

# LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

13<sup>TH</sup> ASSEMBLY

## PUBLIC ACCOUNTS COMMITTEE

### Public Hearing Transcript

### COVID-19 AND Territory Finances

Thursday 23 July 2020

Litchfield Room

- Members:**
- Mrs Kate Worden MLA, Chair, Member for Sanderson
  - Mr Terry Mills MLA, Deputy Chair, Member for Blain
  - Mrs Lia Finocchiaro MLA, Member for Spillett (substituting for Mr Higgins)
  - Mr Gerry Wood MLA, Member for Nelson
  - Mr Tony Sievers MLA, Member for Brennan
  - Mr Joel Bowden MLA, Member for Johnston (substituting for Mr Costa)
- Witnesses:**
- Hon Michael Gunner MLA, Chief Minister
  - Hon Nicole Manison MLA, Deputy Chief Minister and Treasurer
  - Hon Natasha Fyles MLA, Minister for Health
  - Mr Jamie Chalker, APM, Commissioner for Police and Chief Executive Officer, Northern Territory Police, Fire and Emergency Services
  - Ms Jodie Ryan, Chief Executive Officer, Department of the Chief Minister
  - Professor Catherine Stoddart, Chief Executive, Department of Health
  - Mr Shaun Drabsch, Chief Executive Officer, Department of Trade, Business and Innovation
  - Mr Craig Graham, Under Treasurer, Department of Treasury and Finance

The committee convened at 2 pm.

## **PUBLIC ACCOUNTS COMMITTEE**

### **SECURITY AND EMERGENCY MANAGEMENT SUBCOMMITTEE OF CABINET**

**Madam CHAIR:** Good afternoon, everyone. As the Chair of the committee, I formally declare open this final public hearing of the Security and Emergency Management Subcommittee of Cabinet on the Territory's COVID-19 response and the Territory's finances.

I welcome the Chief Minister, Deputy Chief Minister, Minister for Health, Ms Ryan, Police Commissioner, Professor Stoddart, Mr Drabsch, Mr Graham and all other contributors today.

I acknowledge that we gather this afternoon on the land of the Larrakia people and we pay our sincere respects to elders past, present and emerging.

We will proceed in a similar manner to the previous hearings in line with the agenda agreed by the committee and circulated.

Chief Minister, before we proceed to questions, would you like to make a brief opening statement? I understand you would like to pass a portion of your statement on to the Territory Controller.

**Mr GUNNER:** Madam Chair, when the committee met about a month ago we had just announced 17 July as the date to begin easing quarantine arrangements for interstate arrivals. A lot has happened since then. We had hoped and expected that the situation in Victoria would continue to improve, but it did not—it got a lot worse—and then it spread to Sydney too.

Thankfully, we had a plan in place to respond to any second or future waves or a continuation of the first wave and stop it spreading to the Territory. We gave ourselves the time we needed to implement our hotspots plan. That four-week buffer was critical. It meant that last Friday our borders stayed closed to people from all of Victoria, greater Sydney and the Blue Mountains. We have since added new areas to the list.

When we gave ourselves a four-week buffer, we were told by some that it was too much, it would take too long and that the opportunity cost was unjustifiable. We all know now what the cost would have been. If we had opened our borders back then we would be carrying the cost in community transmission and hospital admissions.

I am glad that we waited and have kept our borders closed to the areas of risk. They will stay closed for as long as they need to. We will keep adding hotspots wherever they are, whenever we need to, on the Chief Health Officer's advice.

For arrivals from hotspot areas, our quarantine arrangements are now the toughest they have ever been. This has been effective in shutting out arrivals from those areas and keeping the numbers as low as possible. We find that a lot of the people we are sending into supervised quarantine are Territorians returning home for work or family reasons. Since Friday, 278 arrivals have been directed to mandatory supervised quarantine for 14 days at their own cost, with 221 in Howard Springs and 57 in Alice Springs.

This morning the federal government released its Coronavirus economic update, confirming its budget position for the financial year just gone and its forecast for this financial year. Our team in Treasury is now reading through the information and getting to work on what it all means for the Territory. On that basis, we can prepare the Territory's COVID-19 financial report, which will be released next Wednesday.

Like the federal government's, our report will include the budget and debt position for the financial year just done, the forecast for the financial year which has just begun, plus our expenditure on the Coronavirus crisis and updated economic indicators.

As Treasurer Frydenberg said, Coronavirus has hit the Australian economy harder than any event in the last 100 years. When Australia is hit, the Territory is hit. The federal government's budget has been smashed by the Coronavirus—ours has been smashed too. Every government in the country is in the same boat. The biggest consequence for us will be the plummeting GST, given that it makes up such a large part of our revenue base. But our budget is also impacted by our own COVID-19 expenditure decisions. I stand by every decision and dollar, whether it is keeping cops on our borders, protecting remote communities, setting up Howard Springs, expanding the Home Improvement Scheme, creating the Territory Tourism Vouchers or

extending the myDarwin scheme for the rest of the Northern Territory. Every dollar is either about saving lives or jobs.

The federal budget looks grim today; ours will look grim next week. But the alternative is unimaginable; it would be apocalyptic—health and economic carnage that will last a generation. We have thrown the kitchen sink in order to protecting Territorians. I make no apologies for that. Saving lives and jobs is not free; it costs. The government can take the hit right now. We can recover down the track when we are through this crisis. I would rather the government take the hit and keep taking the hits than a Territory business hitting the wall or a Territory worker hitting the dole queue. We will keep taking the hits and doing whatever it takes for as long as it takes to protect lives and jobs.

Madam Chair, the Chief Health Officer is required on a national hook-up at 3 pm—that has just happened today—to discuss some policy that will be going to National Cabinet tomorrow. He is available until 3 pm. I suggest that we need him to go at 3 pm. If the committee decides otherwise he will respect the committee, but we need him at that meeting.

I need to pass to the Territory Controller to provide advice on some breaking border news from today.

**Commissioner CHALKER:** We provided a media release earlier today in relation to a 25-year-old and a 54-year-old male who were in Nhulunbuy. We ascertained that they departed from the ACT, travelled via Queensland and arrived into the Northern Territory. Our initial inquiries with the arrival checkpoint indicated curiosities with some of the answers they provided.

The police officers did further work and ascertained that they had actually been in Sydney during the hotspot period. The two individuals were subsequently arrested and issued a notice to appear. They were then placed into mandatory quarantine as obliged by the Chief Health Officer for entering the border, having come from a hotspot. They were transported today to the Howard Springs facility where they will commence their 14-day mandatory quarantine at their cost of \$2500 each.

The notice to appear is in relation to the presentation of a false declaration as it related to the accuracy of the information they provided to us, particularly about hotspots. The facilities they have been accommodated in—in our care—and transported in will undertake a deep clean to ensure there is no risk of transfer. They will then maintain their quarantine environment there.

The notice to appear and the charge provided to them carries a term of imprisonment of up to three years. That matter will go before the court.

We can also advise that a 50-year-old male was residing in Southport in the Northern Territory, who travelled into the Northern Territory from Western Australia, had been in Victoria during the hotspot period. Our compliance team attended and found that he was not at home, engaged with him whilst he was in transit and he ultimately returned home. He has been issued a \$5056 fine for failing to comply with the direction of the Chief Health Officer.

The individuals in Gove—the information we have at this point in time is that they have not had any contact in the community. They arrived and went into accommodation that is not occupied or used by anybody else. Unfortunately, given that they mislead us previously, we have to do a deeper inquiry to ensure the accuracy of that. This is being undertaken in consultation with Health, as it relates to required contact tracing.

To date, we have completed 29 395 compliance checks over this period of time. We have issued 144 infringement notices. As of today, I anticipate that more than 10 000 people have enter our borders since last Friday. As of 5 am this morning, we were at 9745 and, of those, 376 were required to go into mandatory quarantine. Everything is travelling quite well. People are respectful and understanding of the processes we have in place.

**Madam CHAIR:** I understand that the Chief Health Officer has to leave at 3 pm.

**Ms FYLES:** That would be practical, but we are in the committee's hands.

**Madam CHAIR:** In our agenda, it looks to me like Health questions are a bit later. Before I consult with my committee about the agenda, are the other two representatives from the Health portfolio capable of responding or would it be preferable to bring those questions forward?

**Mr GUNNER:** The majority of questions could be answered by the Chief Executive Officer of Health and the Minister for Health. There might be the occasional question where the Chief Health Officer is best placed but we can always take that question on notice. We are not trying to put the committee out. We just want to make sure the committee knows.

**Madam CHAIR:** I ask the committee members if your preference is to bring forward any questions that you would like to ask the Chief Health Officer or are you happy to proceed? Happy to proceed, thank you.

Chief Minister, I now invite questions on the opening statement.

**Mrs FINOCCHIARO:** Chief Minister, you mentioned four dot points relating to what your update next Wednesday will be but I did not catch the fourth one. Would you mind going through them again?

**Mr GUNNER:** Our report will include the budget and deposition for the financial year just done, the forecast for the financial year that has just begun, our expenditure on the Coronavirus crisis and updated economic indicators.

**Mrs FINOCCHIARO:** What will be in those economic indicators?

**Mr GUNNER:** We have been working on that for a while now and will be over the next six days. It will be the general economic indicators for the Northern Territory.

**Mrs FINOCCHIARO:** Normally an economy snapshot is published by the Department of Trade, Business and Innovation, which has not been published since May. That is delayed for June and now we are well into July. Is it typically the information we would find in the snapshot?

**Mr GUNNER:** It is probably best for the Under Treasurer to answer that because they are preparing the Coronavirus fiscal report, not the CEO for DTBI. I might ask the Treasurer and Under Treasurer to come forward. Separately I am just checking what has happened with the other document and the publication of it.

**Ms MANISON:** We are putting together the Coronavirus financial report and, as the Chief Minister stated, that will look our fiscal position for the financial year just gone and what we have coming up—the current one we are in.

We will also be looking at the different areas we have had to respond to COVID-19 and the measures, the intended impact and how we are going with those measures.

The economic update is also very important information. We just had more information come through today with the federal government's response and what the Treasurer and Finance minister released. We are having a close look at their data and forecast to incorporate into ours. Of course we will look the raft of key economic indicators that we have in the Territory as well as our own-source revenues and how they have been impacted by COVID-19—areas such as the resources sectors, payroll tax and stamp duties. I might hand over to the Under Treasurer. Is there anything further to add to that?

**Mr GRAHAM:** There is not a lot to add but we are looking at our headline economic indicators of economic growth, employment and prices.

**Mrs FINOCCHIARO:** Economic growth, employment, prices did you say?

**Mr GRAHAM:** Yes, CPI.

**Ms MANISON:** Things such as GSP and FSD.

**Mrs FINOCCHIARO:** It will not be as detailed as the economic snapshot, which normally has private sector investment and population. It will not be like that?

**Ms MANISON:** There will be a raft of narrative that goes into it to look at all the different elements of the Territory economy. We are going through that now. We are trying to put as much forecasting in there as possible on the impact and what we are seeing right now. It is very different in this current environment. With all the uncertainty right now we are looking at what has happened, where we are at right now and putting the overlay of the federal government information today into it.

