



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

SENATE SELECT COMMITTEE ON COVID-19

Australian Government's response to the COVID-19 pandemic

(Public)

THURSDAY, 6 AUGUST 2020

CANBERRA

CONDITIONS OF DISTRIBUTION

This is an uncorrected proof of evidence taken before the committee.
It is made available under the condition that it is recognised as such.

BY AUTHORITY OF THE SENATE

[PROOF COPY]

INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

To search the parliamentary database, go to:

<http://parlinfo.aph.gov.au>

SENATE

SENATE SELECT COMMITTEE ON COVID-19

Thursday, 6 August 2020

Members in attendance: Senators Davey, Gallagher, Hanson-Young, Keneally, Paterson, Rice, Siewert.

Terms of Reference for the Inquiry:

To inquire into and report on:

- a. the Australian Government's response to the COVID-19 pandemic; and
- b. any related matters.

The resolution establishing the committee is available in the Journals of the Senate No. 48 - Wednesday, 8 April 2020.

WITNESSES

ARNOTT Mr Stephen, PSM, First Assistant Secretary, Office for the Arts, Department of Infrastructure, Transport, Regional Development and Communications.....	26
ATKINSON, Mr Simon, Secretary, Department of Infrastructure, Transport, Regional Development and Communications.....	26
BACON, Dr Rachel, Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Communications.....	26
BROUGHTON, Ms Natalie, Acting Assistant Secretary, COVID Regional, Policy and Programs, COVID Aviation Issues Management Division, Department of Infrastructure, Transport, Regional Development and Communications.....	26
CAMPBELL, Ms Belinda, Assistant Secretary, Workforce and Apprenticeships Services, Department of Education, Skills and Employment	1
CARUSO, Mr Daniel, Assistant Secretary, COVID Recovery Infrastructure Investment Stimulus, Infrastructure Investment Division, Department of Infrastructure, Transport, Regional Development and Communications.....	26
DYMOWSKI, Mr Jason, Acting Assistant Secretary, COVID Domestic Policy and Programs, COVID Aviation Issues Management Division, Department of Infrastructure, Transport, Regional Development and Communications.....	26
EMERSON, Mr Ty, Assistant Secretary, Job Seeker Participation and Compliance, Department of Education, Skills and Employment	1
FFRENCH, Mr Tim, General Counsel, Department of Education, Skills and Employment	1
HALL, Ms Jessica, First Assistant Secretary, COVID Surface Transport Division, Department of Infrastructure, Transport, Regional Development and Communications.....	26
HALLINAN, Mr David, Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Communications.....	26
HOUSTON, Ms Renae, First Assistant Secretary, VET Quality and Policy, Department of Education, Skills and Employment	1
JENSEN, Ms Benedikte, First Assistant Secretary, Labour Market Strategy, Department of Education, Skills and Employment	1
KIDD, Ms Margaret, First Assistant Secretary, Delivery and Employer Engagement, Department of Education, Skills and Employment	1
McCLURE, Mr Phil, Assistant Secretary, COVID Financial Assistance, COVID Aviation Response Programs Division, Department of Infrastructure, Transport, Regional Development and Communications.....	26
McDONALD, Ms Mary, First Assistant Secretary, Skills Reform Taskforce, Department of Education, Skills and Employment	1
McRANDLE, Mr Brendan, PSM, Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Communications.....	26
McTAGGART, Ms Cindy, Acting Assistant Secretary, Airports, COVID Aviation Issues Management Division, Department of Infrastructure, Transport, Regional Development and Communications.....	26
MILNES, Ms Gayle, First Assistant Secretary, Data, Analytics and Policy Division, Department of Infrastructure, Transport, Regional Development and Communications.....	26
MOORE, Mr Simon, Acting First Assistant Secretary, COVID Aviation Response Programs Division, Department of Infrastructure, Transport, Regional Development and Communications.....	26
NEVILLE, Mr Ivan, Assistant Secretary, Labour Market Research and Analysis, Department of Education, Skills and Employment	1

WITNESSES—continuing

PITT, Ms Janine, First Assistant Secretary, Employment Programs and Activation, Department of Education, Skills and Employment	1
PURVIS-SMITH, Ms Marisa, First Assistant Secretary, Regional Development, Local Government and COVID Regional Recovery Division, Department of Infrastructure, Transport, Regional Development and Communications	26
QUIGLEY, Ms Janet, First Assistant Secretary, COVID Aviation Issues Management Division, Department of Infrastructure, Transport, Regional Development and Communications	26
RYAN, Ms Melissa, First Assistant Secretary, New Employment Services Model, Department of Education, Skills and Employment	1
SHANNON, Ms Robyn, First Assistant Secretary, Quality, Integrity and Evidence, Department of Education, Skills and Employment	1
SHARP, Ms Clare, Assistant Secretary, National Skills Reform Taskforce, Department of Education, Skills and Employment	1
SMITH, Mr Phil, First Assistant Secretary, Infrastructure Investment Division, Department of Infrastructure, Transport, Regional Development and Communications	26
SMYTH, Mr Nathan, Deputy Secretary, Employment, Department of Education, Skills and Employment..	1
SPENCE, Ms Pip, PSM, Chief Operating Officer and Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Communications	26
THIVEOS, Mr George, First Assistant Secretary, Apprenticeship and Workforce Skills, Department of Education, Skills and Employment	1
WEIDERMAN, Mr Adam, Assistant Secretary, Economic Response Taskforce, Department of Education, Skills and Employment	1
WILLIAMS, Ms Nadine, Deputy Secretary, Skills and Training, Department of Education, Skills and Employment	1
WINDEYER, Mr Richard, Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Communications	26
WOLFE, Mr Jim, Assistant Secretary, COVID International, COVID Aviation Response Programs Division, Department of Infrastructure, Transport, Regional Development and Communications	26
WOOD, Mr Richard, Acting Deputy Secretary, Aviation and Airports, Department of Infrastructure, Transport, Regional Development and Communications	26

CAMPBELL, Ms Belinda, Assistant Secretary, Workforce and Apprenticeships Services, Department of Education, Skills and Employment

EMERSON, Mr Ty, Assistant Secretary, Job Seeker Participation and Compliance, Department of Education, Skills and Employment

FFRENCH, Mr Tim, General Counsel, Department of Education, Skills and Employment

HOUSTON, Ms Renae, First Assistant Secretary, VET Quality and Policy, Department of Education, Skills and Employment

JENSEN, Ms Benedikte, First Assistant Secretary, Labour Market Strategy, Department of Education, Skills and Employment

KIDD, Ms Margaret, First Assistant Secretary, Delivery and Employer Engagement, Department of Education, Skills and Employment

MCDONALD, Ms Mary, First Assistant Secretary, Skills Reform Taskforce, Department of Education, Skills and Employment

NEVILLE, Mr Ivan, Assistant Secretary, Labour Market Research and Analysis, Department of Education, Skills and Employment

PITT, Ms Janine, First Assistant Secretary, Employment Programs and Activation, Department of Education, Skills and Employment

RYAN, Ms Melissa, First Assistant Secretary, New Employment Services Model, Department of Education, Skills and Employment

SHANNON, Ms Robyn, First Assistant Secretary, Quality, Integrity and Evidence, Department of Education, Skills and Employment

SHARP, Ms Clare, Assistant Secretary, National Skills Reform Taskforce, Department of Education, Skills and Employment

SMYTH, Mr Nathan, Deputy Secretary, Employment, Department of Education, Skills and Employment

THIVEOS, Mr George, First Assistant Secretary, Apprenticeship and Workforce Skills, Department of Education, Skills and Employment

WEIDERMAN, Mr Adam, Assistant Secretary, Economic Response Taskforce, Department of Education, Skills and Employment

WILLIAMS, Ms Nadine, Deputy Secretary, Skills and Training, Department of Education, Skills and Employment

Committee met at 10:00

CHAIR (Senator Gallagher): I declare open this hearing of the COVID-19 Select Committee. As set out in the circulated program, the committee will hear evidence from the Department of Education, Skills and Employment and, later this afternoon, the Department of Infrastructure, Transport, Regional Development and Communications. The committee understands the demands on public servants at this time and we appreciate the time made available by witnesses to give evidence today. The parliament was due to sit this week and, when those sittings were cancelled, the government agreed with the opposition that additional hearings of this committee would help provide some scrutiny in what normally would have been a full sitting week.

Information on the procedural rules governing public hearings and claims of public interest immunity have been provided to departments and agencies and is available from the secretariat. I now invite Ms Williams or Mr Smyth to make any opening statement or opening comments.

Ms Williams: We don't have an opening statement.

CHAIR: That's music to the committee's ears, I'm sure. We will go straight to questions. Do we have Senator Keneally with us? She has disappeared. The technology—we did speak too soon. Senator Siewert, I might go to you first.

Senator SIEWERT: First, I'd like to look at some of the current stats. Would you be able to give the committee some updates on the employment figures and also the current jobactive case load demographics? Are

you able to give that to the committee on a regular basis? We've now got DSS providing us with regular updates; I think it's now every two weeks. Is it possible for the committee to have the same updates from your department so that we can actually get a full picture of what the situation is? Is that something that the department is able to do?

Mr Smyth: I'm sure we can facilitate that. If you'd like, I will give you a quick update at the moment on the composition of the case load.

Senator SIEWERT: Yes, that'd be great.

Mr Smyth: If you like, what I'll do is highlight it against where we started in March so you can see what has actually occurred over the forward months.

Senator SIEWERT: That would be great.

Mr Smyth: The current situation is that in jobactive, at the end of February, we had 633,318 people on the case load. As at 30 July this year, we have 1.445970 million people on the case load. That's just jobactive; I can go into other programs if you would like. A breakdown, in terms of the case load composition now, is that in stream A we have a total of 862,152, in stream B we have 337,605 and in stream C we have 108,600. We also have people who have their stream not determined, because they were a new entry into jobactive or onto income support and they haven't completed the online JSCI snapshot. That number is 123,411. And we have 14,202 stream A volunteers in the system.

In terms of how that has changed from February through to 31 July, in stream A, on 29 February we had 243,043 people, or 38.4 per cent of the case load, and there are now 862,558, or 59.7 per cent; in stream B, at the end of February it was 276,399, or 43.6 per cent of the case load, and it's now 337,720, or 23.4 per cent of the case load; in stream C, at the end of February it was 99,167, or 15.7 per cent of the case load, and is now 108,632, or 7.5 per cent of the case load; and the number of people under 25 on the case load, so the youth group, at the end of February was 149,721 and has more than doubled and now is 308,088.

In terms of how the composition of the case load has changed, at the end of February there were 180,478 people with a disability on our case load and we've now got 253,536.

Senator SIEWERT: That's with a partial disability?

Mr Smyth: That's with a self-disclosed disability. They could well be people who have undertaken an ESA, so they could be in stream C, or they could be people who self-disclosed a disability.

Senator SIEWERT: Okay, thank you.

Mr Smyth: Our Indigenous case load has gone from 84,124 to 117,921. Our CALD case load has seen a substantial increase—that's gone from 118,955 to 324,914. Our refugee case load has gone from 34,178 to 53,071. Our homeless case load has gone from 70,329 to 101,741. Ex-offenders have gone from 85,345 to 119,094. In terms of females and males, women have gone from 327,119 to 712,273 and males have gone from roughly the same figure as females—327,023—to 769,927, which is a 135 per cent increase. I've mentioned the youth figures to you, which have increased by 118 per cent. Mature-aged people have increased by 110 per cent: they've gone from 179,760 to 378,863. Can I just say that that's not just jobactive; it includes people who are in our new employment services trial—which is effectively jobactive, but it's the two trial regions in the Mid North Coast of New South Wales and Adelaide-south—and our transition-to-work clients, so our young people who are disengaged.

Senator SIEWERT: Did you say the youth figures include—

Mr Smyth: That includes transition to work.

Senator SIEWERT: Thank you. In terms of the youth—and obviously we'll get more breakdowns of the figures when you provide the update on notice—how many of the 308,088 young people are in streams A, B and C?

Mr Smyth: Let me see if I have that detail. I'll just check.

Senator SIEWERT: If you don't, can you take that on notice?

Mr Smyth: It might be easier if I do take that one on notice. I've got a breakdown by streams and the like, but I probably don't have it for that particular cohort by stream. We can certainly take that on notice and get back to you quite quickly.

Senator SIEWERT: Thank you, and it would be very much appreciated if we could get the regular update. I've also got some updates on some of the other questions that you've already answered. I'll put them on notice, in terms of the figures.

I want to go to the issues about the return to mutual obligation. What are the determinants for what is a suitable job and the process if someone doesn't accept a suitable job—'suitable job' in inverted commas? It's a bit unclear. On its website, the department says:

If a provider determines a job is suitable, they will consider the reasons a job seeker has declined employment, taking a range of matters into consideration, such as caring responsibilities ...

Et cetera. Further, it says that, after this process, the provider will refer the matter to Services Australia if it's determined the jobseeker does not have a reasonable excuse for not accepting the job. It's been reported that Senator Cash said:

... if the job service provider determined a job was suitable and the job seeker disagreed, the matter could be referred to the department that ran Centrelink, Services Australia.

I'm just trying to find out what the process will be.

Mr Smyth: The process is that, if a person is offered a suitable job, deemed suitable under the guidance that the department provides and that providers have, and that job is refused—taking in to account, as we've said, the personal circumstances of the individual in terms of caring responsibilities, health considerations, training, education, suitability for the job—and the employment service provider deems that the person has refused that suitable job, they flag in the system that the person refused that job. It's then referred to Services Australia, who make the determination, after they have spoken with the person who's had the work refusal applied to them, as to whether or not, under the guidelines, they have actually refused suitable work. Then the penalty is applied. So there's a two-step process, and Services Australia are the ones who make that determination.

Senator SIEWERT: What are the criteria for what is a suitable job?

Mr Smyth: I'll hand over to Mr Emerson.

Mr Emerson: What I'll do is run through what is generally considered to be suitable work. There are a few things here. The first is that the jobseeker is able to perform the duties required or will be adequately trained in those duties. The second is that the work complies with health and safety laws and offers at least a legal minimum as set out in the relevant statutes, award or agreement. The third is that the work does not interfere with the jobseeker's caring duties. The fourth is that the jobseeker would be financially better off in accepting the work. The fifth is that accepting the work would not create conflicts with the jobseeker's existing training or study arrangements. The sixth is that the jobseeker has the capacity to perform the work. The seventh is that the work would not aggravate a pre-existing illness—a disability or injury. The eighth is that the jobseeker can reliably commute to and attend the workplace and that their commute is reasonable. The ninth is that the work is consistent with the prevailing community standards. And the tenth is that accepting the work would not require the jobseeker to relocate. These considerations are outlined in the guide to managing mutual obligation and compliance, and the provider and the Department of Social Services would look to those in making a decision.

CHAIR: Senator Siewert, I might come back to you if that's okay. We do have time for that today.

Senator KENEALLY: Thank you to the department for being here today. I'd like to turn to the JobMaker program. Could the department please outline for me the various components of the JobMaker program?

Ms Williams: The JobMaker program was announced by the Prime Minister. Obviously, you're familiar with that. It does involve elements of training, including some of the training that we talked about at the last committee hearing, under what is described as the JobTrainer program. The fund that's associated with that as well as the negotiations with the states and territories around reforms to the training system will, in the long run, assist with recovery.

Senator KENEALLY: But that's not the totality of the JobMaker program, is it?

Ms Williams: I may need to look into it, but my understanding was that those, as well the apprenticeship measures announced at the same time, were the majority of the elements that related to the skills and training system.

Senator KENEALLY: Can you then explain to me the difference between JobTrainer and JobMaker?

Ms Williams: My understanding is that they're largely the same thing. Both relate to the skills and training initiatives—those large initiatives around the fund—the negotiations with the states and territories and those apprenticeship measures that we've talked about.

Senator KENEALLY: So, as far as the Department of Education, Skills and Employment is aware, there is no fundamental difference between JobMaker and JobTrainer.

Ms Williams: I can ask my officers to check that. But it is my understanding that the JobTrainer fund—and the negotiations with the states under that heading—is really one of the core components of the JobMaker program.

Senator KENEALLY: I understand now; you're saying that it's one of the core components. I'm trying to understand: when the government uses the phrase 'JobMaker', what are the constituent components of that program? Is it simply that JobTrainer is the core constituent or the only constituent of the JobMaker program, or are there other aspects of JobMaker? I would have thought the department of employment was the department to ask these questions of.

Ms Williams: Obviously there was JobTrainer program and the apprenticeship measures that I've discussed, and, as Ms McDonald has just drawn to my attention, there were some announcements that related to the industry portfolio—in particular, to the commercial, arts and entertainment sector, which has been part of the JobMaker plan. Those are the elements that I'm familiar with.

Senator KENEALLY: I refer to an article from 27 May in news.com.au called 'Coronavirus in Australia: What's in the PM's new JobMaker plan'. It seems to be related to the Prime Minister's National Press Club speech. It includes a list of things in the JobMaker plan. Before I go to that, I ask: what involvement did the Department of Education, Skills and Employment have in the creation of the JobMaker plan?

Ms Williams: Those elements that I've outlined that fall within the portfolio's responsibilities related to skills and training are areas where we've had involvement.

Senator KENEALLY: Right. I'm going to come to those elements at a later point in my questioning. I will just quickly go to some of the other announced elements of JobMaker. What I'm trying to understand is: when the government say 'JobMaker', what do they mean, what are the core components of that plan and how many jobs is each component going to create? There are various ways the term 'JobMaker' is thrown around. If I go back to this article from 27 May, it says:

The JobMaker plan includes:

- International trade agreements and support for exporters.

Is that something the department has had anything to do with?

Ms Williams: No, that's not part of the department's portfolio responsibilities.

Senator KENEALLY: Right. By the way, who does own the JobMaker plan from the standpoint of government? Where does it sit?

Ms Williams: The JobMaker plan, as we've just discussed, really comprises a number of components. Those elements that sit within our portfolio are the skills and training elements predominantly. Other elements, such as the arts and entertainment elements that I just raised, sit within the industry portfolio. So I think it would be fair to say that implementation of those elements is a whole-of-government responsibility.

CHAIR: Who's the lead agency for JobMaker?

Ms Williams: I'm not sure that there is a specific lead agency. The individual portfolios that are responsible for those areas are responsible for leading the implementation of those elements.

CHAIR: So the employment department is not the lead agency for the JobMaker program?

Ms Williams: We are the lead agency for those elements of the JobMaker program and those elements of recovery that relate in particular to skills and training. Of course, if there are other elements that relate to employment programs that feed into the recovery effort, we would be responsible for those as well. But for the JobMaker program or that banner, in terms of our portfolio responsibilities, it is the skills and training initiatives that we are carrying forward.

Senator KENEALLY: Just to be clear, earlier you said that you thought that the JobTrainer and JobMaker programs were pretty much the same thing, but you're acknowledging now that there are other aspects across government that sit under this broad term 'JobMaker'?

Ms Williams: Yes. My apologies if I misspoke on that. JobTrainer has two elements: the fund that we've talked about before as well as the negotiations with the states and territories around the skills system. But there are other, broader elements, including in the training space in relation to apprenticeships that fall into the broader JobMaker category.

Senator KENEALLY: Yes, I'm going to come to those at a later point in my questioning. I want to go through this list:

- International trade agreements and support for exporters.

Is there a plan for that anywhere? Do you know?

Ms Williams: It's my understanding that that doesn't fall into our portfolio. I'm happy to test that with colleagues, but my understanding is that that's not part of the department's responsibilities.

Senator KENEALLY: I'm just trying to understand if there's somewhere in government where we can see a plan as to how international trade agreements and support for exporters fit under this new JobMaker plan and how many jobs they might create.

Ms Williams: Certainly we can test that, but it's my understanding that that doesn't fall into our area of responsibility.

Senator KENEALLY: Right. The next thing listed as a part of the JobMaker plan is:

- "Caring for country" at heart of environmental management.

Ms Williams: Again I understand that that would be in the environment portfolio, but we can confirm that.

Senator KENEALLY: Right. Again, is there an actual plan anywhere?

Ms Williams: We are not aware of that, obviously. It doesn't fall into our areas of responsibility. That may be best directed to the responsible department.

Senator KENEALLY: And you think that's the environment department?

Ms Williams: We can confirm that for you, but, yes, that would be my understanding.

Senator KENEALLY: Again, the same article from news.com.au says:

- An opportunity for "those who have a go, to get a go", including access to essential services.

Do you know what that means?

Ms Williams: I'm personally not familiar with that, but, again, I'm happy to look into that for you. As I noted earlier, there are a number of elements to the government's focus on the recovery effort. It is a whole-of-government exercise and a whole-of-economy exercise, as you would appreciate. There are a range of elements spread across the APS. I wouldn't be familiar with all of them.

Senator KENEALLY: It's just that the government uses this term 'JobMaker'. It seems somewhat amorphous. It seems very hard to get a handle on what it actually means, where the plan is or how many jobs it's going to create. I don't mean to be putting it all on you, but you are the department of employment and you are in front of us; this is the opportunity to ask these questions. I appreciate the clarity you are providing—or the clarity that you don't have the answers, at least! So we don't know what 'including access to essential services' means. Frankly, to me, that just sounds like the government doing its job.

I believe this was all taken from the Prime Minister's National Press Club speech. It includes:

- Doing "what makes the boat go faster", supporting small, medium and large businesses through skills, affordable and reliable energy, research, access to finance, more efficient taxes, less regulation and workplace relations reform.

Does any of that fall within your remit?

Mr Smyth: No. Small business would fall within the industry portfolio, where the small-business element sits. Industrial relations sits within the Attorney-General's portfolio.

Senator KENEALLY: So you're not aware of where any actual plan in some of these areas has been announced by the government?

Mr Smyth: You would have to ask those questions of those portfolios.

Senator KENEALLY: Okay:

- Pilot schemes will allow industry sectors to shape the system to their specific needs.

Have you had anything to do with that?

Mr Smyth: Part of that could go to our PaTH industry pilots, in our PaTH industry partnerships approach.

Senator KENEALLY: When you say 'PaTH', you mean the youth employment program?

Mr Smyth: That's correct—the Prepare, Trial, Hire program.

Senator KENEALLY: Is that still a pilot scheme? That was announced in 2014.

Mr Smyth: It's still going. There have been two announcements recently—one at the beginning of the year around the PaTH industry partnerships, and the minister has just announced a new program to work with national industry organisations to look at providing industry specific pathways into employment utilising the PATH program as well. That's currently out for tender at the moment.

Senator KENEALLY: Are there other pilot schemes, or would I need to ask the industry department?

Mr Smyth: That would probably be a question for the industry portfolio.

Senator KENEALLY: How many jobs do you anticipate that the PaTH one will create?

Mr Smyth: It's hard to say at the moment, with restrictions placed on. I wouldn't be able to put a figure on that, to be honest. We know the PaTH program has certainly suffered from social-distancing requirements and the closure of a lot of industries. It's very hard to put a figure on it.

