

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 this second public hearing with the Security and Emergency Management Subcommittee of Cabinet, SEMSC, on the Territory's COVID-19 response and Territory finances open.

I welcome you, 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 last two hearings, in line with the agenda agreed by the committee and then circulated.

Chief Minister, before we proceed to questions, as agenda item number one, would you make a brief opening statement please.

Mr WOOD: I did not agree with the agenda.

Madam CHAIR: Do you want it noted?

Mr WOOD: No, because I sent an email.

Madam CHAIR: Made a suggestion.

Mr WOOD: That is right. I did not agree with the agenda. That is what you asked us to write to.

Madam CHAIR: You made one suggestion, thank you.

Mr WOOD: Which was I did not agree with the agenda.

Madam CHAIR: Which was not incorporated because it did not get support.

Mr WOOD: That is right.

Madam CHAIR: Okay. Thank you, Member for Nelson.

Mr GUNNER: As committee members will know, today the Territory has officially met the clinical definition of eradicating Coronavirus—the only place in Australia that has done it. It does not mean we are in the clear in the future—we are to be vigilant—but we are as safe as we possibly can be.

Earlier today, I announced that quarantine arrangements for interstate arrivals will end from Friday 17 July. We could make the decision this morning after receiving the final advice from the Chief health Officer on community transmission in other jurisdictions following the 10-day period that was medically recommended after the mass protests in the south. We are giving four weeks' notice of this change. This is also based on advice from the Chief Health Officer who has recommended two replication cycles before making a major change like this.

A number of things will be in place to protect Territorians in this next stage. Our police and ADF will continue to stay on our borders and be at all arrival ports for two weeks after the quarantine arrangements end. For this period, people will still complete an arrival form. We will continue to test as many people as we need to.

This morning, the Chief Health Officer informed me that we have one of the best test-per-population-rate in the nation. Our test, trace and trap regime is fully operational and we will still have a dedicated rapid response team to manage any future outbreak. We are also keeping the public health emergency declaration in place and, as always, we will do everything possible to keep our remote communities safe in partnership with land councils and residents. This is our plan to get people back to the Territory while also keeping Territorians safe.

A lot of people—including people on this committee—have a different opinion on the date and circumstances of our border opening. It is easy for others to give their opinion, then wash their hands. I do not have that luxury. I have decided to listen to the medical advice, as I have always done.

I am happy to take questions today, Chair.

Madam CHAIR: Thank you, Chief Minister, We will now move to agenda item two, which is ...

Mrs FINOCCHIARO: Are we not asking questions on this statement?

Madam CHAIR: Oh, no, I am sorry. Any questions on the Chief Minister's opening statement?

Mrs FINOCCHIARO: Chief Minister, I want to ask about the health advice you received. You said the advice is that you should have two replications of the cycle, hence the 28 days. Why has your government then not followed that advice for the preceding three stages?

Mr GUNNER: This is about the opening of the borders and the two replication cycles recommended by the Chief Health Officer. This is the first time we have opened the borders, so this is the first time we have done the two replication cycles for the opening of the borders.

Mrs FINOCCHIARO: So, the advice is not that it is best practice for the two replication cycles when staging down each stage, it is only in relation to the border decision? Is that correct?

Mr GUNNER: Why do we not have the Chief Health Officer join us, who will happily talk to the epidemiology or the two replication cycles and why it is important, with what is the most critical step we are taking and the one that introduces the most risk.

Madam CHAIR: Could I get you to state your name the first time you speak, for Hansard, thank you.

Dr HEGGIE: Dr Hugh Heggie, Chief Health Officer. Sorry, that question please.

Mrs FINOCCHIARO: Sorry, we met the other day. I want to ask about the advice for the two replication cycles. That is the best practice. How would you describe that advice?

Dr HEGGIE: That is a nationally accepted standard for monitoring an epidemic or pandemic. That could be the small or the large. It is to demonstrate that from a case, from the beginning of the infection—and in this case about 14 days—and progression through the illness and recovery they can infect others. That would be the first phase and in a very infectious infection such as this, you would see cases appearing through contacts. Then, the second one might just be the odd case. In the second phase 14-day period, you would then see potentially a lot more cases, depending on those. That would enable you to identify that you are dealing with a case, or an outbreak. Then you can respond to that.

Mrs FINOCCHIARO: Would that not have been—sorry I forgot your words—national standard ...

Dr HEGGIE: The agreed approach through the AHPPC.

Mrs FINOCCHIARO: The agreed approach. Would that not have been the agreed approach for downscaling of the other stages?

Dr HEGGIE: The epidemiology is the current epidemiology and data. That is what is occurring in other jurisdictions because we have not had any community transmission outbreaks here. We have been looking at the epidemiology from the other jurisdictions and seeing whether or not the cases are stable, falling. We have seen those jurisdictions where they have had some community transmission in the past, seen that disappear.

A number of states have reached that in just recent weeks. There are two jurisdictions that still continue to have some community transmission and I would make the point now that Australia and our expert panel never considered that we would have eradication of the virus. We have achieved that in a good part of Australia and the NT. We were only for suppression. Suppression is where you have small incidences of the virus where they can, through testing, be identified, quarantined and then those who need treatment, need treatment.

Our numbers around Australia compared with the international numbers is quite different and because of that the very small numbers that we see in the other jurisdictions is really hard to analyse from an epidemiological approach because usually you are looking at much larger numbers and then you get trend data, you know, from one cycle to the next.

Mrs FINOCCHIARO: One would have thought then that if we were following the agreed approach, each stage would have had to have been the two replications, or is that a government decision?

Mr GUNNER: No. I think the Chief Health Office just answered that. Local epidemiology within in the Northern Territory is compared to the epidemiology interstate. I understand from ...

Mrs FINOCCHIARO: But interstate is trending down so we are progressing towards a more improved position yet increasing the replication cycle. For example, Stage 1 was 1 May, that went to Stage 2 on 15 May. That is only two weeks. One replication cycle Then Stage 3 was 5 June, again a couple of weeks. Then the quarantine lifting 15 June. Now we are doing two full cycles until 17 July.

Mr GUNNER: The Leader of the Opposition just answered (inaudible) answer I did. Internally in the Northern Territory, as opposed to the borders and external epidemiology which I am sure the Chief Health Officer can explain again.

Ms FYLES: You are not comparing apples with apples. You are comparing two different things.

Dr HEGGIE: If I could respond, because we did not have at any time any community transmission we were able to start earlier and go more quickly through those phases but in terms of opening our borders that is exposing us to potentially cases coming from other jurisdictions where they do have cases. That is a different comparator than what we could do here.

Mrs FINOCCHIARO: Do you believe it is safe to open the borders now?

Dr HEGGIE: Yes I do.

Madam CHAIR: I do not know that we are going to go for an opinion ...

Mrs FINOCCHIARO: Why were you going to interrupt that, Member for Sanderson?

Madam CHAIR: No, no. I am not sure we can ask an opinion ...

Mrs FINOCCHIARO: Well we can because he is the Chief Health Officer and he just said 'yes'.

Mr GUNNER: If I may, Chair. The advice from the Chief Health Officer this morning was yes, it is safe to open the borders and that we should wait two replication cycles. That is what I have just communicated to the public. I said that in my opener and, with the Chair's permission, I am more than happy to pass to Dr Heggie to talk to what we have already publicly talked about.

Madam CHAIR: For clarity, one of the rules around these types of hearings, and in the parliament indeed, is that questions should not be asked where they ask for an expression of opinion ...

Mrs FINOCCHIARO: It is his expert opinion.

Madam CHAIR: I was just clarifying. We are not over-talking today. Just clarify that but if you are comfortable answering the question then we will allow it. Thank you.

Mrs FINOCCHIARO: I would be very unclear how we would be able to get any advice if we could not ask for ...

Madam CHAIR: Advice versus opinion.

Mrs FINOCCHIARO: It is your advice that it is safe to open the borders now.

Dr HEGGIE: Today, based on the current data and epidemiology around Australia and the other jurisdictions, I provided that advice to the Chief Minister that it was safe to open the borders at this point in time.

Madam CHAIR: Thank you. I would like to offer an opportunity to other members for questions on the opening statement.

Mr WOOD: Chief Minister, if South Australia can open up its borders, what is the difference for us not doing the same?

Mr GUNNER: Thank you, Member for Nelson. I spoke about this earlier today. I have been asked about this a lot.

Mr WOOD: I do not get invited to press conferences.

Mr GUNNER: You would be a charming addition to the press pack.

The main reason is doing it once and getting it right, and doing it for all. As the tourism industry put to me, the main people who spend money in the Territory are Victorians and New South Welshmen. They are the ones that are most important that we need to know about and have certainty around. When it comes to how you process the forms on the borders and at the airports, it is much simpler to have one rule for all. For what I see as a very short period of time, why would I add that complexity when you can do it simply?

They are the main reasons. Doing it once, doing it right. Take the two-replication-cycles advice from the Chief Health Officer. Keep it simple for our police at the borders who are doing a very good job in difficult circumstances. Keep it simple at the airport and just have a straight sense approach. That is how I see it. Why get into the trickery of bubbles when we can let everyone in from July 17?

Mr WOOD: From a layperson's point of view, I see South Australia says, 'We are fine. We will let people move out of the state into a place which has been declared COVID-19 free.' The logic is ...

Mr GUNNER: I will give you a logical counterpoint. Why should I trust South Australians when the Premier of South Australia does not trust South Australians? Right now in South Australia you are not allowed to play a contested sport. You are not allowed to play a game of pool. They have caps on their hotels and restaurants. They are not fully through the stages yet. Right now, Premier Marshall does not trust the people of South Australia. I get it that they want to come to the Territory—we are in the best place in the world—but why would I have additional trust in South Australians that the premier does not have?

Mr WOOD: I am not the Premier of South Australia so I cannot answer that.

Mr GUNNER: Do you want the commissioner to talk about the process on the borders a bit more and some of the complexities about that?

Mr WOOD: Yes.

Mr GUNNER: I will pass on to the commissioner because it influences the decision-making and how things work operationally.

Commissioner CHALKER: Jamie Chalker, Territory Controller.

The process has been well-entrenched since we have had the borders in place. There is a form that can be prepopulated either online or in hard copy. At the point of interacting with an authorised officer under the *Public Environmental Health Act 2011* on behalf of the Chief Health Officer, we make relevant enquiries as it relates to hotspots and the like.

We have had some challenges with that, particularly from the maritime industry where people who have been at sea for a considerable period of time have tried to seek whether they have valid quarantine. Each of those on an individual basis, if there are some curiosities, are then referred to the relevant public health representative within the Emergency Operation Centre to determine the circumstances specific to those individuals and making an assessment on their health.

Overlapping all that has been the process where we have authorised people because of relevant plans for their business and their employees to be able to operate within confined areas where they have presented very low risk of any ability for transmission into the Northern Territory. The evidence before you indicates very well that the system has worked exceptionally. We have not seen any level of community transfer.

We have enjoyed significant freedoms within the Territory which has assisted in informing the biosecurity declared zones being able to be lifted. We have seen significant mobility occur now as a result of that. We are also seeing the continuation of that, particularly those remote communities that straddle the border still maintaining a level of movement within those bubbles. Again, we know that there is very low risk currently because of the non-presence of COVID-19 in those particular communities.

