those issues that have been raised in relation to the framework, and try to get answers on that. The events, arts and entertainment sector is as equally impacted as tourism in terms of its capacity to operate in a business-as-usual model, and so everyone is having a look at that.

Some of the opportunities that people are looking at are related to online delivery and so on Friday we saw some examples of people who pivoted their events around an online presence and a physical presence. Now, whether that is something that people want to continue to be engaged with, and how people monetise that model is something that has to be thought about. I don't think that we would resile from the fact that it is a stressful time for this particular industry segment.

Mr WILLIE - Are you getting feedback from operators that they will walk away at some point if COVID-19 stays around for a few years?

Ms ALLEN - I am not personally having those conversations but there are business models that are dependent on large numbers of people gathering together and they are going to be put under pressure while we are not able to do that.

Mr WILLIE - Do you have some figures around how many people are employed in Tasmania in events?

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Ms ALLEN - I don't think we have figures for events specifically. Again, I can provide that we use the ABS Australian and New Zealand Standard Industrial Classification (ANZSIC) codes. I think what we find is that events activity is included in arts and recreation services, but we have some high-level analysis that we'd be happy to share with the committee.

Mr WILLIE - If you take the numbers query on notice, could you pull that out and also the economic activity it generates?

Ms ALLEN - To the extent we can, yes.

Mr WILLIE - That would be useful, thank you.

CHAIR - How frequently do you meet with the State Controller's group to discuss what's happening around the state in tourism?

Mr FITZGERALD - I don't personally meet with the State Controller's group; Kim Evans does from the perspective of State Growth. Kim is on our T21 recovery committee, so I guess we get the feedback through there. We're focused on readiness to market and we're ready to go just as soon as we're allowed to.

CHAIR - A matter frequently raised with me - and we are looking at tourism which is so important to us - is 'We've done everything right. We have our state in a COVID-19-free position and it has been there for quite some long time, but yet we're not seeing the really strong benefits coming from that.'. They're expecting the place to be opened up more, and the matter has been raised here with events and so on and activities around those events. Yet these events - Festivale in February has already been cancelled and so on so. Is it not an issue or a concern that we should be doing more to try to open the place up more?

Mr FITZGERALD - I'm sure the Premier isn't far off clarifying as he sees it. He's indicated that all going well, he'd like to think we'd be open sooner than later, so I think we have to let him lead on that. I think we all want to get back to rebuilding the market and we know how important that is and events will be part of that. I'm not directly involved in the events management, like Jacqui is, but it's fair to say we all want to come out of this with great experiences, and events are part of that.

We want to support those events to survive even though they might have to be delivered - some of them may not be able to be delivered - in different ways. I know the team at MONA is thinking about next year and how they can almost futureproof those events based on whether we are still living in a COVID-19 world.

We're ready to roll and to answer your question: the thing is that the Tasmanian market is only so big. Most of our market comes from interstate so that's where we'll see the real benefit coming back to our communities from once we start to see that flow. We're certainly hoping that will be in the weeks ahead.

Mr O'BYRNE - I just want to touch on New Zealand. The Premier with much fanfare announced that New Zealand was a chance back in very early May, I think. It's been about five or six months ago - but it seems like 10 years ago - in May this year. I know there are two sides to the equation. There's the stuff you really can't manage and that's the spread of

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COVID-19 cases which is external to what you can control, but the other side of the equation is what you need to put in place once the circumstances allow that kind of activity.

Could you outline to the committee what needs to be done and whose responsibility it is? Obviously, there's federal and state governments so could you just outline what needs to be done to allow that to occur, health considerations to one side? This is all the practical stuff. What needs to be done and whose responsibility is it?

Mr FITZGERALD - When you say what needs to be done are you talking about, like -

Mr O'BYRNE - Customs, facilities at the airport to manage that sort of stuff.

Mr FITZGERALD - I understand; thank you for the clarification.

So all that work is ongoing at the moment. We have an opportunity to re-enter the New Zealand market, as I said, in early 2021. Alongside that we're doing a fair bit of work on the potential for a direct flight, which would significantly enhance that market opportunity for us.

We need to have international passenger processing so we have to work with Border Force to enable that to occur. What used to happen in Australia until a couple of years ago - and I guess the onset of more stringent Border Force arrangements - is that the federal government used to provide for international passenger processing at airports. It no longer funds that process, notwithstanding that under the Hobart City Deal, it committed \$80 million over 10 years to operate a passenger processing facility at Hobart Airport. It is up to the destination, and the airport itself, to fund the infrastructure required to enable that to occur.