Senator KENEALLY: There are other aspects of this news.com.au article that I'm going to come back to you on that I know, and that you have already acknowledged, are within your portfolio, but I want to go on. You have acknowledged that the creative economy package announced on 25 June has also been branded as 'JobMaker', but that that is not within your portfolio. Were you part of putting this package together?

Ms Williams: Sorry, could you say that again?

Senator KENEALLY: In the arts sector. What role, if any, did the department play in putting that package together?

Ms Williams: Again, that's not an area where we've had responsibility. It would sit in the arts, communications and infrastructure portfolio.

Senator KENEALLY: On 26 May Grant Thornton, a consulting company, put out a list of what's on the JobMaker agenda. I've already covered off some of the things on it. One of the things I haven't already covered off is lower energy costs. Is there a plan for that somewhere?

Mr Smyth: That would be sitting in the industry portfolio.

Senator KENEALLY: I actually haven't seen this one before. Is investment capital and finance a part of the JobMaker program?

Mr Smyth: It is part of Treasury.

Senator KENEALLY: Right. You're not aware if there's been any plan announced around that, are you?

Mr Smyth: I'm not aware. I would have to refer you to the Treasury portfolio.

Senator KENEALLY: What about economic infrastructure?

Mr Smyth: That is with the infrastructure department. We do work with the infrastructure portfolio, particularly in relation to some of our job programs and the like, and obviously also our training program. We work quite collaboratively.

Senator KENEALLY: We have got them this afternoon. I'll ask them about that. Is federation reform part of the JobMaker program?

Ms Williams: Federation reform refers to the new national cabinet arrangements that have been announced by the Prime Minister and the new way of working with the states and territories. Of course, the JobTrainer program—

Senator KENEALLY: Is that the totality of the federation reform or is there more coming?

Ms Williams: That is the capstone of federation reform, as you would be familiar with the Prime Minister's announcement in regards to that. In our portfolio, there are significant discussions with the states and territories on skills and training under that new architecture.

Senator KENEALLY: As I said at the beginning, this is fairly amorphous this term 'JobMaker'. It seems to be a brand that gets slapped on what government does, post-COVID. If I wanted to ask someone how many jobs the JobMaker program was going to make, which branch of government would I ask that question to?

Mr Smyth: I would have to refer you probably to the economic side of the Department of the Prime Minister and Cabinet because it's an umbrella arrangement, where we're all working as collectively as we can to, obviously, see economic recovery accelerated as much as we can through all of our separate initiatives.

Senator KENEALLY: So you're not aware that there's been an announcement that the JobMaker plan is going to support 'this many' jobs?

Mr Smyth: I think it is very hard, as you would recall from the evidence of the secretary of the Treasury last week, to put exact numbers on that. It's a very volatile situation at the moment.

Senator KENEALLY: So we have got the plan announced for the arts. We have got the beginning of a plan announced with JobTrainer. I will grant you there is some discussion going on in relation to the industrial relations system. I am just trying to understand, in the rest of these things that I went through, if there are any

actual plans out? 'Caring for country at the heart of environmental management', 'having a go to get a go' within essential services, I can't recall seeing any government announcements or plans that back these things in.

Ms Williams: I think it will probably be appropriate to direct questions regarding those particular initiatives to those areas of government that have responsibility for them.

Senator KENEALLY: I have one more discreet question that doesn't really fit with my other questions that I could ask now. I referred to a publication from *The Economist* by Bill Mitchell from Tuesday 7 July. He talks about a jobs guarantee. It's fine. People can have opinions and put forward ideas, as Noel Pearson has done working with Professor Mitchell about a jobs guarantee. Professor Mitchell says in this blog on 7 July:

There has been a lot of groundwork laid over the last several months to bring people into the conversation. It is quiet stuff. Discreet. And as things unfold I will make some of the developments public. At present, all I can say is that I have a document before the Prime Minister today and there is a lot of behind-the-scenes workshops/briefings going on at state-level.

Is the department aware there is a plan on the Prime Minister's desk for a jobs guarantee?

Mr Smyth: I'm not aware of that.

Senator KENEALLY: Has the department been involved in any policy formulation or plan to develop a jobs guarantee?

Mr Smyth: No. I think that JobKeeper is the element that the government has been focused on to date.

Senator KENEALLY: So the department of employment has not been requested to develop a plan for a jobs guarantee?

Mr Smyth: No.

Senator KENEALLY: Okay.

CHAIR: Thanks, Senator Keneally. I have a couple of follow-up questions from Senator Keneally's line of questioning. Could you let the committee know on what date the department became aware of the JobMaker program?

Mr Smyth: We could take that on notice.

CHAIR: Okay. The Prime Minister mentioned it in his Press Club speech 10 weeks ago now. Do you have a lead official from the department who works on the JobMaker program?

Ms Williams: I think, as we've advised, we're responsible for elements of it and, for those elements, we have lead officials. Of course, the big element that we're responsible for sits in the skills and training space, so the officers here today are responsible for that.

CHAIR: Did you take on notice to come back with who the lead agency is on JobMaker?

Mr Smyth: We can certainly do that.

CHAIR: But at this point in time you don't know.

Mr Smyth: Because it's an umbrella term across multiple programs—

CHAIR: Surely, someone's in charge of it.

Mr Smyth: I would say that Prime Minister and Cabinet would be the appropriate agency.

CHAIR: You think they might be?

Mr Smyth: Yes.

CHAIR: Have any cross-government arrangements been put in place for JobMaker, such as interdepartmental committees or working groups, that you would be a member of?

Mr Smyth: Not specifically under the name of JobMaker, but there are a number of interdepartmental committees, as well as committees that we are working across government on, in relation to economic recovery.

CHAIR: Okay, but on the JobMaker program there's no set infrastructure.

Mr Smyth: Not classified, as I said, under that specific term; not that I'm aware of.

CHAIR: You don't attend meetings on JobMaker across government?

Ms Williams: I think it would be fair to say that, as Mr Smyth was outlining, we do attend a range of IDCs and meetings related to elements of JobMaker, where they fall into our areas of responsibility. The skills and training elements are a really good example of that, where we do have quite consistent meetings with colleagues around the implementation of that measure. I'm sure that, in a range of other measures that sit under the JobMaker umbrella, there are similar sorts of arrangements in place.

CHAIR: It might be useful for the committee if you could provide us on notice with the IDCs that you participate in across your areas of responsibility.

Ms Williams: Certainly.

CHAIR: That may assist. Senator Paterson, I will go to you first, and then back to you, Senator Siewert.

Senator PATERSON: Briefly, just to clarify, I will follow up on those questions from the chair and Senator Keneally. As I understand it, JobMaker is a whole-of-government policy and JobTrainer is the element of that policy which the department is responsible for. Presumably, the department is not responsible for and does not have visibility of the other elements of that program, such as the green-tape reduction elements of the program, which would sit under the appropriate departments, such as the department of the environment.

Ms Williams: That's correct. As you say, it's a whole-of-economy effort, so it does cross multiple areas of government, as you would expect, but the department is responsible for JobTrainer and the skills and training elements of that program, yes.

Senator PATERSON: Right. Presumably you're not also responsible for other elements of the program, such as the infrastructure delivery part of the program, which would sit under the infrastructure department, which we'll be hearing from later on today?

Ms Williams: Yes, certainly. That's correct.

Senator PATERSON: As I understand it, whole-of-government policies are generally coordinated by Prime Minister and Cabinet.

Ms Williams: Generally, Prime Minister and Cabinet would retain oversight; that's correct. As you say, something like this is essentially a whole-of-government exercise. It crosses multiple portfolios, and quite rightly so, because it is a whole-of-economy effort, essentially, to get the recovery in place.

Senator PATERSON: Right. So, if senators wanted to ask questions about whole-of-government programs, the best place to direct those questions would probably be to the Department of the Prime Minister and Cabinet, wouldn't it?

Ms Williams: Yes, I think so.

CHAIR: We'll have them next week, I think.

Senator PATERSON: We'll look forward to that. That's all from me for now.

Senator SIEWERT: I want to go back to the issue of rejecting a suitable job. You've just articulated the criteria. There are no new criteria. These are the standard criteria and there are no new criteria or changes in the light of COVID.

Mr Smyth: It does have to take into account the current restrictions that may be in place in a local area—for instance, those requirements don't apply to all of Victoria at the moment. We've excluded Victoria obviously from those, given what's happening in Victoria. We remain vigilant and flexible to provide advice to government on any other changes that might be required depending on how the pandemic starts to unfold or change in its course.

Senator SIEWERT: Okay. People can't be asked to relocate either permanently or temporarily under the suitable job provisions.

Mr Smyth: That's my understanding, yes.

Senator SIEWERT: What is taken as a suitable travel distance?

Mr Smyth: I think it's up to 90 minutes

Senator SIEWERT: So it's still the 90 minutes?

Mr Smyth: Yes.

Senator SIEWERT: In terms of the penalty that will apply, you lose access to jobseeker—is that correct?

Mr Smyth: There's a four-week preclusion period applied for work refusal if it is deemed as such by Services Australia once they take into account all of the factors that are put before them by the participant.

Senator SIEWERT: Do they then have to reapply for jobseeker or they will automatically go back on?

Mr Emerson: They would need to reapply. There would be an abridged claim process, but they would still have to reapply.

Senator SIEWERT: Okay. Has anybody been precluded to date for not accepting a suitable job?

Mr Emerson: This is very early days but, yes, four work refusals have been submitted. I can speak broadly because I've only got data for one day. As you'd be aware, stage 2 only commenced on Tuesday 4 August.

Senator SIEWERT: And you've got four already.

Mr Emerson: Yes. There are four work refusal reports. All are in receipt of the jobseeker payment. Of those four, three were rejected by Services Australia and one is still being investigated.

Senator SIEWERT: To be absolutely clear, is it still the case that financial penalties won't be applied for any other of the mutual obligations requirements?

Mr Smyth: The only penalty that is applied at the moment is for work refusal. There is no suspension of payment for the other elements of mutual obligations—that is, attending appointments et cetera, which are obviously at the moment not face to face. Work refusal is the only element of mutual obligations that a penalty applies to.

Senator SIEWERT: To be absolutely clear, as opposed to what has been operating up until COVID, the providers are not even able to apply the suspension for not accepting a suitable job?

Mr Smyth: That is a Services Australia decision, not a provider decision.

Senator SIEWERT: Thank you. I just wanted to go to a particular case that I've heard about, although I suspect there are others. Are service providers able to visit people in their homes?

Mr Smyth: That is not part of the servicing arrangements at all. We have said that face-to-face servicing is not to occur. I understand and I'm aware of the issue that you're raising. Without going into the specifics and taking into account privacy considerations, that matter is being investigated by us at the moment.

Senator SIEWERT: Have you had other reports of aggressive and what some people might call predatory practices by job service providers?

Mr Smyth: I might hand to Ms Shannon, but I'm aware of anecdotal reports of that in the media and the like, and I provide a weekly or sometimes fortnightly address to all of our jobactive providers, and, in that, I've emphasised very clearly the expectations that the government and the department have on the way that jobactive providers are to service the participants that are on their case load. But I'm aware that, in media reports and the like, some of those practices have been highlighted.

Senator SIEWERT: I've heard what you've just said in terms of providing those briefings. What else have you been doing to follow up reports?

Mr Smyth: Where we have a specific claim or issue that's been raised through our national customer service line or we receive an email, then those matters are investigated and appropriate action is taken. But, in relation to anecdotal reports that you might hear via the media or social media and the like, unless we have a specific allegation that's made through to the department, we don't investigate those.

Senator SIEWERT: How many specific references to the department have you had?

Ms Shannon: I'd need to take on notice the exact number, but my understanding is that a very small number have been formally drawn to the department's attention. As Mr Smyth has indicated, where we have enough information—through a complaint that might be made through the minister's office, for example—to follow up, we will make an outbound call through our national customer service line. My understanding is that it's actually quite a small number, but I'd have to take the exact number on notice.

Senator SIEWERT: When you follow them up and they're found to be substantiated, what action is taken in relation to the complaint, if it's found to be substantiated?

Ms Shannon: The department will follow up with the provider. So we follow up with both the jobseeker and the provider, because obviously we're trying to get to the bottom of the situation. In some instances, we do actually ask the jobseeker to raise their concerns with the provider because that can be the best way to try and resolve the issue, but, if the issue isn't resolved to the jobseeker's satisfaction, the department can assist the jobseeker to change providers. So, if there's an issue in terms of perhaps a breakdown in the relationship between the jobseeker and their provider, we will facilitate that. We also will take corrective action with the provider, as Mr Smyth has indicated, to reinforce our expectations about the way that the service should be delivered. As these are often individual cases, that's usually the main course of action. But we're also watching quite closely—we have a number of different ways of monitoring the quality of service that providers deliver, and that can affect things like their quality assurance process. So these are all sources of information that the department takes into account through our regular management of provider service delivery.

Senator SIEWERT: Have any contracts been withdrawn or any financial penalties applied to providers that continue to carry out these more aggressive practices?

Ms Shannon: The department doesn't have evidence of behaviour that's of a sufficient level of seriousness to warrant the withdrawal of business from providers. So the answer to that is no.

Senator SIEWERT: Can I go back to the case—and I won't go into the details of the case—where somebody turned up at somebody's house. What remedies would be available if that was substantiated? I understand that you are currently investigating. If that is found to be substantiated, what occurs? If it's found to be substantiated, I would therefore assume that it's not the only occasion on which this has occurred. So what form of wider investigation would you carry out, and what would occur if that is in fact found to have happened?

Ms Shannon: The investigation at the moment is to get a range of information to determine, to the best of our ability, what actually happened and what might have motivated that particular contact by a service provider staff member with the jobseeker at their place of residence. The department will take all of the information that we gather into consideration. If we think that there are sufficient grounds to suggest that there's been a breach of the jobactive deed, we would provide a show cause notice to the provider, which would formalise our expectation of a response from them. It gives them the chance to formally respond to our suggestion that they may have breached certain provisions of the jobactive deed. In this case, I think we would be looking very closely at whether the breach might relate to our direction on face-to-face servicing that we have put in place as a result of the pandemic, where, as Mr Smyth indicated earlier, we have directed providers not to have face-to-face contact with jobseekers unless exceptional circumstances exist. So, really, I think in a case such as this, we would be wanting to determine whether there were reasonable grounds to believe exceptional circumstances existed.

Senator SIEWERT: What exceptional circumstances would you see would exist that would enable a job service provider to turn up at a private residence?

Ms Shannon: I would think there would be quite limited circumstances in such a case. It is our understanding that this is an extremely rare occurrence. In the time that I've been in the role I'm not aware of other cases. We do believe it's quite rare. I have to be careful about what I say here but an exceptional circumstance might include where there was a concern for the welfare of an individual. But in most circumstances where providers have a concern about the welfare of an individual, our advice and established practice is that they would contact the police or another appropriate third party to make a check in such a circumstance. We really are looking quite closely at this because we do see that it's quite an atypical example.

Senator SIEWERT: I understand the circumstances in terms of your currently investigating it. I would certainly like to know the outcome. Could you take on notice to provide the committee with an update on the outcome of the investigation, within the bounds of privacy, obviously. I may have further questions following that, depending on the outcome. Can I now go to the Victorian situation. There were a couple of days, following the introduction of the new circumstances in Victoria, for the different approach for Victoria to be announced. Heaven forbid that we are going to see further lockdowns in other states, but will a more timely decision be made, and is this the approach that's going to be taken in any further circumstances where further lockdowns are imposed—that mutual obligations can be taken to be suspended straight away?

Mr Smyth: As you know, it's very difficult to predict what's happening, but we are constantly monitoring the situation in relation to the pandemic across all jurisdictions, and even sub-elements of that, like we did with bushfires, where we were able to turn off mutual obligations to specific regional areas that were heavily impacted by bushfires. Where we can provide advice—ultimately it is a decision of government—where we can do it at the earliest opportunity we will endeavour to provide that advance warning to participants and our providers, yes.

Senator SIEWERT: In terms of the Victorian exemption for mutual obligations, when is that now due to expire, given that they have gone to stage 4?

Mr Smyth: No expiry date has been announced by government. It is open-ended at the moment. It will depend on the circumstances into the future that we see Victoria at, and whether the stage 4 arrangements are reduced, or whatever. Obviously, the focus is on getting the pandemic under control in Victoria, so there is no set date for the return of our phase 2 arrangements for Victoria.

Senator SIEWERT: In terms of the plan now for the return of mutual obligations and the phasing in in the rest of Australia, what sort of health advice did you take, in terms of determining that process?

Mr Smyth: Ultimately, this is a decision of government, but the government has made very clear that there are two key factors that they take into account in terms of the return of mutual obligations. The first is obviously the health circumstances, where the pandemic is impacting across labour markets in Australia. The second is the labour market circumstances of the particular area. The Prime Minister announced in his press conference on 21 July that we would potentially be looking to move to the next phase at the end of September, but that is obviously very much dependent on what happens in relation to the pandemic and local labour market circumstances.

Senator SIEWERT: In terms it being at the end of September, is the timing for the next phase still under review and may apply differently in different states and labour markets?

Mr Smyth: It could well do. As you know, there is just no way that we can predict what the situation of the pandemic is likely to be at the end of September, at this point in time. It is changing, obviously, on a daily, weekly basis. That is under constant review and consideration by government and the department.

Senator SIEWERT: Can I go back to some of the issues around the jobactive providers and the case load. We have 1.44 million people in the case load for jobactive providers, including under the various streams. That is effectively more than double the case load in February. How is that being handled in terms of job service providers being able to handle that case load?

Mr Smyth: That's a good question. The case load is effectively split now between our online servicing system, which has around 400,000 people currently in it, and our provider case load, which has a bit over a million people currently on the books.

Senator SIEWERT: Can we just break this down. Does the 400,000 online include the two trial areas for the new approach—you know, the changed service provision?

Mr Smyth: They include people who are in our digital servicing system. A small number in the trial regions, and the government has made a decision that the most job-ready participants would remain in digital servicing and those people who would benefit most from being with a provider would be moved to a provider servicing arrangement. That's why we have around about 400,000 currently sitting in our online system and just over a million with providers.

Senator SIEWERT: Are the 400,000 judged on their self-assessment online?

Mr Smyth: It's judged on their jobseeker classification instrument. When it's done online it's called the jobseeker snapshot. It's based on the score that they obtain there, but it's also based around their ability to self-manage in a digital environment. There are some safeguard provisions built into that. That remains a voluntary option, as well. People are able to opt out of the digital servicing arrangement and be placed with a provider.

Senator SIEWERT: How many people have managed to find work out of the digital self-servicing and the online process?

Mr Smyth: It's hard in the digital environment to work out whether they've actually been placed in jobs. Because they go off income support, they go out of the system. It may be that they have found a role. Around 24 per cent of people in our case load are reporting earnings. So it may be that they have picked up additional work and therefore are not eligible for income support anymore. Ms Ryan might be able to give you some of those numbers.

Ms Ryan: I don't have any figures on hand today, so I can take that on notice. In the early evaluation evidence that we had prior to COVID, we found that those jobseekers who were being serviced online were as likely to exit from income support through servicing themselves as they would have been if they had been serviced by an employment services provider. I will have to see whether I have any figures. Obviously COVID has disrupted everything in terms of people being able to find employment at the moment.

Mr Smyth: As of July, 180,534 people had exited employment services since late March. That could be for a variety of reasons. They could have been placed into a role. They may have inadvertently applied and been ineligible because they are on JobKeeper. You would remember that some people would have applied for income support prior to JobKeeper eligibility being finalised. It's very hard to differentiate all that, but we have 180,534 people who have left employment services.

Senator KENEALLY: Since my last round of questions, I have looked at the Department of the Prime Minister and Cabinet website and the Prime Minister's website. With the exception of the announcements for the creative economy, I can't find any mention of a JobMaker program—even under current initiatives or domestic policy. Is there, anywhere across government agencies, something called the JobMaker plan?

Ms Williams: In terms of the website, you may need to direct that question to the Department of the Prime Minister and Cabinet. As we outlined a little earlier, the JobMaker plan comprises a number of elements and each of those elements is located in different portfolios. It is a whole-of-economy effort. The component elements will be on the various portfolio departments' websites, I'm sure.

Senator KENEALLY: Is it branded JobMaker on your website?

Ms Williams: I think we've got quite a bit of information around the range of initiatives that we have that fall into that JobTrainer/JobMaker category. I'm not familiar with how we have actually branded it; I'll have to look into that.

Senator KENEALLY: So you can't actually point me to any place on the Department Of Employment's website where there are elements of the JobMaker plan?

Ms Williams: I certainly could. Let me take that on notice and we'll see if we can find some information on that for you. I'm very confident that we do have information on all of our skills and training initiatives on our website.

Senator KENEALLY: My point is: are they described as JobMaker? I'm just trying to get my head around the idea that there was a big announcement back in May about something called JobMaker, and it seems to be completely amorphous. With the greatest respect—and I understand that it's not your responsibility—it just seems to be a marketing brand rather than an actual plan. I'm trying to understand if there is anywhere in government where something sits that is called the JobMaker plan and how many jobs it's going to create.

Ms Williams: As we said earlier, it would probably be appropriate to direct questions around the JobMaker plan to the Department of the Prime Minister and Cabinet. In terms of the elements that this department administers, we're happy to take questions on that. But, as I said, it is a whole-of-economy plan. It is essentially designed to contribute to and lead the recovery effort across the entire economy and, therefore, there are different components of JobMaker that sit within a range of different portfolios, as would be appropriate.

Senator KENEALLY: I don't mean to be disrespectful but, when I started asking about this an hour ago, you said they were largely the same thing—JobMaker and JobTrainer.

Ms Williams: I think I did clarify my point there, which is that I did misspeak. As I've clarified, I meant to say that the JobTrainer plan—or elements of it—is a component of JobMaker. It is important, but it is only a component.

Senator KENEALLY: So you're telling me that the only people who can tell me how many jobs JobMaker is going to make are the Department of the Prime Minister and Cabinet?

Mr Smyth: We would refer you, in terms of the whole-of-economy approach, to the Department of the Prime Minister and Cabinet. But, as I said, it's very hard to forecast in the current economic environment and the current health environment exactly how many jobs are going to be created. I don't think there is a figure. Certainly all government departments are focused on increasing the amount of employment in the market and also utilising every resource and policy lever that we have to try to improve economic activity where possible.

Senator KENEALLY: So there is no JobMaker plan but there is an implied commitment to creating jobs?

Mr Smyth: I would refer you to the Department of the Prime Minister and Cabinet.

Senator KENEALLY: We'll have to wait until they come before us because there is nothing on their website. So I will continue on with those portions of the JobMaker brand that currently sit within your department, and that of course is JobTrainer. I can see from the communique for the skills ministers meeting on 31 July 2020 that there was a heads of agreement for skills reform that has been signed by seven jurisdictions. I take it that Western Australia has not signed?

Ms Williams: That's correct; WA has not signed at this stage.

Senator KENEALLY: Do you have any advice as to why that is?

Ms Williams: No, I don't. The WA government has a range of concerns with signing the heads of agreement.

Senator KENEALLY: Do you know what those concerns are?