This is the broader planning that we are all moving towards, as to when an eventual case does come up. The experience is that there is an inevitability about that and an inevitability about the future world that we are all going to live in. How will we best be able to undertake that work? That has been a great collaboration between Health and all the government agencies in determining how we will ultimately do that when our first case arises.

Mr WOOD: We are dealing with risk here. You are not going to get no risk no matter what you do. Why not open the borders and, at the same time, have a plan that if there was an outbreak, you are able to close in on that outbreak and keep it quarantined?

Mr GUNNER: That is a good question. That is the plan. Our strategy was for suppression, not eradication. We happened to get an eradication result in the Northern Territory, which is extraordinary. It was through a suppression strategy. In lifting the border restrictions—one of the reasons we do it with confidence is because of the test, trace and trap plan that we have in place. We have local pandemic plans in place for every communion. We have a method for if Coronavirus appears to lock it down hard.

We would identify someone with Coronavirus quickly—we have an exceptional testing regime—do rapid tracing to know everyone who that person was in contact with and—this is the critical part—then we contain it. There are a number of people here who could talk about that. This is important because it is why people should have confidence in the fact that we can lift our borders safely—because of the suppression strategy. The teeth to it will be the rapid response teams.

Commissioner CHALKER: Every location across the Territory, in essence, has work being undertaken as it relates to their broader pandemic plan and how they will react to be able to isolate the presence of positive identifications. The key part that underlines all of this is a strong public education network. We were very satisfied that Territorians—for the most part—got this right. That is said with a high level of confidence, in my view, because the work we have done regarding compliance yielded small numbers of infringements. There has been a touch over 60 infringements issued over the whole period of time. The large number of those were in relation to people who came into the Territory and not continued their mandatory quarantine as requested.

If we go through the history of each stage we went through, there has been far better compliance as we increased public messaging. The initial overrepresentation of people, for example, at our parks—particularly Litchfield National Park—had a high level of support to public information and ensured increased public awareness about expected behaviours. We have seen improved behaviours as a result.

I also understand that—the Chief Health Officer may be able to speak about this with a further level of authority—illnesses the Territory is normally exposed to, particularly as seen in presentations to general practitioners and the accident and emergency department, have been reduced. There is an increase in hygiene practice, which is a positive mitigation to the spread of COVID-19. All of these are building towards being able to take on a higher risk because we have more mitigation in place and a higher level of preparedness as it relates to the relevant plans and infrastructure, such as respirators that we need on hand.

From an emergency management perspective, our preparedness has been able to increase markedly over this period of time as well as our planning for this pandemic.

Mrs FINOCCHIARO: After the police are pulled off the borders after two weeks, who will do the forms ...

Mr GUNNER: I will clarify that. The police will be present for the next two replication cycles and then police will be present at the border for one replication cycle after that. That is the plan at this stage.

Mrs FINOCCHIARO: Will that form be required after that finalised two week period? If so, who will then be doing it?

Commissioner CHALKER: Part of the process will be the assessment on where we go within that period. Ultimately, we built for that infrastructure to be in place for at least six months when this first happened. The hard infrastructure we put in place will be there for as long as we need it. I think the stage of us being there

for two weeks post the formal border restrictions are lifted allows continuation of public information, particularly for those who are seeking to come here for a holiday. It heightens the fact that we are, for all intents and purposes, COVID-19 free. We will keep simple engagement like, 'if you are feeling unwell, please seek medical advice' and making sure that everyone has a high level of awareness that we are particularly vulnerable. We have a cohort that are particularly vulnerable, so it is a great interdiction point for us to be able to highlight vulnerabilities to people who may not have overall awareness.

I suggest that at that point in time we will be guided by the Chief Health Officer's assessment as to where we are shaping up and risk mitigation. I anticipate—based on looking at other jurisdictions—that most will have moved to a similar posture of their borders being opened and undertaken a similar practice, given other practices that were followed from what we originally put in place.

Mr GUNNER: We can safely plan for the next six weeks. There will be more information that comes in over the next six weeks about what is tracking. Victoria is probably the one we are paying the most attention to and more information we need to decide on at the borders—I do not know if you want to comment further Dr Heggie? At this stage, we are planning for one replication cycle post the opening would be sufficient but that will be a decision we need to make that may not be correct when we get there. Is that reasonable Dr Heggie?

Dr HEGGIE: That is the case. We need to be informed by the current epidemiology at that time, particularly at the moment from Victoria. I agree entirely that this is about public information and education, letting them knowing what our circumstances are here and why we have achieved what we have. The purpose of having the border presence after the borders are open is actually to assist in that and advise people again of the principles that everybody should be adhering to in terms of physical distancing, their posture to others, hand hygiene and respiratory hygiene—if I can call it that—and also if unwell seek health advice and testing.

I believe we are in a position now to move to that. We have a rapid response team in place that is scalable. This is a database of clinicians and logisticians and others who will assist. They could go to either a small location, be it a suburb or a remote community, a large area or a large remote community, and we have in place aeromedical retrieval process that would assist us without compromising our current emergency retrieval system.

We have more than adequate testing both in communities for rapid turnaround in one hour of a case, and then to use our hospital laboratory-based testing which can do large volumes of testing—hundreds per day—and get the results back in 24 hours that informs the contacts. All those things are currently in place.

Ms FYLES: Just further to that, Health is well prepared. We have seen a significant increase in the test numbers from just a few hundred when we first started testing for Coronavirus to close to a thousand last week and the week before it was over 1200. We have worked with the Commonwealth Government to get the remote point-of-care testing rolled out and that is in 30 remote locations across the Northern Territory. That gives us the ability to turn a test around within an hour so that we can potentially keep a patient with us at the clinic and do the test.

This is as well as that larger testing that you would use for sentinel and surveillance testing. Then we have the ability to decide the best way to care for that individual or potentially community. As the Chief Health Officer said, is that retrieving them from community or is it sending in resources? We have that ability to pivot.

We have the National Critical Care and Trauma Response team but we also have within Royal Darwin Hospital, the emergency department split into two parts. We have a COVID-19—so the staff that care for those COVID-19 patients are completely separate to the non-COVID-19 ED. All of these things right through Health have been built up over time and we will keep in place so we can respond to any potential outbreaks.

Mrs FINOCCHIARO: I imagine that is why the Chief Health Officer also says it is safe to open the borders now.

Ms FYLES: You are playing games with that. He has made it pretty clear that it is safe to open the borders in 28 days. We are allowing two more replication cycles.

Mrs FINOCCHIARO: No. Do not verbal him.

Ms FYLES: You play politics with this. You know you would open the borders next week and you do not have a care in the world. That is great. That is opposition.

Madam CHAIR: We are not going to have back-and-forth as conversation please members. Member for Brennan?

Mr SIEVERS: It was good to clarify what is happening in the two weeks after, from the 17th July. It is great to know what is happening if we do have an outbreak or if the other states have an outbreak we still have the capacity to deal with it. Thank you.

Madam CHAIR: Mr Sievers, do you want that answered or you feel it is covered?

Mr SIEVERS: No, just making a statement.

Madam CHAIR: Member for Spillett, do you have additional questions on the opening statement?

Mrs FINOCCHIARO: Yes, thank you. To clarify, the Chief Health Officer's advice is that it is safe to open now, but the agreed approach is for two cycles. That is your decision, Chief Minister ...

Mr GUNNER: No, that is word games. It is my decision, so first of all, I am very comfortable to own it. My decision is based on the very best advice I have received. But that is not the way it was phrased to me by the Chief Health Officer. I have to be very careful about the word games that were played just there. It was based on the advice of the community transmission rates down south. The Chief Health Officer can use epidemiological words better than me about how you might want to describe that. I say community transmission and containment measures down south. That is safe today to make a decision about the opening of the borders, and two replication cycles are the necessary precaution to make sure that decision is not a mistake.

I am being pretty clear on this all the way through. I will always fall on the side of saving Territory lives, and we are doing that again here today. It is safe today to make a decision with the two replication cycles as a necessary precaution to make sure that decision is the right decision. Dr Heggie, do you feel—I want to be really clear that I am not verballing you ...

Mrs FINOCCHIARO: Yes.

Dr HEGGIE: I want to be very clear that it was advice that following two replication cycles it would be safe to open the border.

Mr SIEVERS: Thank you.

Madam CHAIR: Thank you. Further questions, Member for Spillett, on the opening statement?

Mrs FINOCCHIARO: Yes. I want to ask the Chief Minister about what modelling or impact they anticipate opening the borders after the school holidays and so far into the Dry Season will have on our economy?

Mr GUNNER: I have had questions about this line over the journey at different media conferences and events. For me, this is a health-based decision. It was made 10 days after the mass gathering events, so we knew with certainty what the community transmission rates were like. It has the two replication cycles ...

Mrs FINOCCHIARO: But, would you not have had to wait for 10 days after that?

Madam CHAIR: Can we not over-speak today, please.

Mrs FINOCCHIARO: Well, the time frame ...

Madam CHAIR: All the answer to be finished and then ask at the end.

Mrs FINOCCHIARO: I am asking a question on the answer.

Madam CHAIR: But the answer has not been given, so allow time for the person answering to finish, and then not over-speak. Then you can have a supplementary question.

Mrs FINOCCHIARO: Madam Chair, if you spoke less, we would have a lot more questions and answers ...

Madam CHAIR: You are entirely out of order.

Mrs FINOCCHIARO: ... in the short two hours we have.

Madam CHAIR: I have asked you to have some order.

Mrs FINOCCHIARO: I want to ask on the 10 days between ...

Mr GUNNER: We should always show respect to the Chair. I would like to finish the answer. After 10 days—today being the 11th—we received the advice about community transmission and containment measures. We made the informed decision based on the medical advice about the borders opening, with those two replication cycles, which is 17 July. So, that is the date that we are opening. It is not how it falls with the school holidays or whether it falls on school holidays. That is the medical decision about the right way of doing it. It falls on 17 July—that is the reality.

Obviously, we have plans in place to handle getting traffic through tourism operators' businesses with the \$200 voucher system we are doing to get traffic in and out and moving through the Northern Territory. We have plans we are working on in case this is an issue. This is us being very cautious in case there are concerns in remote communities about movement in and out of remote communities during the school holidays. They are very happy with communities about making sure there is confidence there.

They are all things that you do as a consequence of the fact that the medical advice is that this is the date. You do that and then you deal with what may or may not happen as a result of that decision. We have done that all the way through—you make a decision based on the best medical advice to make sure Territorians are safe, then you put in place the decisions on policies, policy investments and stimulus products—whatever it happens to be—that are necessary to deal with that health decision.

Mrs FINOCCHIARO: So, are other states and jurisdictions not following the health advice?

Mr GUNNER: I will not judge my fellow Premiers, Chief Ministers or the Prime Minister. They have all done a superb job. They all have different Chief Health Officers. It is not my fault that we have the best one.

Mrs FINOCCHIARO: Why, all of a sudden, is it 10 days that you had to wait to make today's decision? Would that not have been the 14 days, in accordance with the epidemiology?

Mr GUNNER: That is a very good question. When those mass gathering events were occurring, I asked what the time frame was I needed. You might remember when we announced the self-quarantine at home, there was a test in the first three days and in the last three days. The advice is that it is around day 10 that you have a good idea about whether it is spreading or not, and the 14 days is the quarantine period to make sure you have passed infectivity. It is day 10 that gives you the most information you need about whether there is mass spreads or not.