As we know, with accelerated growth in recent years, Hobart Airport was already under pressure in terms of load factors through the airport. When you look at what is required in a modern-day international passenger processing area, it is significantly more than it used to be, based on the screening equipment that is now required. Hobart Airport needs to make some upgrades to the airport, which it has pretty much committed to doing, and can happen in a relatively short period of time. We are now working with Border Force to enable that international passenger processing approval process to occur.

The greatest risk to us achieving that is that we have to be designated an international airport, and the federal government has to approve a plan for how we intend to manage international passenger processing.

The models they sometimes seek can be onerous, so we are working on a model to say, 'We think we can do it in this way - there are currently flights from New Zealand to the Sunshine Coast, and they do it in a certain way; we think we can do it to an improved standard.'. So we are working with the federal government to make that happen, if you like. That is the approvals process that needs to occur.

There needs to be some infrastructure development. In order for the federal government to do that, you actually have to have an airline or airlines committed to fly the route. You have to bring all those things together, and we are doing that as we speak.

We are pretty confident the business case is there for sustainable flights to New Zealand.

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Obviously, in a post-COVID-19 world, that will take a little time to build, but we think in 2021 there could be significant pent-up demand on both sides of the Tasman, particularly if it is our only available market.

We are talking to the carriers now. We are talking to the federal government now. We are confident that, if everyone is committed to it, we could have all that ready for an early 2021 commencement, if it possible.

Mr O'BYRNE - Early 2021. When you talk about infrastructure, you immediately think of the lead-in times for planning approvals and for tendering. How significant is the infrastructure? I think there was an existing plan, wasn't there? All things being equal, had that run its course, it would have taken a little bit longer - this plan was announced by the Premier back in May this year. Do you think it is feasible we will get it up and going by the end of the year?

Mr FITZGERALD - It's up to Hobart Airport to deliver the infrastructure. They are pretty much proposing they can do that without creating a whole range of extraordinary facilities off the current airport. It is really about modification and slight expansion, rather than they had a big longer term plan. They would still be considering what they see that future as.

Ms FORREST - They haven't any flights to work around at the moment, have they?

Mr FITZGERALD - Yes, what we want is a facility that will do the job for us.

Mr O'BYRNE - That relies on the federal government to agree.

Mr FITZGERALD - It relies on the federal government to agree to the passenger processing part of that, yes.

Mr O'BYRNE - Which is infrastructure-related, because you have to manage the flow of passengers and luggage et cetera?

Mr FITZGERALD - Correct. You have to have them screened appropriately, and have the right security and biosecurity measures in place.

Mr O'BYRNE - Is it fair to say, then, that the state Government and the airport have submitted a plan to the federal government and it is with them? Is that right?

Mr FITZGERALD - That's exactly where it is at in terms of Hobart Airport, supported by us, talking to Border Force about those explicit requirements, so that we are all clear about what is required to safely implement that at Hobart Airport, and how quickly we can do that.

Mr O'BYRNE - How is that going?

Mr FITZGERALD - It is going okay. It has its challenges sometimes, dealing with the federal bureaucracy, but we are confident that all of those bits of the plan can come together, and we are right in the thick of that as we speak.

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Mr STREET - John, on what David was asking. You said there is \$80 million in the Hobart City Deal for this. What is the hold-up in getting federal government agreement, if there is already money committed to it?

Mr FITZGERALD - At the moment we are dealing with Border Force bureaucracy on what it sees as its requirement. Once we have clarity about the requirement, down to a quite detailed level - because you need to know the detail of this, particularly if you have to construct new infrastructure - we will then push that into how we get approval for that.

CHAIR - We had this in place at one stage, or some of it, didn't we, with the international flights that were coming a long time ago? Several years ago.

Mr FITZGERALD - International passenger processing has changed radically in the last 5 to 10 years, since 9/11 particularly. You do not just hang up a shingle these days and say you are an international airport. There is a bit involved in that.

Ms FORREST - Baggage handling will have to be dealt with differently than it was pre-COVID, too. There are all sorts of complexities to this, aside from the overarching need to facilitate entry of international visitors.

Mr FITZGERALD - At the end of the day, let us remember - say, if it is a New Zealand proposition, you are not talking about a radical change beyond domestic, in terms of facilitating the aircraft side of it. It is the passenger processing and the security required that will be the issue, because you are only adding an incremental number of planes to what is already going to be a pretty significant flight capability at Hobart. It is not that difficult from an aviation perspective. It is the passenger processing.