**Mrs FINOCCHIARO:** You will not be providing any projections beyond this year?

**Ms MANISON:** No. I think the federal Treasurer and the Finance minister were very clear about that today. With this period of uncertainty we are going through, even with what was presented today there will be a level of uncertainty with their forecasts because of the unfolding situation in Victoria and other elements that we have spoken about before here with the PAC, such as international trade and the impact of the borders if we see more outbreaks across the country.

The Victorian elements discussed in the report today—from the very quick look I had as it was only released late this morning—I see there are some of the issues we are contending with in releasing this report. Much like the Finance minister said today, there is a lot of uncertainty around and this is why they simply could not forecast beyond what they presented today.

**Mrs FINOCCHIARO:** Will we be getting detailed information on each department, like overspends, underspends and KPIs?

**Ms MANISON:** As we stated at this Public Accounts Committee, the intention is to get as much information together as we can. Our Treasury department and finance areas across government are working flat out trying to prepare information for this report because it is a very big ask right now to get the overs and unders.

**Mrs FINOCCHIARO:** Why is that? Presumably a department has its budget. It has its financial allocation; it then spends money, which is entirely appropriate, so it must know whether its money is running or not. I mean if you start with ...

**Ms MANISON:** There is regular budgeting, Leader of the Opposition. We also go through different auditing processes and the Treasurer's Annual Financial Report gets presented in October, which will have everything—that will be fully gone to. It is very likely there will be some variation in what you see presented in this report versus the final outcome in October and some of the different issues that flow through to impact departments' budgets. We are working through that as quickly as possible. We want to look at each agency with overs and unders.

We have said before and we will say again—I have the Commissioner for Police here, the police are working flat out. We are pushing those resources at a hard pace, particularly with the border requirements that will continue for some time. That department is over in its expenditure at this point but I think Territorians fully understand why we must resource our police to do this very important job and ensure public safety right now.

**Mrs FINOCCHIARO:** I do not think anyone would disagree with you, Treasurer. But what we know from these last few Public Accounts Committee meetings we have had—at the very first one I asked the Commissioner if he knew what police are going over, he gave an estimate. I asked the Health minister the same thing and she provided that information. You just that departments are keeping track. Sure there might be some variables at the end but why would the government not be providing that information if departments have it?

**Mr GUNNER:** We know from experience—this is year-in, year-out, quarter-in, quarter-out—it usually takes about six weeks to reconcile quarterlies. We are bringing it forward this year to late July. Normally it would be mid-August, which is the similar time to a PEFO. The TAFR has been around for a while ...

**Mrs FINOCCHIARO:** That would mean you have the first quarter?

**Madam CHAIR:** Can we just have answers finished today, please?

**Mrs FINOCCHIARO:** You are quick to jump in and protect him, Madam Chair.

**Madam CHAIR:** The first time I am just going to squash it. Let the person answering the question finish their answer and then there can be further questions.

**Mr GUNNER:** Obviously the TAFR, the full financial year, normally comes down in October. That is an ordinary date because that is how long it normally takes to do that full year reckoning. Treasury has taken on the challenge to do it earlier than normal and provide it in late July. I am more than happy to have the Treasurer and Under Treasurer explain the workload that goes into that. I am very grateful they are doing it in four weeks and not six.

**Ms MANISON:** I do not think there is much more to add except that we will be putting together the preliminary outcomes for those agencies. We will be going over each agency—the overs and unders, so to speak. The

final outcome for the financial year will be seen in the Treasurer's Annual Financial Report in October, which is how we ensure we have fully audited accounts and that people can see that.

**Mrs FINOCCHIARO:** What does government intend to do with budgetary underspends?

**Mr GUNNER:** Can I just ask a question?

**Madam CHAIR:** You have to go through the Chair, you cannot be just bouncing.

**Mr GUNNER:** I am following up on a point that I want to clarify. I am trying to work on some things back here at the same time. It goes to the original question. If it is okay with the Member for Spillett, I will ask the CEO of DTBI to walk around to make sure we are talking about the same document. He has the document that the Member for Spillett was referencing earlier.

**Madam CHAIR:** While you are doing that, I want to ask other members of the committee. Member for Blain, do you have a question on the opening statement?

**Mr MILLS:** I have to apologise, I was not here but I can guess what might have been in it. I am curious about the ability to have us wait for this magic date when the numbers will be revealed. Surely something is known now and I am wondering what is the current debt and deficit position? Surely it is known?

**Madam CHAIR:** That is the first question of the next bit. We need to finish on the opening statement and I know that the Member for Nelson has questions.

**Mr GUNNER:** With all respect to the Chair, I touched on the budget in the opening statement. I am happy to take questions if you like.

**Madam CHAIR:** It is our first agenda item and that is a very specific question which is exactly the same as our agenda item.

**Mr WOOD:** Commissioner, can you give us a breakdown of where people are coming from? That is, where they are originally coming from into the Territory? Having listened to the media recently about the numbers of people who have gone into Queensland where some people have not been able to be traced, can you give us a guarantee that we will not have that problem? I am not saying it will be 100% right but will you be able to make sure—how many people did you say have come to the Territory now?

**Mr GUNNER:** I will just clarify—most of that can be answered by the Territory Controller. I followed up on the Queensland issue today and there was misleading commentary about non-compliance. The time frame is four months, not the last week, if that makes sense. If you like, Health can talk about the Queensland non-compliance issue.

**Mr WOOD:** It is a concern if people heard that. Can that happen in the Territory and if it cannot, what are we doing differently?

**Commissioner CHALKER:** I have repeated this in media interviews, but this comes down to an individual, which is our key risk as it relates to the safety of the Northern Territory. If someone chooses to actively avoid our checkpoint areas and not submit the arrival forms, that poses a risk. Given that we are covering three of the largest internal borders for about every jurisdiction aside of the ACT and Tasmania, we are covering an enormous number of locations. We have 12 physical border checkpoints on roads, particularly main highways and other dirt roads that are generally utilised frequently.

The indication is that from 17 July, which was only last Friday and as of close of business today, which will conclude the full seven days, it is already 9745. Given that number, I am comfortable that we will exceed 10 000 by the time we come to the start of the new seven-day period tomorrow. Three hundred and seventy six of those were from mandatory quarantine, which is consistent with a large majority of those coming from the points of origin of Victoria and Sydney where the bulk of those for quarantine came.

We have had people who travelled through other ports of origin and not from hotspots. Through our engagement with them and through scrutiny, we identified that they were from hotspots. The arrival form is designed in a way that seeks that information. As you are aware, we have put the penalties of providing false and misleading information into the public domain. We now have two individuals who are well and truly entrenched in that process.

We put everything in place that we reasonably and physically could. Given we have been in full swing for four months and managed to prevent community transmission in the Northern Territory, I suggest that it is an exceptional achievement. That was done through a 24/7 presence continuing at all borders where there is road, plane and boat access to the Territory.

We have been working hand in glove with the Chief Health Officer and the Department of Health to ensure we remain as agile as possible to all developments. We take guidance and advice from the CHO very seriously and once the directions are formalised, we do all we can to ensure compliance is at the forefront. I can only reiterate that this comes down to individuals. They are the weaknesses in our system.

**Mr WOOD:** Do you have a system to follow up and check the information that people have given you?

**Commissioner CHALKER:** Yes, but you can appreciate that I will not put that in the public domain because I do not want to give anyone the opportunity to understand what we might go looking for and create a pathway to avoid us.

**Mr WOOD:** I did not mean you needed to give the detail, but is there a process to double check the information you have been given?

**Commissioner CHALKER:** Correct.

**Mr GUNNER:** The police have their methods, do not be in any doubt. Can I ask the Minister for Health to touch on the Queensland question from the Member for Nelson?

**Ms FYLES:** The Queensland information, from my understanding, is that it was figures from mid-April, so it was a collective amount of data. The penalties are strong and, as the Territory Controller said, if people want to break the rules, they will be caught. We have had significant compliance from people and we appreciate the people who come in to the Territory and follow the rules. For the small number who feel that they are somewhat better than that and put our community at risk, there are tough penalties—\$5000.

In terms of the work between the Territory Controller and police working with public and environmental health officers, we made sure there are many compliance checks. I have received feedback, and I am sure you have, on those multiple visits when we check that people are where they say they will be as well as checking their welfare.

Before the change in restrictions, we prioritised people from hotspot areas to do everything we can to protect the community.

**Mr GUNNER:** Someone thought I was doing compliance checks when I went doorknocking. I backed away from that door pretty quickly.

**Mr WOOD:** How long do you envisage that we will have border controls in place? I know it is a bit like asking how long a piece of string is.

**Mr GUNNER:** We are saying indefinitely. What has become clear in recent times—we talked a bit in National Cabinet about coming to a final decision. We started National Cabinet with a clear six-month window in mind—how long we would be in this situation and when we would come out of it. Over the last month it has become clear that it will be longer than six months. The realisation, formally from a policy setting, occurred when we declared Sydney as a hotspot.

We said we would change our hard border controls on 17 July and have police remain on the borders for at least one replication cycle longer. It has become obvious that we will have to leave police there for a while yet. The news on a vaccine is not positive for this year. I do not think that is breaking news; most of us know it will not be this year. The best-case scenario would be toward the end of next year.

It is likely the border patrols may remain in place until that point, or Australia equalises its infection rate. If Victoria is at the same rate as the Northern Territory—and Victoria is a long way off that—we might be able to relax the border controls, if there were strong international borders. I cannot see that scenario occurring now, because they are in the middle of a bad situation in Victoria. Maybe Victoria will come under control before a vaccine comes along, and then we can discuss different internal border mechanisms.

The point is more that there is no known date for when we can change our border situation. One thing has been clear, which has assisted us in maintaining the Territory as the safest place, is the hard border controls

with quarantine arrangements. As the Chief Health Officer said, we are probably the gold standard in the world for how we handle quarantine. That has kept us where we are at.

The one part of the system which will be hard in regard to rostering and control of resources, the one thing that cannot change is police on the borders. No matter what policy setting we take, we will require police officers at the border and implementation of the policy settings.

I cannot imagine a dismantle date at this stage, so we are working with the Police Commissioner on how we continue to manage that.

**Mr SIEVERS:** Leading on from the Member for Nelson's question, the main questions I hear through my office are about hard borders and the checks and balances in place to allow people in. We know the police are there 24/7. Are the Australian Defence Force and Australian Federal Police still there? How are those negotiations going? Are we also using the electronic number plate device to track people?

**Mr GUNNER:** I will start, then pass to the Police Commissioner. I thank the Prime Minister, who has been exceptional in having the arrangements with the Northern Territory. The ADF personnel have been important, but the Australian Federal Police are probably more important in the sense that they have a badge and enforcement capacity. The conversations have been positive.

There are situations in Victoria that will have to call on AFP resources. Let us be very clear. The NT Police are taking the heavy load here. If it was not for them and the work they are doing on our borders, we would not be in the position we are in. While I am grateful to the AFP and the ADF, the role of NT Police, led by the Police Commissioner, cannot be understated.

**Commissioner CHALKER:** The AFP has been integral to providing the resources we have had to date. We started with an initial allocation of 102, which assisted us through airport arrivals as well and then, more importantly, as we started having biosecurity in place. The biosecurity had a number of other checkpoints on top of the 12 we already have in place. They have now come down to about 50 FTE assisting us and I have managed to secure—and I would like to thank the Commissioner for the AFP, Reece Kershaw, for enabling us to have a further commitment of 30 post 31 July. We will lose another 20 from 31 July, then we have to operate with 30. I hasten to add that the Australian Federal Police, given their service obligations in the Australian Capital Territory and some of the hotspots that are now emerging throughout New South Wales, also now have a pressure point.