Ms Williams: The concerns expressed by the WA government relate to entering into discussions with the Commonwealth around the broader areas of the heads of agreement, particularly in terms of funding.

Ms McDonald: As Ms Williams has said, all states and territories, with the exception of Western Australia, have signed the heads of agreement. Western Australia have had some discussions with the Commonwealth, and there is still a process of working through a number of issues that they have raised. Their questions relate to the heads of agreement itself, in terms of the pathway for reform. They have asked for clarification of a number of issues, and there has been correspondence between Minister Cash and the skills minister clarifying some of the issues that they asked about. The sorts of things that have been covered in these discussions are the concept of contestability and the role of TAFE. That is one of the areas covered in the agreement, the issue there being that we're interested in a strong VET sector and contestable markets but within that a focus on the needs of the learner and the employer who will be employing the person with skills and the providers in various areas that are best placed to do that. Certainly those issues have been clarified with Western Australia, and in many cases, as you know, TAFE is the best provider, particularly in areas with thin markets. In other cases there are other providers that are best equipped for particular sectors or particular areas to offer training. So, it is a mix.

The other issues relate to the role of the National Skills Commission in VET pricing and clarifying how those arrangements will work in the longer term. That is an evolving discussion with states and territories. The National Skills Commission has been established now as a Commonwealth entity. It commenced its operation in its full capacity from 1 July. So, it's a short period of time that it has been operating in this phase. There are discussions with states and territories about how the commission and states and territories best work together. There are clarifications about what is meant by 'efficient pricing' and how an efficient pricing model would operate. In relation to that, there are clarifications that an efficient price doesn't mean the lowest price; 'efficient price' also can mean variations in regions and it can mean differences for different cohorts of students that require—

Senator KENEALLY: Perhaps I could just interrupt there, because my time is very limited today, and I'm getting a sense of some of the concerns. Let me ask this: is there a deadline for Western Australia to sign, or not?

Ms McDonald: At this stage those states and territories that have signed the heads of agreement are eligible to be part of the JobTrainer program. With the JobTrainer program and the matched funding, we are rapidly working with the participating states and territories to establish the arrangements. The consequence of Western Australia not joining is that at this stage they're not part of those discussions, but they are very welcome at any point to work through the issues with us and to join in.

Senator KENEALLY: But that doesn't answer my question. Is there a deadline?

Ms McDonald: Not at this stage. The offer is open to Western Australia.

Senator KENEALLY: If they choose to opt out, what will happen to their allocation of the funding—the \$500 million on offer from the Commonwealth?

Ms McDonald: There's no decision on that at the moment. Their share of that funding is currently available for them to join.

Senator KENEALLY: Okay. Thank you. Perhaps I can go to the challenge of rorting. The history of rorting in the vocational education and training sector is well known. I don't intend to canvass that. But what practical steps are being taken to ensure that we won't see rorting happen under this JobTrainer fund?

Ms McDonald: Certainly, as part of the development of the arrangements, we're working with states and territories to ensure that the training is of quality and that the providers that are contracted are those that have a track record and that we know that they're going to be able to deliver services. So we're working very closely with the states and territories in relation to that. We have looked carefully at the nature of the market, in doing that. As you know, since the time that there was a lot of rorting in the system, there have been a lot of improvements and tightening up of the arrangements, so the arrangements are very different. We also have a strengthened arrangement with ASQA, which has been on a rapid reform journey itself, in strengthening its ability to ensure the quality provision of services by RTOs.

The sorts of things that we've been working on with states and territories are the arrangements for selecting and contracting RTOs to deliver training, using that broad mix of private and public RTOs—those that have a track record in particular areas. States and territories will initially stage up the increase in service provision, so it's not going to be an immediate ramp-up; it will be staged in line with the capacity of the RTOs to deliver the services. In relation to ASQA, which I have already mentioned, the department has also already been meeting with ASQA and discussing the initial implementation arrangements for JobTrainer so they can also internally think about their risk management procedures and how they monitor training within the system.

Senator KENEALLY: I'll leave that there. We may come back with some questions on notice because there's a bit more I want to unpack there. But, given the time, can I go to the other aspect of the announcement, which was that the \$1 billion JobTrainer program will provide up to an additional 340,700 training places to help school leavers—this is what we've been talking about. I'm trying to understand what 340,700 places actually refers to. Does that refer to courses or students or some other measurement?

Ms McDonald: It is a mix of training places available for students. A number of those would be full qualifications, but it includes a large number of what we call 'short courses'. Short courses might be skill sets. They could be a skill set that is one to three units of competency. It could be a part qualification.

Senator KENEALLY: Can I be clear, 340,700 places is not 340,700 people? Because one person might take more than one place.

Ms McDonald: It is possible that an individual might do two short courses. We wouldn't think an individual would do a full qualification—more than one full qualification—but where they were short courses, an individual might mix and match a number of small short courses to be able to get the supplementary range of skills that they need.

Senator KENEALLY: Does the department have an estimate of how many actual people are going to be assisted by the funds?

Ms McDonald: We don't.

Senator KENEALLY: Okay.

Ms McDonald: But, for the number of places there, the largest proportion of it would be individual people. So there's a large component of full qualifications.

Senator KENEALLY: Sure. Okay. I'm just mindful of the time.

Ms Williams: All I would add there is I think it's important just to recognise that these arrangements are still being negotiated with the states and territories, so the final mix of training places, the number of places in terms of whether it's short courses or full qualifications, is still being worked through. It will differ from jurisdiction to jurisdiction, based on the specific circumstances of that jurisdiction and the expected skills needs. So those elements are still being worked through at the moment.

Senator KENEALLY: Have you worked out how the places are going to be distributed across states and territories?

Ms McDonald: We are working with states and territories in relation to that at the moment. The funding has been allocated to states and territories based on a per capita share, and the states are providing matched contributions to that. The mix of places then within that will depend on the particular needs and circumstances within the state and territory. A full qualification is more expensive than a short course. So it will depend on the mix of short courses et cetera, but the limiting factor there is the availability of funding and what the best offerings are for the state or territory, given the circumstances and needs.

Senator KENEALLY: Okay—

CHAIR: Senator Keneally? I think we've lost Senator Keneally's phone line. I've got a couple of questions that I can go to now and we can see if she rejoins us. This is part of the challenge of working under COVID safe conditions. Sorry to move on from the area Senator Keneally was on. I've got some questions to ask around unemployment. According to last month's economic and fiscal update, the unemployment figures are expected to rise to 9¼ per cent by the end of the year. This equals an extra 240,000 people who will be unemployed or lose their jobs between now and then. Has the department provided any advice to government about the implications of a rise in unemployment like this? What does it mean for the labour market, long-term prospects for employment and other impacts?

Mr Smyth: We rely very heavily on Treasury's estimates for those figures. We look at whether or not that's going to have an impact potentially on our case load and that we ensure—

CHAIR: 'Case load' in terms of jobactive?

Mr Smyth: People that are on—the jobactive case load, transition-to-work case load and the like. Those estimates are undertaken in Treasury, as to labour force numbers and the like. So we rely on their estimates.

CHAIR: The estimates come from Treasury. I guess my question goes to—taking Treasury's estimates—do you then provide advice to the employment minister on the impacts of the estimates that Treasury has provided and what it means? Do you provide any sort of policy analysis of the labour market programs—

Mr Smyth: We do. That function has now moved to the National Skills Commission. Mr Neville is here from the National Skills Commission. He is our labour market expert and he regularly provides updates to the minister's office in relation to how it breaks down, what it means for particular groups and all that.

CHAIR: Thank you. Mr Neville.

Mr Neville: One of the challenges that we're facing at the moment is the enormous uncertainty in terms of what is happening in our labour market. It is very much a moveable feast. But, as Mr Smyth has said, we rely very much on the data that we get from the ABS and we brief the minister for employment on a monthly basis in terms of the various releases that the ABS is now putting out in relation to the labour market.

CHAIR: So you provide briefings on a monthly basis. Has that changed at all through COVID? I would have thought there might be more briefings.

Mr Neville: It's changed to the extent that the ABS is actually releasing more information.

CHAIR: Exactly.

Mr Neville: They are running specific surveys relating to the impact of COVID-19 on businesses. Those surveys come out every two weeks and we brief the minister on the outputs of those surveys.

CHAIR: Okay. I'm not asking you for the minister's brief, but it might be useful if you can take on notice what is the view of the National Skills Commission on some of that data that you're seeing. I think we would be interested in understanding that, or you can answer now.

Mr Neville: We are really just reporting the facts as published by the ABS, so we're not necessarily expressing an opinion. We're just reporting.

CHAIR: 'This is what it is'?

Mr Neville: 'This is what it is.'

CHAIR: Okay. I accept the point about uncertainty as well. I think we all accept that. But what is certain is that a lot of people have lost jobs, a lot of young people have been affected, and a lot of people are getting jobseeker—1.6 million, and there are 3.5 million on JobKeeper. So we know there's a lot of public dollars going into supporting a huge percentage of the labour market. That's not uncertain. So I would have thought there would have been, perhaps, a sense of urgency from the government about what to do over the next 12 to 18 months on handling some of those issues and what programs and supports are necessary to support jobs growth.

Mr Smyth: That issue does not necessarily go to Mr Neville's particular work, but it does go to the programs and policies that separate departments have, as a result of those forecasts, as to how we can arrest the decline in employment numbers and the like and how we can get more people back into work. That's where, as I think we talked about earlier, with each element of the JobMaker program departments are heavily focused on how we can improve the prospects for people. It goes a lot to a statement that the Prime Minister made about utilising the JobTrainer program and, for people who are on jobseeker benefits, how we can use this opportunity to reskill and upskill that cohort of people to ensure that they are ready for the jobs that are available when the economy starts to reopen. We're heavily focused on that, and the government will make further announcements about some of those potential changes in the coming weeks as well.

CHAIR: Okay. The National Skills Commission's job is basically to provide the advice, as I understand it, around areas of priority need. I've read a couple of the key addresses that have been given. When is that work going to be finalised? When will we have a list of essentially what's going to underpin JobTrainer and what's going to be available and when?

Ms Williams: I'm happy to take that question.

CHAIR: Okay.

Ms Williams: The National Skills Commissioner has a really fundamental role in assisting both the Commonwealth and the states and territories in determining where there are areas of particular skills need and where we need to target, essentially, the funding under the JobTrainer scheme in order to meet that need. The interim National Skills Commissioner is working directly with the states and territories to determine that list. It is a collaborative process; it's not a top-down process. The interim Skills Commissioner will work with each jurisdiction to determine, from the bottom up, where they're seeing skills gaps, and the combined effort of the Skills Commissioner and the states will generate that list, essentially.

CHAIR: Do you know when that list will be available?

Ms Williams: We're working with each state and territory at the moment. We're expecting that a lot of those discussions will take place over the next couple of weeks, and we'll have a consolidated list shortly.

CHAIR: Okay. So it's not a matter of months away?

Ms Williams: No, we're trying to do this as rapidly as possible. As I think Ms McDonald said earlier, the intention is to get as much of this training as possible out in the market as soon as possible—as early as October, essentially.

CHAIR: That's why I would have thought we would have a date by now about when we might have the advice about the particular skills being targeted. But perhaps you can take that on notice and provide it to the committee when you do become aware.

Ms Williams: Certainly.

CHAIR: On wages, does the department have any role there? The wage growth forecasts in Treasury are pretty grim, down to 1¼ per cent this financial year. Does the department do any analysis on that and the impact of that? We've had stagnant wage growth for some years, but now we're going to have very low wages growth over this financial year, and we don't know about the fiscal years beyond that, and we won't know until October. Have you provided any advice to your minister about what impact weak wages growth is going to have on working people?

Mr Smyth: No.

CHAIR: You don't any have role there?

Mr Smyth: We don't have a role in relation to wages.

CHAIR: Doesn't the employment department have a policy which would look at this and then—

Mr Smyth: The workplace relations side of the portfolio was transferred to the Attorney-General's portfolio mid-last year.

CHAIR: Before that change, that would have been the unit that would have had a look at this?

Mr Smyth: That's probably right, yes.

CHAIR: It's not your issue, but it just seems odd that the department of employment has lost the capacity to look at the impact that weak wages growth will have on the labour market, considering it is responsible for getting people back into work.

Mr Smyth: That would also be a function of Treasury. That's one of the core pieces of work that Treasury would do.

CHAIR: But your policy capacity seems quite reduced. You're saying that you take the estimates of other departments and then look at how they impact on your deliverability arm through the caseload. There's not a lot of policy depth that goes into doing that; that's really taking from one and—

Mr Smyth: Those functions around workplace relations, as I said, sit with the Attorney-General's portfolio.

Ms Williams: To add to that: on the contrary, the establishment of the NSC has in fact given the department and the government the capacity to have of the labour market a holistic view that may not have existed previously. It's certainly the department's intention that the NSC will be resourced to undertake cutting-edge data analytics. It would be fair to say that we now have access to much more extensive industry and stakeholder advice and analytics than we may have had previously.

CHAIR: But not in relation to the impact of high unemployment or of weak wages on the labour market, which are the questions I asked?

Ms Williams: No.

CHAIR: I don't dispute the other side of it. Finally, were you involved in any kind of discussion, advice or meetings around the revisions to JobKeeper and the coronavirus supplement that were announced?

Mr Smyth: No. The policy responsibility for JobKeeper and the coronavirus supplement resides in Treasury, and the jobseeker payment is with the Department of Social Services.

CHAIR: So your work is directly impacted by revisions to both those programs, but you're not included through an IDC?

Mr Smyth: We weren't involved in the policy formulation of that, no.

CHAIR: I have a question that goes back to Senator Siewert's question around work refusals. The department said that since 4 August, four refusals were submitted, three were rejected and one investigation is underway. Does rejection mean that the jobseeker is now cut off from the jobseeker payment?

Mr Smyth: No; that was rejected by Services Australia, so there is no penalty applied to those three people.

CHAIR: So it's a rejection against whatever comes back from the jobactive—

Mr Smyth: That's correct.

CHAIR: Okay. Thank you.

Senator DAVEY: I have a few questions regarding apprentices and trainees. Have we got the right people at the table for that?

Ms Williams: Just give us a second, and the officers will come to the table.

Senator DAVEY: I'd like to begin with an update on the wage subsidy that is out there for apprentices and how many people are being supported with that subsidy, and, importantly, whether, as we are seeing the second wave of COVID, particularly in Victoria, there has been a decline in the number of apprentices that have been supported.

Ms Williams: Certainly. I may ask the officers available to talk to that point. The supporting apprentices and traineeship wage subsidy has been available, as you know, since 2 April. In that time 86,303 apprentices and trainees and 49,486 employers have been supported by the measure. Around \$419 million has gone to supporting those apprenticeships. As you're aware, the original measure applied to small businesses and the government has

since expanded the measure to apply to small and medium businesses, so more apprentices will be able to be supported through that expanded measure.

Senator DAVEY: On that, have we got details of how many medium businesses? It was for small businesses with below 20 employees and now I understand it goes up to businesses with 199 employees. Are there any details of how many apprentices employed by those medium businesses we expect will be able to be supported?

Ms Williams: Certainly. I might ask Mr Thiveos to answer that question.

Mr Thiveos: Originally we were supporting 70,000 small businesses with 117,000 apprentices. That's where the eligibility lay. Extending that to medium businesses means we're looking at 90,000 businesses now, and we're looking at supporting around 180,000 apprentices. The other thing we should remember as well is that, although this measure has been extended to medium businesses at this stage and we did have the small businesses to begin with, when one of the eligible apprentices leaves their employment and finds employment with a large employer, that large employer will retain that subsidy for that apprentice. That means the subsidy remains with the apprentice if they go to a small, medium or large business, if they're displaced and then taken on again. That also applies for our group training organisations as well.

Senator DAVEY: That's good. Have we got a break down of those figures—you may need to take that on notice—by state but also regional versus urban?

Mr Thiveos: We do. Are you talking about the amount of money that's been expended currently? Are you talking about our current wage subsidy that's been paid out—the \$400 million that Ms Williams talked about? I do have a state break down.

Senator DAVEY: It would be good if you could provide that to the committee. I would be interested in seeing that and also the number of actual apprentices in each state that have been supported.

Mr Thiveos: I have that information. I can provide that now.

Senator DAVEY: That would be great.

Mr Thiveos: In New South Wales the amount is \$133,593,139. It supports 27,587 apprentices and trainees, and that is for 16,049 employers. In Victoria, the amount is \$99,446,755, supporting 20,586 apprentices and trainees for 11,659 employers. In Queensland the amount is \$79,925,748, supporting 16,372 apprentices and trainees for 9,935 employers. In Western Australia the amount is \$29,927,335, supporting 6,019 apprentices and trainees for 3,528 employers. In South Australia the amount is \$23,823,248, supporting 5,226 apprentices and trainees for 2,573 employers. In Tasmania the amount is \$13,132,117, supporting 2,602 apprentices and trainees, for 1,476 employers. In the ACT the amount is \$5,832,665, supporting 1,170 apprentices and trainees for 573 employers. In the Northern Territory we have \$3,735,259, supporting 550 apprentices and trainees, for 339 employers.

I also have a regional and remote breakdown, both nationally and by state, if you would like it.

Senator DAVEY: Yes.

Mr Thiveos: For regional and remote the total amount is \$144,052,329, and that supports 29,957 apprentices and trainees in regional and remote areas for 18,153 employers. In terms of the state breakdown, in New South Wales it's \$43,614,476, supporting 9,165 apprentices and trainees for 5,874 employers; in Queensland it's \$33,890,036, supporting 6,914 apprentices and trainees for 4,326 employers; in Victoria it's \$32,669,739, supporting 7,136 apprentices and trainees for 4,103 employers; in Tasmania we have \$13,132,117, supporting 2,602 apprentices and trainees and 1,476 employers; in Western Australia it's \$8,966,380, supporting 1,755 apprentices and trainees and 1,119 employers; in South Australia it's \$7,989,649 for 1,823 apprentices and trainees and 944 employers; in the Northern Territory we have \$3,735,259 supporting 550 apprentices and trainees and 339 employers; and in the ACT we've got \$3,761 for one apprentice and trainee with one employer.

Senator DAVEY: Thanks for those breakdowns; they're very informative. I also understand support has been provided to the National Apprentice Employment Network to help re-employ apprentices who've lost their jobs due to COVID. How effective has that support package been? Have we been able to find places for all of the displaced apprentices?

Mr Thiveos: As you've just said, we have paid an amount so that we can form a register to ensure that we have employment opportunities, which are vacancies, and also register any of those apprentices and trainees who are displaced. We currently have sitting on those books, I suppose, 155 apprentices or trainees, 114 employers and 175 vacancies attached to those employers. We've already had about 17 or 18 of those apprentices or trainees find work not through the register but through other means that have been there. There has been one that has matched as well.

But we have to remember we're looking for specific skills in specific areas. An employer might want a second-year electrical apprentice in Western Australia and we might have a third-year electrical apprentice in Victoria; therefore, that match doesn't work. To expand that, though, a lot of work is being done with our states and territories, given this is a shared system and the VET system is run by the states and territories. They have also established a number of registers themselves in order to assist with that placement of displaced apprentices and trainees. So what we're looking to do, through a working group that has been meeting on a regular basis, is to see how we might be able to bring those registers together in order to be able to place more of those displaced apprentices and trainees.

What I can say as an extension of that is that we have found that 2,154 apprentices and trainees who had been displaced and were on suspension from their current employer have been placed with another employer, which is very good news. That's a huge increase over what we've seen happen previously. Twenty per cent of those apprentices or trainees are also eligible for the wage subsidy, which they've taken with them. So what we are seeing is that there are some changes. Given COVID, it obviously depends on the different jurisdictions. In particular, we know that there are major issues in Victoria, but we have seen some of those suspended apprentices being taken up by other employers. Those 2,154 were in the March-June period this year.

Ms Williams: I think that's an important feature of the supporting apprentices and traineeships wage subsidy: it is available to employers who take on board apprentices who have been suspended or cancelled. We are starting to see quite a significant uptake of that. It is not just supporting apprentices to retain them in their current apprenticeship; it means that we're actually seeing apprentices being picked up. They may have been suspended, but they're being picked up by either their original employer or a new employer because they have access to that wage subsidy, which I think is quite encouraging.

Senator DAVEY: Finally, we've had the additional identified skills shortage payments for some time now. Is that program ongoing, and is it still valid in light of the changes that we're all going through with COVID?

Ms Williams: Yes, those incentives are still available to employers and are still being accessed. It's still valid. It's available to anyone who employs an apprentice or a trainee who falls into those categories of skills need that the ACE covers. We may have some figures around that that we can provide you with, potentially out of session or on notice.

Mr Thiveos: Yes, there are a number of other initiatives. You've mentioned one of them: the incentives we pay for apprentices and trainees. Since March 2020, an additional \$224 million has been paid in other incentives available for employers taking on apprentices and trainees, either at the beginning of the apprenticeship or at the end of it to ensure that we get them to complete their apprenticeship.

Ms Williams: So there's quite a significant amount of support to help an employer retain an apprentice and keep them in their workplace, essentially.

Mr Thiveos: If I could add one thing further, in some of the work that we're doing with states, we're not only looking at how we can synchronise what I suppose you might call an unemployment register for our apprentices and trainees; there are also a number of other things that are happening in the states in terms of money that's being put forward. It might be about displaced apprentices. It could be about encouraging employers to take on more apprentices and trainees. So there are a number of other funding points in each of the states and territories. Again, through the working group, we're bringing all that together to make sure we have a holistic picture of what is being done across the whole country at both the state level and the national level to complement both the incentives that we have and this wage subsidy so that we're best placed to make sure that we don't have the apprentices and trainees leave the training system, because we know that after the GFC we lost about a third of them, and they're very hard to get back. So we do whatever we can to keep them with their employer. That might mean that we look at suspension rather than them actually leaving employment—cancellation. That still attaches them to the system.

We also have a number of providers around the country in our Australian Apprenticeship Support Network. They have a mentoring system that they use for apprentices and trainees when there might be some issues around them being able to complete their traineeship or apprenticeship. What we've now done is to expand that role in their contracts for them to also keep in touch with those apprentices who have been either suspended or cancelled to make sure that, again, we know where they are and that they are receiving support to make sure that, once they're out of the system, they don't go. This way, though a mentoring service, we can continue to know where they are when we actually need them to come back into the system.

Senator DAVEY: I just want to clarify something. When we're talking to the states about the identified skills, that's not necessarily a one-size-fits-all for the whole nation; each state has the opportunity to look at what skills shortages they have in their areas. Is that correct?

Mr Thiveos: There's actually a national list of skills shortages, and it's quite flexible. We can provide you with that list. There are a number of occupations that sit on that list. It will depend on the different areas, but it will need to sit on that list. As I said, it does cover most of those areas. Remember that the wage subsidy is a broad based wage subsidy, so it covers all our skills.

Senator SIEWERT: Can I go back to where we left off earlier, on the question of how the jobactive providers are coping with the huge increase in numbers. We were talking about the 400,000 that are now being supported through the digital platform. Those 400,000 self-manage, and they're the people that are the most job ready. That's correct, isn't it.