Mr O'BYRNE - I have finished that line of questioning.

Mr WILLIE - Just on that, if it all does come together early next year, will it be a permanent arrangement, or just an arrangement during COVID?

Mr FITZGERALD - We think the New Zealand market proposition is a sustainable proposition in the long term. You do not go into these things if you do not think they are going to be commercially successful. You might have to build into it, but the reason we are doing this is because we think it is a market opportunity for Tasmania.

As I said, these things are not guaranteed, but we think there is a strong business case for it. You have airlines needing to crank back up after the COVID situation, and they are going to be a bit risk averse, as you know, so they are going to be ruthless about where they fly to and where they do not fly to, and what is commercially sustainable. We think the case for New Zealand is strong enough.

Mr STREET - Before you move off the airlines, where is Virgin at?

Mr FITZGERALD - We are talking to Virgin, and it is still pretty bullish about Tasmania. It is obviously going through an evolution as a carrier, and it is probably not going to be as large a carrier as it was under the previous ownership. There is a bit of rationalisation going on there, but in our discussions with Virgin, all the indications are that it is very keen to get back into Tasmania.

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It will obviously be lower capacity than it would normally be in the market on commencement - but, again, all the signs are positive in terms of getting back into both Launceston and Hobart, and starting to operate as quickly as possible.

Mr STREET - It is pretty important competition, I would have thought.

Mr FITZGERALD - Yes, very much.

Mr TUCKER - John, any chance, do you think, with the Bledisloe, with New Zealand bringing the AFL down here? Seeing as we have all the AFL players down that way.

Mr FITZGERALD - Winning the Bledisloe, or just getting it here, one at a time?

Mr O'BYRNE - This committee has received consistent feedback about the uncertainty of the future of the replacement vessels on the TT-Line. Obviously, people - particularly in the tourism industry and again across the north-west coast - were factoring in a significant uplift in capacity from late 2021 early 2022. There's lots of concern around the question of the business model, that has worked successfully for many years, and also a potential delay of maybe five to six years. Do you have a view on that?

Mr FITZGERALD - I don't think it's for me to express a view on that, quite frankly. The Premier's made the call on what he wants to see happen. We're going to grow back into the market over the next couple of years in terms of the *Spirits*, and we're going to go out with a not insignificant touring market proposition in the new year. We'll continue to work with the *Spirits*. I'm sure they'll sail as many times as they possibly can in response to demand, but the Premier has asked the board of TT-Line, as I understand it, to look at alternative arrangements.

My understanding is they'll come back with whatever that is. I'll leave it to the political arm of Government to make commentary about that, but we've got a close relationship with the *Spirits* and we're looking forward to working with them in early 2021 to try to rebuild.

CHAIR - John and Jacqui, thank you very much for working with us today and for answering the questions. There were a couple of things on notice which we will put in writing to you. The committee may require you to come back at some later stage because it's ongoing, looking at the recovery process. Tourism, of course, is vital to Tasmania so we may well have to do that moving forward.

We hope to put out an interim report before the end of this year.

Mr FITZGERALD - Thanks, Chair. I think I'm about to do some media on announcement of flights from Canberra, which have just been released this morning.

Mr STREET - Who do they belong to, John?

Mr FITZGERALD - It's a private company. It's not affiliated to the other airlines. It used to be called Corporate Air. They've just rebranded to Link. They'll run a pretty new Saab 34 seater.

THE WITNESSES WITHDREW.

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Mr MATTHEW POLLOCK, EXECUTIVE DIRECTOR, MASTER BUILDERS ASSOCIATION, WAS CALLED VIA VIDEOCONFERENCE, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - I'm not sure if you know all the members of this committee around the table, but we will start at the end. We have Nick Street over here; waving to you is Josh Willie; David O'Byrne; myself, Ivan Dean; Ruth Forrest and John Tucker. We also have our secretary and assistant secretary Nat and Ali, and we have Hansard - Debbie at the end there doing all the recording. I'm not sure whether you have given evidence to these committees, have you?

Mr POLLOCK - Yes, I have previously.

CHAIR - Well, there you go. I don't need to go through a lot of detail other than simply remind you of the fact that you have parliamentary privilege while giving evidence to the committee. Once you leave here, or where you are now and this committee, I am not too sure you will be covered so you just need to be aware of that and the rest of it you are aware of.

If you get to a stage where you'd like to provide some information to the committee in camera, please raise that and the committee would make a determination on that moving forward.