Every police jurisdiction has been significantly impacted in respect of resource obligations and at the hard borders that have been put in place. I am very pleased with the manner in which we have implemented the borders. We have set up semi-permanent infrastructure at those sites to ensure a level of continuity of those borders. There was some foreseeability about the potential of COVID-19 being present for a considerable period of time. We have prepared for that and it seems to be holding us in good stead at this point in time.

The Australian Defence Force continue to provide ongoing support; we are very appreciative of that as well. They at the border checkpoints ensuring our people are well supported and that fatigue is managed appropriately at the sites. We are planning around those models. Depending on the tempo required we may see over the next couple of months some of our services further reduced as we consolidate to ensure we do not burn out our own people, in particular. It is a very real risk for everybody.

We are working collectively through the EOC with every agency and the quarantine facilities we now have. We are working closely with Health to ensure that is well secured and we are mitigating any potential COVID-19 transfer particularly with employees on site who then go about their normal business. There is a significant amount of activity under way. The team has done an exceptional job. There are a lot of support agencies behind that; it certainly is a whole-of-NT Government effort. The work will undoubtedly continue at this point in time.

We are using automatic number plate recognition, particularly on a number of the lower-use dirt roads that are still used. That enables information to be communicated to us about a vehicle and its point of destination. We have been able to, in essence, secure 100% of those at a further interdiction point to ensure we are engaging with them.

**Mrs FINOCCHIARO:** Chief Minister, you mentioned in your opening statement that the budget has been smashed. I want to get some clarity on that because the mid-year report showed that we already had a debt of \$5.9bn. We know from what government is telling us that COVID-19 represents an additional \$400m, that

being the \$300m Treasurer's Advance and \$100m in foregone revenue. What is accounting for our budget being 'smashed'?

**Mr GUNNER:** At the mid-year, we had improved our bottom line—our deficit—and significantly improved it again at the March quarterly. So three-quarters of the way through the year we had significantly improved our deficit position, which is positive. Unfortunately, then Coronavirus came along and as we have known for a while now, our revenue side of the budget will be hit or 'smashed'. It is not the first time I have said that. We all know.

Melbourne is in its second lockdown. The greatest contributors to the GST are Sydney and Melbourne; that is who spends their money and the largest share of the population. Melbourne has now gone into a second lockdown, which has a big impact on GST and people spending. When you are scared, you do not spend, and when you are locked in your house, it is pretty hard to spend, too. Essentially, the revenue side will get hit.

I also have an answer to a previous question from the Member for Spillett on the economic snapshot. We followed up with the department. There was no conscious decision made about it not being uploaded. This was not a SEMSC or a CEO decision. Staffing resources went across to the grant section. We can appreciate the grant section is pretty busy. The staff who would normally do the snapshot have not done it yet. They have said sorry and passed it up the chain. They have been over in the grant section, so there was no reason for that not to have gone up. We will be following up on getting the snapshot prepared for the web.

**Ms MANISON:** Can I add to that, Chief Minister? There are still economic briefs also coming out through the Department of Treasury and Finance as well as ABS releases. They have continued through this period as well.

**Mrs FINOCCHIARO:** Sure. But the economic snapshot is a really digestible way for Territorians to see how our economy is tracking. It is a hugely important issue. People look forward to reading it month to month and it is not there. I just wanted to have a look at that. Can we get a commitment on when that will be completed? If it is not done before caretaker, does that mean that it does not get done?

**Mr GUNNER:** Whether it is before or after caretaker. It will be done?

**A Witness:** It is in preparation now to go up on the website. There is some technology that has to be applied to that. Shaun Drabsch should be ...

**Mr GUNNER:** Shaun Drabsch from DTBI has said it will be done. It is currently in preparation, so the work has commenced and it will be updated.

**Madam CHAIR:** In fact, during the proceedings, if you receive a potential date, perhaps we can get it on the record ...

**Mr GUNNER:** Go back to it.

**Madam CHAIR:** Go back to it. That is fine; I will park it.

**Mrs FINOCCHIARO:** So, our budget being smashed is in relation to a loss of revenue as opposed to expenditure?

**Mr GUNNER:** We have been up front with the expenditure decisions we made. The revenue side is what Treasury is still working on now. I will pass that on to the Treasurer.

**Ms MANISON:** To put it into a bit of context, let us have a look at what was announced a few hours ago and some of the figures that were released by the federal Treasurer and the Finance minister. I will take a few quotes directly from the *Economic and Fiscal Update of July 2020* released by Hon Josh Frydenberg and Hon Mathias Cormann. At page 3, where they have the fiscal outlook—to give you an idea, 42% of the revenue that comes into the Northern Territory is GST and 70% of the money that comes into the Northern Territory is from federal sources versus 30% of own-source revenue. To go back to page 3, it says:

*The underlying cash balance in 2019-20 is now expected to be in deficit by \$85.8 billion (4.3 per cent of GDP). The estimates for 2020-21 have also been revised down significantly, with an expected deficit of \$184.5 billion (9.7 per cent of GDP). This represents a deterioration of \$281.4 billion over these two years since the 2019-20 MYEFO.*

*Gross debt was \$684.3 billion (34.4 per cent of GDP) at 30 June 2020 and is expected to be \$851.9 billion (45.0 per cent of GDP) at 30 June 2021. Net debt is expected to be \$488.2 billion (24.6 per cent of GDP) at 30 June 2020 and increase to \$677.1 billion (35.7 per cent of GDP) at 30 June 2021.*

The other figure that is really important to take note of is that, since the 2019–20 MYEFO, tax receipts have been revised down by \$31.7bn in 2019–20 and \$63.9bn in 2020–21. To go further down:

*The outlook for tax receipts remains uncertain. This reflects both uncertainty around the economic outlook and how this interacts with structural and administrative features of the tax system, such as the ability of taxpayers to carry forward losses to offset future income.*

We saw some pretty dreadful figures released by the Commonwealth Government today. We heard from Mathias Cormann—to quote from him:

*There is significant uncertainty which means it would be not possible at this point to make credible forecasts and projections beyond what we present to you today.*

On the situation in Victoria there is some narrative and there has been some modelling which they have done to incorporate where they are at this point in time. They had to make some assumptions about how Victoria will step out of this—looking at other second waves and so forth. This report today outlines that COVID-19 has had a horrendous impact on the Australian and global economies—nothing like we have seen since the Great Depression. This dwarfs the GFC, which we all thought was dreadful and pretty bad for everyone. This absolutely dwarfs that ...

**Mrs FINOCCHIARO:** Sorry, Treasurer. I understand all of that.

**Ms MANISON:** What I am trying to say to you, Leader of the Opposition is that ...

**Mrs FINOCCHIARO:** I have seen those figures. That is all very informative. I want to know where you were expecting the smash to come from. The Chief Minister answered ‘revenue’ because I was commenting that the COVID-19 spend, per se, is not what smashed our budget; our debt position was so dire before. It is really the revenue stream that you are anticipating a decline in?

**Ms MANISON:** Absolutely. But you will also see strong recognition in this report was that the federal government had to respond to the crisis that we are dealing with. They are still very much responding to it. That has had a significant impact on these numbers we have seen today.

**Ms FINOCCHIARO:** Of course. I do not think anyone is disputing that the federal government had to spend what it spent to keep Australians safe and to keep them connected to their employment et cetera. Equally I do not think anyone has criticised the Territory government for doing the same. I want to clearly understand that, when you say the budget has been smashed, it is because of what you are anticipating as not receiving in revenue from the federal government going forward as opposed to spending.

**Ms MANISON:** Correct, the tax receipts will be the biggest hit.

**Madam CHAIR:** Are we comfortable moving on to the next item? Item 2 on the budget—our first area of questioning is around current debt deficit position and projections. I will ask the member for Blain, because he asked the question earlier, if he would like to kick off in this area.

**Mr MILLS:** I ask this question because I feel the number is known. We keep talking about the current situation and it is almost as though we have to arrive at a position and it will be some kind of sweet spot when we will know everything. But surely that number is known now.

**Mr GUNNER:** I am not sure there will be a COVID-19 sweet spot. I just want to clear up something on the record. Apparently the accounting phrase is consolidation, not reconciliation. It normally takes six weeks to consolidate. We have asked them to pull it forward to four weeks. I am sure that the Treasurer and the Under Treasurer can talk further to that.

**Mr Mills:** Is the figure known now?

**Madam CHAIR:** Back to the original question, thank you Chief Minister.

**Mr MILLS:** Is that number known now Under Treasurer? My question is to the Under Treasurer. I think I know how these things work. The number must be known.

**Mr GRAHAM:** The numbers are still being worked through in light of what happened today. The numbers are being revised in light of the information we have received today.

**Ms MANISON:** Member for Blain we have just received, as I have outlined ...

**Mr MILLS:** Yes, I have seen that. I have read it myself.

**Ms MANISON:** ...a very significant report today. We are working through that and the work the Territory government has been doing. Our commitment has been that we will be getting out the COVID-19 financial reports for everyone to see where we are at with the budget as of the 29<sup>th</sup>. We are working through those numbers. We have Treasury working flat out to incorporate the information today. As you would know, Member for Blain, the March quarterly also came out. I appreciate you were not here for the last few PACs but that was where we outlined where those figures were at, at that point in time.

**Mrs FINOCCHIARO:** It is inconceivable that government does not have—it is as if spending happens and everything goes along but no one is tracking it. I just cannot believe for a second that departments would not have an idea how they are going and, overarching that, government would not have an idea. It lacks credibility to run this narrative of magically next week we will know.

**Madam SPEAKER:** Is there a question in that?

**Mr GUNNER:** Treasury are doing this work quicker than they normally would do it and they will provide it by the end of the month, which is sooner than they would normally provide it. Then we will release it to Territorians. We will tell Territorians exactly what we have done to save their lives and their jobs. We have done whatever it takes and that information will be publicly available. I thank the people at Treasury, they are doing this work quicker than they normally would.

**Mr MILLS:** I do not doubt that Treasury is working very, very hard. I think there is a level of anxiety growing in the community over the trust of government in being forthcoming about our financial position. It creates the impression that you are actually holding back. Surely those number are known? Or are you more concerned about how you manage the situation with the election in mind rather than ...

**Ms MANISON:** Can I just remind the Member for Blain where we are at right now, here in this nation, and the unprecedented situation that we are in?

**Mr MILLS:** I am also in this country.

**Ms MANISON:** Yes, but I think you need to be reminded again that no state or territory government has released a budget this year. We would all rather have done that but we are not in a position to. The federal government had to, in this unprecedented time, cancel delivering its budget and move it forward to October. Every state and territory is following suit because we have a duty to present accurate figures.

Sitting back in March, when we were all preparing our budgets, the world was incredibly uncertain. We had to lock down as a nation so this is where we are at this point in time. We are working very hard. The Treasury department is working very hard to make sure we have the numbers ready next week. People can go to the polls seeing where we are at this point in time, taking into account the financial information and economic data that has been released today.