I am very happy for that advice to be confirmed. It is really important regarding why day 10. I am very happy for Dr Heggie to talk about why it was 10 days.

Dr HEGGIE: That is indeed the reason that you test predominantly at day 10. An earlier test may identify those with the illness and they would then be isolated but more importantly it is around day 10 that you would have all of those who would be positive. The testing that they have done in other jurisdictions has not shown any significant outbreak at all. I believe the several cases that were diagnosed probably had the illness when they attended the event and there has not been any sign of transmission amongst the crowds. That speaks to the fact that we mostly get it from small social gatherings around the world.

Madam CHAIR: We will move onto Agenda Item 2: Economic Recovery Post-COVID-19. We have some broad suggested headings here: The Territory Economic Reconstruction Commission status, progress and KPIs. Would anyone like to ask any questions on the Territory Economic Reconstruction Commission?

Mr SIEVERS: Can you give us an update on the Territory Economic Reconstruction Commission status, progress and any KPIs that were set?

Mr GUNNER: Thank you, Member for Brennan. I thank everyone who said 'yes' to being on the reconstruction commission. No one said no, it was quite extraordinary. Apologies to everyone I did not get to. Sorry, everyone I asked first said 'yes.' They have met and they are working out a work plan. They are going out for public comment. There is a lot of material to work with already in terms of our Economic Development Framework et cetera. We have a lot of projects already on the horizon in the NT.

It is about making sure we adapt what we are doing in the Northern Territory to the changes we expect post-Coronavirus. I do not like using the phrase of 'picking winners' but it is about removing the clutter and really targeting those things that will be best for the Territory to do post-Coronavirus. That is the KPI I have set in a sense.

Obviously, I am looking for their advice. If I had eight people on the reconstruction committee who thought the same as me, it would be a pointless exercise. I will pass to Sibylle, maybe in the first instance, who is working on Team Rebound which is the public service team we have in and behind the reconstruction commission who will talk a little bit more about the work they are doing, where they are at and what they are moving to do.

Ms BRAUTIGAM: The commission has met three times already. They have a pretty ambitious weekly meeting cycle. They are currently looking at nutting out where their work plan is, where those focus areas are going and seeking the briefings and information to inform that.

The commission will be opening up a public submission process tomorrow morning. It will be open for five weeks but submissions can be received earlier, and will be encouraged earlier than that, and will be considered as they come in. The submissions will be made public unless requested that they be kept confidential. We will be inviting people to make submissions from across the Territory and from national bodies as well to provide some advice in and get people's ideas. We will be sorting through those.

Mrs FINOCCHIARO: Why are they going to public submission?

Mr GUNNER: That is a decision of the reconstruction commission. Obviously very good, informed people. There is a whole body of work that they are working on already which I just touched on. I know they are aware of that and looking through that. They are aware that there are people out there that may have a desire to input and those ideas could be extremely good and it is about making sure that everyone feels welcome. They are incredibly experienced, well-informed people and there is a lot of existing work that they can rely on. I assume—Sibylle was in the most recent meeting—they want to make sure that everyone feels welcome to put their case if they have one.

Ms BRAUTIGAM: Absolutely.

Mrs FINOCCHIARO: Sure they have been provided with all the work from the economic summits and all the other 'have your says' you guys have done and when the budget was going to be \$35.7bn we had a 'have your say' on how we are meant to pay that back. Is that going to be provided to the reconstruction commission or do people have to re-engage in yet another process to tell you how to do your job?

Mr GUNNER: The reconstruction commission has access to all the information we have: the Economic Development Framework paperwork, the 10-Year infrastructure plan, obviously the Green Paper that we released as part of the exercise. I do know there are people out there with opinions and ideas and I support the reconstruction commission and their desire to make sure that those people felt welcome and able to engage.

I have said it very clearly to the reconstruction commission that it is easy to come up with ideas, this is very much a show me the deliverable experience. Do not just give me a white elephant. Show me what the things is, how it will deliver to Territorians, what is the direct benefit. Show us the cash and the customers. Do not give me, as we seen through the Territory - this is no reflection on any one party at all – across the duration of the Northern Territory lots of people had grand ideas. They are not necessarily things that will deliver direct outcomes for Territorians immediately.

This is not a Kevin Costner, Field of Dreams, build it and they will come moment. This is Cuba Gooding Jr and Jerry Maguire, show me the money. This is, I want to see the thing. Make sure it is real.

Mrs FINOCCHIARO: When does that process close?

Ms BRAUTIGAM: Open from five weeks from tomorrow, so it will close Friday 24 July, although as I said we will provide extensions perhaps for groups who might want a little bit longer than that however the idea is that, as I said, people are encouraged to put in early.

We know that there are a number of groups that have been working on submissions to date and we are encouraging those groups to put that in early and those submissions will be made available to the commission, and also to Team Territory, as soon as they are submitted.

Madam CHAIR: Any further questions on the Economic Reconstruction Commission? We might move to the stimulus, whether anybody has any questions around the COVID-19 stimulus. Member for Nelson do you have any questions?

Mr WOOD: I would like a summary where we are at, at the present time.

Mr GUNNER: Perfect. I was going to suggest that, so Mr Drabsch.

Mr DRABSCH: In terms of the status of the stimulus and the survival programs that we established over the last few months. Just to remind people we set up five programs within a period of about 25 days starting in late March.

We have now delivered economic benefits with a total value of \$110m so far over those three stimulus programs; survival fund, the battery scheme and continuation of the Biz Secure program.

With the Home Improvement Scheme, which is the largest of course, in the two months since the scheme closed on 17 April, we have not assessed 5200 applications and distributed \$23m in vouchers supporting quotes to the value of \$37.5m of works. That \$23m is getting close to the original \$30m budget that was set for the Home Improvement Scheme which was subsequently expanded as a result of the popular demand for the scheme. We are creating business for over 1300 contractors already and we are making sure that all contractors have got work to do as quickly as possible.

Over the three programs, that is the Home Improvement Scheme, the Business Improvement Grant and the Immediate Work Grant, we have assessed over 5839 applications, assessed or under assessment, in the last week for example, we processed 1059 applications.

In the survival fund we now have 1164 businesses registered and we have distributed \$35m in immediate operational grants and rebound support grants.

Mr WOOD: Do you also deal with the applications for reduction in water, electricity and sewerage bills?

Mr GUNNER: That is the hardship register process which then triggers that. DTBI do the central collection of the information that gives you the certificate that allows you to do a lot of the work that you do. That also applies to council rates et cetera. So it is a process that exists to be able to trigger the measures.

I was just talking about this with Mr Drabsch the other day so I will get Shaun to add to the rest but it is the hardship register process that triggers those things.

Mr DRABSCH: We set up the central business hardship registers. The agencies themselves provide the concessions. It is the councils, Treasury in terms of payroll tax, Jacana and PWC in terms of water and electricity. We had 1064 applications received for the business hardship register; we assessed 754 and approved 594. The regional distribution of those is consistent with the population.

Mrs FINOCCHIARO: Was there 5200 Home Improvement Scheme applications processed?

Mr DRABSCH: Yes.

Mrs FINOCCHIARO: What date did they start being processed from?

Mr DRABSCH: We set up the team on 27 March, the applications for HIS were opened on 6 April and closed on 17 April. There was a process of assessing business registrations for the scheme and some 2000 applications were received for that. It was important that businesses were registered before we assess the applications. That took a little while to get through. We also had a strong focus on implementing the Small Business Survival Fund with the immediate cash grabs being necessary for those businesses.

Mrs FINOCCHIARO: So you still have about 15 000 applications to process?

Mr GUNNER: Just to confirm, today is 18 June, so it has been exactly two months today from the processing and we have processed more than what we said we would, which was 5000.

Mr DRABSCH: Yes, with the \$30m scheme we originally announced, we were anticipating between 5000 and 6000 applications. We have now assessed 5200 applications.

Mrs FINOCCHIARO: So there is still 15 000 applications to go, which means six more months of processing?

Mr DRABSCH: No, if we are going through 1000 per week ...

Mr GUNNER: And accelerating.

Mr DRABSCH: Yes, 1100 in the last week.

Mrs FINOCCHIARO: So 15 weeks. Where is the \$100m for the Home Improvement Scheme coming from?

Mr GUNNER: We answered that before but I am happy to explain again.

Mrs FINOCCHIARO: You have not, but I would love to hear it.

Madam CHAIR: It was asked at the last hearing.

Mr GUNNER: It was asked and answered in the last hearing. Thirty million dollars was new, which we said at the time.

Mrs FINOCCHIARO: New from where?

Madam CHAIR: Can we wait ...

Mrs FINOCCHIARO: I want the actual answer, Madam Chair.

Madam CHAIR: Wait for an answer.

Mrs FINOCCHIARO: I do not want an answer, I want the answer. What is \$30m of new money? Is it borrowed money from the \$600m or is it from another agency?

Mr GUNNER: It was announced at the time that \$30m was new.

Mrs FINOCCHIARO: Yes, but where does new money come from? The Gunner money tree?

Madam CHAIR: Member for Spillett, I have asked you to allow the question ...

Mrs FINOCCHIARO: I want to know where the money is from, not the breakdown of the magical money tree.

Madam CHAIR: You need to let him answer the first question before over talking.

Mrs FINOCCHIARO: Will he answer it?

Madam CHAIR: You have not given him a chance to answer.

Mrs FINOCCHIARO: I do not know what new money is.

Madam CHAIR: Have some respect for the person answering the question. Just wait!

Mr GUNNER: There was \$20m from the Local Jobs Fund, which takes it to \$50m. There was money from the urban public housing repairs and maintenance and some from the infrastructure budget. I will clarify that there was \$20m from urban housing and the remainder was from infrastructure. That totalled \$105m.

Mrs FINOCCHIARO: Now may I ask where the \$30m of new money came from? Is it from the \$600m you were borrowing?

Mr GUNNER: I will ask Mr Graham to explain that because there seems to be a lack of understanding about how new money works—apologies, Craig.

Mrs FINOCCHIARO: When you have no money, it is hard to understand what new money is.

Mr GUNNER: From within, it is when you redirect a department's resources towards something, which was the \$75m. The \$30m was new funding when we announced the program. That is additional to the budget we planned at the time.

Mr GRAHAM: New money means money that has not been appropriated to any uses yet. To the extent that it can be found within the existing budget, it will be. If it cannot be, it will need to be funded through additional revenues or borrowings.

Mrs FINOCCHIARO: Where did that \$30m come from?

Mr GRAHAM: That has been allocated now and when we do the budget in November, it will be funded through the extent that it can through existing capacity or through borrowings.

Mrs FINOCCHIARO: So we do not know exactly where it is coming from?

Mr GRAHAM: Provision has been made for it.

Mrs FINOCCHIARO: Obviously, because it is going to be spent. So you are going to have to find the money but you do not know where you will find it?

Mr GRAHAM: When we do the budget, it will be either through spare capacity that has been freed up through the year, or borrowings.

Mr GUNNER: That is new money. New money is when you are not taking it off a department in their existing estimate where they are going to put a program. It is when you say it is okay, this is something that genuinely needs to happen and we are going to do it as new money. Then each budget cycle is how you address that. New money is not a new concept. That money was new. The other \$75m was re-directed from agency line items.

Mrs FINOCCHIARO: It is not really because—Mr Graham just said—it will either come from money that was not spent from another department or it will be borrowings.