The terms of reference - I think you have those or should have them?

Mr POLLOCK - I do, yes.

CHAIR - It's fairly clear. You haven't made a submission to us so what I'll do is just leave it open to you at this stage to make a presentation to us covering the areas you see of significance and importance to us, and then we'll go into questions after that. If you can do that, Matthew, that would be very much appreciated.

Mr POLLOCK - Thank you. Before I get into that, I thank the committee for the opportunity to provide evidence to the inquiry today and also to extend an apology for not making an appearance at my previous invitation. Some personal circumstances unfortunately were in the way of that.

Today, the evidence I will provide is on behalf of Master Builders Tasmania and the 600 members, board and organisations which they represent.

I will keep my comments on the terms of reference quite specific to the building and construction industry. I will focus predominately on points (1) and (3) and perhaps (4), leaving terms of reference point)2) - relating to health expenditure - to experts in other fields and those that are more qualified than me to comment.

Before I get into that, I might give a little background in terms of the impact of COVID-19 and the associated government lockdown restrictions and impositions since then, and how the industry has progressed over the past few months.

It would be appropriate to start right at the beginning, when we were potentially facing a period where it was uncertain whether the construction industry would remain open, and how we would be able to do so safely.

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I can say today with confidence, it was not only good to see, but very important, that the construction industry remained open particularly in those first few months, and that we can report today that there were no cases associated with construction sites in the work undertaken on those sites, as other sectors and industries were put into lockdown - and appropriately so.

That was thanks to a very swift and coordinated effort between industry, government and also stakeholders in Worksafe Tasmania to ensure we had the guidelines in place and construction sites were well informed and had the systems in place to follow Public Health guidelines.

That being said, and being one of the industries in some senses that was lucky to continue to operate, the construction industry was certainly not immune to the impacts of COVID-19. Certainly, in the early days we were staring at what was quite a concerning cliff in terms of the prospects for future work. In the residential construction sector, potentially we were looking at a shortfall of between 700 and 800 dwellings over the following 12 months. In the commercial construction industry we were looking at a shortfall in the value of work - and particularly work on the major projects - of between \$500 million and \$1 billion.

Those figures were supported by a detailed survey of its members which Master Builders undertook. We received around 300 independent responses to that survey, which covered building and construction businesses across Tasmania, in all three regions, and also across all sectors - businesses large and small.

From there, I might go into the terms of reference in particular, and reference (1) in terms of the timeliness and efficacy of the Government's response. Certainly, the sectors of the construction industry that have perhaps performed best over the last few months are certainly the ones the Government's stimulus and economic response targeted. Perhaps the best example of that is in the HomeBuilder Grant Scheme, which I can certainly say has been an incredibly successful grant scheme to date.

As I mentioned before, we were looking potentially at a shortfall of between 700 and 800 new dwellings over the 12 months preceding June this year. That has been largely offset by HomeBuilder and we have seen a significant interest from the community in terms of accessing those schemes. I believe from last count there has been around 1400 expressions of interest or registrations with the Office of State Revenue. Approximately 300 applications have been received, and I believe around 70 to 80 of those applications have received conditional approval. I expect that those numbers will increase as we head towards the end of the year and as we approach that December 2020 deadline for construction contracts to be signed.

In other areas, public investment in non-residential projects has started to pick up, which is encouraging, in those projects which the Government can bring forward reasonably quickly. The latest building approvals data from the Bureau of Statistics is a testament to that. In the three months since the economic recovery plan was announced there has been around \$81 million in public non-residential projects approved. That compares to around \$21 million of public non-residential projects approved in the three months previous to that announcement.

That being said, there are still some very significant areas of weakness in the sector and some concerns moving forward. It is a big sector, highly capital intensive and government money cannot do all the heavy lifting. There are still grave concerns in terms of the retreat of private investment from the market, particularly in those major projects in the commercial

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construction sector. We are still looking at an estimate of around \$1 billion-worth of private projects that have been postponed since around mid-March this year, particularly those projects exposed to the tourism and education sectors, which understandably have also been some of the hardest hit due to COVID-19.

All up, the job statistics as well are still a worry, a concern, for the industry. The weekly Bureau of Statistics labour force numbers have been quite consistent over some months now, showing a fall of around 1000 jobs in the construction industry since around mid-March or since really since those COVID restrictions started to hit the economy.