**Mr MILLS:** Do you know the number?

**Ms MANISON:** We have the March number. I do not have the latest up-to-date number because we are working through that, Member for Blain. Prior to coming into here today, I was going through this report, watching press conferences and putting that together. I have a whole department working through it, too. I have a duty to make sure we release the most up-to-date and accurate information, which will come out on the 29<sup>th</sup>, next week, as promised and as we committed to.

**Mr MILLS:** Sure. Does the Under Treasurer know that number?

**Mr GUNNER:** As we have said repeatedly—and it is not for the first time—Treasury will do that work and provide the number two weeks earlier than normal. We will publicly release that number.

Let us be clear, we have been public all the way through about the things we have done. At every step of the way we told Territorians about the things we have done to save their lives and their jobs, from cops on the borders, the Small Business Survival Fund, the Business Hardship Register to payroll and power relief.

We have told Territorians every step of the way about the measures we have taken. Treasury is doing the work earlier and quicker than normal so that we can present the latest fiscal position to Territorians. I thank Treasury for that work.

The Australian Government released it today. It is a miracle that Treasury is doing it six days after the Australian Government released it and two weeks earlier than normal.

**Madam CHAIR:** Member for Blain, you asked that question directly to Mr Graham and he responded. The record will speak from that specific question.

**Mrs FINOCCHIARO:** I asked earlier, but we did not get to it. With respect to departmental overruns and underspends, what does the government intend to do with the underspends?

**Madam CHAIR:** Hang on a moment, I think that is the next one. The Member for Nelson has a question on the first one.

**Mrs FINOCCHIARO:** We are very strictly adhering to ...

**Mr WOOD:** No, I have a question on the second one.

**Madam CHAIR:** We circulated the agenda.

**Mr WOOD:** I would like to ask questions on the second one.

**Madam CHAIR:** We are moving on to the second one. Sorry, Member for Spillett, would you please restart the question?

**Mrs FINOCCHIARO:** What do you intend to do with government departmental underspends?

**Mr GUNNER:** It is part of the consolidation. If the department underspends and overspends, it usually squares off. It is about consolidating the bottom line.

**Mrs FINOCCHIARO:** You intend to put it on the debt? Is that what you are saying? Or give it to departments that are overspending, and if there is anything left over it will go on the debt?

**Mr MILLS:** They will be sacking those people.

**Madam CHAIR:** Questions, not commentary, please.

**Mr GUNNER:** At the end of financial year, you consolidate the books around the bottom line. So if the department has an underspend, that comes back into general revenue and goes against the overspends. It is the basic way to put it.

Depending on what has happened—at the moment, we have the Coronavirus situation—a number of departments will be under budget pressure, with Police being the most obvious one. With the other departments that will probably come with an underspend—again, in many ways because of the Coronavirus situation—it goes across to the overspend, normally, and you square it off. The work on the numbers is being done now. We will know those and be able to provide that information 29 July.

**Mr WOOD:** I have concerns about not having information available at the present time. I will give you my reasoning. On three radio stations and in my local bakery I heard Mr Frydenberg giving the run-down of how the economy is. To get to that statement he made today, they must have had a lot of information about money that has been spent, otherwise you could not show all those graphs on debt, expenditure and interest payments et cetera.

If I were to say to you, Chief Minister, for 2019–20 your budget's total expenses is \$449m, could you say right now—and if not, why not—why your department could not press a button on a computer—because everything is computerised, that is why we have those systems—today to say exactly how much was spent last year. Did you spend more than \$449m? Someone must be tracking the expenditure.

**Mr GUNNER:** Yes, we are tracking towards an underspend but we are doing that work now to consolidate that into the books.

**Mr WOOD:** I understand that but why can I not just—I am in charge of the Northern Territory Police, Fire and Emergency Services, I am the chief expenditure person or chief accountant in that department. I am seeing everything come in on a regular basis through a computer system which is meant to save us a lot of money writing things down. It is the reason we spend millions of dollars on IT. We should be able to—and I imagine you as the minister should be able to say, 'Mr CEO, tell me how much we have spent today'. Why can you not do that for the people of the Northern Territory?

**Mr GUNNER:** We do it. It is usually six weeks after a period ends. For the March quarter, it is six weeks later about mid-May. For the end of financial year—about six weeks after. We are doing it two weeks earlier than normal. There comes a point in time where you put all the information in and you press a button. It is usually after all the information has gone in and been consolidated. Then you press the magic button. That normally happens six weeks after end of period. We are doing it two weeks earlier.

You asked about DCM.

**Ms RYAN:** (Inaudible).

**Mr GUNNER:** Good point. We do not have \$449m in the DCM budget.

**Mr WOOD:** The budget papers say total expenses for 2019–20 will be \$449m.

**Mr GUNNER:** Which department?

**Mr WOOD:** Police, Fire and Emergency Services.

**Mr GUNNER:** That is what I was saying; it is not the Department of the Chief Minister.

**Mr WOOD:** Yes, that is my fault there. Sorry, you are the bloke in charge of the government.

**Mr GUNNER:** Ms Ryan was briefly excited about the size of her budget.

**Mr WOOD:** Since that is one of the key budgets that will be affected by Coronavirus surely, accrual accounting or not, someone has an estimate. After all, there is another section in here which says 2018–19 estimate. Could someone not give us an estimate of what the next year's budget will be?

**Mr GUNNER:** The estimate is what you think you will spend for a full financial year. And at the end of the financial year, you give the actual. That normally happens six weeks after the end of period. We are doing it two weeks earlier.

**Mr WOOD:** We would have had estimates normally.

**Mr GUNNER:** But estimates ends at the end of March. All the estimates answers you get go to three-quarters of the way through the year. They are not the full financial year.

**Mr WOOD:** That is true.

**Mr GUNNER:** It is true because you have not done the work yet.

**Mr WOOD:** We have gone through the full financial year. Surely, with the modern systems we have today, you can give us a pretty close idea.

**Mr GUNNER:** You have just given us the perfect example, Member for Nelson. Estimates is normally in June. In June, all the answers that the CEOs take, give information up to the end of March. That is a lot longer than six weeks after. You are asking for this information, which you will get in four weeks, which is quicker than it is done in estimates and at any other time. We are doing this significantly quicker than normal.

**Mr WOOD:** The problem is that this is the last chance for a parliamentary body to question the government over a budget we do not have enough information on. This information should have been available to this body because there is no sittings of the Assembly, no Estimates Committee ...

**Mrs FINOCCHIARO:** No PEFO.

**Mr WOOD:** Where are the opportunities, except by the media, to challenge—and I do not put that in a bad way—but to at least analyse what the government has spent?

**Mr GUNNER:** What we have done since the end of February is respond to Coronavirus. We told people what we have done about Coronavirus. You can ask us any question you want about the things we have done. Ask us. What would you like more information on? You can scrutinise me right now.

**Mr WOOD:** When we said there are underspends and overspends, I have the department of Primary Industry or the Department of Local Government and Housing. If I ask if their expenditure dropped off to pick up the expenditure for Police, Fire and Emergency Services, can someone tell me?

**Mr GUNNER:** Let us confirm for the record forever that those questions have never been answered at estimates.

**Mr WOOD:** But we have never had Coronavirus.

**Mr GUNNER:** And we are here to answer questions about the Coronavirus, so ask me questions about that.

**Mr WOOD:** No, I am talking about the budget as a whole, each department ...

**Mr GUNNER:** I put this out as a Coronavirus fiscal response and other responses to Coronavirus. I am happy to take questions about that.

**Mr WOOD:** As a member of the PAC, I always regarded this committee as not just about Coronavirus. It is a Public Accounts Committee, not the parliamentary Coronavirus accounts committee.

**Mr GUNNER:** Then ask us questions about how we spent money on Coronavirus.

**Mr WOOD:** No, it is about the whole account. Tourism, Sport and Culture has \$260m. Did it fit in with its budget this year?

**Mr GUNNER:** Member for Nelson, we can answer every question we can answer. Ask us questions about our response to the Coronavirus. The whole purpose of these Coronavirus Public Accounts Committee hearings is to be scrutinised about how we respond to the Coronavirus. We will answer any question you give us about our Coronavirus response.

**Mr WOOD:** I have not sat on this PAC just to talk about Coronavirus. PAC sets up its own agenda.

**Mr GUNNER:** I wrote and asked you to convene these meetings to scrutinise me about the response to Coronavirus and add additional scrutiny to our public health measures.

**Mr WOOD:** I need this on the record. I wrote to the Chair of this committee saying that we need to look at the budget. I gave a whole series about the role of the PAC, as written in the standing orders, and I expect this PAC to discuss far more than just the Coronavirus. People want to know and expect us to question the government about how much it spent.

**Mr GUNNER:** We also answered questions about the budget. At estimates the best answers you get are until the end of March. That is for every estimates going into any election. The same scrutiny applies. You have not avoided that, ask the question.

**Mr WOOD:** Why do we have an IT system that cannot give us an approximate number for how much money, for instance, Police, Fire and Emergency Services or the Department of Health have spent up until this date?

**Mr GUNNER:** As I have advised, Treasury are doing that work quicker than they normally would. Normally that work would come out in mid-August and the TAFR would normally come out in October.

**Members** interjecting.

**Madam CHAIR:** Member for Spillett, you can ask that question in a moment.

**Mr WOOD:** My school council meeting gives me updates quicker than you have. They do—monthly. I am finished because I am not getting anywhere.

**Mrs FINOCCHIARO:** To defend the Member for Nelson, when I asked Police and Health a couple of months ago, they could give estimates of how much over they were running. If we ask the same question, presumably we would get answers.

**Madam CHAIR:** That is the question the Chief Minister was asking. If the Member for Nelson has a specific question of a specific agency on the unders and overs and that is on the agenda, we can just ask that question.

**Mr WOOD:** When will we get the answer? The only way to know an overspend is to get a figure, say what the budget was, what it is today and how much was spent as of today. If you said you would spend \$100m, how much did you spend? Surely we can get an estimate of that.

**Mr GUNNER:** That is being consolidated and will be publicly available on 29 July.

**Mrs FINOCCHIARO:** How come it was available a couple of months ago? If I was to ask the Police Commissioner how much Police was running over the budget per month—we were able to get an estimate last time. Everyone appreciated that it was an estimate and that Police are working unbelievably hard to protect Territorians. It is not a criticism about Police spending too much, but people roughly know give or take what they are doing over and under. I ask the same question of Health. How are you guys tracking and how much do you think you are over?

**Mr GUNNER:** We know roughly how departments are tracking over or under and that is all being consolidated and will be available on 29 July.

**Mrs FINOCCHIARO:** A couple of months ago, it was okay to give, but now it is not?

**Mr GUNNER:** It was a very rough estimate a couple of months ago.

**Mrs FINOCCHIARO:** That is fine, everyone was fine with that.

**Madam CHAIR:** Those were against the March figures, I think. That was the first or second meeting where we had them at hand.

**Mr MILLS:** This relates to commentary already undertaken. I served on a number of boards; the boards would meet on a monthly basis. If you are a member of the board you get updates of exactly how you are tracking, so you are able to acquit your duties responsibly.

We have an extraordinary situation; we have not met in parliament. I honestly thought the setup of the Public Accounts Committee, and the impression that was gained publicly, was to be the means whereby government could be held to account regarding the public account. But we were fairly quickly corralled into being exclusively focused on the saving of human life from COVID-19 and the public account was left unattended.