Mr GUNNER: The idea of unders and overs is also not a new concept. That does happen each year.

Mrs FINOCCHIARO: I just want to know where it is coming from, Chief Minister. The answer is, you do not know.

Mr GUNNER: That is not a correct interpretation.

Mrs FINOCCHIARO: It is. It is going to be spent but you do not know exactly where it is. You are not saying, 'yep, that \$30m is borrowings' and you are not saying, 'yep, that \$30m is coming from underspends in agency X'. You are saying, 'it will be one or the other and we will work it out in November'.

Mr GUNNER: That is an ordinary budget process. What I have done is say it as new money right up front, explained that because it is not a redirect from an agency. I have not said directly to an agency, 'do not do that thing, do this thing'. It may be that at the end of a budget cycle an agency has spent less money than they intended. That does happen; it happens regularly. In which case, you can make an informed decision about that. Or ...

Mrs FINOCCHIARO: You do not know where it is coming from. It is yet to be determined where that money will come from.

Madam CHAIR: Just to clarify, Chief Minister, that money has not been spent yet?

Mr GUNNER: The \$105m is over all the months. There is a \$105m allocation to the Home Improvement Scheme. We are comfortable allocating that money because we have identified, in this instance, four sources where that money will come from.

Madam CHAIR: Thank you, Chief Minister. Member for Nelson?

Mr WOOD: I do not remember what my question was. Chief Minister, you said that \$20m has been taken from the infrastructure program. Infrastructure program is very important for the rural area because there is

a couple of major projects that we have not seen start yet. Could you identify where the \$20m is coming from?

Mr GUNNER: This goes to how you handle your program. It is not that project X is not occurring; it is about how you manage the cash allocation to the tenders. For different reasons, projects go faster or slower depending on how things are happening on site and you have managed the cash flow to them. So, we have not identified a project that is not occurring and put an isolation on that \$1.5bn infrastructure budget that we have; it is about how you manage the bills through the process. We can handle this with confidence. We have not said no to any of those rural projects or not delayed any of those rural projects as a result of the doing the Home Improvement Scheme. I am more than happy to have Ms Ryan talk to the program cash payments and how it is managed.

Mr WOOD: The two projects I am concerned about are the Coolalinga upgrade—which has been desperately needed—and the Pinelands upgrade for McKinnon Road. They have been on the books for a long time.

Ms RYAN: Jodie Ryan, Department of Chief Minister. I cannot speak to those two projects specifically. You would have to talk to the Infrastructure Department for that. In terms of the cash, the Chief Minister is right. We allocated \$1.5bn at the start of the year. Through the year, different projects either get delayed for various reasons, or sometimes go faster and we move that \$1.5bn around to where those projects are at. At this point in time, we can allocate \$25m to the Home Improvement Scheme.

Mr WOOD: Can I ask Mr Drabsch one other question related to what he was talking about before, the Home Improvement Scheme?

Madam CHAIR: Direct your question to the Chief Minister in the first instance so he may then put that across.

Mr WOOD: If this scheme is going over 12 months—I know you are looking at giving out work in Katherine, Tennant Creek, Alice Springs—are you looking at trying not to overload particular contractors? Are you putting that into the equation of how you distribute the money?

Mr GUNNER: Mindfulness is what you are asking for, Member for Nelson? It is a very thoughtful and considered department, Mr Drabsch.

Mr DRABSCH: Indeed it is, Chief Minister.

Yes, we are monitoring closely the pattern of the distribution of applications on a regional basis, as you mentioned, and across industries and business. There are some businesses whose applications were later in the process. We have sought those out and brought applications forward to give them at least some work. We are still in the process of finalising that for everyone but we have now done 1330 business that have vouchers out of the scheme. There have been some businesses that have indicated that they have too much on and we have listened to those messages and sought to shape the distribution and allocation of vouchers to those businesses so they do not upset their clients and have a decent spread of work over the coming months.

It is a twelve month scheme. We are two months into it. The idea was to distribute the funds across a six month process. I would expect at our rate we will finish that before the end of six months and then there is a period of three to six months to actually undertake the works.

Mr SIEVERS: Chief Minister, we had a few questions on notice we did not get through last time so I am just following up on question 1.7. The question was 'what economic modelling has occurred to demonstrate the impact of the initiatives?' The response we got was 'modelling of foregone revenue has been done in the following areas: freezing fees and charges, payroll tax waivers, payroll tax deferrals, electricity, water and sewerage.' Have we done any modelling past that working out of COVID-19?

Mr GUNNER: Extremely difficult area. I might have Shaun or Craig comment. The difficulty here and I have had this chat a lot—I am not the only one asking the question by the way, National Cabinet have had this chat with both Governor Lowe and Dr Kennedy about modelling and forecasting and things we can predict.

They have advised all along that health crisis requires health decisions and it makes it very hard to do economic modelling and forecasting. One of the big issues is that the Territory economy is not an economy in isolation. We are highly dependent on the nation and the nation itself is highly dependent on the world. We are very much a trading nation.

All you have to do is look at America to realise that there is a lot of fluctuations about where things are going. It is very difficult to predict what will happen next. Singapore was doing amazingly, then got a second wave. There is difficulty to this. More than happy for both Shaun and Craig to talk to what they can and cannot do at the moment when it comes to forecasting and modelling and the opaqueness of the situation we are currently in.

Mr DRABSCH: I concur with the Chief Minister's comments about the difficulty in forecasting. What we can say in terms of the stimulus programs and the survival funds we have been allocating is that for the money we have put out so far, we have about \$110m of economic benefit that is generated from that.

For example, with the Home Improvement Scheme, we have issued \$23m in grants which supports works to the value of \$37.5m and if you apply the multiplier to that, that is a total of \$62.2m worth of economic benefit from that program. On the other hand, the Small Business Survival Fund, we have handed out \$35m in grants to struggling businesses. The multiplier effect on that would not be a standard one; it is just helping those businesses stay afloat.

In terms of the broader economic impacts, there are a lot of moving pieces to that.

Mr GRAHAM: The difficulty with forecasting is that we are a relatively small and open economy. What happens outside of our borders has a big impact on what happens in our domestic economy. We will publish some forecasts in the budget in November and that will require us to make some assumptions about what is happening internationally and nationally. The closer we get to November, the further through the pandemic we should be and we will be able to produce more reliable forecasts as we progress through the current public health issue.

Mr GUNNER: One of the examples I give is because it is easy to visualise and the simplest one, no one knows when international travel will return to normal. When will the planes really be back in our skies for international flights? It is a very big marker of travel, not just the tourism dollars but what is in the hull underneath. No one can answer that question right now. I have seen commentary—and it is commentary more than modelling or forecasting—that it might be five years before we see the skies return to normal. That is a long time.

As Mr Graham pointed out, the further we get through the pandemic the greater clarity we get. It would be fair to say we know more now than we thought we would know this particular time within this country. Australia has handled this way better than expected or planned, and it is certainly better than, basically, the world. New Zealand would be close and some other countries and nations. But we are probably the best place going.

Mrs FINOCCHIARO: On the forgone revenue, one of the answers to the questions was that we anticipate \$109m in forgone revenue. Is that part of the \$600m we have had to borrow to plug that gap?

Mr GUNNER: No, those two things are not linked.

Madam CHAIR: Just a moment. Sorry, we have just gone completely off the agenda. No, we were still talking about economic stimulus up on two ...

Mrs FINOCCHIARO: And forgone revenue was the Member for Brennan's question and that was my question.

Mr GUNNER: Could I ask a procedural question while that gets sorted?

Madam CHAIR: Sure.

Mr GUNNER: Dr Heggie has asked for permission to go to a national meeting. I did not realise that was happening, but seeing where we are at, people are okay with that? I do not want Dr Heggie to leave if that is an issue. Yes, the Leader of the Opposition said okay. Are we okay?

Madam CHAIR: We were talking there about economic modelling. We will come to the 1.7 ...

Mr GUNNER: I think the Chair missed the question ...

Mrs FINOCCHIARO: She was not listening to you.

Madam CHAIR: Yes, he can go.

Mr GUNNER: He can go. Okay.

Madam CHAIR: Sorry, did I not just nod or something? Sorry, Dr Heggie.

We will come to 1.7 very shortly, I am sure.

Mrs FINOCCHIARO: But how come the Member for Brennan was allowed to ask 1.7, but I cannot ask a question ...

Madam CHAIR: Because the question was about ...

Mrs FINOCCHIARO: ... on 1.7?

Madam CHAIR: No, because it was about economic modelling and was about the stimulus packages ...

Mrs FINOCCHIARO: Forgone revenue.

Madam CHAIR: ... which we are just moving through. We are on to ...

Mrs FINOCCHIARO: That is right. That is what my question is.

Madam CHAIR: ... the next one—estimates on time for the Territory to recover. Anybody have any questions on that?

Mrs FINOCCHIARO: Yes. What are the estimates on time for the Territory to recover?

Mr GUNNER: We know—and Deloitte and others have said—that we will be leading the way when it comes to this. We were the first and fastest to reopen, so that is just a fact. We now have a date and certainty about the borders.

We have some targets we need to hit. If you look at tourism, which was a main impact, last year we got two million tourists to the NT—1.7 were fellow Australians and 300 000 were internationals. One of our targets, obviously, is how we replace those internationals and make sure those 1.7 come again. I feel confident we can market and encourage those 1.7 to visit. The challenge is the 300 000.

Australia has about six million people who go overseas on holiday every year. This may surprise some people—it surprised me. We are a net exporter of tourism. The advice from federal Treasury and Dr Kennedy was we spend, as a nation, \$20bn more overseas than tourists spend here in Australia, which is an extraordinary number. I knew we were big spenders, I did not realise we were a net exporter.

That is the target—how do we convince 300 000 of those six million to holiday in the NT and spend their money here? That is what we have to work on. That is how we boost the tourism industry. As we know, by boosting the tourism industry and getting them here, that is the best way to boost the whole of the industry. That is really the workload in front of us.

We are starting the time to recover. We can get that in and then, obviously, move to a stable footing going on. We cannot rely for three, four or five years always plugging Australians into that hole. That goes then to the question about internationals that I cannot answer today.

In terms of time for the Territory to recover, we have a clear mission statement now about getting the Territory back to normal numbers of people in by targeting those missing international tourists. Is that a reasonable answer, Mr Drabsch?

Mrs FINOCCHIARO: Why are you targeting the 300 000 as opposed to the 1.7 million?

Mr GUNNER: No, sorry. I thought I covered that. I am confident we can get the 1.7 back. It has been great advertisement for the Territory nationally at the moment—we are the safest and best ...

Mrs FINOCCHIARO: When though? Next Dry Season?

Mr GUNNER: We can target the 1.7. The 300 000, obviously, came from overseas, so we have to substitute them in. For me, that is the target we have to work through. Obviously, two million was for the entirety of last year. We are, basically, at the halfway mark of this year, so you are probably looking at two million over the financial year.

I am extremely mindful of the low season and the Wet Season, the current date for ending Jobkeeper and how we work our way through that. We have Australians who cannot go overseas on holidays right now. The best place in Australia to come, if you are looking for an overseas holiday and you cannot get one, is the Northern Territory. We are genuinely different. If you are living in Sydney, why would you want to go to Melbourne? It is the same, same. Come to the NT, in the Wet Season, for the storms—it is magic, it is different, it is not like life down south. We are a different place—come here.