Mr Smyth: Yes, in essence that is correct, though there are some people still in that online system, as I mentioned earlier, that are yet to have their stream determined. Once they have undertaken the snapshot, if they are a stream B or a stream C they will flow to a provider. If their JSCI indicates they're the most job ready, they will stay in the online system, yes.

Senator SIEWERT: There are 123,000 that still haven't been streamed. That's correct, isn't it.

Mr Smyth: Yes, that's correct.

Senator SIEWERT: When people self-assess, there's the group that go off to the digital process, and they can opt out. But there are around a million people that are still now with jobactive providers?

Mr Smyth: Just over a million; that's correct.

Senator SIEWERT: Are they reassessed when they go into the jobactive providers, or do they stay in the streams that their self-assessment indicates they're in?

Mr Smyth: If the jobactive provider identifies that there might be a problem with the snapshot that's been undertaken, they can redo that snapshot. They can also recommend people for ESA assessments. So there are multiple occasions where they can determine whether or not the participant is actually in the right stream.

Senator SIEWERT: For the snapshot, is that a different set of criteria to the processes that were used prior to COVID?

Mr Smyth: It's effectively the same online snapshot. We're constantly looking at the calibration of it and whether or not it's still fit for purpose, but it's essentially the online version of the JSCI that was conducted by phone via Services Australia, and it's been validated to be similar in terms of the score that it puts up for participants.

Senator SIEWERT: Let's go to the just over one million that are now with jobactive providers. That is still a very significant increase on the number of jobseekers that the providers were previously catering for.

Mr Smyth: Yes.

Senator SIEWERT: How are the jobactive providers now coping with this significantly increased case load?

Mr Smyth: Again, that's a very good question. It's one that we're closely monitoring. I should say at the outset that jobactive providers are playing a critical role in terms of assessing jobseekers, meeting their needs and supporting them in what is a really difficult period. When we had the large flow of people coming into the jobactive system, I think you'll recall from our last committee hearing, we had to turn off the Services Australia direct flow to our providers.

Senator SIEWERT: Yes.

Mr Smyth: We held them in the online system until they were able to undertake that snapshot. Up until a couple of weeks ago, we were referring, on average, around 30,000 participants a week to jobactive providers. We assessed, through surveys via our account managers, whether or not the providers were able to deal with that inflow, and I spent hours talking to every one of our jobactive providers about how they were dealing with the circumstances they found themselves in. A number of providers said to me that, whereas they had initially allocated around 15 minutes to commence people onto their case load, they were finding that that was really blowing out, to over 45 minutes, because people were coming onto the case load for the first time and they were experiencing issues around mental health and anxiety, feeling socially dislocated and the like. So our providers were spending a fair bit of time in providing support to those participants and helping them through commencing their job plans and the like and then working out what they needed to do.

We also looked at the volume that was then going through to the case load, and in April we made advance payments of \$28 million to our providers to assist them to deal with what was going to be a large inflow to their case load. That funding was to enable them to bring on additional staff and potentially to purchase equipment and the like. Those advance payments have been paid back now because of the case load, because every time a person is commenced on the case load of a provider there's an admin fee that's paid every six months.

Senator SIEWERT: Can I just check what that admin fee is? Is it still the same as it was previously, or has it changed?

Mr Smyth: I'll get to that fee in a second. I have it with me somewhere.

Senator SIEWERT: Sorry to interrupt, but I figured it was best to ask now.

Mr Smyth: That's alright. Effectively, what's happened is that we had the fees prior to June and then we've changed those fees because we've rebalanced the funding to providers for a six-month period from June to November of this year. Jobactive was predominantly an outcome based model. It was 37 per cent admin fees and 63 per cent outcome payments to providers. We've rebalanced that to fifty-fifty. For our providers, that is \$391 each six months. For younger people who are SPI participants, that figure is \$547 until the end of November. So we've now rebalanced the outcome-to-administration arrangement to fifty-fifty to enable our providers to employ more staff and ensure that they actually have the capacity to do that essential work to be able to manage the case load.

We are also looking through our online systems at how our providers are able to manage that particular case load element given the large volume, and we're speaking with them about that on a regular basis. A lot of providers were certainly focused on commencing people into their case load and the like, but, now that we've gone to holding people that are the most job ready in the online system, we've certainly turned our attention, and asked providers to heavily turn their attention, to meeting the servicing needs of participants in the case load.

Senator SIEWERT: Thank you. Does everybody who is in the system now have a job plan?

Mr Smyth: Everyone who is in our system should have a job plan. The issue, of course, is around mutual obligations: there is no suspension if people do not have a job plan. So some people, as I said, have not completed that JSCI, so they may not have finalised their job plan. One of the reasons we want people to have a job plan is that we know—the evidence is very clear—the more that people are not engaged in the labour market, the poorer their chances are of re-engaging in the labour market as the economy recovers. So it's essential that we try and get as many people to have that job plan—whether they're in the online system or with our provider servicing.

Senator SIEWERT: I understand the issue about job plan. My concern, as I'm sure you're aware, is that they are individualised, that there is enough time and that job providers are supported enough to be able to individualise them. I'm still getting feedback that job plans are more a rubber stamp, where people are just told to sign here and people don't feel like they've been given an opportunity to make sure the job plan meets their needs. That's why I'm asking, given the huge case load that we now have, what are you doing to check that people are getting their job plan that actually meets their needs?

Mr Smyth: You and I are both concerned about the same issue, Senator. No question. We've had numerous discussions about this in the past. We continue to work with our providers to ensure that they can commence as many people as possible but also to undertake that tailored job-planning. That's why we provided the advance in administration fees and why we rebalanced the payment model to ensure that providers have sufficient resources to undertake that tailored job-planning that's required.

CHAIR: Senator Keneally.

Senator KENEALLY: Thank you. I would like to go back to apprenticeships and confirm that the expansion-extension of the apprenticeship subsidy, the \$1.5 billion package. It is the expansion-extension of the existing apprentice and training wage subsidy? There are no new spots in that package. Is that correct?

Ms Williams: It expands it, in terms of extending it, so it's available for longer, but it also expands eligibility so that medium businesses are also eligible to claim the wage subsidy.

Senator KENEALLY: So how many new apprenticeships or traineeships do you anticipate this will create?

Mr Thiveos: This will allow us to cover an additional 60,000 apprentices and 20,000 medium businesses that aren't covered under the current wage subsidy. So we'll cover an additional 60,000 apprentices.

Senator KENEALLY: But are those apprentices that are already working? Or are we creating new apprenticeship places?

Ms Williams: As we outlined before, this measure is designed to retain existing apprentices in their workplace and it also allows businesses to pick up apprentices who have been either suspended or cancelled. The subsidy is

available for those apprentices as well. So the intent of the measure is to ensure that people are retained in the apprenticeship for as long as possible, because we do know that, generally, once apprentices are separated from the apprenticeship, it's very difficult to get them back in the system again and connected back to work again.

Senator KENEALLY: That's very helpful. Thank you. I understand there has been a report from the Mitchell Institute showing a 30 per cent decline in new apprenticeships over the next three years. The Australian Apprenticeship Support Network is suggesting that there will be 80,000 fewer apprentices by mid next year. I'm trying to understand—has the department modelled the impacts of declining commencement figures for apprenticeships and traineeships?

Ms Williams: We are looking at this question of commencement numbers very carefully. We're conscious, obviously, of the range of numbers that are out in the public domain. I think that, when we last provided evidence to this hearing on this point, we talked about the difficulty in securing national data through the NCVER, because of that time lag. But we do have access, I guess, to our own program data in terms of what we're seeing within the apprenticeship incentive system, as well as access to more contemporary data from our colleagues from the states and territories that we've been working with them on through the Skills Council, the skills ministers process. That data—noting that it is very preliminary data and it's not that sort of nationally confirmed data—is showing that there are still apprentices being put on. So I think we need to be very conscious that businesses are still continuing to employ apprentices. We still saw 42,499 commencements over the March-June period, while we were in the midst of COVID, so businesses are still employing apprentices. Commencement data does look like it is down, but it varies from state to state, and there is also a very big difference, from what we can tell from the preliminary data that we have, between commencements in trade occupations and commencements in non-trade occupations. The apprenticeship and trainee data that we have covers not simply trade occupations but also if someone has a traineeship, for example, in retail or hospitality, where you would expect to see quite big drops in commencements due to the situation that we have with shutdowns et cetera.

So we are seeing a drop. That data is telling us that there's about a 22 per cent drop at this stage in the period between March and June compared to the same time last year, and I guess it's not unexpected. That drop is mostly sitting in the non-trades area. The drop in trade commencements is looking to sit around 10 per cent compared to this time last year. There were about 2,264 fewer commencements than we saw last year. The largest decline is among non-trade apprentices: admin and support services, accommodation and food services et cetera—retail particularly. That does vary significantly across jurisdictions as well. You are seeing larger drops in some of the bigger jurisdictions, not surprisingly—obviously Victoria. But other drops are not as significant. South Australia, for example, has seen a very minor drop in commencements.

Senator KENEALLY: Is that data publicly available?

Ms Williams: That data is not publicly available. I guess that's what we're seeing within our own program data, and I have a caveat: that is program data, and it hasn't been confirmed. It is consistent, however, with what we're seeing through the NCVER's preliminary look at this issue and the work that the NCVER is doing with the states and territories around what they're seeing in their own systems. It's very preliminary data. It is data that we haven't confirmed or cleaned up at a national level, but I'm reasonably confident that those are trends that we would see across a range of datasets. We will see changes in that. As different jurisdictions start to open up and business activity resumes, you would expect that, in those jurisdictions that are in more significant shutdown, you would continue to see a suppression of commencement numbers. But, as I said, it is very different in each jurisdiction. There's not a uniform national number.

Senator KENEALLY: I understand those caveats you've just put on, but is it possible to get a summary of that data by trade and non-trade and by state?

Ms Williams: Yes, I'm happy to do that, with those caveats that it is only preliminary data and it's only the program data that we have access to. So it indicates a trend but it's not a firm set of numbers.

Senator KENEALLY: Is what that data tells you suggesting that there are any changes to the wage subsidy or the apprenticeship support that need to be made in the COVID context? Have you come to any conclusion about that?

Ms Williams: We are looking at this very carefully, as I said. It's an issue that's been on the skills ministers' agenda for the last couple of meetings, and skills ministers have made a commitment to come back to their next meeting and look across each jurisdiction to determine whether there's scope for any further intervention. But you're right: it's an issue where I think we need to keep monitoring the situation to see whether there is an uptick in commencements as businesses start to open and whether the existing supports are able to support them to do that.

Senator KENEALLY: So you've asked the different skills ministers around the country to come back?

Ms Williams: Yes. As Mr Thiveos said earlier, there are a range of supports in place. We have our existing apprenticeship incentive programs in place at the Commonwealth level, but each state and territory also has supports that are available to either apprentices or businesses employing apprentices. There are a range of supports that they have had in place for an extended period of time, but there are also new measures that have been introduced over the course of the pandemic. Therefore ministers have committed to coming together to look at whether those supports are sufficient and where we might need to take further action if necessary.

Senator KENEALLY: Will the Commonwealth also be coming to that meeting with any further suggestions?

Ms Williams: The Commonwealth chairs that meeting and would absolutely come to it with a very collaborative mindset to work with the states and territories to come to a view on what might need to happen next.

Senator KENEALLY: Are you actively providing advice to the minister on potential strategies to increase the commencement rate of apprenticeships and traineeships?

Ms Williams: As I said, this is something we've been very actively monitoring. We provide regular advice to the minister—in fact, to all skills ministers—on what we're seeing in terms of trends in apprenticeship commencements and we provide advice on where we might need to undertake further work.

Senator KENEALLY: I have questions on some other areas, but, before I leave this, I want to ask about Scott Cam. I know we had very enthusiastic support for his role from the minister during estimates. Is he still contracted to the department?

Ms Williams: Mr Cam, as the National Careers Ambassador, is still contracted to the department; that's correct.

Senator KENEALLY: How much longer does his contract have to go?

Ms Williams: His original contract is still in place. I think I provided evidence on this previously in a question on notice. Mr Cam continues to provide a range of services. He has been very active over the COVID period, but he has undertaken not to receive any further remuneration for that activity.

Senator KENEALLY: He's no longer receiving any remuneration?

Ms Williams: No. But he is continuing to undertake a range of activities as part of his contract.

Senator KENEALLY: Was he entitled to remuneration? Did he forego remuneration that was in his contract?

Ms Williams: In recognition, I think, of the circumstances that we face with the pandemic and the difficulty of conducting many of those face-to-face activities that were a core component of his role, Mr Cam agreed to forego the remainder of his remuneration. That said, in recent months he's undertaken quite a number of face-to-face activities in terms of online posts. I think he's undertaken more than 200 online posts across a range of social media channels. He has promoted the government support programs for COVID-19, particularly in the apprenticeship and traineeship space, as well as the range of career options that are available to people. So Mr Cam has been extremely active in the role, noting that of course his ability to do so is limited by the pandemic and that activity has therefore been predominantly online and via social media.

Senator KENEALLY: Can we get a date for when he made the decision to forego the rest of his remuneration?

Ms Williams: I'm certainly able to take that on notice.

Senator KENEALLY: And the value of the remuneration he forfeited.

Ms Williams: Certainly. His contract runs until 30 December. I think I provided evidence to that effect previously. I also provided evidence that the total of his contract was \$350,000. I think we've reduced it to \$175,000, which is half the original contract value, to reflect this change in his activities.

CHAIR: You just said you 'think' it's been reduced.

Ms Williams: No. I understand it has been reduced.

CHAIR: To \$175,000.

Ms Williams: Yes. That, again, reflects that change in the activity that he's undertaking. But Mr Cam remains absolutely committed to the role and to continuing to work with the government over the course of his contract to promote particularly those measures that assist people in finding work in these really difficult times.

Senator KENEALLY: Sure. I'm just asking if we can confirm that figure and the date.

Ms Williams: I'm happy to confirm the figure. It's \$175,000, which is half of the original contract value. I'll have to take the date at which that decision was taken on notice.

Senator KENEALLY: Thank you. Moving on to some other matters, can I ask about the Seasonal Worker Program.

Senator KENEALLY: Thank you. The government has confirmed that the Seasonal Worker Program will restart with about 200 workers from Vanuatu coming to pick fruit in Australia in areas of skills shortages. What health advice has the department sought to ensure the safety, particularly from COVID-19, for those workers and their employers?

Ms Kidd: The restarting of the seasonal worker program has been an initiative between a number of government departments and the Northern Territory government. The Northern Territory government has requested the workers to come in for the mango season. Agreement is for a small trial for around 170 workers to commence coming in. There's a whole range of health and safety precautions that go with this, and with preconditions for this trial to be commenced. The Australian Health Protection Principal Committee reviewed the trial arrangements and quarantine procedures and considered the COVID-19 related risks to the Northern Territory, the Australian community and overseas workers are acceptably low, so they've made that assessment. The Northern Territory's Chief Health Officer has authorised that workers can be brought in using the same pathway used for Australian citizens. Post-quarantine management of workers will be undertaken through workplace COVID-19 management plans. As part of the process, there's a quarantine period of 14 days. The workers will be quarantined at Howard Springs. They need to have a negative COVID test before they come out of quarantine, and then they'll be in a workplace subject to the COVID management plans.

Senator KENEALLY: Who is funding the quarantine?

Ms Kidd: The quarantine period is to be funded by the Northern Territory government.

Senator KENEALLY: And how long will these 200 workers stay in Australia under this trial?

Ms Kidd: They'll be coming in on the 403 visa, which is the usual Seasonal Worker Program visa, and they have up to a nine-month stay.

Senator KENEALLY: When you say this is a trial, is there a review in place? Is there an interim review? Why is it a trial as opposed to just an arrangement? Can you explain what the term 'trial' means in this context, given that we've had the Seasonal Worker Program for some time?

Mr Smyth: I think it's a trial because of the circumstances that we find ourselves in, obviously, because a lot of those Pacific Island communities have shut their borders. We've had ours shut. So this is the first arrangement that is to be put in place under the Seasonal Worker Program. Hence it's been branded as a trial to see whether or not we've got all of the right arrangements in place, the health impact works, and then it may well lead the way to other potential opportunities, because we know that this program has a significant impact on the economies of those Pacific Island communities who are suffering because of COVID and the pandemic, so we are keen to assist them as much as possible. This is the first, I suppose, arrangement; hence it's being called a trial.

Senator KENEALLY: What kind of health support is offered to these seasonal workers? Is there something different or additional to what might have usually been provided?

Ms Kidd: Not in terms of health support. I outlined the quarantine arrangements. Once they're through that period, they will work with approved employers on farms as would other seasonal workers. A requirement of the program is appropriate health insurance, so they'll have that cover. Obviously, in the event that a seasonal worker were exposed to COVID, they would follow the normal procedures that Australian citizens would follow.

Senator KENEALLY: Briefly turning to labour market programs, including post JobKeeper, is the department developing any labour market programs at present and are there existing labour market programs administered by the department that are looking to be extended or changed in a COVID context?

Mr Smyth: There are ongoing discussions across government and across departments about what arrangements can be modified and what new arrangements might need to be put in place. That is an active discussion at the moment.

Senator KENEALLY: So it's under active discussion, but there's no—

Mr Smyth: Any announcements would be a decision of the government.

Senator KENEALLY: We don't really know for how long the government is going to extend JobKeeper. They have to put the legislation before parliament, so I appreciate that this is an evolving situation, but is that looking at a time frame in the context of a post JobKeeper world or—

Mr Smyth: It's pre and post, Senator. Obviously, government's decisions around JobKeeper and the like are matters that are under constant review. The arrangements that we're looking at may well be announced prior to the budget. Some may be announced post budget, obviously. One of the issues that I raised earlier was our

opportunity to use this as a period to reskill and upskill people who are in the jobseeker arrangements. So, in terms of people in jobactive, we are now looking very closely at how we utilise the arrangements under the JobTrainer program to enable people to reskill and upskill in this period to make them more employable and more competitive in the labour market in the months and years ahead, so there will be further announcements from government around those particular issues in the coming weeks. That's one of the first ones.

Senator KENEALLY: Lastly—on notice, if necessary—can we please get the most recent departmental information or data on the employment and underemployment effects of the recession by demographics and regions?

Mr Smyth: We're able to provide you with our case-load data in terms of people on jobactive. As I outlined earlier to Senator Siewert, we will take that on notice, but we're happy to provide that in terms of regional breakdown. We have 51 employment regions across Australia for jobactive. We don't cover remote; that's covered by the CDP program. But we're happy to provide you with that information in terms of a breakdown by cohorts. Are you looking at gender or age, or are you looking at both?

Senator KENEALLY: Gender and age.

Mr Smyth: We can do that, Senator.

Senator KENEALLY: Thank you. Has the department assisted Treasury in revised forecasts for unemployment and job vacancy outcomes in light of the Victorian lockdown?

Mr Smyth: That is under active discussion at the moment with Treasury, almost on an ongoing daily basis. We are certainly having those discussions with our counterparts in Prime Minister and Cabinet and Treasury as well as the Department of Social Services, because they're responsible for the income support system, but that is an active discussion that's going on at the moment, yes.

Senator KENEALLY: Do you anticipate that we will see some revised forecasts before the budget, or is that a question for Treasury?

Senator KENEALLY: That would be a question for Treasury, yes.

CHAIR: We have them back next week, Senator Keneally.

Senator KENEALLY: Senator Gallagher, I am finished there.

CHAIR: Senator Siewert, you were cut off when we lost you for technology reasons. Do you want to take the last five minutes?

Senator SIEWERT: Yes, that would be great. Thank you. I didn't hear most of your response about ensuring that job plans are actually meeting people's needs. Do you audit a selection? Do you survey participants to ensure that job plans are meeting people's needs and are individualised?

Mr Smyth: We do have an assurance program, and I do recognise the difficult task that our jobactive providers are under with the size of the case load that they actually have. There's no question that they're under pressure, under the pump, here. They are doing their absolute best to ensure that they can meet those requirements of trying to tailor individual job plans. There are still a number of people that have been referred to providers that are still yet to undertake that JSCI and even connect with providers. That's causing some difficulty with them, which is understandable. I will hand over to Mr Emerson to speak about some of the assurance activities that we undertake to determine whether or not there are an appropriate amount of job plans and whether or not they're tailored appropriately.

Mr Emerson: As Mr Smyth said, once the online JSCI is available and there's sufficient information available about the jobseeker, the job plan is agreed between the provider and the jobseeker and, as Mr Smyth has said, we have an audit process we go through. As you say, Senator, I have a sampling exercise to make sure that those job plans are in fact being tailored, are in fact bespoke to jobseekers and actually do meet their needs. We do that on our own; we do that as a departmental responsibility. That's a key part of assurance that those job plans are in fact tailored and are meeting the needs of jobseekers. So—

Senator SIEWERT: When did you last do that? I'm constantly hearing from people who were on jobseeker that they're being forced to sign plans that don't meet their needs. They're just the cookie-cutter ones. I'm particularly concerned during this time that the pressure is on job providers. I get that. There are a large number of people. When did you last do that and how often are you doing it?

Mr Emerson: Up until the mutual obligations were lifted in March and then ongoing from there, we were having a regular monitoring process. Since then, we've just started again now. So, as you can imagine, Senator, job plans have not been updated as much as they have been during this period. We've just commenced again and we expect to have a further monitoring and evaluation approach within the coming two to three months.

Mr Smyth: We'll do that on a rolling basis, can I just say, because I'm as concerned as you are that people have the right job plan to meet their circumstances, their aspirations and their needs as well.

Senator SIEWERT: Mr Smyth, can you explain how SPI is working at the moment? You said for young people, SPI, there's 547, so it's an increased payment, but how—

Mr Smyth: They're young people aged under 25 in stream A who are required to have mandated monthly contact with their provider. That's why. So there is a higher level of servicing required for them.

Senator SIEWERT: Are those young people still being required to meet the requirements of SPI or have you changed those requirements?

Mr Smyth: There would be no penalties or suspensions applied to those participants in the current arrangements.

Senator SIEWERT: So the requirements at the moment are—

Mr Smyth: Effectively voluntary requirements at the moment.

Senator SIEWERT: I just wanted to clarify that, given that there are significantly higher requirements for them and then there are broader issues. I'll put some questions on notice about the Career Transition Assistance program in terms of the number of mature-aged jobseekers who have commenced that process, the outcomes, particularly since March 2020, and how you measure the success of that program. Is the harvest trail services program operating now and has there been any additional funding for it?

Mr Smyth: That program is operating now. It's been expanded from 11 harvest regions to 16. We've updated the harvest trail website and the like. That program is still running, yes.

Senator SIEWERT: Have you had an increase in participants there?

Ms Kidd: I think the answer is no. I think there's a small decrease, year to date, on the number of participants. We have had an increase in interest to the hotlines, though. So I think, with the border issues, it's difficult to see that flow through at this stage.