In terms of reference point number (3), 'Impact on progress', in some respects I think other than the initial response to keeping sites safe and open, it is perhaps a little bit early to be talking about outcomes given the longer time frames around construction projects. Impacts on progress - the impact on the residential sector has been quite positive for home builders. It was very encouraging to see the Government step up there. It was a central piece of policy that Master Builders put to both the Commonwealth Government and the state Government. Progress to date on that has been good.

We still would like to see some additional attention paid to bringing private sector investors back into the market and also some additional stimulus measures that we have put to government in the Rebuilding Tasmania stimulus reform plan presented before the stimulus measures were announced. I am happy to go into some detail of those if the committee has additional questions or would like me to do so.

CHAIR - Thank you for that, Matthew. Is that it?

Mr POLLOCK - There is just one other area, Chair, I would like to raise around support for the workforce and also in the training space.

One thing we are very conscious of is that it is great to see a commitment to bringing forward construction activity. We firmly support the objective of using the construction pipeline as a centre piece of the recovery strategy. But I acknowledging that, in order to really take advantage of the multiplier effects and the economic benefits of doing so, it is important that the jobs that pipeline of work creates go to Tasmanians. We need to ensure we have the support and the capacity within the training system to do so. Master Builders is a firm supporter of the recommendations provided through the PESRAC report in terms of boosting training capacity and the coordination between government and industry in bringing more apprentices and more trained skilled people into the construction industry.

CHAIR - That is it, is it?

Mr POLLOCK - I am happy to take questions, thank you.

Ms FORREST - A couple of areas I would like to go to, Matthew, if I might. You have talked about the success of the HomeBuilder Grant scheme. I was wondering if you can provide updated figures that you have, not necessarily right now, to the committee.

From the numbers you gave broadly, there is a concern in the community in some respects that there will not be capacity to actually build these properties. Even in some parts of the state, it is hard to get a builder now to do this work. I do not know if you have a regional

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breakdown of where the successful grants have been applied for just to give some more context around that. That then flows into your comments about training, but I will come to them in a moment if you could just talk about the capacity issue there.

Mr POLLOCK - Ruth, I do not have the numbers broken down by region though I do ask regularly for updates from the Office of State Revenue, the custodians of that information. I could certainly request to see if I could get it broken down by region. I suppose anecdotally I could say that there seems to be a fairly positive uptake across regions. I have certainly spoken to builders in the north-west, north and south, and they all are telling a similar story at the moment - that it has brought forward a significant amount of demand. They have seen a considerable uptick in deposits taken for new houses under the HomeBuilder Grant.

I can give you the numbers statewide: as at last Friday, around 300 applications, I believe, had been formally received by the Office of State Revenue, and between 70 and 80 of those have received conditional approval.

Ms FORREST - I will come back to the question about capacity, Matthew. Without knowing the regional breakdown - and I am not sure about the capacity so much in the south, but I know certainly in our regional areas it is limited. I was wondering what your members are saying about capacity.

Mr POLLOCK - I suppose I would break it down into a few parts. The industry has the capacity in terms of the businesses and workforce, and there is a bit of movement at the moment as well. As I mentioned, the actual total number of people within the construction workforce has dropped by about 1000 since mid-March, so there is some excess capacity in there - and that is being, in some respects, redeployed into the residential sector as demand picks up in that space.

The bigger challenge I think, and the one that really needs addressing, is capacity of land availability, and shovel-ready land to support new projects. It is something that we will be focusing on from an industry perspective, particularly discussions around hopefully extending HomeBuilder into next year if we can.

Ms FORREST - I might go to the training aspect. You talked about the need for training, and that is a good workforce renewal issue, regardless of whether COVID-19 had happened or not. I am interested in what work the MBA is doing in the engagement of women in this industry. It is a much higher paid industry than a lot of other areas women traditionally work in, especially young women. What are you doing to try to support women into the industry?

Mr POLLOCK - Ruth, it is a good point. We would love to see more women in the construction industry. There is a broad understanding that if we do not do a better job of accessing our fair share of talent across all demographics within the community, we will not be able to bring the local people in to build the accelerated pipeline of construction projects that underpins the Government's recovery strategy.

Master Builders has been running a women's program for a number of years. That has federal funding. We run it through the federal government, and administer it nationally. It provides funding for mentoring. It also provides funding for careers fairs, which unfortunately we haven't been able to attend this year. We also work, within our members, as much as

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possible to promote construction as a destination career for everyone in the Tasmanian community - whether it is men, women, different backgrounds, all shapes and sizes.

Ms FORREST - With those measures, how many women have we seen coming into the industry in Tasmania?