Mrs FINOCCHIARO: What modelling has government done recognising the hurt, particularly in the tourism and hospitality industries and the fact that our borders will not be open until very late in the Dry Season, missing the school holidays, et cetera, which we have already covered, but essentially our tourism and hospitality industry are facing three consecutive Wet Seasons. What modelling has been done around how many of those businesses may not be able to survive until next Dry Season?

Mr GUNNER: I feel I have already effectively answered this question Madam Chair, but happy to go there again.

The health decisions come first, they are what they are and as a result of those decisions ...

Mrs FINOCCHIARO: ... my question is about quantity, like has modelling been done about how many businesses will not survive.

Madam CHAIR: Once again, Member for Spillett, let the answer come and if you are not satisfied with the answer you can ask a supplementary question at the end. Thank you.

Mr GUNNER: As a result of those decisions you deal with the facts before you. We know that we are a safe place and the first and fastest to re-open because of our secure borders ...

Mrs FINOCCHIARO: Chief Minister with respect, I am not asking a question

Madam CHAIR: Member for Spillett. I am going to ...

Mrs FINOCCHIARO: But he is saying something he has already said with respect Madam Chair. I am asking quite a different question. My question is, is there modelling around how many tourism and hospitality businesses may not be able to survive this prolonged downturn through to next Dry Season.

Madam CHAIR: That question was clearly asked and you need to allow the Chief Minister to answer it ...

Mrs FINOCCHIARO: Why is the Chief Minister allowed to clearly not answer it and keep repeating old ground?

Madam CHAIR: He has only just started his answer and you keep over-talking. Have some respect for the person answering. Thank you Member for Spillett.

Mrs FINOCCHIARO: We have finite time, a finite amount of time. I am just making sure that he answers my actual question. I appreciate all of the rhetoric that precedes the actual answer. I would just like the answer.

Mr GUNNER: Madam Chair, explaining about how we are dealing with the facts in front of us. We made a series of health-based decisions that have led to facts. We put in place our secure borders that allows us to open our businesses first and fastest.

Having those borders in place meant we were not getting tourists or visitors across the border so that is why we put in place the voucher scheme to make sure Territorians were definitely and genuinely holidaying at home and importantly moving. It was of such an amount, and we have seen this, that people want to move around the Northern Territory. That is about how you keep cash flowing into those businesses. Rather than taking guesses at who might shut up, we are putting money into keeping them open.

What we are mindful of, again the facts on this may change, we are mindful of the JobKeeper cliff in September and again the Australian government has indicated the potential for extending that and targeting

that to tourism, but we should not obviously get our hopes up. That has been commentary rather than decision.

We have done our Small Business Survival Fund already and again based off the facts that we had, so we know that businesses will struggle between September and April, again just a fact. We know that they will struggle through that period and I want businesses to be able to make an informed decision coming in to April.

We have the hibernation principle which we have been applying to date, in partnership with the Australian government and National Cabinet. That has led to that Hardship Register and other things. Businesses may need to make an informed decision essentially how they hibernate through those low and quiet seasons. Again a fully informed decision.

I have raised at National Cabinet several times, my concerns over that low period or Wet Season period because in some respects we are countercyclical to the tourism periods that people have down south so I want to make sure it is front and centre of federal Treasury and others do not presume that period to be good for the northern parts of this country. It is an issue we have to work through.

I am trying to deal with the facts in front of us. We know it is going to be a tough time. What other things that we do to actually make sure that those businesses stay open and what do we put in place to help them through that period?

We do not need modelling to know it is going to be a tough time. We do not need that. We know what the facts are in front of us and we are trying to deal with the facts as they are.

Mrs FINOCCHIARO: Okay. So now can you please answer my question? That was lovely rhetoric Madam Chair. Does government have any idea, any modelling, anything on how many businesses will not be able to survive to next Dry Season.

Mr GUNNER: I actually answered that at the end.

Mrs FINOCCHIARO: You said you are dealing with the facts. Blah, blah, blah and essentially no. Of course it is going to be hard. It is going to be incredible hard. It is incredibly hard. Do you know how many are not going to be able to survive? That is the actual question.

Mr GUNNER: I actually answered that ...

Mrs FINOCCHIARO: Well, I would love to re-hear it. Go for it. Answer that part again.

Mr GUNNER: She just answered that.

Madam CHAIR: I actually heard it.

Mrs FINOCCHIARO: Alright, what was it?

Madam CHAIR: It was they do not need the modelling to understand where they are putting the money

Mrs FINOCCHIARO: Oh. Okay. You do not need the modelling to know that it is going to be hard, that is what he said.

Madam CHAIR: They do not need the modelling to know the numbers. That is a different question.

Mr GUNNER: We know it is going to be extremely difficult for businesses to survive between September and April. It is just a fact.

Madam SPEAKER: We are going to move on.

Mrs FINOCCHIARO: I am just asking if you have numbers.

Mr GUNNER: We do not.

Mrs FINOCCHIARO: If you don't have numbers then the answer is no we do not have numbers but we recognise this is going to be very difficult. Was that the answer?

Madam CHAIR: I think it was really clear. It was clear. I am going to move on because you have asked that question repeatedly and the answer was given. Member for Nelson.

Mr WOOD: In relation to hospitality and tourism internally in the Northern Territory, the issue I think is important—well, lots of issues are important—is that there are number of tourist places, like roadhouses, that rely on using diesel only and they are not connected to the grid. Is the hardship clauses allowing people to claim 50%, for instance, of their diesel cost, like Dunmarra, Emerald Springs and Renner Springs? I believe that they are struggling because they used their own power. Can they claim a reduction for the cost of purchasing diesel for the supply of power?

Mr GUNNER: It would be fairer to say that there is a different approach in that instance. Often, we are reliant on those places providing coverage. Their Gensets do more than just look after their business, so we took a different approach early about the provision of essential supplies or needs. In the first instance, I will ask the Territory controller to answer that, because it was covered differently and earlier to the hardship register.

Commissioner CHALKER: Particularly along the highway, there are a number of roadhouses that provide the power supply for elements like 3G towers and other networks where we are setting up fixed border locations and biosecurity declared areas—we needed a level of reliability for those. Through that arrangement, we were engaging with the relevant—we only received one query early on through the emergency operation centre from one roadhouse about the fact that, given the low traffic, there was no sustainability through their business. We managed to realise an outcome that suited them for maintaining their operation on that provision. When any of that has arisen, we were able to treat it within the functional groups of the emergency operation centre.

Mr WOOD: So does the government make an active approach to those places—the Barkly Homestead would be a classic, being a big facility with no one coming across the border. Does anyone drop in and say, 'What can we do to help make sure those places survive?'.

Commissioner CHALKER: There was a lot of engagement early on, particularly at roadhouses because we ensured there was ability for people to enter our borders and be able to access fuel and stores in a contactless way if possible. There was engagement to ensure that those businesses on the highway were being utilised by those who chose to use the road as a means of travel. There was some broader activity undertaken by DTBI representatives.

Mr DRABSCH: The small business champions had an active program for engaging with the roadhouses from our regional offices to check on particular circumstances and what their needs were. I recall that a number of roadhouses were successful in applying for the survival fund and were provided with immediate grants and other operational support payments. In terms of precise issues with each roadhouse—the controller mentioned the circumstances of one—I am not familiar with the Barkly roadhouse situation in specific detail.

Mr WOOD: I am hoping they survive.

Mr DRABSCH: We are too and we are doing everything we can.

Mr WOOD: I am more than hoping; I am hoping the government will make sure they survive because they have brought part of internal travel within the Territory.

Mr DRABSCH: I recognise the critical infrastructure within the overall Territory economy and community.

Madam CHAIR: Agenda item one relates to questions that were on notice. I will go through each question and see if there are any supplementary questions based on the answers the committee has. Are there any questions on 1.3?

Mrs FINOCCHIARO: I want to ask about the \$600m in borrowing. Why did the Territory borrow \$600m if you only expect to spend or forego \$408m, which you have not even spent yet? The \$300m Treasurer's advance has not been spent either.

Mr GUNNER: It is okay, Chair. While it does not relate, it is probably just useful to answer the question. I am more than happy to pass to the Treasurer and Under Treasurer to talk about our borrowing program. It is more about doing normal business. The Reserve Bank has cut interest rates to 0.25 of a point. There is

essentially incredibly low interest rates at the moment so Treasury is making smart decisions to save us money is the way I see it. I will pass to the Treasurer and Under Treasurer to take that one forward.

Ms MANISON: This is nothing out of the ordinary. This is part of our annual borrowing program. The government goes to market to finance our budget and this is part of business as usual. This has been an extraordinary period through COVID-19. We have had what could only be described as an unprecedented, extraordinary borrowing program with the RBA involved going into the secondary market. We have gone out because we see the rates that are going are good. We go in there to secure the finance that the Northern Territory needs and it is nothing out of the ordinary here. We have seen some people try to paint this as an extraordinary activity but this is really your business-as-usual activity of government.

Mr GRAHAM: We had completed our borrowing program for this year in February as we thought the borrowing program would be. The pandemic hit soon after and we had to delay our budget so we went back to market to ensure that government had sufficient reserves to be able to respond to the pandemic given the uncertainties that we faced at the times. There is also a lot of uncertainty in capital markets which the Reserve Bank has assisted and ensured liquidity.

We have since gone out to pre-borrow against next year as all other Australian governments have. Since March all states and territories have raised \$33bn. Victoria has raised \$13bn. Along with all other states and territories, including the Commonwealth, the AOFM are actively out there looking to raise funds to ensure governments have sufficient reserves.

Mr GUNNER: Is all the information public or have we shared the Victorian data for them?

Mr GRAHAM: It is public.

Mr GUNNER: Good.

Mrs FINOCCHIARO: So the \$600m borrowed in May and June is for next financial year so it is not COVID-19 spending?

Mr GRAHAM: It is to the extent that we will need it for 2019–20 but the idea is that ...

Mr GUNNER: It is available as a contingency.

Mrs FINOCCHIARO: So it is available now?

Mr GRAHAM: Yes. If we need it. If we do not use it, it will go towards next year's borrowing requirement.

Ms MANISON: The intention is next year's borrowing program.

Mrs FINOCCHIARO: The \$300m Treasurer's Advance has not been spent yet. That is borrowed?

Mr GRAHAM: No and yes.

Madam CHAIR: We are still on 1.3.

Mrs FINOCCHIARO: How does government come to the conclusion that it expects to spend \$408m. Forego, I understand, because we know that is the \$109m. What is that made up of?

Mr GUNNER: That is the combination of programs that we have announced and the revenue we do not expect to raise either because we have made a deliberate decision around payroll or power and water, or because of the expectation of what businesses may not be paying as a result of Coronavirus.

Mrs FINOCCHIARO: That is all foregone revenue which is in the \$109m. So there is \$300m.

Mr GUNNER: The Leader of the Opposition is correct. I am explaining how we get to the \$408m.

Ms MANISON: You have summarised it, Chief Minister. It is a raft of different things. It is either revenue that we see as foregone or waived, or we do not expect to see coming in, or things we have announced that we will be making expenditure on —that is, Home Improvement Scheme, Small Business Survival Fund ...

Mr GUNNER: I am seeing if someone has it here, broken down. We publicly announced it also. I am happy to take it on notice if we need to. I am trying to see if someone has a list of—Home Improvement Scheme, Small Business Survival Fund, et cetera ...