Senator SIEWERT: I'll put my other questions on notice.

CHAIR: That concludes the appearance of the Department of Education, Skills and Employment. I thank officers for giving evidence to the committee today. Officers are reminded that answers to questions taken on notice are due in 10 working days.

Proceedings suspended from 12:31 to 13:31

ARNOTT Mr Stephen, PSM, First Assistant Secretary, Office for the Arts, Department of Infrastructure, Transport, Regional Development and Communications

ATKINSON, Mr Simon, Secretary, Department of Infrastructure, Transport, Regional Development and Communications

BACON, Dr Rachel, Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Communications

BROUGHTON, Ms Natalie, Acting Assistant Secretary, COVID Regional, Policy and Programs, COVID Aviation Issues Management Division, Department of Infrastructure, Transport, Regional Development and Communications

CARUSO, Mr Daniel, Assistant Secretary, COVID Recovery Infrastructure Investment Stimulus, Infrastructure Investment Division, Department of Infrastructure, Transport, Regional Development and Communications

DYMOWSKI, Mr Jason, Acting Assistant Secretary, COVID Domestic Policy and Programs, COVID Aviation Issues Management Division, Department of Infrastructure, Transport, Regional Development and Communications

HALL, Ms Jessica, First Assistant Secretary, COVID Surface Transport Division, Department of Infrastructure, Transport, Regional Development and Communications

HALLINAN, Mr David, Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Communications

McCLURE, Mr Phil, Assistant Secretary, COVID Financial Assistance, COVID Aviation Response Programs Division, Department of Infrastructure, Transport, Regional Development and Communications

McRANDLE, Mr Brendan, PSM, Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Communications

McTAGGART, Ms Cindy, Acting Assistant Secretary, Airports, COVID Aviation Issues Management Division, Department of Infrastructure, Transport, Regional Development and Communications

MILNES, Ms Gayle, First Assistant Secretary, Data, Analytics and Policy Division, Department of Infrastructure, Transport, Regional Development and Communications

MOORE, Mr Simon, Acting First Assistant Secretary, COVID Aviation Response Programs Division, Department of Infrastructure, Transport, Regional Development and Communications

PURVIS-SMITH, Ms Marisa, First Assistant Secretary, Regional Development, Local Government and COVID Regional Recovery Division, Department of Infrastructure, Transport, Regional Development and Communications

QUIGLEY, Ms Janet, First Assistant Secretary, COVID Aviation Issues Management Division, Department of Infrastructure, Transport, Regional Development and Communications

SMITH, Mr Phil, First Assistant Secretary, Infrastructure Investment Division, Department of Infrastructure, Transport, Regional Development and Communications

SPENCE, Ms Pip, PSM, Chief Operating Officer and Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Communications

WINDEYER, Mr Richard, Deputy Secretary, Department of Infrastructure, Transport, Regional Development and Communications

WOLFE, Mr Jim, Assistant Secretary, COVID International, COVID Aviation Response Programs Division, Department of Infrastructure, Transport, Regional Development and Communications

WOOD, Mr Richard, Acting Deputy Secretary, Aviation and Airports, Department of Infrastructure, Transport, Regional Development and Communications

CHAIR: The committee will now resume its hearing into the Australian government's response to the COVID-19 pandemic. I welcome officers of the Department of Infrastructure, Transport, Regional Development and Communications. Do have an opening statement you'd like to make? This is the first time you've appeared

before this committee. On behalf of the committee, thank you for making available so much of your senior leadership team. In light of the fact that it was your department's first appearance, it was difficult to narrow down the areas of questions that senators might have, so we erred on the side of inviting more rather than less. If there are future hearings, we will try to make it more specific so that you don't have to bring so many people. Mr Atkinson, I will hand to you to make an opening statement and then to senators for questions.

Mr Atkinson: Thanks, Chair. I do have a short opening statement.

CHAIR: Can you send that via email?

Mr Atkinson: Yes. We'll table it. My chief of staff will be watching. She'll send it to you.

CHAIR: If you could send it to the secretary of the committee, it can be circulated for colleagues and then, with the agreement of colleagues, we would agree for the publication of that opening statement.

Mr Atkinson: I'd like to update the committee on key developments in this portfolio since the last statement before the Senate Rural and Regional Affairs and Transport Legislation Committee on 9 June. At that time, I spoke about the unprecedented efforts and cooperation going on across governments, businesses, workforces and unions to keep essential services running across sectors like aviation, commercial shipping and road freight. That June statement remains a good explanation of many of our key activities at present, and I'd like to table it as well for the committee. I'll get my chief of staff to email that to the committee as well.

There's continued to be intense pressure on Australia's transport networks, notably on our aviation, maritime and road freight systems. To support the continued movement of freight around the country by road and rail, the government continues to engage with states and territories, regulators and industry as COVID response measures evolve. All jurisdictions that have border restrictions in place have now exempted freight movements as well as driver rest facilities. This kind of cooperation is vital to maintaining cross-border freight movements whilst also ensuring freight doesn't become a vector for transmission.

Cooperation has also been essential for the non-cruise maritime sector. As an example, international crew changeovers are becoming more difficult, but agencies are working closely with industry to help it to better plan for these changeovers. On the positive side, bulk shipping has continued, with strong growth in iron ore volumes. Container freight volume is strong, with some lines even looking at increasing services above what was available pre-COVID.

I've outlined in the previous statement tabled the government's actions to support the aviation industry through COVID, including funding to maintain a minimum level of aviation connectivity across Australia. The government has announced the domestic aviation network's service for major routes would be extended until September and that the RANS, the Regional Aviation Network Support, would be extended to 31 December. The international freight assistance mechanism has also been extended to the end of this year, supporting vital trade flows, including access for Australians to supplies of medicines and medical equipment as well as the supply of over 60,000 tonnes of Australian goods to markets relying on them. The government has also worked closely with the local aviation industry to provide financial assistance targeted at regional aviation to protect against insolvency, preserving their capacity for the recovery and ensuring thin regional market connectivity is not lost post COVID-19. In total, over this current financial year and the last one, the government's committed more than \$1.3 billion to support our aviation industry through COVID-19 and to keep airfreight moving.

The creative economy has also been disproportionately affected by COVID-19. In response, the government has provided \$677 million in targeted support for the arts and creative sectors.

The loss of tourism activity is having a huge impact, including in some parts of regional Australia, many of which are highly dependent on tourism as their biggest earner and employer. The \$1 billion relief and recovery fund was introduced to support the regions, communities and sectors that were hardest hit by this pandemic.

To support Australians working and schooling from home, NBN Co has boosted its capacity by up to 40 per cent to retail service providers. This was done free of charge and has been extended to 19 September. For those living in regional and remote areas, NBN Co has also provided 45 gigabytes additional data for Sky Muster customers.

To provide guidance and help reduce uncertainty, government has worked through the national cabinet, the AHPPC and other forums to develop formal protocols and principles for industry on how to operate in a COVIDSafe way. So far across this portfolio we've delivered AHPPC approved protocols for safe air travel, public transport use, the private bus and coach sector and the national collecting institutions.

While the government has been working hard with industry to keep the lights on, we are focused on identifying every possible opportunity to position Australia for economic recovery and job creation in future. From May to

mid-June, the government announced \$3.8 billion in transport infrastructure investment. This kind of infrastructure investment will support economic activity and employment and will also help boost productivity and provide greater connectivity for people.

I'd like to take this opportunity to again thank the stakeholders we've partnered with in responding to COVID-19, in particular our state and territory colleagues and industry and union leaders. I'd also like to thank the people of our department, as well as our portfolio agencies, for their extraordinary efforts over a sustained period through COVID-19. Thank you.

CHAIR: Thank you very much. I have a number of questions that flow-on from that opening statement. It's really about the measures that you've been given responsibility for through the pandemic. I'm sure my colleagues will come back to a number of the issues you raised in your opening statement. If I look at the fiscal and economic update that was provided on, I think, 23 July, am I right to assume that you have lead responsibility for the infrastructure stimulus initiative?

Mr Atkinson: Yes.

CHAIR: What about aviation support?

Mr Atkinson: Yes.

CHAIR: What about the relief and recovery fund?

Mr Atkinson: Yes.

CHAIR: What about the communications, cybersafety and the arts package?

Mr Atkinson: Yes.

CHAIR: Is there anything I'm missing there?

Mr Atkinson: I don't think so.

CHAIR: Can we just work through those measures one by one. I don't mind which one we start with, but if we start with the infrastructure stimulus, that's a \$3.8 billion package with \$2.168 billion to start this financial year.

Mr Atkinson: Yes.

CHAIR: Has any of that money gone out the door yet?

Mr Atkinson: I might ask Mr Smith to talk about that. There are four elements to the \$3.8 billion. The Local Roads and Community Infrastructure Program is \$500 million, the Sydney Metro WSA project is \$1.75 billion, shovel-ready projects that will commence within the next six months are a billion dollars and the packages of road safety works are another half-a-billion dollars.

CHAIR: Can we go through those?

Mr Atkinson: I'll get Mr Smith to go through them. I suspect, given the scale of issues and the timing, they're supposed to be shovel-ready within six months. I suspect only the first and last one would be candidates for having anything in this space at the moment.

CHAIR: Is that shovel-ready six months from the beginning of this financial year?

Mr Atkinson: Yes. From announcement, they're to be ready to have shovels in the ground within six months.

CHAIR: So the announcement was for the shovel-ready projects. That was before the fiscal update, wasn't it?

Mr Smith: Yes. If we go through those individually, on 22 May the government announced the \$500 million for Local Roads and Community Infrastructure Program to support jobs. That was really targeted at this current financial year.

CHAIR: That's 2020-21.

Mr Smith: Yes. So far, of that, we've had 452 councils sign up to the proposal. We expect the rest to sign up fairly shortly for that.

CHAIR: There are just over 500 councils, aren't there? It's 537. Is that right?

Mr Smith: Yes, 530 to 550, depending on how you break it up.

CHAIR: It's 530 to 550 depending on amalgamations and things like that.

Mr Smith: Yes. So far we've received \$265 million worth of applications, so that's just over half of that \$500 million. We've approved \$32 million so far and, of that, paid out \$16.2 million so far.

CHAIR: That's \$16.2 million of the \$500 million out the door and there are about another 80 councils that haven't put in any application yet.

Mr Smith: Yes.

CHAIR: This is pro rata, isn't it? This isn't a scheme where they apply. This is where they get a certain amount and you just have to approve it?

Mr Smith: Correct. It is pro rata. The formula is similar to the Roads to Recovery Program formula where, based on road length, population and needs, you get an allocation accordingly.

CHAIR: It's not ministerial preference.

Mr Smith: No.

CHAIR: That's good. The big Sydney project—what was it?

Mr Smith: It's the Sydney Metro Western Sydney Airport. That was an additional \$1.75 billion announced. That will support 14,000 jobs over the life of the project. That is due to be built in time for the opening of the airport in 2026.

CHAIR: When will money for that flow? Is that this financial year or is that where the big lumps come in?

Mr Smith: The big lumps come in the out years. The business case is obviously on track at the moment, and so there's money being expended for that.

CHAIR: So the business case isn't complete for this.

Mr Smith: No, it's not finished at this stage.

Mr Atkinson: The detailed business case phase is the next phase for this. This is a very big, long-term project. It's not of the same nature as these other ones that we expect to move through.

CHAIR: I understand that. When we've got the money in the out years, it's \$1.152 billion and then \$550 million in 2021-22 and 2022-23. Am I right to understand that?

Mr Smith: I can give you the current scheduling profile for the expenditure, if that works. There is \$700 million for 2020-21 and \$550 million for 2021-22 and \$500 million for 2022-23. That gives you the \$1.75 billion.

CHAIR: What about the shovel-ready—the \$1 billion?

Mr Smith: That's over a two-year period, commencing this financial year. The projects have been selected and obviously announced, and we're now working with the states to get those projects up and running.

CHAIR: They've been announced, have they? I don't know that I've seen that. Have all the shovel-ready programs been announced?

Mr Smith: Yes.

CHAIR: They go out over two financial years.

Mr Smith: Yes.

CHAIR: Has any money gone out the door yet?

Mr Smith: No, not as yet. We expect the works to ramp up in the next few months and obviously continue over the next 18 months after that.

CHAIR: In the Sydney Metro Western Sydney Airport, which I understand my colleague has a follow-up question on, has any money gone out yet on that project?

Mr Smith: I'd need to take that on notice, but I don't think so at this stage.

CHAIR: You don't think so. What about the road safety grants—the smaller one of \$500 million?

Mr Smith: That's the same as in the \$1.5 billion. That's the \$500 million associated with that. Again, that's small-scale projects over the next two years.

CHAIR: Has any money gone out the door on that?

Mr Smith: No.

CHAIR: Senator Keneally, did you want to follow up something on the airport?

Senator KENEALLY: While we're on this subject, looking at the figures in the recent budget update, it says that government will provide an additional \$1.9 billion, including \$1.8 billion for Sydney Metro. So is the figure \$1.8 billion or \$1.75 billion for the Western Sydney Airport rail project?

Mr Smith: It's \$1.75 billion. I assume that is just rounded in the figures to \$1.8.

Senator KENEALLY: Okay. Sorry, I'm going off the actual update itself. So the \$1.8 billion—the now \$1.75 billion—is part of \$1.9 billion towards other infrastructure priorities. What's the rest of the \$125 million for? It's in the COVID-19 response package, pages 152 and 153.

Mr Atkinson: It's in the measure description. Senator, could we have a look and come back to you on that?

CHAIR: Senator Keneally, you may not be able to see, but we've got a lot of people flipping through folders here.

Senator KENEALLY: That's fine, if they can come back to us on that. I will follow that up.

Mr Atkinson: We'll come back during the session with that answer.

Senator KENEALLY: Thank you.

CHAIR: In that \$3.8 billion, you gave me a figure for jobs for the big Sydney project. With the Local Roads and Community Infrastructure Program, I think they're asked to provide job numbers in their application?

Mr Smith: Yes. If I combine the 500 for local councils with the 1.5, we're estimating around 10,000 to 15,000 jobs.

CHAIR: Is that you estimating, or is that the feedback coming in from the project owners themselves?

Mr Smith: It's our estimation at this stage, based on the standard rule of thumb. But, in terms of the local councils at the moment, with the applications that have been approved we're averaging seven per small job.

CHAIR: With the aviation support package, the fiscal update talks about a figure of \$1.940 billion. It's acquitting \$564 million in the previous financial year. Did that all go out?

Mr Atkinson: I might just ask the relevant officials to come up. Richard, could you update on expenditure to 30 June?

CHAIR: Yes, that's what I'm after—an update on expenditure.

Mr Wood: Expenditure under the various transport measures to 30 June—

CHAIR: Is that under the aviation package?

Mr Wood: Under aviation packages, yes. I'll take you through program by program. Under the regional aviation network support package, which is funded through the relief and recovery measures, it's a \$198 million package. Of that, to 30 June there has been expenditure of \$24.29 million, with an overall funding commitment of \$115.17 million that has actually been committed—

CHAIR: So you've allocated—

Mr Wood: Yes, allocated and contracted.

CHAIR: Sorry, I can't see that. Was that due for the previous financial year, or split over two years?

Mr Wood: It's split over two years. That program runs through to the end of this calendar year, at this point.

CHAIR: Sorry, that was the regional—

Mr Wood: It's the Regional Airline Network Support Program, the \$198 million program. Under the Australian Airline Financial Relief Package—I'm sorry, this one is a little complicated because there are a number of elements to this program—\$40.2 million has been paid to airlines in fuel excise and security charge rebates, and \$85.85 million has been a benefit to airlines through Airservices Australia charge waivers; however, that's not actually expenditure under the program. The expenditure there is through funding that was made available to Airservices Australia, which I believe was \$250 million, last financial year.

CHAIR: So the benefit came to the airlines, but they weren't flying, so they weren't really incurring the fees?

Mr Wood: They benefit in two ways—firstly, with the \$85 million they didn't have to pay that they would have paid for the flights that were operated during that period, but they also benefit, of course, by having the air traffic, firefighting and rescue services, which are required to be there anyway.

CHAIR: What is the Australian airline financial support called?

Mr Wood: Financial relief package. It's \$715 million in total.

CHAIR: Are there more elements to that that you want to work through?

Mr Wood: One element is that there is funding through that package which has been paid to the Civil Aviation Safety Authority to make up for the revenue that it's lost. That's a total of \$30 million, of which \$15 million was paid last year, and \$15 million is due to be paid this financial year. The other element of the package is for regional aviation security measures, which is a total of \$66 million. It was originally two initiatives: \$46 million was to support capital measures for regional airports that had been required to have security upgrades and \$20 million was for operational costs. They have now been combined in a new program, which is still part of that \$715 million package. That's now called the regional airport security initiative—a total of \$66 million—and that's currently in the process of receiving applications from airports.

CHAIR: I will come back to this. Of that \$715 million, how much, in total, have you expended?

Mr Atkinson: It's \$125.7 million as at 30 June.

CHAIR: So that's about a quarter of the package?

Mr Atkinson: Yes.

CHAIR: Is that a worry for you?

Mr Atkinson: It runs out to the end of the year. A lot of it is waiver of charges, so it's been extended out to the end of the year that those benefits will accrue. Do you want me to just quickly give you the numbers for the other ones that are top level, rather than the longer explanation?

CHAIR: Yes, sure.

Mr Atkinson: The regional airlines funding assistance is \$53.4 million.

CHAIR: Is that the Rex money?

Mr Atkinson: It's across 11 airlines, but Rex is one of them. For the domestic aviation network support, it's about \$12 million.

CHAIR: And expended?

Mr Atkinson: That's expended.

Senator HANSON-YOUNG: I have some questions for the communications and arts section of the department.

Mr Atkinson: Is it arts or comms?

Senator HANSON-YOUNG: There will be questions on both. It will be in relation to the Foxtel money, ABC funding—things like that. I want to clarify that the supporting television and online coverage of underrepresented sports program in the appendix to the budget update given by the Prime Minister and the Treasurer a couple of weeks ago includes the \$10 million from Foxtel.

Mr Windeyer: Sorry, Senator, I missed the very final bit of your question.

Senator HANSON-YOUNG: I am wondering whether that section—supporting television and online coverage of underrepresented sports—is part of the update given by the Prime Minister and the Treasurer in relation to COVID programs that the government's funding.

Mr Windeyer: That is the extension of the underrepresented sports measure and it was certainly announced in the recent period. I'm not sure whether that answers your question. I don't think it was announced as a specific COVID measure as such, but that's what it is—the extension of that underrepresented sports program.

Senator HANSON-YOUNG: Just to be clear, Foxtel got an extra \$10 million in that announcement?

Mr Windeyer: That's correct, to extend the program which was otherwise terminating.

Senator HANSON-YOUNG: So that now means \$40 million to Foxtel?

Mr Windeyer: The first round was \$30 million, yes, and this is another \$10 million—that's correct.

Senator HANSON-YOUNG: Could I now go to some questions in relation to ABC funding. Has there been any funding put aside or given in addition from this budget update to the ABC's work, given their extensive coverage during COVID-19?

Mr Atkinson: There was no additional funding in this update for the ABC.

Senator HANSON-YOUNG: Foxtel get \$10 million, but the ABC got nothing—that's interesting.

Mr Atkinson: The ABC gets about \$1 billion.

Senator HANSON-YOUNG: It's a public broadcaster though, isn't it?

Mr Atkinson: Yes. That's its annual budget.

Senator HANSON-YOUNG: That's its regular funding, yes. Foxtel isn't a public broadcaster, is it?

Mr Atkinson: No.

Senator HANSON-YOUNG: Are you aware of what the update is for how many downloads the COVIDSafe app has had?

Mr Windeyer: No, I'm not aware of what that number is.

Senator HANSON-YOUNG: I think the last update was about six million downloads. You can take that on notice if you need to check it.

Mr Atkinson: That's an issue for the Department of Health and the DTA.

Senator HANSON-YOUNG: I understand that; I'm just saying, for the sake of transparency, the most recent figures were about six million downloads for the COVIDSafe app. Are you aware that the ABC has had 9.9 million downloads for their COVID podcast?

Mr Windeyer: I wasn't aware of the number of downloads they had had of their podcast.

Senator HANSON-YOUNG: Would you be surprised at that amount—9.9 million downloads?

Mr Atkinson: I wouldn't be surprised.

Mr Windeyer: No, I don't think—no.

Senator HANSON-YOUNG: It's a lot, isn't it?

Mr Windeyer: It's nine million.

Senator HANSON-YOUNG: It's nearly 10 million downloads actually, so significantly more than the government's own COVIDSafe app, yet the ABC hasn't received any extra support from this government in the midst of COVID-19.

Mr Atkinson: I think those apps do different things. I think the podcast talks and gives messages. The COVID app is actually a tracking and tracing app that assists with the health tracking and tracing measures.

Senator HANSON-YOUNG: The ABC is helping educate the public then, aren't they?

Mr Atkinson: I think that a lot of the broadcast media are participating in passing messaging to the Australian people, and I think that's very important in these sorts of times.

Senator HANSON-YOUNG: Do you think the ABC has had a significant role in helping to do that?

Mr Atkinson: I couldn't comment on percentages of market share, but I strongly suspect that many Australians are taking their information online at the moment. It's the trend that we're seeing. I'm sure the ABC is contributing, I suspect based on its standard market share, particularly in radio I imagine.

Senator HANSON-YOUNG: Have you asked the ABC for an update or any briefings on how their reach is in the midst of COVID-19 and whether there's been an increase?

Mr Atkinson: How what is? Sorry, Senator.

Senator HANSON-YOUNG: Given you're the department most linked and responsible, have you asked for a briefing from the ABC about how the reach of the ABC has perhaps increased during COVID-19?

Mr Atkinson: We frequently talk to the ABC. I don't think we've asked for a market share brief from them specifically. Mr Windeyer, do you have anything to add?

Mr Windeyer: That is correct, Senator. We haven't specifically asked a question of the ABC around how their reach might've changed during this period. I think we've seen commentary, that you may have seen also, that suggests that there's been an increased interest in people consuming news and information during this period, but we haven't asked a specific question with respect to the ABC versus any other media outlets.

Senator HANSON-YOUNG: I understand that ABC News is ranked at the top of your news brands in Australia at the moment?

Mr Windeyer: I'm sure that's right. I don't know which ranking you refer to, but I would—

Mr Atkinson: It would depend on which ranking. If it's viewership my recollection is it's one of the evening free-to-air news.

Senator HANSON-YOUNG: I referred to digital.

Mr Atkinson: I would have to take digital news on notice.

Senator HANSON-YOUNG: We just heard from the assistant secretary that more people are consuming online so I went to the digital ranking.

Mr Atkinson: Okay.

Senator HANSON-YOUNG: The 7.30 program has experienced a 20 per cent growth in audience since last year. *News Breakfast* is up 34 per cent from last year. The ABC 24 channel reached 2.8 million people a week, which is up 33 per cent from last year. You're not surprised by any of those figures?

Mr Windeyer: I don't think I'm surprised by any of those figures.