Mr POLLOCK - We still underperform, I believe, in getting our fair share of women into construction, and particularly into trades. That being said, we certainly have some young talents, through our apprenticeship programs, coming through the ranks at the moment. I can say the same thing for some of the apprenticeship programs of the head contractors that will be undertaking this work.

But that is not to shy away from the fact that we need to do more to promote construction, and particularly trades, as a potential destination career for young women as they are making that decision around how they enter the workforce.

Ms FORREST - Matthew, I am not sure if you are aware of the Step In program that we ran in the north-west recently. It was funded through Skills Tasmania, and took 20 women - it turned out 19 in the end, in two cohorts of 10 and nine - through base-level training to enter industry sectors of mining and advanced manufacturing, with a view to expanding that to energy on the north-west coast, particularly as that is the heart of advanced manufacturing, with the Marinus project and mining being the north-west coast.

Would the MBA look at supporting something like that - broadly across the state, because construction happens everywhere - to actually directly target women to give them base-entry skills and a taste of the industry?

Mr POLLOCK - Absolutely. I'm not aware of the details of that program in particular, Ruth, but yes, we would. Potentially, we'd have some capacity to help facilitate a program like that. We currently provide around 1200 individual training places a year for the construction industry, so we'd welcome an opportunity to be a part of it.

Ms FORREST - Just one other question. You mentioned earlier that you had put a range of suggestions forward to both federal and state Government in terms of stimulus, and one of them was the HomeBuilder approach. Are you able to provide a list of, or expand further on, some of those other stimulus measures that you believe have merit still, that perhaps haven't been taken up as yet?

Mr POLLOCK - Absolutely. I'd be happy to share that full submission with the committee. I have a copy here. We published it nicely.

Ms FORREST - That would be good.

Mr POLLOCK - I can send that to you. It's perhaps a little bit too detailed to go over in the time that we have allocated today, but we've reiterated some key messages around that in our pre-Budget submission. They focus predominantly on encouraging private sector investment back into market, ensuring that we are competitive with other jurisdictions in attracting that investment, reopening borders as soon as possible, supporting the tourism industry - particularly given what a strong driver it has been of construction activity over the last couple of years - and bringing back international students, again for the same reasons.

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International education has been a major driver of capital works. The pipeline of construction works that UTAS had on its books was perhaps the single largest source of major projects activity that the industry was relying on over the next five years.

As I mentioned before, land development, having shovel-ready land for new construction - particularly residential construction.

There are plenty of others, and I won't get into them today, but -

Ms FORREST - If you could provide that to committee, it would be helpful. Do you believe the things you've mentioned are active barriers to private investment?

Mr POLLOCK - I think so. The major barrier to private investment at the moment is a crisis of confidence. I suppose what we'd like to see are stimulus measures that are targeted at that. If there is a lesson learnt from HomeBuilder, and the success of that stimulus, it is that if you can provide the incentive there, if government stimulus is there as an incentive to unlock private investment, then there are significant multiplier effects in doing so.

Forty-five thousand dollars of stimulus through HomeBuilder has the potential to unlock \$750 000 in household investment into a new home. There may be a lesson that we could take there for commercial construction projects, perhaps.

Ms FORREST - That's what I'm thinking. If you focus on commercial construction, then hopefully you're going to construct something that actually provides employment for other people after the build. There's an ongoing benefit.

Mr POLLOCK - That's absolutely right. The construction industry doesn't build buildings for itself. It builds capital for other industries to operate within and on. For every \$1 spent on a construction project, there's \$3 spent in the rest of the economy; \$1 million in construction activity supports around nine direct jobs, and around 30 indirect jobs. These are broad Productivity Commission numbers, but they hold reasonably true across commercial and residential projects.

Mr O'BYRNE - I am trying to work through all of this stuff chronologically. In your opening submission you referred to the level of engagement the industry had with the Government to enable you to continue under a whole range of modified circumstances.

Could you outline what that looked like, because it seems to me that some industries were on the front foot and some had good engagement, some didn't.

We're trying to get a picture as a committee about what kind of engagement in that early time around late March early April, about how you were able to keep going in a safe way and who you spoke to and how it was managed. That's obviously instructive for the committee if something else occurs.

Mr POLLOCK - Absolutely. Thanks for that question, David. We were very proactive and were on the front foot very early in setting the guidelines to ensure that construction sites could remain operational in a safe way. We worked very closely with WorkSafe Tasmania on that. We also worked very closely with the construction union to ensure that all stakeholders within the industry were satisfied that the guidelines that we put forward complied with the

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Government's health guidelines and complied with social distancing and hygiene measures and otherwise.