Madam CHAIR: For the \$4080. Is that what we are addressing?

Mr GUNNER: Yes.

Mrs FINOCCHIARO: This ...

Madam CHAIR: Do we want to delay it and come back to it if you do not get it within the time frame? Keep moving and then, if it is not available in the room, we can put it on notice for after.

Mr GUNNER: We have the information. That is where we got to the \$408m. I am happy to source it.

Ms MANISON: If you have a look at some of the payments in there—let me confirm this with the Under Treasurer, please.

Mr GUNNER: Do we want to—does the Leader of the Opposition have other questions?

Madam CHAIR: Because we are on the \$408m and it is under 1.3 ...

Mrs FINOCCHIARO: Well, I did have another question on that.

Madam CHAIR: Does it run into this one? Or can I see if other members have anything?

Mrs FINOCCHIARO: No, no, it is this one. That leaves \$300m that you expect to spend. Where is that \$300m coming from? Is that the Treasurer's Advance—separate. They wanted me to move on, but I am happy ...

Mr GUNNER: Are you talking about the \$408m minus \$109m?

Mrs FINOCCHIARO: Yes.

Mr GUNNER: That will become evident, obviously, when we answer the question.

Madam CHAIR: After the response. Okay.

Mrs FINOCCHIARO: That is fine.

Madam CHAIR: Do you want to respond to that now, Treasurer?

Mrs FINOCCHIARO: The Treasurer will answer the question.

Ms MANISON: Basically, as I said, we can break it down for you and provide it on notice, but when you have a look at what we have, we have, for example the Business Hardship Package. When you look at the waivers, deferrals, we are looking at about \$62m there ...

Mrs FINOCCHIARO: Can I clarify, Treasurer. I do not want any of the money in forgone revenue, because we know that is \$109m. Anything that is not forgone, that you expect to spend, which is the \$300m—I would like the breakdown of that.

Ms MANISON: Can I remind you that the \$300m was there. We were in extraordinary times. Let us go back to when this was? Was this April or May?

Mrs FINOCCHIARO: February.

Mr GUNNER: This is the total of what we have done since. I think the date we are using is 18 March, when it all went to custard. So, it is the HIS, the Small Business Survival Fund, the Business Hardship Register, the Immediate Work Grants, the Business Improvement Grants et cetera, plus the forgone—all that totals the \$408m ...

Ms MANISON: Payroll we are not receiving and so forth.

Mr GUNNER: ... a worker's wellbeing fund, that is how we get to the \$408m. Obviously, you saw there the estimated expense of things we know about at the moment from NT Health. That is how we get to the \$408m. The \$300m that you were talking about in your subsequent question, Leader of the Opposition, is not related to the \$408m.

Ms MANISON: I am trying to ...

Mr GUNNER: Sorry, yes, Treasurer?

Ms MANISON: Thank you, Chief Minister. I am trying to bring the Leader of the Opposition's mind to remind her at the time when we did the supply bill, it was quite an extraordinary time. We were seeing that the COVID-19 situation was ramping up globally. We were not sure when the Assembly would be meeting again. We did what every Australian jurisdiction has gone out to do, which was to ensure that there was guaranteed supply until the end of the year. This was based on the advice we were receiving at the time and there was much uncertainty about where COVID-10 would land.

We effectively put in 50% of the budget to move us forward to the end of the year, knowing that every jurisdiction had to postpone their budgets. We know the federal government is doing its in October. We have the Northern Territory down for November, and many other jurisdictions are following the same pathway. Given we were not sure what would happen with COVID-19, there was a \$300m contingency built into that.

The aim, of course, is to try to absorb whatever costs we can from within the existing budgets. That is something we have been working with across agencies and sending a very clear message to them that when there is no longer key business that they can or are doing in less than the amount than they usually go about, then we expect to see those savings being reinvested into other parts of government. We are trying to absorb as much of this expenditure from within our existing budgets.

The intention, very much so, is to try to do that rather than having to go to a point where you have to tap into a \$300m contingency. I have to stress again—contingency. This was an extraordinary time we were going into. We were not quite sure where we would be. I tell you, I am pretty glad about where we are right now, compared to where we could have been. Look at some nations like the United States—I think the last count was over 115 000 people dead. We are able to open up our economy sooner. We will be doing what we can to not have to dip into that \$300m. That was an emergency contingency of an extraordinary nature.

Mrs FINOCCHIARO: So, the \$300m Treasurer's Advance is yet to be spent and, hopefully, will not be spent?

Ms MANISON: We are working through the overs and unders of each agency. That is something that we will have there next month when we look at how agencies have been performing. We know that there are some agencies where we have been able to make savings but—with one of my other agency hats on, Police, Fire and Emergency Services where we have needed all of our officers going full pelt, at 100%—we are nearly at full capacity in that agency—having to serve Territorians, they have gone over their budget. However, this is the type of expenditure that Territorians completely accept.

Mrs FINOCCHIARO: I do not argue with that. I am just trying to work out the money. You expect to spend \$300m which you hope to ...

Ms MANISON: No, Leader of the Opposition. It is not 'expect to spend \$300m'. I have to stress again. This was a contingency there.

Mrs FINOCCHIARO: I accept the Treasurer's advance. You are hoping not to spend that; that is a contingency. You may have to dip into it; you are hoping not to, right?

Ms MANISON: Yes.

Mrs FINOCCHIARO: However, you expect to spend or forego \$408m. \$109m of that is foregone, so let us get rid of that. That leaves \$299m. The \$300m you expect to spend, you are hoping to find from within. It is a coincidence that there is a \$300m Treasurer's advance and a \$300m expect.

Mr GUNNER: Yes. Again, this is a combination. A bit like the Home Improvement Scheme is \$30m new money and \$75m from within. \$105m for the Home Improvement Scheme is from within that \$408m. It is a combination of new money and from within.

Ms MANISON: The important thing to note is that we have a budget that will be delivered in November.

Mrs FINOCCHIARO: Yes, but Territorians expect the government to know where its money is. Tracking where money is coming from, where money is going, what is not being spent, what is being spent.

Ms MANISON: That is exactly what we are doing because we are looking at the overs and the unders of what is coming in through the agencies. We will have our report out on July 29 where, to the best of our ability, we will include where we think agencies are tracking along and how that budget is performing.

To point out the complexity again about the situation we are in and the extraordinary times that we are living in, we were expecting a fiscal update from the federal government only a few weeks ago which again had to be postponed until about July 23. Everybody is finding that there are some real challenges. We are having to respond very quickly to the different health situations that are presenting in each jurisdiction and then working our economic responses around that.

We are certainly keeping an eye on everything that is going through, everything that is going in and going out. We want to make sure that we have the most up-to-date figures to present to Territorians to show them what the budget position is. As the Chief Minister committed to at the last Public Accounts Committee meeting, we will be releasing the most up-to-date figures on July 29.

Mrs FINOCCHIARO: Why do you not have the ability to do it earlier, like Tasmania has?

Ms MANISON: If I was to do something like Tasmania, frankly—no offence to my colleague, Peter Guttwein, lovely fellow—it would just be guesswork.

Mrs FINOCCHIARO: What makes that any different on July 29?

Ms MANISON: I think we would have gotten a lot further through this situation. We are now way ahead of the rest of the nation. We have progressed through to Stage 3. We have been able to reopen our economy faster than anywhere else.

Mrs FINOCCHIARO: Sure, but why does that impact your ability to explain to Territorians the state of the books?

Mr GUNNER: Madam Chair, if I can.

What we know now that we did not know a month ago was that the Australian government will provide that GST update.

Ms MANISON: That is what we are hoping we will get. I cannot give 100% certainty there but that is what we are hoping to see and get.

Mr GUNNER: We are anticipating that from the Australian government which will be extremely helpful. As we discussed in the past, while we have opened first and fastest, and in terms of Territory government income and the GST, what people spend in Sydney has a bigger impact on our GST allocation and GST pool than what Territorians do. It is one of the unfortunate things about a Territory budget.

Madam CHAIR: I want to keep moving on with the agenda. The Member for Nelson has been waiting patiently and has a question.

Mr WOOD: I had two questions; one might be through you, Chief Minister.

When the government has been looking at trying to save money, my understanding is that the Palmerston Fire Station is not going ahead. Was that as a result of ...

Ms MANISON: It is going ahead.

Mr WOOD: It is going ahead?

Ms MANISON: It is going ahead.

Mr WOOD: It is still on target to go ahead?

Mr GUNNER: Yes. I can give you advice about the program if you want, Member for Nelson.

Mr WOOD: Will it have emergency services as part of that? My other understanding is that that is going to be split from police and fire.

Mr GUNNER: A departmental MOG change?

Mr WOOD: That is what I had heard.

Ms MANISON: No.

Mr GUNNER: No.

Mr WOOD: So they are all staying together?

Ms MANISON: The department is a tri-service that incorporates all these things.

Mr GUNNER: You are after information—do you want to take that on—of course. I have the Commissioner for the tri-service with me.

Commissioner CHALKER: There may be a level of confusion of that has arisen, Member for Nelson. What I have actually ceased is the entity that was known as the Fire, Rescue and Emergency Services which was, in essence, a duality that was created within the tri-service. My intent, as part of getting the agency back to basics, is that police will be police, fire will be fire, and emergency services will be emergency services.

The Chief Fire Officer position will be re-established back at an appropriate ECO level which will then allow the creation of a Deputy Chief Fire Officer which has not been in place for the last three years as well as an Assistant Chief Fire Officer that has not been in place for in excess of three years so there is a genuine career pathway for Northern Territory firefighters. In the emergency services, the head of the emergency services is reappointed as the Director of Emergency Services.

That is an initiative I have kicked off as part of my back to basics and that entity that has been a bit of a hybrid model will cease effective 30 June.

Mr WOOD: Just to check with the Treasurer, the site at Howard Springs for the Howard Springs and Palmerston Fire Brigade et cetera is going ahead? I just thought I would put in geographical sense like the Holtze Hospital.

Ms MANISON: You are just trying to confuse me now, Member for Nelson.

Mr GUNNER: That was very well done there, Member for Nelson. You almost lost me on that one. It is going ahead. We obviously have not got the infrastructure minister in the room. The Commissioner may know some information about the program dates. If the Commissioner has not got it handy, I am happy to take it on notice.

Mr WOOD: It is alright. The rumour had been going around that it had been canned for the time being because the tenders were too high.

Ms MANISON: No. Absolutely not.

Mr WOOD: I presume the Treasurer is talking to the Commonwealth about the GST.

Mr GUNNER: Has been long-term.

Mr WOOD: Without saying a definite figure over GST, I would presume that you would have a number of scenarios when you are putting forward your economic plan for July 29 which would look at possible GST income? Is that how it would look?

Mr GUNNER: We are working towards that. Obviously what we are hoping between now and then is we actually get a revised forecast from the Commonwealth which would be extremely handy because they will know better than we do how Sydney is going.

Ms MANISON: As we know, GST is a huge chunk of the Northern Territory budget. I bang on about it a fair bit.

Mr WOOD: My favourite topic with you, Treasurer, on the accuracy of GST.

Ms MANISON: Yes. We love talking about GST and HFE. It is going to get absolutely smashed. That is the advice we are getting. We have not yet received any estimates from the feds about what exactly that looks like but when you look at consumption and what we are seeing happening down south, particularly since their economies are not enjoying the same freedoms that we are up here, we are expecting it to take a really big hit.