I cannot understand. I agree with the Member for Nelson. In these unusual times—and with government saying, as the Chief Minister said, that one of its primary objectives is to rebuild trust in people in the community—there should be an open flow of information ...

**Mr GUNNER:** I reject everything the Member for Blain is saying—an absolute rejection!

**Madam CHAIR:** Chief Minister, if you wait, just for one moment. I remind the committee members of the resolution of the Legislative Assembly on 24 April—I will read it:

*This Assembly resolves under Sessional Order 14(2)(d)(i) as a consequence of the presence of COVID-19 in Australia, the delay of a Federal Budget and by extension the delay of the NT Budget and to give Territorians confidence into Coronavirus related expenditure ...*

This is what we are tasked to do in this series of meetings. I know there has been some pushing of those edges. It then goes on to tell us when we will convene:

*In addition ... the Under Treasurer will also be in attendance at this hearing.*

What we are charged to do is very specific. This is not an ordinary meeting of the PAC. I understand where members want to go. It is not a replacement for estimates. This is what we were charged to do ...

**Mr GUNNER:** Literally, the first thing on the agenda—PAC hearing on COVID-19 response.

**Mr MILLS:** Yes, I know. I understand that ...

**Mrs FINOCCHIARO:** It was put out as a screening measure ...

**Madam CHAIR:** Committee members. I have allowed a lot of latitude over the four meetings. We have an agenda in front of us. We also have a resolution of the parliament ...

**Mr MILLS:** No, hang on ...

**Madam CHAIR:** That is our job ...

**Mr MILLS:** Sorry, Madam Chair.

**Mr GUNNER:** Ask us questions about what we have done to save lives and jobs, Member for Blain.

**Madam CHAIR:** And how it relates to the budget.

**Mr GUNNER:** Ask us questions about what we have done. Ask us questions about the public account when it comes to how we have saved lives ...

**Mr MILLS:** Are you telling us what questions we must ask? That was the first meeting we had ...

**Mr GUNNER:** I thought you might care about Territorians more than Indonesians. As a question.

**Mr MILLS:** What are you talking about? That is ridiculous.

**Mr GUNNER:** As a question. The last time you were here you asked more about herd immunity and Indonesia than you did PAC and Coronavirus. Ask a question about Territorians and Coronavirus. Show that you care about Territorians.

**Madam CHAIR:** Order!

**Mr GUNNER:** Ask us a question about police on borders and quarantine facilities. Ask a question about what we have done to save lives, Member for Blain.

**Mr MILLS:** Well, why not come to a public debate and talk about these things out in the open?

**Mr GUNNER:** They will be debates and you can attest to why you care more about Indonesia than the Territory.

**Madam CHAIR:** Members, I will call some order on the hearing today, please. I will now move on, unless the Member for Nelson has a further question on this area ...

**Mr MILLS:** I would like to follow up on it.

**Madam CHAIR:** Well, it needs to be very specific, Member for Blain ...

**Mr MILLS:** It is specific ...

**Madam CHAIR:** ... and I will start ruling on arguments, inferences and imputations. They are not allowable in the hearing. I have just told you what we are here for ...

**Mrs FINOCCHIARO:** Allowable in the answers?

**Mr MILLS:** I will respond to that.

**Mrs FINOCCHIARO:** They are allowable in the estimates.

**Madam CHAIR:** No back and forth, thank you.

**Mr MILLS:** If this is COVID-19 related ...

**Madam CHAIR:** It is.

**Mr MILLS:** ... well, the effect of COVID-19 on the public account is broad and affects the entire public account. You cannot just corral it to have us only talk about specifically Coronavirus, because Coronavirus and the response has had a dramatic impact on the entire financial profile ...

**Mr GUNNER:** So ask a question.

**Mr MILLS:** ... of what is the deficit position? Where are we at?

**Mr GUNNER:** As a question about what the impact has been on live music and tourism and culture. Ask a question about what the impact has been on the hospitality sector.

**Mr MILLS:** Do not tell me what I need to ask you.

**Mr GUNNER:** Ask a question.

**Mr MILLS:** What is the deficit?

**Mr GUNNER:** Well, you are making statements, Member for Blain. Ask a question about Territorians and the impact it has had on them. Show you have done some work and that you care. Ask a question ...

**Mr MILLS:** Show us what ...

**Mr GUNNER:** ...about the response to the Coronavirus and its impact on Territorians. Ask something. Do you have a question?

**Mr MILLS:** I do. What is the deficit position right now?

**Mr GUNNER:** That will be advised on 29 July, which is two weeks earlier than normal. Do you have a question about Territorians and the impact on them?

**Mr MILLS:** They are concerned about their financial future and the fact that we have an economic crisis that you are not responding to.

**Mr GUNNER:** They know I will throw the kitchen sink at this. What they do not know is what measures you would cut. What would you stop doing? Is it police on borders? Is it the Small Business Survival Fund? What would you not do? What would you cut, sack or sell?

**Mr MILLS:** Why are you hiding ...

**Mr GUNNER:** Be up front with Territorians about the impact of your decisions on their lives. What would you ...

**Mr MILLS:** Why are you hiding from scrutiny?

**Mr GUNNER:** ... stop doing? Last time around it was 30% increase to power prices ...

**Mr MILLS:** What are you hiding?

**Mr GUNNER:** What would you do? What would you cut, sack or sell?

**Mr MILLS:** Why are you hiding?

**Mr GUNNER:** I am hiding nothing! Territorians know everything I have done to save lives and jobs ...

**Mr MILLS:** You are hiding everything.

**Mr GUNNER:** ...they know nothing about what you will do to hurt them.

**Mr MILLS:** You are hiding everything.

**Madam CHAIR:** Honourable members! I am drawing a line in the sand. The Member for Spillett has a question on the area we are in.

**Mrs FINOCCHIARO:** Police Commissioner, do you have an understanding of—as a result of the tremendous response your agency has had to provide ongoing, and we would not have it any other way—what your departmental overruns are?

**Commissioner CHALKER:** In regard to COVID-19 expenditure, we have been monitoring that. Our average is around \$2m per month. I add that we have AFP and ADF personnel out of that, so there is a lot of mixed expenditure not purely from our budget. A significant amount of that is for accommodation. We have had to make arrangements like getting generators, ablutions, portable accommodation pods, the relevant safety areas, automatic number plate recognition trailers and so forth.

We have tried to assess since March. Our current expenditure is operating at around the \$8m mark. As you can appreciate, with a lag in our invoicing for a number of those things, we are consolidating. That appears to be our general indication at this point.

**Mrs FINOCCHIARO:** So, it is about \$2m extra per month—what is the \$8m? Is it total?

**Commissioner CHALKER:** Yes, in those four months. That is the average we are looking at. There is probably a bit of false loss in that because of what the AFP is picking up for us and deployment personnel. We are also benefiting from some of their transport and vice versa. There are some mixed costs that are not necessarily represented.

**Mrs FINOCCHIARO:** Is the Territory having to shoulder some of the cost of the AFP and ADF?

**Commissioner CHALKER:** Not at this stage.

**Mrs FINOCCHIARO:** The federal government is still taking care of those?

**Commissioner CHALKER:** Correct.

**Ms MANISON:** It is also important to recognise that period was when we had the biosecurity zones, which was a huge resource ask on police, with the level of border control checks we had to do.

**Mrs FINOCCHIARO:** I am not being critical; I am just asking.

**Ms MANISON:** It was very intensive, to say the least.

**Mrs FINOCCHIARO:** Absolutely. Can I ask Health the same question?

**Mr GUNNER:** Can I clarify—that was in response to COVID-19, not necessarily the overrun or underrun for that department. It goes to the COVID-19 response.

**Mrs FINOCCHIARO:** We can talk about all the overruns, if you want.

**Mr GUNNER:** I think it is important clarification. It goes to what we have done in response to Coronavirus, not necessarily what the NTPFES overrun or underrun will be.

**Mrs FINOCCHIARO:** While the change happens, I ask for clarification. Are we not able to do this for every department?

**Mr GUNNER:** It only goes to Coronavirus measures. We can take it on notice. It does not go to what the department's overrun or underrun will be.

**Mrs FINOCCHIARO:** If they have an underspend due to Coronavirus ...

**Mr GUNNER:** Some departments will underspend in the Coronavirus response, such as project X not occurring or meeting Y not occurring. In regard to what the overall department's situation will be, we will not know that until 21 July.

NTPFES has been tracking some of its COVID-specific responses and the commissioner has provided that detail. That does not necessarily mean that is what the department's overrun will be—NTPFES has done a lot of work.

**Madam CHAIR:** Just to qualify—you have asked the same questions of Health. I am getting the inference from what you have said that you could possibly pose a questions on COVID-19—I do not see enough CEOs in the room, so we could put that question on notice if you want.

**Mrs FINOCCHIARO:** Perhaps the Treasurer has it.

**Madam CHAIR:** You can ask that in a moment. I will ask the Minister for Health to respond for her agency, then I will come back to you, if you want to think about whether you want to reframe that to the Treasurer.

**Mrs FINOCCHIARO:** Can I just get some clarification from the Chief Minister. The agency is overrun due to COVID-19—if the agency has additional overrun, is that because of normal ...

**Mr GUNNER:** It is more that we can talk about what we have done to deal with Coronavirus.

**Mrs FINOCCHIARO:** You made it sound like police will have bigger overruns that are not COVID-19 related.

**Mr GUNNER:** The overrun might not be as great as that because of the underspends elsewhere. What I am saying is that this is what they have done to deal with Coronavirus, not necessarily what the department's position will be, which will be reported on 29 July.

Those agencies are very forward-facing when it comes to Coronavirus, health is one. We will pass to health in a second. They have been doing some work specifically on the COVID response. Health is a big department, what it has done with the COVID response is separate to whether the entire agency will have an overrun or underspend.

**Ms FYLES:** I think the Leader of the Opposition and the Member for Blain have highlighted their incompetence and the simplicity in which they try and deal with a pandemic.

**Mrs Finocchiaro:** Here we go.

**Ms FYLES:** You just had your opportunity but this is incredibly complex. It is a global pandemic and we absolutely acknowledge ...

**Mrs Finocchiaro:** Do you know the answer to the question, Health minister? If you do not you are only showing your own incompetence. You can either answer the question or you can swap back and we will ask a different one to someone who does know the answer.

**Madam CHAIR:** Minister for Health, answer the question, please.

**Ms FYLES:** Again, if the Leader of the Opposition would let me finish ...

**Mrs Finocchiaro:** We recognise that our health professionals and Health department are working very hard. This is not a criticism. You need not be defensive. It is merely an exercise in understanding ...

**Madam CHAIR:** Let the question be answered, members. Some decorum please. We would like to hear the answer. Member for Spillett, we know what the question is. Minister for Health could you please respond to the question, thank you.

**Mr Gunner:** I was enjoying her answer to the question.

**Madam CHAIR:** We had not got to it.

**Mrs Finocchiaro:** Because it was not answering the question, it is right up your alley.

**Ms FYLES:** This is incredibly complex. It is not a simple matter of seeing what we have spent. We have complex arrangements ...