I believe that the guidelines that we did put together with the head contractors, with feedback and contribution from the CFMEU, are still published on WorkSafe Tasmania's website as the reference materials.

Mr O'BYRNE - Obviously, that was work on your behalf. What did the engagement with Government look like, apart from WorkSafe Tasmania. Did you have Public Health at the table? Did WorkSafe commit to go to Public Health and then come back to you and do tweaking. Obviously, you just put a document on the table that needs a bit of work to make sure everyone's happy. Could you talk through that process for us?

Mr POLLOCK - Sure. We did leave that to WorkSafe to work directly with Public Health. The industry worked through the building construction minister's office as well. We were quite closely engaged with them. I would have to go back and check the dates, but there was also an industry consultation session that was held, and within that workshop we did address that guide. I believe we had the majority of the industry groups at the table there.

That happened a little bit later on though. We actually worked very quickly ourselves to put that guide together in the first instance with our head contractors and also in consultation with the CFMEU, acknowledging that we needed to get on the front foot. We knew that if we weren't going to put the guidelines in place quickly and in a way that contractors, employers and employees were satisfied with, that we may be left behind, so we certainly took a proactive approach. We used WorkSafe Tasmania and other government representatives as a reference point to ensure that everyone was satisfied with the guidelines that we were putting forward.

Mr O'BYRNE - Just one more question on that, Matthew. Obviously when you go through something like this you can't fully prepare for it but you just do the best you can at the time.

The framework you put in place to manage the risk at work sites where there's a number of people congregating - now that we're six months down the track, if there was to be another outbreak or another incidence in the community, potentially community transmission, would the conditions you put in place now be the same as what you put in place before? Are you basically saying you did it right and that's the model that you will continue to apply?

Mr POLLOCK - I would say that the fact that no cases of COVID-19 were linked back to a construction site is perhaps testament to the effectiveness of the guide. That being said would you keep it absolutely the same - well, you'd always use a process of review to ensure that we have it right and there's perhaps some lessons learnt in other jurisdictions that we could take some guidance from as well. But ultimately, in the local context, it was encouraging to see not only that the industry was so engaged in terms of putting that guideline together, but the really significant swift cultural change to abide by those guidelines to ensure we didn't see any cases of COVID-19 arise thanks to work on a construction site.

CHAIR - You raised the issue of shovel-ready land availability. What are we saying there? Are we saying that probably local government is not processing these matters quickly enough? What is the other problem around this?

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Mr POLLOCK - That's part of it. I think perhaps the bigger challenge is bringing land that is zoned and readily available for new residential development to market so landowners actually commit to developing that land. There are obviously significant headworks associated in doing so. Often those headworks are paid up-front because there's a significant amount of sunk capital that you need to actually facilitate that development.

One of the recommendations we put forward to government as part of our original stimulus measures was around potentially providing some sort of headworks support or relief, to bring forward or encourage land zoned residential, but otherwise not developed, for residential construction.

CHAIR - The other point: we talk about the homebuilders grant. What about the renovation side of that, Matthew? How is that progressing? What is the number of applications in that area and successful applications? Any idea? I suspect you would.

Mr POLLOCK - Let me go through my notes. I have actually received those numbers in the past. I don't have them on hand, but I would be more than happy to take that on notice and share the with the committee.

CHAIR - Thank you for that. We'll do that.

Mr WILLIE - You talked a little about private investment and some proponents delaying some of their projects. I'm interested in the bigger projects and what's coming, because I would imagine there are long lead-in times for those, but we're seeing a number of cranes disappear from the sky - Parliament House, the Hobart hospital, the Hedberg project - so can you talk us through some of the big projects that are on the horizon, and what sort of lead-in times we're talking about, if there aren't any.

Mr POLLOCK - You are absolutely right. I think at one point there was a record seven cranes on the Hobart skyline for a short period back in January. I believe we now have zero or at least zero of that sort of tower crane.

Ms FORREST - I saw one the other day.

Mr DEAN - There's one now.

Ms FORREST - Exactly.

Mr POLLOCK - Yes, but that's a portable crane.

Mr WILLIE - I'm trying to say that it takes years for these projects to get up to that point so if you could talk a little bit about that.

Mr O'BYRNE - Well, the three projects you mentioned are all Labor projects.