Senator HANSON-YOUNG: Have you considered whether the public broadcaster needs any further financial support given the extensive range of public broadcasting and information share that they're giving to the community in the midst of this crisis?

Mr Atkinson: There is a very wide range of mechanisms by which people are accessing information on COVID-19 and the ABC is one of them and SBS is one of them as well—as the public funded broadcasters. The funding levels for those organisations are a matter for government and we obviously can't comment on that policy. One thing I would say in the context of the current media market though is that all of the free-to-air broadcasters are suffering significantly from decreased revenue from advertising at the moment and so there are very substantial pressures in the media industry. The ABC is possibly the only one that's maintained its stable revenue base while others have had very significant problems. We've had to seek closures in some media areas. So the media sector is under a great deal of pressure, and the ABC has got its stable triennial in funding at the moment.

Senator HANSON-YOUNG: Have you given further funding to the SBS?

Mr Windeyer: No.

Senator HANSON-YOUNG: Would you not think that perhaps helping the SBS reach a diverse group in the community with the type of information—health information, community announcement information—the government and the department need out there, wouldn't be a good idea?

Mr Windeyer: That is the SBS's core business and they're very, very good at it. They've transmitted a lot of that. They've got the dedicated language news services.

Senator HANSON-YOUNG: However, you're giving money to other media organisations in the midst of the COVID crisis, aren't you?

Mr Windeyer: Yes, there have certainly been announcements from the government with respect to public interest news journalism that have gone to other media outlets; that is correct.

Mr Atkinson: And that is in the context of collapsing revenue bases from advertising, because those businesses are exposed to the broader macro-economic impacts of COVID-19.

Senator HANSON-YOUNG: I want to go back to the extra \$10 million that you have for Foxtel, in addition to the existing \$30 million. Looking here at appendix A from that budget update a couple of weeks ago, it does list that program as part of the COVID measures.

Mr Atkinson: My recollection is this is an extension for when those underrepresented sports come back on so we can prioritise the coverage of those sports.

Senator HANSON-YOUNG: So it is \$10 million for Foxtel, given COVID? It says here it's part of the COVID-19 response package.

Mr Atkinson: Yes, it was put in through that as an extension of the existing program to ensure the underrepresented sports could have proper coverage as they started to reopen through the back end of COVID. Unfortunately, the reopening—

Senator HANSON-YOUNG: Do you think the public broadcasters could help with coverage of women's sport?

CHAIR: I might remind senators that public servants should not be asked to give opinions in evidence, particularly on matters of policy. I think there has been a few times you have encroached across that resolution of the Senate.

Senator HANSON-YOUNG: I'm just asking from a public policy perspective, could the ABC do with some more funding to broadcast women's sport?

CHAIR: We missed the first bit of your question, Senator Hanson-Young, but I think in essence it was: could the ABC do with more money to broadcast women's sport?

Senator HANSON-YOUNG: That is correct.

Mr Atkinson: It's difficult to answer. It's a question for the ABC because they have their editorial independence and they could choose to broadcast women's sport, so I think that's probably a question for them.

Senator HANSON-YOUNG: Who suggested or under what guidance was the \$10 million for Foxtel believed to be an important part of COVID recovery? Where did that come from?

Mr Atkinson: All of the decisions in here are decisions of government that were made through the normal ERC processes.

Senator HANSON-YOUNG: So was there any advice from the department to the government about the need to give extra money to Foxtel?

Mr Atkinson: Any of the considerations through ERC are where we provide our advice privately to government inside of those processes.

Senator HANSON-YOUNG: Is there a brief that exists that suggests \$10 million to Foxtel is needed?

Mr Atkinson: I'd have to take that on notice.

Senator KENEALLY: I might pick up on this line of questioning regarding Fox Sports. Can you tell us, when was the decision taken, the dates, to award the \$10 million to Fox Sports?

Mr Atkinson: Sorry—

CHAIR: When was the date?

Mr Atkinson: I don't know. I'd have to take that on notice, but it would be through the normal ERC budget processes. Usually, we're not able to reveal the timings of deliberations of various decisions that add up to, effectively, budget decisions, which is what these are.

CHAIR: When did you become aware, Mr Atkinson? That's a different question. When did the department become aware \$10 million would be granted?

Mr Atkinson: I suspect it would have been when the cabinet minute came out that we would be aware there was a decision.

CHAIR: Can you take that on notice? I don't think that is a cabinet matter. The date the department became aware is not part of cabinet considerations.

Mr Atkinson: Unless we became aware through the cabinet process, which we usually do because we provide information into it.

CHAIR: Well, you added that in. We just want the date the department became aware; that's it.

Mr Atkinson: I will take that on notice.

Senator KENEALLY: So was the department of communications consulted on this announcement before it was made?

Mr Atkinson: The decision to do this would have been done through the normal ERC processes and we would have in the normal budget processes of policy development, costing and those things.

Senator KENEALLY: Sorry, but that is conditional language—it would have been. Do you know? Is that how it was done?

Mr Atkinson: I'm relatively certain, yes.

Senator KENEALLY: Is there not anyone there in that vast army of officials with you who can confirm that?

Mr Atkinson: Sorry, over the last few months we've had many, many, many considerations through cabinet and ERC processes. All of these would go through government decision-making processes and, yes, it went through the normal processes. I will say yes. I don't have a brief on this specifically, because—

Senator KENEALLY: You will forgive me for taking that with a grain of salt because, for example, the Great Barrier Reef Foundation money did not go through what we might consider normal processes, so I'm trying to understand. Let me ask this: has there been correspondence between the department of communications and Fox Sports on this matter either before or after the minister's announcement?

Mr Windeyer: I would have to take that on notice. Not that I can recall, but I would have to take that on notice.

CHAIR: So there was nothing to say you might be getting an extension to your contract, no communication?

Mr Windeyer: I'm sure there has been communication with Fox Sports or Foxtel following a government decision and announcement. But my interpretation of the question is whether we'd had communications with Foxtel around this measure prior to a government decision—not that I can recall, but I'm happy to take that on notice.

Senator KENEALLY: Given that the government claims this was for women's niche and underrepresented sports, did the minister or the department consult with the Australian Sports Commission or the Office for Sport Officials on this announcement?

Mr Atkinson: I would have to take that on notice. It's an extension of the existing program, where the parameters were set, so those entities have been part of this program because it's an ongoing program. It is an extension of it, so we'd have to look back into the original design of it.

Senator KENEALLY: So, really, no-one else had the capacity to bid for this \$10 million because it was an extension of the \$30 million?

Mr Atkinson: It was an extension of the \$30 million, yes.

Senator KENEALLY: Going back to the \$30 million, just to confirm, that wasn't an open tender either, was it?

Mr Atkinson: I'm relatively certain it was a grant rather than a procurement.

Senator KENEALLY: So it was a grant which was simply just a grant; there weren't particularly guidelines or an invitation for people to apply?

Mr Atkinson: That goes back to the original program. It's a rollover of the original program from, I think, years ago.

Senator KENEALLY: It wasn't that many.

CHAIR: The issue here is the \$10 million extension has been linked to the COVID recovery, which falls under our terms of reference.

Mr Atkinson: It's about the reopening of those sports.

CHAIR: That's why we're interested. We're also interested that \$10 million seems to be being given away without any kind of transparent process that we are aware of.

Senator KENEALLY: So which sports exactly will be supported through the grants of \$10 million?

Mr Windeyer: I think that will be determined in the same way as it was worked out under the previous iteration of the program. We expect the codes that will benefit will include: AFL, soccer, rugby codes, cricket, basketball and hockey.

Senator KENEALLY: Men's or women's?

Mr Windeyer: Women's.

Senator KENEALLY: Right. Can I stop you there and put on the record—you don't need to comment—several of those women's codes used to be on the ABC before its funding was cut in 2014. So those sports used to be broadcast, women's sports, on the ABC. Can we go back to the original \$30 million? What exactly did taxpayers get in return for \$30 million—total number of hours of women's sport, total number of sports supported?

Mr Windeyer: That's detail that we can provide to you on notice. I don't have that information in front of me.

Senator KENEALLY: So the department made a decision to roll over a program—

Mr Atkinson: Sorry, the government made a decision, not us.

Senator KENEALLY: Okay, the government made a decision to roll over a program. What information did they have in front of them that the program was actually useful?

Mr Atkinson: There would have been new policy proposals considered through normal cabinet processes.

Mr Windeyer: We have information about the coverage of women's sport over the previous years, which could have been taken into account, but I don't have that information in front of me.

Senator KENEALLY: I would like to request it on notice then, please—

Mr Windeyer: Certainly.

Senator KENEALLY: as I just outlined. For the \$30 million, what were the total number of hours, the total number of sports supported and what is that on a per-dollar basis? In the consideration of this extension of a \$10 million grant to Fox Sports, does the department have an estimate of the number of Australian viewers who will be able to view that content?

Mr Atkinson: We can take that on notice as well.

Senator KENEALLY: So while we're in a recession, we've got higher unemployment and money is tight, was there ever any consideration that \$10 million might be better directed at supporting sports coverage which all Australians can see for free?

Mr Atkinson: Are you asking—

CHAIR: That again goes to seeking an opinion from public servants on matters of government policy. Mr Atkinson has indicated that this is not a department decision. I'd be distancing myself, too, frankly. It's a government decision.

Senator KENEALLY: Okay, then. I will leave that there. Can I come back to the question I asked earlier in relation to the \$1.9 billion for other infrastructure priorities, where the \$1.75 billion was for the Metro Western Sydney Airport project. Have we determined yet what the extra \$125 million is for?

Mr Atkinson: Apparently it's a number of small projects; we're getting a list for you.

Senator KENEALLY: I will look forward to that. Can I continue on, though, in that same broad list of funding packages, particularly the relief and recovery funds?

Mr Atkinson: Yes. I understand that, as a part of this measure and the aviation support package, Virgin was not eligible for any cash flow support, but Rex Airlines received a \$54 million grant through the Regional Airline Network Support Program? Is that correct?

Mr Atkinson: The airline support packages were done in a series of different ways. Qantas and Virgin were eligible for the domestic aviation support package. Rex and other regional aviation were eligible for the Regional Airline Network Support and the RAFA program. And Virgin and Qantas were eligible for the international network as well.

Senator KENEALLY: Rex Airlines have since indicated they'll be using the grant to help them enter the east coast market, in competition with Qantas and Virgin, even though, if we look at the guidelines, I think this funding was meant to be a last resort option when a range of other strategies to manage an airline's financial position had been undertaken. This appears to be using the grant funding against the intention of the program. Is there any monitoring of how Rex is using this funding?

Mr Atkinson: Yes. There's detailed monitoring. And to access this program they do have to open their books to our accountants to go through and effectively verify that they need it for this sort of solvency support. When Rex announced publicly their intention in a post-COVID environment to change what they're doing, we investigated what they meant by this. They are effectively compliant with that solvency measure that we put in place to maintain base connectivity in regional aviation. Because the thin markets in regional aviation are much more difficult to put back in place than the major trunk routes, what Rex are talking about when they talk about moving into the trunk route business is this: after COVID-19, when things have recovered and when debt markets are willing to invest in airlines again, they intend to raise capital and take a future business decision to move into those markets. It's an intention in a future post-COVID universe as opposed to now and their capacity to do it.

Senator KENEALLY: Is that monitoring that's prompted by a decision or an announcement? Or is that monitoring you do on an ongoing basis? How does that work?

Mr Atkinson: For all of them to comply with this—I think there are nine or 10 airlines that are currently eligible for this, like Little Wings and a lot of other really good airlines. To be eligible, they have to open their books to us on an ongoing basis to verify that they actually need it. We pay on a month by month basis based on ongoing engagement and verification that they're still in the circumstances that they were at the start.

Senator KENEALLY: Thank you. Given the increased level of restrictions that have occurred across different states, has there been any consideration given to provide further aviation support measures?

Mr Atkinson: There are a couple of things. We're continuously monitoring the state of aviation. My previous opening statement, I'm sure, will get its way to you at some point—

CHAIR: I think we've been advised—

Mr Atkinson: At that point it seemed that COVID was relatively under control. We worked to put in place aviation and travel protocols, and we worked with the tourism sector, the TWU and everybody else to try to re-open aviation and domestic travel as quickly as we could so as to get things commercially viable again. We did start to see an uptick, and Qantas did a relaunch. Unfortunately, since then the outbreaks in Victoria have significantly dampened public confidence. There has been an extension of JobKeeper, and the government has extended the Domestic Aviation Network Support until the end of September and the regional aviation network supports to the end of December. We will continue to watch this very carefully. I'm very keen for Australians to be able to travel again and for our aviation to actually move to a commercial basis again, but there's a little bit of an unknown on the health side. We'll watch it very carefully and we'll continuously provide advice to government on that basis.

Senator KENEALLY: While we're on aviation support, I just want to ask about JobKeeper. Did the department provide any advice to the government about the exclusion of particular workers from the JobKeeper scheme, and here I'm particularly thinking of dnata or local government workers?

Mr Atkinson: As part of normal cabinet processes we provide advice about the impacts of various proposals like those. We would have provided advice into those. I suspect they were ERC considerations.

Senator KENEALLY: I'm a little bit frustrated. I understand the department's unwillingness to breach cabinet confidentiality, but have the department done any modelling or anything that they can share with the committee about the exclusion of workers such as the dnata workers. They're Australian workers, they pay Australian taxes and they've been excluded from JobKeeper. Is there any advice you provided to government that you can provide to this committee?

Mr Atkinson: No, Senator, I wouldn't be able to do that. The structure in those exclusions is a matter for Treasury. They're the owner of this program.

CHAIR: Did the government ask for any advice ahead of time on the proportion of workers that would be excluded from JobKeeper based on the rules that were implemented? Did they seek that information from you?

Mr Atkinson: Once again, we provide advice to government on the implications of these things as part of the ERC processes.

CHAIR: Advice is not a reason to not provide an answer to the committee. Advice to government is not exempt from—

Mr Atkinson: Sorry, I'm talking about the participation inside of the ERC decision-making processes.

CHAIR: I'm asking, though, if the department provided advice about the exclusions in the aviation industry from JobKeeper based on the rules that the government determined. Were you asked your view on that? Were you asked for numbers?

Mr Atkinson: The way the system works is that the submissions and MPPs go around for coordination, comments and exposure draft comments as part of the normal cabinet processes. I would have to take on notice what went into that advice.

CHAIR: So you don't know, or you're saying that you would prefer not to answer based on the fact that the advice forms part of the cabinet process?

Mr Atkinson: It does form part of the cabinet process, which is what I was saying earlier.

CHAIR: Which is not in itself a reason not to answer the committee's questions. It has not been accepted by the Senate as a reason not to answer the committee's questions.

Mr Atkinson: I'm aware of that, Senator. The public interest issue for me in this is that if I give to the committee the advice that I give inside the cabinet processes—

CHAIR: I'm not asking for the advice though. We're not asking for a copy of the advice. We want to know—

Mr Atkinson: Whether we did on this particular issue?

CHAIR: Yes, about exclusions from JobKeeper. There's public interest in that too because they're not eligible for JobKeeper. That's the public interest, for those workers.

Mr Atkinson: I will take on notice exactly whether we provided advice on that issue.

CHAIR: On the exclusions? Okay.

Mr Atkinson: But further questions on the structure of JobKeeper exclusions are for Treasury.

CHAIR: Yes, and we speak to them all the time. Senator Rice.

Senator RICE: I want to start with freight flows, particularly freight flows in the context of the stage 4 lockdown that we're now experiencing in Victoria. What impact do you expect the stage 4 lockdown in Victoria to have on freight flows?

Mr Atkinson: We've been working a lot on this. When we move to different levels of lockdown we work with the state and territory governments and the freight industry on the approach to exemptions for freight flows and freight movements, to make sure that we keep the freight supply lines open. We moved very quickly to put in place a freight protocol to create confidence in the states outside Victoria, that freight workers and freight can move in a COVID-safe way. Those protocols were accepted by national cabinet and we're in the process of codifying them within the existing jurisdictions' legislation.

The short answer is that we're endeavouring to minimise the impact on freight flows. The issue of stage 4 lockdowns is that freight workers are exempted from the lockdowns in Victoria as part of the Victorian government's process. So all the exemptions are in place. The thing that would interrupt freight flows would be if a particular workplace were closed down because it actually had a COVID-19 outbreak in it. That would be the biggest impact.

Senator RICE: That would be the biggest impact and you said that you're expecting to minimise impacts. So, obviously, you're expecting the stage 4 lockdown to have an impact, despite the exemptions that you have. Are there other circumstances that lead you to say that you're only going to be able to minimise the impacts?

Mr Atkinson: There are always transitional arrangements while we bed new arrangements down, but wherever we tighten restrictions, and even when we put things in place, there is usually a little bit of inefficiency built into the system from compliance or, once again, if there is a specific health shutdown then there will be an issue.

Senator RICE: Right. But tell me more about that inefficiency due to compliance; it sounds like you are expecting that there will be impacts because of the stage 4 lockdown.

Mr Atkinson: I actually think that any impacts we would have, except for the health closures, are probably in the past. As we transition to new rules and arrangements for people moving across borders—because that's the key thing: moving across borders—there's a short period of uncertainty when decisions are made where we then actually have to create protocols and give certainty to industry so that it can comply and keep moving as normal. During that transition period is when we look to see it being more difficult for people and, occasionally, law enforcement slows things down and those sorts of things. But—

Senator RICE: But aren't you in that transition now, given that the stage 4 lockdown has only just started in Victoria?

Mr Atkinson: This is the sort of issue that we have to fix within days; those types of risks happen in the days immediately following the putting in place of the new lockdowns. We immediately then work with everyone involved to get them fixed. That was probably last week, most of the resolutions—

Senator RICE: No, the stage 4 lockdowns only just started this week.

Mr Atkinson: Oh, yes.

Senator RICE: They would be actions that you've taken in the last two days.

Mr Hallinan: The critical point here is that when a jurisdiction makes changes to their biosecurity arrangements and border controls, if there isn't enough time for industry to respond to those changes then there can be delays and there can be difficulties. The last time we saw that was around a week ago, and that was in response to some changes made in both New South Wales and South Australia on their border controls. We acted pretty quickly to facilitate support to fix those issues with industry and with those jurisdictions.

Separately, we've been facilitating the development of protocols across the country for how to manage freight across borders in a COVID-safe fashion as well. They were agreed through a national cabinet process, and we're now working further with jurisdictions on implementation of those protocols.

Senator RICE: Are there different protocols from what there were previously, given that Melbourne has just moved into stage 4?

Mr Hallinan: The protocols that were agreed by national cabinet, I think on 24 July, remain as they were. At this stage we're working on how we can create a code that is standardised across the country to deal with those protocols. In that intervening period there were a couple of changes made by jurisdictions about their implementation of border controls. Again, that's the content area where we've intervened with the jurisdictions, with their relevant health departments and with the national health bodies—the AHPPC—to try to resolve the matters in a way that allows freight to flow.

Senator RICE: So have any changes had to be made because Melbourne has moved into stage 4?

Mr Hallinan: There have been no specific changes to the protocols from 24 July. The critical thing for us was to ensure that communications are flowing effectively across jurisdictions so that those stage 4 restrictions that are going into place in Victoria are well understood across other jurisdictions and any recommendations for the management of border restrictions across the country are understood before there is a decision taken in a jurisdiction.

Mr Atkinson: Mr Hallinan is talking about the cross-border protocols. Inside Victoria we did work with the Victorian government before the changes were put in place to make sure the exemptions were put into the stage 4 lockdown so that freight was exempt.

Senator RICE: So there are no changes in terms of freight flows because of the stage 4 lockdown, the same exemptions still apply?

Mr Atkinson: Yes, that's right.

Senator RICE: What planning have you done for the scenario where you do have a health issue at a workplace?

Mr Atkinson: The approach for locking down individual workplaces is a matter for the state health departments. I'm sure Professor Murphy would be able to speak about it. That's a health response.

Senator RICE: So you're not involved?

Mr Atkinson: No.

Senator RICE: Is there an interdepartmental group that is working on that, at both Commonwealth and State level, to take account of that?

Mr Atkinson: Absolutely.

Senator RICE: But you can't tell me anything about that?

Mr Atkinson: I'm not personally involved in the protocols and models for closing down businesses in lockdown. My participation generally with respect to working with the states and the others is to understand the likely health decisions and then working out what we would need to do to keep our freight systems and things operating in that environment.

Senator RICE: Can you tell me what you would need to do?

Mr Atkinson: In the case of them putting in place level 4 lockdowns, we would need to make sure that freight workers and their capacity to get to work, freight flows and all elements of the freight and logistics system are exempt from the level 4 lockdown. That was the work that we did with them.

Senator RICE: In making sure they are exempt, how do you ensure you are maintaining safety if you have an outbreak at that workplace? It can take a few days before you even know whether a worker has been exposed at a workplace.

Mr Atkinson: We're starting to get into the territory of what the state government does when they lock down individual businesses. I don't think I should speculate. It's the Department of Health's area.

Senator RICE: It's the Department of Health's area, but you're saying the exemptions mean freight is going to flow smoothly even if you do have a lockdown at a workplace because of somebody testing positive. Clearly there are implications on freight loads. You can't just say that, for the trucks and all the drivers, nothing needs to happen.

Mr Atkinson: I wasn't saying that at all. Mr Hallinan can talk a little bit about how industry reacts to these things.

Mr Hallinan: Industry will have in place COVID-safe plans which they work up in partnership with jurisdictions under the guidance of protocols delivered through AHPPC. Were a case to be identified in a freight or logistics hub, the local public health unit would work with that industry provider and put in place the arrangements in the COVID-safe plan that is in place there and make sure the right cleaning occurs and the right health advice is followed about which workers can and can't continue working and who is in self-isolation and who has not been a contact. At that stage, it becomes a very closely controlled matter through the public health units of the states. But it is well beyond our bailiwick to explain the detail there.

Senator RICE: If it is impacting upon which workers can and can't continue working, how do you make sure you maintain the freight flows?

Are you confident that there are going to be enough drivers that can take over and substitute for other drivers? What planning have you done to ensure that?

Mr Atkinson: I think we're getting a little hypothetical now.

Senator RICE: It's not hypothetical; it's forward planning and strategic planning for these scenarios which are potentially going to arise.

Mr Atkinson: In terms of the individual exemptions and freight flows to allow things not to be closed down by the level-4 restrictions, which was your original question, we do have all the things in place that would stop the impacts and allow freight to flow. If in various scenarios which are hypothetical significant numbers of the workforce contracted COVID-19, that would have impacts that we would have to deal with.

Senator RICE: Right, but you haven't planned for those?

CHAIR: You've got a couple of minutes left before I have to—

Senator RICE: Thanks, Chair.

Mr Hallinan: Those COVID-safe plans are intended to mitigate that risk. There are safe work practices and ways of working in which the risk of transmission is reduced. The industry has treated it pretty seriously. And there are testing protocols as well.

Senator RICE: Can you tell me more about that code that you're working on and what that covers?