**Mrs Finocchiaro:** Three months ago you gave us an estimate.

**Madam CHAIR:** Member for Spillett that is your last warning. Please allow the minister to end. We were on such a good trajectory today. Please let the Minister for Health respond and then if you have supplementary questions you can add them at the end.

**Ms FYLES:** We have complex arrangement with the Commonwealth Government—the NPAs—in terms of health spending and we are negotiating COVID NPAs for the spending. Our Health spend is about \$1m a week on COVID-related aspects. It is not as simple as saying add \$1m to the budget because that is what your simple model ...

**Mrs Finocchiaro:** I never said that. Madam Chair, would you like to enforce the standing orders on her as much as you would on me?

**Ms FYLES:** You have been implying ...

**Mrs Finocchiaro:** No, I have not.

**Ms FYLES:** You had your moment, let me speak. You have simply been implying that it is a matter of the Department of Health spending its money and adding \$1m a week. It is not as simple as that Leader of the Opposition.

**Mrs Finocchiaro:** No, I have not. I asked what your anticipated overrun is. You are so ignorant and belligerent. I asked a very simple question, which I thank you for answering. \$1m a week. Very easy.

**Madam CHAIR:** No arguments, no inferences, no imputations, no insults! I am calling on those areas.

**Mrs Finocchiaro:** Directed it at the minister, I am sure.

**Madam CHAIR:** Members and those responding please keep your answers civil. Thank you.

**Mrs Finocchiaro:** No, that was the answer to the question, thank you.

**Ms FYLES:** I have not finished answering the question Leader of the Opposition. You had your chance, so let me finish.

Dealing with this is incredibly complex. We have been working with the Commonwealth Government on getting the funding so that we can care for Territorians—making sure we have the resources—and making sure we work together. If you ever want to see an example of state and territory governments working with the Commonwealth, you are seeing right now through the National Cabinet process the Chief Minister sits at, through the weekly hook-ups that all the state and territory health ministers. You can sit there and chuckle and laugh, because Territorians are very grateful that you are not the Chief Minister right now.

**Mr Mills:** Oh, that is ...

**Ms FYLES:** Or you, Member for Blain, it is timing that you pop up there.

Madam Chair, I do have more information and I will share it. Not only do we have the NPAs for COVID and the NPAs we normally have with the Commonwealth—we all know that ABF funding is how our hospitals are funded but I sometimes wonder if those opposite even realise what these acronyms mean.

We also have the National Critical Care and Trauma Response Centre, which has not only provided us with care, but they are funded by the Commonwealth Government. Also, as we have seen across the whole of Australia, arrangements have been put in place to deal with a wave of COVID-19, which Victoria is sadly going through. We have minimum viability payments with our private hospitals.

We have done everything. When the Chief Minister says that he has thrown the kitchen sink at it, what he means from a health perspective is he has gone out there and worked with the Commonwealth to negotiate accesses to the resources we may need.

You sit here and want to throw numbers around and pretend that you know it all. This is about making sure—and I hope we do not need these hospital beds, but if we do—we have hundreds of hospital beds to care for Territorians, to save their lives.

We will work with the private hospital; we have put in place arrangements. We have worked with the Commonwealth to get the funding. This is complex. We had to defer elective surgery. Elective surgery is not surgery that people decide that they want to go and have some work done. It is lifesaving surgery. We have had to work through the categorisation of that. Private hospitals have had to defer their surgery so that ...

**Mrs FINOCCHIARO:** With respect Madam Chair, there is only 45 minutes left. I have received the answer to my question. I would like to ask more.

**Ms FYLES:** You asked the question; you never hear the answer. Just because you do not like the answer you still could have the respect to listen.

**Mrs FINOCCHIARO:** You gave me the answer. The answer is perfectly acceptable. Thank you for the answer.

**Madam CHAIR:** Minister for Health, if you could draw your answer to a close, please.

**Ms FYLES:** I will. We have put in place a number of arrangements; they are complex funding agreements. Through the COVID-19 NPAs we are still working with the Commonwealth on the extent of their contribution to non-hospital costs such as quarantine, border control and administration. This is complex. We have put politics aside to work with the Commonwealth Government in order to have the resources and make sure things happen. Yes, we are very respectful that these are taxpayer dollars. We are not wasting this frivolously but we are putting the lives of Territorians first.

**Mr SIEVERS:** We have talked about savings or underspends. Last time we talked about the biosecurity areas, savings on travel in some departments and things like that. Has there been any work to look at that or other areas there will be underspends on?

**Ms FYLES:** The complexities for us in Health are that we have not seen community transmission or a death in the Northern Territory, but Coronavirus will come. We will see cases. We had a mass effort to prepare our hospitals and health resources to have plans for where outbreaks might be either, whether in urban area or a remote area. That has all been worked through.

In March and April we were pulling back on everyday services and preparing for cases to come quickly. We have not seen community transmission so we are trying to get surgeries through and making sure people have access to healthcare. It has been really complex to make sure our resources are focused on providing the everyday care that Territorians need but at the same time, in the back of our minds, knowing that any day we could start to see cases. Over the replication cycles, we could see that build into community transmission.

In terms of the Health budget, clinicians have gone above and beyond to deliver those services. We have seen a change in the model. We have been using telehealth. The budget figures will be settled over the coming weeks and months where we work out the NPA funding streams with the Commonwealth Government. We look at areas that were not able to deliver services; there may be some savings there. In terms of spending, we will see what we have to roll out to care for patients from a Coronavirus perspective.

It is not as simple as people make out; that is incredibly frustrating. We want Territorians to know that we are prepared; we have the plans, we can roll out services and shift them. If we see an outbreak of Coronavirus in Royal Darwin Hospital, for example, and that facility needed to have a deep clean like you saw in Tasmania, we can shift resources to Palmerston Regional Hospital. There are so many contingency plans in place. As well as caring for people and providing the services they normally do, clinicians are doing all of this other work.

It would be respectful for those opposite to listen to the clinicians instead of trying to play politics with it by calling on us to test more people and comparing our testing rate to Victoria, which is in the middle of the pandemic right now.

**Mr WOOD:** I want to comment on what you said previously so it is on the record, Madam Chair. I wrote to this PAC and said the following:

*That the PAC meets every two to three weeks and invites representatives from the Treasury and any other departments that needed to attend those meetings. The reason for this request is to allow the PAC to monitor government spending. This is especially in light of the fact that parliament is not sitting for the foreseeable future, there is no budget and there is no Estimates Committee.*

*In light of the government's view of opening parliament to the people and the fact that the PAC has the following duty to examine the accounts of the receipts and expenditures of the Northern Territory, that is what I thought that is what this committee was going to do.*

**Mr MILLS:** Hear, hear!

**Mr WOOD:** I did not get a response to say that was not going to happen. I put it forward.

**Madam CHAIR:** I want to park that for a second. I want to ask you a question but I am not going to do it on the record as the Chair.

**Mr WOOD:** I just thought I would put it on record that I did try and have this as a broad PAC.

**Madam CHAIR:** I think the two have collided at a very similar time. We received two. I am hoping that the committee is ready to go onto the next area.

**Mrs FINOCCHIARO:** Has the \$300m Treasurer's Advance been spent? Have there been any further advances in addition to that \$300m?

**Ms MANISON:** As we discussed last time at the PAC, we put \$300m as a contingency into the budget. All jurisdictions did that with their supply bills. Off the top of my head, Victoria was to the tune of about \$10bn.

**Mrs FINOCCHIARO:** But have we spent it? Has it been spent or have we had to do anymore?

**Ms MANISON:** Over this financial year, as we put the budget together in November, we will be looking at how we allocate some of that Treasurer's advance. Anything that goes towards would be specifically for a COVID-19 response. We have spoken about the different areas that ...

**Mrs FINOCCHIARO:** You are not using that money for the COVID-19 response; the government is continuing to spend—going over budget, et cetera, whatever the case might be—and you are going to use the \$300m to hopefully plug the gap?

**Ms MANISON:** That was there as a contingency, that \$300m allowed for in the supply bill.

**Mrs FINOCCHIARO:** You do not know if you have actually eaten into it yet?

**Ms MANISON:** At this point, in order to manage the COVID-19 situation, we have been trying to look at what we can reprioritise within the existing arrangements. However, when you look at the needs of COVID-19 and the fact we have a second outbreak in Victoria and the response—given that JobKeeper has had to extend—will go for longer, we will work through where that contingency will need to be used throughout this financial year. I expect that some of the \$300m contingency will have to be used for its intended purpose, to deal with COVID-19 and that you would see some of that flow through in the November budget.

**Mr GUNNER:** The short answer is no, and it may be needed.

**Ms MANISON:** Yes.

**Mrs FINOCCHIARO:** Have you borrowed any additional money on top of the \$600m that you borrowed last month?

**Ms MANISON:** No.

**Mr MILLS:** The Chief Minister invited me to ask a question. I ask it of you, Treasurer. It relates to the public account and the impact on the public account of the Coronavirus response and your acknowledgement that the Commonwealth Government has only just concluded a significant response and some alarming numbers.

In that response, did the Commonwealth Government advise you of the GST amount that would be provided to the Northern Territory?

**Ms MANISON:** We have seen the overall size of the pool that has gone into it. We are working through what that number means to the Northern Territory. Member for Blain, from what I can see in that, this is going to mean that hundreds of millions of dollars of GST to the Northern Territory will be lost.

**Mr MILLS:** Has the Commonwealth Government revealed that number to you?

**Ms MANISON:** We have the number that we are working through at the moment, which is the national take. We are working through that in the context of our COVID-19 financial report.

**Mr MILLS:** Is there any change to the horizontal fiscal equalisation rate for the Territory?

**Ms MANISON:** No. We are working through what it is. It is going to be hundreds of millions of dollars.

**Mr MILLS:** I am sure it is. That figure is known.

**Ms MANISON:** We have the national take. We are looking at that and working through what that means to the Northern Territory.

**Mr MILLS:** We have to wait, do we?

**Ms MANISON:** We will have the latest up-to-date figures; the fiscal aggregates will all be in the report next week. It will be the most up-to-date information.

**Mr MILLS:** I understand how this is being played.

**Mr BOWDEN:** Through the Chair, can I ask a question about the Treasurer's advance at the rate of borrowings, considering that the current cash rate at 7 July was historically low at 0.25%? At what rate are we currently borrowing money? Can I also confirm the rating that the Territory government received in recent times for our credit ratings?

**Ms MANISON:** I will let the Under Treasurer go into the detail on that. With Moody's, we remain the same; we have not changed. There is no doubt we are seeing that the rates of borrowing at the moment are far better than usual. That is not to say you enjoy having to borrow, but it is something that all governments are dealing with, particularly when you see the report that was released today by the federal government.

**Mr BOWDEN:** The rate of borrowings was part of the reason we were able to borrow that money early?

**Ms MANISON:** Yes. We are a stable government. We are a stable place to lend to.

**Mr GRAHAM:** The rate on the borrowings that we have undertaken this year is 1.86%—the average.

**Mr BOWDEN:** Which is historically low?

**Mr GRAHAM:** Yes.

**Mr BOWDEN:** Does that allow our repayments to be managed at a better level, considering Moody's has given us a Aa3 rating?

**Mr GRAHAM:** Sorry, I missed that.

**Mr BOWDEN:** Does that allow our borrowings to be repaid at a greater period of time—because we have a Aa3 rating from Moody's and a 1.8% average cost of capital?