Mr POLLOCK - It does. There are always significant lead times in those major projects. I suppose one thing that's a little different this time is that there were projects that were ready to go that have been delayed for the sake of the proponent essentially saying, 'I'm just not really wanting to proceed with this', or at least putting a break in that development process. So, I

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think there would still be some projects that were otherwise slated to commence towards the end of the year or early next year that could perhaps get up and going reasonably soon.

We are not starting from the beginning in a lot of the projects we're talking about in terms of that billion-dollar shortfall, but overall, going to your question, in terms of lead times these projects are often big, very complex, and they do take a considerable amount of time to get from the drawing board into the pipeline and then commenced.

It was very encouraging to see the major projects bill pass through parliament last week. That is one important first step to provide that certainty of process and put some statutory time frames around complex development and permit and approvals processes for those projects. We'd hope that would see some efficiencies in bringing some of those projects forward.

Mr WILLIE - If some of these delayed projects do not come back into the market because there is so much uncertainty, we are talking about a huge impact to the industry in the short and medium term, aren't we? Potentially we are not going to see cranes in the city for some time.

Mr POLLOCK - We are, yes. I would say going to the expectations pre-COVID, back in January, I believe the last Master Builders forecast estimated around \$4.5 billion in commercial construction work and that is value of work done, that is not the value of projects, over the next four years. That is a significant chunk of the economy. If we cannot bring those projects back in it would, in my opinion, delay our economic recovery by some margin.

Mr O'BYRNE - You have mentioned the various short-term stimulus, some sort of government tweaks to support elements of the building and construction industry. We know clearly from history with the global financial crisis and these kinds of economic shocks, it is not over in six months. There is a longer period of impact.

You have talked publicly about issues such as the cost of doing business in Tasmania and there are state government taxes in terms of payroll tax and local government charges, et cetera. Do you think we need to extend those kinds of business support to, one, save jobs, but, two, to create jobs over the next 12 to 18 months?

Mr POLLOCK - I think absolutely. It would go a long way, David, to save jobs and create them and perhaps just as importantly bring workers back into the workforces of those businesses that have had to retrench people in the past few months. It supports that decision to bring people back on to your payroll which is perhaps the most important thing at this stage. I think there is a case to be made to make it as easy as possible and as cost effective as possible for employers to employ people, given that we are potentially staring at an unemployment rate north of 10 per cent.

Mr O'BYRNE - In terms of your industry how long do you think that will need to be implemented by government to get you through this period? Is it nine months, 12 months? I know it is hard to crystal ball gaze but based on what you understand at the minute what does that look like?

Mr POLLOCK - At the very least I would say that it makes sense that whilst there is any sort of imposed restrictions on business that payroll tax is waived. I would say that at the

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very least. You could probably make a reasonable case to provide longer term relief as the labour market recovers to help expedite that unemployment rate to come down.

CHAIR - Matthew, we are about out of time but I would ask one question here. What is the position with your membership through the COVID-19 period? Did you lose any members? Did it increase? What is the position on its impact on these people, your members?

Mr POLLOCK - In some respects we were lucky to keep a fairly robust membership base, so far, and again we are perhaps a little early to be taking too much credit or reading too closely into that. Some of the Government's stimulus that was targeted at the residential sector was certainly helpful. In terms of absolute numbers, around 75 per cent of our members are in the residential industry so they did benefit considerably from that and it did bring a lot of work back into their pipeline which they were expecting to lose over the next 12 months. That has been very encouraging.

That being said, that is not going to last forever and our big concern, and I suppose priority, is to ensure that there is that support over the longer term. When we first were discussing stimulus measures like HomeBuilder and the reason why the time frames on them were so short was I do not think anybody expected that we would still be sitting here almost in October with borders still closed, lockdown restrictions in other states, international travel and international students not allowed into the state. I think the circumstances have changed. The economic recovery is going to be longer and there is a case that stimulus measures targeted at that long-term recovery perhaps hold a little bit more weight now than they did a few months ago.

CHAIR - Matthew, thank you very much for that. We are out of time. We thank you very much for answering our questions and providing the evidence that you have today. It has been very helpful to this committee. We will write to you on those couple of points you took on notice. We will send that through to you and you will come back to us in due course on that.

It is our intention to try to get a preliminary report out this year, certainly before Christmas. This is going to be a fairly long inquiry overall, looking at the recovery and so on, so it is not to say this committee might not want to ask you to come back again at some time in the near future. We appreciate very much you making yourself available today. Thank you.

Mr POLLOCK - Thank you. I welcome an opportunity to come back at any time. Thanks for the opportunity to provide evidence today.

THE WITNESS WITHDREW.