Ms Hall: As the secretary said, on 24 July we issued a protocol for domestic border controls and freight movements, but that protocol covered heavy vehicle drivers over 4.5 GVN, rail crew and other support workers. It covered issues with regard to managing the risk.

Senator RICE: I'm sorry; I've only got limited time. So this is the protocol. I was asking about the code, which I understand is separate from the protocol.

Ms Hall: The protocol, however, set out the arrangements for what we were going to do to manage risks, like how a heavy vehicle driver should present if they have symptoms, testing requirements, contact tracing, what they had to do to ensure that they had minimal close personal contact as they were travelling, requirements to have COVID business plans and things like that. The purpose of the code is then to put in place the actual requirements through the state jurisdictions public health orders and emergency management plans. We're also looking at how the jurisdictions can support the industry with regard to undertaking those things. For example, if a jurisdiction were looking at requiring through either voluntary or mandatory regimes any sort of COVID testing, we would look at a way the jurisdiction could support that through, say, pop-up facilities in a safe and easy environment for the drivers to do that where they're not necessarily mixing with other, symptomatic people.

Senator RICE: Is that code completed?

Mr Hallinan: The code is in the final stages of development.

Senator RICE: When is it likely to be completed then?

Mr Hallinan: It's anticipated to be considered by national cabinet quite soon, but we can't identify a specific date until they've made the judgement.

Senator RICE: Okay. Finally in this section, is the department doing any work on any impacts of the lockdowns on food supply, particularly for people who are in lockdown?

Mr Atkinson: The National Coordination Mechanism is actually doing the food supply piece of the supply chain. That's in the Department of Home Affairs.

Senator RICE: So you're not engaged at all?

Mr Atkinson: We're engaged in it. There are many interdepartmental committees going on that look at all of these issues to make sure all the various elements of the supply chain continue to work and that the people who have the levers that can assist it are all pulling in the same direction.

CHAIR: Can we have a list of those IDCs that the department is involved in?

Mr Atkinson: Yes.

CHAIR: Yes, it's an easy one. I'm not trying to trick you.

Mr Atkinson: The reason is that very frequently an IDC gets called once to resolve an issue that's happened.

CHAIR: It sounds like there are a lot of the ones that you were referring to that are meeting around supply chains. I don't want the ones that are around for one day. Give me the ones that—

Mr Atkinson: So this is just about the National Coordination Mechanism stuff.

CHAIR: Exactly.

Senator Rice, I've been very generous. A final question, and then I'll go to Senator Davey.

Senator RICE: Okay. The question is whether the department is part of that work in their IDC. Are they working on the disruption to vulnerable households such as people living in regional or remote areas or on low incomes.

Mr Atkinson: Certainly we've been involved in work on ensuring supply chains—particularly supermarket supply chains—to regional areas and also to low-income areas. We also worked with the NCC when those issues started to happen with respect to run on the supermarkets and those sorts of things. So we were certainly part of that.

Senator RICE: Can you table what work you've done to ensure that those supply chains are going to be maintained?

CHAIR: So you'd like a brief with some information on what they've done there?

Senator RICE: Exactly.

Mr Atkinson: You asked what IDCs we participated in. We participated in IDCs, but that was the National Coordination Mechanism, and Home Affairs would be the right people to tell you what was done.

Senator RICE: Okay, thank you.

CHAIR: Fair enough. Senator Davey.

Senator DAVEY: I want to come back to the protocols we've got for cross-border freight. You said the domestic border protocols were announced on 24 July, and Ms Hall mentioned working with the jurisdictions to involve their support in case there are issues with mandatory testing. My understanding from reports to my office is that South Australia has brought in mandatory testing for truck drivers, requiring them to get tested once every seven days. I believe New South Wales has not made it mandatory yet but is recommending it. Can you cover off what consultations the federal department has had on that and how we are supporting those cross-border issues?

Ms Hall: Yes, I think South Australia did last week introduce mandatory testing every seven days. That was one of the issues that Mr Hallinan referred to. The way that we are supporting them through the development of the code is to try to work out where those mandatory tests can be best placed. For example, early last week there were some issues with regard to some of those tests being required as they went over the border, which was leading to some delays in the movement of the trucks across the border. We've been working with South Australia to look at options, as has the National Heavy Vehicle Regulator, to see if we can put up some of those pop-up tests in facilities that are probably more conducive to those trucks being able to stop. We are looking at areas such as rest stops and things like that and are also looking at and working with the states to see if they can make the timing of those truck stops and testing facilities such that they are available and open for longer hours as well so they are more along the route of the truck driver and they don't actually have to stop and delay as much.

Senator DAVEY: What sort of certification is required to prove that they've had those tests? One case that we had was that the truck driver had had a test and was advised that it was negative but did not actually get a certificate that says, 'I've got a negative test.' What documentation do they have to provide at the border to prove they've had a test and that they can carry on their way?

Ms Hall: At the moment, it's different in every jurisdiction. For example, in Western Australia they have a G2G app that can have that information available. For other truck drivers it's a text or a photograph of the information that they've got, and they show that when they're pulled over.

Senator DAVEY: Are there conversations ongoing to try to develop a nationally consistent process so that our long-haul truck drivers don't have five different systems?

Ms Hall: Yes, that's exactly what we're looking at through the code. The protocol indicated those things. Now we're working with the jurisdictions to try to give that effect through the code, so that's where we're heading.

Senator DAVEY: Thank you. I have a few questions on aviation as well, in light of some of the questions from Senator Keneally. There are a couple of things I wanted to pick up on there. On the Regional Airline Network Support Program, Senator Keneally quite rightly identified that Rex got \$54 million. How many airlines did that package actually help? Rex was not the only successful airline to get funding out of that.

Mr Wood: Could I just clarify: you asked about the Regional Airline Network Support Program, but I think the questioning actually related to the Regional Airlines Funding Assistance Program. The network's package is about actually supporting the operation of services rather than the financial assistance package, which supports last-ditch funding to maintain solvency. If it's under that second package, the financial assistance package, there are 11 airlines in total that have been approved for funding under that. Regional Express has been mentioned; it's the largest and it is indeed the largest regional airline. It's been approved for up to approximately \$54 million in funding, of which just over \$42 million has been paid. Then there are 11 other airlines, as I say, with funding amounts varying from \$40,000 up to around \$8 million.

Senator DAVEY: In most of the cases, is it true to say that these airlines are the only airlines servicing a lot of these regional and rural and remote locations?

Mr Atkinson: Yes.

Senator DAVEY: Are they providing services beyond passengers services?

Mr Wood: It varies. Some of them are predominantly passenger services, although they may carry a little bit of freight, whereas there are a number of services that are essentially supported because they are providing essential services, including aeromedical services, amongst other things.

Senator DAVEY: Do you have any line of sight as to how many locations this funding package has kept connected through this program?

Mr Atkinson: That one actually is the RANS package which creates the regional linkages. Sorry, I know it's confusing. It is more than 100 locations that have maintained basic connectivity.

Mr Wood: It's currently supporting 15 airlines to provide 272 services a week to 120 ports, of which 111 are in regional Australia. The RAFA package, the financial assistance package, would be supporting additional services. As I mentioned, it's supporting some of those smaller charter essential services providers which are often operating in very remote parts of the country where you don't normally get regular public transport services.

Senator DAVEY: Do you have an indication of how many of those 120 ports are single service ports where you don't get a choice of service provider; it's only the one?

Mr Atkinson: At the moment, I would suggest all of them or the vast majority.

Mr Wood: There are a number where there's competition, particularly in some of the larger regional centres in coastal Queensland, for example. Cairns and places such as that have more than one provider. I don't have a number—we can take that on notice—but there are a reasonable number of locations in the inland of Australia in particular which have only one operator and indeed have always had only one operator or typically have had only one operator.

Senator DAVEY: So it would be right to say that this funding has essentially ensured connectivity for those regions that would have been lost due to COVID but for the intervention?

Mr Wood: Absolutely. That's the intent of the program, and we believe it's been successful. Certainly, those services are continuing to operate and have continued to operate through the COVID downturn, at a time when many of the airlines had indicated that they were ceasing services and, in some cases, had ceased services.

Senator DAVEY: Specifically on Rex, Senator Keneally was asking about Rex's intention to expand its services post-COVID onto the more mainstream trunk routes. I was under the impression that Rex had specifically said that none of this funding would go towards that expansion. Am I right in interpreting what you said before: that you've actually investigated that to make sure that that is the case and that this funding will not go towards that expansion?

Mr Atkinson: Yes.

Senator DAVEY: That's very important to clarify. I will turn to the Domestic Aviation Network Support program. We had Qantas before us a couple of weeks ago and they informed the committee at the time that their domestic aviation was operating at 20 to 25 per cent of traditional capacity. Have we got any indication of what role the Domestic Aviation Network Support program had in ensuring that we were maintaining a level of service across even our mainstream trunk routes?

Mr Atkinson: It has been a journey. At a point when the original closures came into place, the network all but shut down and DANS and RANS were introduced to create that network. In the absence of it, we would have moved to a period of effectively no aviation connectivity. With RANS and DANS in place, I think we managed to restore—and it is purely basic connectivity—around three per cent of what the pre-COVID activity would have been and, when Qantas were talking about 20 to 25 per cent, that's in the pre-Victorian outbreak space. Things were coming back: we were seeing a rebound; COVID-safe travel was enabled; protocols were out there; people were booking. Things were coming back. Based on what's happened since, I suspect those numbers have dropped significantly, and we've had to expand DANS back into trunk routes that we had tapered out of because they had been commercially viable. So we've moved back again to relying on our regional and domestic aviation networks as a floor that's creating basic connectivity.

Senator DAVEY: That's vitally important also for the movement of freight around the country, isn't it?

Mr Atkinson: Freight, key personnel, medical supplies—those sorts of things. It's very important.

Senator DAVEY: In their statement, Qantas also raised how important the early relief package of waiving fees, fuel excise and air service charges was. That helped them keep operational. In light of this second wave, is there any indication of how long this support is going to continue?

Mr Atkinson: That support is currently extended out to the end of the year. As I said earlier, we are keeping a very close watch on the industry and we'll be continuing to provide advice into government as things evolve. The government has already extended these supports once and, hopefully, if things come back, I think we can remove supports because we're having a successful recovery of the aviation sector. But eight weeks ago we didn't know that we were going to have an outbreak, so we're working very closely with industry and we're very focused on making sure that we have an aviation sector that can maintain connectivity for Australians and can recover out the other side.

Senator DAVEY: In terms of freight, you mentioned medical supplies and key personnel. It was really important through the domestic aviation network and, I would say also, the regional aviation network. Did that include transporting the PPE that has been so vital for people dealing with this outbreak?

Mr Atkinson: I'd have to take the specifics on notice, but I'd be relatively certain that PPE was being moved around in freight.

Senator DAVEY: I've had a bit of correspondence, and I'm sure my colleagues have probably had similar correspondence, concerning aviation rescue firefighting services and safety concerns due to the newly grounded fleet around Australia and the potential risk of that issue. Is this something the department is aware of? Are you working with stakeholders to address the concerns?

Mr Atkinson: Yes, we're aware of that issue. Airservices Australia's funding was restored through a direct appropriation—they were previously funded by industry levies—to ensure that Airservices Australia has sufficient funding to undertake its regulatory and statutory function, including firefighting. Airservices Australia is complying with those safety requirements, particularly in respect of firefighting services.

Senator DAVEY: Correspondence I have received indicates that a level of staff specifically engaged in the rescue and firefighting services have been stood down. Is your understanding that we have got full capacity to deal with any crisis or emergency that may arise?

Mr Atkinson: Yes. We've had conversations with Airservices. They have capacity to deal with any emergency that would come through.

CHAIR: Senator Davy, do you have any more?

Senator DAVEY: No, thank you.

Mr Atkinson: Senator, may I make a correction of something that I said earlier today?

CHAIR: Sure.

Mr Atkinson: My apologies, at the start—when we were trying to find numbers—I gave a number for the expenditure to date for the DANS, the domestic service, that was only a subset of the expenditure. You asked for the expenditure to 30 June. The correct number is \$91.9 million.

CHAIR: That's the one you gave me that was \$12 million?

Mr Atkinson: Yes.

CHAIR: I thought it was a bit low.

Mr Atkinson: Yes, quite a bit low. And the RAFA to 30 June was actually \$292.3.

CHAIR: Which was the \$250 million that was given to me before?

Mr Atkinson: Sorry. It was a subset of the thing in my brief.

CHAIR: Sure. What may help there, and acknowledging we had a lot of numbers flying around, is if we can perhaps get a consolidated list profiled across the forwards? That might clarify all of that. Thank you, that was actually one of my follow-up questions. Just to finish off where we had that discussion about excluded workers from JobKeeper—this is a separate question—has the department looked at the impact of losing, say, a business like dnata and what impact it would have on the airline industry more broadly? Have you done any work on that? What did you find?

Mr Atkinson: The aviation support services, much like the airlines themselves, are in a critical part of the system—airports fall into this category as well. The measures that we put in place to continue activity continue cash flow all through the system. At the moment we have all parts of the system in place, and dnata is continuing to provide its services in baggage handling, et cetera, as are the other suppliers.

CHAIR: In a reduced capacity?

Mr Atkinson: In a reduced capacity, just as the airlines are in a reduced capacity and the airports are in a reduced capacity, yes.

CHAIR: Presumably that can't go on forever. Some elements of the industry are getting more support than others at this point in time. So dnata is not getting any financial support from the government, is it, or does it get something through some of these packages?

Mr Atkinson: It will get flow-on revenue from—

CHAIR: From the planes flying, say, under the domestic flying—

Mr Atkinson: We contract a flight under DANS and they will then get contracted to provide baggage services into that. So they will get their revenue from—

CHAIR: Have you done any planning on the impact of having some of those support services fail, in your scenario planning going forward?

Mr Atkinson: It's quite a hypothetical question, if dnata stopped providing services—

CHAIR: Have you done any scenario planning to understand what impact that would have, if you lost a key part of the aviation industry through insolvency or inability to continue to function?

Mr Atkinson: The issue is that the scenario you're talking about isn't just one thing. Your question is about if dnata were to downsize its capacity and partially pull out of Australia, but you're talking about one element of the aviation system. We look at all elements—

CHAIR: Have you done analysis on the impact of the downturn in the aviation industry? I imagine you do some risk analysis of various scenarios: what things could fail, what things are being supported and where you need to intervene. Have you done that work to understand what those risks are, and has it highlighted any areas which need further support from the government?

Mr Atkinson: The answer is that we've provided advice to cabinet on the aviation system. Cabinet has made decisions about support mechanisms and sector based support. Can I just speak in general terms?

CHAIR: Yes.

Mr Atkinson: If you're after what would happen—

CHAIR: At the moment, everything is getting linked to cabinet. I'm asking you about the work the department has done in understanding the industry that you're responsible for.

Mr Atkinson: We advise cabinet on what they should do, and that's what this work does.

CHAIR: Yes, I get that. I've run a government; I get how the cabinet process works. But I also get that departments, in themselves, are accountable to the parliament. We are acting as the Senate, and we are asking for information.

Mr Atkinson: Can I speak generally about the system?

CHAIR: You have control over how you speak and what you say. In a sense, I'm in your hands. But we would like as much information as you can provide to us.

Mr Atkinson: You asked whether a business needs support. Whether a business needs support or not has a great deal to do with the structure of its market—what the competition environment looks like, what the workforce looks like, what its balance sheet looks like, what its equity ownership structures are and the capacity for them to put in more capital. In the case of dnata, they're wholly owned by Emirates, who are actually owned by the Emirates bank. They have an extremely deep balance sheet, so I would suspect their capacity to put cash in—and I haven't done a detailed analysis of this—is very high.

CHAIR: So you're not worried about them failing through the COVID pandemic? That's essentially what I draw from that.

Mr Atkinson: What I'm focused on is making sure that we have the aviation market structures in place post COVID so that we can reinflate the market, and that requires all of the structures to be in place. If we had reason to believe that a part of that system was not going to be there, we would be worried.

CHAIR: And you would advise the government accordingly?

Mr Atkinson: Yes.

CHAIR: Okay. That's perhaps as far as we're going to get there. Can I go back to the more direct questions—I think there was one of those packages we didn't get to, the relief and recovery fund. I think you have departmental responsibility for it, but it seems to have payments going out into a number of different departments or agencies.

Mr Atkinson: Yes.

CHAIR: So you're the lead and the money comes to you?

Mr Atkinson: We're the lead agency. The money is then distributed. It's a fund that has a federation of programs and measures that go underneath it, and the money is administered by the relevant department. For instance, the regional airlines element that was agreed under the fund came to us and was administered by the aviation part, but export market development and grant reimbursements went to Trade, and I believe fisheries went to Agriculture.

CHAIR: And national parks?

Mr Atkinson: National parks went to Agriculture.

CHAIR: That's because we don't have an environment department any more, do we; it's in Agriculture.

Mr Atkinson: It's the Department of Agriculture, Water and the Environment.

CHAIR: And the Great Barrier Reef Marine Park Authority is an agency on its own, isn't it?

Mr Atkinson: That went into the Department of Agriculture, Water and the Environment.

CHAIR: They got a fair chunk of it?

Mr Atkinson: They were relatively small numbers, if that makes sense.

CHAIR: The Department of the Treasury got some. What did they get it for? Do you know, or do I have to ask them?

Mr Atkinson: We should be able to tell you if Treasury got some. I don't have any from Treasury. Ms Purvis-Smith, am I missing something?

Ms Purvis-Smith: No.

CHAIR: I'm just looking at the table from the fiscal and economic update, which has Treasury receiving some of the money. I'm sure it's in the notes somewhere.

Mr Atkinson: Usually that's when infrastructure payments are made through the Treasury to the states.

CHAIR: So it might be on its way through the door.

Mr Atkinson: I suspect it's administration payments.

CHAIR: It says in the financial update that it was part of the \$1 billion.

Mr Atkinson: Ms Purvis-Smith just confirmed that it was a payment through the Treasury.

CHAIR: To the states?

Mr Atkinson: I'm not sure who to.

Ms Purvis-Smith: I'm not sure who it's to, but it looks as though it's a related payment, because it has the ATO there as well. We can follow that up for you if you like.

CHAIR: That's okay. We can ask the Treasury when they come in. As I said, they're usually pretty good in the notes. So it's a \$1 billion fund. Operationally, for the committee's benefit—that money comes to you and you administer it out, or does it never come to you?

Mr Atkinson: I'll have a go at answering, and Ms Purvis-Smith can correct me if I'm wrong. The appropriation framework for this has the decision-making minister making decisions under the legislation that directs the appropriation to the particular outcome in the particular portfolio.

Ms Purvis-Smith: That is correct. I believe you might be looking at the measure description. The way it's been described there is that any unallocated money has been allocated against this department, but the secretary's is exactly right: the way the legislation has been set up is as a special appropriation. Each department is responsible for administering its measure and its initiative. They receive the money. We don't administer it and then give it to them.

CHAIR: You don't have any monitoring or evaluation role on any of the submeasures that come under this fund?

Ms Purvis-Smith: We have a general monitoring and administration role. We go out and seek information from departments, at a very high level, but each department is responsible for the detailed implementation and administration.

CHAIR: So, if I wanted to know how the \$94.6 million to support zoos and aquariums to meet the cost of animal care was going and whether all or part of that money has been provided, I would be better off asking the responsible agency?

Ms Purvis-Smith: That's correct.

CHAIR: Apart from the aviation one, are there any under this fund that are your responsibility?

Mr Atkinson: Yes. We have a series of arts and creative industries pieces.

CHAIR: Are they in the relief and recovery fund?

Mr Atkinson: Some were funded out of that fund, yes.

CHAIR: How much?

Mr Atkinson: There was \$27 million for support for Indigenous arts centres, Support Act and crisis relief for regional artists and arts workers.

CHAIR: So \$27 million, out of about \$580 million all up, has come to you. Is that right?

Mr Atkinson: No, it's—

CHAIR: I've got \$105.9 million in 2019-20 and \$473.8 million in 2021.

Mr Atkinson: It's slightly complicated with the way they've reported the appropriations. There is an unallocated element, which has been allocated against our budget line.

CHAIR: Say that to me again. I gave you \$580 million over two years. That's got an unallocated component in it, does it?

Mr Atkinson: Yes.

CHAIR: So it's a decision taken, but not announced?

Mr Atkinson: I think it's not even a decision taken. The full billion hasn't been allocated.

CHAIR: You gave me the figure of \$380 million, I think.

Mr Atkinson: I'm just doing the maths here. It's about \$325 million of allocated. So it's \$100 million against regional airlines—that's RAFA—\$198 million against RANS and \$27 million for arts and creative.

CHAIR: So of that \$105.9 million that was profiled to go in 2019-20, did all of that go, or did you roll over some of it? Do you want to come back to me on that?

Mr Atkinson: I'll try to answer it now, if that's okay. The numbers are: under Regional Airlines Funding Assistance, \$53.4 million; under RANS, \$24.3 million; and under arts, \$23.5 million.

CHAIR: So it's pretty close to the \$105 million.

Ms Purvis-Smith: We can double check that for you against the \$105 million.

Mr Atkinson: Would you like us to give you the spend to 30 June in that table we talked about?

CHAIR: Yes, that would be good. I'm just wanting to know—and maybe you can answer this in the table too, because I'm not sure I got an answer completely and we moved so quickly to running down—whether the \$564 million for aviation support was all acquitted in 2019-20 as well. We may have answered that, but I can't recall.

Mr Atkinson: I agreed to take that on notice in the table.

CHAIR: Okay. I just want to make sure I asked, so that I didn't have to go back. Just on all the local council funding that you're doing—the local roads, community infrastructure and the road safety one—there's between \$530 million and \$550 million, I think, for councils. Norfolk Island is part of my constituency. I was talking with people from Norfolk Island yesterday. Are they eligible for any of these funds, at all? They've got a local council there and some roads that need fixing.

Mr Atkinson: The answer is: yes, they're eligible, in the same proportion of their roads to recovery allocation that they get.

CHAIR: Thank you. I will get back to them on that, because we weren't sure. Just on the arts package, too, I think last time we had the department here—my apologies, when I said that the department hadn't been before us, I think parts of your department had, the arts part. When we were having a discussion—

Mr Atkinson: Mr Arnott was the person, who is here.

CHAIR: Sorry to—

Mr Arnott: That's okay.

CHAIR: It was an important hearing, and we did appreciate your attendance. We had a talk about the guidelines and the eligibility criteria and how that was going to roll out. Could you give the committee an update on that?

Mr Arnott: We've been progressing those guidelines and criteria since I met with you on 30 June. They're obviously significantly advanced since that time, and we expect that they'll be finalised shortly. I think I indicated to you last time that it would be weeks and not months, and we're still in the weeks period.

CHAIR: Sort of—we're in the second month, aren't we? This was announced on 25 June.

Mr Arnott: Yes.

CHAIR: 'Shortly' is a term quite often used by bureaucrats when they're trying to avoid telling us when something's going to happen—

Mr Arnott: I'm not trying to avoid telling you. I don't have an exact time frame. And, as you know, that's ultimately a matter for the minister to decide.