**Mr GRAHAM:** It reduces our cost of borrowing. The net interest cost—it reduces that impost.

**Mrs FINOCCHIARO:** Speaking of net interest cost, what is our total interest bill for the Northern Territory?

**Mr GUNNER:** We will be able to give the variation in that in the 29 July report.

**Mrs FINOCCHIARO:** What does 'the variation for that' mean?

**Mr GUNNER:** That was the question we were asked last PAC about whether we can report on this turn. We will be able to give you the variation in the 29 July report—what the difference is from one report to the next will be the variation in that report.

**Mrs FINOCCHIARO:** So, you will itemise the interest in next week's report? Normally, you tell me that it is in the budget and people can calculate it themselves ...

**Ms MANISON:** Leader of the Opposition, there will be a line with regard to that.

**Mrs FINOCCHIARO:** Wonderful. Will there be a line on how the GOCs are travelling?

**Ms MANISON:** The non-financial public sector, as you know, is all incorporated into numbers. We will have general government and the non-financial element. You will see the overall numbers there which incorporate GOCs.

**Mrs FINOCCHIARO:** Treasurer, are you anticipating—picking up from the Member for Johnston's question—a downgrade in our credit rating?

**Ms MANISON:** Our last outlook from Moody's was stable, so that is where we are at. Every jurisdiction is dealing with what we are dealing with. They are all in the same boat. I am anticipating that Moody's will have a look at it and I trust, given that we have shown that we are a stable jurisdiction, we will keep that outlook.

**Madam CHAIR:** Member for Spillett, on the next output.

**Mrs FINOCCHIARO:** The last time I asked it had not been done. I will ask again. Has there been financial modelling on the impact of COVID-19 on our economy, in particular our tourism and hospitality industries?

**Mr GUNNER:** We will have economic forecasting in the 29 July report. As we had this debate a few times now, we are the first and fastest to reopen, which has seen us in a significantly better position than other jurisdictions around the nation. There have been a few reports done by Deloitte and others that have us, essentially, 'leading the pack'. I want to be very careful in saying that because I recognise a lot of Territorians are doing it tough. Just because we are better than other states and territories does not mean that things are good out there for everyone.

This is a health crisis and obviously the first measure has to be to save lives and, in saving lives, as a result you have to save jobs. It is important to view it through that logic order. You have to make the health decision first and, as a result of that, there is a consequence. We have been able to do that. By making those health decisions, we were able to get our places of businesses open earlier and people back in work earlier, which has been really positive. The nervousness for us is, obviously, about JobKeeper.

My understanding is there are about 5000 businesses in the Territory with JobKeeper, which is about 18 000 people. You can see how one or two jobs per business has a massive impact. That is why unleashing small business is really important. That has now, essentially, turned from a cliff to a slope, but is still something we need to be mindful of.

There are some indicators out there about how the various economies are travelling. We have been able to be ahead of the pack, essentially, in how we are rebounding and in comeback capital. But we cannot take it for granted, we have to be really careful. Everything has to be seen through a health decision first, not an economic decision.

**Mrs FINOCCHIARO:** Will that be broken down, particularly for tourism and hospitality, or just be general?

**Mr GUNNER:** General.

**Ms MANISON:** General. There will be a look and a narrative about the hardest-hit sectors. No doubt tourism and hospitality are some of those areas. However, we were looking at our general headline economic figures there—employment, SFD, GSP, CPI, population—those types of areas.

**Madam CHAIR:** Are there any further questions from other members on this particular ...

**Mr GUNNER:** Could I supply some commentary? It goes to the difficulty of the work that has been done by a lot of people. We must look at some assumptions that the feds used. That is the important thing in us doing work between now and 29 July. We do not know and the Reserve Bank Governor has been strong to

emphasise this—as has the Secretary of Federal Treasury—you do not know what will happen with COVID-19. Over the last four months, we saw a number of things occur that we could not have predicted, like Melbourne going in to a second six-week lockdown.

One of the big difficulties over the year ahead, and this financial year that we are in, is knowing exactly what might happen. Will Sydney go into a second lockdown or will there be international borders opened with New Zealand? All of those things have been fiscal and economic impacts and we do not know the answers to the questions. That is what makes it really hard to work as a private sector business making a business decision or as a federal or territory Treasurer making decisions. You do not know what the health questions and answers are. That is why you must look through the health lens first. It depends on what the health response is; not all of those responses are in our control to understand what the fiscal impact might be.

**Mrs FINOCCHIARO:** I just thought of something I want to clarify. Next week's report will be to the end of financial year only, is that correct?

**Mr GUNNER:** That is a good point to clarify. It will be the budget and deposition for the financial year just done, the forecast for the financial year that just began, our expenditure on the Coronavirus crisis ...

**Mrs FINOCCHIARO:** To when?

**Mr GUNNER:** Everything that we know we have done and are doing on Coronavirus, which will cross financial years.

**Mrs FINOCCHIARO:** To what day? Is the financial year the cut-off date?

**Mr GUNNER:** No, that will include everything we know about what we are doing with the Coronavirus crisis last financial year and the financial year that just began when it comes to expenditure on that.

**Mrs FINOCCHIARO:** But it will not be up until that day?

**Mr GUNNER:** No. The quarantine facilities are an example that runs through the financial year, so what we know will be reported in the Coronavirus expenditure—last financial year, the financial year that just began and what we know about that financial year.

**Mrs FINOCCHIARO:** But those two issues are whole of government.

**Mr GUNNER:** That includes decisions that we made. If there is a quarantine facility decision, that will be reflected that in the report.

**Mrs FINOCCHIARO:** Sure, but at what point will you draw the line? For example, Health is spending \$1m per week. Is the line drawn today for inclusion next week or will you ...

**Mr GUNNER:** There will be two financial years.

**Mrs FINOCCHIARO:** But we are in this one.

**Mr GUNNER:** It will be actual to the end of last financial year and decisions made about what we estimate going forward in terms of that expenditure.

**Madam CHAIR:** Can I ask a qualifying question? I have avoided asking questions, but will there be details in there on co-contributions from the federal government?

**Mr GUNNER:** This is one of the difficulties that the Minister for Health touched on. Some NPAs are still being negotiated. We are operating in good faith about what we think the NPA will be and reporting on that will be included as much as it can—it will be difficult. The Commonwealth has been good but some formal NPAs are still being negotiated as well as all bespoke agreements.

**Ms MANISON:** We will include as much up-to-date information about where we are in this point in time. We will try to get the latest information we have at hand that we believe gives an accurate update on where we are in the point in time with the Territory's finances.

**Mrs FINOCCHIARO:** I think the key phrase used there is 'we believe'.

**Ms MANISON:** Today, as we saw qualified multiple times by the federal government, there is a rapidly changing situation in this country and a week feels like an eternity in the COVID-19 world. Things get thrown ahead very quickly. We have seen what happened in Victoria in one month.

**Mrs FINOCCHIARO:** We just do not want it to be what you believe Territorians should know. We want them to have everything.

**Madam CHAIR:** That comes under your next heading unless you think ...

**Mrs FINOCCHIARO:** I just had to clarify something for *Hansard*. The second-last question that I asked of the Chief Minister that *Hansard* could not hear was along the lines of, 'Will there be anything specific on tourism and hospitality?' and then the Chief Minister answered.

**Mr SIEVERS:** In relation to tourism and hospitality, our borders are open to some states and there is the Greek Festival this weekend and so forth, I am hearing from locals that they are happy about those things happening. They have a COVID-19 plan in place?

**Mr GUNNER:** You have to have a COVID-19 plan if it's over 500. I have not asked them if they have one.

**Mrs FINOCCHIARO:** I am not sure how this is relevant to the contents of the 29 July budget outlook.

**Mr GUNNER:** You panicked me for a second there, Member for Brennan. It is done.

**Madam CHAIR:** There are no further questions, we will move on to pre-election fiscal outlook.

**Mrs FINOCCHIARO:** How will this work going forward, given you refuse to do one?

**Mr GUNNER:** Do you want to do those next two dot points as one?

**Madam CHAIR:** These were contributions by the Member for Spillett, I will ask her if she is okay with that.

**Mrs FINOCCHIARO:** Yes, I am very happy to be flexible.

**Mr GUNNER:** Some of this will need to be answered directly by the Under Treasurer because we will be held to account as much as opposition parties will be held to account on this. The 29 July report is being provided earlier than when a PEFO would be and in many ways, it will have more information than a PEFO normally has. We still need to genuinely cost everything that we do as a government/party as do the opposition and Independents.

It might be better for the CEO of DCM to take the question initially and hand to the Under Treasurer about what process you are going to take during the caretaker period for how you will be holding parties to account for costings and policy decisions.

**Ms RYAN:** I will start this answer because I was Under Treasurer last time it was done and helped the Under Treasurer all the other times it has been done. The financial report will come out on 29 July. The PEFO normally comes out 10 days after the writs. The Under Treasurer will write to the leader of all three parties: the Labor Party; Country Liberal Party; and Territory Alliance to ask if you want to provide him with a list of your election commitments and costings. He is the only one who receives that. He and one other person will look at and assess them, look at the costings, work out what they will do to the budget position you will see on 29 July and reply to each person who has written to him about the effect on the budget of those costings.

That is the usual process and that process will happen again. I can defer to the Under Treasurer about the timing, given it is slightly different this year.

**Mr GRAHAM:** There is not much I can add to that. We would probably write in the first week of caretaker, give a week for a response and then provide a response back to you in the second week of the caretaker period.

**Mrs FINOCCHIARO:** I do not know how it normally works but say particularly given COVID-19, what happens during caretaker with emergency situations?

**Mr GUNNER:** I have asked for advice as well. Obviously we all get advice. Last time around, I was written to as the Leader of the Opposition about caretaker and I assume both of you will get written to this time with

advice about how caretaker will operator. I do not do that; the CEO of DCM will do that. Because there is a public health emergency, I asked what the difference would be this time.

I will pass to the CEO of DCM but the verbal advice I received—I have not received this in writing yet, I am assuming it will come to me on the first day of caretaker—is that I am still required to Chair the SEMSC and will still attend the National Cabinet during the public health emergency. I will not be making policy decisions during that time. That will require consultation but I will be able to implement existing policy as relating to the public health emergency.

**Ms RYAN:** It is an interesting question. We have our election in August; the ACT's is in October, then Queensland's is in November. My two counterparts from ACT and Queensland and I have worked this through quite a bit. It is an unusual situation and we all determined that we need our governments represented at National Cabinet. The first minister will attend National Cabinet.

Caretaker conventions are conventions. The Chief Minister is the Chief Minister until otherwise determined when an election has closed. He will attend and the other Chief Minister and Premiers will attend. National Cabinet does not tend to make decisions, but if a decision is required as a result of the national decisions made, and if it is a big policy decision that binds a future government, the Chief Minister will need to talk to the Opposition Leader about that.

If it is simply administrative or we are responding as another hotspot arises, the Chief Health Officer will make the decision on where the hotspots are and what we do in regard to that, as he does now. In regard to operational decisions, we will continue to manage that between Ms Stoddart, the Territory Controller and me.

**Mr GUNNER:** Hopefully everything continues as is, in the sense that we have not had community transmission and there is no need for anything to occur during the caretaker period. That is my great hope.