As I said in the last PAC, we already saw that economic growth was not looking as strong as usual nationwide. We were already seeing that the GST pool was shrinking and we are expecting to see that take a considerable hit going forward into the next financial year. This June quarter is going to be shocking. We are just waiting to get the outcomes of that and what I am hoping to see in that July 23rd information that the federal government come out with is some GST updates.

Otherwise, frankly, you would have to do like Tasmania and do a bit of a guesswork based on the most up-to-date information we have at that time.

Mrs FINOCCHIARO: What is your plan for that reduction in funding that we are likely to receive?

Mr GUNNER: It obviously depends on the information we get. It is important that we make an informed decision. The argument we are making to the Australian Government for the entire term—remember, this is coming off the back of the \$500m a year in terms of GST cuts—is that it has an obligation to fairly distribute money across the country. It is not a hypothetical situation. We have seen recently in Western Australia a very strong case put to the Australian Government about the GST situation, and the Australian Government responded with a sustainable funding package.

We have been putting the argument all term that there needs to be a fairer distribution when it comes to money across the country. That argument has been strengthened because we are not just dealing with the relativity changes; we have a massively shrunk pool. The Australian Government needs to be mindful of that—I think it is, but I cannot say whether it is something it needs to be mindful of in other states or territories or not. In the NT, it needs to be considered.

Mrs FINOCCHIARO: That is the whole plan? You hope the federal government will give you more money?

Mr GUNNER: No, I said we will make an informed decision on what we know when we know it. We do not have the revised GST estimates yet from the Australian Government that we are hoping for. But through the budget repair, under Langouant, we have seen many ways of going about doing this. It is important to make informed decisions based on the numbers—we do not have those numbers from the Australian Government in terms of a revised GST forecast.

We have a budget repair plan in place, which shows improvements in the mid-year and March quarterlies. The question is, what are the underlyings like? In this instance it is mainly about when and how the GST bounces back.

That information is important so we can make an informed decision.

Mrs FINOCCHIARO: Is that why you borrowed the \$600m—to plug the shortfall we might receive from the federal government?

Mr GUNNER: No, that is part of the normal borrowing program of Treasury—done early for tourism, mainly because of the exceptional interest rate that is available at the moment. It is smart work by Treasury in terms of what people are charging—and a contingency fund, a bit like the supply bill was done, in case the money was needed. We do not need the money, but I thank the Treasurer and Under Treasurer for procuring it.

Is that a reasonable summary, Treasurer?

Ms MANISON: Yes.

Mrs FINOCCHIARO: What information will we get on 29 July?

Madam CHAIR: That is at the bottom, and we almost covered all of that. I want to make sure there are no further questions.

Mrs FINOCCHIARO: I have a question on 1.7, which was shut down earlier.

Madam CHAIR: That was on economic modelling and we got the answer.

Mrs FINOCCHIARO: No—incorrect. You actually said to me, ‘Member for Spillett, when we get to 1.7, you can ask that question’.

The question says, ‘What economic modelling has occurred to demonstrate the impact of the initiatives?’ We got the list of foregone revenues and some of the ...

Mr GUNNER: Do you want to ask about Home Improvement Scheme measures?

Mrs FINOCCHIARO: I want to know more—I asked about economic modelling going forward. What impact is this having on our tourism and hospitality industry? Do we understand what kind of businesses may not survive this period? What kind of job losses are we tracking? Has any of that modelling been done?

Mr GUNNER: I have effectively answered most of that already. We have looked at what impact our initiatives will have in saving jobs. A lot of the information sought is determined by the health decisions you make and the stimulus programs put in place.

We can all accept the fact—the Australian Government said it—the nation is in recession at the moment. It is about having the policy settings right to allow business to hibernate until they make an informed decision. In regard to some of those questions, the businesses do not know if it will stay open or not, and we want them to be in a position where they can make the best decision possible—that is the hibernation principle.

What I have argued in national Cabinet is that when we made that decision, we were looking at a six-month window. We now have to look at how we help businesses through the September to April period. It is about how to extend or maintain the hibernation principle so a business can make an informed decision going into April—this is mainly for tourism and hospitality, the two hardest hit—at that point. If you have to make a decision in September, Jobkeeper is ending and you are not sure what is thing are happening. You might make a decision that, four months later, you would not make—either in terms of opening or closing. How do we help them make an informed decision?

Businesses themselves often do not know what they will do right now because times are uncertain. That is why we talked about the difficulty of the economic modelling or forecasting at the moment—businesses themselves do not know.

What is your health decision? When will it hit? What will you do about it? How will we come out of it? What will the Australian Government do with Jobkeeper. The Australian Government has not made that decision. That will have a massive impact on whether businesses stay open or not between September and April. That alone will dictate the entire forecast for that period in many ways.

That is where we are at. We are trying to deal with the facts we have in front of us. This is moving circumstance of a public health emergency, obviously.

I can get Mr Drabsch back up, if you want, to talk about the economic modelling or the impacts from the schemes that we have done, but I think I have answered the question about the forecasting and where we are going.

Madam CHAIR: Did you want ...

Mrs FINOCCHIARO: I am happy to move on.

Madam CHAIR: Happy to move on. No problem. Any questions on 1.8—the answers we got? All right.

Agenda item 4, Financial Information. Could you restate your question, Member for Spillett?

Mrs FINOCCHIARO: Yes. What, in exact detail, will Territorians receive from the government on 29 July?

Mr GUNNER: Obviously, we are working on that with Treasury. It will depend a lot on what information we get from the Australian Government and how Coronavirus is tracking between now and 29 July. We will be

able to give a statement very similar to what the Tasmanian government put forward. That is probably the best way of summing it up. Treasurer or Under Treasurer, do you want to add to that?

Ms MANISON: Yes. The Chief Minister is spot on. We will be looking around this year and doing our best case of where we think the budget is at. We will be looking to the year after to where we think the revenues have been affected and the budget will go over that year. We will also have a look at a bit of the data we have seen come through and where we think it will head over the next year. We will try to have the most up-to-date fiscal information about where we see the budget at that point in time and where we think it will go in the next financial year.

Mrs FINOCCHIARO: Will you commit that it will show the Territory's level of debt and deficit and the forecast on the debt and deficit?

Ms MANISON: It will show the debt and the deficit for this financial year and the next financial year.

Mrs FINOCCHIARO: What about unders and overs for departments?

Ms MANISON: Yes, we will be working through that to provide what we think is the best case, latest assessment of that. Know that even when we go through the budget process, we also have the Treasurer's Annual Financial Report, which comes out in October, which will have the fully audited accounts. That will be finalised. There can be some variation that you will see, probably later in October.

Mrs FINOCCHIARO: Will it itemise separately COVID-19 spending and explain what COVID-19 spending took place?

Mr GUNNER: Yes. I am very keen for it to show that. It is a question I have asked. Obviously, Treasury is working on making sure we can answer that. That will be very important to demonstrate in the report. That is something I am seeking and have asked for the work to commence on.

One thing I note here—because Treasury is in the room and I want them to know that I know this—this is a lot of work for them to do by 29 July. I really appreciate this is more work than they would normally do in a shorter time period. I am very grateful for them doing that work, and am aware of the difficulty of what we are asking them to do.

Ms MANISON: Also, recognise that the visual time lines are completely out of whack this year because of the postponement of the budget. Every jurisdiction is in that boat. They will be having to produce a budget in November too and then again the following May to get back to normal. It will be quite an extraordinary year for our very hard-working Treasury and all the staff associated with budget and finances across the government.

Mrs FINOCCHIARO: So ...

Madam CHAIR: The Member for Nelson has a question. We need to share the questions around, thank you.

Mr WOOD: Come 29 July—and the thing I am missing this year is there is no Estimates Committee—we are not just looking at the future, we need to examine departments on what they have spent in relation to the budget they had for this financial year. Can those sorts of questions be asked of separate departments? I had a heap of areas in infrastructure here I had marked out that were presumed to be part of the financial year. I am not sure exactly where we are with those large amounts of expenditure. I have not picked out the little ones; I picked out the big ones. One is next door at the car park. I would be asking questions like, did the budget run on time or is it over or under budget?

Will there be opportunities for departmental heads to come to the 29 July PAC meeting and be asked questions that we would have normally asked in estimates?

Mr GUNNER: I think there is confusion, but we can clarify that later.

Mr WOOD: My dates might have been wrong, but on 23 July will we have some idea of where the budget might be?

Mr GUNNER: 29 July is asking Treasury to pull things forward a lot. That is why it is the last possible day I could ask them to do it and they will have trouble doing that. I appreciate that the Member for Nelson is retiring, but there will be estimates in December that will look at that period and everything involved with it.

The other thing is that the only difference between mid-year and now was Coronavirus, so we asked for these PAC hearings to make sure we are scrutinised in what we are doing about it. The other existing processes are still there, like Question Time in parliament next week and written question processes. There are still avenues to ask a series of questions if you have them. There is a PAC meeting on 23 July. The 30th is caretaker.

Mr WOOD: The PAC's role is not just about COVID-19; it is about questioning the government on expenditure. That is our role. That is why I did not agree with this agenda—I think it should have been more focused on the Treasurer's side of things, not only about COVID-19, about departments and where they are in relation to their budget from last year and if COVID-19 affected it.

Mr GUNNER: Usually in estimates we are dealing with the March quarterly reports. If you think about every question you take on notice from 1 July to the end of March, we want to try get the departments' average numbers from the financial year, which normally come through in mid-August. It usually takes six to eight weeks after the end of a quarter, or in this instance financial year, to get that information. I asked for that to be done so we can have it early in July.

Mr WOOD: I am just trying to work out the process. We are in an election period—there would be an opportunity for a body, like the PAC to at least publically ask about departmental spending.

Mr GUNNER: The PAC can do ordinary business.

Mr WOOD: Yes, but that is what I was hoping it would do. We focused most of our business on COVID-19.

Mr GUNNER: These hearings are specifically about Coronavirus, but if the PAC wants to do ordinary business outside of these hearings, that is a question for the PAC.

Mrs FINOCCHIARO: These were held up as transparency measures for not having a budget, in fairness.

Mr GUNNER: No, I said these are special hearings for Coronavirus, which includes how we are financially handling it. All the things we have done differently from the mid-year report and March quarterlies are Coronavirus. We are happy to take questions on that, otherwise everything is as it was.

Mrs FINOCCHIARO: As I was asking before of the Treasurer about what will be in the 29 July document, when it comes to COVID-19 spending, what kind of breakdown will we get? Will that include departmental reallocations? For example, with the tradie scheme, there is \$30m of new money, which may either be borrowed or come from underspends. Will we receive that level of breakdown so Territorians can see where money is coming from in response to COVID-19?

Mr GUNNER: We will be breaking down what we have on Coronavirus and how we have treated it and that will be important because otherwise you cannot the deficit or debt line or understand the unders and overs. So short answer yes. Treasurer do you want to add to that?

Ms MANISON: We will be aiming to have as much information in there as possible particularly going into the agencies and where they are at, at that point in time against their budget. Those estimates will be there and where they have landed at the end of the financial year and the COVID-19 expenditure, foregone revenue, waivers, where we think we have not had the money coming in, that is payroll tax and so forth. There will be as much detail about the COVID-19 impact that we can include, included in that report.