CHAIR: But have you finished your work? This is coming up a lot. We've got a lot of people in the arts sector—

Mr Arnott: I understand.

CHAIR: desperate to understand how this is going to operate and when the money will flow. Are you able to give any indication? Last time we spoke, I think you said you were going to go through a process of developing the guidelines. Has that been done?

Mr Arnott: Yes.

CHAIR: So you've finished your work and it's with the minister?

Mr Arnott: Well, we never quite finish our work, but it's certainly well advanced.

CHAIR: Have you provided it to the minister?

Mr Arnott: Yes.

CHAIR: Okay. So it's been provided to the minister, and we'll no doubt hear about things shortly. I presume there's nothing more you're in a position to tell me about how the guidelines would operate—with the eligibility criteria and things like that?

Mr Arnott: Not further to what I said last time. Obviously that's up to the decision of the minister, in the end.

Mr Atkinson: We think these are imminent.

CHAIR: Imminent! Yes, I remember.

Mr Atkinson: I know that's going out on a limb, for a public servant!

CHAIR: I understand the position you're in. We understand it's with the minister. Is the expectation that we will see money flowing in—again, this is hard for you to answer. I'm trying to ask this in a different way. The money is due to flow in the second half of the year, isn't it?

Mr Arnott: Yes.

CHAIR: In the first quarter? Would that be your intention?

Mr Arnott: I think I gave you broad timing last time. From the time the programs open, we would expect eight to twelve weeks in terms of receiving applications, assessing applications, providing advice to the minister and decisions being announced. The timing will be articulated in the guidelines.

CHAIR: So that includes the publication, advertising, time to put your applications in, review of applications, decisions and money flow. That's an eight- to 12-week timetable?

Mr Arnott: Subject to a number of variables.

CHAIR: Sure. Okay.

Senator HANSON-YOUNG: First of all, I want to ask about the waiving of the commercial broadcasting tax for 12 months from February 2020. This is part of the COVID response and is providing commercial television and radio broadcasters an estimated \$41 million worth of tax relief. In addition to this, of course, there was the relaxing of the local content obligation. When we will see a review of that decision?

Mr Windeyer: The decision to waive the \$41 million tax was a decision made for a 12-month period. So the intention would be, at this stage, that it would revert back—

Senator HANSON-YOUNG: In February 2021?

Mr Windeyer: It is, in effect, yes. It's complicated because the point at which the commercial broadcasters pay that tax varies. They don't all pay on the same date, but in effect it gave 12 months relief to each of the broadcasters.

Senator HANSON-YOUNG: And how about the relaxation of the local content quotas?

Mr Windeyer: That again was a decision made with respect to one year, I think with the intention that a decision about whether that would continue for another year would be made before the end of 2020.

Senator HANSON-YOUNG: And that is currently relaxed up until when, then, if it's a 12-month process?

Mr Windeyer: It's a relaxation of quota requirements for 2020.

Senator HANSON-YOUNG: The calendar year 2020?

Mr Windeyer: That's right.

Senator HANSON-YOUNG: So it will either be reinstated as of 1 Jan 2021 or if the government implements another relaxation and extends that?

Mr Windeyer: That's right.

Senator HANSON-YOUNG: I'm wondering if there has been any response as yet to the call from the Small Business and Family Enterprise Ombudsman in relation to this, who called yesterday for those quotas to be reinstated? Has the government given a response to the small business ombudsman?

Mr Windeyer: I'm not aware of a particular response directly to the small business ombudsman. I think the position the government has adopted on the quotas is clear and obviously there's the intention to make a decision before the end of the year about what status or form the quotas should be going forward. That sort of consideration is being undertaken and considered, but I don't think there's been any specific response to the small business ombudsman.

Senator HANSON-YOUNG: In relation to the measure outlined in that \$250 million package and the Temporary Interruption Fund and the \$50 million effectively insurance underwriting, where is that up to? Are there guidelines for that at this point?

Mr Arnott: Again, it's sort of on the same track as the other programs. We're in advanced stages in terms of finalisation of those guidelines.

Senator HANSON-YOUNG: That Temporary Interruption Fund is specifically for those projects that were interrupted because of COVID-19.

Mr Arnott: It's to assist domestic screen production restarting in a COVID safe way in the current environment.

Senator HANSON-YOUNG: Yes. There's a number of productions underway here in South Australia and they don't have any access to this fund at this point. For how long are they going to have to wait?

Mr Arnott: Again, as Mr Atkinson said before, we expect this to be imminent.

Senator HANSON-YOUNG: In the overall budget update given by the Prime Minister and the Treasurer a couple of weeks ago, it said the government will provide \$676.8 million over nine years from 2019-20, including the \$240.5 million over four years from 2024-25. What is that \$240 million going to go towards? We don't have the details of that.

Mr Arnott: The make-up of the approximately \$676 million, if we're talking about the creative economy measures, is \$250, or close to, which is made up of the \$75 million RISE Fund, the \$50 million of the Temporary Interruption Fund, the \$35 million of the Sustainability Fund and the \$90 million of the show starter loan. On top of that, there's \$400 million for the Location Incentive program, to incentivise screen production in Australia, and then there's the \$27 million allocated from the relief and recovery fund.

Senator HANSON-YOUNG: That \$250 million is going to be spread over nine years?

Mr Atkinson: No. The \$250 million is all allocated in 2020-21. The reason it's spread out so long is because of the Location Incentive Program, which goes out to 2027.

Senator HANSON-YOUNG: So it's the \$400 that gets spread out over nine years?

Mr Arnott: Yes.

Senator HANSON-YOUNG: So the \$250 million includes those programs, which I know you and I have talked about in a previous hearing—and we are still waiting for the detail on how these things are going to be implemented. I hope that, by the time we have our next conversation, we'll have a bit more flesh on the bone. This \$250 million is to be spent over four years?

Mr Arnott: No, that's just to be spent in 2020-21.

Senator HANSON-YOUNG: So over the next 12 months?

Mr Arnott: Correct.

Senator HANSON-YOUNG: You said to Senator Gallagher that we're still waiting for the criteria for the grant funds. Is there anything in that package where the money has rolled yet?

Mr Arnott: The funding from the Relief and Recovery Fund, the \$27 million—\$23.5 million of that has been paid to the recipient organisations. But the decision on the \$250 million was only announced on 25 June, so we haven't yet had an opportunity to put in place arrangements to make payments under those elements.

Senator HANSON-YOUNG: Has some of the money from the Regional and Small Publishers Jobs and Innovation Package been spent?

Mr Windeyer: Off the top of my head, I couldn't tell you precisely when the doors have gone out the door on that one. I'm happy to take that on notice.

Senator HANSON-YOUNG: Are you able to tell us the successful grantees in the Regional and Small Publishers Jobs and Innovation Package?

Mr Windeyer: To the extent that decisions have been made, the recipients that are known. I can get you a list of those.

CHAIR: Senator Hanson-Young, if you're sharing your time fifty-fifty, we're past that point now.

Senator HANSON-YOUNG: I'll put some questions on notice in relation to that fund. You've already agreed to take some things on notice. I'll put together a list for you.

Mr Windeyer: Certainly.

CHAIR: Thank you. Senator Rice.

Senator RICE: I will continue with some questions about the various transport grant funds that we were talking about earlier with Senator Keneally in the chair. Firstly, I want to clarify that, in addition to these funding streams, \$1.3 million in financial assistance grants for local government has been brought forward. That's the case, isn't it?

Mr Atkinson: Yes.

Senator RICE: Those financial assistance grants have only been brought forward, they are not additional funding?

Mr Atkinson: They are not additional across the forward estimates but they are additional in this year.

Senator RICE: Does that mean there is going to be a subsequent dip in the financial assistance grants in future years?

Mr Atkinson: It would depend on whether there is another bring-forward.

Senator RICE: But at this stage it's just been brought forward from the future years in the forwards?

Mr Atkinson: Yes.

Senator RICE: So there would be a dip unless there is further allocation in the budget?

Mr Atkinson: Yes, Senator.

Senator RICE: For all of these grant schemes, can you tell me what the criteria were for how decisions were made about how much money to put into each pot? What were the various criteria for making decisions as to which projects were funded?

Mr Atkinson: The actual shape of the package was a decision of government through ERC processes. In terms of the local government funding, it's an allocation based on the Roads to Recovery allocations, which are mathematically based, if that makes sense.

Senator RICE: I'll move onto those but, just generally, there were these four different streams, of which the Sydney Metro and Western Sydney had \$1.75 billion of the \$500 billion—the shovel-ready figure being a billion dollars. How were the decisions made? Were there criteria that the government used to decide where to put these buckets of money?

Mr Atkinson: These were based on the projects that the states had brought forward when we'd asked them. It's stimulus and they're things that can be shovel ready in the next six months. It's based on the input from the states of what could be achieved.

Senator RICE: Presumably, there were more projects put forward than there was funding made available?

Mr Smith: Yes, that's right. I should also add that we consulted quite widely with the local councils. The Deputy Prime Minister wrote, earlier in the year, seeking their views and input into potential projects that could be brought forward.

Senator RICE: You then had all of these projects. How did the Commonwealth decide which of them to fund? Were there criteria like how many jobs each project was going to deliver, money being spent in the short term, value for money, or other criteria, like impact on reducing our energy use? Were there any formal criteria that were used?

Mr Smith: We just used the normal processes. What we were looking at, particularly with these, was shovel ready, short term, geographic spread and ability to deliver within the time frames. So it was focusing on making sure that we were spreading the delivery mechanisms and making sure that there was a bit of a focus on keeping jobs and attracting new jobs in local areas.

Senator RICE: Has there been a jobs analysis done for each of the projects?

Mr Smith: We read out earlier the potential jobs that we thought would come from the projects. I think it was, in aggregate, up to 25,000 jobs.

Senator RICE: Was that based on an analysis per project or was that just a high-level estimate?

Mr Smith: It was a high-level estimate but based on normal rules of thumb for the types of projects that we're talking about.

Senator RICE: You talked about one of the criteria being shovel ready—getting the projects underway—but you also said that the Sydney Metro project is at very early stages, and we haven't got business case as yet. How does that fit into those criteria?

Mr Smith: We're forecasting that we'll spend—and I read out the forecast expenditure earlier—\$700 million worth of expenditure this financial year. There are a lot of preparatory works that need to take place before you start laying down steel, and that's part of that expenditure.

Senator RICE: Have you done a jobs analysis of that in terms of the projects that are being funded? That's a big chunk of the money in terms of how many jobs are going to come from investing that level of money.

Mr Smith: The Western Sydney Airport rail link will support 14,000 jobs over the life of the project.

Senator RICE: I'm talking about in the immediate term, given the economic stimulus to deal with COVID and post COVID.

Mr Smith: I don't have the breakdown year by year for that project.

Senator RICE: I would appreciate it if you could you provide on notice whatever information you've got, in as much granular detail as you've got, of the jobs per project.

Mr Smith: Yes.

Senator RICE: For the local roads and community infrastructure projects for local government, you've said that they've been funded in a way that's similar to how the Roads to Recovery program and the road component of the Financial Assistance Grant work. What does that mean in practice?

Mr Atkinson: In practice, it means that each council gets an allocation, and it's consistent with their Roads to Recovery formula. They submit projects that are compliant into the system, then those projects get agreed administratively, and the councils have their allocation. So long as they spend it on a complying activity, then they get the funding for it.

Senator RICE: Is it exactly the same thing as Roads to Recovery, or is it similar? How does it differ?

Mr Atkinson: Roads to Recovery money can only be spent on roads, so we've included the capacity to do some things on community infrastructure, which expands the labour pool that can participate in it.

Senator RICE: So that's the only difference?

Mr Atkinson: I'll check. There's a minor difference—

Mr Smith: There's also a minor difference in that some states have unincorporated areas, and some states have a particular planning agency that's responsible for expending money across local areas. What we've done is work with those areas to allocate the money to the best area for those. So there are very, very minor differences.

Senator RICE: What were the criteria for the \$1 billion shovel-ready projects? I'm sure that you were oversubscribed with projects that were potentially shovel-ready. How was it decided which of those to fund?

Mr Smith: We liaised very closely with the states and got a raft of projects with time frames and jobs associated with it, and we worked with them to prioritise what we thought could be delivered and done. We put that forward to government, and government made decisions.

Senator RICE: Were there any other criteria considered in terms of reducing energy use or shifting more people to public transport rather than energy-intensive, carbon-intensive roads?

Mr Smith: The focus was on stimulating jobs.

Senator RICE: Right. So that was the No. 1 criterion?

Mr Smith: Yes.

Senator RICE: Were there any other criteria?

Mr Smith: That was the main criterion.

Senator RICE: On the Local Roads and Community Infrastructure Program, you said that you've got applications or funding proposals back from—

Mr Atkinson: We have allocations.

Senator RICE: Allocations—for most local governments?

Mr Atkinson: Yes.

Senator RICE: Have you got any data on how the councils are using the funding? What is the total proportion that is being spent on projects like road repair and maintenance compared with bike paths, walking infrastructure and other community infrastructure?

Mr Smith: I would need to take the detail of that on notice. But, from earlier looks, there are a mix of roads: cycle paths, pedestrian ways and signalling. There are a raft of projects. We can take that on notice.

Senator RICE: Finally, I'm interested in what proportion is being spent on bike and walking infrastructure, given that we know there's been a massive increase in bike riding since the pandemic began. Has the government done any work on comparing the value of investing in bike and walking paths in terms of employment, health, climate, mental health and wellbeing compared with investments on road upgrades?

Mr Smith: We haven't done any detailed analysis, but certainly bike and cycle paths are eligible for the local council funding.

Senator RICE: But you haven't provided any specific additional funding—it's basically up to the councils to decide if that's where they want to spend it?

Mr Smith: Yes, that's correct. Again, the focus was that we wanted to make sure they were going to be delivered and get the jobs out there.

Senator KENEALLY: I want to follow up on what's been happening since that \$9 million announcement in December to build community confidence in 5G safety. This is, of course, because we've seen rumours and theories across social media, the internet and the community regarding 5G and its relationship to coronavirus—even, I believe, on *Four Corners*. Can you give us any indication of what the department has done with that money since then in relation to project time frame and outputs, project partners, milestones and progress to date?

Mr Windeyer: I can give you a bit of a summary, but I'm happy to provide a more detailed indication of exactly where things are on notice. The announcement of the funding, in a sense, flows in a number of directions and is associated with a number of agencies, ourselves and ARPANSA probably being the two primary parts of it. It covers things that include some communications and community outreach and support, as well as ongoing funding for research. That is undertaken and looked after through the Department of Health and ARPANSA.

The other thing to note is that there were activities associated with electromagnetic emissions and health concerns prior to that \$9 million announcement, and so there has been activity that has continued. The Australian Communications and Media Authority's website has had a number of fact sheets and information added to it in recent times, as has the department's website. Material has been made available from the Department of Health directly on the question of 5G and coronavirus. Looking forward, the department is doing some work to better understand this; doing some research around community attitudes, therefore giving us a basis to see if we can better target and focus the type of information that the community might need to help it understand the situation with respect to 5G and, in a sense, to understand the situation with respect to EME generally. Obviously, as you know, the potential concern is about the emissions and not about the technology, as it were.

Senator KENEALLY: Sure. It might be useful if you take that information you just indicated on notice. I appreciate that.

Mr Windeyer: I'm happy to.

Senator KENEALLY: Has the coronavirus epidemic impacted on this work?

Mr Windeyer: I think the impact of the coronavirus on the work has been that it added the issue of the concerns that people have raised about 5G spreading the coronavirus. I think that's really the biggest impact on the work. It hasn't affected—

Mr Atkinson: And just to be clear: there is no evidence for that.

Mr Windeyer: That's correct. It hasn't affected the ongoing activities of the agencies which look after publishing information and undertaking research with respect to the health impacts of EME.

Senator KENEALLY: Okay. Chair, I'm happy to leave that there. I've agreed to take answers on notice.

CHAIR: Sure. I only have a few questions to go too. Are there any further questions from Senator Davey or Senator Rice?

Senator RICE: I have some if there's time, but it's fine if there isn't.

CHAIR: I shouldn't ask a Green whether they have more questions; they always have more questions! Dumb question from the Chair! I have a couple relating to the issue of the Boston Consulting Group's report—the

Boston Consulting Group's review of Australia Post. My questions aren't about the matters that have been subject to the public interest immunity claim, but can you answer whether the full Boston Consulting Group report went to cabinet or was it parts of the report?

Mr Windeyer: I'd have to check, and probably check with my colleagues in the Department of Finance, just to give you a correct answer on that. I think that—

CHAIR: Does Finance have carriage of this?

Mr Windeyer: It's a joint exercise.

CHAIR: Because it was prepared for the shareholders?

Mr Windeyer: That's correct. They were the ones that, in a sense, led the contract piece of work with BCG. I wouldn't want to speculate for you. I'll come back to you on that.

CHAIR: So will we get a joint answer from both departments to this, or will we get—

Mr Windeyer: You'll get an answer that would be the same answer you would get from Finance if you asked them. I just want to make sure it's accurate for you.

CHAIR: My questions are: Why was cabinet deliberating on the BCG report? Why was it core material if it was prepared before COVID-19 when the discussions of cabinet were around the relief that was being sought for COVID-19? Did the full report go to cabinet, or was it parts of the report? Will you take those on notice?

Mr Windeyer: Yes.

CHAIR: The next question I have is: did the Boston Consulting Group report go to cabinet as part of deliberations on the request of the CEO of Australia Post in the 31 March letter around needing relief for COVID-19?

Mr Windeyer: Not in that context. I think the Boston Consulting Group report was commissioned and undertaken in an earlier period with a broader remit, as it were, rather than being something prepared specifically around the COVID impacts on Australia Post.

CHAIR: But it was considered at that same time?

Mr Atkinson: My recollection was it was commissioned by cabinet to come back to cabinet for consideration, and it came back in its normal scheduled time. That just happened to be in COVID-19.

CHAIR: So they were considered at the same time?

Mr Windeyer: I think that's correct.

CHAIR: So they were considered at the same time despite being commissioned prior to—

Mr Windeyer: Let me check on that for you.

CHAIR: We know it went to cabinet and was considered, because that's what the claim has been made against.

Mr Atkinson: That's my recollection.

CHAIR: So is it a coincidence that—

Mr Windeyer: I just want to get the sequencing right. There is a coincidence here about the work of the Boston Consulting Group report and the government's decisions in relation to COVID, but it was as Mr Atkinson said—the Boston report was commissioned considerably earlier with the intention of being considered by cabinet in the normal course, which was worked through well before COVID was being considered.

CHAIR: If we could have an answer on notice—

Mr Windeyer: Yes, I just want to get the sequencing right for you.

CHAIR: Fair enough. I think there has also been a claim of public interest immunity on that letter from the 31st. Can you advise the committee on whether there were several scenarios about the financial impact of COVID-19 on Australia Post outlined in that letter? I'm not asking what the scenarios were; I'm just asking whether there were scenarios.

Mr Windeyer: That letter covered a range of things. I can't remember off the top of my head whether they was described as scenarios. The letter certainly canvassed possible impacts of COVID on Australia Post, noting that it was trying to make forecasts of the possible implications on Australia Post. I'm happy to come back to you on notice—

CHAIR: It sounds like scenarios to me!

Mr Windeyer: I just can't remember whether it was put down as, 'Here's a scenario 1 or scenario 2.' I'm happy to confirm that for you.

CHAIR: I want to make it clear: it's not asking for the content or the scenarios, but whether there were scenarios.

Mr Windeyer: Understood.

Senator RICE: I wanted to go to issues regarding the Virgin restructure with Virgin's recent announcement on what they are going to be doing. I'm wondering what the Commonwealth's engagement is from here on and whether there's going to be any further Commonwealth support for the restructured Virgin.

Mr Atkinson: In terms of the ongoing supports, as we've explained, the domestic aviation support package goes through until 30 September and will provide procurement of services, including from Virgin, and have significant funding for Virgin associated with it. We will continue to work with the airlines and the airports in particular across all of these measures on the shape of the recovery of the aviation market, and stay engaged with it to ensure that we have a successful outcome in a post-COVID environment.

The government made decisions for the first eight weeks, and then three months, and has rolled over further decisions and shown a willingness to make decisions as things evolve in COVID-19, because things have evolved in a different way to the way we thought. As I said earlier, last time we came to the committee we thought that COVID would be relatively under control and that people would be able to undertake significant domestic travel again, which would have significantly supported the airlines. That was Qantas's advice; they were giving evidence that over 20 per cent of their previous bookings were coming through. That was the world that we hoped we would be living in now, with a reinflating of the aviation industry. We didn't predict the Victorian outbreak, which has significantly impacted the whole sector again. We've had a rollover of the measures until the end of September and the end of December respectively. We'll be monitoring the situation, and I will be hopeful and working with them in terms of putting in place COVID-safe protocols and working with the tourist industry to try and make sure that people can travel in a COVID-safe way and that we can reinflate the aviation market to be commercially viable as soon as possible.

Senator RICE: Being aware of the fact that, yes, we are in a very fluid environment and we can't predict exactly how COVID is going to continue unrolling, what are the department's current expectations of the time lines for recovery? What are you currently working on? Having done that rolling over of the various support packages until September and December, you must have some time lines that you're currently working on.

Mr Atkinson: My time line was that we should be in pretty good shape now.

Senator RICE: Yes, but that's not the case, sadly!

Mr Atkinson: No; it just makes me reluctant to pull out my crystal ball. My hope would be that, if we can resolve the Victorian health issues and reopen things in six weeks to eight weeks, we will start again from that point on the rebuilding process of confidence and tourism. I think there is pent-up demand for domestic travel—once people feel that they can do it safely. We did see that with Qantas's reopening and people jumping into the system to try and, in some cases, get out of the house. I believe there are Australians who want to travel, and when we can get into a situation where we can do it in a COVID-safe way, and when people are confident and we can redirect them into the domestic tourism market to take the place of international tourists, I think we will have a very significant, positive impact on tourism, aviation and regional economies—particularly those narrow based economies that were very reliant on tourism.

Senator RICE: So, without using a crystal ball, you're currently hoping that that is going to occur from, say, the beginning of October. That's your six to eight weeks.

Mr Atkinson: Well—

Senator RICE: That's what you just said.

CHAIR: I think Mr Atkinson is a bit reluctant, in a world of uncertainty, to try to—

Mr Atkinson: I'm always an optimist, and I hope!

Senator RICE: But, recognising the uncertainties, that's the current hope.

Mr Atkinson: Certainly on the health side. There is also the macroeconomic impact, which will be hard to take into account.

CHAIR: Senator Rice, I think that is a pretty good spot to land this hearing today. Thank you very much, Mr Atkinson and your team, for attending this afternoon and assisting the committee with the work that it has been asked to do by the Senate. This concludes today's proceedings of the committee's inquiry into the Australian

government's response to the COVID-19 pandemic. I thank officers of the department for giving evidence to the committee today. Officers are reminded that answers to questions taken on notice are due in 10 working days.

Committee adjourned at 15:59