**Madam CHAIR:** Does any committee member have a burning question they can flag with me before we move on to the next area?

**Mr WOOD:** I do. It is about costing of policy change and election commitment. Bearing in mind that we have spent a lot of money on COVID-19, I will ask the Under Treasurer this. There is an announcement that the government will spend \$3.5m on the Leanyer recreation lake. Can someone please tell me, in light of the fiscal difficulties in place in the Territory, why we are spending that money and where it has come from?

**Ms MANISON:** That has come from within the infrastructure budget of the Department of Tourism, Sport and Culture, it is to do with urgent repairs. It is out in the sun, and there is some hefty equipment, so it has been assessed as needing replacement. That is to ensure that it remains a functional place and does not become dangerous.

**Mr WOOD:** But it is not all about repairs, is it?

**Ms MANISON:** It is about repairs and making sure the equipment is safe and fit for purpose.

**Mr WOOD:** The way it came out in the media was that you would add things to it. In the present light, can we really afford to do those sorts of things?

**Ms MANISON:** It is important to recognise that this type of infrastructure investment is also supporting local jobs and businesses and it acts as an economic stimulus right now.

**Mr WOOD:** Would it be in your electorate?

**Ms MANISON:** It is not a decision based on the fact it is in my electorate. I find that very untoward.

**Mr GUNNER:** The decision sits in a different minister's portfolio.

**Ms MANISON:** The decision was not made by me; it was made in line with the infrastructure requirement of the agency.

**Mr WOOD:** We are just out from an election; we are tight on money; I see this money spent and it does not look good.

**Ms MANISON:** It is an important community facility. I want to know that when kids are using it, they are in a place that is up to the standard we expect to keep the people who use it safe.

**Mr WOOD:** I am not disagreeing with repairs and maintenance, but the media release said it was adding extra things to that facility. I am just asking why; I am not against repairs and maintenance. Just out from an election, where did it come from in the last budget? That is all I was asking.

**Madam CHAIR:** We are moving to the update on stimulus measures. I ask the Member for Spillett to kick off with a question on that area.

**Mrs FINOCCHIARO:** Given the time, if the CEO is happy to give us his update, as we have had in other practices, it would be great. Could you go through all the packages, where we are up to et cetera, like you have been.

**Mr DRABSCH:** We are still rolling out the survival fund. There have been almost 1300 businesses which have qualified for the survival fund. We have granted \$43.4m through the immediate survival payments, the operational boost, the operational support payments, and rebound support.

**Mrs FINOCCHIARO:** Of the 1300 that qualified, how many of them have been granted—as a number, as opposed to the quantum?

**Mr DRABSCH:** Sorry, how many businesses?

**Mrs FINOCCHIARO:** You said 1300 businesses have qualified, but then you gave a dollar figure of how much has been granted. Can you give the number of businesses that received their grants, so that we can compare like for like. If 1300 businesses qualified for the survival fund grants, how many have received them?

**Mr DRABSCH:** All 1300.

**Mrs FINOCCHIARO:** All of them?

**Mr DRABSCH:** Yes.

**Mr GUNNER:** The survival fund—as soon as you qualify, that is it. Does that make sense? And it automatically flows to you.

**Mr DRABSCH:** Yes, as soon as they are approved, the financial payments are processed within 24 hours.

**Mrs FINOCCHIARO:** Okay.

**Mr DRABSCH:** I will keep going through the schemes, if I may, Chair?

**Mrs FINOCCHIARO:** Yes, go through them.

**Mr DRABSCH:** We are about halfway through assessment of applications for the Home Improvement Scheme. There are 9500 assessed or under assessment. We have approved 8000 and issued 8800 vouchers, with grant funding approved of \$44m, which supports works to the value of \$70m.

Almost 900 of the 1400 applications for Business Improvement Grants have been assessed with 343 approved. Quite a few have withdrawn or declined because they were overlapping with the Home Improvement Scheme. Grants of \$4.6m have been allocated.

One hundred and eleven applications were received for the Immediate Works Grants. These are community and non-profit organisations. All of those have been assessed; 90 have been approved and 10 withdrawn with \$4.8m of grant funding provided.

**Mrs FINOCCHIARO:** Sorry, did you say there were 111 ...

**Mr DRABSCH:** Applications.

**Mrs FINOCCHIARO:** Sorry, I added a zero in there. Okay, 111 and 90 approved.

**Mr GUNNER:** In previous hearings, the DTBI CEO had minused millions from the ...

**Mr DRABSCH:** I just thought it was thousands.

**Mrs FINOCCHIARO:** It is over ...

**Mr GUNNER:** So one zero is fine.

**Mr DRABSCH:** Practice makes perfect.

Those programs, in combination, have supported works to the value of \$82m across the three programs. That is works that is being undertaken by some 2000 companies. In fact, very close to all of the companies that have applications in the system have received work vouchers to get on with—certainly the Home Improvement Scheme companies have.

There were 1235 applications received for the Business Hardship Register, with 1072 assessed or under assessment and 894 approved. Once the approvals are through, they have a more efficient means of claiming concessions through utilities, payroll tax and so forth.

**Mrs FINOCCHIARO:** Sorry, do you mind stating that number again of how many have been approved?

**Mr DRABSCH:** Eight-hundred and ninety-four of the 1000 assessed have been approved. Eighty-one have been withdrawn or declined and we are seeking further information on 87. This is a simpler process. If they are in a small business survival fund, that automatically qualifies them. Similarly if they are receiving JobKeeper. It is a 30% reduction in turnover.

They are the stats on the key programs.

**Mrs FINOCCHIARO:** How long does the department anticipate it would take to work through the 9500 applications for the Home Improvement Scheme that are still under assessment?

**Mr DRABSCH:** We are working through at a rate greater than 1000 a week. That is on the Home Improvement Scheme itself plus we have the Business Improvement Grants and we are also processing some 600 applications through the Rebound Support Grants, which are similar to the Business Improvement Grants under the Survival Fund. By September we should be through the bulk of those.

**Madam CHAIR:** The Member for Nelson wants us to move to a question on quarantine. We will need to change a couple of representatives at the table.

**Mr WOOD:** Minister, in relation to the operations of quarantine at Howard Springs, has that varied from the original methods of quarantining people there? Can people buy their food or is food prepared for them? Can they pay for their \$2500 over a period of time as was allowed at one stage? Can people get an exemption to quarantine at home, as people were allowed to just a few weeks ago?

**Mr GUNNER:** I will pass to the Minister for Health and the CEO of Health. In passing, I am aware of a couple of people who are staying at Howard Springs who said that the food is actually very good and have made the decision to return home from uni in Victoria and knowingly gone into the \$2500, 14-day situation.

**Ms FYLES:** The Howard Springs facility has year shown us that it can be a real asset to our community and the broader Australian community. We stood up the facility very well for the Wuhan evacuees and the Diamond Princess cruise ship evacuees. Those lessons taught us to prepare, in a broader sense, for the operations we have seen under the Territory Controller in the Northern Territory to date and for many more months and years going forward to protect Territorians.

When we had the period of eradication—the technical term—of COVID-19, the facility was stepped-down. In preparation for the changed border measures—not just opening the borders—the facility was stood back up. The operation of the facility is in different cohorts so we can have different groups of people in different areas and that would depend on when they come into the facility. We can utilise it for a number of different reasons to quarantine people and also care for people potentially with Coronavirus who may be clinically well.

In terms of the fees, people can apply for an income-tested—based on information from the tax office—lower rate of that fee. I do not have the specifics in front of me but I would be happy to provide that to the committee.

In terms of food, we need to be very careful about the interactions of people coming in and out. We will see that over the future days and weeks out of Victoria. We are trying to work through a way that people can send packages. You are there for two weeks and it would be nice to receive some items to make your stay more comfortable but we also need to make sure it is a quarantine facility. The more people coming in and out and the more items coming in adds risk.

**Mr WOOD:** Are meals prepared by—I think the previous contract was the casino? Is that correct?

**Ms FYLES:** Northern Rise. There is a contract in place to provide the food for the facility and of course, we cater for people's health needs and would take feedback if people were really uncomfortable. As the Chief Minister said, we have had feedback that people are relatively happy with the food.

People know the situation before they leave a hotspot. This is what is expected in the Northern Territory. If you are in Alice Springs, you are in a facility there. If you are in Darwin, you are at that facility and it is to protect our community.

**Mr WOOD:** Are any exemptions permitted to self-quarantine?

**Ms FYLES:** There are no exemptions as such, but there can be alternatives to quarantine. An example of that would be a patient coming back who is receiving medical care. It is clearly not okay to put, say, an oncology patient in a facility like that. It would be rare and extreme, but it is up to the Chief Health Officer—an alternative place of quarantine rather than an exemption.

**Mr WOOD:** I asked this the other day at the COVID-19 internal discussion we had. If you get people coming here with a caravan—the caravan might be worth \$80 000 or \$90 000—and they are required to quarantine, is there a way of protecting that caravan? Say they come to Howard Springs, will their caravans be in a secure facility?

**Ms FYLES:** That is a great question. In Alice Springs, the Mercure is our quarantine facility, and part of the reason is that most people who need to quarantine might have come from near Kulgera or across the Barkly, so they can go to Alice Springs. The facility has a car park area, so their camper trailer or caravan can be located near them. Some people may have pets—we have thought of all considerations.

In regard to the Howard Springs facility, it is a little tighter in regard to vehicles and caravans, but we would make sure someone is not leaving their caravan on the side of the road for two weeks.

**Mr WOOD:** There are car parks around that facility.

**Ms FYLES:** Yes. Whether they can interact with their vehicle and belongings every day is a different point, because we need to manage that.

We learned so much from that Howard Springs—you were there with me. There was a lot of angst in the community, but it ended up embracing having the facility. It has ensured that our quarantine is of the highest standard thanks to the Territory Controller and the work of public and environmental health officers and everyone involved.

**Mr WOOD:** I looked in at Howard Springs as I came in and there are caravans. I think they will be happy, because they have had two caravans most of the year.

**Ms FYLES:** We do not deny that the tourism and economic impacts are devastating. Even for those jurisdictions around the world that did not follow public health advice, they still have economic impacts as well as dealing with the human toll and health impacts.

**Madam CHAIR:** The Member for Brennan was delayed in a question raised on the opening statement, so I will allow him some latitude to finally ask his question because we have some Health people at the table.

**Mr SIEVERS:** I am interested in the vaccine, as I suppose the rest of the Territory is. How is that looking? The Chief Minister said we are 12 or so months away. How does that look in the Territory? Do we keep a watching brief on it? How does it work?

**Mr GUNNER:** The CEO of Health can talk about this.

**Ms STODDART:** People across the world are looking for a mechanism to develop a vaccine. There are multiple trials going on. Australia is at the forefront of that testing. At this stage, there is no clear time frame, but we are hopeful. The AHPPC keeps an eye on all the evidence from around the world, should the opportunity arise where we could participate as a nation—not necessarily as a Territory.

At this stage it looks like we will have to do the majority of the work with all the factors we have talked about, such as social distancing and border controls, which are significant—state and national—until we have a vaccine we are confident about and/or a treatment option. Both of those are on the horizon at this stage.

**Madam CHAIR:** That concludes this last hearing of the PAC. Thank you to members and those who participated.

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The committee concluded.

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