Mrs FINOCCHIARO: Will details on how and if the Treasurer's advance is expended by that point in time, that will be part of this document on 29 July?

Ms MANISON: We will certainly have information in there going to where the budget is for the 2019–20 year and where we think we are heading in the 2020–21 year and there will be some work around the Treasurer's advance.

Mrs FINOCCHIARO: No guarantees we will have detailed information on if the \$300 was spent and how much?

Ms MANISON: We will have as much information in there as we can.

Mrs FINOCCHIARO: What about borrowings? Will that be broken down in to what we have had to borrow?

Ms MANISON: You are going to have a debt figure. You are going to have a deficit figure. You will be able to see what the borrowings are.

Mrs FINOCCHIARO: COVIDs specific borrowing as well?

Ms MANISON: We will be having the overall government borrowing program and that will of course cover things that come up day to day in government, that is, including things that we have had to expend on due to COVID.

Mrs FINOCCHIARO: Why are you only showing the forecast for one year?

Ms MANISON: I think it is very clear, we are still in extraordinary times right now. I do not have any guarantees in front of me that I will have accurate GST forecasts by then and we are still seeing that the nation is still grappling with COVID-19 down south. We can see that other jurisdictions are in very different positions to us in opening up their economy and returning to what we are all going to define as the new normal. Yes we are a mile ahead in the Territory but the other jurisdictions have some way to go.

Mr GUNNER: The Under Treasurer can add to that if you like, Leader of the Opposition.

Mr GRAHAM: The report in July will be an update. It is primarily focussed on the impact of COVID and the impact it has had on our finances and the economy. The budget that we publish in November will have the full set of forward estimates.

Mr SIEVERS: Talking about the report on the 29th. Obviously departments have made savings in areas under COVID-19. One that sticks out to me is probably travel. Is there any others that you think of and will that be in your report as well?

Mr GUNNER: It will be written in terms of how we can cover the unders and I will obviously seek as much information as I can about why we have unders in those departments. Travel is a big one. There is a range of events or functions or meetings we simply have not organised, so not unless you are talking about hospitality functions. Meetings that you would not have been able to do, consultation periods you have to delay especially with the biosecurity regions in place. There is just a number of things that government has not been able to do during the Coronavirus period. Since we are talking about a quarter worth of work that has had to be deferred essentially across government, in some instances we have done it by different means but there has been a saving as a result.

One of the things I have asked the departments to look at—this will be something that might come back in to the future government—is what lessons can we take out of this and how does it impact future service delivery. I know—if you want the Minister for Health and the CEO for Health can talk to this—Telehealth has been expanded or done physically greater amounts of and has she had really good outcomes and it is obviously a cheaper way of delivering that service.

We have a healthier school population. There is a number of things I think we can take out of what we have done here that will be permanent, ongoing good things. That work is happening and that will probably be tied together in a way that comes in for the future government.

Mrs FINOCCHIARO: Will we also have information on 29 July around what interest we are repaying on our debt?

Mr GUNNER: I pass to the Treasurer and Under Treasurer in a minute. The loan portfolio is not one interest rate. It is a range of products over different years, terms and term rates. Obviously the current rate is very good. The Governor of the Reserve Bank talks up the rate a lot in every National Cabinet he is at. He tells governments there has never been a better time to take advantage of that which obviously Australian governments have done. It is not so simple to say there is one interest rate.

Mrs FINOCCHIARO: How much interest? I did not ask the interest rate. How much interest are we paying on the debt?

Mr GUNNER: Apologies, Leader of the Opposition.

Mrs FINOCCHIARO: You can give a breakdown on the interest rates if you want to.

Ms MANISON: We are working through those details at the moment. This is again a report like we have not done before in circumstances we have not seen before. You are going to get where we are at with the debt and the deficit at that time this financial year but also the next one coming up.

Mrs FINOCCHIARO: Territorians are very interested to know how much interest we pay on debt and I asked you in parliament a couple of sittings ago—I cannot remember which one—I think I quoted an \$800m a day type figure and said is this how much interest we are paying? You refused to answer. You referred people to the budget papers. Presumably you know it and you can tell it. Why will the government not tell people? Why are you forcing people to look at the budget papers?

Ms MANISON: It is in the budget papers and it is captured there in what debt is owing and what the deficit is at that time.

Mr GUNNER: This is publicly available information.

Mrs FINOCCHIARO: On 29 July will that then be a separate item?

Ms MANISON: At this point, we are looking at an update and the overall figure was going to be where we were at with debt and deficit at that time.

Mrs FINOCCHIARO: Are you not going to split off what the interest is of that given the multiple interest rates? It is not like you can say to people well work it out yourself.

Ms MANISON: My understanding is that there can be policy variations where it could be outlined into.

Mr GRAHAM: In explaining the variation between the mid-year and our update, you could include interest as one of those.

Mr GUNNER: All that work is happening now.

Mrs FINOCCHIARO: Non-committal.

Ms MANISON: We have not finalised it.

Mrs FINOCCHIARO: Depends how bad it is and we will let you know.

Ms MANISON: We have not finalised it.

Madam CHAIR: You cannot make inferences thanks, Member for Spillett.

Mrs FINOCCHIARO: I would love to hear the answer then. Is that a yes? Will you commit to providing that breakdown?

Mr GUNNER: What I am committing to and have committed to is providing accurate information you can make informed decisions on. That is all I am asking of Treasury.

Mrs FINOCCHIARO: Accurate information that you want to give people not what you have.

Ms MANISON: The important thing is that you are going to see at the point of time where the Territory's finances are and where they are heading for the next year to the best of our ability of what we have with the latest up-to-date information.

Mrs FINOCCHIARO: I think people are very interested in understanding what that interest bill looks like. If it is capable of being done, I do not know why you would not do it? It can only be that you do not want people to know.

Mr GUNNER: No. We are going to be providing the debt and deficit figures and I will ask Treasury about what information they can pull together for me around a whole range of things that is accurate. That will include looking at this plus other things. I cannot say today in June is what information we are going to have at our hands between now and July 29 apart from the fact that we want to make sure it is as accurate and meaningful as possible.

I am definitely not saying no, Leader of the Opposition. I will take Treasury advice on what we can and cannot provide.

Mrs FINOCCHIARO: We just heard that it is able to be provided.

Madam CHAIR: The Chief Minister has committed to seeing if it can be provided or not. Do you have another question?

Mrs FINOCCHIARO: You would not stand up in parliament and say it. Are you now not going to say it in your update?

Madam CHAIR: We cannot keep making arguments and inferences around the same thing. The Chief Minister has said that he is going to look at it. Member for Spillett, or any other member of the committee, do you have any further questions?

Mrs FINOCCHIARO: What is our debt position today?

Mr GUNNER: Obviously we have the March quarterlies. The only difference between mid-year and March now is what we have done around the Coronavirus situation. That will definitely be in our 29 July figures. That work is being done.

Mrs FINOCCHIARO: What does that mean? That work is being done. March was a long time ago. What is our debt today?

Mr GUNNER: I explained this last PAC.

Mrs FINOCCHIARO: Very badly.

Mr GUNNER: Every quarter the government updates its numbers. That work usually takes six to eight weeks. I have asked Treasury to do that work in a quicker timeframe than normal and we are aiming for 29 July. That is the work that Treasury is doing and that is why I will have the information on 29 July.

Mrs FINOCCHIARO: What about departmental overspends and underspends?

Mr GUNNER: Treasury is doing that work too.

Mrs FINOCCHIARO: Government is just tracking along without knowing what our debt is, what our deficit is, what interest we are paying, what departments are overspending and underspending?

Mr GUNNER: No. That is not what I said, Leader of Opposition. I said that every quarter government does that work and the only difference between the mid-year and the March quarterly has been our response to the Coronavirus which we have also been public about.

Mrs FINOCCHIARO: To be able to say that, it means you have to know.

Madam CHAIR: Let the Chief Minister answer the question, Member for Spillett.

Mr GUNNER: The only difference between the mid-year and the March quarterlies is what we have done to deal with the Coronavirus. We have publically told people we have done with the Coronavirus. We have thrown the kitchen sink at it. We have done everything we can to save lives and save jobs.

At the end of every quarter, the government reconciles those books around where we are at with those things. That work will happen again at the end of this financial year which we are nearly at. We will also did it again at the end of the March quarter and that locks in the unders and the overs, and what work has been done.

That is a quarterly body of work from government. It is significant work. We do not do it at the end of every month; we do it at the end of every quarter.

Mrs FINOCCHIARO: So, today, hand on heart as the Chief Minister or the Treasurer, you do not know what our debt position is?

Mr GUNNER: No, what I said is we have the March figures which were publicly released.

Mrs FINOCCHIARO: I know when you want to report it but do we know what it is?

Madam CHAIR: Member for Spillett, you keep asking the same question. Please allow the Chief Minister to answer the same, thanks.

Mr GUNNER: We have the March position and then we will have the June position. We do this work every quarter. The only difference between the mid-year reports to the March reports now has been our response to Coronavirus which we have been public about. At the moment, we have the March figures; very soon, we will have the June figures. It is just the work that the government does. I am more than happy to have the Treasurer and the under-Treasurer confirm that is how we do the books.

Ms MANISON: The March quarterly report - that was the last document that came out. We discussed it last time here in this meeting. As we know, today is June 18; we are not at the end of June. We still have not got some of the most up-to-date figures that we want, particularly the federal government with some of their updates. That is why we have committed to 29 July, to get as much information out as possible.

As the Chief Minister said earlier on, this will push our Treasury department very hard to get that information together. We will be moving those figures out as quickly as possible and they will be doing a significant amount of work. We are not entirely sure of all the data we will get through the 23 July report, but we have made the commitment to get the most up-to-date information to Territorians on 29 July.

Mrs FINOCCHIARO: Does that mean you will not do the June quarter?

Ms MANISON: The June quarter information will come out as quickly as we can get it out, but we are trying to incorporate as much of that into the 29 July report as we can. The main thing is that we have the agencies overs, unders, debts and deficits.

Mrs FINOCCHIARO: What date in June would the June report normally come out?

Mr GUNNER: It would be August. Because we are doing the reconciliation works it would be in the TAFR. It is normally not reconciled and released until October—six to eight weeks after a quarter, and for the end of financial year, normally it is publicly released as part of the TAFR. We are asking them to bring that work forward.

As the Treasurer said, that is why you will probably see differences between what is reported on 29 July off the information we have available and what is in the government report—the October TAFR, when there is more time to work it through. We will then understand why those variations occur. I understand the workload we are giving you, Treasurer.

Mrs FINOCCHIARO: Is this 29 July document a replacement for the Pre-Election Fiscal Outlook?

Mr GUNNER: This is the information we will be able to give you on 29 July to the best of our ability. This has changed a bit, as we talked about in the last PAC. The Australian Government will probably give us the revised GST estimates—it will do its own fiscal report, so there will be greater clarity about what is happening in the country in regard to Coronavirus. We have done better than we expected, so we have more visibility than we thought we would have. We can now commit to the Coronavirus fiscal report on 29 July.

Essentially, it is about the facts as they emerged and the success of the nation.

Mrs FINOCCHIARO: Will it have those whole-of-government figures we talked about earlier that you committed to, not just COVID-19-related figures?

Madam CHAIR: The time being 4 pm, that is the end of this hearing. I thank everybody for attending today, and I ask members to stay beyond in order to finish the agenda. Thank you.

The committee concluded.
